

## Letter to Stakeholders

As a top producer of oil, natural gas and natural gas liquids in the U.S., we are proud to be fueling lives through our business, investments and our employees. From producing the building blocks for so many items people use every day to supporting the places where we live and work through volunteer, in-kind and financial support, we remain committed to strengthening our communities and our country. We operate knowing that we impact people, businesses and the environment every day, and we shoulder that responsibility with respect, gratitude and the drive to continuously improve.

Each year this report reflects the progress we have made in improving our operations and our transparency. The following pages, in addition to our [online corporate responsibility report](#), provide an overview of our performance related to safety, environmental, social and financial aspects of our business.

In 2018 we once again achieved outstanding health, safety, environmental and regulatory (HSER) performance with a Total Recordable Incident Rate of 0.23 and the reduction of our spill volume by 50% compared to 2017. I believe our continued HSER performance improvements are due to the ownership Chesapeake employees embrace as part of our culture. In our operating areas and on our corporate campus, they are empowered to speak up when they see potentially unsafe conditions, and they are recognized for doing so. We instill that same drive to sustain safe work sites through our relationships with the contractors with whom we work. We have implemented comprehensive procedures — from preliminary safety and environmental record checks to ongoing assessments — to align everyone who steps onto our work sites with our commitment to responsible operations.

We continue to make meaningful progress in delivering on our strategic priorities of HSER excellence, margin enhancement, free cash flow and leverage reduction. In addition to our top-quartile safety performance in 2018, we divested our Utica Shale asset and acquired the oil-rich WildHorse Resource Development Corporation asset — known in our portfolio as the Brazos Valley business unit. These transactions, combined with technical and operating efficiency gains, have significantly improved our balance sheet, company performance and long-term value.

As a company we remain focused on building and sustaining a corporate culture founded on employee ownership, collaboration, respect and a one team, One CHK mindset. As we continue to become a stronger, more competitive company, our core values will remain the lens through which we evaluate every decision we make. While we are proud of our accomplishments to date, we could not be more excited for our future.



**Robert D. Lawler**  
President, Chief Executive Officer and Director  
May 2019



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