

**SemGroup, Gaviion and  
Chesapeake Energy  
Corporation Announce New  
Pipeline and Storage Company  
to Meet Growing Demand for  
Midstream Services**

TULSA, Okla.--(BUSINESS WIRE)--Feb. 21, 2012-- SemGroup® Corporation (NYSE:SEMG), Gaviion Midstream Energy, LLC, a subsidiary of The Gaviion Group, LLC; and an affiliate of Chesapeake Energy Corporation (NYSE:CHK) today announced plans to form a joint venture that will construct a 210-mile pipeline in western and north central Oklahoma which will deliver crude oil to a 1-million-barrel storage facility in Cushing, Oklahoma. The pipeline and storage facility will meet growing midstream requirements resulting from the burgeoning drilling activity in western Oklahoma and the Mississippi Lime play.

The pipeline will consist of two laterals, one originating near the town of Alva in Woods County, Oklahoma, and the other near the town of Arnett in Ellis County, Oklahoma. The laterals will intersect near Cleo Springs in Major County, Oklahoma, where the pipeline will increase in diameter and continue east to storage at Cushing. The pipeline will have an initial capacity of 140,000 barrels per day, and following the addition of more horsepower, a maximum operating capacity of 180,000 barrels per day. Construction of the pipeline is planned to begin in July 2012, and it is expected to be in service in the third quarter of 2013.

"This project will happen because of a spirit of cooperation among the three companies who each have unique capabilities. Together, we are leveraging these capabilities to solve a significant and growing crude oil transportation constraint in the state of Oklahoma," said Norm Szydlowski, chief executive officer of SemGroup Corporation. "SemGroup brings the capability to design, construct and operate crude oil pipeline and storage; Gaviion has the financial strength and risk management capabilities to clear the barrels in the Cushing market; and Chesapeake is stepping up with a volume commitment from its vast acreage holdings and high-quality reserves to anchor the project. The formation of this new joint venture increases SemGroup's presence in an area with an increasing demand for midstream service we can provide."

"We are pleased to be expanding our portfolio of midstream assets with strong industry partners," explained Tom Ramsey, chief operating officer of Energy at Gaviion. "New crude oil discoveries in the U.S. necessitate additional infrastructure and supply chain management expertise to serve producers and consumers, which has been the focus of growth for Gaviion's energy segment."

"Strong crude prices continue to provide attractive economics for producers in these plays," said Mike Stice, senior vice president of Chesapeake Energy Corporation. "We are excited about this expansion and working with SemGroup and Gaviion to accommodate the increase in production. This pipeline will further improve the upstream economics of Chesapeake Energy Corporation by providing a lower-cost

transportation alternative to move production from the field to downstream markets at the Cushing interchange, and will provide the same economic advantage to other producers in these drilling plays.”

### **About SemGroup**

Based in Tulsa, Oklahoma, SemGroup® Corporation is a publicly traded midstream service company providing the energy industry the means to move products from the wellhead to the wholesale marketplace. SemGroup provides diversified services for end users and consumers of crude oil, natural gas, natural gas liquids, refined products and asphalt. Services include purchasing, selling, processing, transporting, terminalling and storing energy.

*SemGroup®, is a registered trademark of SemGroup Corporation.*

### **About Gavilon Midstream Energy, LLC**

Gavilon Midstream Energy, LLC is a subsidiary of The Gavilon Group, LLC. The Gavilon Group is a leading commodity management firm, connecting producers and consumers of feed, food and fuel through its global supply chain network. Gavilon leverages its strategic partnerships and more than 300 facilities and regional offices worldwide to link agricultural and energy supply with demand. The company provides origination, storage and handling, transportation and logistics, marketing and distribution, and risk management services to tens of thousands of customers each year. Headquartered in Omaha, Nebraska, Gavilon employs 2,000 people around the world and is ranked America’s nineteenth largest private company by Forbes. For more information, please visit [www.gavilon.com](http://www.gavilon.com).

### **About Chesapeake Energy Corporation**

Chesapeake Energy Corporation (NYSE:CHK) is the second-largest producer of natural gas, a Top 15 producer of oil and natural gas liquids and the most active driller of new wells in the U.S. Headquartered in Oklahoma City, the company's operations are focused on discovering and developing unconventional natural gas and oil fields onshore in the U.S. Chesapeake owns leading positions in the Barnett, Haynesville, Bossier, Marcellus and Pearsall natural gas shale plays and in the Granite Wash, Cleveland, Tonkawa, Mississippi Lime, Bone Spring, Avalon, Wolfcamp, Wolfberry, Eagle Ford, Niobrara, Three Forks/Bakken and Utica unconventional liquids plays. The company has also vertically integrated its operations and owns substantial midstream, compression, drilling, trucking, pressure pumping and other oilfield service assets directly and indirectly through its subsidiaries Chesapeake Midstream Development, L.P. and Chesapeake Oilfield Services, L.L.C. and its affiliate Chesapeake Midstream Partners, L.P. (NYSE:CHKM). Further information is available at [www.chk.com](http://www.chk.com) where Chesapeake routinely posts announcements, updates, events, investor information, presentations and news releases.

### **Forward-Looking Statements**

Certain matters contained in this Press Release include “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. We make these forward-looking statements in reliance on the safe harbor protections provided under the Private Securities Litigation Reform Act of 1995.

All statements, other than statements of historical fact, included in this Press Release including the prospects of our industry, our anticipated financial performance, management's plans and objectives for future operations, business prospects, outcome of regulatory proceedings, market conditions and other matters, may constitute forward-looking statements. Although we believe that the expectations reflected in these forward-looking statements are reasonable, we cannot assure you that these expectations will prove to be correct. These forward-looking statements are subject to certain known and unknown risks and uncertainties, as well as assumptions that could cause actual results to differ materially from those reflected in these forward-looking statements. Factors that might cause actual results to differ include, but are not limited to, our ability to comply with the covenants contained in and maintain certain financial ratios required by our credit facilities; the possibility that our hedging activities may result in losses or may have a negative impact on our financial results; any sustained reduction in demand for the petroleum products we gather, transport, process and store; our ability to obtain new sources of supply of petroleum products; our failure to comply with new or existing environmental laws or regulations or cross border laws or regulations; the possibility that the construction or acquisition of new assets may not result in the corresponding anticipated revenue increases; any future impairment to goodwill resulting from the loss of customers or business; changes in currency exchange rates; and the risks and uncertainties of doing business outside of the U.S., including political and economic instability and changes in local governmental laws, regulations and policies, as well as other risk factors discussed from time to time in each of our documents and reports filed with the SEC.

Readers are cautioned not to place undue reliance on any forward-looking statements contained in this Press Release, which reflect management's opinions only as of the date hereof. Except as required by law, we undertake no obligation to revise or publicly release the results of any revision to any forward-looking statements.

Source: SemGroup Corporation and Gavilon Midstream Energy, LLC and Chesapeake Energy Corporation

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