

Employee Questions & Answers- Voluntary Separation

Job Status

Q1. Why is the company offering this type of program?

A1. As you know, the past year or so has been particularly tough on the natural gas industry. Although natural gas prices have recovered a bit, we believe the sustained low natural gas price environment we have seen will have an effect on the levels of activity in our industry and at Chesapeake for some time to come. That means we must continue to focus on initiatives designed to control expenses and maximize performance so that we are able to maintain our leadership role in this changing and competitive industry.

As a result, Chesapeake is offering a voluntary separation program to certain Oklahoma City Headquarters, Field Professional and Field employees in designated departments.

Q2. What criteria were used in determining who received this offer?

A2. Eligibility was determined by the following:

- Minimum of five (5) years of *Chesapeake* service as of 2/4/13
- Minimum age of 55 as of 2/4/13
- Age + Service = 65 points or greater

For example, an employee with 5 years of CHK tenure who is 60 years old would qualify as $5+60=65$. An employee with 7 years of service who is 55 years old would not qualify as $7+55<65$.

Q3. If I don't accept the program offer, will my employment be involuntarily terminated?

A3. As in the past in some areas of the Company, reorganizations or restructurings that involve involuntary terminations may be necessary for the Company to maintain its leading role in the industry. However, the Company does not have any specific plans at this time that include involuntary termination of your employment. Also, while there are no guarantees as to future employment for any Company employee, the fact that an employee declines the Voluntary Separation Program would not be considered in selected employees who might be severed if involuntary terminations must occur in the future.

Q4. If I accept the offer, when is my last day at CHK?

A4. Your last day of employment will be 2/5/13, but may be adjusted at the sole discretion of the Company to an earlier or later date based on the needs of the company.

Separation

Q5. When should I return my documents?

A5. You have 45 days to review, elect to sign and return the Voluntary Separation Agreement. However, the signed Agreement can be returned at anytime during the 45 day review period. After you sign the Agreement, you may change your mind and revoke your decision within 7 days. You must sign and return the General Release on your last day of employment. You may not sign the General Release sooner than that date. After you sign the Release, you will also have a 7-day revocation period.

Q6. What is the effect of the General Release?

A6. By signing the General Release and accepting the voluntary separation program, you will be releasing the Company from most legal claims related to your employment as of your separation date. You have 45 days from the date of receipt of your individual, voluntary separation packet in which to decide whether you will sign the General Release, although you will not sign the document until your last date of employment. Since this is a legal document, you should consult an attorney before signing.

Q7. What are the voluntary separation benefits?

A7. **Separation Payment:** equivalent to 12 months base pay

Cobra Supplement: lump sum payment (if participating in the Company benefits plan) equivalent to 12 months of COBRA premiums

Stock Acceleration Benefit: 100% vesting of all outstanding shares of restricted stock

Deferred Compensation Plan Acceleration Benefit: 100% vesting of unvested matching contributions in the Company's Deferred Compensation Plan (the "401(k) Make-Up Plan"), **if applicable**

Seniority Bonus: For eligible employees with 10 or more years of full-time Chesapeake service. The plan includes a bonus equal to \$5,000 per full year of Chesapeake service starting with year 10 (for example, a \$5,000 bonus for the 10th full year of service; a \$10,000 bonus for 11 full years of service; a \$15,000 bonus for 12 full years of service, etc.)

Q8. Will taxes be withheld from the lump sum payments?

A8. Yes, all applicable taxes based upon the supplemental rate will be withheld from the lump sum severance payment, the COBRA Supplement and, if applicable, the Seniority Bonus.

Q9. How and when will I receive my final paycheck?

A9. Your final paycheck will be mailed to the address on file on the next regularly scheduled pay period after your last day of employment or as allowed by state law.

Q10. How long is this offer available?

A10. You have 45 days to review, and elect whether or not to sign and return the Voluntary Separation Agreement and agree to sign the General Release. After the expiration of the 45 day time frame, this offer is no longer available.

