NEWS RELEASE

Chesapeake Energy Corporation Reports Financial and Operational Results for the 2014 First Quarter

OKLAHOMA CITY, May 7, 2014 – Chesapeake Energy Corporation (NYSE:CHK) today reported financial and operational results for the 2014 first quarter. Key information related to f the first quarter and the company's full-year 2014 Outlook is as follows:

- ***2014 first quarter adjusted net income per fully diluted share increases 97% to $0.59 from $0.30 in the 2013 first quarter***
- ***Adjusted ebitda increases 34% year over year to $1.5 billion***
- ***Average production of 675,200 boe per day increases 11% year over year, adjusted for 2013 asset sales***
- ***Total capital expenditures of $850 million decrease approximately 50% year over year***
- ***2014 full-year adjusted production growth outlook increased to 9 – 12% from 8 – 10%***
- ***2014 full-year operating cash flow outlook raised to $5.8 – $6.0 billion from $5.1 – $5.3 billion***

Doug Lawler, Chesapeake's Chief Executive Officer, commented, "This was an important and defining quarter for Chesapeake, as our competitive capital allocation, cost leadership and capital efficiency initiatives are driving tangible improvements in the company's growth profile and financial performance. We are raising our 2014 total production growth outlook on an adjusted basis to 9 – 12% to reflect higher-than-expected natural gas liquids volumes. Additionally, we are raising the midpoint of our 2014 operating cash flow outlook by $700 million, or 13%, due primarily to our increased production outlook, better-than-expected first quarter cash flow and an increase in our benchmark commodity price assumptions for the full year."

For the 2014 first quarter, Chesapeake reported net income available to common stockholders of $374 million, or $0.54 per fully diluted share. Items typically excluded by securities analysts in their earnings estimates reduced net income available to common stockholders for the 2014 first quarter by approximately $31 million on an after-tax basis. Adjusting for these items, 2014 first quarter net income available to common stockholders was $405 million, or $0.59 per fully diluted share, which compares to adjusted net income available to common stockholders of $183 million, or $0.30 per fully diluted share, in the 2013 first quarter. This increase is primarily the result of substantially higher year-over-year realized natural gas prices, higher oil and natural gas liquids (NGL) production and lower per unit production and general and administrative (G&A) expenses, partially offset by higher interest expense during the quarter.

Adjusted ebitda was $1.515 billion in the 2014 first quarter, an increase of 34% year over year. Operating cash flow, which is cash flow provided by operating activities before changes in assets and liabilities, was $1.614 billion in the 2014 first quarter, an increase of 37% year over year.

Adjusted net income available to common stockholders, operating cash flow, ebitda and adjusted ebitda are non-GAAP financial measures. Reconciliations of these measures to comparable financial measures calculated in accordance with generally accepted accounting principles are provided on pages 12 – 14 of this release.

2014 First Quarter Average Daily Production of 675 Mboe Increases 11% Year over Year, Adjusted for 2013 Asset Sales

Chesapeake’s daily production for the 2014 first quarter averaged 675,200 barrels of oil equivalent (boe), a year-over-year increase of 11%, adjusted for asset sales. Average daily production consisted of approximately 109,500 barrels (bbls) of oil, 84,200 bbls of NGL and 2.9 billion cubic feet (bcf) of natural gas. Chesapeake estimates that weather-related downtime adversely impacted its production during the 2014 first quarter by approximately 7,600 boe per day, predominantly in the Mid-Continent region. This production loss was within the range of Chesapeake's budgeted winter weather downtime, which was previously accounted for in the company's 2014 Outlook issued on February 6, 2014.

On an adjusted basis, 2014 first quarter average daily oil production increased 20% year over year, average daily NGL production increased 63% year over year and natural gas production increased 4% year over year.

Chesapeake Realizes Substantially Higher Natural Gas Prices during the 2014 First Quarter

Chesapeake's realized natural gas price increased to $3.27 per thousand cubic feet (mcf) during the 2014 first quarter from $1.90 per mcf in the 2013 fourth quarter, or approximately 72%. The increase was due to higher natural gas prices in general resulting from cold winter temperatures as well as Chesapeake's increased access to premium priced markets in the Northeast. More specifically, the company had firm natural gas transportation capacity commitments in place that enabled it to access the New York City market where natural gas prices during the 2014 first quarter traded at a substantial premium to NYMEX Henry Hub benchmark prices. As a result, Chesapeake's natural gas price differential on a companywide basis decreased to $1.08 per mcf in the 2014 first quarter from $1.76 per mcf in the 2013 fourth quarter.

