



Leading the way

Chesapeake Energy Corporation Annual Report 2001



Chesapeake
Natural Gas.
Natural Advantages.

Selected Financial Data

Year Ended December 31,

	2001	2000	1999	1998
Operations Data (\$ in thousands, except per share data)				
Oil and gas sales	\$ 735,529	\$ 470,170	\$ 280,445	\$ 256,887
Risk management income	84,789	—	—	—
Oil and gas marketing sales	148,733	157,782	74,501	121,059
Total revenues	969,051	627,952	354,946	377,946
Production expenses	75,374	50,085	46,298	51,202
Production taxes	33,010	24,840	13,264	8,295
General and administrative	14,449	13,177	13,477	19,918
Oil and gas marketing expenses	144,373	152,309	71,533	119,008
Oil and gas depreciation, depletion and amortization	172,902	101,291	95,044	146,644
Depreciation and amortization of other assets	8,663	7,481	7,810	8,076
Impairment of oil and gas properties	—	—	—	826,000
Impairment of other assets	—	—	—	55,000
Total operating costs	448,771	349,183	247,426	1,234,143
Income (loss) from operations	520,280	278,769	107,520	(856,197)
Other income (expense):				
Interest and other income	2,877	3,649	8,562	3,926
Interest expense	(98,321)	(86,256)	(81,052)	(68,249)
Impairment of investments in securities	(10,079)	—	—	—
Gain on sale of Canadian subsidiary	27,000	—	—	—
Gothic standby credit facility costs	(3,392)	—	—	—
Total other income (expense)	(81,915)	(82,607)	(72,490)	(64,323)
Income (loss) before income taxes and extraordinary item	438,365	196,162	35,030	(920,520)
Provision (benefit) for income taxes	174,959	(259,408)	1,764	—
Income (loss) before extraordinary item	263,406	455,570	33,266	(920,520)
Extraordinary item:				
Loss on early extinguishment of debt, net of applicable income taxes	(46,000)	—	—	(13,334)
Net income (loss)	217,406	455,570	33,266	(933,854)
Preferred stock dividends	(2,050)	(8,484)	(16,711)	(12,077)
Gain on redemption of preferred stock	—	6,574	—	—
Net income (loss) available to common shareholders	\$ 215,356	\$ 453,660	\$ 16,555	\$ (945,931)
Earnings (loss) per common share – basic:				
Income (loss) before extraordinary item	\$ 1.61	\$ 3.52	\$ 0.17	\$ (9.83)
Extraordinary item	(0.28)	—	—	(0.14)
Net income (loss)	\$ 1.33	\$ 3.52	\$ 0.17	\$ (9.97)
Earnings (loss) per common share – assuming dilution:				
Income (loss) before extraordinary item	\$ 1.51	\$ 3.01	\$ 0.16	\$ (9.83)
Extraordinary item	(0.26)	—	—	(0.14)
Net income (loss)	\$ 1.25	\$ 3.01	\$ 0.16	\$ (9.97)
Other Financial Data (\$ in thousands)				
Operating cash flow	\$ 521,612	\$ 304,934	\$ 137,884	\$ 115,200
Balance sheet data (at end of period):				
Total assets	\$ 2,286,768	\$ 1,440,426	\$ 850,533	\$ 812,615
Long-term debt, net of current maturities	1,329,453	944,845	964,097	919,076
Stockholders' equity (deficit)	767,407	313,232	(217,544)	(248,568)
Property Data (\$ in thousands)				
Oil reserves (mmbbls)	30,093	23,797	24,795	22,593
Gas reserves (mmcf)	1,599,386	1,212,033	1,056,826	955,791
Reserves in equivalent thousand barrels	296,658	225,802	200,933	181,891
Reserves in equivalent million cubic feet	1,779,946	1,354,813	1,205,595	1,091,348
Future net revenues discounted at 10%	\$ 1,646,667	\$ 6,046,028	\$ 1,089,496	\$ 660,991
Future net revenues undiscounted	\$ 2,966,032	\$ 10,702,974	\$ 1,891,175	\$ 1,208,641
Oil price used in reserve report (\$ per bbl)	18.82	26.41	24.72	10.48
Gas price used in reserve report (\$ per mcf)	2.51	10.12	2.25	1.68
Oil production (mmbbls)	2,880	3,068	4,147	5,976
Gas production (mmcf)	144,171	115,771	108,610	94,421
Production in equivalent thousand barrels	26,909	22,363	22,249	21,713
Production in equivalent million cubic feet	161,451	134,179	133,492	130,277
Average oil sales price (\$ per bbl)	26.92	26.39	16.01	12.70
Average gas sales price (\$ per mcf)	4.56	3.36	1.97	1.92
Average gas equivalent sales price (\$ per mcfe)	4.56	3.50	2.10	1.97

Table of Contents

2 Letter to Shareholders

5 Area of Operations

7 Board of Directors

8 Employees

9 Financials



Chesapeake Overview

- We are a top 10 independent gas producer with estimated average daily gas equivalent production in 2002 of 460 million cubic feet.
- We have high quality, geographically focused assets with the lowest operating costs in our peer group.
- We have proven expertise in exploration and development drilling and in acquiring high-quality, under-exploited oil and gas properties.
- We are highly profitable, generating \$215 million of net income to common shareholders and \$522 million of cash flow in 2001.
- Our balance sheet continues to improve, with shareholders' equity increasing in 2001 by \$454 million and further improvement expected in 2002.
- Our high potential, 1,500+ inventory of drill sites provides at least a five-year back log of drilling prospects and affirms our future growth potential.
- Our management team's commitment to building shareholder value is ensured by our 21 million share equity stake.

Letter to Shareholders

Dear Shareholders:

The theme of this year's letter to our shareholders is *Leading the Way* in value creation. This phrase reflects our performance during the past year and the philosophy of how we run our business. We focus on the details and strive to be the best at what we do: profitably finding and producing large amounts of natural gas, principally in the U.S. Mid-Continent region. We believe superior results are achieved by focused effort from talented professionals working on high quality natural gas assets – attributes that Chesapeake has in abundance.

