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

THREE MONTHS ENDED:	June 30, 2014	March 31, 2014	June 30, 2013
CASH PROVIDED BY OPERATING ACTIVITIES	$ 1,352	$ 1,291	$ 1,281
Changes in assets and liabilities	(83)	323	85
OPERATING CASH FLOW[a]	$ 1,269	$ 1,614	$ 1,366

THREE MONTHS ENDED:	June 30, 2014	March 31, 2014	June 30, 2013
NET INCOME	$ 230	$ 466	$ 625
Interest expense	27	39	104
Income tax expense	141	280	384
Depreciation and amortization of other assets	79	78	76
Natural gas, oil and NGL depreciation, depletion and amortization	661	628	645
EBITDA[b]	$ 1,138	$ 1,491	$ 1,834

THREE MONTHS ENDED:	June 30, 2014	March 31, 2014	June 30, 2013
CASH PROVIDED BY OPERATING ACTIVITIES	$ 1,352	$ 1,291	$ 1,281
Changes in assets and liabilities	(83)	323	85
Interest expense, net of unrealized gains on derivatives	58	55	53
Natural gas, oil and NGL derivative gains (losses), net	(213)	(382)	598
Cash payments on natural gas, oil and NGL derivative settlements, net	150	168	(22)
Share-based compensation	(20)	(20)	(24)
Restructuring and other termination costs	(33)	9	1
Impairments of fixed assets and other	(39)	(12)	(231)
Net gains on sales of fixed assets	93	23	109
Earnings (losses) on investments	(24)	(21)	22
Net gains (losses) on sales of investments	—	67	(10)
Losses on purchases of debt and extinguishment of other financing	(61)	—	(17)
Other items	(42)	(10)	(11)
EBITDA[b]	$ 1,138	$ 1,491	$ 1,834

(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 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 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 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)

SIX MONTHS ENDED:	June 30, 2014	June 30, 2013
CASH PROVIDED BY OPERATING ACTIVITIES	$ 2,643	$ 2,205
Changes in assets and liabilities	240	341
OPERATING CASH FLOW[a]	$ 2,883	$ 2,546

SIX MONTHS ENDED:	June 30, 2014	June 30, 2013
NET INCOME	$ 696	$ 728
Interest expense	66	124
Income tax expense	421	446
Depreciation and amortization of other assets	157	154
Natural gas, oil and NGL depreciation, depletion and amortization	1,288	1,293
EBITDA[b]	$ 2,628	$ 2,745

SIX MONTHS ENDED:	June 30, 2014	June 30, 2013
CASH PROVIDED BY OPERATING ACTIVITIES	$ 2,643	$ 2,205
Changes in assets and liabilities	240	341
Interest expense, net of unrealized gains (losses) on derivatives	113	67
Natural gas, oil and NGL derivative gains (losses), net	(595)	470
Cash payments on natural gas, oil and NGL derivative settlements, net	318	(41)
Share-based compensation	(40)	(56)
Restructuring and other termination costs	(24)	(104)
Impairments of fixed assets and other	(51)	(258)
Net gains on sales of fixed assets	115	158
Losses on investments	(45)	(7)
Net gains (losses) on sales of investments	67	(10)
Losses on purchases of debt and extinguishment of other financing	(61)	(17)
Other items	(52)	(3)
EBITDA[b]	$ 2,628	$ 2,745

(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 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)

THREE MONTHS ENDED:	June 30, 2014	March 31, 2014	June 30, 2013
Net income available to common stockholders	$ 145	$ 374	$ 457
Adjustments, net of tax:			
Unrealized (gains) losses on derivatives	(19)	80	(325)
Restructuring and other termination costs	20	(4)	5
Impairments of fixed assets and other	25	12	143
Net gains on sales of fixed assets	(57)	(14)	(68)
Impairments of investments	3	—	—
Net (gains) losses on sales of investments	—	(42)	6
Losses on purchases of debt and extinguishment of other financing	120	—	44
Other	(2)	(1)	3
Adjusted net income available to common stockholders[(a)]	235	405	265
Preferred stock dividends	43	43	43
Premium on purchase of preferred shares of a subsidiary	—	—	69
Earnings allocated to participating securities	3	8	11
Total adjusted net income attributable to Chesapeake	$ 281	$ 456	$ 388
Weighted average fully diluted shares outstanding (in millions)[(b)]	776	767	763
Adjusted earnings per share assuming dilution[(a)]	$ 0.36	$ 0.59	$ 0.51

(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)

SIX MONTHS ENDED:	June 30, 2014	June 30, 2013
Net income available to common stockholders	$ 518	$ 473
Adjustments, net of tax:		
Unrealized (gains) losses on derivatives	61	(230)
Restructuring and other termination costs	16	87
Impairments of fixed assets and other	37	160
Net gains on sales of fixed assets	(72)	(98)
Impairments of investments	3	6
Net (gains) losses on sales of investments	(42)	6
Losses on purchases of debt and extinguishment of other financing	121	44
Other	(3)	—
Adjusted net income available to common stockholders[(a)]	639	448
Preferred stock dividends	86	86
Premium on purchase of preferred shares of a subsidiary	—	69
Earnings allocated to participating securities	12	11
Total adjusted net income attributable to Chesapeake	$ 737	$ 614
Weighted average fully diluted shares outstanding (in millions)[(b)]	776	764
Adjusted earnings per share assuming dilution[(a)]	$ 0.95	$ 0.80

(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 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 EBITDA
($ in millions)
(unaudited)

THREE MONTHS ENDED:	June 30, 2014	March 31, 2014	June 30, 2013
EBITDA	$ 1,138	$ 1,491	$ 1,834
Adjustments:			
Unrealized (gains) losses on natural gas, oil and NGL derivatives	—	144	(576)
Restructuring and other termination costs	33	(7)	7
Impairments of fixed assets and other	40	20	231
Net gains on sales of fixed assets	(93)	(23)	(109)
Impairments of investments	5	—	—
Net (gains) losses on sales of investments	—	(67)	10
Losses on purchases of debt and extinguishment of other financing	195	—	70
Net income attributable to noncontrolling interests	(39)	(41)	(45)
Other	(2)	(2)	2
Adjusted EBITDA[(a)]	$ 1,277	$ 1,515	$ 1,424

SIX MONTHS ENDED:	June 30, 2014	June 30, 2013
EBITDA	$ 2,628	$ 2,745
Adjustments:		
Unrealized (gains) losses on natural gas, oil and NGL derivatives	144	(429)
Restructuring and other termination costs	26	140
Impairments of fixed assets and other	60	258
Net gains on sales of fixed assets	(115)	(158)
Impairment of investments	5	10
Net (gains) losses on sales of investments	(67)	10
Losses on purchases of debt and extinguishment of other financing	195	70
Net income attributable to noncontrolling interests	(80)	(89)
Other	(4)	1
Adjusted EBITDA[(a)]	$ 2,792	$ 2,558

(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.