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**2023**  
**3Q EARNINGS**

**CHESAPEAKE**  
*ENERGY*

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OCTOBER 31, 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 instability in Europe and the Middle East, 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 instability in Europe and the Middle East, 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 over-the-counter 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.

# 3Q 2023 Highlights

Adjusted EBITDAX<sup>(1)</sup>

**\$580mm**

Capital

**\$357mm**

low end of quarter guide

Cash balance

**>\$700mm**

as of 9/30/23

Production

**~3.5 bcfe/d**

high end of quarter guide

Base dividend

**\$0.575**

per share per quarter;  
to shareholders of record  
on 11/16/23

Stock buybacks

**~\$130mm**

Cash returned to shareholders

**~\$725mm**

via dividends and buybacks YTD

Marcellus:

**1,367'** per day average –  
fastest drilling in history

Haynesville:

**15%** reduction in interrupted  
volume due to midstream downtime

Additional LNG HOA with Vitol

**up to 1 mtpa**

linked to JKM

Joined

**OGMP 2.0**

in October 2023

Credit rating upgraded to

**Positive**

outlook from S&P

Net debt-to-cap<sup>(1)</sup>

**~11%**

Net debt /  
TTM EBITDAX<sup>(1)</sup>

**~0.4x**

# 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



## Haynesville

LNG ready  
Flexible growth  
Delivering low-carbon solutions



**> 15 years**  
of inventory



## 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

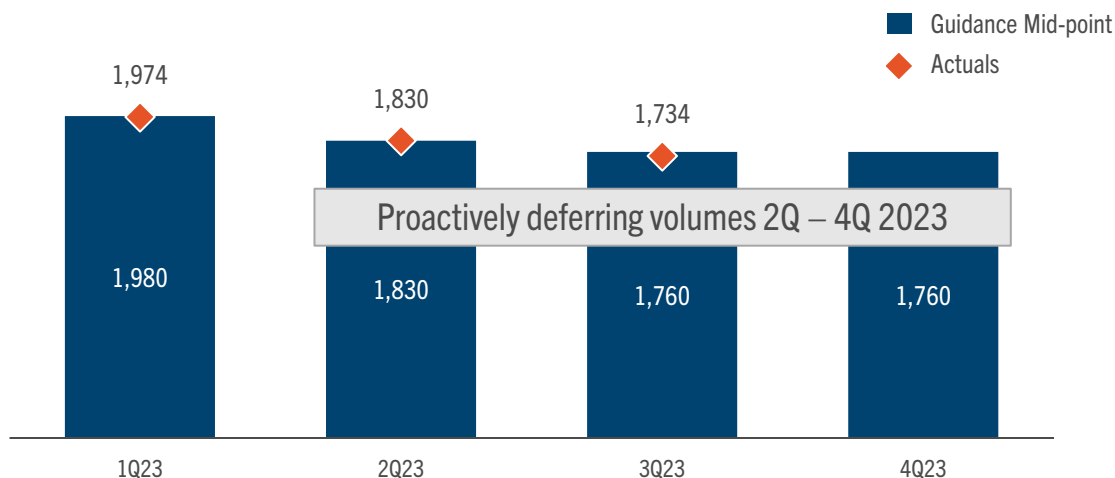


**Sustainable:** Low-carbon intensive molecules

# Marcellus Continues to Deliver, Primed for Efficient 2024

## Purposefully Managing Quarterly Production

mmcf/d



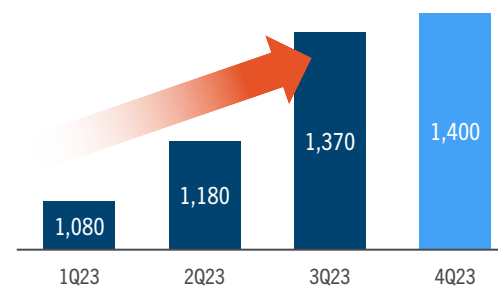
Rig Count	1Q23	2Q23	3Q23	4Q23
	5	5	4	4

- Production near guide despite deferring 60% of planned 3Q TILs into 4Q
- Extended elective curtailments and TIL deferrals of 50 – 75 mmcf/d due to weak Northeast demand
- Increased firm sales to bolster 2H23 pricing and flow assurance

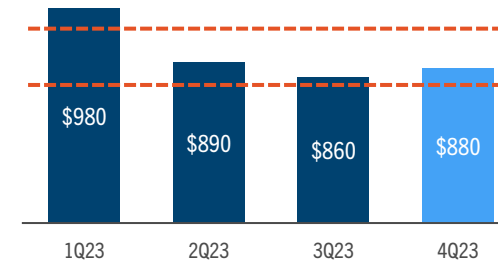
## Drilling Improvements Further Bolster Capital Efficiency

- Established company record of 1,367 ft/d during 3Q; ~16% increase over prior quarter
- Drilled four of the top 10 fastest and longest wells in company history during 3Q
- Improved cycle times yield one additional well per rig year and lower cost per foot

