

# CHESAPEAKE MIDSTREAM PARTNERS INVESTOR PRESENTATION OCTOBER 2011



**CONNECTING AMERICA'S ENERGY FUTURE**



NYSE:CHKM

[WWW.CHKM.COM](http://WWW.CHKM.COM)

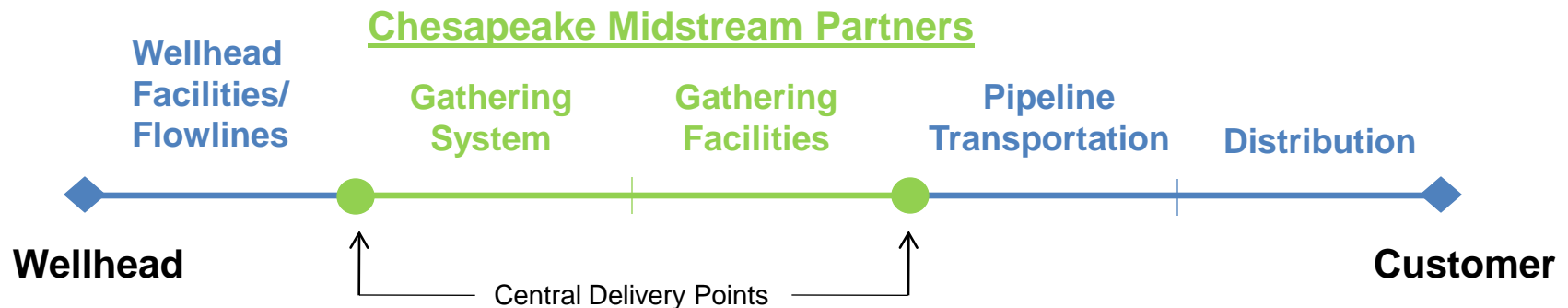
# PARTNERSHIP OVERVIEW



## Partnership overview:

- Formed as Chesapeake Energy (“Chesapeake” or “CHK”) and Global Infrastructure Partners (“GIP”) joint venture in September 2009
- Provide midstream services in leading unconventional plays including the Barnett Shale, Haynesville Shale and Mid-Continent regions
- Customers include Chesapeake, Total E&P USA, Inc. (“Total”) and other third parties
- Priced IPO in July 2010; NYSE: “CHKM”
- Expanded into the Haynesville Shale with December 2010 drop-down from CHK

Value Chain:





# COMPANY HIGHLIGHTS



## Protected Distributions

- Fixed fee revenue model with no direct commodity price exposure
- Contractual structure creates cash flow stability and visibility

## Strategically Located Assets

- High quality asset base focused on unconventional growth plays
- Superior diversification and footprint positions CHKM for growth

## Substantial Growth Potential

- Significant potential volume growth from extensive acreage dedication
- Substantial drop-down opportunities from CHK's leading unconventional plays

## Operational Excellence

- Minimize cost by leveraging CHK's services and scale
- Drive capital efficiency with standardized designs and modular components

## World-Class Sponsorship

- CHK is a proven leader in unconventional natural gas and liquids
- GIP brings rigorous business process support and investing experience

## Experienced Management Team

- Average of ~30 years of experience
- Proven track record of midstream business performance

# BUSINESS MODEL COMPARISON



## Comparative Assessment

Risk Factors	CHKM	Typical Long Haul Pipeline MLPs	Typical G&P MLPs
Commodity Price	Minimal exposure (fixed fee)	Indirect	Direct & Indirect
Re-Contracting	Long-term acreage dedication	Medium term	Short term
Volume	Minimum volume commitment	'Firm' transport revenues	None
Inflation	Annual fee escalation	Depreciated rate base	None
Capital	Fee redetermination	Rate review	None
Cost	Fixed-fee compression agreement	Cost of service	Varies
<b>Overall Business Model</b>	<b>Best in Class</b>	<b>Low Risk</b>	<b>Moderate Risk</b>

Business Model Provides Protected and Visible Distributions

# BUSINESS RISK CONSIDERATIONS AND MITIGANTS



## Considerations

- Volume & Capital

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- Commodity & Basin

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- Counterparty Concentration

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- Re-contracting

## Mitigants

- MVC and long-term acreage dedications
- Rate redetermination
- Conservative maintenance capital

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- 100% fixed-fee revenues
- Commitment to maintain contract structure / business model as business grows
- Concentrated in low cost basins

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- Total and other 3<sup>rd</sup> parties today – ~18 % revenue
- Improving CHK financial profile (25/25 Plan)
- Core basins to CHK for cash flow generation

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- Arms-length, 10-20 year contracts at market rates
- Critical infrastructure providing access to market
- Dedicated acreage

