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

THREE MONTHS ENDED:	September 30, 2012	June 30, 2012	September 30, 2011
CASH PROVIDED BY OPERATING ACTIVITIES	$ 949	$ 755	$ 1,631
Changes in assets and liabilities	169	140	(222)
OPERATING CASH FLOW[(a)]	$ 1,118	$ 895	$ 1,409

THREE MONTHS ENDED:	September 30, 2012	June 30, 2012	September 30, 2011
NET INCOME (LOSS)	$ (1,971)	$ 1,037	$ 922
Income tax expense (benefit)	(1,260)	663	589
Interest expense	36	14	4
Depreciation and amortization of other assets	66	83	75
Natural gas, oil and NGL depreciation, depletion and amortization	762	588	423
EBITDA[(b)]	$ (2,367)	$ 2,385	$ 2,013

THREE MONTHS ENDED:	September 30, 2012	June 30, 2012	September 30, 2011
CASH PROVIDED BY OPERATING ACTIVITIES	$ 949	$ 755	$ 1,631
Changes in assets and liabilities	169	140	(222)
Interest expense	36	14	4
Unrealized gains (losses) on natural gas, oil and NGL Derivatives	(104)	810	631
Impairment of natural gas and oil properties	(3,315)	—	—
Losses on sales and impairments of fixed assets and other	(25)	(243)	(3)
Gains (losses) on investments	4	943	(4)
Stock-based compensation	(30)	(31)	(40)
Other items	(51)	(3)	16
EBITDA[(b)]	$ (2,367)	$ 2,385	$ 2,013

(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)

NINE MONTHS ENDED:	September 30, 2012	September 30, 2011
CASH PROVIDED BY OPERATING ACTIVITIES	$ 1,978	$ 3,724
Changes in assets and liabilities	946	274
OPERATING CASH FLOW[a]	$ 2,924	$ 3,998

NINE MONTHS ENDED:	September 30, 2012	September 30, 2011
NET INCOME (LOSS)	$ (938)	$ 1,269
Income tax expense (benefit)	(599)	812
Interest expense	63	37
Depreciation and amortization of other assets	233	206
Natural gas, oil and NGL depreciation, depletion and amortization	1,856	1,147
EBITDA[b]	$ 615	$ 3,471

NINE MONTHS ENDED:	September 30, 2012	September 30, 2011
CASH PROVIDED BY OPERATING ACTIVITIES	$ 1,978	$ 3,724
Changes in assets and liabilities	946	274
Interest expense	63	37
Unrealized gains (losses) on natural gas, oil and NGL derivatives	436	(444)
Impairment of natural gas and oil properties	(3,315)	—
Losses on sales and impairments of fixed assets and other	(262)	(7)
Gains on investments	914	19
Stock-based compensation	(93)	(119)
Other items	(52)	(13)
EBITDA[b]	$ 615	$ 3,471

(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:	September 30, 2012	June 30, 2012	September 30, 2011
Net income (loss) available to common stockholders	$ (2,055)	$ 929	$ 879
Adjustments, net of tax:			
Unrealized (gains) losses on derivatives	63	(498)	(385)
Impairment of natural gas and oil properties	2,022	—	—
Losses on sales and impairments of fixed assets and other	28	148	2
Gains on investments	(19)	(584)	—
Other	(6)	8	—
Adjusted net income available to common stockholders[(a)]	33	3	496
Preferred stock dividends	43	43	43
Total adjusted net income	$ 76	$ 46	$ 539
Weighted average fully diluted shares outstanding[(b)]	754	751	753
Adjusted earnings per share assuming dilution[(a)]	$ 0.10	$ 0.06	$ 0.72

(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 NET INCOME AVAILABLE TO COMMON STOCKHOLDERS
($ in millions, except per-share data)
(unaudited)

NINE MONTHS ENDED:	September 30, 2012	September 30, 2011
Net income (loss) available to common stockholders	$ (1,197)	$ 1,141
Adjustments, net of tax:		
Unrealized (gains) losses on derivatives	(268)	279
Impairment of natural gas and oil properties	2,022	—
Losses on sales and impairments of fixed assets and other	174	4
Losses on purchases or exchanges of debt	—	107
Loss on foreign currency derivatives	—	11
Gains on investments	(603)	—
Other	2	—
Adjusted net income available to common stockholders[(a)]	130	1,542
Preferred stock dividends	128	128
Total adjusted net income	$ 258	$ 1,670
Weighted average fully diluted shares outstanding[(b)]	753	752
Adjusted earnings per share assuming dilution[(a)]	$ 0.34	$ 2.22