**~27% Increase**  
in Avg. Drilled Feet per Day  
1Q23 to 3Q23

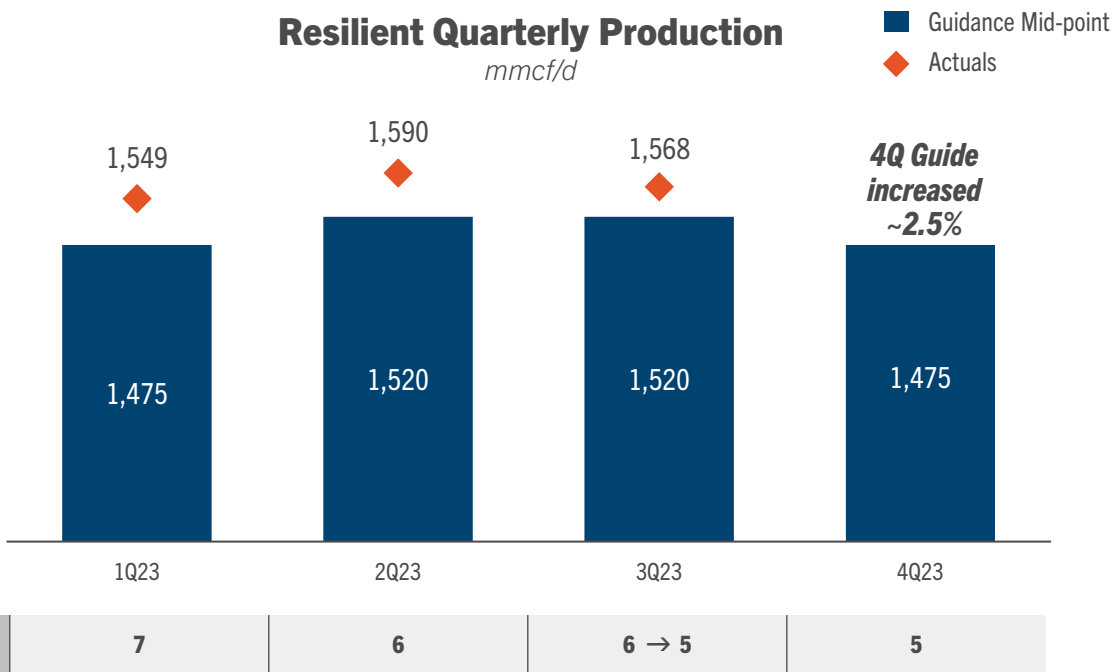


**~12% Decrease**  
in Avg. Cost per Lateral Foot  
1Q23 to 3Q23



■ Chesapeake Actuals   ■ Chesapeake Forecast   - - - FY23 Guidance Range

# Sustained Strength in the Haynesville



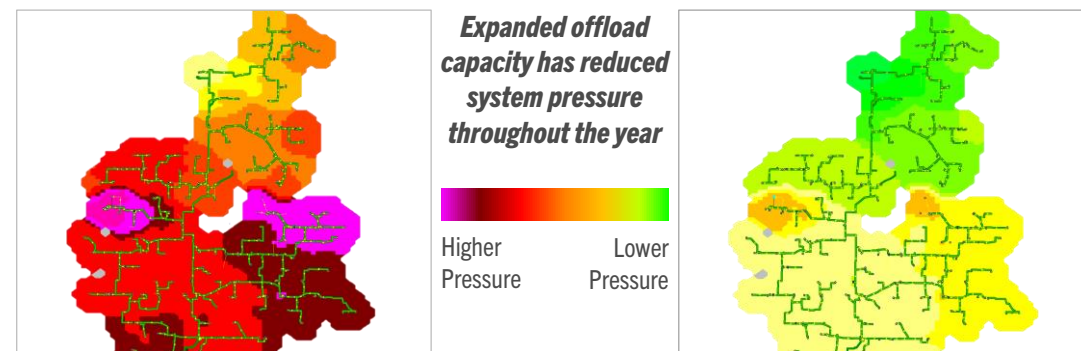
- Delivered another robust quarter of base production with strong wedge volumes
- Midstream debottlenecking resulting in lower line pressure and higher production
- Volumes expected to decline into 1Q24 as prior activity reductions translate to lower TIL count

## Reduced System Pressure Enhances Gas Flow Assurance

- Integrated planning with midstream partners to leverage increased offload flexibility
- ~70% increase in offload capacity since 1Q22, reducing overall system pressure
- ~15% reduction in interrupted volume due to third-party pipeline / sales events

## Improved Pipeline Hydraulics Through Integrated Planning

*Southern Haynesville gathering system pressure*







# Spotlight on Service Cost Deflation

- Realization of savings occurring in 3Q and 4Q as L48 activity bottoms
- Contract strategy capitalizes on current deflationary environment
- ~50% of FY24 D&C spend has been contracted at lower prices
- Mitigated exposure to potential 2H24 inflation given contract structure and tenure
- Contractor high-grading contributes efficiency gains and enhanced cost savings