Q11. Is this offer negotiable?

A11. Careful consideration has been taken to review the program. For legal reasons, the parameters of the program cannot be changed or altered in any way. Chesapeake feels that it is an extremely fair and generous offer.

Q12. What if I decline the offer, but then change my mind?

A12. Once the 45 day consideration period has expired, your decision is final.

Q13. What if I accept the offer, but then change my mind?

A13. Once the 7 day revocation period has expired after you sign the Voluntary Separation Agreement, your decision is final.

Q14. How and when will I receive my separation payment and the other lump sum payments?

A14. Your separation payment, COBRA Supplement and, if applicable, Seniority Bonus will be paid in a lump sum no later than the Company's second regular payday that occurs after your separation date and at least eight (8) days after you have returned the signed General Release.

Q15. What if I accept a position and leave Chesapeake prior to my final day of work?

A15. If you voluntarily leave Chesapeake before your release date, you forfeit your eligibility for the separation program and the program payments and benefits.

Health and Welfare Benefits

Q16. How long will I continue to receive health and welfare benefits (i.e., medical, dental, vision, life and accidental death and dismemberment)?

A16. *Medical, Dental & Prescription Coverage*

If you were enrolled in one of Chesapeake's Medical or Dental Plan options, your active insurance will terminate at the end of the month of your termination date. After your active coverage terms, will have the opportunity to continue your same level of coverage beyond the end of the month. Continuation of coverage is often referred to as COBRA. Unless you are under another employer's group medical plan, you can continue COBRA coverage up to 18 months following date of employment termination. More information regarding your continuation of coverage can be found in your individual severance packet.

PayFlex provides COBRA services for former Chesapeake employees. You will receive information regarding your coverage options and cost directly from PayFlex approximately 2-3 weeks after your termination. Upon receiving the notification from PayFlex, you will have **60 days** to make and return your election to PayFlex.

If you choose to continue coverage, you will be allowed to elect coverage for each of your covered dependents, even if you are not electing coverage for yourself. Upon making a timely election, your coverage will be retroactive to your benefit termination date so you will not have any lapse in coverage.

For questions regarding premium rates and coverage options, contact the **PayFlex COBRA Unit directly at 800-359-3921**.

Vision Coverage

Unless you are covered under another employer's group plan, vision coverage can be continued for up to 18 months under COBRA election. For questions regarding premium rates and coverage options, contact PayFlex COBRA Unit directly at **800-359-3921**.

Q17. What happens to my flexible spending account contributions?

A17. Medical Expense Reimbursement Account (Flexible Spending)

If you made an annual election for the Medical Expense Reimbursement Account, you will have the option to continue your coverage. If you are eligible to continue your election, you will receive enrollment information directly from PayFlex along with your medical COBRA information, if applicable.

If you choose to continue coverage, you will make payments directly to PayFlex. For questions regarding making your Medical Expense Reimbursement Account COBRA election, please contact the **PayFlex COBRA Unit at 800-359-3921**.

If you do not choose to continue your coverage, you will have **until 3/31/2014** to submit any claims incurred prior to your termination. For questions regarding medical reimbursement claims, please contact **PayFlex at 800-284-4885**. Claims incurred after your termination date will not be eligible for reimbursement, unless continuation of coverage for the Medical Expense Reimbursement Account has been elected through COBRA.

Dependent Care Reimbursement Account (Flexible Spending)

You will not have the option to extend coverage for your Dependent Care Account. However, you will have **until 3/31/2014** to submit any claims incurred prior to your termination. For questions regarding claims, please contact **PayFlex at 800-284-4885**.

Q18. What happens if I have an unused balance in my Medical Expense Reimbursement Account after 3/31/2014?

A18. Any unused balance in your Medical Expense Reimbursement Account is forfeited just as if you were an active employee.

Q19. What happens if I have already overdrawn on my Medical Expense Reimbursement account?

