CHESAPEAKE ENERGY CORPORATION
RECONCILIATION OF CERTAIN FINANCIAL MEASURES
(in 000's)
(unaudited)

THREE MONTHS ENDED:	March 31, 2005	March 31, 2004
CASH PROVIDED BY OPERATING ACTIVITIES	$ 513,526	$ 341,770
Adjustments:		
Changes in assets and liabilities	(8,063)	(8,216)
OPERATING CASH FLOW*	$ 505,463	$ 333,554

*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 an oil and gas 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 oil and gas 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.

THREE MONTHS ENDED:	March 31, 2005	March 31, 2004
Net income	$ 125,010	$ 112,590
Income tax expense	71,856	63,327
Interest expense	43,128	46,545
Depreciation and amortization of other assets	10,082	5,739
Oil and gas depreciation, depletion and amortization	180,968	119,908
EBITDA**	$ 431,044	$ 348,109

**Ebitda represents net income (loss) before cumulative effect of accounting change, income tax expense (benefit), 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 agreement and is used in the financial covenants in our bank credit agreement and our senior note indentures. 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. Ebitda is reconciled to cash provided by operating activities as follows:

THREE MONTHS ENDED:	March 31, 2005	March 31, 2004
CASH PROVIDED BY OPERATING ACTIVITIES	$ 513,526	$ 341,770
Changes in assets and liabilities	(8,063)	(8,216)
Interest expense	43,128	46,545
Unrealized gains (losses) on oil and gas derivatives	(117,127)	(14,000)
Other non-cash items	(420)	(17,990)
EBITDA	$ 431,044	$ 348,109

CHESAPEAKE ENERGY CORPORATION
RECONCILIATION OF ADJUSTED EARNINGS & ADJUSTED EBITDA
($ in 000's, except per share amounts)
(unaudited)

THREE MONTHS ENDED:	March 31, 2005
Net income available to common shareholders	$ 119,547
Adjustments, net of tax:	
Unrealized (gains) losses on derivatives	72,443
Loss on repurchases or exchanges of debt	572
Adjusted earnings*	$ 192,562
Adjusted earnings per share assuming dilution	$ 0.56
EBITDA	$ 431,044
Adjustments, before tax:	
Unrealized (gains) losses on oil and gas derivatives	117,127
Loss on repurchases or exchanges of debt	900
Adjusted EBITDA*	$ 549,071

*Adjusted earnings and adjusted earnings per share assuming dilution and adjusted EBITDA exclude certain items that management believes affect the comparability of operating results. The company discloses these non-GAAP financial measures as a useful adjunct to GAAP earnings and EBITDA because:

a. Management uses adjusted earnings and adjusted EBITDA to evaluate the Company's operational trends and performance relative to other oil and gas producing companies.
b. Adjusted earnings and adjusted EBITDA are more comparable to earnings and EBITDA estimates provided by securities analysts.
c. 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.