# STRATEGICALLY LOCATED ASSETS

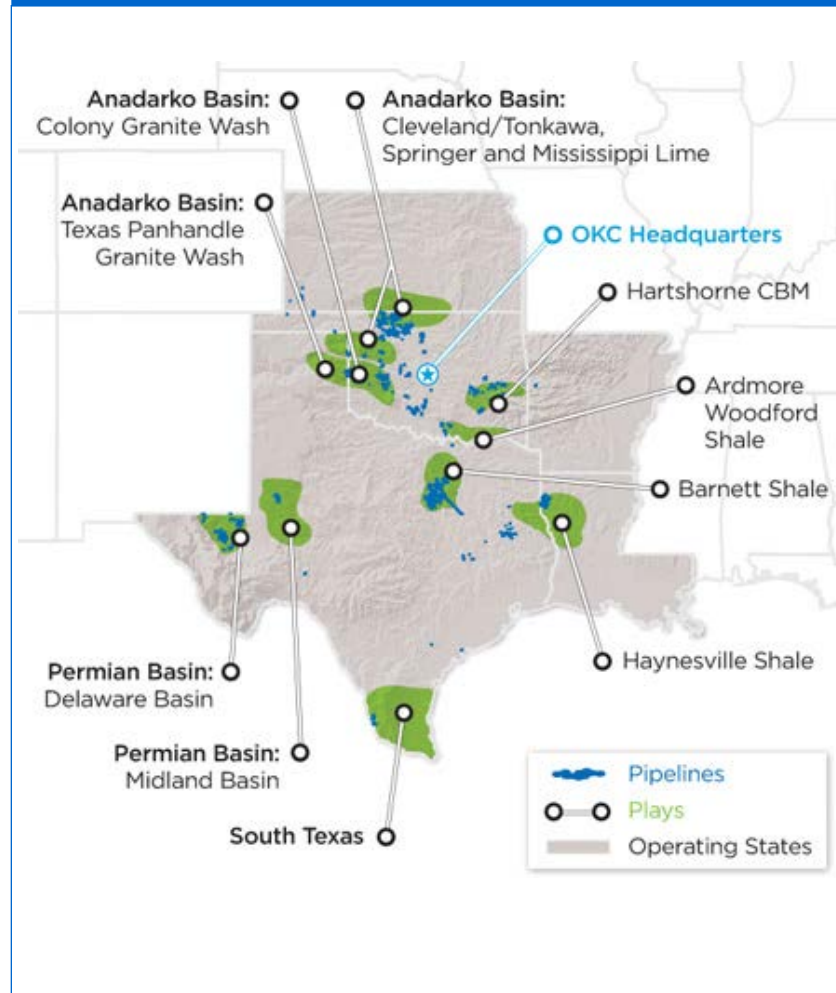


- High quality, scalable asset base
- High growth unconventional plays

## Key operating data<sup>(1)</sup>

Invested Capital:	~\$2.7 billion	
Dedicated acreage:	~3.0 million acres	
Miles of pipe:	~3,450	
Volume (mmcf / d)	Barnett:	~1,044 (49%)
	Haynesville:	~563 (26%)
	Mid-Continent:	~541 (25%)
	Total:	~2,148
Wells gathered:	~4,653	
Direct employees	~290	

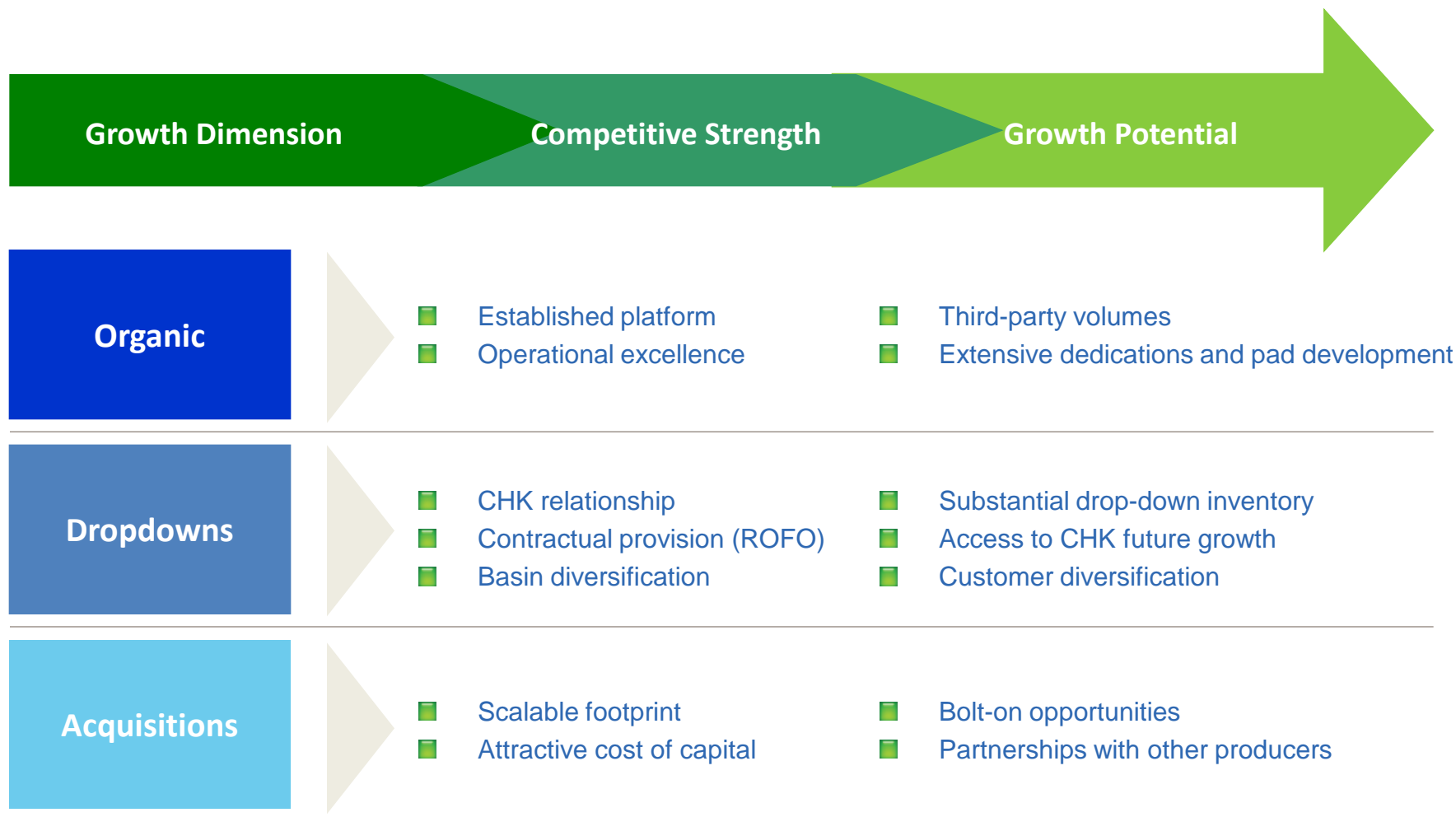
## Chesapeake Midstream Partners Assets



### Notes:

1) Data for the three-month period ended June 30, 2011

# SUBSTANTIAL GROWTH OPPORTUNITIES



# SIGNIFICANT ORGANIC GROWTH PLATFORM



## Organic Growth Platform

### ■ Revenue

- Annual fee escalation
- MVC, redetermination growth
- Contractual top line growth >4%

