

OKLAHOMA CITY, Jan. 22, 2016 /PRNewswire/ -- [Chesapeake Energy Corp.](#) (NYSE:CHK) announced today that it has suspended payment of dividends on each series of its outstanding convertible preferred stock effective immediately.

Doug Lawler, Chesapeake's Chief Executive Officer, commented, "The board and management believe this decision is in the best long-term interest of all Company stakeholders. Today's decision to suspend our preferred stock dividends will allow the company to retain approximately \$170 million of additional cash per year and use these funds to purchase debt at significant discounts in the near term. Given the current commodity price environment for oil, natural gas and natural gas liquids, we believe that redirecting this cash toward debt retirement provides better returns for the Company. We currently have senior debt securities trading at significant discounts, and we will continue to take advantage of that within the coming year."

Suspension of the dividend does not constitute an event of default under the Company's revolving credit facility or outstanding bond indentures.

[Chesapeake Energy Corp.](#) (NYSE:CHK) is the second-largest producer of natural gas and the 12th largest producer of oil and natural gas liquids in the U.S. Headquartered in Oklahoma City, the company's operations are focused on discovering and developing its large and geographically diverse resource base of unconventional natural gas and oil assets onshore in the U.S. The company also owns substantial marketing and compression businesses. Further information is available at [www.chk.com](http://www.chk.com) where Chesapeake routinely posts announcements, updates, events, investor information, presentations and news releases.

This news release includes "forward-looking statements" that give Chesapeake's current expectations or forecasts of future events, including our plans to repurchase debt and our ability to achieve better returns from debt repurchases. Although we believe the expectations and forecasts reflected in our forward-looking statements are reasonable, Chesapeake 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: (i) the timing and amount of any debt repurchases; (ii) whether our decision to redirect cash toward debt retirement will provide better returns; and (iii) those described under "Risk Factors" in Item 1A of our annual report on Form 10-K and in our current report on Form 8-K filed on December 2, 2015 (available at <http://www.chk.com/investors/sec-filings>). 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.

INVESTOR CONTACT: MEDIA CONTACT:

Gordon Pennoyer  
(405) 935-8878  
[media@chk.com](mailto:media@chk.com)

Brad Sylvester, CFA  
(405) 935-8870  
[ir@chk.com](mailto:ir@chk.com)

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