Chesapeake's performance in 2001 was consistent with our goal of *Leading the Way*. For the second consecutive year, our company established new records for production, proved reserves, ebitda, cash flow and recurring net income. Chesapeake's superior performance in 2001 resulted from a series of important management decisions made during the past several years that highlight our contrarian attitudes about how to best achieve success in this highly competitive and mature industry. Our decisions included:

- *Product strategy* – we favored domestic natural gas over oil because we believe natural gas is the superior fuel for the future and has greater price upside;
- *Geographic strategy* – we concentrated in our own backyard, the Mid-Continent region of the U.S., where our economies of scale provide high returns on investment and where our deep gas exploration and production expertise enables us to locate large new reserves of natural gas;
- *Business strategy* – we continue to be equally adept at both drilling and acquiring, investing over \$1.1 billion last year to add 919 bcfe of new natural gas reserves and delivering one of the best finding cost records in the industry;
- *Investment strategy* – we reduced our drilling activity last summer when drilling costs reached their peak and have since responded counter-cyclically by increasing our drilling activity as costs have fallen sharply from last summer; and
- *Risk-management strategy* – we recognized that oil and natural gas prices were unusually

high in early 2001 and we captured much of this premium through hedging transactions, thereby locking in high profit margins for 2001-03.

Leading the Way in Value Creation

The impact of these decisions is reflected both in our exceptional 2001 performance and in our outstanding three-year results from year-end 1998 through year-end 2001. During this period:

- Production increased from 130 bcfe to 161 bcfe, a compounded annual growth rate (CAGR) of 7%;
- Proved reserves increased from 1,091 bcfe to 1,780 bcfe, a CAGR of 18%;
- Production replacement was 261% while finding and development costs averaged only \$1.05 per mcfe for the 1,536 bcfe of new reserves added through acquisitions and drilling;
- Ebitda increased from \$183 million to \$620 million and cash flow grew from \$115 million to \$522 million, CAGR's of 50% and 66%, respectively;
- Net income available to common shareholders totaled \$686 million and shareholders' equity increased by \$1.02 billion;
- Net long-term debt per mcfe of proved reserves declined 18% from \$0.83 to \$0.68; and,
- Our stock price increased from \$0.75 per share to \$6.61, a CAGR of 107%. This was the best performance in the industry and in the top 10 among all publicly-traded stocks during this period.

As a result of this exceptional performance, Chesapeake has become the second largest producer of natural gas in the Mid-Continent region, among the largest independent gas producers in the U.S. and one of the most profitable producers of natural gas in the industry.

Chesapeake's Contrarian Spirit and Natural Gas Price Volatility

None of these accomplishments occurred because Chesapeake's management ran with the pack. Instead, the company's success has been the result of a well-defined and well-executed business strategy that focuses on one

product (gas), in one area (the Mid-Continent) and on one consistent thesis: we believe natural gas prices will continue to stay strong in the years ahead because of the difficulty in finding new reserves of natural gas in North America and the highly favorable environmental benefits of using this fuel.

However, these strong natural gas prices will likely be accompanied by volatility unmatched among other publicly traded commodities. Rather than complain about this volatility or advocate intrusive governmental regulations in an attempt to artificially reduce it, we will simply deal with this issue as we do other business risks that confront us everyday. Successfully managing this volatility will enable us to further enhance shareholder value and continue expanding the company's operating margins. Therefore, we have focused on understanding, anticipating and acting decisively during natural gas pricing cycles, which we believe are likely to occur more frequently and with greater amplitude in the years ahead.

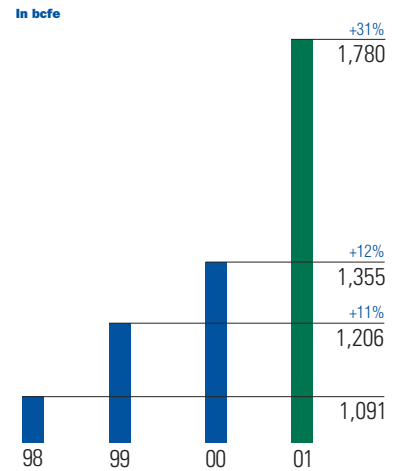
Accordingly, you should not be surprised when Chesapeake's management team takes actions that may seem occasionally out of sync with the rest of the industry. As contrarians, we are comfortable "zigging" when others "zag". Observing twenty years of volatility and the "boom and bust" nature of our industry has taught us the value of hedging our oil and gas production during the up cycles. While we may occasionally give up some revenue in the boom portion of the cycle, in return we will have more buying power than our competitors in the bust portion of the cycle.

As a result of these cycles, our industry suffers from a historic paradox: most producers have too much capital in the peak cycles (when returns from investing are low) and too little capital in the down cycles (when returns from investing are high). This results in an industry average of a 10-15% ROI while we instead seek to consistently generate a 25-30% ROI. If we can solve this paradox and achieve our targeted returns over several cycles, Chesapeake's stock price should reflect a premium valuation for the successful execution of our business strategy.

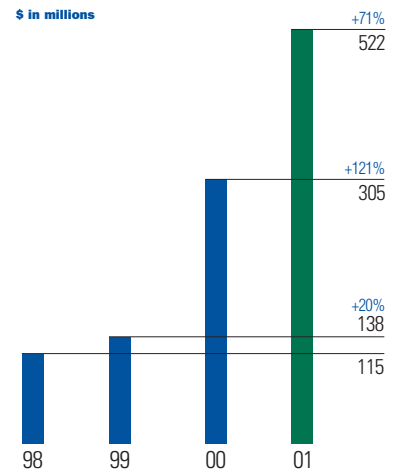


Chesapeake's performance in 2001 was consistent with our goal of *Leading the Way*. For the second consecutive year, our company established new records for production, proved reserves, ebitda, cash flow and recurring net income to common shareholders. Although exceptionally proud of Chesapeake's accomplishments in 2001, we believe 2002 may hold even greater promise.

