2023
2Q EARNINGS

CHESAPEAKE ENERGY

AUGUST 1, 2023

Forward-Looking Statements

This presentation 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 (the “Exchange Act”). Forward-looking statements include our current expectations or forecasts of future events, including matters relating to the continuing effects of the impact of inflation and commodity price volatility resulting from Russia’s invasion of Ukraine, COVID-19 and related supply chain constraints, and the impact of each on our business, financial condition, results of operations and cash flows, the potential effects of the Plan on our operations, management, and employees, actions by, or disputes among or between, members of OPEC+ and other foreign oil-exporting countries, market factors, market prices, our ability to meet debt service requirements, our ability to continue to pay cash dividends, the amount and timing of any cash dividends, and our ESG initiatives. Forward-looking and other statements in this presentation regarding our environmental, social and other sustainability plans and goals are not an indication that these statements are necessarily material to investors or required to be disclosed in our filings with the SEC. In addition, historical, current, and forward-looking environmental, social and sustainability-related statements may be based on standards for measuring progress that are still developing, internal controls and processes that continue to evolve, and assumptions that are subject to change in the future. Forward-looking statements often address our expected future business, financial performance and financial condition, and often contain words such as "expect," “could,” “may,” "anticipate," "intend," "plan," “ability,” "believe," "seek," "see," "will," "would," “estimate,” “forecast,” "target," “guidance,” “outlook,” “opportunity” or “strategy.”

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. Particular uncertainties that could cause our actual results to be materially different than those expressed in our forward-looking statements include: the impact of inflation and commodity price volatility resulting from Russia’s invasion of Ukraine, COVID-19 and related labor and supply chain constraints, along with the effects of the current global economic environment, including impacts from higher interest rates and recent bank closures and liquidity concerns at certain financial institutions, on our business, financial condition, employees, contractors, vendors and the global demand for natural gas and oil and U.S. and on world financial markets; our ability to comply with the covenants under the credit agreement for our New Credit Facility and other indebtedness; risks related to acquisitions or dispositions, or potential acquisitions or dispositions; our ability to realize anticipated cash cost reductions; the volatility of natural gas, oil and NGL prices, which are affected by general economic and business conditions, as well as increased demand for (and availability of) alternative fuels and electric vehicles; a deterioration in general economic, business or industry conditions; 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 replace reserves and sustain production; drilling and operating risks and resulting liabilities; our ability to generate profits or achieve targeted results in drilling and well operations; the limitations our level of indebtedness may have on our financial flexibility; our ability to achieve and maintain ESG certifications, goals and commitments; our inability to access the capital markets on favorable terms; the availability of cash flows from operations and other funds to fund cash dividends and repurchases of equity securities, to finance reserve replacement costs and/or satisfy our debt obligations; write-downs of our natural gas and oil asset carrying values due to low commodity prices; charges incurred in response to market conditions; limited control over properties we do not operate; leasehold terms expiring before production can be established; commodity derivative activities resulting in lower prices realized on natural gas, oil and NGL sales; the need to secure derivative liabilities and the inability of counterparties to satisfy their obligations; potential OTC derivatives regulations limiting our ability to hedge against commodity price fluctuations; adverse developments or losses from pending or future litigation and regulatory proceedings, including royalty claims; our need to secure adequate supplies of water for our drilling operations and to dispose of or recycle the water used; pipeline and gathering system capacity constraints and transportation interruptions; legislative, regulatory and ESG initiatives, addressing environmental concerns, including initiatives addressing the impact of global climate change or further regulating hydraulic fracturing, methane emissions, flaring or water disposal; terrorist activities and/or cyber-attacks adversely impacting our operations; an interruption in operations at our headquarters due to a catastrophic event; federal and state tax proposals affecting our industry; competition in the natural gas and oil exploration and production industry; negative public perceptions of our industry; effects of purchase price adjustments and indemnity obligations; the ability to execute on our business strategy following emergence from bankruptcy; and other factors that are described under Risk Factors in Item 1A of our 2022 Form 10-K.

We caution you not to place undue reliance on the forward-looking statements contained in this presentation, which speak only as of the filing date, and we undertake no obligation to update this information. We urge you to carefully review and consider the disclosures in this presentation and our filings with the SEC that attempt to advise interested parties of the risks and factors that may affect our business.

2Q 2023 Highlights

Adjusted EBITDAX[1]
$524mm

Capital
$505mm
lower end of quarter guide

Cash balance
~$900mm
as of 6/30/23

Production
~3.7 bcfe/d
high end of quarter guide

Increased base dividend
~4.5% to
$0.575
per share per quarter;
to shareholders of record
on 8/17/23

Stock buybacks
~$125mm

Cash returned to shareholders
~$515mm
via dividends and buybacks
YTD through second quarter

Drilled fastest well in
CHK Marcellus history
<8 days
2,165' per day
(average spud to TD)

HOA for natural gas delivery and up to
1 mtpa
of liquefaction capacity at Lake Charles LNG
facility to support offtake HOA with Gunvor

Rating upgrades
Ba1 / BB+
from Moody's / Fitch

Net debt[1]-to-cap[1]
~10%
Net debt[1] / EBITDAX[1]
~0.3x

Marcellus RSG recertification
Grade A / A-
under MiQ / EO100™

Note: All values as of end of second quarter
(1) A non-GAAP measure as defined in the appendix

CHESAPEAKE ENERGY

Our Strategic Pillars Remain Unchanged

Superior Capital Returns
Most efficient operator, returning more cash to shareholders than domestic gas peers

Deep, Attractive Inventory
Premium rock, returns, runway with best-in-class execution

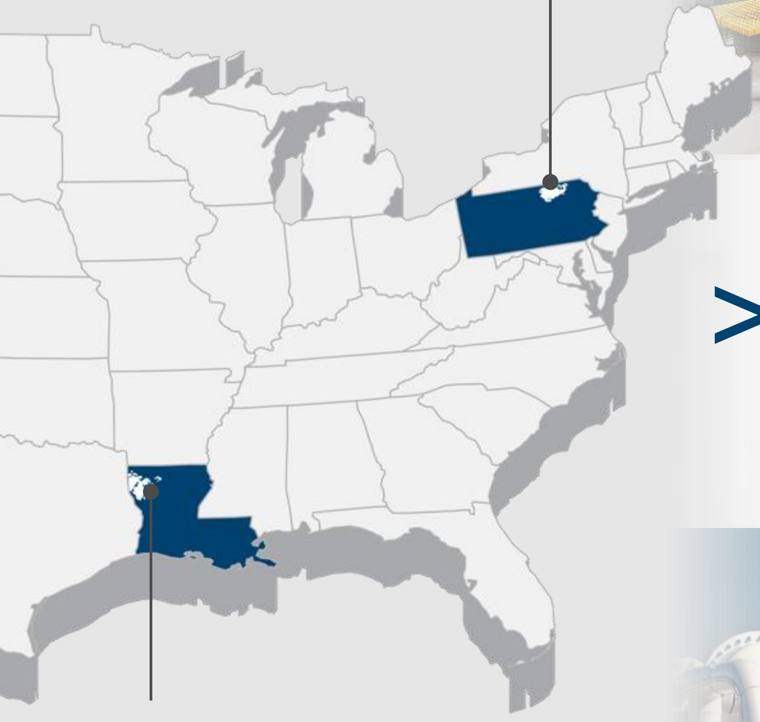
Premier Balance Sheet
Investment grade-quality balance sheet provides strategic through-cycle advantages

