

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

THREE MONTHS ENDED:	December 31, 2012	September 30, 2012	December 31, 2011
CASH PROVIDED BY OPERATING ACTIVITIES	\$ 864	\$ 949	\$ 2,179
Changes in assets and liabilities	282	169	(868)
OPERATING CASH FLOW^(a)	<u>\$ 1,146</u>	<u>\$ 1,118</u>	<u>\$ 1,311</u>

THREE MONTHS ENDED:	December 31, 2012	September 30, 2012	December 31, 2011
NET INCOME (LOSS)	\$ 344	\$ (1,971)	\$ 487
Income tax expense (benefit)	219	(1,260)	312
Interest expense	14	36	7
Depreciation and amortization of other assets	71	66	85
Natural gas, oil and NGL depreciation, depletion and amortization	651	762	484
EBITDA^(b)	<u>\$ 1,299</u>	<u>\$ (2,367)</u>	<u>\$ 1,375</u>

THREE MONTHS ENDED:	December 31, 2012	September 30, 2012	December 31, 2011
CASH PROVIDED BY OPERATING ACTIVITIES	\$ 864	\$ 949	\$ 2,179
Changes in assets and liabilities	282	169	(868)
Interest expense	14	36	7
Unrealized gains (losses) on natural gas, oil and NGL derivatives	125	(104)	(345)
Impairment of natural gas and oil properties	—	(3,315)	—
Net gains (losses) on sales of fixed assets	272	(7)	439
Impairments of fixed assets and other	(59)	(14)	(42)
Gains (losses) on investments	(2)	4	22
Stock-based compensation	(27)	(30)	(34)
Losses on purchases of debt	(200)	—	—
Other items	30	(55)	17
EBITDA^(b)	<u>\$ 1,299</u>	<u>\$ (2,367)</u>	<u>\$ 1,375</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 accounting principles generally accepted in the United States (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 income tax expense, interest expense 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)

TWELVE MONTHS ENDED:	December 31, 2012	December 31, 2011
CASH PROVIDED BY OPERATING ACTIVITIES	\$ 2,841	\$ 5,903
Changes in assets and liabilities	1,228	(594)
OPERATING CASH FLOW^(a)	<u>\$ 4,069</u>	<u>\$ 5,309</u>

TWELVE MONTHS ENDED:	December 31, 2012	December 31, 2011
NET INCOME (LOSS)	\$ (594)	\$ 1,757
Income tax expense (benefit)	(380)	1,123
Interest expense	77	44
Depreciation and amortization of other assets	304	291
Natural gas, oil and NGL depreciation, depletion and amortization	2,507	1,632
EBITDA^(b)	<u>\$ 1,914</u>	<u>\$ 4,847</u>

TWELVE MONTHS ENDED:	December 31, 2012	December 31, 2011
CASH PROVIDED BY OPERATING ACTIVITIES	\$ 2,841	\$ 5,903
Changes in assets and liabilities	1,228	(594)
Interest expense	77	44
Unrealized gains (losses) on natural gas, oil and NGL derivatives	561	(789)
Impairment of natural gas and oil properties	(3,315)	—
Net gains on sales of fixed assets	267	437
Impairments of fixed assets and other	(316)	(46)
Gains (losses) on investments	(180)	41
Stock-based compensation	(120)	(153)
Gains on sales of investments	1,092	—
Losses on purchases of debt	(200)	(5)
Other items	(21)	9
EBITDA^(b)	<u>\$ 1,914</u>	<u>\$ 4,847</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 accounting principles generally accepted in the United States (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 income tax expense, interest expense 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:	December 31, 2012	September 30, 2012	December 31, 2011
Net income (loss) available to common stockholders	\$ 257	\$ (2,055)	\$ 429
Adjustments, net of tax:			
Unrealized (gains) losses on derivatives	(78)	63	207
Impairment of natural gas and oil properties	—	2,022	—
Net (gains) losses on sales of fixed assets	(166)	4	(268)
Impairments of fixed assets and other	36	23	26
Gains on sales of investments	(19)	(19)	—
Losses on purchases or exchanges of debt	122	—	—
Other	1	(3)	—
Adjusted net income available to common stockholders^(a)	153	35	394
Preferred stock dividends	43	43	43
Total adjusted net income	\$ 196	\$ 78	\$ 437
Weighted average fully diluted shares outstanding^(b)	754	754	750
Adjusted earnings per share assuming dilution^(a)	\$ 0.26	\$ 0.10	\$ 0.58