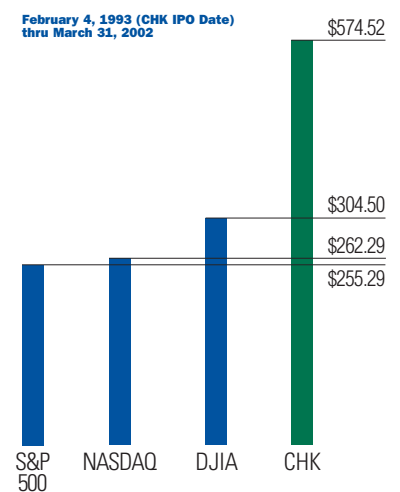
Proved Reserves Growth



Cash Flow Growth



Growth in a \$100 Investment





Leading the Way in 2002 - Extending Our Track Record

We are excited about Chesapeake's prospects for 2002 and have set three major goals that will help us extend our strong performance of the past three years. First, we will continue addressing a weakness that some investors still associate with our company - a very volatile stock price from our IPO date in 1993 through early 1999. During that six-year period, our stock began trading at \$1.33 per share (split-adjusted), decreased to \$0.44 per share in 1994, increased to \$34.44 in 1996, then declined to \$0.63 per share early in 1999. From that low point, our stock rebounded impressively to \$11.06 per share in 2001.

This past stock price volatility resulted from a completely different asset base, business strategy and shareholder base than we have today. While our track record of value creation during the past nine years (as measured by comparing our IPO stock price to today's stock price) is still the best among all large and mid-cap independent producers, we recognize our early stock price volatility may still create concern for some prospective investors. We believe the passage of time and continued excellent performance will eliminate this concern and will enable us to achieve our first goal for 2002: making sure the market's valuation of Chesapeake more accurately reflects our company's strong record of value creation and our impressive growth potential.

Leading the Way in 2002 - Continuing to Reduce Our Debt

Our second goal for 2002 is to continue reducing the company's debt, which has decreased by 18% per mcfe of proved reserves during the past three years. In addition to reducing our debt over time, we have also structured Chesapeake's debt very attractively - the average maturity is more than eight years and the average interest rate is fixed at only 8.1%. In addition, our debt is not reserve-based (unlike bank debt), which further insulates

the company from the potentially harmful effects of oil and natural gas pricing volatility.

We expect that Chesapeake will generally carry more debt than the majority of our competitors. This reflects our view that over time we can consistently earn returns on our invested capital significantly in excess of its cost. By keeping our costs low and profits high and by continuing to grow our natural gas reserves, Chesapeake's debt per mcfe of proved reserves should continue to decrease. We believe this will result in higher trading multiples for our stock in the years ahead.

Leading the Way in 2002 - Delivering Significant Exploration Upside

Our final goal for 2002 is to dispel the misconception that the Mid-Continent region is "played out" and that consequently Chesapeake is not capable of delivering significant exploration upside. We believe this view results from a lack of awareness about our excellent exploration record of locating large new reserves of natural gas in the target-rich environment of the Anadarko and Arkoma Basins of the Mid-Continent.

Chesapeake's core competency has always been growing through the drillbit. While most investors understand that we can hit singles and doubles as well as anyone in the industry, many do not realize that Chesapeake has built an unrivalled Mid-Continent lease and 3-D seismic inventory that enables us to hit home runs as well. Presently we have 19 rigs drilling, of which 10 are targeting depths below 15,000' and six are working toward objectives below 19,000'. We believe this may be the deepest drilling campaign underway in the industry today and reflects our view that very substantial gas reserves remain undiscovered at these great depths.

We have recently drilled one of the deepest wells in the U.S., the Cat Creek 1-19 located in the Deep Anadarko Basin of western

Oklahoma. Anticipated to begin producing in the second quarter, the Cat Creek 1-19 and the other deep tests we have underway should make investors increasingly aware of the upside potential of Chesapeake's extensive prospect inventory. We believe this upside exceeds 1.1 trillion cubic feet of natural gas equivalent (tcfe) and can significantly increase our proved reserves beyond their present size of 1.8 tcfe.

Looking Forward

As we close the books on our record-breaking year in 2001 and look ahead to another great year in 2002, we believe it is worth repeating the conclusion from our 1999 letter to shareholders: "As this decade unfolds, we believe investors will increasingly envision the 21st century as the age of natural gas. Just as great wealth was created during the 20th century in the age of oil and during the 19th century in the age of coal, we believe investors can greatly profit from embracing the tremendous potential of the natural gas industry in the century ahead." Two years later, we still feel the same way and believe that many more investors will share this view in the future.

Although exceptionally proud of Chesapeake's accomplishments of 2001, we believe 2002 may hold even greater promise. The combination of the outlook for natural gas and our focused geographic strategy, value added risk-management policies, balanced and successful drilling and acquisition programs, high quality assets, low operating costs and high profit margins should enable Chesapeake to continue creating industry-leading shareholder value. We look forward to updating you as the year unfolds on our progress in meeting the company's goals for 2002.

