

**Chesapeake Energy
Corporation Announces
Completion of Acquisition Of
\$500 Million of Mid-Continent
Gas Reserves From El Paso
Corporation**

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Chesapeake Energy Corporation today announced that it has completed its previously announced acquisition of Mid-Continent gas assets from the El Paso Corporation for \$500 million. Based on internal reservoir engineering estimates, Chesapeake believes that it has acquired approximately 328 billion cubic feet of gas equivalent (bcfe) of proved gas reserves and approximately 70 bcfe of probable and possible gas reserves. The acquired properties are expected to contribute approximately 67 million cubic feet of gas equivalent per day to Chesapeake's continued production growth.

The acquisition was funded with proceeds from the company's February 2003 public offering of 23 million common shares at \$8.10 per share and private offerings of \$230 million of 6.0% cumulative convertible preferred stock and \$300 million of 7.5% senior notes.

Aubrey K. McClendon, Chesapeake's Chief Executive Officer, commented, "We are pleased to announce the completion of another successful acquisition of Mid-Continent gas assets. The acquisition of the El Paso assets provides continuing production growth opportunities in our Mid-Continent stronghold and fits perfectly with our existing asset base. The transaction is projected to increase Chesapeake's proved reserves to approximately 2.75 trillion cubic feet of gas equivalent and our projected current production to 640 million cubic feet of gas equivalent per day. Today's announcement provides further evidence of our ongoing commitment to continue building the dominant Mid-Continent natural gas producer and to create industry-leading value through organic production growth and further consolidation of high-quality gas assets in the Mid-Continent."

This document contains 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 include estimates and give our current expectations or forecasts of future events. They are based on our historical operating trends, our existing commodity hedging position and our current estimate of proved reserves. Although we believe our forward-looking statements are reasonable, they can be affected by inaccurate assumptions or by known or unknown risks and uncertainties. For example, statements concerning the fair values of derivative contracts and their estimated contribution to our future results of operations are based upon market information as of a specific date. These market prices are subject to significant volatility. Factors that could cause actual operating and financial results to differ materially from expected results include the volatility of oil and gas prices, our

substantial indebtedness, our commodity price risk management activities, the cost and availability of drilling and production services, our ability to replace reserves, the availability of capital, uncertainties inherent in evaluating our own reserves and the reserves we acquire, drilling and operating risks and other risk factors described in the company's 2002 annual report on Form 10-K and subsequent filings with the Securities and Exchange Commission.

Chesapeake Energy Corporation is one of the 10 largest independent natural gas producers in the U.S. Headquartered in Oklahoma City, the company's operations are focused on exploratory and developmental drilling and producing property acquisitions in the Mid-Continent region of the United States. The company's Internet address is www.chkenergy.com.

SOURCE: Chesapeake Energy Corporation

CONTACT: Marc Rowland, Executive Vice President and Chief Financial Officer, +1-405-879-9232, or Tom Price, Jr., Senior Vice President Corporate Development, +1-405-879-9257, both of Chesapeake Energy Corporation

Web site: <http://www.chkenergy.com/>

Company News On-Call: <http://www.prnewswire.com/comp/138877.html>

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