Sustainability Leadership
Consistent and measurable progress on our path to net zero

Advantaged Combination of Gas Scale and Quality

Marcellus

Reduces company volatility
Underpins return profile
Low capital intensity



>15 years

of inventory

Haynesville

LNG ready
Flexible growth
Delivering low-carbon solutions

Superior Portfolio Characteristics

Quality: Premium rock that delivers lowest cost of supply

Longevity: Deep inventory supporting returns for decades

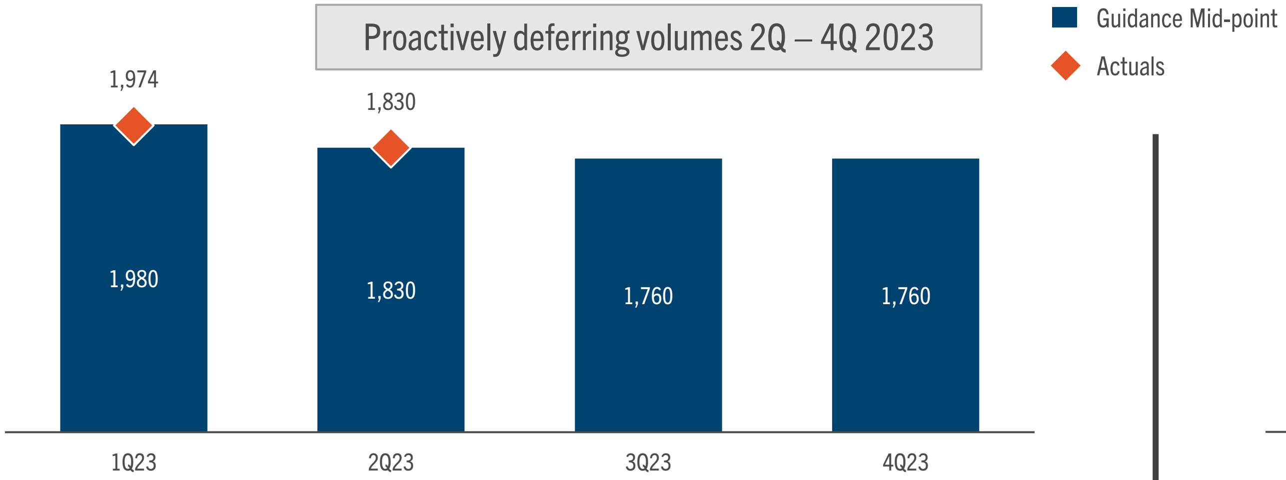
Execution: Consistently outperforming peer capital efficiency

Growth: Flexibility to meet growing LNG demand with high-return assets

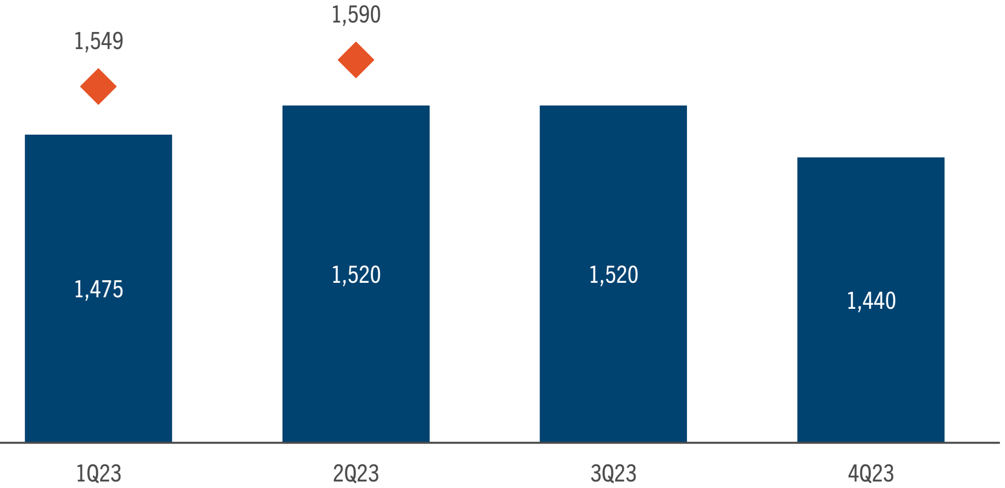
Sustainable: Low-carbon intensive molecules

Actively Managing Production Through Cycles

Purposefully Managing Marcellus Quarterly Production
(mmcf/d)



Haynesville Quarterly Production Continues to be Strong
(mmcf/d)



5	**5**	**4**	**4**	**Rig Count**	**7**	**6**	**6 → 5**	**5**

- Elective curtailments due to weak cash market pricing
- Actively deferred TILs from 2Q, resulting in >10% uplift in NPV
- Productive capacity remains high with new well results tracking expectations

- Midstream debottlenecking resulting in lower-line pressure and higher production
- 70% increase in offload capacity since 1Q22 through expansions and additional offloads
- Volumes decline with activity reductions for the remainder of the year

Service Cost Deflation Expected in 2024

- Service cost moderating as industry activity slows
- Pricing for OCTG, pressure pumping, sand and rigs expected to soften
- Deflation benefits likely realized in 2024 as inventory and contracts roll off in 2H23
- High-grading of contractors is leading to efficiency gains and further cost savings

Illustrative AFE Components and Cost Trends

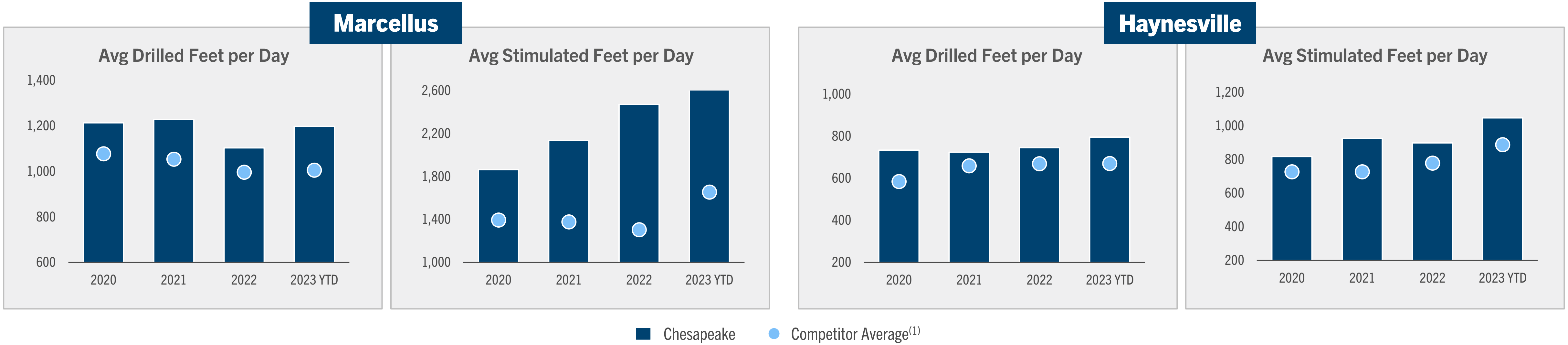
(1Q23 compared to 1Q24 expectations)