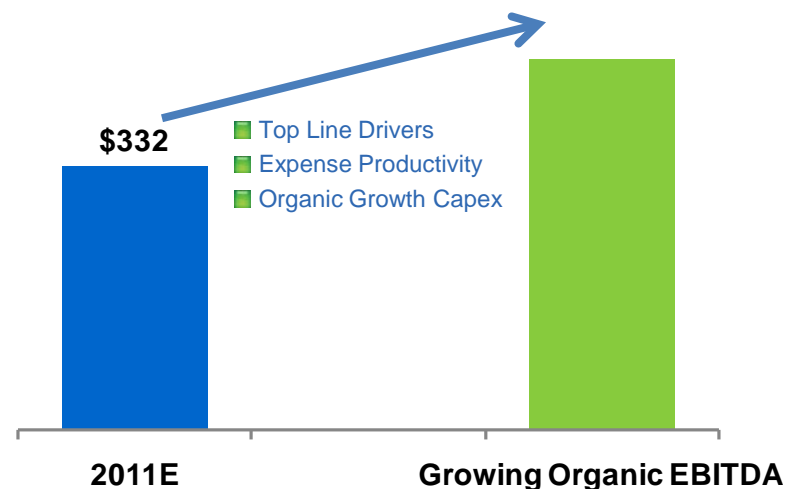
### ■ Operating Expenses

- Significant portion fixed/capped
- Operating leverage/productivity

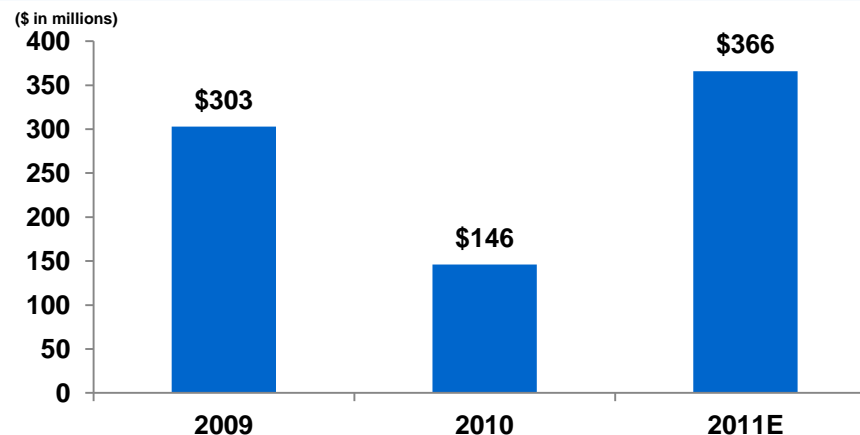
### ■ Capital Expenditures

- Large acreage dedications and incremental well opportunities
- Fee redetermination supports return on capital
- Third-party opportunities – scale positions in leading basins

## Organic EBITDA Growth



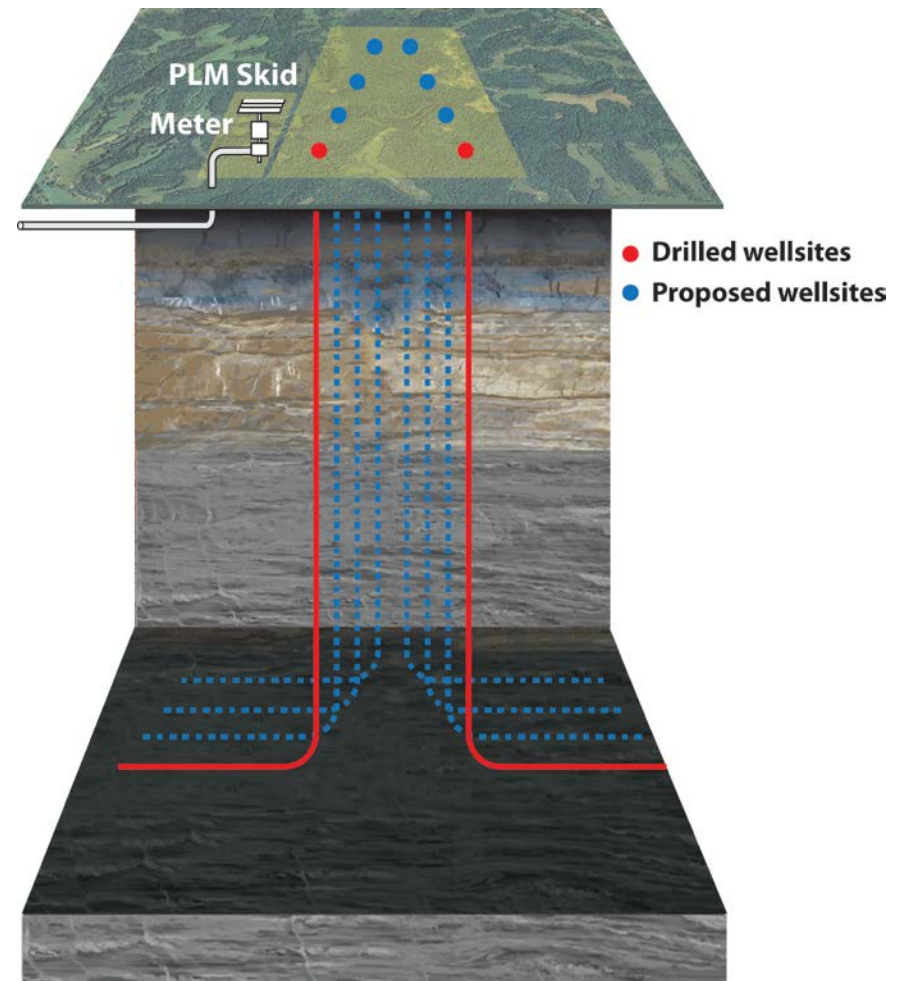
## Organic Growth Capex



# PAD DRILLING ADVANTAGE

- More than 60% of total projected well pads have been connected in the Barnett
- Up to 20 wells can be drilled from a single large pad
- Wells can be drilled over many years allowing for steady, long life natural gas production
- Future wells on existing pads are very capital efficient
- Simplifies midstream infrastructure and operational requirements (e.g. pad level measurement, pigging) and lowers per unit costs

