

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

THREE MONTHS ENDED:	December 31, 2013	September 30, 2013	December 31, 2012
<b>CASH PROVIDED BY OPERATING ACTIVITIES</b>	\$ 1,028	\$ 1,361	\$ 860
Changes in assets and liabilities	(33)	52	278
<b>OPERATING CASH FLOW<sup>(a)</sup></b>	<u>\$ 995</u>	<u>\$ 1,413</u>	<u>\$ 1,138</u>

THREE MONTHS ENDED:	December 31, 2013	September 30, 2013	December 31, 2012
<b>NET INCOME (LOSS)</b>	\$ (74)	\$ 240	\$ 344
Interest expense	63	40	14
Income tax expense (benefit)	(45)	147	219
Depreciation and amortization of other assets	80	79	71
Natural gas, oil and NGL depreciation, depletion and amortization	644	652	651
<b>EBITDA<sup>(b)</sup></b>	<u>\$ 668</u>	<u>\$ 1,158</u>	<u>\$ 1,299</u>

THREE MONTHS ENDED:	December 31, 2013	September 30, 2013	December 31, 2012
<b>CASH PROVIDED BY OPERATING ACTIVITIES</b>	\$ 1,028	\$ 1,361	\$ 860
Changes in assets and liabilities	(33)	52	278
Interest expense, net of unrealized gains (losses) on derivatives	53	40	17
Natural gas, oil and NGL derivative gains (losses), net	(13)	(253)	96
Cash payments on natural gas, oil and NGL derivative settlements, net	30	19	17
Share-based compensation	(20)	(22)	(27)
Restructuring and other termination costs	(11)	(60)	(2)
Impairments of fixed assets and other	(166)	(59)	(59)
Net gains on sales of fixed assets	12	132	272
Losses on investments	(189)	(23)	(17)
Gains on sales of investments	—	3	31
Losses on purchases of debt and extinguishment of other financing	(3)	—	(200)
Other items	(20)	(32)	33
<b>EBITDA<sup>(b)</sup></b>	<u>\$ 668</u>	<u>\$ 1,158</u>	<u>\$ 1,299</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 OPERATING CASH FLOW AND EBITDA**  
(\$ in millions)  
(unaudited)

<b>TWELVE MONTHS ENDED:</b>	<b>December 31, 2013</b>	<b>December 31, 2012</b>
<b>CASH PROVIDED BY OPERATING ACTIVITIES</b>	\$ 4,614	\$ 2,837
Changes in assets and liabilities	342	1,083
<b>OPERATING CASH FLOW<sup>(a)</sup></b>	<u>\$ 4,956</u>	<u>\$ 3,920</u>

<b>TWELVE MONTHS ENDED:</b>	<b>December 31, 2013</b>	<b>December 31, 2012</b>
<b>NET INCOME (LOSS)</b>	\$ 894	\$ (594)
Interest expense, net of unrealized gains	227	77
Income tax expense (benefit)	548	(380)
Depreciation and amortization of other assets	314	304
Natural gas, oil and NGL depreciation, depletion and amortization	2,589	2,507
<b>EBITDA<sup>(b)</sup></b>	<u>\$ 4,572</u>	<u>\$ 1,914</u>

<b>TWELVE MONTHS ENDED:</b>	<b>December 31, 2013</b>	<b>December 31, 2012</b>
<b>CASH PROVIDED BY OPERATING ACTIVITIES</b>	\$ 4,614	\$ 2,837
Changes in assets and liabilities	342	1,083
Interest expense, net of unrealized gains on derivatives	159	83
Natural gas, oil and NGL derivative gains, net	129	919
Cash (receipts) payments on natural gas, oil and NGL derivative settlements, net	91	(234)
Share-based compensation	(98)	(120)
Restructuring and other termination costs	(175)	(2)
Impairment of natural gas and oil properties	—	(3,315)
Impairments of fixed assets and other	(483)	(316)
Net gains on sales of fixed assets	302	267
Losses on investments	(229)	(164)
Gains (losses) on sales of investments	(7)	1,092
Losses on purchases of debt and extinguishment of other financing	(40)	(200)
Other items	(33)	(16)
<b>EBITDA<sup>(b)</sup></b>	<u>\$ 4,572</u>	<u>\$ 1,914</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)

