

CHESAPEAKE ENERGY CORPORATION
RECONCILIATION OF OPERATING CASH FLOW AND EBITDA
(\$ in millions)
(unaudited)

| THREE MONTHS ENDED: | March 31, 2014 | December 31, 2013 | March 31, 2013 |
|--|---------------------------|------------------------------|---------------------------|
| CASH PROVIDED BY OPERATING ACTIVITIES | \$ 1,291 | \$ 1,028 | \$ 924 |
| Changes in assets and liabilities | 323 | (33) | 255 |
| OPERATING CASH FLOW^(a) | <u>\$ 1,614</u> | <u>\$ 995</u> | <u>\$ 1,179</u> |

| THREE MONTHS ENDED: | March 31, 2014 | December 31, 2013 | March 31, 2013 |
|---|---------------------------|------------------------------|---------------------------|
| NET INCOME (LOSS) | \$ 466 | \$ (74) | \$ 102 |
| Interest expense | 39 | 63 | 21 |
| Income tax expense (benefit) | 280 | (45) | 63 |
| Depreciation and amortization of other assets | 78 | 80 | 78 |
| Natural gas, oil and NGL depreciation, depletion and amortization | 628 | 644 | 648 |
| EBITDA^(b) | <u>\$ 1,491</u> | <u>\$ 668</u> | <u>\$ 912</u> |

| THREE MONTHS ENDED: | March 31, 2014 | December 31, 2013 | March 31, 2013 |
|--|---------------------------|------------------------------|---------------------------|
| CASH PROVIDED BY OPERATING ACTIVITIES | \$ 1,291 | \$ 1,028 | \$ 924 |
| Changes in assets and liabilities | 323 | (33) | 255 |
| Interest expense, net of unrealized gains (losses) on derivatives | 55 | 53 | 15 |
| Natural gas, oil and NGL derivative gains (losses), net | (382) | (13) | (142) |
| Cash (receipts) payments on natural gas, oil and NGL derivative settlements, net | 168 | 30 | (19) |
| Share-based compensation | (20) | (20) | (32) |
| Restructuring and other termination costs | 9 | (11) | (105) |
| Impairments of fixed assets and other | (12) | (166) | (27) |
| Net gains on sales of fixed assets | 23 | 12 | 49 |
| Losses on investments | (21) | (189) | (39) |
| Net gains on sales of investments | 67 | — | — |
| Losses on purchases of debt and extinguishment of other financing | — | (3) | — |
| Other items | (10) | (20) | 33 |
| EBITDA^(b) | <u>\$ 1,491</u> | <u>\$ 668</u> | <u>\$ 912</u> |

(a) Operating cash flow represents net cash provided by operating activities before changes in assets and liabilities. Operating cash flow is presented because management believes it is a useful adjunct to net cash provided by operating activities under GAAP. Operating cash flow is widely accepted as a financial indicator of a natural gas and oil company's ability to generate cash which is used to internally fund exploration and development activities and to service debt. This measure is widely used by investors and rating agencies in the valuation, comparison, rating and investment recommendations of companies within the natural gas and oil exploration and production industry. Operating cash flow is not a measure of financial performance under GAAP and should not be considered as an alternative to cash flows from operating, investing or financing activities as an indicator of cash flows, or as a measure of liquidity.

(b) Ebitda represents net income (loss) before interest expense, income taxes, and depreciation, depletion and amortization expense. Ebitda is presented as a supplemental financial measurement in the evaluation of our business. We believe that it provides additional information regarding our ability to meet our future debt service, capital expenditures and working capital requirements. This measure is widely used by investors and rating agencies in the valuation, comparison, rating and investment recommendations of companies. Ebitda is also a financial measurement that, with certain negotiated adjustments, is reported to our lenders pursuant to our bank credit agreements and is used in the financial covenants in our bank credit agreements. Ebitda is not a measure of financial performance under GAAP. Accordingly, it should not be considered as a substitute for net income, income from operations or cash flow provided by operating activities prepared in accordance with GAAP.