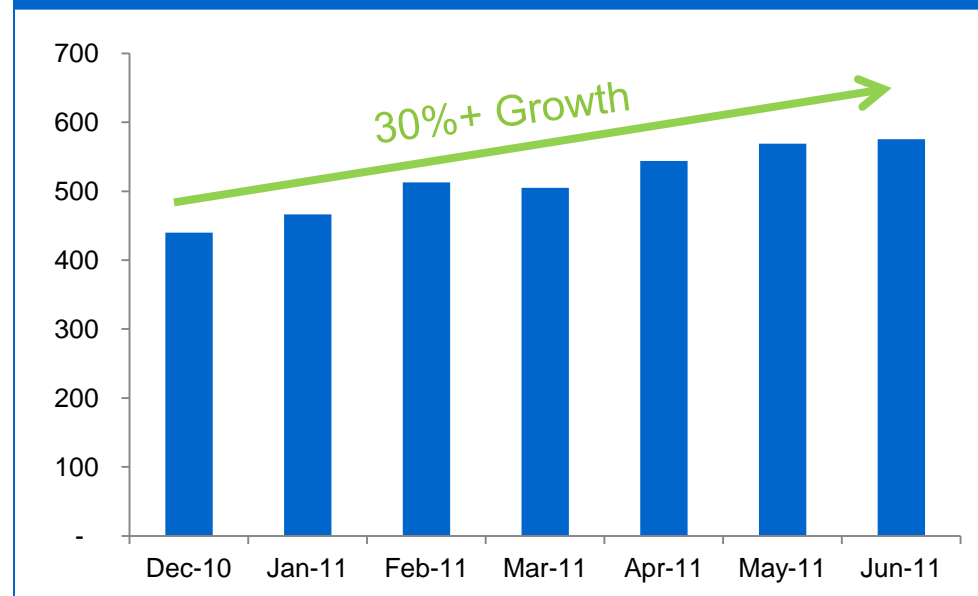
## Directional Drilling from Pads



## Acquisition Highlights

- Acquired December 2010
- \$500 million purchase price
- Best-in-Class business model
  - 10-year contract – 100% fixed fee
  - Acreage dedication
  - 3-year minimum volume commitment
  - 10-year annual rate redetermination
- Differentiated growth platform
  - Basin diversification, 3<sup>rd</sup> party upside
  - Natural consolidator footprint
  - Attractive F&D costs

Haynesville Volume by Month (Mmcf/d)



# SUBSTANTIAL GROWTH POTENTIAL FROM DROP-DOWNS



## ■ Potential access to:

- Over 20,000 wells on current footprint
- ~9 million gross acres of high quality U.S. unconventional asset base
- ~6.5 Tcfe of proved reserves
- ~1,650 miles of pipe

## ■ MidCon Compression

- 975,000 hp
- 2,850 units

Basin	Miles of Pipe	Throughput (Mmcf/d)	Acreage (Gross)
Haynesville – Mansfield GGS	290	900	350,000
Marcellus North	370	520	1,800,000
Marcellus South	655	250	1,600,000
Eagle Ford	180	45	900,000
Granite Wash	115	75	350,000
Mississippi Lime	0	0	800,000
Niobrara	15	2	1,600,000
Cleveland/ Tonkawa	30	5	1,450,000
<b>Total</b>	<b>1,655</b>	<b>1,797</b>	<b>8,850,000</b>

Note: Reflects current views of CHK management. Drop-down transactions are negotiated at arm's length and are subject to CHKM board and conflicts committee approval. They may not occur as and when described, or at all.

# WORLD-CLASS SPONSORSHIP



- Second largest natural gas producer of U.S. natural gas
- Most active driller in the U.S. – CHK is responsible for ~1 of 8 natural gas wells being drilled in the U.S. (~1 of 5 horizontal wells)
- ~13.9 mm net acres of U.S. onshore leasehold and >10-year inventory of ~40,000 net drilling locations
- High quality natural gas shale and unconventional liquids U.S. asset base
- Consistent 21-year track record of sequential production growth
- Advantageous joint venture arrangements with world-class companies
- Proven management experience

- Global Infrastructure Partners (“GIP”) is an independent fund that invests in infrastructure businesses and assets worldwide
- \$5.6 billion currently under management
- Proven reputation as an infrastructure industry leader
- Deep energy sector investing experience and operational knowledge
- Focus is to acquire high quality businesses and assets and provide rigorous business process support
- Energy investments include: Chesapeake Midstream Partners, Ruby Pipeline, Terra-Gen Power and Channelview Cogeneration