A19. Your Medical Expense Reimbursement Account contributions will continue to be deducted up through your final paycheck. Any overpayment of Medical Reimbursement claims beyond your contributions will not require repayment.

Q20. Can I continue my company sponsored life insurance?

A20. Life Insurance

You may have the option to Port or Convert your Group Term Life Insurance and Supplemental Life Insurance through Minnesota Life. To exercise either of these options, you must act within 31 days of the date your employment ends. Contact Minnesota Life at 866-293-6047 for rates and more information.

Supplemental Long-Term Disability

If you elected supplemental long-term disability, you will be able to continue your policy with the same benefit levels and rate. The Standard Insurance Company will mail instructions directly to you. If you have questions about supplemental long-term disability, please contact **The Standard at 800-368-1135**.

Q21. What happens to my Employee Assistance Program access?

A21. Your Employee Assistance Program (EAP) access terminates 60 days after your termination date. For services, please contact **ComPysch at 1-888-332-6327**.

Q22. What happens to my coverage through Pre-Paid Legal Services?

A22. Pre-paid legal services terminate upon your last day of employment; however, you can choose to continue enrollment by paying premiums directly to Pre-Paid Legal. For information contact **Pre-Paid Legal at 1-800-654-7757**.

Q23. Who can I contact about Benefits Questions?

A23. Contact Benefits Connect toll-free at 877-777-4068 or at Benefits@chk.com

Q24. Who can I contact about Leave Inquiries?

A24. Contact Benefits Connect toll-free at 877-777-4068 and select option 2 for the Leave Department or at Leave@chk.com.

Q25. If I accept the program, can I continue to use the Chesapeake Health Center while I am on COBRA?

A25. The Chesapeake Health Facility is for employees and their family members only. If you have an immediate family member still employed with CHK then you will be eligible; otherwise, you will need to make other arrangements for your health and dental care.

401k Plan

Q26. Upon separation from service, will I have to close my 401(k) account?

A26. No, you may choose from the following options: (1) take a cash distribution; (2) roll your account over to an IRA or other 401(k) Plan; or (3) keep your 401(k) account at Principal if you have at least \$5,000 in your account.

Cash Distribution

Q27. If I take a cash distribution, will I have to pay taxes?

A27. If you are age 55 or older in the year in which you terminate and take a cash distribution, a 20% federal tax will be withheld. State taxes will be applied and vary by state. The 10% IRS early withdrawal penalty will not apply.

Q28. If I take cash distributions, does it have to be in one lump sum?

A28. No, you may decide to take periodic distributions.

Q29. At what age am I required to take a distribution?

A29. You are required to take a minimum required distribution (“MRD”) at age 70 ½. The minimum amount that must be distributed is based upon the individual’s age at the time of the distribution (determined by the IRS). The distribution must be in cash and a standard 10% federal tax is withheld (any amount over the MRD, if requested, is subject to 20% federal withholding).

Roll Over to IRA or other 401(k) Plan

Q30. If I decide to roll my account over to an IRA or other 401(k) plan, will I have to pay taxes and does the 10% IRS penalty apply?

A30. No, if you decide to roll your account over to an IRA or other 401(k) plan, you will not pay taxes (taxes are deferred until withdrawal) and the 10% IRS early withdrawal penalty will not apply.

Keep 401(k) Account with Principal

Q31. If I want to keep my 401(k) account with Principal, is there a required minimum account balance that must be maintained?

A31. Yes, you must have at least \$5,000 in your account.

Q32. What happens if my account balance with Principal goes below the \$5,000 minimum balance?

A32. Your account balance will be moved to an IRA account with Principal Bank.

Chesapeake Energy Corporation Amended & Restated Deferred Compensation Plan (if applicable)

Q33. Do I have to take a distribution from my Deferred Compensation Account?

A33. Yes. Upon your separation from the Company, your account will be valued as of the last day of the month in which you separate and will be paid to you in cash and/or CHK stock according to your Retirement/Termination account election.