TWELVE MONTHS ENDED:	December 31, 2012	December 31, 2011
Net income (loss) available to common stockholders	\$ (940)	\$ 1,570
Adjustments, net of tax:		
Unrealized (gains) losses on derivatives	(347)	486
Impairment of natural gas and oil properties	2,022	—
Net gains on sales of fixed assets	(163)	(266)
Impairments of fixed assets and other	208	28
Losses on purchases or exchanges of debt	122	107
Loss on foreign currency derivatives	—	11
Gains on investments	(622)	—
Other	5	—
Adjusted net income available to common stockholders^(a)	285	1,936
Preferred stock dividends	171	172
Total adjusted net income	\$ 456	\$ 2,108
Weighted average fully diluted shares outstanding^(b)	755	752
Adjusted earnings per share assuming dilution^(a)	\$ 0.61	\$ 2.80

(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 non-GAAP 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)

THREE MONTHS ENDED:	December 31, 2012	September 30, 2012	December 31, 2011
EBITDA	\$ 1,299	\$ (2,367)	\$ 1,375
Adjustments:			
Unrealized (gains) losses on natural gas, oil and NGL derivatives	(125)	104	345
Impairment of natural gas and oil properties	—	3,315	—
Net (gains) losses on sales of fixed assets	(272)	7	(439)
Impairments of fixed assets and other	59	38	42
Net income attributable to noncontrolling interests	(44)	(41)	(15)
Gains on sales of investments	(31)	(31)	—
Losses on purchases of debt	200	—	—
Other	3	(4)	—
Adjusted EBITDA^(a)	<u>\$ 1,089</u>	<u>\$ 1,021</u>	<u>\$ 1,308</u>

TWELVE MONTHS ENDED:	December 31, 2012	December 31, 2011
EBITDA	\$ 1,914	\$ 4,847
Adjustments:		
Unrealized (gains) losses on natural gas, oil and NGL derivatives	(561)	789
Impairment of natural gas and oil properties	3,315	—
Net gains on sales of fixed assets	(267)	(437)
Impairments of fixed assets and other	340	46
Net income attributable to noncontrolling interests	(175)	(15)
Losses on purchases of debt	200	176
(Gains) on investments	(1,019)	—
Other	7	—
Adjusted EBITDA^(a)	<u>\$ 3,754</u>	<u>\$ 5,406</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
RECONCILIATION OF 2012 CHANGES TO NATURAL GAS AND OIL PROPERTIES
BASED ON SEC PRICING OF TRAILING 12-MONTH AVERAGE PRICES AS OF DECEMBER 31, 2012
(\$ in millions, except per-unit data)
(unaudited)

	Proved Reserves		
	Cost	Bcfe ^(a)	\$/Mcf
PROVED PROPERTIES:			
Well costs on proved properties ^{(b)(c)}	\$ 9,168	5,042 ^(d)	1.82
Acquisition of proved properties ^(e)	332	42	7.91
Sale of proved properties	<u>(2,462)</u>	<u>(1,347)</u>	1.83
Total net proved properties	<u>7,038</u>	<u>3,737</u>	1.88
Revisions – price	—	(5,414)	—
UNPROVED PROPERTIES:			
Well costs on unproved properties ^(f)	(337)	—	—
Acquisition of unproved properties, net ^(g)	1,718	—	—
Acquisition of minerals	68	—	—
Sale of unproved properties	<u>(3,146)</u>	<u>—</u>	—
Total net unproved properties	<u>(1,697)</u>	<u>—</u>	—
OTHER:			
Capitalized interest on unproved properties	976	—	—
Geological and geophysical costs	170	—	—
Asset retirement obligations	<u>32</u>	<u>—</u>	—
Total other	<u>1,178</u>	<u>—</u>	—
Total	\$ 6,519	(1,677)	—

CHESAPEAKE ENERGY CORPORATION
ROLL-FORWARD OF PROVED RESERVES
TWELVE MONTHS ENDED DECEMBER 31, 2012
BASED ON SEC PRICING OF TRAILING 12-MONTH AVERAGE PRICES AS OF DECEMBER 31, 2012
(unaudited)