# WORLD-CLASS MANAGEMENT TEAM



Name Title	Current / Prior Experience	Years Experience
<b>CHKM Management Team</b>		
<b>J. Mike Stice</b> <i>Chief Executive Officer</i>	<ul style="list-style-type: none"> <li>■ SVP of Natural Gas Projects – Chesapeake Energy</li> <li>■ President – ConocoPhillips Qatar</li> <li>■ Vice President – ConocoPhillips Global Gas LNG</li> </ul>	30
<b>Robert C. Purgason</b> <i>Chief Operating Officer</i>	<ul style="list-style-type: none"> <li>■ COO – Crosstex Energy Services, LP</li> <li>■ Various senior management roles – The Williams Companies</li> </ul>	35
<b>David C. Shiels</b> <i>Chief Financial Officer</i>	<ul style="list-style-type: none"> <li>■ CFO – GE Security Americas</li> <li>■ Various finance and operations roles – Conoco, Inc.</li> </ul>	20
<b>Board of Directors</b>		
<b>David A. Daberko</b> <i>Chairman, Independent Director</i>	<ul style="list-style-type: none"> <li>■ Retired Chairman and CEO – National City Corp</li> </ul>	35
<b>Aubrey K. McClendon</b>	<ul style="list-style-type: none"> <li>■ Chairman and CEO – Chesapeake Energy</li> </ul>	30
<b>Domenic J. Dell’Osso, Jr.</b>	<ul style="list-style-type: none"> <li>■ EVP and CFO – Chesapeake Energy</li> </ul>	15
<b>Matthew C. Harris</b>	<ul style="list-style-type: none"> <li>■ Founding Partner – Global Infrastructure Partners</li> </ul>	25
<b>William A. Woodburn</b>	<ul style="list-style-type: none"> <li>■ Founding Partner – Global Infrastructure Partners</li> </ul>	35
<b>Suedeem G. Kelly</b> <i>Independent Director</i>	<ul style="list-style-type: none"> <li>■ Partner – Patton Boggs, LLP</li> <li>■ Former FERC Commissioner (2003 – 2009)</li> </ul>	30
<b>Philip L. Frederickson</b> <i>Independent Director</i>	<ul style="list-style-type: none"> <li>■ Retired EVP of Planning, Strategy and Corporate Affairs – ConocoPhillips</li> </ul>	35

# ASSET OVERVIEW

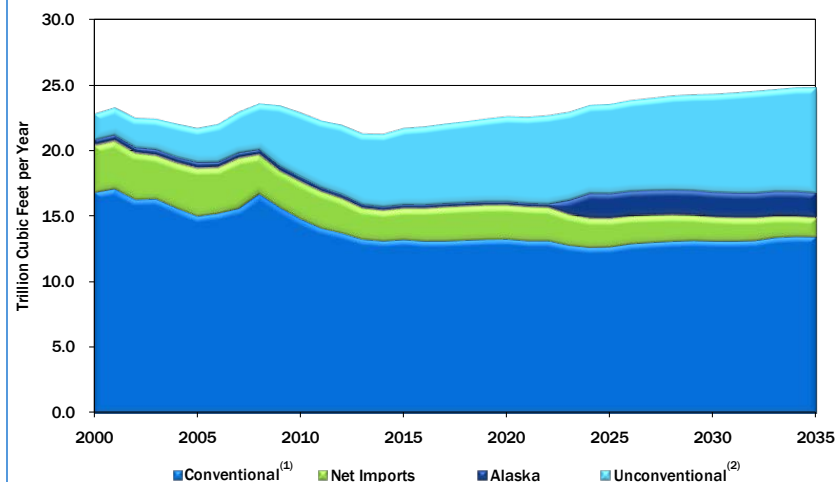


# FOCUSED ON HIGH-GROWTH UNCONVENTIONAL PLAYS



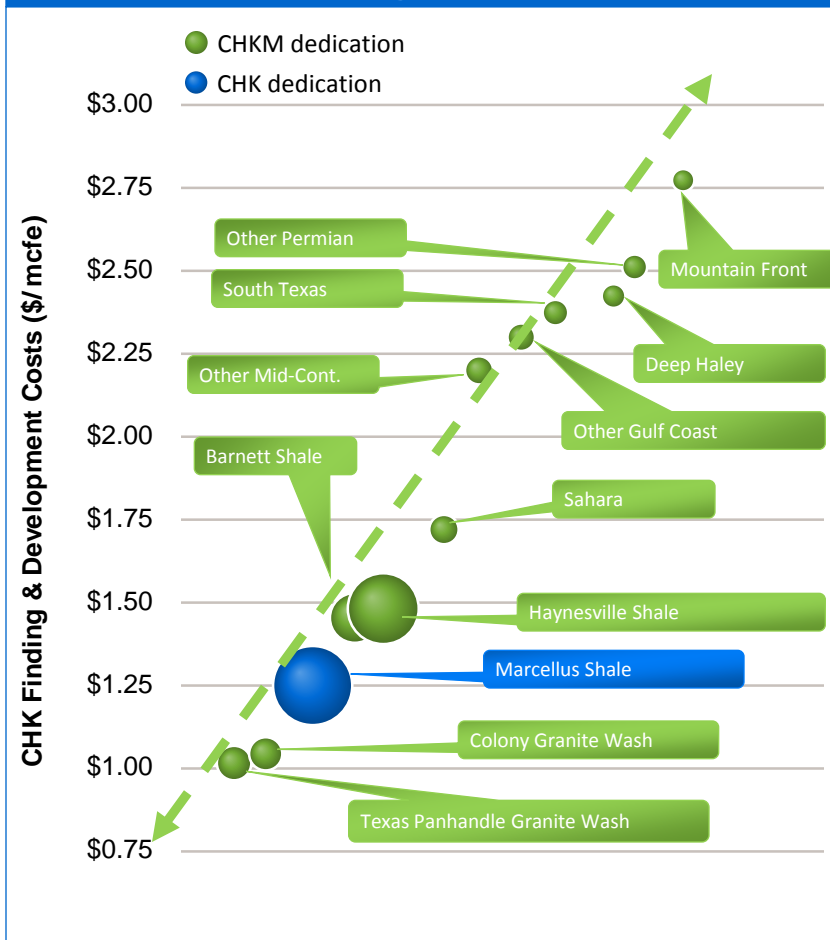
- Unconventional plays expected to grow share in natural gas supply; ~10% in 2000 vs. ~30% in 2035
- Cost advantaged supply drives producer focus/growth across gas price cycle

## Increasing Market Share



(1) Conventional includes Associated Gas, Non-Associated Onshore and Non-Associated Offshore.  
 (2) Unconventional includes Shale Gas and Coalbed Methane.