<b>THREE MONTHS ENDED:</b>	<b>December 31, 2013</b>	<b>September 30, 2013</b>	<b>December 31, 2012</b>
<b>Net income (loss) available to common stockholders</b>	\$ (159)	\$ 156	\$ 250
<b>Adjustments, net of tax:</b>			
Unrealized (gains) losses on derivatives	13	118	(78)
Restructuring and other termination costs	28	39	2
Impairments of fixed assets and other	126	55	36
Net gains on sales of fixed assets	(7)	(82)	(166)
Losses on investment	84	—	—
Gains on sales of investments	—	(2)	(19)
Losses on purchases of debt and extinguishment of other financing	76	—	122
Other	—	(2)	(1)
<b>Adjusted net income available to common stockholders<sup>(a)</sup></b>	<b>161</b>	<b>282</b>	<b>146</b>
Preferred stock dividends	43	43	43
Earnings allocated to participating securities	—	3	7
<b>Total adjusted net income attributable to Chesapeake</b>	<b>\$ 204</b>	<b>\$ 328</b>	<b>\$ 196</b>
<b>Weighted average fully diluted shares outstanding (in millions)<sup>(b)</sup></b>	<b>767</b>	<b>765</b>	<b>754</b>
<b>Adjusted earnings per share assuming dilution<sup>(a)</sup></b>	<b>\$ 0.27</b>	<b>\$ 0.43</b>	<b>\$ 0.26</b>

(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 NET INCOME AVAILABLE TO COMMON STOCKHOLDERS**  
(\$ in millions, except per share data)  
(unaudited)

<b>TWELVE MONTHS ENDED:</b>	<b>December 31, 2013</b>	<b>December 31, 2012</b>
<b>Net income (loss) available to common stockholders</b>	\$ 474	\$ (940)
<b>Adjustments, net of tax:</b>		
Unrealized gains on derivatives	(100)	(347)
Restructuring and other termination costs	154	4
Impairment of natural gas and oil properties	—	2,022
Impairments of fixed assets and other	341	208
Net gains on sales of fixed assets	(187)	(163)
(Gains) losses on investments	95	(622)
Losses on purchases of debt and extinguishment of other financing	120	122
Other	(1)	1
<b>Adjusted net income available to common stockholders<sup>(a)</sup></b>	<b>896</b>	<b>285</b>
Preferred stock dividends	171	171
Premium on purchase of preferred shares of a subsidiary	69	—
Earnings allocated to participating securities	10	—
<b>Total adjusted net income attributable to Chesapeake</b>	<b>\$ 1,146</b>	<b>\$ 456</b>
<b>Weighted average fully diluted shares outstanding (in millions)<sup>(b)</sup></b>	<b>765</b>	<b>755</b>
<b>Adjusted earnings per share assuming dilution<sup>(a)</sup></b>	<b>\$ 1.50</b>	<b>\$ 0.61</b>

(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 GAAP earnings 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)

<b>THREE MONTHS ENDED:</b>	<b>December 31, 2013</b>	<b>September 30, 2013</b>	<b>December 31, 2012</b>
<b>EBITDA</b>	\$ 668	\$ 1,158	\$ 1,299
<b>Adjustments:</b>			
Unrealized (gains) losses on natural gas, oil and NGL derivatives	10	191	(125)
Restructuring and other termination costs	45	63	3
Impairments of fixed assets and other	203	89	59
Net gains on sales of fixed assets	(12)	(132)	(272)
Losses on investment	136	—	—
Gains on sales of investments	—	(3)	(31)
Losses on purchases of debt and extinguishment of other financing	123	—	200
Net income attributable to noncontrolling interests	(42)	(38)	(44)
Other	1	(3)	(1)
<b>Adjusted EBITDA<sup>(a)</sup></b>	<b>\$ 1,132</b>	<b>\$ 1,325</b>	<b>\$ 1,088</b>

<b>TWELVE MONTHS ENDED:</b>	<b>December 31, 2013</b>	<b>December 31, 2012</b>
<b>EBITDA</b>	\$ 4,572	\$ 1,914
<b>Adjustments:</b>		
Unrealized (gains) losses on natural gas, oil and NGL derivatives	(228)	(561)
Restructuring and other termination costs	248	7
Impairment of natural gas and oil properties	—	3,315
Impairments of fixed assets and other	550	340
Net gains on sales of fixed assets	(302)	(267)
Losses on investments	146	—
(Gains) losses on sales of investments	7	(1,019)
Losses on purchases of debt and extinguishment of other financing	193	200
Net income attributable to noncontrolling interests	(170)	(175)
<b>Adjusted EBITDA<sup>(a)</sup></b>	<b>\$ 5,016</b>	<b>\$ 3,754</b>

(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.