PHASE	SUB-CATEGORY	% OF AFE	TREND
Drilling	OCTG	10 – 15%	↘
	Rigs	8 – 12%	↘
	Cement	2 – 5%	↗
	Mud & Directional	6 – 12%	↔
Frac	Pressure Pumping	18 – 25%	↘
	Sand & Logistics	10 – 13%	↘
Commodity / Other	Fuel	4 – 6%	Variable
	Labor	3 – 7%	↔
	Other	~10%	CPI
Total		**5 – 7% deflation**	

↘ Single digit decline ↔ Flat ↗ Single digit increase

Enhancing Basin-Leading Operational Performance

- Drilling results benefiting from rig fleet high grading, improved drilling practices and equipment reliability
- Data analytics and machine learning modules enable rapid optimization of drilling performance
- Achieved three of the five fastest Marcellus wells drilled all-time during 2Q23, including fastest well in CHK history
- Deployment of new equipment and technology yields company completion pumping records in 2Q23 for both basins

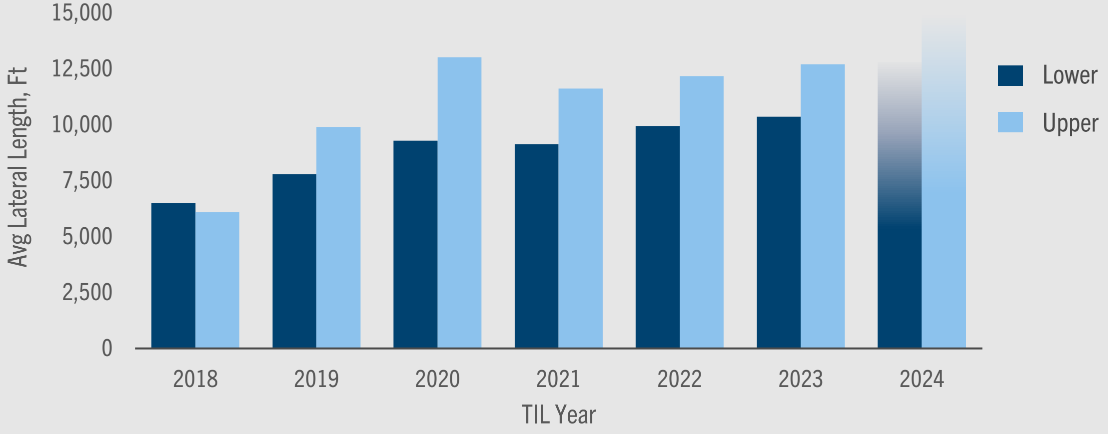


(1) Peer group data provided by Rystad. Marcellus peer group includes AR, CNX, CTRA, EQT, NFG, RRC, REP, SWN and THQA; Haynesville peer group includes Aethon, BP, CRK, PNG, RCE, SWN and TELL

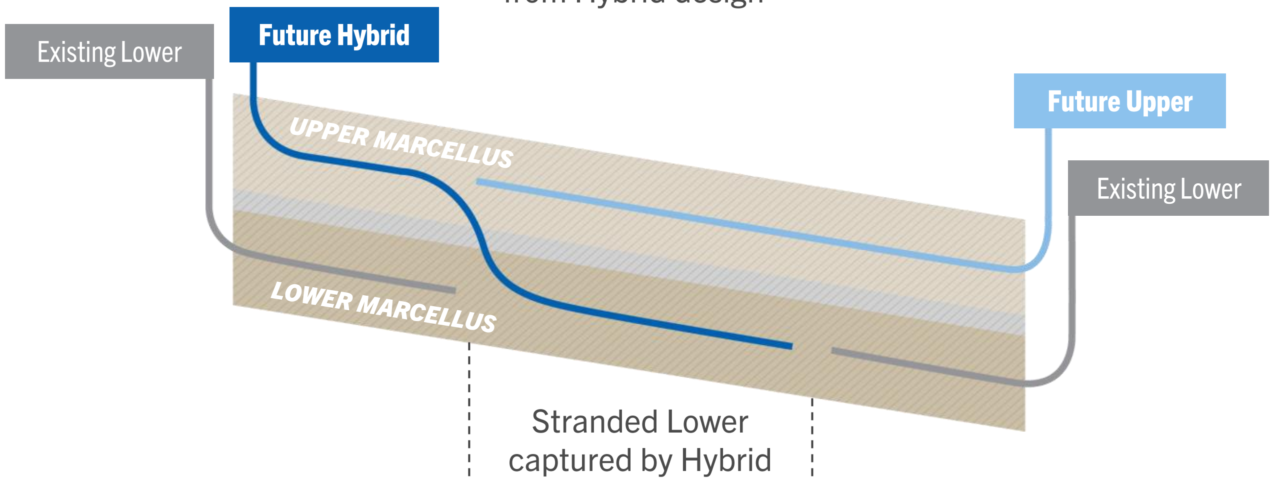
Marcellus Development Strategies Unlock Superior Returns

- Extended laterals in Upper yields similar per well production to Lower and decreased cost per foot
- Co-development of Lower and Upper drives operational efficiency and enhances resource recovery
- Combining Lower and Upper in a single wellbore ("Hybrid") generates incremental value

Average Program Lateral Length Increased by 70% since 2018



>$3mm incremental NPV[1] per well
from Hybrid design



- Hybrids access stranded Lower acreage and accretive Upper footage with a single, extended wellbore
- Eliminates need for multiple vertical sections and reduces surface footprint, leading to more efficient capital spend
- >50 Hybrid wells in inventory