Asset Sales Update

Chesapeake continues to pursue opportunities to high-grade its portfolio to focus on assets that best fit its strategy of profitable growth from captured resources. The company believes its targeted asset dispositions will be value-accretive and enable it to further reduce financial complexity and lower overall leverage.

During the 2014 first quarter the company received total proceeds of approximately $520 million from asset sales, including $209 million of net proceeds from the sale of its common equity ownership interest in Chaparral Energy, Inc.; $159 million from the sale of compression units to Access Midstream Partners, L.P. (NYSE:ACMP); and $152 million of net proceeds from the sale of real estate and other noncore assets. Additionally, Chesapeake received $362 million in April upon the closing of the previously announced sale of compression assets to Exterran Partners, L.P. (NASDAQ:EXLP). Along with proceeds from other miscellaneous asset sales, this brings year-to-date asset sale proceeds to more than $925 million. Chesapeake will provide an update on additional projected asset sales for the remainder of the year in conjunction with its Analyst Day on May 16.

On February 24, 2014, Chesapeake announced that it is pursuing strategic alternatives for its oilfield services division, Chesapeake Oilfield Services (COS), including a potential spin-off to Chesapeake shareholders or an outright sale. The company continues to evaluate both alternatives and will provide an update upon final determination of the path forward. Potential proceeds or dividend to Chesapeake upon the sale or spin-off of COS would be incremental to the anticipated asset sales detailed above.

Capital Spending and Cost Overview

Chesapeake's total capital expenditures in the 2014 first quarter were approximately $850 million, of which drilling and completion capital expenditures were approximately $729 million. The company invested cash of $882 million during the 2014 first quarter in drilling and completion activities, which was partially offset by lower-than-estimated drilling and completion costs and other adjustments, related to prior periods, of approximately $153 million. This level of expenditures represents a decrease of approximately $422 million, or 37%, compared to the 2013 fourth quarter. The sequential decrease is primarily the result of improving capital efficiencies and approximately 15% fewer well completions.

Net expenditures for the acquisition of unproved properties were approximately $24 million and other capital expenditures were approximately $97 million. In addition, the company purchased rigs and compressors previously sold under long-term lease arrangements for approximately $340 million as part of a strategic initiative to reduce complexity and future commitments as well as to facilitate asset sales and a possible spin-off or sale of COS.

Chesapeake spud a total of 299 gross wells and completed 234 gross wells during the 2014 first quarter, compared to 239 gross wells spud and 274 gross wells completed during the 2013 fourth quarter. Given expected increases in completion activity during the remainder of 2014, the company is reiterating its full-year capital expenditure guidance of $5.2 - $5.6 billion. Chesapeake plans to run a more balanced pace of drilling and completion operations in 2014 than it did 2013, when it substantially reduced its inventory of nonproducing wells.

Chesapeake's focus on cost leadership continues to generate reductions in production and G&A expenses. Average production expenses during the 2014 first quarter were $4.73 per boe, a decrease of 8% from the 2013 first quarter. G&A expenses (excluding share-based compensation and restructuring and other termination costs) during the 2014 first quarter were $1.09 per boe, a decrease of 27% from the 2013 first quarter. Interest expense (excluding unrealized gains or losses on interest rate derivatives) during the 2014 first quarter was $0.90 per boe, compared to $0.25 per boe in the 2013 first quarter, as the company capitalized a smaller percentage of its interest cost due to a decrease in the balance of its unevaluated natural gas and oil properties.

A complete summary of the company’s guidance for 2014 is provided in the Outlook dated May 7, 2014 attached to this release as Schedule "A” beginning on Page 15.

Operational Update – Key Assets

The company continues to achieve strong operational results and well-cost reductions in each of its most active plays.

Eagle Ford Shale (South Texas): Eagle Ford net production averaged approximately 88,000 boe per day (187,000 gross operated boe per day) during the 2014 first quarter. Adjusted for 2013 asset sales, this represents an increase of 26% year over year and 1% sequentially. First quarter production was adversely impacted by temporary downtime at gas gathering and processing facilities, operated and competitor offset activity-related shut-ins and weather-related activity reductions. These issues have moderated during April and May, and the company is projecting a higher sequential quarterly growth trajectory for Eagle Ford production during the remainder of the year. Approximately 64% of the company's Eagle Ford production in the 2014 first quarter was oil, 15% was NGL and 21% was natural gas.

Chesapeake operated an average of 18 rigs and connected 81 gross wells to sales during the 2014 first quarter in the Eagle Ford, compared to 12 average operated rigs and 65 gross wells connected to sales during the 2013 fourth quarter. The average peak production rate of the 81 wells that commenced first production in the Eagle Ford during the 2014 first quarter was approximately 885 boe per day.

