

Chesapeake

A brief history of Chesapeake

1989 Chesapeake was co-founded by Chairman and CEO Aubrey McClendon and former President and COO Tom Ward.

1993 Initial public offering completed at a split-adjusted price of \$1.33 per share.

1994 The company's major deep natural gas discovery in the Austin Chalk play of southeast Texas launches the most impressive growth in the industry and best stock performance in the U.S. from 1994 - 96.

1997 Disappointing attempts to extend the Austin Chalk into Louisiana, along with falling natural gas prices, cause Chesapeake stock price to drop from a split-adjusted high of \$34.44 in mid-1997 to 63 cents in early 1999.

2000 Modified strategy targets lower risk, longer reserve-life asset base and incorporates acquisitions into the business plan.

2002 Chesapeake's focus expands to new operating regions where its strategy of acquisition, development, extension and exploration are successfully transferred to unconventional reservoirs such as the Barnett and Fayetteville shales.

2005 Chesapeake enters the Fayetteville Shale play.

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Who We Are

Chesapeake Energy Corporation is the largest independent producer of natural gas in the United States. Headquartered in Oklahoma City, the company's growth is achieved through a balance of drilling and acquisitions. With 91% of its proved reserves in natural gas, Chesapeake focuses almost exclusively on drilling wells for this premium fuel.

At September 30, 2007, the company owned interests in approximately 35,000 producing wells and had proved reserves of 10 trillion cubic feet equivalent, of which 62% were proved developed. The company is listed on the New York Stock Exchange under the symbol CHK and has an enterprise value of more than \$30 billion.

Chesapeake executes a simple and highly effective business strategy that focuses on developing natural gas reserves through the application of advanced horizontal drilling and completion technology on unconventional formations such as the Fayetteville Shale:

- **Organic growth** to achieve repeatable, sustainable drilling results from existing operations.
- **Selective acquisitions** to generate future drilling opportunities, increase operating scale, deliver high returns and capture new growth platforms.
- **Commitment to natural gas** to capitalize on favorable supply and demand fundamentals and attractive natural gas prices.

Adopting this strategy in 2000, Chesapeake was one of the first companies to capitalize on emerging natural gas opportunities and has benefited from substantial first-mover advantages, building the top U.S. natural gas resource base.