## Illustrative AFE Components and Cost Trends

1H23 compared to 1H24 expectations

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

 Double digit decline  
  Single digit decline  
  Flat  
  Single digit increase

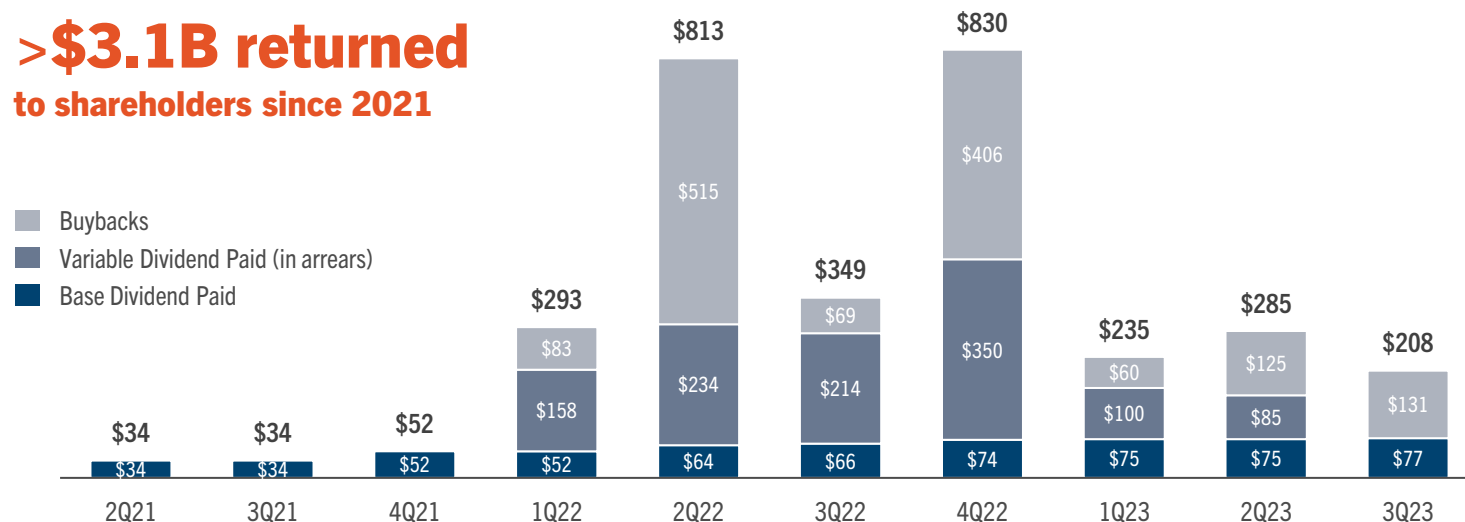


# Meeting Our Commitment to Shareholder Returns

## Clear Capital Return Track Record

\$ in millions

**>\$3.1B returned  
to shareholders since 2021**



- ~\$130mm of buybacks completed in 3Q23
- Annual base dividend increased from \$2.20/sh to \$2.30/sh in 2Q23
- Strong balance sheet at ~11% net debt-to-cap<sup>(1)</sup> and ~0.4x net debt / TTM EBITDAX<sup>(1)</sup>

## 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

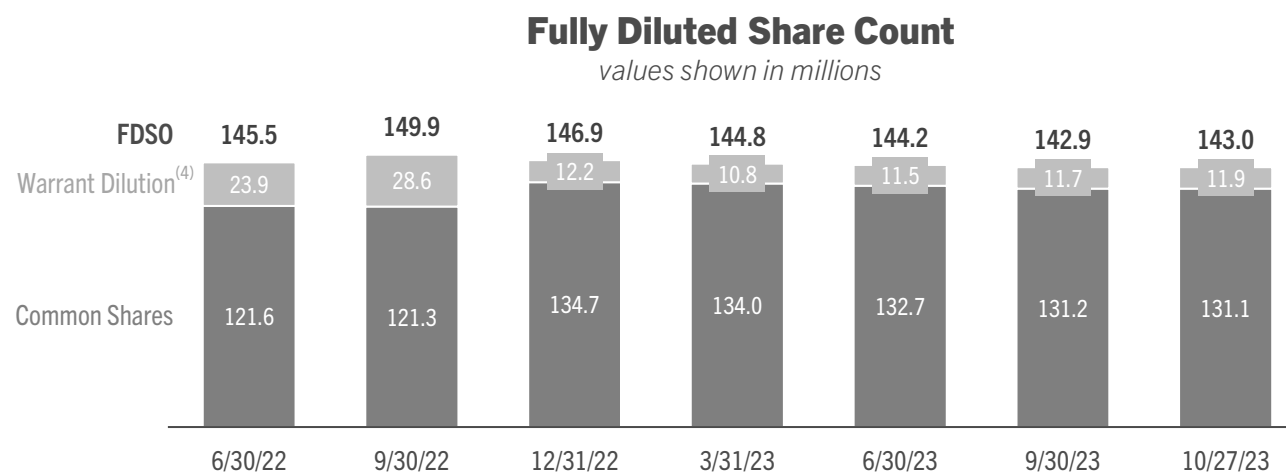
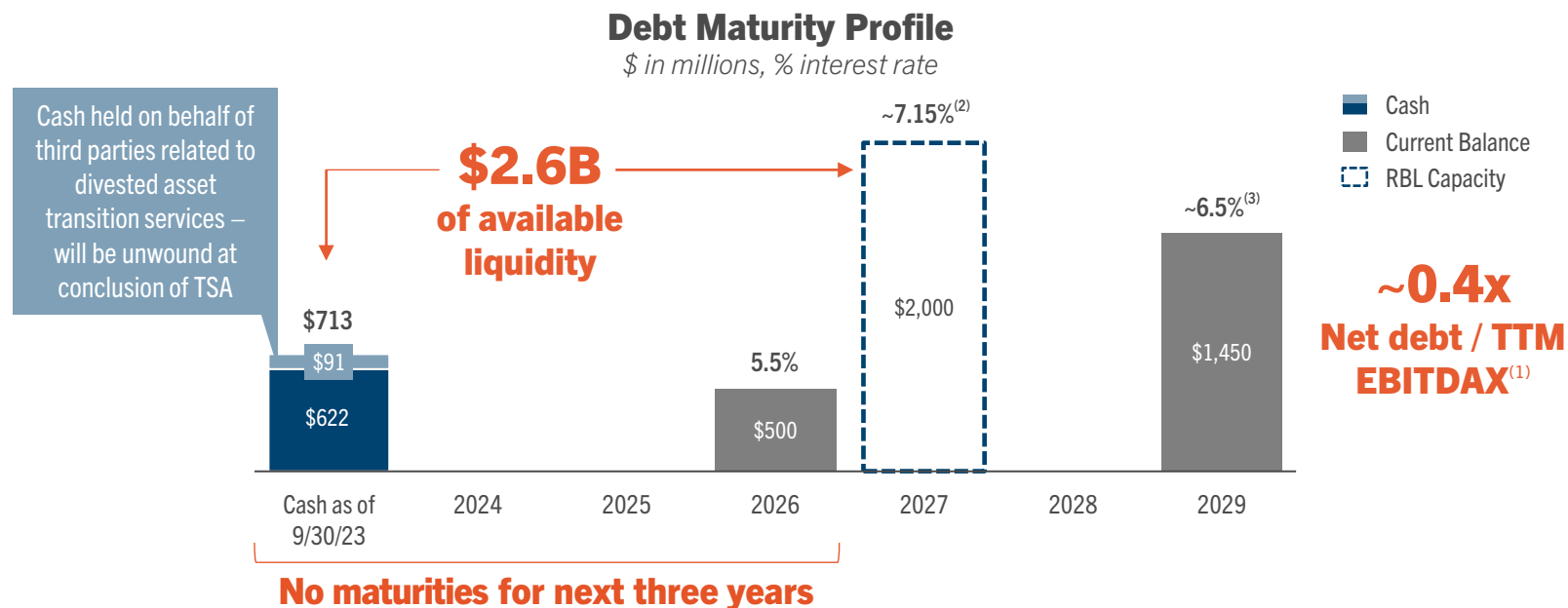
*FOUNDATIONAL*