(1) $3/mcf price deck

CHESAPEAKE ENERGY

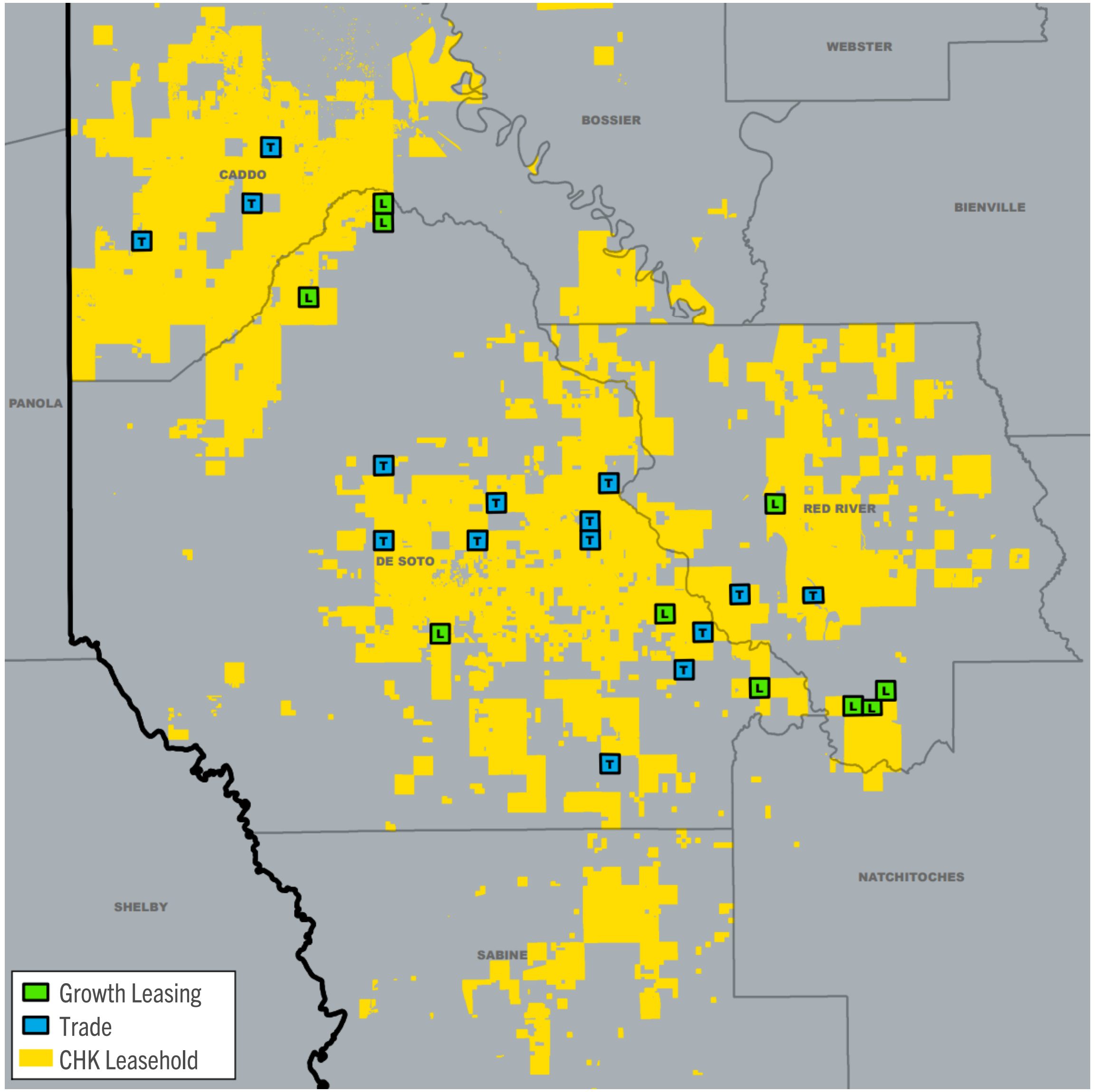
Increasing Haynesville Value Through Acreage Optimization

- Maximizing return on investment through acreage trades and growth leasing
- Executed trades and obtained leases in key sections turning 5K into 10K opportunities
- Increased WI by ~4% on near-term projects through leasing and third-party deals

$3 – 6mm incremental NPV[1]
per inventory conversion

56 well conversions through trades with peers

40 well conversions obtained through growth leasing



(1) $3/mcf price deck

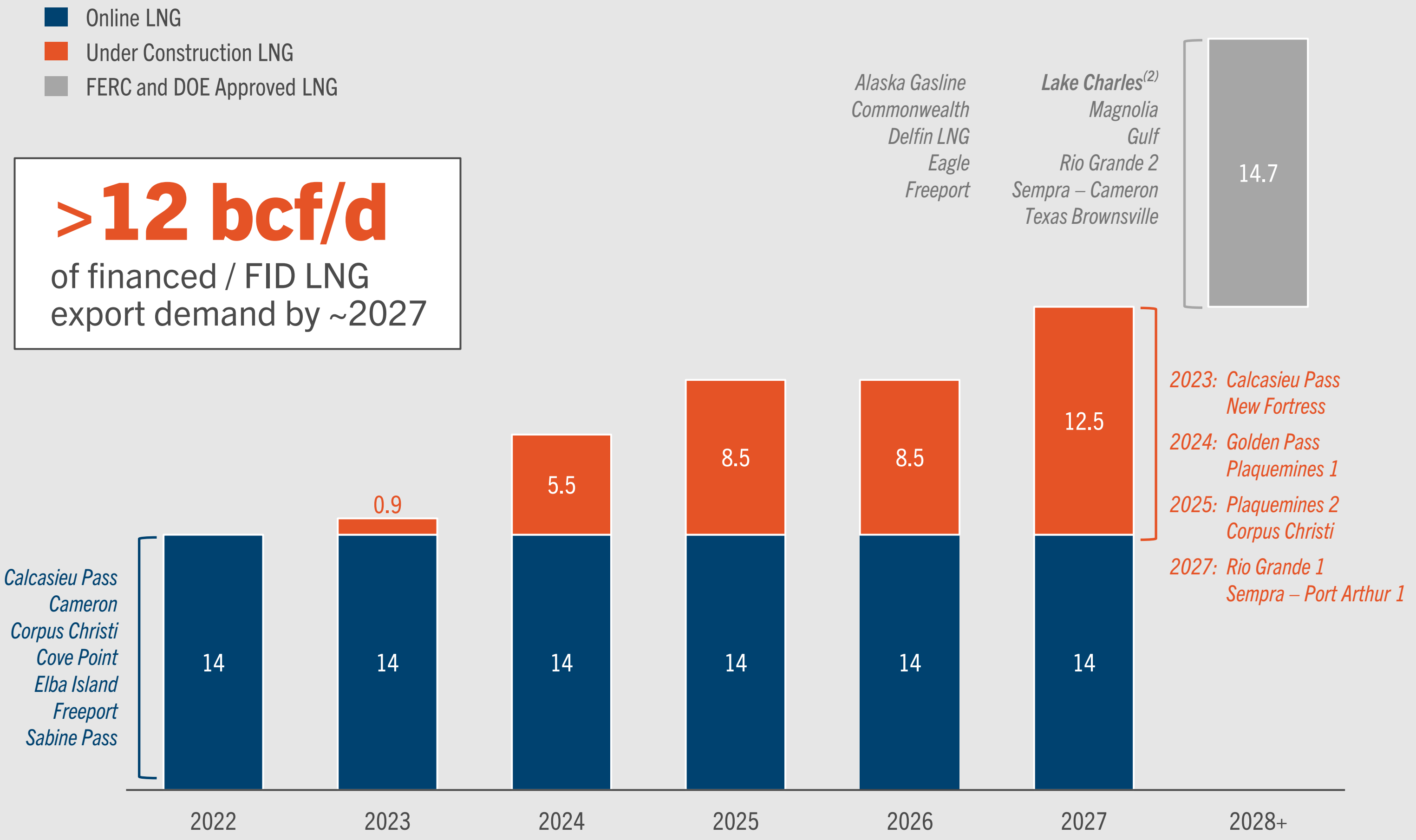
CHESAPEAKE ENERGY

Being LNG Ready Will Create Meaningful Value and Enhance Returns

- What CHK has done to **Be LNG Ready:**
  - Gunvor offtake HOA for up to 2 mtpa with JKM linked price exposure
  - Lake Charles HOA for up to 1 mtpa liquefaction (associated with Gunvor)
  - Equity partner and anchor shipper on Momentum (HV to Gulf Coast pipeline)
  - Signed >1.0 bcf/d of midstream additions to alleviate field congestion and backpressure

