



October 29, 2008

We're Back!

Many of you have been wondering aloud as to the whereabouts of your regular Chesapeake email updates. Well, we're back!

Production stopped temporarily so that we could update the design in hopes of making the newsletter easier to read and more attractive. We believe it is and hope you will agree. Our goal, as it has been from the beginning, is to keep you informed about our activities in Arkansas and provide some insight into how our industry works.

We hope you enjoy!

➤ **Natural Gas Helps White County Thrive**

While the rest of the nation continues to look for ways to cope with the economic downturn, White County is thriving.

➤ **Harding Students Awarded Chesapeake Scholarships**

Harding University has awarded scholarships to five undergraduate students in the Department of Engineering and Physics as part of the \$100,000 Chesapeake Scholars Program, which was established at the university earlier this year.

➤ **Future Leaders Honored in White County**

White County is cultivating its next generation of leaders through 4-H Clubs and Future Farmers of America organizations.

Natural Gas Helps White County Thrive

While the rest of the nation continues to look for ways to cope with the economic downturn, White County is thriving.

An economic impact study conducted by the Center for Business and Economic Research at the University of Arkansas and released on October 21 says natural gas production in the Fayetteville Shale over the last five years has generated increases in tax revenue, employment and wages for White County.

More than 25 percent of all natural gas production within the Fayetteville Shale occurs in White County.

"The impact of the vast production of natural gas shows up most clearly in the dramatic increase in White County sales tax revenues, which were more than 37 percent higher in May 2008 than a year earlier," said Kathy Deck, Director of the Center for Business and Economic Research.

The study also shows that the cities of Searcy, Bald Knob, Beebe and Rose Bud have also seen clear increases in sales tax revenue since the beginning of 2006.

Since January 2006, about 1,700 jobs have been created in White County keeping the county's unemployment rate well below the national average. Additionally, wage growth was 14 percent in 2007.

White County Judge Michael Lincoln said the study provides confirmation as to the benefit of the natural gas industry.

"There's no other way to explain the increases we've seen in sales tax and property tax collections throughout the county," said Lincoln. "I would hate to imagine where our county's economy would be without the jobs and tax revenue created by the natural gas industry."

Following the release in April of a study showing the statewide economic impact of the Fayetteville Shale, Judge Lincoln and Searcy Mayor Belinda LaForce asked for similar research that is specific to White County.

The economic impact study can be found at <http://cber.uark.edu>.

Chesapeake News



ReStore Opens

Habitat for Humanity of White County has officially opened its ReStore retail location 210 West Mulberry in Searcy, one block west the Main Street and Beebe Capps Expressway intersection. Habitat ReStores are

retail outlets where quality used and surplus building materials are sold at a fraction of the normal retail cost. All supplies are donated by individuals or by building supply wholesalers and retailers. Sales revenue is used to fund the construction of Habitat homes for families in White County that otherwise can't afford a home.

Homeowners are chosen based on the applicants' level of need and their willingness to become partners in the program and their ability to repay a no-profit, no-interest loan.

The Habitat ReStore will be open every Thursday through Saturday from a.m. to 2 p.m. It is made possible through the generous support of Chesapeake Energy, Premier Well Services, Armstrong Tools, JM Oilfield Services, McJunkin Redman, Artexoma Logistics, Allstates Production, Input Services, Exit Realty, First Security Bank, Lowe's, Ridout Lumber and Simmons Bank.