Q34. Will taxes be withheld from my distribution?

A34. Yes, taxes will be withheld at the ordinary income tax rate on both the cash portion and CHK stock portion of your distribution.

Q35. How will the CHK stock be paid to me?

A35. The CHK stock held in your account will be paid to you “in-kind”. Upon distribution, Computershare (CHK’s stock transfer agent) will register the CHK shares in your name and will send you a notification of the registration at which time you may hold, sell, or transfer the CHK shares to another holding account.

Q36. Who do I call if I have questions about my deferred compensation account?

A36. You can call Cathy DeGiusti at (405) 935-7953 or call the Newport's Participant Service Center at (800)-230-3950.

Other Questions

Q37. What is going to happen to my 401(k) loan?

A37. If you currently have an outstanding 401(k) loan, you have two choices on how to handle the remaining loan balance: (1) repay the loan in full within sixty (60) days of separation or (2) default on the loan. If you choose to default on the loan, IRS rules require the Plan administrator to treat this as a Plan distribution subject to state and federal tax and include an additional 10% tax penalty on the defaulted loan balance. Please check with a financial advisor prior to making your decision on how to settle an outstanding 401(k) loan balance.

Q38. Who can I call if I have questions about my 401(k) account?

A38. You may contact the Principal Financial Group at 1-800-547-7754, or you may email 401kgroup@chk.com.

Stock

Q39. What will happen to my unvested shares of Chesapeake restricted stock?

A39. If the offer is accepted, the vesting of all unvested Chesapeake restricted stock awards will be accelerated and the net shares (after taxes) will be issued to you.

Q40. How will I receive the stock?

A40. The shares will be issued based on your elected distribution method in the Stock Dashboard.

Q41. How long will it take to receive the shares?

A41. Upon acceptance of the program and the expiration of your 7 day revocation period, your shares will be issued. The issuing of your shares will take approximately 10 business days.

Q42. Will I continue to have access to my E*TRADE account?

A42. Yes, your E*TRADE account will remain unchanged.

Q43. Who do I contact if I have any questions about my Chesapeake stock?

A43. You may contact the Chesapeake Stock Department:

- Ryan Turner, 405-935-2628, Ryan.Turner@chk.com
- Stephanie Jantz, 405-935-6853, Stephanie.Jantz@chk.com

Other Issues

Q44. What happens to my unused PTO?

A44. Accrued, unused PTO will be paid out within two pay periods following your last day of employment.

In the event you have taken more PTO time than is allowed based on length of employment, under Chesapeake's PTO policy, your final paycheck shall be reduced by the corresponding amount, unless otherwise prohibited by law.

If you accept the program, you may take sick, PTO or your birthday holiday pending prior management approval. However, PTO must be scheduled in advance and sick time may not be abused. Keep in mind the purpose of your 2/5/13 final day of employment is to assist in the transitioning of work. Regular attendance and satisfactory performance is expected during that transition.

Q45. What is the supplemental tax rate?

A45. The supplemental tax rate will be no higher than 40% depending on your deductions.

Q46. What happens to my unused sick and birthday holiday?

A46. No payment is made for unused sick leave or birthday holiday upon termination.

Q47. Can I be considered for other positions at Chesapeake – either now or in the future?

A47. Please refer to the Voluntary Separation Program documents.

Q48. Will Chesapeake and/or my manager provide me a reference letter?

A48. Per company policy, all reference requests are to be sent to HR. You may have your new employer call 877-777-4068 to request employment verification. In addition, in your final packet, you will be provided a letter that you will be able to provide to future employers.

Q49. Am I eligible for unemployment benefits? If so, what is the process for application?

A49. No. Since this is a voluntary program, you will not qualify for unemployment.

Q50. How do I ensure I receive my 2013 W2 for tax purposes?

A50. If your mailing address changes, please ensure we are notified of the change. Your Form W2 will be mailed to your mailing address on file by January 31 of the following year. You may contact HR- Address Updates at HRinformation@chk.com or 405-935-8195.