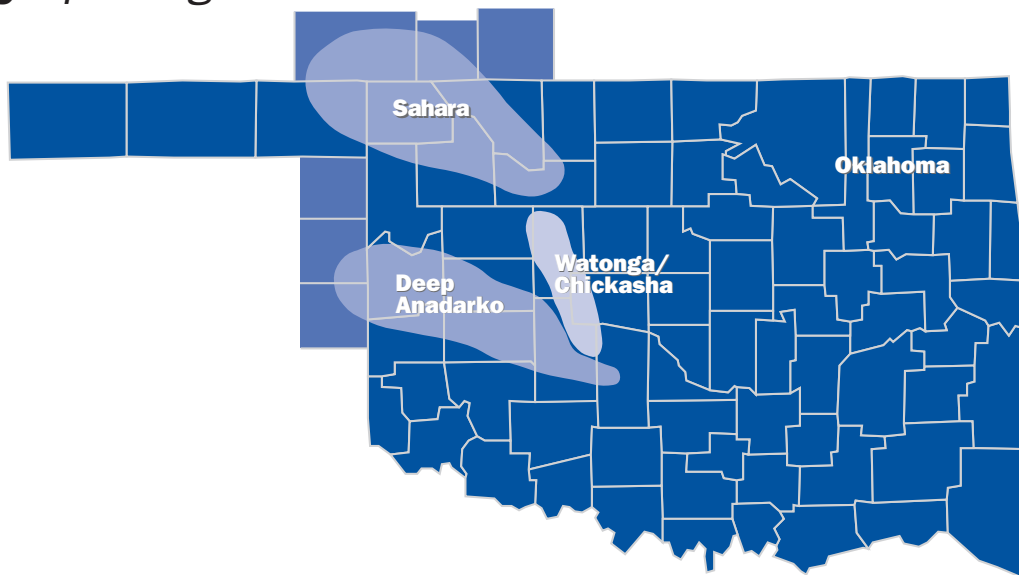
Best regards,

Aubrey K. McClendon

Tom L. Ward

March 31, 2002

Key Operating Areas



Deep Anadarko

- 240 bcfe of proved reserves
- 34 mmcfe/d of production
- 450+ bcfe of unbooked upside

The Deep Anadarko Basin, predominately located in western Oklahoma, is the most prolific gas-producing basin in the U.S., having produced more than 100 tcf of natural gas during the past 50 years. Starting with virtually no presence in this area five years ago, Chesapeake today has built one of the leading production and undeveloped leasehold positions in the Anadarko.

Chesapeake's presence in the Anadarko is divided into three distinct areas: the Granite Wash and Springer trends along the Mountain Front area in Kiowa, Washita and Beckham Counties; the Deep Morrow and Springer plays in Beckham and Roger Mills Counties; and the ultra-deep Hunton play in Beckham County.

In each of these areas, Chesapeake has carved out a leading land and seismic inventory that is driving an aggressive exploration program in 2002-03. During this time, the company expects to drill up to 30 Anadarko wildcats that will target more than 450 bcfe of unbooked reserve upside.

The signature asset for Chesapeake in the Deep Anadarko is the company's Comanche Lodge prospect in the Deep Hunton play. Our initial Comanche Lodge well, the Cat Creek 1-19, recently reached total depth of 24,800' and is scheduled for testing during the second quarter. Produced reserves from existing deep Hunton fields exceed 2.1 tcf, with average per well recoveries of 28 bcfe and average field recoveries of 304 bcfe.

Watonga-Chickasha

- 110 bcfe of proved reserves
- 36 mmcfe/d of production
- 100+ bcfe of unbooked upside

Located in the west-central Oklahoma counties of Canadian, Blaine and Grady, the Watonga-Chickasha Trend is one of the industry's most prolific gas fields, having produced 4.4 tcf since 1960. Chesapeake acquired its initial foothold in this area through the acquisition of Amoco's assets via the Gothic transactions in 1998 and 2001. Today the company is the most active operator in the area, generally keeping 2-3 rigs actively drilling.

Primary objectives in the Watonga-Chickasha Trend are the Morrow and Springer sands. These sands were deposited during early Pennsylvanian time and subsequently uplifted and truncated to the east and northeast resulting in numerous Morrow and Springer subcrop traps throughout the trend. Additional objectives include other Pennsylvanian sands and pre-Pennsylvanian Devonian and Ordovician carbonates and sands.

Moreover, Chesapeake has also identified a large number of pre-Pennsylvanian structural features through the use of our 460 square miles of 3-D seismic, of which 144 square miles is proprietary. The deeper pre-Pennsylvanian stratigraphic section in Watonga-Chickasha is virtually unexplored and Chesapeake believes this deeper portion of the Trend has tremendous upside.

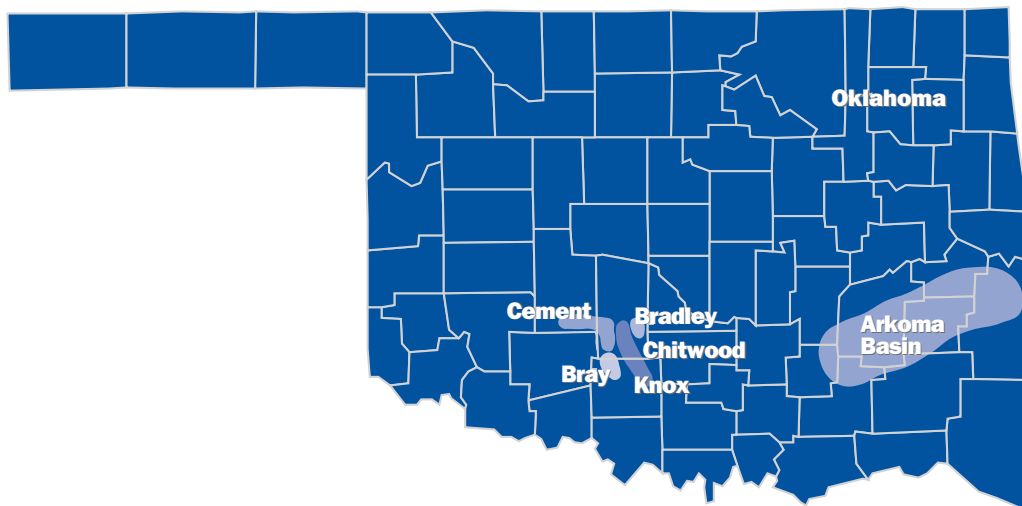
Sahara

- 167 bcfe of proved reserves
- 44 mmcfe/d of production
- 300+ bcfe of unbooked upside

Chesapeake's Sahara project on the northwest Anadarko Basin Shelf of Oklahoma remains one of the company's more active programs with 3-5 rigs generally in use. Encompassing all or portions of Major, Woods, Woodward, Harper and Beaver Counties, the Sahara project area has an enormous resource base, having already produced more than 7.6 tcf since its discovery in the 1950's. Chesapeake is by far the most active operator in this field as a result of our dominant land position of over 225,000 acres.