Growing Exports Will be Significant to U.S. Gas Demand

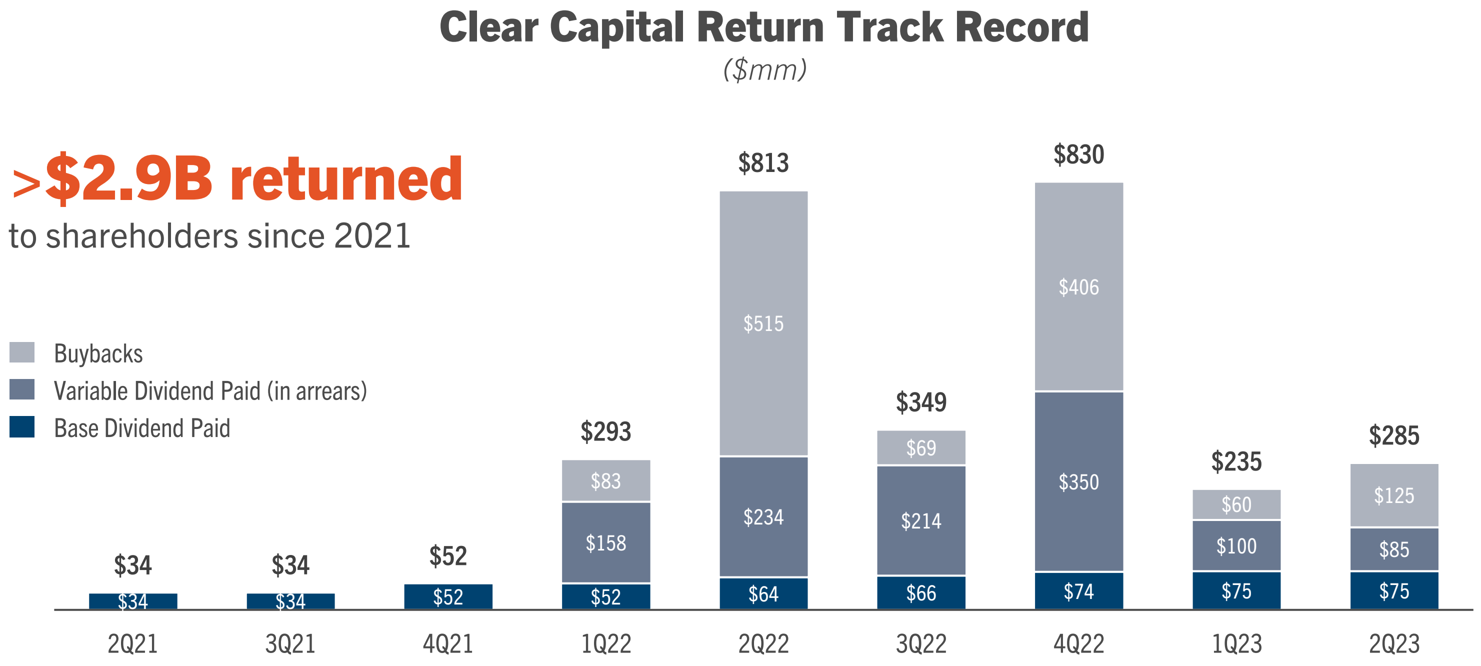
(U.S. LNG capacity, bcf/d)[1]



(1) Volumes per FERC; Includes Freeport as part of 2022 online volumes; Inservice estimations from EIA and project websites
(2) CHK HOA with Lake Charles for up to 1 mtpa of liquefaction

Meeting Our Commitment to Shareholder Returns

>$2.9B returned
to shareholders since 2021



- >14mm shares retired and ~$725mm remaining under current authorization as of 7/31/23
  - ~$20mm of buybacks completed in July 2023
- Annual base dividend increased from $2.20/sh to $2.30/sh
- Strong balance sheet at ~10% net debt[1]-to-cap[1] and ~0.3x net debt[1] / EBITDAX[1]

Capital Return Framework

GROWING
Base dividend
annual $2.30/sh

PRO-CYCLICAL
Variable dividend
50% of post-base FCF when available

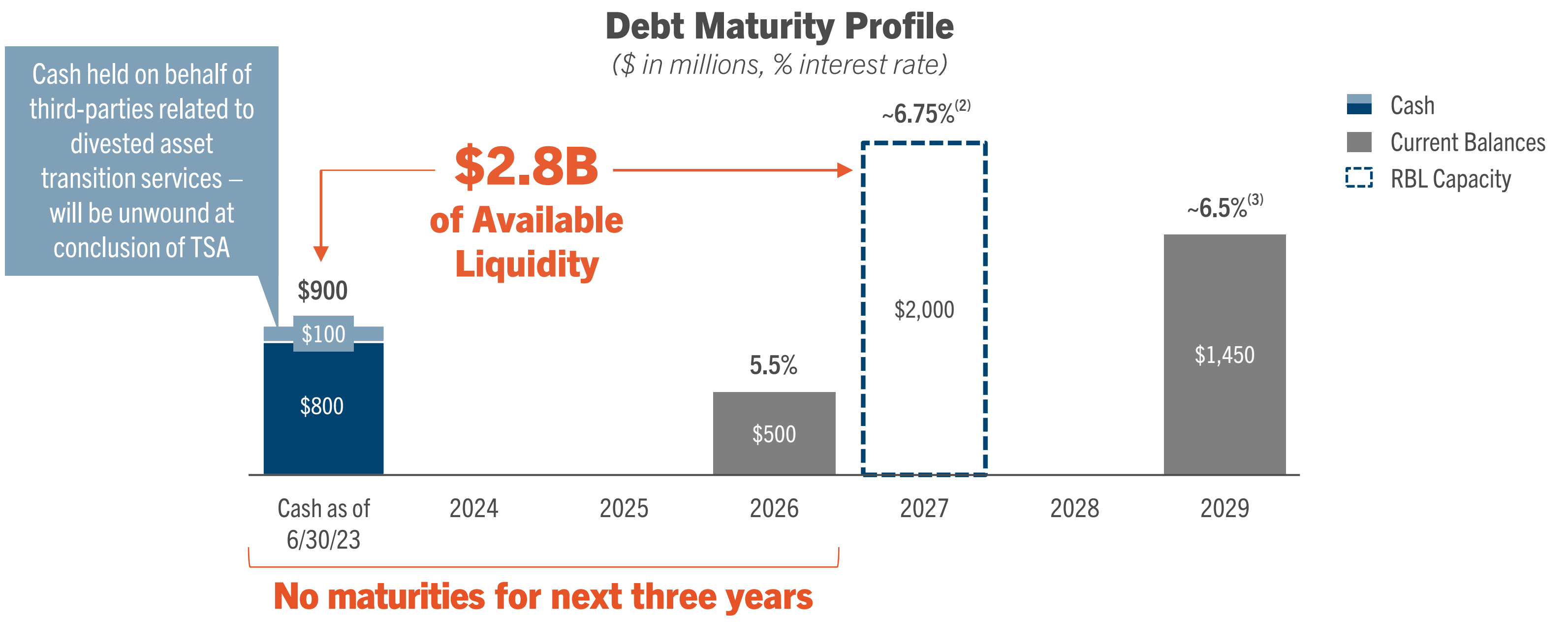
COUNTER-CYCLICAL
Share repurchases
opportunistic program

