

A&D Transactions Enhance Company Emissions Profile, Increase RSG Capacity in Support of Net Zero Pathway

In late January 2022, Chesapeake announced significant transactions to simplify the company's portfolio, while strengthening our ESG performance in pursuit of our pathway to net zero.

After signing definitive agreements to acquire Chief E&D Holdings and associated non-operated interests held by affiliates of Tug Hill, Chesapeake will take ownership of the companies' high quality producing assets and an inventory of premium drilling locations in the prolific Marcellus Shale in Northeast Pennsylvania. We also signed an agreement to sell our Powder River Basin assets in Wyoming to Continental Resources.

These transactions advance our purpose of delivering affordable, reliable, low carbon energy. ESG-related benefits include:

- Lowering our pro forma (PF) methane intensity⁽¹⁾⁽²⁾ by more than 15% (from 0.13% to 0.09% PF, 2020)
- Reducing our PF greenhouse gas intensity⁽¹⁾ from 6.0 to 4.9 (2020, CO₂e/boe)
- Decreasing our PF gross annual volume of flared gas⁽¹⁾ by more than 60% (2020, as a result of PRB sale)
- Expanding our responsibly sourced gas (RSG) capacity; all Marcellus production (including Chief assets) will be RSG certified by year-end
- Enabling more cash flow and a dividend yield for our shareholders, while protecting our balance sheet strength



CEO Nick Dell'Osso adds: "In less than a year, we have achieved our goal of refocusing and high-grading our portfolio around our core assets, positioning us to generate meaningful returns for shareholders today while embracing lower carbon energy production for tomorrow."

For more information on these transactions, please review [this press release](#).

(1) Pro forma estimates include 2020 CHK, VEI and Chief, excludes PRB.

(2) Defined as volume methane emissions / volume gross gas produced.