Primary objectives in this area are the Pennsylvanian Morrow sands and the Chester carbonates and sands, with additional potential in the Pennsylvanian Tonkawa, Cottage Grove and Red Fork sands and the Oswego lime. Typical drilling depths are from 6,000' to 8,500' and per-well reserves average about 0.6 bcfe. Finding costs that remain consistently below \$1.00 per mcf produce very attractive ROI's.

Keys to success in this area are intensive geological analysis of the multiple target formations, aggressive land work and operational economies of scale. Chesapeake operates over 600 wells in this area and maintains a PUD inventory of 200-300 locations out of a total of over 700 possible undrilled locations.



Cement

- 137 bcfe of proved reserves
- 41 mmcf/d of production
- 100+ bcfe of unbooked upside

The Cement field in the south-central Oklahoma counties of Grady and Caddo is one of Chesapeake's most important development and exploratory projects. In this area, the company has recently completed a series of highly productive wells. Chesapeake built its core position in this field through its corporate transactions with AnSon, DLB and Gothic followed by additional leasehold acquisition. Cement is yet another Oklahoma giant gas field, having produced more than 2.1 tcf since its discovery in 1917.

Cement is one of the most structurally complex areas in the Mid-Continent and the application of 3-D seismic to this area has been critical to its rejuvenated productivity during the past ten years. Chesapeake has over 180 square miles of 3-D in Cement, much of which is proprietary, and uses this 3-D information in all of its drilling.

Primary targets in Cement are the numerous and prolific Pennsylvanian sands and pre-Pennsylvanian carbonates. The field produces from depths of 2,000' to 20,000' with most of Chesapeake's drilling activity focused in the depth range of 12,500' to 18,000'. Reserve potential of 10-15 bcfe per well can be anticipated.

Bradley/Knox/ Chitwood/Bray

- 16 bcfe of proved reserves
- 21 mmcf/day of production
- 75+ bcfe of unbooked upside

Chesapeake's Bradley/Knox/Chitwood/Bray project area in south-central Oklahoma is a true industry giant, having produced more than 3.5 tcf from over 20 formations located at depths of 2,000' to 20,000' since its discovery in 1918.

Four separate plays characterize Chesapeake's activity in this area: the Pennsylvanian Morrow and Springer sands, the pre-Pennsylvanian Sycamore, Woodford, Hunton and Viola carbonates, the Ordovician Simpson sands, and the deeper Ordovician Arbuckle carbonate. All are prolific producers in this structurally complex area, with many of our future drilling locations targeting more than one of these primary objective groups. Trapping mechanisms are structurally related to the anticlines in the Lower Mississippian through Ordovician formations, while shallower production occurs in a combination of structural-stratigraphic traps due to thrust faulting, lateral facies changes or unconformity traps.

The company has more than 350 square miles of seismic data in the Bradley/Knox/Chitwood/Bray area that is an integral part of our continuing exploration and development efforts.

Arkoma Basin

- 161 bcfe of proved reserves
- 40 mmcf/d of production
- 75+ bcfe of unbooked upside

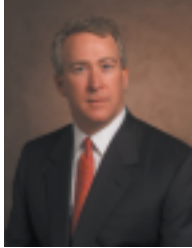
The prolific gas-producing Arkoma Basin of south-eastern Oklahoma and western Arkansas is generally separated into two regions, the highly complex compressional "Overthrust Belt" to the south and the less complex extensional region to the north. Due to its complexity, the Overthrust Belt is greatly underdeveloped and holds vast exploration potential, particularly at depths below 12,000'. Chesapeake currently has 225 square miles of 3-D in this area with plans to acquire an additional 300 square miles during 2002-03.

The northern region, although more mature, continues to be very active from numerous Pennsylvanian age Middle and Lower Atokan turbidite and Basal Atokan (Spiro) delta deposits. These formations range in depth from 5,000' to 15,000'. The company continues to acquire producing properties and undeveloped leasehold across the basin with plans for a continuous two rig drilling program in 2002.

Additionally, Chesapeake's vast leasehold position in the Arkoma holds significant coal bed methane reserve potential. Pipeline infrastructure is in place and the Arkoma coals produce very little water, making this an economically attractive development program. Chesapeake is developing its CBM assets with El Paso Corporation in a 33/67 JV formed in 2000.

Chesapeake Directors and Officers

Directors



Aubrey K. McClendon
Chairman of the Board and
Chief Executive Officer
Oklahoma City, Oklahoma



Tom L. Ward
President and Chief
Operating Officer
Oklahoma City, Oklahoma



E. F. Heizer, Jr.
Private Investor
Chicago, Illinois



Breene M. Kerr
Private Investor
Easton, Maryland



Shannon T. Self
Partner
Commercial Law Group, P.C.
Oklahoma City, Oklahoma



Frederick B. Whittemore
Advisory Director
Morgan Stanley
New York, New York

Officers



Marcus C. Rowland
Executive Vice President
and Chief Financial Officer



Steven C. Dixon
Senior Vice President –
Production



J. Mark Lester
Senior Vice President –
Exploration



Henry J. Hood
Senior Vice President –
Land and Legal



Martha A. Burger
Treasurer and Senior
Vice President – Human
Resources



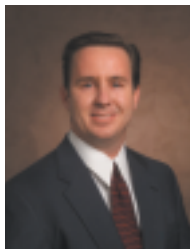
Thomas L. Winton
Senior Vice President –
Information Technology
and Chief Information
Officer



Douglas J. Jacobson
Senior Vice President –
Acquisitions and
Divestitures



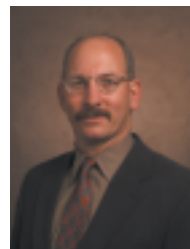
Thomas S. Price, Jr.
Senior Vice President –
Corporate Development



Michael A. Johnson
Senior Vice President –
Accounting, Controller
and Chief Accounting
Officer



James C. Johnson
President – Chesapeake
Energy Marketing, Inc.