	Bcfe ^(a)
Beginning balance, January 1, 2012	18,789
Production	(1,422)
Acquisitions	42
Divestitures	(1,347)
Revisions – changes to previous estimates	(1,349)
Revisions – price	(5,414)
Extensions and discoveries	<u>6,391</u>
Ending balance, December 31, 2012	<u>15,690</u>
Proved reserves decline rate before acquisitions and divestitures	10%
Proved reserves decline rate after acquisitions and divestitures	17%
Proved developed reserves	8,944
Proved developed reserves percentage	57%
PV-10 (\$ in billions) ^(a)	\$ 17.8

(a) Reserve volumes and PV-10 value estimated using SEC reserve recognition standards and pricing assumptions based on the trailing 12-month average first-day-of-the-month prices as of December 31, 2012 of \$2.76 per mcf of natural gas and \$94.84 per bbl of oil, before field differential adjustments.

(b) Net of well cost carries of \$784 million associated with the Statoil-Marcellus, CNOOC-Eagle Ford, CNOOC-Niobrara and Total-Utica joint ventures.

(c) Includes \$1.389 billion of well costs incurred in prior quarters (previously classified as well costs on unproved properties) related to wells that were evaluated for the existence of proved reserves in the current quarter.

(d) Includes 1.349 tcf of downward revisions resulting from changes to previous estimates and excludes downward revisions of 5.414 tcf primarily resulting from lower natural gas prices using the average first-day-of-the-month price for the twelve months ended December 31, 2012, compared to the twelve months ended December 31, 2011.

(e) Includes 28 bcf of proved reserves associated with the company's Permian Basin volumetric production payment repurchased by the company for \$313 million and subsequently resold to multiple parties in September and October 2012.

(f) Includes \$1.052 billion of well costs on unproved properties incurred in the current year, offset by the transfer of \$1.389 billion previously classified as well costs on unproved properties that were evaluated for the existence of proved reserves in the current quarter. See footnote (c).

(g) Net of joint venture partner reimbursements.

CHESAPEAKE ENERGY CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(\$ in millions, except per-share and unit data)
(unaudited)

THREE MONTHS ENDED:	December 31, 2012		December 31, 2011	
	\$	\$/mcf	\$	\$/mcf
REVENUES:				
Natural gas, oil and NGL	1,657	4.58	1,336	4.03
Marketing, gathering and compression	1,721	4.76	1,246	3.77
Oilfield services	161	0.45	145	0.44
Total Revenues	<u>3,539</u>	<u>9.79</u>	<u>2,727</u>	<u>8.24</u>
OPERATING EXPENSES:				
Natural gas, oil and NGL production	299	0.83	292	0.88
Production taxes	47	0.13	51	0.15
Marketing, gathering and compression	1,681	4.65	1,223	3.70
Oilfield services	145	0.40	115	0.35
General and administrative	99	0.27	138	0.42
Employee retirement expense and other termination benefits	3	0.01	—	—
Natural gas, oil and NGL depreciation, depletion and amortization	651	1.80	484	1.46
Depreciation and amortization of other assets	71	0.20	85	0.26
Net gains on sales of fixed assets	(272)	(0.75)	(439)	(1.33)
Impairments of fixed assets and other	59	0.16	42	0.13
Total Operating Expenses	<u>2,783</u>	<u>7.70</u>	<u>1,991</u>	<u>6.02</u>
INCOME (LOSS) FROM OPERATIONS	<u>756</u>	<u>2.09</u>	<u>736</u>	<u>2.22</u>
OTHER INCOME (EXPENSE):				
Interest expense	(14)	(0.04)	(7)	(0.02)
Earnings (losses) on investments	(16)	(0.04)	56	0.17
Gain on sale of investment	31	0.09	—	—
Losses on purchases of debt	(200)	(0.55)	—	—
Other income	6	0.01	14	0.04
Total Other Income (Expense)	<u>(193)</u>	<u>(0.53)</u>	<u>63</u>	<u>0.19</u>
INCOME (LOSS) BEFORE INCOME TAXES	<u>563</u>	<u>1.56</u>	<u>799</u>	<u>2.41</u>
INCOME TAX EXPENSE (BENEFIT):				
Current income taxes	23	0.06	2	—
Deferred income taxes	196	0.55	310	0.94
Total Income Tax Expense (Benefit)	<u>219</u>	<u>0.61</u>	<u>312</u>	<u>0.94</u>
NET INCOME (LOSS)	<u>344</u>	<u>0.95</u>	<u>487</u>	<u>1.47</u>
Net income attributable to noncontrolling interests	(44)	(0.12)	(15)	(0.04)
NET INCOME (LOSS) ATTRIBUTABLE TO CHESAPEAKE	<u>300</u>	<u>0.83</u>	<u>472</u>	<u>1.43</u>
Preferred stock dividends	(43)	(0.12)	(43)	(0.13)
NET INCOME (LOSS) AVAILABLE TO COMMON STOCKHOLDERS	<u>257</u>	<u>0.71</u>	<u>429</u>	<u>1.30</u>
EARNINGS (LOSS) PER COMMON SHARE:				
Basic	<u>\$ 0.39</u>		<u>\$ 0.67</u>	
Diluted	<u>\$ 0.39</u>		<u>\$ 0.63</u>	
WEIGHTED AVERAGE COMMON AND COMMON EQUIVALENT SHARES OUTSTANDING (in millions):				
Basic	<u>644</u>		<u>640</u>	
Diluted	<u>648</u>		<u>750</u>	