## Unique Cost Advantage<sup>(1)</sup>



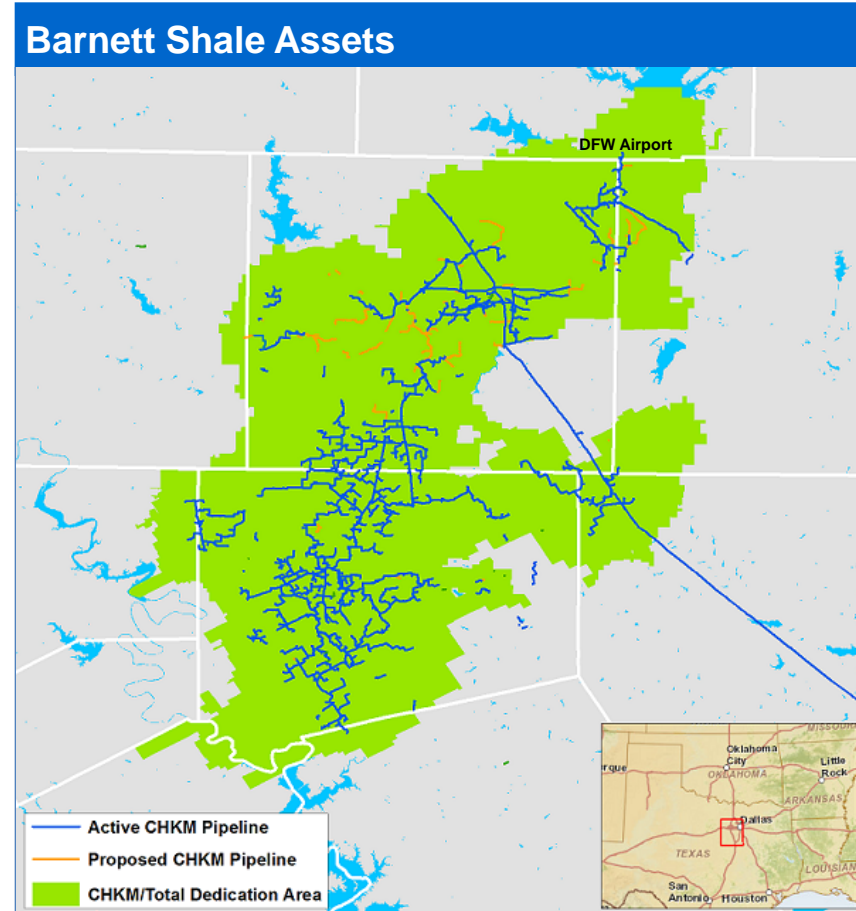
(1) Size of bubbles in the chart represents CHK's reserve position in each play.

## Unique portfolio with leading positions in Barnett Shale, Haynesville Shale and Mid-Continent Region

- **Established Basins with Low Development Risk**
  - Haynesville and Barnett are #1 and #2 U.S. gas shales by production, respectively
  - Diversity of plays in Mid-Continent, enhanced focus on unconventional resources
  
- **Strong CHK Position**
  - CHK is a leading producer in Barnett, Haynesville and Mid-Continent
  
- **Attractive Downstream Market Access**
  - Access to multiple pipeline interconnects and downstream markets in all regions
  
- **Scale Volumes**
  - 1.0 Bcf/d Barnett + 0.6 Bcf/d Haynesville + 0.5 Bcf/d Mid-Continent = 2.1 Bcf/d +
  
- **Capital Expenditure/Infrastructure Maturity**
  - 60-70% of major infrastructure built out across regions