As of March 31, 2014, Chesapeake had 945 producing wells and 114 wells awaiting pipeline connection or in various stages of completion in the Eagle Ford.

Mid-Continent (Oklahoma, Texas Panhandle, southern Kansas): Chesapeake's production in the Mid-Continent comes primarily from five plays: the Mississippi Lime, Granite Wash, Cleveland, Tonkawa and Hogshooter. Aggregate net production from these plays during the 2014 first quarter averaged 101,000 boe per day (177,000 gross operated boe per day). Adjusted for 2013 asset sales, Mid-Continent production increased 4% year over year and decreased 3% sequentially. The sequential production decrease compared to the 2013 fourth quarter was primarily driven by the impact of severe winter weather during the 2014 first quarter as well as fewer new well connections. Approximately 32% of the company's Mid-Continent production during the 2014 first quarter was oil, 24% was NGL and 44% was natural gas.

During the 2014 first quarter Chesapeake operated an average of 17 rigs and connected 52 gross wells to sales, compared to 17 average operated rigs and 70 gross wells connected to sales during the 2013 fourth quarter. The average peak production rate of the 52 wells that commenced first production in the Mid-Continent during the 2014 first quarter was approximately 925 boe per day.

As of March 31, 2014, the company had 42 wells awaiting pipeline connection or in various stages of completion in the Mid-Continent.

Utica Shale (Ohio, Pennsylvania, West Virginia): Utica net production averaged approximately 50,000 boe per day (90,000 gross operated boe per day) during the 2014 first quarter, an increase of 422% year over year and 59% sequentially from the 2013 fourth quarter. Approximately 10% of the company's Utica production during the 2014 first quarter was oil, 30% was NGL and 60% was natural gas.

During the 2014 first quarter Chesapeake operated an average of nine rigs and connected 47 gross wells to sales in the Utica, compared to nine average operated rigs and 49 gross wells connected to sales during the 2013 fourth quarter. The average peak production rate of the 47 wells that commenced first production in the Utica during the 2014 first quarter was approximately 1,180 boe per day.

As of March 31, 2014, Chesapeake had drilled a total of 485 wells in the Utica, which included 274 producing wells and 211 wells awaiting pipeline connection or in various stages of completion.

Haynesville Shale (Northwest Louisiana, East Texas): Chesapeake's 2014 first quarter average net production in the Haynesville was approximately 495 million cubic feet of natural gas equivalent (mmcfe) per day (780 gross operated mmcfe per day). Adjusted for 2013 asset sales, this represents a decrease of 41% year over year and 8% sequentially. Based on the company's current drilling program, net Haynesville production is expected to return to sequential growth in the 2014 third quarter. All of the company's production in the Haynesville consists of natural gas.

Average daily net production in this play was approximately 825 mmcfe per day (1,900 gross operated mmcfe per day), an increase of 53% year over year and 6% sequentially. All of Chesapeake's production in the northern Marcellus consists of natural gas.

During the 2014 first quarter Chesapeake operated an average of seven rigs and connected seven gross wells to sales, compared to four average operated rigs and 12 gross wells connected to sales during the 2013 fourth quarter. The company has achieved substantial drilling and completion cost reductions in the Haynesville. Most notably, two wells were drilled and completed during the 2014 first quarter for approximately $7 million each. The average peak production rate of the seven wells that commenced first production in the Haynesville during the 2014 first quarter was approximately 13.1 mmcfe per day.

As of March 31, 2014, Chesapeake had 14 wells awaiting pipeline connection or in various stages of completion in the Haynesville.

Northern Marcellus Shale (Pennsylvania): Chesapeake's production from the northern Marcellus continued to grow during the 2014 first quarter. Average net production in this play was approximately 910 mmcfe per day (2,180 gross operated mmcfe per day), an increase of 28% year over year and 3% sequentially. All of the company's production in the northern Marcellus consists of natural gas.

During the 2014 first quarter Chesapeake operated an average of five rigs and connected 22 gross wells to sales, compared to five average operated rigs and 33 gross wells connected to sales during the 2013 fourth quarter. The average peak production rate of the 22 wells that commenced first production in the northern Marcellus during the 2014 first quarter was approximately 10.9 mmcfe per day.

As of March 31, 2014, Chesapeake had 110 wells awaiting pipeline connection or in various stages of completion in the northern Marcellus.

Key Financial and Operational Results

The table below summarizes Chesapeake’s key financial and operational results during the 2014 first quarter and compares them to results in prior periods.

