

OKLAHOMA CITY, Aug. 17, 2016 /PRNewswire/ -- [Chesapeake Energy Corp.](#) (NYSE:CHK) announced today that it successfully priced its proposed term loan and, as a result of strong demand, has upsized the term loan to \$1.5 billion from a previously announced size of \$1.0 billion. The term loan is being arranged by Goldman Sachs Bank USA, Citigroup Global Markets Inc. and MUFG as joint lead arrangers. Chesapeake intends to use the net proceeds of the loan to finance tender offers for its unsecured notes, with any remaining proceeds used for further debt repayments and other general corporate purposes. Chesapeake expects this financing and the tender offers to improve its financial flexibility by reducing its near-term maturing debt.

The loan will have a five-year term and bear interest at a rate of LIBOR plus 7.50% per annum, subject to a 1.00% LIBOR floor. The loan will be made at par without original issue discount. The loan will be secured by the same collateral securing the company's revolving credit facility (with a position in the collateral proceeds waterfall junior to the credit facility).

The new term loan will be unconditionally guaranteed on a joint and several basis by Chesapeake's direct and indirect wholly owned domestic subsidiaries that are guarantors under the company's revolving credit facility.

The loan is expected to close on or before August 23, 2016, subject to customary closing conditions and final documentation.

Headquartered in Oklahoma City, [Chesapeake Energy Corp.](#)'s (NYSE: CHK) operations are focused on discovering and developing its large and geographically diverse resource base of unconventional oil and natural gas assets onshore in the United States. The company also owns oil and natural gas marketing and natural gas gathering and compression businesses.

This news release includes "forward-looking statements" that give the company's current expectations or forecasts of future events, including the terms of the term loan and the use of proceeds thereof. Although we believe the expectations and forecasts reflected in our forward-looking statements are reasonable, we can give no assurance they will prove to have been correct. They can be affected by inaccurate or changed assumptions or by known or unknown risks and uncertainties, including the funding of the term loan, and those stated in the company's Annual Report on Form 10-K for the year ended December 31, 2015 and its other filings with the SEC), and actual results may differ from the expectation expressed. We caution you not to place undue reliance on our forward-looking statements, which speak only as of the date of this news release, and we undertake no obligation to update this information, except as required by applicable law.

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