

**Chesapeake Energy
Corporation Defers Tender
Offer for Outstanding Shares
Of Canaan Energy Corporation
Pending Discussions With
Canaan Management**

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Chesapeake Energy Corporation today announced that it has deferred the commencement of the \$12.00 per share cash tender offer for all of the outstanding shares of Canaan Energy Corporation common stock. Chesapeake had announced on March 11, 2001 its intention to commence the tender offer within the next few days. Chesapeake's action was based upon the representations of senior management of Canaan of their willingness to engage in good faith discussions with Chesapeake management regarding the offer in the near future together with the request by Canaan management that Chesapeake delay commencement of the tender offer until after the discussions.

Aubrey K. McClendon, President and Chief Executive Officer of Chesapeake stated, "We remain committed to take our fair and full offer to the shareholders of Canaan and are pleased that Canaan's management and advisors have agreed to meet with us on this issue." McClendon cautioned, however, that Chesapeake may at any time commence or modify its proposed tender offer for Canaan shares, or terminate its tender offer plans.

On March 11, 2001, Chesapeake delivered to the board of directors of Canaan its \$12.00 per share cash offer, which represents an aggregate purchase price for the common stock on a fully diluted basis of approximately \$55 million plus the assumption of Canaan's debt, which was approximately \$42 million as of December 31, 2001. The price offered by Chesapeake represents a 31% premium over the closing price of \$9.15 on March 11, 2002, the last day prior to the announcement of Chesapeake's intent to commence a tender offer, and a 58% premium over Canaan's closing stock price of \$7.60 on November 26, 2001, the last trading day before Canaan's public announcement of Chesapeake's interest in acquiring Canaan.

ABOUT CANAAN

Canaan is an independent oil and gas exploration and production company headquartered in Oklahoma City, Oklahoma. Canaan's Internet address is <http://www.canaanenergy.com/>.

ABOUT CHESAPEAKE

Chesapeake is among the 10 largest independent natural gas producers in the U.S. Headquartered in Oklahoma City, Chesapeake's operations are focused on exploratory and developmental drilling and producing property acquisitions in the Mid-Continent region of the United States, where it is the second largest producer of natural gas.

Chesapeake's Internet address is <http://www.chkenergy.com/> .

This press release is neither an offer to purchase nor a solicitation of an offer to sell securities. The tender offer will be made only through an offer to purchase and the related letter of transmittal. Investors and security holders are strongly advised to read the tender offer statement regarding the tender offer referred to in this press release because it will contain important information. The tender offer statement will be filed today by Chesapeake with the Securities and Exchange Commission (SEC). Investors and security holders may obtain a free copy of the tender offer statement and other relevant documents on the SEC's web site at: <http://www.sec.gov/> . The tender offer statement and related materials may also be obtained for free by directing such requests to Chesapeake at 405-879-9182.

In connection with Chesapeake seeking Canaan shareholder approval of a combination of Chesapeake and Canaan or election of directors nominated by Chesapeake or under the "control shares" provisions of the Oklahoma General Corporation Act to ensure that Canaan shares acquired by Chesapeake will not lose their voting rights, Chesapeake may also file preliminary and definitive proxy statements and other solicitation materials with the SEC relating to Chesapeake's solicitation of proxies from the stockholders of Canaan. If filed, investors and security holders are strongly advised to read the definitive proxy statement, if and when it becomes available, because it will contain important information. If filed, investors and security holders can obtain a free copy of the proxy statement (when it is available) and other relevant documents on the SEC's web site at: <http://www.sec.gov/> . The proxy statement and related materials may also be obtained for free, when filed and available, by directing such requests to Chesapeake at 405-879-9182.

In addition, the identity of persons who, under SEC rules, may be considered "participants in the solicitation" of Canaan stockholders in connection with the proposed transactions, and any description of their direct or indirect interests by security holdings or otherwise, will be contained in a filing under Schedule 14A that will be made today by Chesapeake with the SEC.

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SOURCE: Chesapeake Energy Corporation

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

Company News On-Call: <http://www.prnewswire.com/comp/138877.html>

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