(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:	**September 30, 2012**	**June 30, 2012**	**September 30, 2011**
EBITDA	$ (2,367)	$ 2,385	$ 2,013
Adjustments:			
Unrealized (gains) losses on natural gas, oil and NGL derivatives	104	(810)	(631)
Impairment of natural gas and oil properties	3,315	—	—
Losses on sales and impairments of fixed assets and other	45	243	3
Net income attributable to noncontrolling interests	(41)	(65)	—
Gains on investments	(31)	(957)	—
Other	(4)	7	—
Adjusted EBITDA[(a)]	$ 1,021	$ 803	$ 1,385

(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.

NINE MONTHS ENDED:	**September 30, 2012**	**September 30, 2011**
EBITDA	$ 615	$ 3,471
Adjustments:		
Unrealized (gains) losses on natural gas, oil and NGL derivatives	(436)	444
Impairment of natural gas and oil properties	3,315	—
Losses on sales and impairments of fixed assets and other	286	7
Net income attributable to noncontrolling interests	(131)	—
Losses on purchases or exchanges of debt	—	176
Gains on investments	(988)	—
Other	1	—
Adjusted EBITDA[(a)]	$ 2,662	$ 4,098

(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 SEPTEMBER 30, 2012
($ in millions, except per-unit data)
(unaudited)

	Proved Reserves		
	Cost	**Bcfe[a]**	**$/Mcfe**
PROVED PROPERTIES:			
Well costs on proved properties [b] [c]	$ 7,430	3,878[d]	1.92
Acquisition of proved properties[e]	319	37	8.67
Sale of proved properties	(1,322)	(544)	2.43
Total net proved properties	6,427	3,371	1.91
Revisions – price	—	(4,878)	—
UNPROVED PROPERTIES:			
Well costs on unproved properties[f]	(195)	—	—
Acquisition of unproved properties, net[g]	1,628	—	—
Sale of unproved properties	(930)	—	—
Total net unproved properties	503	—	—
OTHER:			
Capitalized interest on unproved properties	766	—	—
Geological and geophysical costs	148	—	—
Asset retirement obligations	16	—	—
Total other	930	—	—
Total	$ 7,860	(1,507)	—

CHESAPEAKE ENERGY CORPORATION
ROLL-FORWARD OF PROVED RESERVES
NINE MONTHS ENDED SEPTEMBER 30, 2012
BASED ON SEC PRICING OF TRAILING 12-MONTH AVERAGE PRICES AS OF SEPTEMBER 30, 2012
(unaudited)

	Bcfe[a]
Beginning balance, January 1, 2012	18,789
Production	(1,060)
Acquisitions	37
Divestitures	(544)
Revisions – changes to previous estimates	(596)
Revisions – price	(4,878)
Extensions and discoveries	4,474
Ending balance, September 30, 2012	16,222
Proved reserves decline rate before acquisitions and divestitures	(11)%
Proved reserves decline rate after acquisitions and divestitures	(14)%
Proved developed reserves	9,608
Proved developed reserves percentage	59%
PV-10 ($ in billions)[a]	$ 18,451

(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 September 30, 2012 of $2.83 per mcf of natural gas and $95.05 per bbl of oil, before field differential adjustments.

(b) Net of well cost carries of $655 million associated with the Statoil-Marcellus, CNOOC-Eagle Ford, CNOOC-Niobrara and Total-Utica joint ventures.

(c) Includes $1.055 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 596 bcfe of downward revisions resulting from changes to previous estimates and excludes downward revisions of 4.9 tcfe primarily resulting from lower natural gas prices using the average first-day-of-the-month price for the twelve months ended September 30, 2012, compared to the twelve months ended December 31, 2011.

(e) Includes 28 bcfe 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 $860 million of well costs on unproved properties incurred in the current quarter, offset by the transfer of $1.055 billion previously classified as well costs on unproved properties that were evaluated for the existence of proved reserves in the current quarter. See footnote (e).

(g) Net of joint venture partner reimbursements.