

Chesapeake

Barnett Shale Facts

Quick Facts about Chesapeake's Barnett Shale Operations

Estimated reserves: Proved reserves at Q1 2009 – 3.065 billion cubic feet equivalent

Number of wells: More than 776 gross wells drilled on our acreage in 2008, and a total of 1,532 wells drilled in the Barnett since 2006

Drilling: Industry-leading 20 rigs projected during 2009 with plans to drill approximately 300 gross Barnett wells in 2009

Current production: Average Q1 2008 production of 660 million cubic feet per day net. Chesapeake is the most active driller in the Barnett Shale and second-largest producer at year-end 2008

Producing at an average of 9.6 mmcf per day, Chesapeake believes the Donna Ray 1H in Johnson County has registered the highest first 30-day average of production in the Barnett Shale play to date

Future direction: 2009 drilling budget \$800 million

The Barnett Shale in north-central Texas became economically feasible for development in the early 2000s, when advanced horizontal drilling and completion techniques were developed. Today, companies in the Barnett Shale are bringing up more than half the total shale gas produced in the United States. The field's production has been estimated at more than 6.60 billion cubic feet of natural gas every day.

Chesapeake entered the Barnett Shale in 2002 with the acquisition of 4,000 net acres of leasehold and since has expanded that position more than 300,000 net acres.

Chesapeake has the largest land position in the Tier 1 sweet spot area of the play – Johnson and Tarrant counties.

Chesapeake's goals in the Barnett Shale:

- **Capturing energy reserves:** A primary area of investment focus and reserve replacement and growth.
- **Building presence:** The area will remain the foundation of the company's growth for many years to come.
- **Providing abundance to the region:** One 12-well padsite can produce \$144 million in total revenue, \$24 million in royalties to residents, \$9.8 million to state and local taxing jurisdictions and \$20 million to local workforce and businesses

Long-term outlook:

In recognition of the area's potential, Chesapeake continues to acquire additional leasehold, especially in metropolitan Tarrant County.

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