Stephen W. Miller
Senior Vice President –
Drilling

Team Chesapeake – 635 Strong

1989

Pat Goode
Cheryl Hamilton
Mark Lester
Kinney Louthan
Aubrey McClendon
Tom Ward

1990

Colley Andrews
Kevin Decker
David Higgins
Linda Peterburs
Jeff Williams
Cindi Williams

1991

Steve Dixon
Marilyn Hooser
Wes Kruckenber
Steve Lane
Joe McClendon
Lori Ray
Debby Richardson
Patti Schlegel
Vivian Smith
John Striplin
Randy Summers
Julie Washam
Clarence Watts
Lu Ann Wernli

1992

Janelle McNeely
Tom Price
Melanie Weaver
Ken Will

1993

Ralph Ball
Rodney Beverly
Dave DeSalvo
Rick Hughes
Charles Imes
Mike Johnson
Randy Pierce
Marc Rowland
Dave Wittman

1994

Barbara Bale
Martha Burger
Michael Coles
Ron Goff
Traci Gonzales
Duane Heckelsberg
Brian Imes
Darvin Knapp
Greg Knapp
Dan LeDonne
Felipe Maldonado
Steve Miller
Tommy Morphey
Pat Pope
Bobby Portillo
Danny Rutledge
Eduardo Salazar
Stephanie Shedden
Arlene Shuman
Peggy Vosika
Ronnie Ward
Patsy Watters
Janet Weeks
Shelly White
Gerald Zgabay

1995

Richey Albright
Paula Asher
Eric Ashmore
Jack Austin
Randy Borlaug
Shelli Butler
Patti Carlisle
Leon Carmona

Ilan Cathey
Melissa Chambers
Dale Cook
Ken Davidson
Ted Davis
Mandy Duane
Kyle Essmiller
Steve Gaskins
Jennifer Grigsby
Brian Guire
Cliff Hanoch
Gayle Harris
Mike Hazlip
Robert Hefner
Carol Holden
Henry Hood
Lorrie Jacobs
Mike Johnston
Barry Langham
Jesse Langford
Cindy LeBlanc
Kimberly Louthan
Sandy Mathis
Leland Murray
Fred Portillo
John Qualls
Pat Rolla
Hank Scheel
Charles Scholz
Charlie Smith
Stan Stinnett
Brenda Stremble
Greg Weinschenk
Brian Winter
Jimmy Wright

1996

Heather Anderson
Judy Arias
Leslie Bross
Jamie Carter
Gary Collings
Jasen Davis
George Denny
Tim Denny
Gary Dunlap
Laurie Eck
Jan Fair
Barbara Frailey
Linda Gardner
Jeff Geis
Charlene Glover
Randy Goben
Jim Gomez
Melissa Gruenewald
Doug Johnson
Jim Johnson
Susan Keller
Taylor Kemp
Phyllis Kimray
Sandi Lagaly
Mike Lebsack
Steve Lepretre
Janet Lowrey
Larry Lunardi
John Marks
Carrol McCoy
Sondra McNeilland
Liz Muskrat
Angela Ports
Robert Potts
Buddy Powell
Tommy Putz
Aaron Reyna
Kim Rogers
Bryan Sagebiel
Kurt Schrantz
Ricky Scruggs
Ken Turner
Joe Vaughan
Bill Wagner
Allan Waldroup
Linda Wayland

1997

Sam Allen
Linda Allen
Karla Alliford
Lauren Brunken
Steve Burns
Sara Caldwell
Tasha Chamberlain
Ivajean Clark
Steve Cody
Kristine Conway
Walter Cook
Randy Cornelsen
Michelle Cullen
Bruce Dixon
Greg Drwenski
Mark Evans
Joy Franklin
Terry Garrison
Rob Gilkes
Kim Ginter
Tony Gore
Shane Hamilton
Jimmy Hayes
Heidi Henry
Michael Horn
Eric Hughes
David Jones
Terry Kite
Gwen Lang
Mike Ludlow
Sarah Lumen
Sam McCaskill
Bob Neely
Gerda Oliver
Bob Pope
Erick Porter
Carole Robinson
Les Rodman
Ray Roush
Jolene Schur
Carolyn Simmons
Wilma Smith
April Smith
Krysta Starkey
Jenny Thompson
Rachel Thompson
Lynda Townsend
Frank Unsicker
Craig White
Dori Williams
Curtis Williford
Iris Tadlock
Becky Thomas
John Tracy
Jennifer Van Meir
Shelby VanWinkle
Rusty Walker
Mandy Whipple
Dennis Whipple
Mary Whitson
Sam Wilder
Tina Willingham
Lon Winton

1998

Steve Adams
Crae Barr
Francy Beesley
Joel Bennett
Leonard Berry
Susan Bradford
Wade Brawley
Mark Brown
Randy Brown
Lori Budde
Diane Busch
Ken Bynum
Terry Caldwell
Bob Campbell
Ted Campbell
Jesse Canaan
Sherri Childers
Sherry Childress
Jennifer Copeland
Frank Coshow
David Craycraft
Cheryl Scruggs
Kim Doty
Mac Drake
Don Dunn
Gary Egger
Steve Emick
Dan Estes
Gary Finn

Charles Floyd
Dennis Frick
Crystal Fuchs
Randy Gasaway
Stacy Gilbert
Gena Goodwin
Marty Gore
Jim Gowens
Tana Griggs
Kelsey Hammit
Tresa Hammond
Jeff Harris
Debbie Huelt
Julie Ingram
Eugene James
Tammy Kellin
Rose Kim
Steve King
Mike Lancaster
Chris Lee
Randy Lee
Carrie Lewis-
Crawford
Craig Madsen
John Marshall
Kimberly Massey
Allen May
Dennis McGee
Allen Miller
Bill Miller
Carey Milligan
David Mobley
Debby Morgan
Pat Murano
Wes Myers
Bud Neff
Jay Newton
Kathy Nowlin
Don Pannell
Michael Park
Mandy Pena
Barbie Phelps
Matt Rockers
Kelly Ruminer
Delores Schreiber
Dan Scott
Greg Small
Bill Snyder
Jimmy Snyder
George Soto
Dan Sparks
Linda Steen
Iris Tadlock
Becky Thomas
John Tracy
Jennifer Van Meir
Shelby VanWinkle
Rusty Walker
Mandy Whipple
Dennis Whipple
Mary Whitson
Sam Wilder
Tina Willingham
Lon Winton