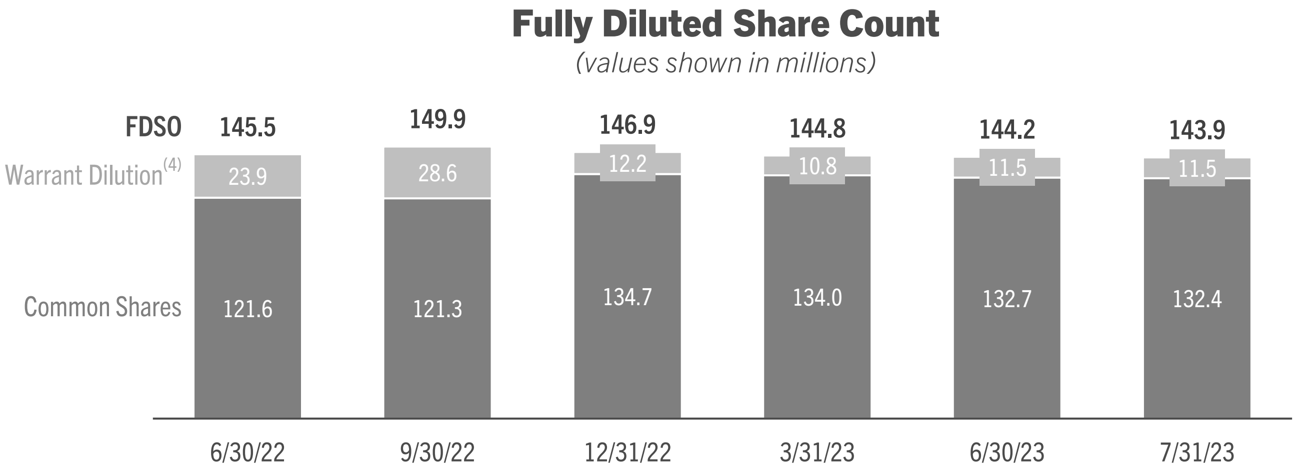
FOUNDATIONAL
Balance sheet
continue path to investment grade

(1) A non-GAAP measure as defined in the appendix

Continuing Our Path to Investment Grade

- De-risked balance sheet with ~10% net debt[1]-to-cap[1]
  - E&P peer investment grade avg. of ~25% net debt[1]-to-cap[1] for last three years
- Moody's Upgrade to Ba1 with Stable Outlook on 6/14/23
- Fitch Upgrade to BB+ with Positive Outlook on 4/13/23

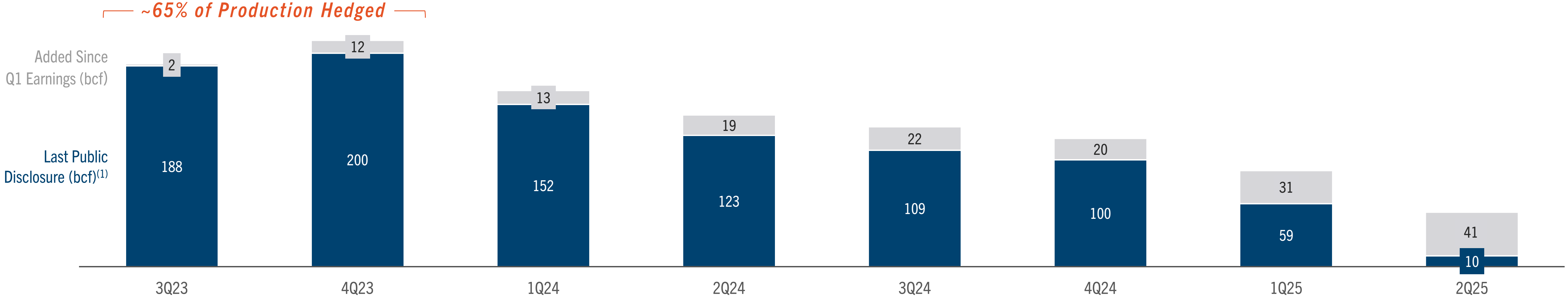




(1) A non-GAAP measure as defined in the appendix (2) Revolver capacity as of 6/30/23 (3) $500 million at 5.875% and $950 million at 6.75%
(4) Warrant dilution category includes shares held in reserve for general unsecured claims; ~16.3mm warrants converted to common share through 4Q warrant tender

Continuing to Support Returns with Through-Cycle Hedging

	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25
Ceiling ($/mmbtu)	**$5.02**	**$5.06**	**$4.45**	**$4.59**	**$4.64**	**$4.70**	**$4.74**	**$4.30**
Floor ($/mmbtu)	**$3.45**	**$3.55**	**$3.60**	**$3.71**	**$3.72**	**$3.71**	**$3.55**	**$3.38**



HEDGE-THE-WEDGE CONCEPT

- De-risk return on capital investment
- Rolling eight quarter hedging
- Collar weighted with opportunistic swaps

RETURNS ENHANCING

- Attractive floor without limiting upside
- More consistent cash flow through-cycle
- Protects against capital erosion shocks

FLEXIBLE TO MACRO TRENDS

- Dollar-cost averaging over time
- Opportunistic for event driven pricing
- Hedging does not drive capital allocation

Note: Hedge position as of 7/26/23
(1) As of 4/30/23 Earnings

Maintaining Our Drive for Sustainability Leadership

Sustainability Fundamentals

Deliver energy to sustain economic progress and welfare

Minimize emissions from operations

Invest in low-carbon solutions with adjacent technologies

Transparent disclosures with measurable progress

- Achieved recertification of natural gas production across the entirety of Marcellus operations
  - Earned MiQ Grade "A" and EO100™ Grade "A-" rating
  - Haynesville recertification expected by YE23
- First producer to achieve MiQ and EO100™ certification across two major basins in 2022
- Published 2022 Sustainability Report continuing the company's commitment to transparency, enhanced disclosures and measurable progress

Emissions detecting device on Chesapeake location

Appendix

2Q 2023 EARNINGS

CHESAPEAKE ENERGY

Management's Guidance as of August 1, 2023[1]

***Bold/Italicized** = updated guidance range*

Production	**2Q23A**	**3Q23E**	**2023E**
Total Natural Gas Production (mmcf/d)	3,505	3,300 – 3,400	3,400 – 3,500
Marcellus	52%	~53%	***~53%***
Haynesville	45%	~45%	***~44%***
Eagle Ford	3%	~2%	~3%
Liquids Production			
Total Oil (mbbls/d)	15	8 – 9	20 – 22
Total NGL (mbbls/d)	10	9 – 10	11 – 12

Capital and Equity Investment Expenditures ($mm)	**2Q23A**	**3Q23E**	**2023E**
Total D&C	$459	$290 – $330	$1,515 – $1,575
Marcellus	25%	~35%	~30%
Haynesville	55%	~60%	~55%
Eagle Ford	20%	~5%	~15%
Other Capex (Field)	$28	$60 – $70	$170 – $180
Other Capex (Corporate)	$18	~$20	~$80
Total Capital Expenditures	$505	$370 – $420	$1,765 – $1,835
Momentum Equity Investment	$49	$90 – $100	$285 – $315