**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 ~11% net debt-to-cap<sup>(1)</sup>
  - E&P peer investment grade avg. of ~25% net debt-to-cap<sup>(1)</sup> for last three years
- S&P Global Ratings upgrade to Positive Outlook on 10/17/23
- Moody's Upgrade to Ba1 with Stable Outlook on 6/14/23
- Fitch Upgrade to BB+ with Positive Outlook on 4/13/23



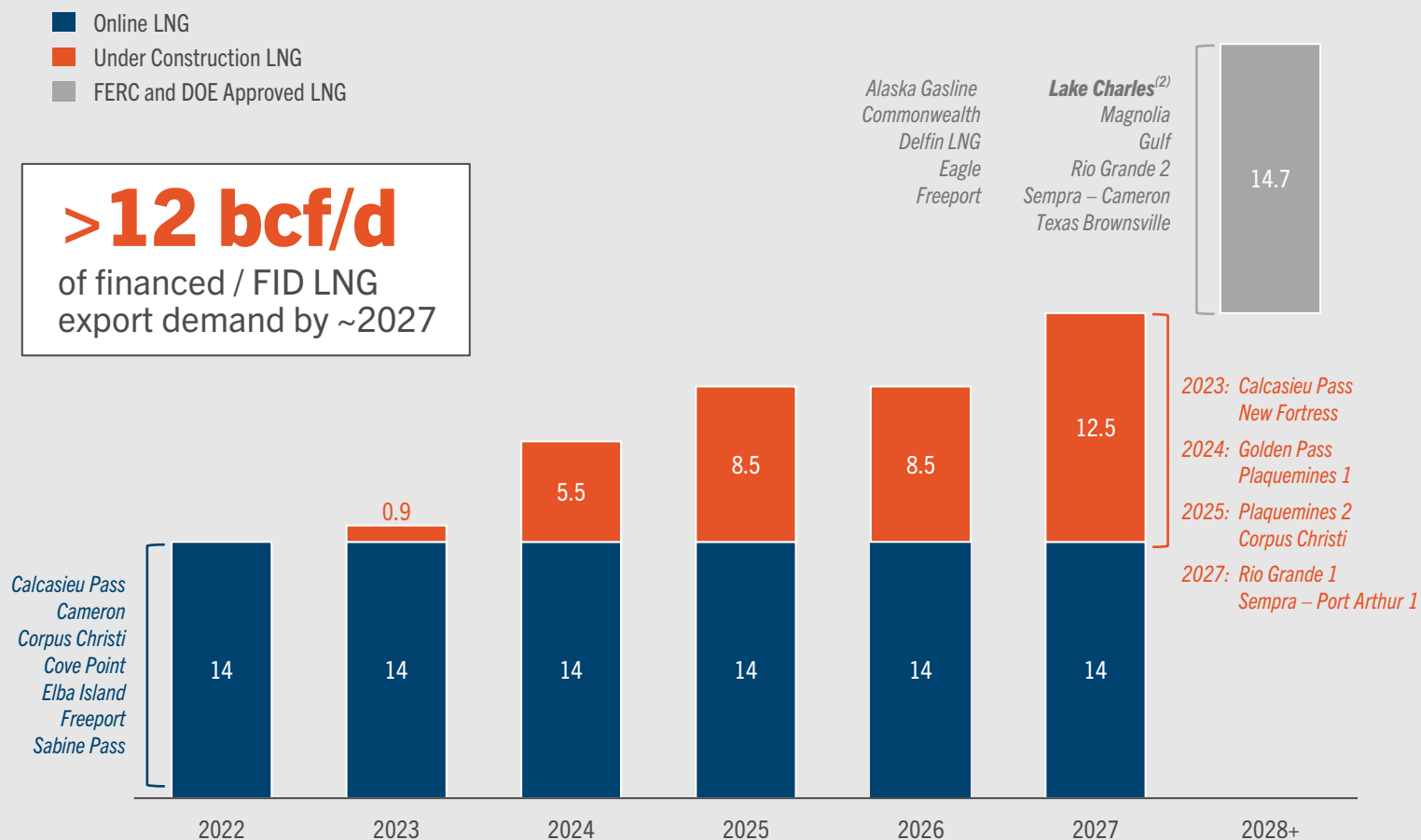
(1) A non-GAAP measure as defined in the appendix (2) Revolver capacity as of 9/30/23 (3) \$500 million at 5.875% and \$950 million at 6.75% (4) Warrant dilution category includes shares held in reserve for general unsecured claims; ~16.3mm warrants converted to common share through 4Q warrant tender

# Our Progress to Be LNG Ready

- Vitol offtake HOA for up to 1 mtpa with JKM linked price exposure, 15-year tenure starting in 2028
- 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

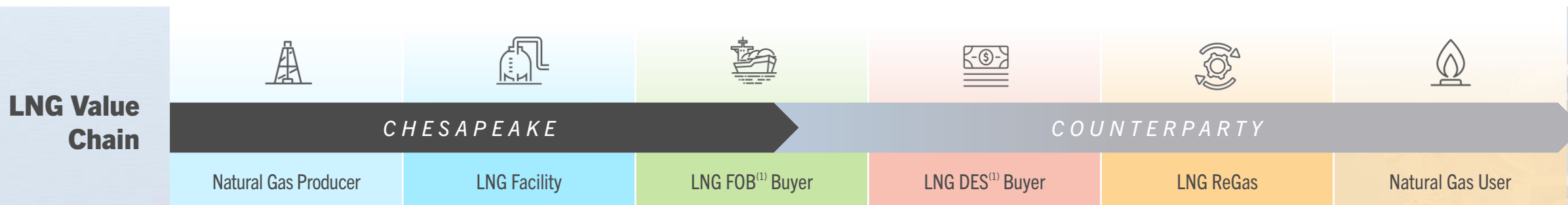
## Growing Exports Will be Significant to U.S. Gas Demand

