

CHESAPEAKE ENERGY CORPORATION
MANAGEMENT'S OUTLOOK AS OF AUGUST 6, 2019

Chesapeake periodically provides guidance on certain factors that affect the company's future financial performance. New information or changes from the company's May 8, 2019 outlook are ***italicized bold*** below.

	<u>Year Ending 12/31/2019</u>
Absolute Production:	
Oil - mmbbls	43.0 - 44.5
NGL - mmbbls	13.0 - 15.0
Natural gas - bcf	725 - 750
Total absolute production - mmboe	177 - 184
Absolute daily rate - mboe	484 - 505
Estimated Realized Hedging Effects^(a) (based on 7/31/19 strip prices)	
Oil - \$/bbl	\$0.35
Natural gas - \$/mcf	\$0.14
Estimated Basis to NYMEX Prices:	
Oil - \$/bbl	\$1.95 - \$2.15
Natural gas - \$/mcf	(\$0.10) - (\$0.20)
NGL - realizations as a % of WTI	25% - 28%
Operating Costs per boe of Projected Production:	
Production expense	\$3.20 - \$3.40
Gathering, processing and transportation expenses	\$5.90 - \$6.40
Oil - \$/bbl	\$2.95 - \$3.15
Natural Gas - \$/mcf	\$1.20 - \$1.30
Production taxes	\$0.80 - \$0.90
General and administrative ^(b)	\$1.75 - \$1.85
Stock-based compensation (non-cash)	\$0.10 - \$0.20
Marketing Net Margin and Other (\$ in millions) ^(c)	(\$15) - (\$35)
Adjusted EBITDAX, based on 7/31/19 strip prices (\$ in millions)^(d)	\$2,450 - \$2,650
Depreciation, depletion and amortization expense	\$12.50 - \$13.50
Interest expense	\$3.80 - \$4.00
Exploration expense (\$ in millions, cash only)	\$35 - \$45
Book Tax Rate	0%
Capital Expenditures (\$ in millions) ^(e)	\$2,085 - \$2,285
Capitalized Interest (\$ in millions)	\$20
Total Capital Expenditures (\$ in millions)	\$2,105 - \$2,305

(a) Includes expected settlements for oil, natural gas and NGL derivatives adjusted for option premiums. For derivatives closed early, settlements are reflected in the period of original contract expiration.

(b) Excludes expenses associated with stock-based compensation, which are recorded in general and administrative expenses in Chesapeake's Condensed Consolidated Statement of Operations.

(c) Excludes non-cash amortization of approximately \$8.7 million related to the buydown of a transportation agreement.

(d) Adjusted EBITDAX is a non-GAAP measure used by management to evaluate the company's operational trends and performance relative to other oil and natural gas producing companies. Adjusted EBITDAX excludes certain items that management believes affect the comparability of operating results. The most directly comparable GAAP measure is net income but, it is not possible, without unreasonable efforts, to identify the amount or significance of events or transactions that may be included in future GAAP net income but that management does not believe to be representative of underlying business performance. The company further believes that providing estimates of the amounts that would be required to reconcile forecasted adjusted EBITDAX to forecasted GAAP net income would imply a degree of precision that may be confusing or misleading to investors. Items excluded from net income to arrive at adjusted EBITDAX include interest expense, income taxes, and depreciation, depletion and amortization expense, exploration expense as well as one-time items or items whose timing or amount cannot be reasonably estimated.

- (e) Includes capital expenditures for drilling and completion, leasehold, developmental geological and geophysical costs, rig termination payments and other property, plant and equipment. Excludes any additional proved property acquisitions and expenditures classified as exploration expense.