
KKR and Chesapeake Energy Corporation Form Partnership to Invest in Mineral Interests and Overriding Royalty Interests

HOUSTON--(BUSINESS WIRE)--Mar. 6, 2012-- Kohlberg Kravis Roberts & Co L.P. (together with its affiliates, "KKR") and Chesapeake Energy Corporation ("Chesapeake") (NYSE:CHK) today announced the formation of a partnership to invest in mineral interests and overriding royalty interests (together, "royalties") in key oil and gas basins in the United States.

"Chesapeake has been the world's leading discoverer and developer of oil and gas shale plays, which are revolutionizing energy exploration worldwide. We hope that today's partnership is just the beginning; we have long admired Aubrey and the Chesapeake team and we look forward to broadening our relationship over the years ahead," said Marc Lipschultz, Head of KKR's Global Energy & Infrastructure business.

Under the terms of the arrangement, KKR and Chesapeake will make an initial combined \$250 million commitment to the partnership. Chesapeake will contribute 10% of the total commitment and will receive a promoted ownership in the partnership. KKR and Chesapeake will jointly oversee the partnership while Chesapeake will source, acquire and manage the royalty investment opportunities.

"Driven predominantly by the recent advancements in unconventional oil and gas technology, we continue to see attractive opportunities to invest behind the domestic exploration and production of oil and gas. Royalties represent an important extension of this opportunity set and offer an attractive risk/reward for our investors in the current environment," said Robert Antablin, a Director at KKR who leads the firm's royalties investment strategy.

Aubrey K. McClendon, Chief Executive Officer of Chesapeake, said, "As the largest oil and gas leasehold owner and most active driller in the U.S., we are uniquely well positioned to leverage our operating footprint to pursue profitable and related business opportunities. We are delighted to partner with KKR, a leading investor and partner to the energy industry, to expand our royalty acquisition business. During the past 10 years, we have acquired approximately \$900 million in royalties, and now we look forward to accelerating the pace of our acquisition of royalties by combining our unparalleled acquisition skills and unique information base with KKR's capital and business structuring expertise."

KKR has been investing in the energy sector for more than 20 years, starting with its investment in Union Texas Petroleum in 1985. Acquiring royalties is just one of many ways KKR is investing behind the oil and gas industry. The KKR Global Energy & Infrastructure business invests across the entire energy supply chain and multiple asset classes. Recent examples include oil and gas investments such as the firm's acquisition of Samson Resources, one of the largest privately held oil and gas companies in the U.S., formation of the KKR Natural Resources platform, a partnership with Premier

Natural Resources to acquire producing oil and natural gas assets, and recently exited investments in East Resources and Hilcorp Resources. A complete list of KKR's energy investments is available on KKR.com.

KKR is making this investment through its affiliates and KKR Financial Holdings LLC.

ABOUT KKR

Founded in 1976 and led by Henry Kravis and George Roberts, KKR is a leading global investment firm with \$59.0 billion in assets under management as of December 31, 2011. With offices around the world, KKR manages assets through a variety of investment funds and accounts covering multiple asset classes. KKR seeks to create value by bringing operational expertise to its portfolio companies and through active oversight and monitoring of its investments. KKR complements its investment expertise and strengthens interactions with investors through its client relationships and capital markets platform. KKR is publicly traded on the New York Stock Exchange (NYSE: KKR). For additional information, please visit KKR's website at www.kkr.com.

ABOUT CHESAPEAKE

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 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 where Chesapeake routinely posts announcements, updates, events, investor information, presentations and news releases.

Photos/Multimedia Gallery Available: <http://www.businesswire.com/cgi-bin/mmg.cgi?eid=50193525&lang=en>

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