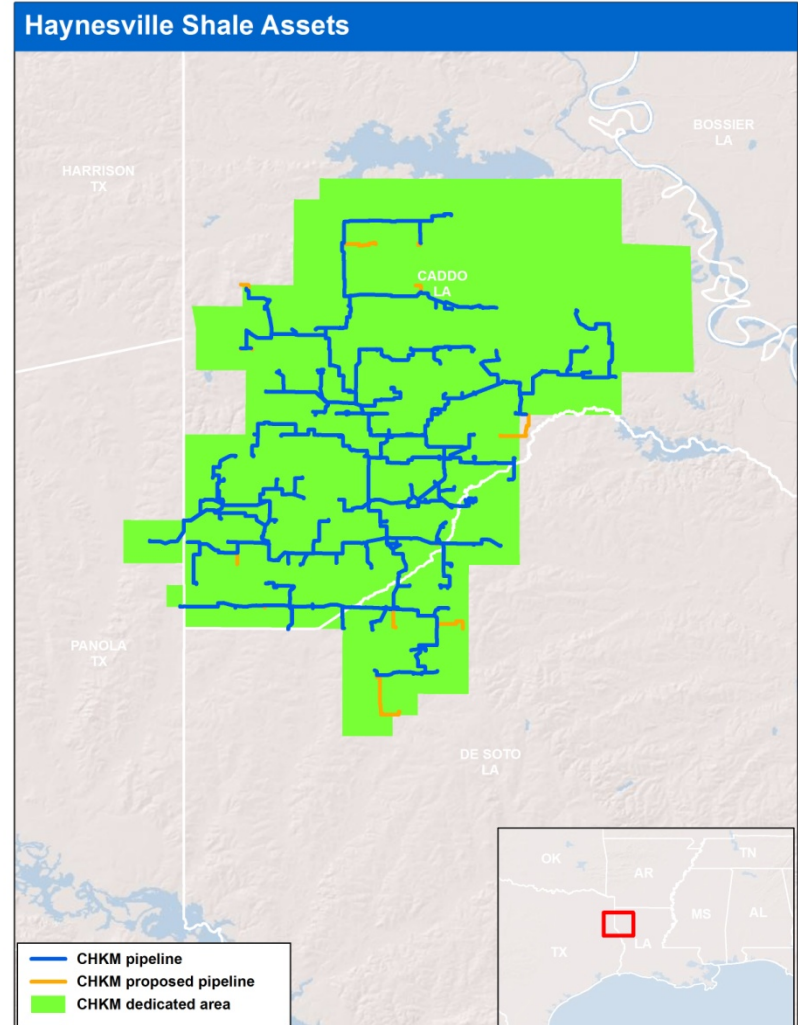
# BARNETT OVERVIEW

<b>Attractive Basin &amp; Market Access</b>	<ul style="list-style-type: none"> <li>■ Best established U.S. gas shale</li> <li>■ Low F&amp;D cost: ~ \$1.50/mcfe (CHK)</li> <li>■ 22 pipeline interconnects access Perryville, Carthage &amp; Waha hubs as downstream markets</li> </ul>
<b>Substantial Asset Scale</b>	<ul style="list-style-type: none"> <li>■ Located in the Barnett core areas</li> <li>■ ~1,044 Mmcf/d throughput (~20% of basin)</li> <li>■ ~824 miles of gathering pipeline</li> <li>■ ~137,210 horsepower of compression</li> <li>■ Majority of projected well pads connected to gathering system</li> </ul>
<b>Established Midstream Market Position</b>	<ul style="list-style-type: none"> <li>■ Significant acreage dedication from CHK and Total (20 years)                             <ul style="list-style-type: none"> <li>➤ Separate contract with Total for ~25% of volumes</li> </ul> </li> <li>■ 2,006 wells connected to system</li> <li>■ 4,000+ total drilling locations within dedication (~60% remaining locations)</li> </ul>



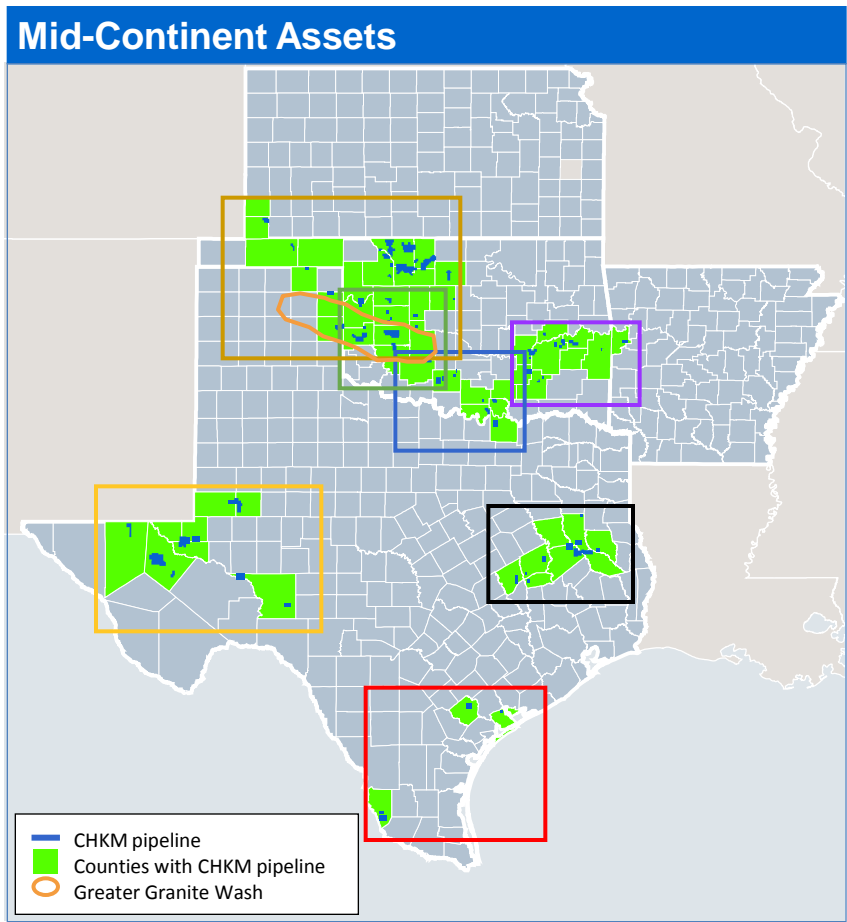
# HAYNESVILLE OVERVIEW

<p><b>Attractive Basin &amp; Market Access</b></p>	<ul style="list-style-type: none"> <li>■ #1 producing U.S. gas shale</li> <li>■ Low F&amp;D cost (CHK): ~\$1.50/mcfe</li> <li>■ 3 pipeline interconnects access Perryville &amp; Carthage hubs as downstream markets</li> </ul>
<p><b>Substantial Asset Scale</b></p>	<ul style="list-style-type: none"> <li>■ Located in the Haynesville tier 1 areas</li> <li>■ ~563 Mmcf/d</li> <li>■ ~241 miles of gathering pipeline</li> <li>■ 21,970 horsepower of compression</li> <li>■ Majority of projected well pads connected to gathering system</li> </ul>
<p><b>Established Midstream Market Position</b></p>	<ul style="list-style-type: none"> <li>■ ~140,000 acres dedicated from CHK (10 years)                     <ul style="list-style-type: none"> <li>➢ Plains Exploration represents 20% interest</li> </ul> </li> <li>■ 201 wells connected to system</li> <li>■ 1,700+ total drilling locations within dedication (1,500+ remaining locations)</li> </ul>