U.S. LNG capacity, bcf/d <sup>(1)</sup>



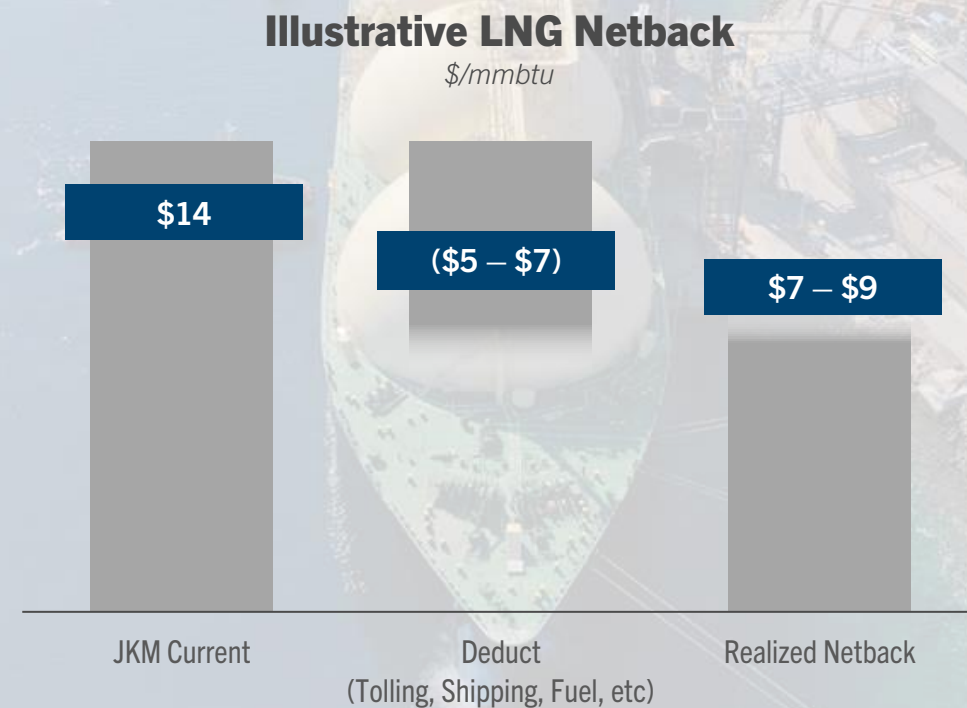
(1) Volumes per FERC; Includes Freeport as part of 2022 online volumes; Inservice estimations from EIA and project websites  
 (2) CHK HOA with Lake Charles for up to 1 mtpa of liquefaction

# Repricing the U.S. Gas Molecule Through LNG



## The Advantage of Our LNG Approach

- Production physically linked to LNG markets
- Diversifies sales points
- Establishes known international pricing index (e.g. JKM)
- Known counterparties ensures offtake
- Provides downside protection through cancellation optionality
- Enhances negotiating position with liquefaction facilities



(1) FOB – Free on Board; DES – Delivered ex-Ship

# Continuing to Support Returns with Through-Cycle Hedging



## 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

# 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

- Joined the Oil & Gas Methane Partnership (OGMP) 2.0 in October
- Partnered with the Department of Energy (DoE) and GTI Energy's Veritas to begin a measurement-informed inventory of methane emissions in the Haynesville
- Received a DoE grant with the Appalachian Methane Initiative (AMI) to enhance methane monitoring and facilitate methane emissions reductions in the Appalachia region
- Awarded DoD contract, in partnership with Eavor Inc., to evaluate geothermal energy generation potential at Joint Base San Antonio Facility



*Emissions detecting device on Chesapeake location*

# Appendix

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3Q 2023 EARNINGS

**CHESAPEAKE**  
ENERGY

# Management's Guidance as of October 31, 2023<sup>(1)</sup>

*Bold / Italicized = updated guidance range*

Production	3Q23A	4Q23E	2023E
<b>Total Natural Gas Production (mmcf/d)</b>	3,378	<b>3,315 – 3,415</b>	<b>3,425 – 3,525</b>
Marcellus	51%	~53%	~53%
<b>Haynesville</b>	46%	<b>~44%</b>	<b>~45%</b>
<b>Eagle Ford</b>	3%	<b>~3%</b>	<b>~2%</b>
Liquids Production			
Total Oil (mbbls/d)	9	8 – 9	20 – 22
Total NGL (mbbls/d)	10	9 – 10	11 – 12

Capital and Equity Investment Expenditures (\$mm)	3Q23A	4Q23E	2023E
Total D&C	\$291	\$285 – \$325	\$1,515 – \$1,575
Marcellus	31%	~38%	~30%
Haynesville	66%	~60%	~55%
Eagle Ford	3%	~2%	~15%
Other Capex (Field)	\$48	\$65 – \$75	\$170 – \$180
Other Capex (Corporate)	\$18	~\$20	~\$80
Total Capital Expenditures	\$357	\$370 – \$420	\$1,765 – \$1,835
Momentum Equity Investment	\$61	\$135 – \$165	\$285 – \$315

Operating Costs (per mcf of Projected Production)	3Q23A	2023E
<b>Production Expense</b>	\$0.23	<b>\$0.25 – \$0.30</b>
<b>Gathering, Processing and Transportation Expenses</b>	\$0.60	<b>\$0.65 – \$0.70</b>
<b>Natural Gas (\$/mcf)</b>	\$0.60	<b>\$0.65 – \$0.70</b>
Oil (\$/bbl)	\$6.41	\$3.75 – \$4.00
<b>Severance and Ad Valorem Taxes</b>	\$0.08	<b>\$0.13 – \$0.15</b>
General and Administrative <sup>(2)</sup>	\$0.09	\$0.10 – \$0.15
Depreciation, Depletion and Amortization Expense	\$1.19	\$1.20 – \$1.30