2000

Shellie Ashworth
Colleen Bean
Doug Bellis
Jan Benton
Bobby Bolton
Jeff Brooks
Mike Brown
Heather Burke
Tom Carroll
Becky Cassel
Bill Chatham
Rachel Clapp
David Cochran
Brenda Condit
Kendra Copeland
Bob Costello
Debbie Curtis
Keith Curtis
Mark Deal
Jason Dye
Tammy Fields
Gregg Fleming
Pam Ford
Robin Gonzalez
Mary Hartman
Twila Hines
Ronnie Howell
Cindy Hubbard
Christina Ivy
Jennifer Jacques
Cynthia Jones
Jim Kuhlman
Don Lee
Fred Lewis
Debbie Lloyd
Laura Martini
Jay May
Andrea McCall
Cindy McClintock
Collin McElrath
Kevin McEYea
Greg McMahan
Courtney Moad
Georgia Moller
Nathan Morrison
Mecca Osban
Nancy Richardson
Annie Rother
David Roule
Elizabeth Salyer
Mike Sawatzky
Maria Scherff
Brent Scruggs
Vance Shires
Stuart Skelton

1999

Susan Abbe
Jonathan Ball
Mel Barker
Sue Black
Tami Brody
Kevin Brown
Debbie Brummett
Larry Coshow
Joe Cox
Dory Douglas
Mark Edge
Brent Engles
Jenny Ferguson
Jeanie Fuller
Dan Garvey
Yamei Hou
Doug Jacobson

Melissa Jarvis
Katy Jump
Jim Kelley
Juanita Laplante
Lynn Looper
Robyn Martin
Dea Mengers
Mike Miller
Drew Miller
David Murray
Steve Nath
Tammy Nguyen
Dawn Parker
Sharon Patterson
Kimberly Queen
Glenda Ratcliffe
Lacosta Rawls
Michelle Rother
Crystal Rutledge
Tom Sharp
Larry Shipley
Brandy Sullens
Jennifer Taylor
Trish Thompson
Connie Turner
Courtney Tyson
Tonya Vallerand
Tobin Yocham

2000

Shellie Ashworth
Colleen Bean
Doug Bellis
Jan Benton
Bobby Bolton
Jeff Brooks
Mike Brown
Heather Burke
Tom Carroll
Becky Cassel
Bill Chatham
Rachel Clapp
David Cochran
Brenda Condit
Kendra Copeland
Bob Costello
Debbie Curtis
Keith Curtis
Mark Deal
Jason Dye
Tammy Fields
Gregg Fleming
Pam Ford
Robin Gonzalez
Mary Hartman
Twila Hines
Ronnie Howell
Cindy Hubbard
Christina Ivy
Jennifer Jacques
Cynthia Jones
Jim Kuhlman
Don Lee
Fred Lewis
Debbie Lloyd
Laura Martini
Jay May
Andrea McCall
Cindy McClintock
Collin McElrath
Kevin McEYea
Greg McMahan
Courtney Moad
Georgia Moller
Nathan Morrison
Mecca Osban
Nancy Richardson
Annie Rother
David Roule
Elizabeth Salyer
Mike Sawatzky
Maria Scherff
Brent Scruggs
Vance Shires
Stuart Skelton

David Smith
Sandra Smith
Chantelle Sousa
Catherine Stairs
Jeff Stanford
Michael Stow
Stacy Swigart
Alison Tabares
Rob Underwood
Nick Wavers
Scott White
Bob Whitman
David Whitten
Brent Williams
Bob Woodside

2001

Sharlot Abernatha
Jerry Aebi
Rita Aguilar
Bill Albert
Karen Albornoz
Jeremy Allison
Terry Ashton
Betsy Ball
Gloria Bates
Michelle Bender
Shireen Boddy
Bruce Boeckman
Selena Bolin
Amy Bonura
Sharon Bradford
Tom Brennan
Von Brinkley
Deanne Brooks
Marty Byrd
Mandy Calderon
Carlos Caraveo
Denise Carr
John Carter
Keith Case
Kristi Clemmens
Tim Cloud
Kyle Cole
Juanita Cooper
John Copenhaver
Jim Corsoro
Catherine Crabtree
Leigh Crain
Brian Cunningham
Garry Curry
Kristi Davis
Gary Doak
Jory Downey
Jeff Eager
Richard Easterly
Amanda Elam
Brian Exline
Kristin Fitzgerald
Alex Gallardo
Matthew Gambill
Karen Gardner
Velisha Garland
Amber Garrison
Ronnie Goddard
Suzie Goolsby
Danielle Graven
Randy Grayson
Richard Green
Kajsa Greenhoward
Jackie Gross
Chris Haag
Johnny Harris
Caleb Hause
Melanie Hayhurst
Shanon Henderson
Michael Hodges
Lindsay Hutchinson
Gail Hyche
Jeremiah Jackson
Krista Jacobson
Justin Johnson
Keith Johnson