Q51. I currently have a Chesapeake lease vehicle; will I be able to keep it through the lease expiration?

A51. The lease program is for employees only. As stated in your lease, if you leave CHK the lease becomes invalid. You will need to contact Fleet to make arrangements to return your vehicle prior to your last day of employment.

Q52. Will I get my January 2013 bonus?

A52. In order to receive your January bonus, you must work through the bonus payout date of January 11, 2013.

Q53. Who do I contact if I need additional information?

A53. Human Resources has set up a Q&A hotline 405-935-1603 and email address VSP@chk.com, or you may contact the dedicated Employee Relations Representative for your department (see attachment).

Contacts

Department	HR Point of Contact	Office Phone Number	Cell Phone Number	Email Address
A&D	Jennifer Kraszewski	405-935-1351	405-706-7868	Jennifer.Kraszewski@chk.com
	Kelli Adams	405-935-8206	405-464-4972	Kelli.Adams@chk.com
Accounting	Paige Kuester	405-935-1134	405-365-0645	Paige.Kuester@chk.com
Administrative Services	Karissa Mann	405-935-8471	405-606-1431	Karissa.Mann@chk.com
CEMI	Karissa Mann	405-935-8471	405-606-1431	Karissa.Mann@chk.com
Corporate Development	Jennifer Kraszewski	405-935-1351	405-706-7868	Jennifer.Kraszewski@chk.com
	Kelli Adams	405-935-8206	405-464-4972	Kelli.Adams@chk.com
COS- COO	Linda Clark	405-422-2754 x85725	405-593-5480	Linda.M.Clark@chk.com
	Lance Haffner	405-935-1576	405-370-9895	Lance.Haffner@chk.com
COS- Hodges	Jenny Stepp	405-935-6393	405-249-2261	Jenny.Stepp@chk.com
	Lance Haffner	405-935-1576	405-370-9895	Lance.Haffner@chk.com
COS- Midcon	Michelle Turner	405-242-4444	405-301-2217	Michelle.Turner@chk.com
	Lance Haffner	405-935-1576	405-370-9895	Lance.Haffner@chk.com
COS- Nomac	Linda Clark	405-422-2754 x85725	405-593-5480	Linda.M.Clark@chk.com
	Lance Haffner	405-935-1576	405-370-9895	Lance.Haffner@chk.com
Drilling	Tom Brooks	405-935-6152	405-833-2436	Tom.Brooks@chk.com
Executive	Jennifer Kraszewski	405-935-1351	405-706-7868	Jennifer.Kraszewski@chk.com
	Kelli Adams	405-935-8206	405-464-4972	Kelli.Adams@chk.com
Geoscience	Karissa Mann	405-935-8471	405-606-1431	Karissa.Mann@chk.com
HR	Jennifer Kraszewski	405-935-1351	405-706-7868	Jennifer.Kraszewski@chk.com
	Kelli Adams	405-935-8206	405-464-4972	Kelli.Adams@chk.com
Internal Audit	Paige Kuester	405-935-1134	405-365-0645	Paige.Kuester@chk.com
IT	Paige Kuester	405-935-1134	405-365-0645	Paige.Kuester@chk.com
Land	Alix Orza	405-935-2039	405-834-9519	Alix.Orza@chk.com
Land Admin	Alix Orza	405-935-2039	405-834-9519	Alix.Orza@chk.com
Legal	Jennifer Kraszewski	405-935-1351	405-706-7868	Jennifer.Kraszewski@chk.com
	Kelli Adams	405-935-8206	405-464-4972	Kelli.Adams@chk.com
Operations	Tom Brooks	405-935-6152	405-833-2436	Tom.Brooks@chk.com
Regulatory	Jennifer Kraszewski	405-935-1351	405-706-7868	Jennifer.Kraszewski@chk.com
	Kelli Adams	405-935-8206	405-464-4972	Kelli.Adams@chk.com