Corporate Expenses (\$mm unless otherwise noted)	3Q23A	2023E
Marketing Net Margin and Other	\$1	\$0 – \$25
Interest Expense	\$23	\$100 – \$125
<b>Cash Income Taxes / (Refunds)<sup>(3)</sup></b>	\$42	<b>\$100 – \$140</b>
<b>Tax on income before divestitures</b>	\$0	<b>(\$60)</b>
<b>Tax due on Brazos Valley and Black Oil EF gains</b>	\$42	<b>\$90 – \$100</b>
<b>Expected tax on South Texas Rich Gas gain</b>	<b>\$0</b>	<b>\$70 – \$100</b>

Basis	3Q23A	2023E
Estimated (E) Basis to NYMEX Prices, based on 10/25/23 Strip Prices:		
Natural Gas (\$/mcf)	\$0.66	\$0.45 – \$0.55
Oil (\$/bbl)	+\$0.07	+\$0.50 – +\$0.75
NGL (realizations as a % of WTI)	31%	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/mcf 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 10/25/23 strip pricing



# 3Q 2023 Business Unit Results

	MARCELLUS		HAYNESVILLE		EAGLE FORD Rich Gas
Production (mmcf/d, mboe/d)	1,734		1,568		32
Production Expense (\$/mcf) / (\$/boe)	\$0.13		\$0.31		\$2.70
Differential to NYMEX (\$/mcf) / (\$/bbl)	(\$0.92)		(\$0.40)		\$0.07
GP&T (\$/mcf) / (\$/boe)	\$0.66		\$0.45		\$7.38
Rigs	4		5		0
Spuds (by zone)	Lower 15	Upper 9	HV 9	BSSR 2	0
TILs (by zone)	Lower 5	Upper 3	HV 5	BSSR 5	16
D&C Capex	\$91		\$191		\$9
Total Capital	\$117		\$229		\$11

# Hedging Program Reduces Risk, Protects Returns

NATURAL GAS										ESTIMATED NYMEX GAS SETTLEMENT (\$mm) <sup>(1)</sup>			
Date	SWAPS		COLLARS			THREE-WAY COLLARS				Date	\$2.00 NYMEX	\$2.50 NYMEX	\$3.50 NYMEX
	Volume bcf	Price \$/mcf	Volume bcf	Bought Put \$/mcf	Sold Call \$/mcf	Volume bcf	Sold Put \$/mcf	Bought Put \$/mcf	Sold Call \$/mcf				
<b>4Q 2023</b>	<b>77.9</b>	<b>\$3.32</b>	<b>138.6</b>	<b>\$3.66</b>	<b>\$5.97</b>	<b>0.9</b>	<b>\$2.50</b>	<b>\$3.40</b>	<b>\$3.79</b>	<b>RM 2023</b>	<b>\$334</b>	<b>\$226</b>	<b>\$42</b>
1Q 2024	78.1	3.27	91.0	3.88	5.42					1Q 2024	271	186	19
2Q 2024	66.4	3.51	81.9	3.85	5.37					2Q 2024	251	177	31
3Q 2024	55.4	3.55	82.8	3.81	5.30					3Q 2024	235	166	33
4Q 2024	45.6	3.46	81.9	3.82	5.31					4Q 2024	216	152	29
<b>FY 2024</b>	<b>245.5</b>	<b>\$3.43</b>	<b>337.6</b>	<b>\$3.84</b>	<b>\$5.35</b>					<b>FY 2024</b>	<b>\$973</b>	<b>\$681</b>	<b>\$112</b>
1Q 2025	25.0	3.16	87.3	3.66	5.32								
2Q 2025	17.3	3.45	61.4	3.34	4.65								
3Q 2025	8.3	3.31	37.7	3.33	4.71								
4Q 2025	3.7	2.71	9.2	3.35	5.17								
<b>FY 2025</b>	<b>54.3</b>	<b>\$3.25</b>	<b>195.6</b>	<b>\$3.48</b>	<b>\$4.99</b>								

- Added ~118 bcf of NYMEX protection since last public disclosure (8/1/23)
  - ~13% increase in total hedged volumes; ~80% collars and 20% swaps
  - Weighted avg. floor of ~\$3.40 and ceiling of ~\$4.53/mmbtu for new hedges

# Hedged Financial Basis

- ~30% of Marcellus and ~60% of Haynesville basis financially hedged for RM23
- Since 8/1/23, CHK has added financial basis protection for:
  - ~1.8 bcf of 2023 gas at an average differential to NYMEX of (\$0.27)
  - ~105.4 bcf of 2024 gas at an average differential to NYMEX of (\$0.44)
- CHK has additional in-basin basis protection through physical sales contracts covering ~36% of production for 2023

<i>(as of 10/26/23)</i>												
	MARCELLUS						HAYNESVILLE				TRANSPORT SPREAD <sup>(1)</sup>	
	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
<b>4Q 2023</b>	<b>19.1</b>	<b>\$0.96</b>	<b>11.5</b>	<b>(\$1.14)</b>	<b>22.6</b>	<b>(\$1.06)</b>	<b>54.4</b>	<b>(\$0.33)</b>	<b>25.7</b>	<b>(\$0.33)</b>	<b>2.9</b>	<b>\$0.76</b>
1Q 2024	22.3	1.89	8.0	(0.99)	17.3	(0.92)	48.0	(0.29)	23.9	(0.28)		
2Q 2024	12.7	(0.70)	3.0	(1.14)	17.3	(1.05)	42.3	(0.29)	27.8	(0.27)		
3Q 2024	12.9	(0.70)	3.0	(1.14)	17.5	(1.05)	41.9	(0.29)	27.1	(0.27)		
4Q 2024	6.2	(0.23)	3.4	(1.08)	15.7	(0.93)	27.5	(0.29)	28.1	(0.26)		
<b>FY 2024</b>	<b>54.1</b>	<b>\$0.42</b>	<b>17.4</b>	<b>(\$1.06)</b>	<b>67.7</b>	<b>(\$0.99)</b>	<b>159.7</b>	<b>(\$0.29)</b>	<b>106.9</b>	<b>(\$0.27)</b>		
1Q 2025	1.8	1.07	0.9	(0.75)	6.3	(0.65)	5.4	(0.21)	22.5	(0.23)		
2Q 2025							0.9	(0.23)	13.0	(0.23)		
<b>1H 2025</b>	<b>1.8</b>	<b>\$1.07</b>	<b>0.9</b>	<b>(\$0.75)</b>	<b>6.3</b>	<b>(\$0.65)</b>	<b>6.3</b>	<b>(\$0.22)</b>	<b>35.5</b>	<b>(\$0.23)</b>		