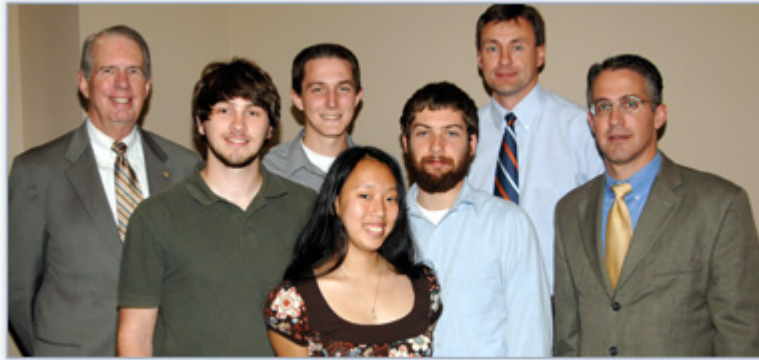
Expo Exceeds Expectations

Arkansas' first ever Fayetteville Shale Expo has been deemed a success.

The October 4 event, sponsored by the Conway Area Chamber of Commerce, brought together more than 20 natural gas producers and vendors, including Chesapeake.

"It definitely exceeded expectations."

Harding Students Awarded Chesapeake Scholarships



Harding University recently honored five Chesapeake Scholars. Pictured Left to Right: (back) President David Burks, Caleb Meeks, Dean of Students David Collins, (front) Joshua Gibb, Rachel Gelpi, Christian Yoder and Danny Games. Not Pictured: Nathan Rice. Each student received a \$4,000 scholarship.

Harding University has awarded scholarships to five undergraduate students in the Department of Engineering and Physics as part of the \$100,000 Chesapeake Scholars Program, which was established at the university earlier this year.

"We are grateful for Chesapeake Energy's generous financial commitment to our students," said Dr. David Burks, President of Harding University. "The Chesapeake Scholars Program will help us attract outstanding students who may eventually establish careers in the natural gas industry."

The inaugural group of recipients in the Chesapeake Scholars Program are all majoring in Mechanical Engineering. They are: Nathan Rice, a junior from Heber Springs; Rachel Gelpi, a sophomore from Bristol, West Virginia; Caleb Meeks, a senior from Pioneer, Tennessee; Christian Yoder, a freshman from Halifax, Pennsylvania; and Joshua Gibb, a sophomore from Fort Valley, Georgia.

Each student receives a \$4,000 scholarship.

Harding University has an enrollment of more than 6,100 students, 53 of which are National Merit Scholars. It was ranked in the 2007 "Best Colleges" issue of U.S. News and World Report as one of the best regional universities in the South.

"Chesapeake seeks to add value to the communities where we operate and we can find no better way of doing that than investing in education," said Danny Games, Director of Corporate Development for Chesapeake in Arkansas. "Assisting young people to obtain a college degree from an outstanding institution such as Harding is something of which we are extremely proud."

Future Leaders Honored in White County

White County is cultivating its next generation of leaders through 4-H Clubs and Future Farmers of America organizations.

Ten students throughout the county were recently recognized for their character, leadership skills and commitment to service by Chesapeake's Discovering Tomorrow's Leaders Program, which culminated in a banquet held October 9 in Searcy.

The 10 students are Christopher Kidd of White County Central High School, Robin Ramey of Liberty Christian School, Coty Bell of Pangburn High School, Jordan Feltrop of AHLF Junior High in Searcy, Katlynn Burchfield of Rose Bud High School, Matt Duncan of White County Central High School, Katlynn Jernigan of Searcy High School, Victor King of Pangburn High School, Martin Davis of Beebe Junior High School and Stacey Storey of Bald Knob High School.

expectations,” said Bra Lacy, president of the Conway Chamber. “It’s indicative of the vast interest people have in the natural gas industry. People from all around the Fayetteville Shale area converged on Conway with different objectives in mind. Some had specific questions about leases, others had questions about operations and many inquired about possible employment opportunities.

Fayetteville Shale Updates

The following are update figures regarding Chesapeake's operations in the Fayetteville Shale:

- Rigs:** 19
- Producing Wells:** 232
- Daily Production:** 216,910 mcfe



Coty Bell



Jordan Feltrop

Bell, 16, and Feltrop, 13, each had their names drawn from a hat and were awarded laptop computers. Each student was nominated for the weekly award by teachers, classmates and organization advisers.