CHESAPEAKE ENERGY CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(\$ in millions, except per-share and unit data)
(unaudited)

TWELVE MONTHS ENDED:	December 31, 2012		December 31, 2011	
	\$	\$/mcf	\$	\$/mcf
REVENUES:				
Natural gas, oil and NGL	6,278	4.42	6,024	5.04
Marketing, gathering and compression	5,431	3.81	5,090	4.26
Oilfield services	607	0.43	521	0.44
Total Revenues	<u>12,316</u>	<u>8.66</u>	<u>11,635</u>	<u>9.74</u>
OPERATING EXPENSES:				
Natural gas, oil and NGL production	1,304	0.92	1,073	0.90
Production taxes	188	0.13	192	0.16
Marketing, gathering and compression	5,312	3.73	4,967	4.16
Oilfield services	465	0.33	402	0.34
General and administrative	535	0.38	548	0.46
Employee retirement expense and other termination benefits	7	0.01	—	—
Natural gas, oil and NGL depreciation, depletion and amortization	2,507	1.76	1,632	1.37
Depreciation and amortization of other assets	304	0.21	291	0.24
Impairment of natural gas and oil properties	3,315	2.33	—	—
Net gains on sales of fixed assets	(267)	(0.18)	(437)	(0.37)
Impairments of fixed assets and other	340	0.24	46	0.03
Total Operating Expenses	<u>14,010</u>	<u>9.86</u>	<u>8,714</u>	<u>7.29</u>
INCOME (LOSS) FROM OPERATIONS	<u>(1,694)</u>	<u>(1.20)</u>	<u>2,921</u>	<u>2.45</u>
OTHER INCOME (EXPENSE):				
Interest expense	(77)	(0.05)	(44)	(0.04)
Earnings (losses) on investments	(103)	(0.08)	156	0.13
Gain on sales of investments	1,092	0.77	—	—
Losses on purchases of debt	(200)	(0.14)	(176)	(0.15)
Other income	8	0.01	23	0.02
Total Other Income (Expense)	<u>720</u>	<u>0.51</u>	<u>(41)</u>	<u>(0.04)</u>
INCOME (LOSS) BEFORE INCOME TAXES	<u>(974)</u>	<u>(0.69)</u>	<u>2,880</u>	<u>2.41</u>
INCOME TAX EXPENSE (BENEFIT):				
Current income taxes	47	0.03	13	0.01
Deferred income taxes	(427)	(0.30)	1,110	0.93
Total Income Tax Expense (Benefit)	<u>(380)</u>	<u>(0.27)</u>	<u>1,123</u>	<u>0.94</u>
NET INCOME (LOSS)	<u>(594)</u>	<u>(0.42)</u>	<u>1,757</u>	<u>1.47</u>
Net income attributable to noncontrolling interests	<u>(175)</u>	<u>(0.12)</u>	<u>(15)</u>	<u>(0.01)</u>
NET INCOME (LOSS) ATTRIBUTABLE TO CHESAPEAKE	<u>(769)</u>	<u>(0.54)</u>	<u>1,742</u>	<u>1.46</u>
Preferred stock dividends	<u>(171)</u>	<u>(0.12)</u>	<u>(172)</u>	<u>(0.15)</u>
NET INCOME (LOSS) AVAILABLE TO COMMON STOCKHOLDERS	<u>(940)</u>	<u>(0.66)</u>	<u>1,570</u>	<u>1.31</u>
EARNINGS (LOSS) PER COMMON SHARE:				
Basic	<u>\$ (1.46)</u>		<u>\$ 2.47</u>	
Diluted	<u>\$ (1.46)</u>		<u>\$ 2.32</u>	
WEIGHTED AVERAGE COMMON AND COMMON EQUIVALENT SHARES OUTSTANDING (in millions):				
Basic	<u>643</u>		<u>637</u>	
Diluted	<u>643</u>		<u>752</u>	