Jenny Johnson
Lynn Jones
Rob Jones
John Kapchinske
Ginni Kennedy
Julie Knox
Daniel Koehn
Amy Larsen
Kennetta Lee
Jeff Lenocker
Julia Lillard
Darwin Lindenmuth
Travis Long
Jim Mazza
Kenny McGuire
Jim McHenry
Debra McKee
Mick McMurphy
Don Messerty
J. C. Morris
Melinda Neher
John Nelson
Lee Nelson
Tim Newville
Deborah O'Neal
Laynie Parrott
Daron Patterson
Ricky Petty
Dianne Pickard
Lynn Regouby
Gina Romano
John Romine
Larry Ross
Steve Ross
Mike Rossiter
Don Rozzell
Jesus Salazar
Heather Seaton
Larry Settle
Vanessa Shantz
Mike Shklar
Kristin Sipe
Patrick Smith
Dee Smith
Catherine Snyder
Chris Sorrells
Dennis Splan
Brandy Stafford
Cindy Stevens
William Stillwell
Marika Stone
Gayla Stone
Gary Stoner
Howard Stout
Lisa Strackbein
Lance Sublette
Justin Sweeten
Tim Taylor
Jason Thaxton
Rudy Thomas
Gene Vogt
Dung Vu
Paul Waits
Larry Watters
Brian Weaver
Johnny White
Paige Whitehead
Jim Wilkinson
Bonnie William
Connie Williams
Freda Williams
Sandy Williams
Dawn Wilson
Marvin Winter
Mark Womble
Mary Beth Wright
Jeri York
Amanda Young

2002

Jenny Adkins
Tim Andrews
Brian Babb
Charlie Bagley
Megan Bain

Lynard Barrera
Cindy Barrios
Paul Bowyer
Don Bredy
Kathy Brown
Rusty Buchanan
Jason Budde
Danny Bush
Marty Cates
Lori Chatterton
Scott Cheatwood
Jason Chenoweth
Rhonda Cruz
Trent Delano
Larry Dillo
Sherry Dixon
Bryan Dunn
Walker Edwards
Michael Falen
Mark Falk
Richard Fladeland
Justin Foust
Adam Gaskill
Melvin Harper
Jarvis Hensley
Kevin Ince
Rhonda Ingle
Bud Jackson
Chris Jones
Joe Jones
James Keathley
Michael Kee
Dax Kimble
Mark Kneeland
Trey Krampf
Casidy Lee
Dennis Lowder
Billy Manning
Don Marlett
Vanessa Marsh
Andrew McCalmont
Mitch McNeill
Claudia Molina
Jeff Newby
David Parker
Terra Pierce
Kristi Puerta
Mike Reddick
Carl Ring
Lisa Roberts
A. D. Robison
Danny Schmidt
Michael Sherwood
Will Shisler
Maria Sinclair
Greg Skiles
Josh Swift
Diana Thompson
Oleg Tolmachev
Jerry Townley
Michelle Townsend
Rodney Vaeth
Sara Vance
Ruben Vega
Leslie Ward
Al Warner
Eddie Whitehead
Humphrey Whitt
Kathy Willingham
Jerry Wilson
Mindi Wright
Jerry Yandell

Corporate Information



Stock Price Data

2001	High	Low	Last
First Quarter	\$11.06	\$ 7.65	\$ 8.85
Second Quarter	9.45	6.20	6.80
Third Quarter	6.96	4.50	5.65
Fourth Quarter	7.59	5.26	6.61

2000	High	Low	Last
First Quarter	\$ 3.31	\$ 1.94	\$ 3.25
Second Quarter	8.00	2.75	7.88
Third Quarter	8.25	5.31	7.19
Fourth Quarter	10.50	5.44	10.13

Stock Split History

December 1994; two-for-one
December 1995; three-for-two
June 1996; three-for-two
December 1996; two-for-one

Trustee for the Company's

Senior Notes

The Bank of New York
5 Penn Plaza
New York, New York 10001

Internet Address

Company financial information, public disclosures and other information are available at Chesapeake's website chkenergy.com or by contacting Thomas S. Price, Jr., at (405) 879-9257 or tprice@chkenergy.com.

Common Stock

Chesapeake Energy Corporation's common stock is listed on the New York Stock Exchange under the symbol CHK. As of April 10, 2002, there were approximately 50,000 beneficial owners of the common stock.

Common Stock Dividends

The payment of future cash dividends, if any, will be reviewed periodically by the Board of Directors and will depend upon, among other things, the company's financial condition, funds from operations, the level of its capital and development expenditures, its future business prospects and any contractual restrictions.

Corporate Headquarters

6100 North Western Avenue
Oklahoma City, Oklahoma 73118
(405) 848-8000

Independent Public Accountants

PricewaterhouseCoopers LLP
6120 S. Yale, Suite 1850
Tulsa, Oklahoma 74136
(918) 524-1200

Stock Transfer Agent and Registrar

UMB Bank, N.A.
928 Grand Blvd.
Kansas City, Missouri 64106
(860) 860-7411

Communication concerning the transfer of shares, lost certificates, duplicate mailings or change of address notifications should be directed to the transfer agent.

Forward-Looking Statements

This report includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements give our current expectations or forecasts of future events. They include statements regarding oil and gas reserve estimates, planned capital expenditures, the drilling of oil and gas wells and future acquisitions, expected oil and gas production, cash flow and anticipated liquidity, business strategy and other plans and objectives for future operations, expected future expenses and utilization of net operating loss carryforwards.

Although we believe the expectations and forecasts reflected in these and other forward-looking statements are reasonable, we can give no assurance they will prove to have been correct. They can be affected by inaccurate assumptions or by known or unknown risks and uncertainties. Factors that could cause actual results to differ materially from expected results are described in Item 1 of our 2001 10-K and include: the volatility of oil and gas prices, our substantial indebtedness, our commodity price risk management activities, our ability to replace reserves, the availability of capital, uncertainties inherent in estimating quantities of oil and gas reserves, projecting future rates of production and the timing of development expenditures, uncertainties in evaluating oil and gas reserves of acquired properties and associated potential liabilities, drilling and operating risks, our ability to generate future taxable income sufficient to utilize our net operating losses before expiration, future ownership changes which could result in additional limitations to our net operating losses, adverse effects of governmental and environmental regulation, losses possible from pending or future litigation, the strength and financial resources of our competitors and the loss of officers or key employees.

We caution you not to place undue reliance on these forward-looking statements, which speak only as of the date of our 2001 10-K, and we undertake no obligation to update this information. We urge you to carefully review and consider the disclosures made in this and our other reports filed with the SEC that attempt to advise interested parties of the risks and factors that may affect our business.