Operating Costs (per mcfe of Projected Production)	**2Q23A**	**2023E**
Production Expense	$0.27	$0.25 – $0.35
Gathering, Processing and Transportation Expenses	$0.62	$0.65 – $0.75
Natural Gas ($/mcf)	$0.63	$0.66 – $0.77
Oil ($/bbl)	$4.19	$3.75 – $4.00
Severance and Ad Valorem Taxes	$0.12	$0.13 – $0.20
General and Administrative[2]	$0.09	$0.10 – $0.15
Depreciation, Depletion and Amortization Expense	$1.14	$1.20 – $1.30

Corporate Expenses ($mm unless otherwise noted)	**2Q23A**	**2023E**
Marketing Net Margin and Other	~$0	$0 – $25
Interest Expense	$22	$100 – $125
Cash Income Taxes / (Refunds)[3]	($60)	***$0 – $50***

Basis	**2Q23A**	**2023E**
Estimated (E) Basis to NYMEX Prices, based on 7/26/23 Strip Prices:		
Natural Gas ($/mcf)	$0.45	***$0.45 – $0.55***
Oil ($/bbl)	+$2.61	***+$0.50 – +$0.75***
NGL (realizations as a % of WTI)	32%	***30% – 35%***

(1) Includes divestiture of Brazos Valley asset at the end of 1Q23 and the Black Oil Eagle Ford asset in April 2023; Production, revenues, expenditures and capital maintained through sale closing date
(2) Includes ~$0.02/mcfe of expenses associated with stock-based compensation, which are recorded in general and administrative expenses in Chesapeake's Condensed Consolidated Statement of Operations
(3) *INCLUDES* all taxes associated with divestitures (including tax related to deferred consideration), based on 7/26/23 strip pricing and inclusive of $60mm refund received in 2Q23

2Q 2023 Business Unit Results

	MARCELLUS		HAYNESVILLE		Eagle Ford	
					Black Oil[1]	**Rich Gas**
Production (mmcfe/d, mboe/d)	1,830		1,590		10	29
Production Expense ($/mcf) / ($/boe)	$0.12		$0.36		$9.47	$3.29
Differential to NYMEX ($/mcf) / ($/bbl)	($0.35)		($0.35)		+$2.70	($2.12)
GP&T ($/mcf) / ($/boe)	$0.65		$0.45		$17.26	$7.27
Rigs	5		6		1	1
Spuds (by zone)	Lower 15	Upper 11	HV 16	BSSR 2	EF 4	EF 1 UAC 8
TILs (by zone)	Lower 6	Upper 4	HV 13	BSSR 0	0	EF 4
D&C Capex	$115		$254		$5	$85
Total Capital	$138		$277		$5	$85

(1) Eagle Ford Black Oil included through 4/28/23 closing

CHESAPEAKE ENERGY

Hedging Program Reduces Risk, Protects Returns

NATURAL GAS										ESTIMATED NYMEX GAS SETTLEMENT ($mm)(1)			
	SWAPS		COLLARS			THREE-WAY COLLARS							
Date	Volume bcf	Price $/mcf	Volume bcf	Bought Put $/mcf	Sold Call $/mcf	Volume bcf	Sold Put $/mcf	Bought Put $/mcf	Sold Call $/mcf	Date	$2.00 NYMEX	$2.50 NYMEX	$3.50 NYMEX
3Q 2023	53.9	3.37	135.4	3.49	5.69	0.9	2.50	3.40	3.79	3Q 2023	276	181	27
4Q 2023	72.4	3.33	138.6	3.66	5.97	0.9	2.50	3.40	3.79	4Q 2023	327	222	43
RM 2023	**126.3**	**$3.35**	**274.0**	**$3.58**	**$5.83**	**1.8**	**$2.50**	**$3.40**	**$3.79**	**RM 2023**	**$603**	**$403**	**$70**
1Q 2024	73.6	3.26	91.0	3.88	5.42					1Q 2024	264	182	19
2Q 2024	60.1	3.52	81.9	3.85	5.37					2Q 2024	242	171	32
3Q 2024	51.7	3.55	79.1	3.83	5.35					3Q 2024	225	159	33
4Q 2024	41.9	3.45	78.2	3.85	5.36					4Q 2024	205	145	28
FY 2024	**227.3**	**$3.43**	**330.2**	**$3.85**	**$5.38**					**FY 2024**	**$936**	**$657**	**$112**
1Q 2025	25.0	3.16	64.8	3.70	5.35								
2Q 2025	16.4	3.45	34.1	3.34	4.70								
3Q 2025	8.3	3.31	11.0	3.30	4.57								
4Q 2025	3.7	2.71											
FY 2025	**53.4**	**$3.24**	**109.9**	**$3.55**	**$5.07**								

- Added ~174 bcf of NYMEX protection since last public disclosure (4/30/23)
  - ~20% increase in total hedged volumes; ~62% collars and 38% swaps
  - Weighted avg. floor of ~$3.36 and ceiling of ~$4.08/mmbtu for new hedges

Note: Hedged book as of 7/26/23
(1) Cash settlement assumes flat price beginning 7/1/23

Hedged Financial Basis

- ~30% of Marcellus and ~55% of Haynesville basis financially hedged for 2H23
- Since 4/30/23, CHK has added financial basis protection for:
  - ~14 bcf of 2023 gas at an average differential to NYMEX of ($0.03)
  - ~69.5 bcf of 2024 gas at an average differential to NYMEX of +$0.09
- CHK has additional in-basin basis protection through physical sales contracts covering ~35% of production for 2023

(as of 7/26/23)	MARCELLUS						HAYNESVILLE				TRANSPORT SPREAD[1]	
	TETCO M3		TGP Z4 300L		LEIDY		CGT MAINLINE		TGT Z1		TETCO M3	
Date	Volume bcf	Avg. Price $/mcf	Volume bcf	Avg. Price $/mcf	Volume bcf	Avg. Price $/mcf	Volume bcf	Avg. Price $/mcf	Volume bcf	Avg. Price $/mcf	Volume bcf	Avg. Price $/mcf
3Q 2023	15.9	0.43	11.0	(1.28)	25.5	(1.13)	53.1	(0.35)	25.1	(0.37)	6.9	0.76
4Q 2023	19.1	0.96	11.5	(1.14)	22.6	(1.06)	53.1	(0.33)	25.1	(0.33)	2.9	0.76
RM 2023	**35.0**	**$0.72**	**22.5**	**($1.21)**	**48.1**	**($1.10)**	**106.2**	**($0.34)**	**50.2**	**($0.35)**	**9.8**	**$0.76**
1Q 2024	16.8	1.93	8.0	(0.99)	16.4	(0.95)	46.2	(0.29)	23.0	(0.28)		
2Q 2024	1.8	(0.05)	3.0	(1.14)	8.2	(1.03)	38.7	(0.29)	18.0	(0.29)		
3Q 2024	1.8	(0.05)	3.0	(1.14)	8.3	(1.03)	38.2	(0.29)	17.3	(0.29)		
4Q 2024	1.2	0.24	2.8	(1.16)	8.3	(1.03)	26.3	(0.29)	13.1	(0.29)		
FY 2024	**21.6**	**$1.50**	**16.8**	**($1.07)**	**41.2**	**($1.00)**	**149.4**	**($0.29)**	**71.4**	**($0.29)**		
1Q 2025							5.4	(0.21)	5.4	(0.26)		
FY 2025							**5.4**	**($0.21)**	**5.4**	**($0.26)**		