CHESAPEAKE ENERGY CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(\$ in millions)
(unaudited)

	December 31, 2012	December 31, 2011
Cash and cash equivalents	\$ 287	\$ 351
Other current assets	2,661	2,826
Total Current Assets	2,948	3,177
Property and equipment (net)	37,167	36,739
Other assets	1,496	1,919
Total Assets	\$ 41,611	\$ 41,835
Current liabilities	\$ 6,266	\$ 7,082
Long-term debt, net of discounts	12,157	10,626
Other long-term liabilities	2,485	2,682
Deferred income tax liabilities	2,807	3,484
Total Liabilities	23,715	23,874
Chesapeake stockholders' equity	15,569	16,624
Noncontrolling interests	2,327	1,337
Total Equity	17,896	17,961
Total Liabilities and Equity	\$ 41,611	\$ 41,835
Common Shares Outstanding (in millions)	664	659

CHESAPEAKE ENERGY CORPORATION
CAPITALIZATION
(\$ in millions)
(unaudited)

	December 31, 2012	December 31, 2011
Total debt, net of unrestricted cash	\$ 12,333	\$ 10,275
Chesapeake stockholders' equity	15,569	16,624
Noncontrolling interests ^(a)	2,327	1,337
Total	\$ 30,229	\$ 28,236
Debt to capitalization ratio	41%	36%
(a) Includes third-party ownership as follows:		
CHK Cleveland Tonkawa, L.L.C.	\$ 1,015	\$ —
CHK Utica, L.L.C.	950	950
Chesapeake Granite Wash Trust	356	380
Other	6	7
Total	\$ 2,327	\$ 1,337

CHESAPEAKE ENERGY CORPORATION
RECONCILIATION OF PV-10
(\$ in millions)
(unaudited)

	December 31, 2012	December 31, 2011
Standardized measure of discounted future net cash flows	\$ 14,666	\$ 15,630
Discounted future cash flows for income taxes	<u>3,107</u>	<u>4,247</u>
Discounted future net cash flows before income taxes (PV-10)	<u>\$ 17,773</u>	<u>\$ 19,877</u>

PV-10 is discounted (at 10% per year) future net cash flows before income taxes. The standardized measure of discounted future net cash flows includes the effects of estimated future income tax expenses and is calculated in accordance with Accounting Standards Topic 932. Management uses PV-10 as one measure of the value of the company's current proved reserves and to compare relative values among peer companies without regard to income taxes. The company also understands that securities analysts and rating agencies use this measure in similar ways. While PV-10 is based on prices, costs and discount factors which are consistent from company to company, the standardized measure is dependent on the unique tax situation of each individual company.

The company's PV-10 and standardized measure were calculated using trailing 12-month average first-day-of-the-month prices. As of December 31, 2012 and 2011, the prices used were \$2.76 per mcf and \$94.84 per bbl and \$4.12 per mcf and \$95.97 per bbl, respectively, before field differential adjustments.

