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

THREE MONTHS ENDED:	March 31, 2016	December 31, 2015	March 31, 2015
Net loss available to common stockholders	$ (964)	$ (2,228)	$ (3,782)
Weighted average common and common equivalent shares outstanding [(a)]	668	663	661
Loss per common share (diluted)	(1.44)	(3.36)	(5.72)
Adjustments, net of tax:			
Unrealized losses on commodity and interest rate derivatives	45	41	192
Unrealized gains on supply contract derivatives	(20)	(4)	—
Restructuring and other termination costs	—	(2)	(7)
Provision for legal contingencies	22	(5)	18
Impairment of oil and natural gas properties	853	2,183	3,635
Impairments of fixed assets and other	38	21	3
Net (gains) losses on sales of fixed assets	(4)	1	2
Impairment of investment	—	41	—
Loss on sale of investment	10	—	—
Gains on purchases or exchanges of debt	(100)	(215)	—
Tax rate adjustment	—	—	(17)
Other	—	(1)	(2)
Adjusted net income (loss) available to common stockholders[(b)]	$ (120)	$ (168)	$ 42
Preferred stock dividends	43	43	43
Total adjusted net income (loss) attributable to Chesapeake	$ (77)	$ (125)	$ 85
Weighted average fully diluted shares outstanding (in millions)[(c)]	781	777	776
Adjusted earnings (loss) per share assuming dilution[(b)]	$ (0.10)	$ (0.16)	$ 0.11

(a) Weighted average common and common equivalent shares outstanding do not include shares that were considered antidilutive for calculating earnings per share in accordance with GAAP.

(b) Adjusted net income and adjusted earnings per share assuming dilution are not measures of financial performance under accounting principles generally accepted in the United States (GAAP), and should not be considered as an alternative to net income available to common stockholders or diluted earnings per share. 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 GAAP because:

(i) Management uses adjusted net income available to common stockholders to evaluate the company's operational trends and performance relative to other oil and natural gas 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.

(c) 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 OPERATING CASH FLOW AND EBITDA
($ in millions)
(unaudited)

THREE MONTHS ENDED:	March 31, 2016	December 31, 2015	March 31, 2015
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	$ (421)	$ 179	$ 423
Changes in assets and liabilities	684	207	459
OPERATING CASH FLOW[(a)]	$ 263	$ 386	$ 882

THREE MONTHS ENDED:	March 31, 2016	December 31, 2015	March 31, 2015
NET LOSS	$ (921)	$ (2,185)	$ (3,720)
Interest expense	62	107	51
Income tax benefit	—	(649)	(1,372)
Depreciation and amortization of other assets	29	30	35
Oil, natural gas and NGL depreciation, depletion and amortization	271	326	684
EBITDA[(b)]	$ (559)	$ (2,371)	$ (4,322)

THREE MONTHS ENDED:	March 31, 2016	December 31, 2015	March 31, 2015
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	$ (421)	$ 179	$ 423
Changes in assets and liabilities	684	207	459
Interest expense, net of unrealized gains (losses) on derivatives	59	104	61
Gains on commodity derivatives, net	181	284	161
Gains on supply contract derivative, net	20	5	—
Cash receipts on commodity derivative settlements, net	(267)	(273)	(413)
Stock-based compensation	(12)	(17)	(23)
Restructuring and other termination costs	—	3	10
Provision for legal contingencies	(22)	19	(25)
Impairment of oil and natural gas properties	(853)	(2,831)	(4,976)
Impairments of fixed assets and other	(33)	(16)	(2)
Net gains (losses) on sales of fixed assets	4	(1)	(3)
Investment activity	(10)	(92)	(7)
Gains on purchases or exchanges of debt	100	304	—
Other items	11	(246)	13
EBITDA[(b)]	$ (559)	$ (2,371)	$ (4,322)

(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 an oil and natural gas company's ability to generate cash that 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 natural 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.

(b) Ebitda represents net income 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 EBITDA
($ in millions)
(unaudited)

THREE MONTHS ENDED:	March 31, 2016	December 31, 2015	March 31, 2015
EBITDA	$ (559)	$ (2,371)	$ (4,322)
Adjustments:			
Unrealized losses on commodity derivatives	42	51	274
Unrealized gains on supply contract derivatives	(20)	(5)	—
Restructuring and other termination costs	—	(3)	(10)
Provision for legal contingencies	22	(6)	25
Impairment of oil and natural gas properties	853	2,831	4,976
Impairments of fixed assets and other	38	27	4
Net (gains) losses on sales of fixed assets	(4)	1	3
Impairment of investment	—	53	—
Loss on sale of investment	10	—	—
Gains on purchases or exchanges of debt	(100)	(279)	—
Net income attributable to noncontrolling interests	—	—	(19)
Other	—	(1)	(3)
Adjusted EBITDA[a]	$ 282	$ 298	$ 928

(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 oil and natural gas 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.

Accordingly, adjusted EBITDA 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.