2014 First Quarter Financial and Operational Results Conference Call Information

A conference call to discuss this release has been scheduled for Wednesday, May 7, 2014, at 9:00 am EDT. The telephone number to access the conference call is **913-312-0823** or toll-free **877-627-6580**. The passcode for the call is **5839213**. We encourage those who would like to participate in the call to place calls between 8:50 and 9:00 am EDT. For those unable to participate in the conference call, a replay will be available for audio playback at 2:00 pm EDT on Wednesday, May 7, 2014, and will run through 2:00 pm EDT on Wednesday, May 21, 2014. The number to access the conference call replay is **719-457-0820** or toll-free **888-203-1112**. The passcode for the replay is **5588965**. The conference call will also be webcast live on Chesapeake’s website at www.chk.com in the "Events” subsection of the "Investors” section of the company’s website. The webcast of the conference will be available on the company’s website for one year.

Chesapeake Energy Corporation (NYSE:CHK) is the second-largest producer of natural gas and the 11th largest producer of oil and natural gas liquids in the U.S. Headquartered in Oklahoma City, the company's operations are focused on discovering and developing its large and geographically diverse resource base of unconventional natural gas and oil assets onshore in the U.S. The company also owns substantial marketing, compression and oilfield services businesses. Further information is available at www.chk.com ***where Chesapeake routinely posts announcements, updates, events, investor information, presentations and news releases.***

This news release and the accompanying Outlook include "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 that give our current expectations or forecasts of future events. They include production forecasts, estimates of operating costs, planned development drilling, expected capital expenditures, expected efficiency gains, anticipated asset sales and proceeds to be received therefrom, projected cash flow and liquidity, business strategy and other plans and objectives for future operations. 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 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 2013 annual report on Form 10-K filed with the U.S. Securities and Exchange Commission on February 27, 2014. These risk factors include the volatility of natural gas, oil and NGL prices; the limitations our level of indebtedness may have on our financial flexibility; declines in the prices of natural gas and oil potentially resulting in a write-down of our asset carrying values; the availability of capital on an economic basis, including through planned asset sales, to fund reserve replacement costs; our ability to replace reserves and sustain production; uncertainties inherent in estimating quantities of natural gas, oil 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; hedging activities resulting in lower prices realized on natural gas, oil and NGL sales; the need to secure hedging liabilities and the inability of hedging counterparties to satisfy their obligations; drilling and operating risks, including potential environmental liabilities; legislative and regulatory changes adversely affecting our industry and our business, including initiatives related to hydraulic fracturing, air emissions and endangered species; a deterioration in general economic, business or industry conditions having a material adverse effect on our results of operations, liquidity and financial condition; oilfield services shortages, gathering system and transportation capacity constraints and various transportation interruptions that could adversely affect our revenues and cash flow; adverse developments and losses in connection with pending or future litigation and regulatory investigations; cyber attacks adversely impacting our operations; and an interruption at our headquarters that adversely affects our business.

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. Further, the timing of and amount of proceeds from future asset sales, which are subject to changes in market conditions and other factors beyond our control, will affect our ability to further *reduce financial leverage and complexity. Any separation of COS is subject to satisfaction of several conditions, some of which are beyond our control, including market conditions, board approvals, consents, regulatory review and approvals, among others. There can be no assurance that the proposed separation will lead to a sale or spin-off or any other transaction, or that if any transaction is pursued, it will be consummated. We caution you not to place undue reliance on our forward-looking statements, which speak only as of the date of this news release, and we undertake no obligation to update any of the information provided in this release or the accompanying Outlook, except as required by applicable law.*

Natural Gas, Oil and NGL Hedging Activities

Chesapeake enters into natural gas, oil and NGL derivative transactions in order to mitigate a portion of its exposure to adverse changes in market prices. Please see the quarterly reports on Form 10-Q and annual reports on Form 10-K filed by Chesapeake with the SEC for detailed information about derivative instruments the company uses, its quarter-end and year-end derivative positions and accounting for natural gas, oil and NGL derivatives.

As of May 1, 2014, the company had downside protection on approximately 64% of its remaining projected 2014 natural gas production at an average price of $4.10 per mcf. Approximately 70% of the company's remaining projected 2014 oil production had downside protection at an average price of $94.32 per bbl.

The company’s natural gas hedging positions as of May 1, 2014 were as follows:

Source: Chesapeake Energy Corporation

Chesapeake Energy Corporation
Investor Contacts:
Gary T. Clark, CFA, 405-935-8870
ir@chk.com
or
Gordon Pennoyer, 405-935-8878
media@chk.com