CHESAPEAKE ENERGY CORPORATION
SUPPLEMENTAL DATA – NATURAL GAS, OIL AND NGL SALES AND INTEREST EXPENSE
(unaudited)

	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2012	2011	2012	2011
Natural Gas, Oil and NGL Sales (\$ in millions):				
Natural gas sales	\$ 645	\$ 720	\$ 2,004	\$ 3,133
Natural gas derivatives – realized gains (losses)	(63)	335	328	1,656
Natural gas derivatives – unrealized gains (losses)	70	24	(331)	(669)
Total Natural Gas Sales	<u>652</u>	<u>1,079</u>	<u>2,001</u>	<u>4,120</u>
Oil sales	790	475	2,829	1,523
Oil derivatives – realized gains (losses)	34	(10)	39	(60)
Oil derivatives – unrealized gains (losses)	54	(375)	857	(128)
Total Oil Sales	<u>878</u>	<u>90</u>	<u>3,725</u>	<u>1,335</u>
NGL sales	126	171	526	603
NGL derivatives – realized gains (losses)	—	(10)	(9)	(42)
NGL derivatives – unrealized gains (losses)	1	6	35	8
Total NGL Sales	<u>127</u>	<u>167</u>	<u>552</u>	<u>569</u>
Total Natural Gas, Oil and NGL Sales	<u>\$ 1,657</u>	<u>\$ 1,336</u>	<u>\$ 6,278</u>	<u>\$ 6,024</u>
Average Sales Price –				
excluding gains (losses) on derivatives:				
Natural gas (\$ per mcf)	\$ 2.30	\$ 2.64	\$ 1.77	\$ 3.12
Oil (\$ per bbl)	\$ 88.44	\$ 89.85	\$ 90.49	\$ 89.80
NGL (\$ per bbl)	\$ 27.20	\$ 38.19	\$ 29.89	\$ 40.96
Natural gas equivalent (\$ per mcfe)	\$ 4.32	\$ 4.13	\$ 3.77	\$ 4.40
Average Sales Price –				
excluding unrealized gains (losses) on derivatives:				
Natural gas (\$ per mcf)	\$ 2.07	\$ 3.87	\$ 2.07	\$ 4.77
Oil (\$ per bbl)	\$ 92.23	\$ 88.02	\$ 91.74	\$ 86.25
NGL (\$ per bbl)	\$ 27.12	\$ 35.87	\$ 29.37	\$ 38.12
Natural gas equivalent (\$ per mcfe)	\$ 4.23	\$ 5.08	\$ 4.02	\$ 5.70
Interest Expense (Income) (\$ in millions):				
Interest ^(a)	\$ 17	\$ 11	\$ 84	\$ 30
Derivatives – realized (gains) losses	—	1	(1)	7
Derivatives – unrealized (gains) losses	(3)	(5)	(6)	7
Total Interest Expense	<u>\$ 14</u>	<u>\$ 7</u>	<u>\$ 77</u>	<u>\$ 44</u>

(a) Net of amounts capitalized.

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

THREE MONTHS ENDED:	December 31, 2012	December 31, 2011
Beginning cash	\$ 142	\$ 111
Cash provided by operating activities	864	2,179
Cash flows from investing activities:		
Well costs on proved and unproved properties	(1,377)	(2,080)
Acquisition of proved and unproved properties ^(a)	(295)	(1,163)
Sale of proved and unproved properties	3,386	1,257
Geological and geophysical costs	(28)	(42)
Additions to other property and equipment	(719)	(593)
Proceeds from sales of other assets	2,273	630
Additions to investments	(145)	(25)
Other	79	(81)
Total cash provided by (used in) investing activities	3,174	(2,097)
Cash provided by (used in) financing activities	(3,907)	158
Change in cash and cash equivalents classified in current assets held for sale	14	—
Ending cash	\$ 287	\$ 351
TWELVE MONTHS ENDED:	December 31, 2012	December 31, 2011
Beginning cash	\$ 351	\$ 102
Cash provided by operating activities	2,841	5,903
Cash flows from investing activities:		
Well costs on proved and unproved properties	(8,737)	(7,257)
Acquisition of proved and unproved properties ^(b)	(2,890)	(4,463)
Sale of proved and unproved properties	5,613	7,140
Geological and geophysical costs	(193)	(210)
Additions to other property and equipment	(2,635)	(2,009)
Proceeds from sales of other assets	2,492	1,312
Acquisition of drilling company	—	(339)
Proceeds from (additions to) investments	(406)	101
Proceeds from sale of midstream investment	2,000	—
Other	(224)	(87)
Total cash used in investing activities	(4,980)	(5,812)
Cash provided by financing activities	2,075	158
Ending cash	\$ 287	\$ 351

(a) Includes capitalized interest of \$153 million and \$152 million for the current quarter and the prior quarter, respectively.

(b) Includes capitalized interest of \$776 million and \$630 million for the current period and the prior period, respectively.