

FOR IMMEDIATE RELEASE
AUGUST 14, 2023

CHESAPEAKE ENERGY CORPORATION ANNOUNCES SALE OF FINAL EAGLE FORD PACKAGE FOR \$700 MILLION

Total Proceeds from Eagle Ford Exit to Top \$3.5 billion

OKLAHOMA CITY, August 14, 2023 – Chesapeake Energy Corporation (NASDAQ:CHK) today announced that it has executed an agreement to sell its remaining Eagle Ford assets to SilverBow Resources, Inc. (NYSE:SBOW) for \$700 million, bringing the total proceeds from its Eagle Ford exit to more than \$3.5 billion.

“We are pleased to have successfully completed the exit of our Eagle Ford asset, allowing us to focus our capital and team on the premium rock, returns and runway of our Marcellus and Haynesville positions,” said Chesapeake President and Chief Executive Officer Nick Dell’Osso. “I want to thank our employees who built a culture of safety and excellence, which made this a powerful and attractive asset.”

Chesapeake has agreed to sell approximately 42,000 net acres and approximately 540 wells in the condensate rich portion of its Eagle Ford asset located in Dimmit and Webb counties, along with related property, plant and equipment. During the second quarter of 2023, average net daily production from these properties was approximately 29,000 barrels of oil equivalent (boe) (60% liquid) which generated approximately \$50 million of EBITDAX. As of December 31, 2022, net proved reserves associated with these properties were approximately 124 million barrels of oil equivalent (mmboe).

Chesapeake expects the transaction will close, subject to certain regulatory approvals and consents, in 2023, with an effective transaction date of February 1, 2023. The company will receive \$650 million upon closing, subject to customary adjustments, with the final \$50 million installment paid one year from the closing date. SilverBow has also agreed to pay Chesapeake an additional contingent payment of \$25 million should oil prices average between \$75 and \$80 per barrel WTI NYMEX or \$50 million should WTI NYMEX prices average above \$80 during the year following the close of the transaction, which could increase total proceeds of the deal to \$750 million. Chesapeake anticipates the proceeds will be available to further strengthen its balance sheet and for its share repurchase program.

RBC Capital Markets, Citi, and Evercore are serving as financial advisors, Haynes and Boone, LLP is serving as legal advisor, and DrivePath Advisors is serving as communications advisor to Chesapeake.

Headquartered in Oklahoma City, Chesapeake Energy Corporation is powered by dedicated and innovative employees who are focused on discovering and responsibly developing leading positions in top U.S. oil and gas plays. With a goal to achieve net zero GHG emissions (Scope 1 and 2) by 2035, Chesapeake is committed to safely answering the call for affordable, reliable, lower carbon energy.

INVESTOR CONTACT:

Chris Ayres
(405) 935-8870
ir@chk.com

MEDIA CONTACT:

Brooke Coe
(405) 935-8878
media@chk.com

CHESAPEAKE ENERGY CORPORATION

6100 North Western Avenue
P.O. Box 18496
Oklahoma City, OK 73154

This news release includes “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. They include statements that give our current expectations, management’s outlook guidance or forecasts of future events, expected natural gas and oil growth trajectory, projected cash flow and liquidity, our ability to enhance our cash flow and financial flexibility, dividend plans, future production and commodity mix, plans and objectives for future operations, ESG initiatives, the ability of our employees, portfolio strength and operational leadership to create long-term value, and the assumptions on which such statements are based. Although we believe the expectations and forecasts reflected in our forward-looking statements are reasonable, they are inherently subject to numerous risks and uncertainties, most of which are difficult to predict and many of which are beyond our control. No assurance can be given that such forward-looking statements will be correct or achieved or that the assumptions are accurate or will not change over time.

Factors that could cause actual results to differ materially from expected results include those described under “Risk Factors” in Item 1A of our annual report on Form 10-K and any updates to those factors set forth in Chesapeake’s subsequent quarterly reports on Form 10-Q or current reports on Form 8-K (available at <http://www.chk.com/investors/sec-filings>). These risk factors include: the risk that we may not be able to successfully close the divestiture transaction with SilverBow; the volatility of oil, natural gas and NGL prices; the limitations our level of indebtedness may have on our financial flexibility; our inability to access the capital markets on favorable terms; the availability of cash flows from operations and other funds to fund cash dividends, to finance reserve replacement costs or satisfy our debt obligations; write-downs of our oil and natural gas asset carrying values due to low commodity prices; our ability to replace reserves and sustain production; uncertainties inherent in estimating quantities of oil, natural gas 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; commodity derivative activities resulting in lower prices realized on oil, natural gas and NGL sales; the need to secure derivative liabilities and the inability of counterparties to satisfy their obligations; adverse developments or losses from pending or future litigation and regulatory proceedings, including royalty claims; charges incurred in response to market conditions; drilling and operating risks and resulting liabilities; effects of environmental protection laws and regulations on our business; legislative and regulatory initiatives further regulating hydraulic fracturing; our need to secure adequate supplies of water for our drilling operations and to dispose of or recycle the water used; impacts of potential legislative and regulatory actions addressing climate change; federal and state tax proposals affecting our industry; potential OTC derivatives regulation limiting our ability to hedge against commodity price fluctuations; competition in the oil and gas exploration and production industry; a deterioration in general economic, business or industry conditions; negative public perceptions of our industry; limited control over properties we do not operate; pipeline and gathering system capacity constraints and transportation interruptions; terrorist activities and cyber-attacks adversely impacting our operations; and an interruption in operations at our headquarters due to a catastrophic event.

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. We caution you not to place undue reliance on our forward-looking statements that speak only as of the date of this news release, and we undertake no obligation to update any of the information provided in this news release, except as required by applicable law. In addition, this news release contains time-sensitive information that reflects management’s best judgment only as of the date of this news release.