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

# Marcellus and Haynesville Sale Points

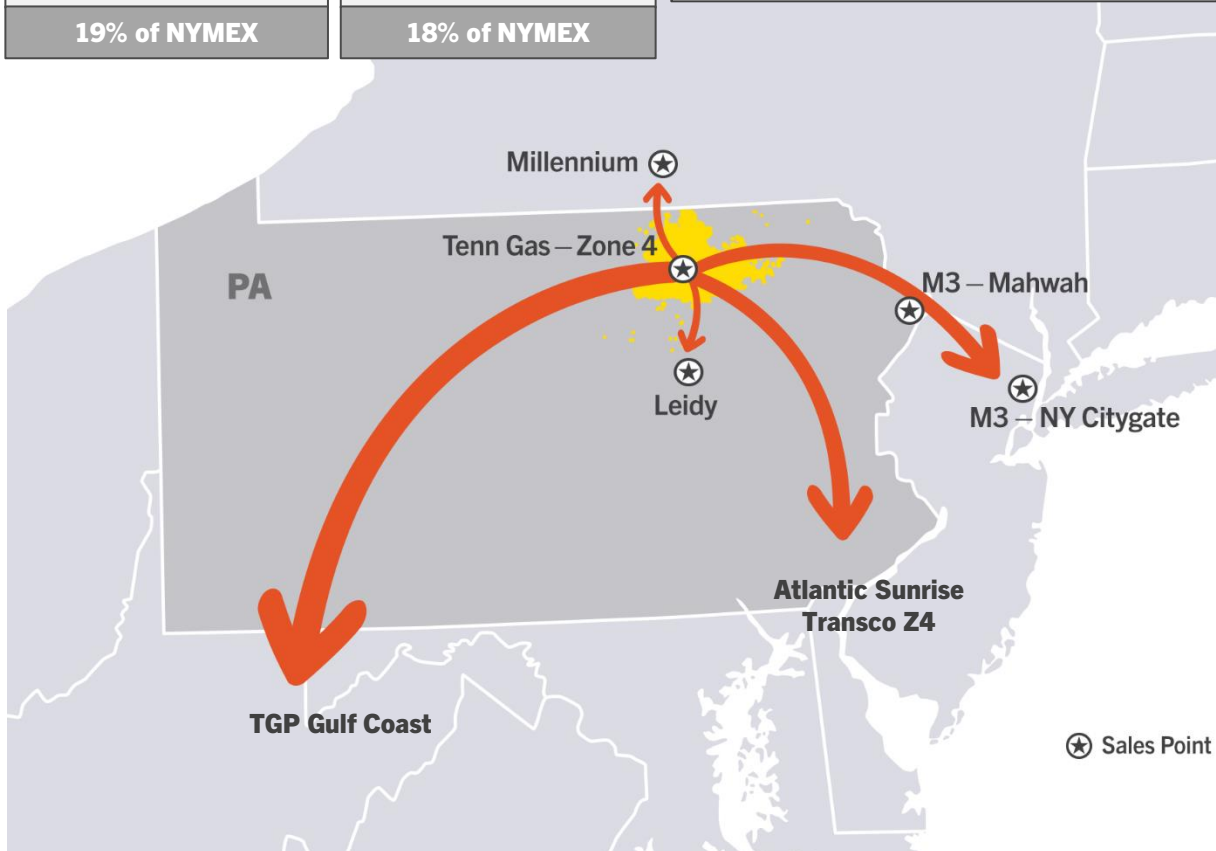
## Marcellus Sales Points

### DEDUCT FROM NYMEX (\$) <sup>(1)</sup>

HISTORICAL		CURRENT	
TGP Z4	(\$1.08)	TGP Z4	(\$1.02)
Leidy	(\$1.00)	Leidy	(\$0.90)
TETCO M3	(\$0.17)	TETCO M3	+\$0.15
<b>19% of NYMEX</b>		<b>18% of NYMEX</b>	