(1) TETCO M3 transport spread vs. TGP Z4 300L

Marcellus and Haynesville Sale Points

Marcellus Sales Points

DEDUCT FROM NYMEX ($)[1]

HISTORICAL	
TGP Z4	($1.08)
Leidy	($1.00)
TETCO M3	($0.17)
19% of NYMEX	

CURRENT	
TGP Z4	($0.99)
Leidy	($0.88)
TETCO M3	+$0.25
16% of NYMEX	

MARCELLUS TOTAL PRODUCTION

In Basin	**50%**	**Out of Basin**	**50%**
TGP Z4	15%	TETCO M3	20%
Leidy	35%	Other (primarily NYMEX)	30%

Haynesville Sales Points

DEDUCT FROM NYMEX ($)[1]

HISTORICAL	
CGML	($0.46)
TGT	($0.37)
10% of NYMEX	

CURRENT	
CGML	($0.30)
TGT	($0.27)
12% of NYMEX	

HAYNESVILLE TOTAL PRODUCTION

CGML	60%
TGT	20%
Other (primarily NYMEX)	20%

(1) Historical prices based on NYMEX contract settlement prices for Jan 2021 – Dec 2022; current prices based on NYMEX settled and future prices for Jan 2023 – Dec 2024, strip as of 7/26/23

CHESAPEAKE ENERGY

Non-GAAP Financial Measures

As a supplement to the financial results prepared in accordance with U.S. GAAP, Chesapeake's quarterly earnings presentations contain certain financial measures that are not prepared or presented in accordance with U.S. GAAP. These non-GAAP financial measures include Adjusted EBITDAX, Free Cash Flow, Adjusted Free Cash Flow, Net Debt and Total Capitalization. A reconciliation of each financial measure to its most directly comparable GAAP financial measure is included in the following tables. Management believes these adjusted financial measures are a meaningful adjunct to earnings and cash flows calculated in accordance with GAAP because (a) management uses these financial measures to evaluate the company's trends and performance, (b) these financial measures are comparable to estimates provided by certain securities analysts, and (c) items excluded generally are one-time items or items whose timing or amount cannot be reasonably estimated. Accordingly, any guidance provided by the company generally excludes information regarding these types of items. Due to the forward-looking nature of projected Adjusted EBITDAX, projected Free Cash Flow, and projected Adjusted Free Cash Flow used herein, management cannot reliably predict certain of the necessary components of the most directly comparable forward-looking GAAP measures. Accordingly, the Company is unable to present a quantitative reconciliation of such forward-looking non-GAAP financial measures to their most directly comparable forward-looking GAAP financial measures without unreasonable effort. Amounts excluded from these non-GAAP measures in future periods could be significant.

Chesapeake's definitions of each non-GAAP measure presented herein are provided below. Because not all companies use identical calculations, Chesapeake's non-GAAP measures may not be comparable to similar titled measures of other companies.

Adjusted EBITDAX: Adjusted EBITDAX is defined as net income (loss) before interest expense, income tax expense (benefit), depreciation, depletion and amortization expense, exploration expense, unrealized (gains) losses on natural gas and oil derivatives, separation and other termination costs, (gains) losses on sales of assets, and certain items management believes affect the comparability of operating results. Adjusted EBITDAX is presented as it provides investors an indication of the company's ability to internally fund exploration and development activities and service or incur debt. Adjusted EBITDAX should not be considered an alternative to, or more meaningful than, net income (loss) or net cash provided by (used in) operating activities as presented in accordance with GAAP.

Free Cash Flow: Free Cash Flow is defined as net cash provided by (used in) operating activities less cash capital expenditures. Free Cash Flow is a liquidity measure that provides investors additional information regarding the company's ability to service or incur debt and return cash to shareholders. Free Cash Flow should not be considered an alternative to, or more meaningful than, net cash provided by (used in) operating activities, or any other measure of liquidity presented in accordance with GAAP.

Adjusted Free Cash Flow: Adjusted Free Cash Flow is defined as net cash provided by (used in) operating activities less cash capital expenditures and cash contributions to investments, adjusted to exclude certain items management believes affect the comparability of operating results. Adjusted Free Cash Flow is a liquidity measure that provides investors additional information regarding the company's ability to service or incur debt and return cash to shareholders and is used to determine Chesapeake's quarterly variable dividend. Adjusted Free Cash Flow should not be considered an alternative to, or more meaningful than, net cash provided by (used in) operating activities, or any other measure of liquidity presented in accordance with GAAP.

Net Debt: Net Debt is defined as GAAP total debt excluding premiums, discounts, and deferred issuance costs less cash and cash equivalents. Net Debt is useful to investors as a widely understood measure of liquidity and leverage, but this measure should not be considered as an alternative to, or more meaningful than, total debt presented in accordance with GAAP.

Total Capitalization: Total Capitalization is defined as Net Debt plus total stockholders' equity and is used in the Net Debt to Capitalization ratio.

Reconciliation of Net Income to Adjusted EBITDAX (Unaudited)

($ in millions)	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022
Net Income (GAAP)	$ **391**	$ **1,237**
Adjustments:		
Interest expense	22	36
Income tax expense	127	77
Depreciation, depletion and amortization	376	451
Exploration	8	7
Unrealized (gains) losses on natural gas and oil derivatives	78	(532)
Separation and other termination costs	3	–
Gains on sales of assets	(472)	(21)
Other operating expense, net	8	16
Other	(17)	(2)
Adjusted EBITDAX (Non-GAAP)	$ **524**	$ **1,269**

Reconciliation of Net Cash Provided By Operating Activities to Adjusted Free Cash Flow (Unaudited)

($ in millions)	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022
Net Cash Provided by Operating Activities (GAAP)	$ **515**	$ **909**
Cash capital expenditures	(530)	(415)
Free Cash Flow (Non-GAAP)	**(15)**	**494**
Cash contributions to investments	(49)	–
Free cash flow associated with divested assets[(1)]	(26)	–
Adjusted Free Cash Flow (Non-GAAP)	$ **(90)**	$ **494**

Reconciliation of Net Cash Provided by Operating Activities to Adjusted EBITDAX (Unaudited)

($ in millions)	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022
Net Cash Provided by Operating Activities (GAAP)	$ **515**	$ **909**
Changes in assets and liabilities	(96)	254
Interest expense	22	36
Current income tax expense	106	77
Share-based compensation	(9)	(6)
Other	(14)	(1)
Adjusted EBITDAX (Non-GAAP)	$ **524**	$ **1,269**

Reconciliation of Total Debt to Total Capitalization (Unaudited)

($ in millions)	June 30, 2023
Total Debt (GAAP)	$ **2,036**
Premiums and issuance costs on debt	(86)
Principal Amount of Debt	**1,950**
Cash and cash equivalents	(903)
Net Debt (Non-GAAP)	**1,047**
Total stockholders' equity	10,396
Total Capitalization (Non-GAAP)	$ **11,443**

(1) In March and April of 2023, we closed two divestitures of certain Eagle Ford assets. Due to the structure of these transactions, both of which had an effective date of 10/1/22, the cash generated by these assets was delivered to the respective buyers through a reduction in the proceeds we received at the closing of each transaction.