CHESAPEAKE ENERGY CORPORATION
RECONCILIATION OF ADJUSTED NET INCOME AVAILABLE TO COMMON STOCKHOLDERS
(\$ in millions, except per share data)
(unaudited)

| THREE MONTHS ENDED: | March 31, 2014 | December 31, 2013 | March 31, 2013 |
|--|---------------------------|------------------------------|---------------------------|
| Net income (loss) available to common stockholders | \$ 374 | \$ (159) | \$ 15 |
| Adjustments, net of tax: | | | |
| Unrealized losses on derivatives | 80 | 13 | 94 |
| Restructuring and other termination costs | (4) | 28 | 83 |
| Impairments of fixed assets and other | 12 | 126 | 16 |
| Net gains on sales of fixed assets | (14) | (7) | (30) |
| Losses on investments | — | 84 | 6 |
| Net gains on sales of investments | (42) | — | — |
| Losses on purchases of debt and extinguishment of other financing | — | 76 | — |
| Other | (1) | — | (1) |
| Adjusted net income available to common stockholders^(a) | 405 | 161 | 183 |
| Preferred stock dividends | 43 | 43 | 43 |
| Earnings allocated to participating securities | 8 | — | — |
| Total adjusted net income attributable to Chesapeake | \$ 456 | \$ 204 | \$ 226 |
| Weighted average fully diluted shares outstanding (in millions)^(b) | 767 | 767 | 761 |
| Adjusted earnings per share assuming dilution^(a) | \$ 0.59 | \$ 0.27 | \$ 0.30 |

(a) Adjusted net income available to common stockholders and adjusted earnings per share assuming dilution exclude certain items that management believes affect the comparability of operating results. The company believes these adjusted financial measures are a useful adjunct to earnings calculated in accordance with accounting principles generally accepted in the United States (GAAP) because:

- (i) Management uses adjusted net income available to common stockholders to evaluate the company's operational trends and performance relative to other natural gas and oil producing companies.
- (ii) Adjusted net income available to common stockholders is more comparable to earnings estimates provided by securities analysts.
- (iii) 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.

(b) Weighted average fully diluted shares outstanding include shares that were considered antidilutive for calculating earnings per share in accordance with GAAP.

CHESAPEAKE ENERGY CORPORATION
RECONCILIATION OF ADJUSTED EBITDA
(\$ in millions)
(unaudited)

| THREE MONTHS ENDED: | March 31, 2014 | December 31, 2013 | March 31, 2013 |
|---|---------------------------|------------------------------|---------------------------|
| EBITDA | \$ 1,491 | \$ 668 | \$ 912 |
| Adjustments: | | | |
| Unrealized losses on natural gas, oil and NGL derivatives | 144 | 10 | 146 |
| Restructuring and other termination costs | (7) | 45 | 133 |
| Impairments of fixed assets and other | 20 | 203 | 27 |
| Net gains on sales of fixed assets | (23) | (12) | (49) |
| Losses on investments | — | 136 | 10 |
| Net gains on sales of investments | (67) | — | — |
| Losses on purchases of debt and extinguishment of other financing | — | 123 | — |
| Net income attributable to noncontrolling interests | (41) | (42) | (44) |
| Other | (2) | 1 | (1) |
| Adjusted EBITDA^(a) | <u>\$ 1,515</u> | <u>\$ 1,132</u> | <u>\$ 1,134</u> |

(a) Adjusted ebitda excludes certain items that management believes affect the comparability of operating results. The company believes these non-GAAP financial measures are a useful adjunct to ebitda because:

- (i) Management uses adjusted ebitda to evaluate the company's operational trends and performance relative to other natural gas and oil producing companies.
- (ii) Adjusted ebitda is more comparable to estimates provided by securities analysts.
- (iii) 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.

CHESAPEAKE ENERGY CORPORATION
CONDENSED CONSOLIDATED CASH FLOW DATA
(\$ in millions)
(unaudited)

| THREE MONTHS ENDED: | March 31, 2014 | March 31, 2013 |
|--|---------------------------|---------------------------|
| Beginning cash | \$ 837 | \$ 287 |
| Cash provided by operating activities | 1,291 | 924 |
| Cash flows from investing activities: | | |
| Drilling and completion costs on proved and unproved properties ^(a) | (894) | (1,566) |
| Acquisition of proved and unproved properties ^(b) | (179) | (255) |
| Sale of proved and unproved properties | 42 | 165 |
| Geological and geophysical costs | (4) | (13) |
| Cash paid to purchase leased rigs and compressors | (340) | — |
| Additions to other property and equipment | (97) | (330) |
| Proceeds from sales of other assets | 239 | 201 |
| Additions to investments | (3) | (3) |
| Proceeds from sales of investments | 239 | — |
| Other | (2) | 56 |
| Total cash used in investing activities | (999) | (1,745) |
| Cash provided by (used in) financing activities | (125) | 567 |
| Change in cash and cash equivalents | 167 | (254) |
| Ending cash | \$ 1,004 | \$ 33 |

(a) Includes capitalized interest of \$12 million and \$16 million for the three months ended March 31, 2014 and 2013, respectively.

(b) Includes capitalized interest of \$158 million and \$207 million for the three months ended March 31, 2014 and 2013, respectively.