### MARCELLUS TOTAL PRODUCTION

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



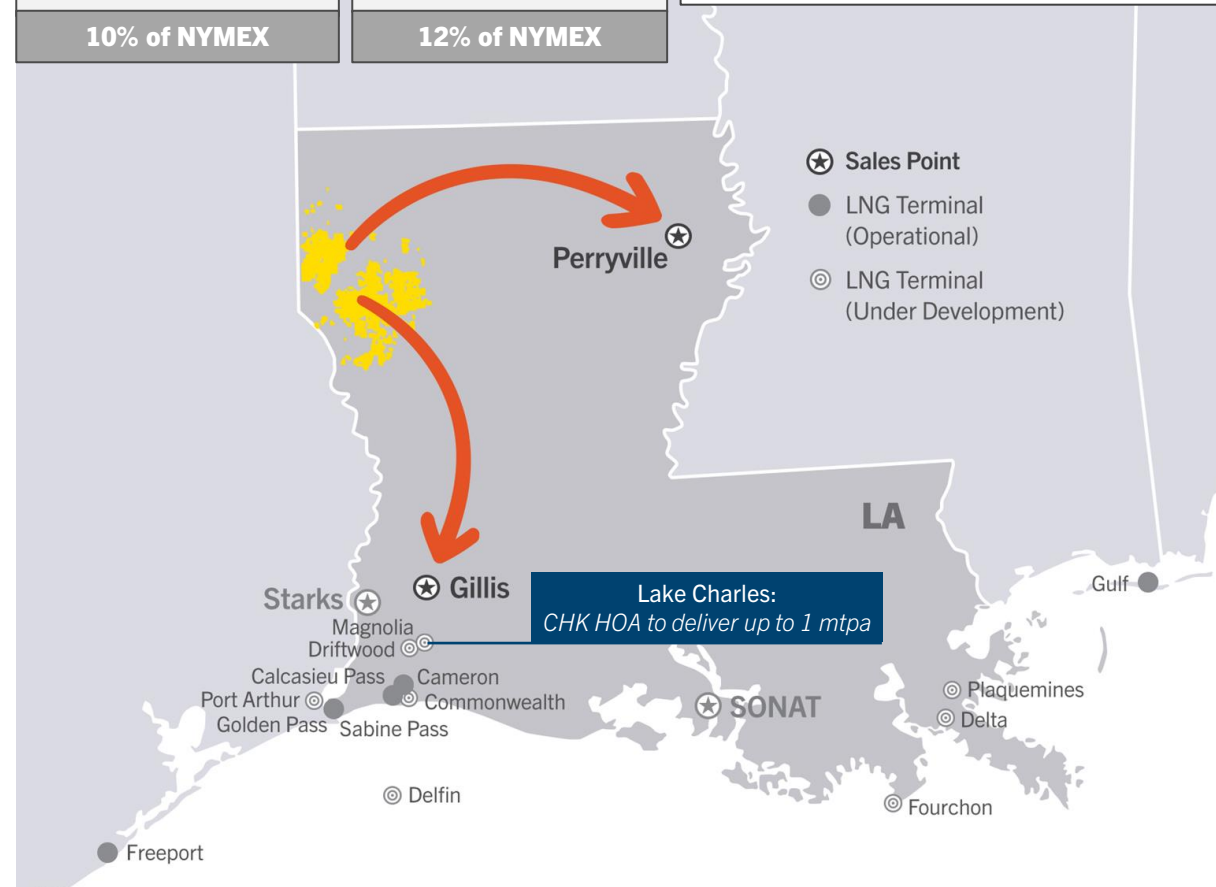
## Haynesville Sales Points

### DEDUCT FROM NYMEX (\$) <sup>(1)</sup>

HISTORICAL		CURRENT	
CGML	(\$0.46)	CGML	(\$0.30)
TGT	(\$0.37)	TGT	(\$0.27)
<b>10% of NYMEX</b>		<b>12% of NYMEX</b>	

### HAYNESVILLE TOTAL PRODUCTION

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



(1) Historical prices based on NYMEX contract settlement prices for January 2021 – December 2022; current prices based on NYMEX settled and future prices for January 2023 – December 2024, strip as of 10/25/23

# 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)

	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022
<i>(\$ in millions)</i>		
<b>Net Income (GAAP)</b>	<b>\$ 70</b>	<b>\$ 883</b>
<b>Adjustments:</b>		
Interest expense	23	52
Income tax expense	1	74
Depreciation, depletion and amortization	382	440
Exploration	4	2
Unrealized (gains) losses on natural gas and oil derivatives	110	(199)
(Gains) losses on sales of assets	–	2
Other operating expense, net	3	6
Other	(13)	(4)
<b>Adjusted EBITDAX (Non-GAAP)</b>	<b>\$ 580</b>	<b>\$ 1,256</b>

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

	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022
<i>(\$ in millions)</i>		
<b>Net Cash Provided by Operating Activities (GAAP)</b>	<b>\$ 506</b>	<b>\$ 1,313</b>
Cash capital expenditures	(423)	(540)
<b>Free Cash Flow (Non-GAAP)</b>	<b>83</b>	<b>773</b>
Cash contributions to investments	(61)	–
Free cash flow associated with assets under contract and divested assets <sup>(1)</sup>	(57)	–
<b>Adjusted Free Cash Flow (Non-GAAP)</b>	<b>\$ (35)</b>	<b>\$ 773</b>

(1) In March and April of 2023, we closed two divestitures of certain Eagle Ford assets to WildFire Energy I LLC and INEOS Upstream Holdings Limited, respectively. Due to the structure of these transactions, both of which had an effective date of October 1, 2022, 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. Additionally, in August 2023, we entered into an agreement to sell the final portion of our Eagle Ford assets to SilverBow Resources, Inc., with an economic effective date of February 1, 2023. Included within the adjustment above reflects the cash flows from the three months ended September 30, 2023, associated with these assets to be sold to SilverBow Resources, Inc. This transaction is expected to close in 2023 and the cash generated by these assets are expected to be delivered to the buyer through a reduction in the proceeds we anticipate receiving once the transaction closes.

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

	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022
<i>(\$ in millions)</i>		
<b>Net Cash Provided by Operating Activities (GAAP)</b>	<b>\$ 506</b>	<b>\$ 1,313</b>
Changes in assets and liabilities	(9)	(154)
Interest expense	23	52
Current income tax expense	81	55
Share-based compensation	(9)	(6)
Other	(12)	(4)
<b>Adjusted EBITDAX (Non-GAAP)</b>	<b>\$ 580</b>	<b>\$ 1,256</b>

## Reconciliation of Total Debt to Total Capitalization (Unaudited)

	September 30, 2023
<i>(\$ in millions)</i>	
<b>Total Debt (GAAP)</b>	<b>\$ 2,032</b>
Premiums and issuance costs on debt	(82)
<b>Principal Amount of Debt</b>	<b>1,950</b>
Cash and cash equivalents	(713)
<b>Net Debt (Non-GAAP)</b>	<b>1,237</b>
Total stockholders' equity	10,268
<b>Total Capitalization (Non-GAAP)</b>	<b>\$ 11,505</b>