# MID-CONTINENT OVERVIEW

<p><b>Attractive Basin &amp; Market Access</b></p>	<ul style="list-style-type: none"> <li>■ Established gas plays combined with multiple unconventional liquids</li> <li>■ High ROI plays (CHK):             <ul style="list-style-type: none"> <li>➢ Greater Granite Wash</li> <li>➢ Sahara</li> <li>➢ Other Midcon</li> </ul> </li> <li>■ 170 pipeline interconnects access 13 downstream markets</li> </ul>
<p><b>Substantial Asset Scale</b></p>	<ul style="list-style-type: none"> <li>■ Located in key producing areas with multiple unconventional liquids plays:             <ul style="list-style-type: none"> <li>➢ Greater Granite Wash</li> <li>➢ Permian Basin</li> <li>➢ Anadarko Basin</li> </ul> </li> <li>■ 541 Mmcf/d throughput</li> <li>■ ~2,385 miles of gathering pipeline</li> <li>■ 94,129 horsepower of compression</li> </ul>
<p><b>Established Midstream Market Position</b></p>	<ul style="list-style-type: none"> <li>■ Two mile acreage dedication from existing gathering systems from CHK (20 years)</li> <li>■ 2,446 wells connected to system</li> </ul>



# FINANCIAL OVERVIEW



## Maintain Stable Cash Flows

- Capitalize on the value of key contractual commitments
- Continue to seek long-term, fee-based revenues
- Preserve revenue model with no direct commodity exposure

## Capitalize on Financial Flexibility

- \$800 million credit facility
- Maintain conservative and flexible capital structure with ample liquidity and investment grade metrics
- Use strong balance sheet to pursue broad range of growth opportunities

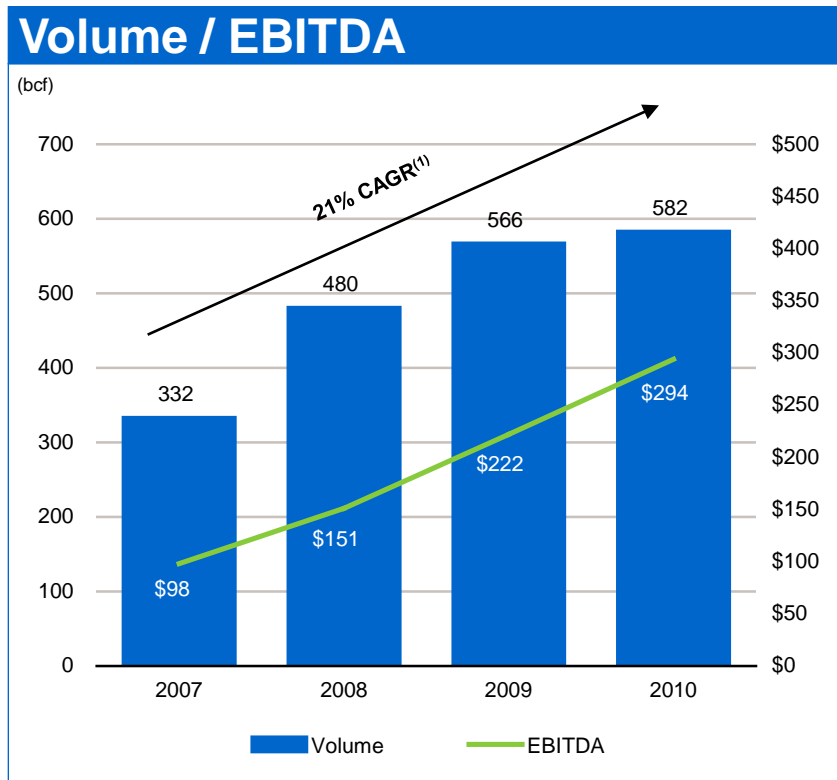
## Deliver Consistent Distribution Growth

- Right business model for consistent, predictable cash flow generation
- Strong portfolio of assets with growing EBITDA profile
- Substantial drop-down opportunities in leading industry basins

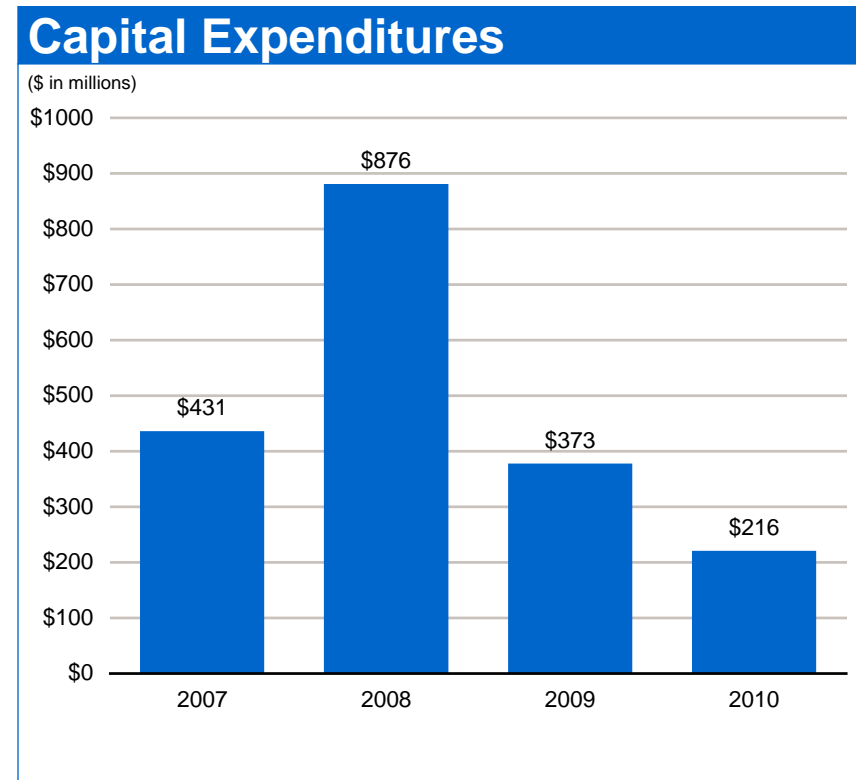
# HISTORICAL OPERATING STATISTICS



- Leading asset position and contract structure provide robust cash flow trajectory
- Leverage of infrastructure build out and pad drilling significantly reduce capital expenditures as volumes grow enhancing strong cash flow generation



(1) Represents Volume CAGR from 2007 to 2010.

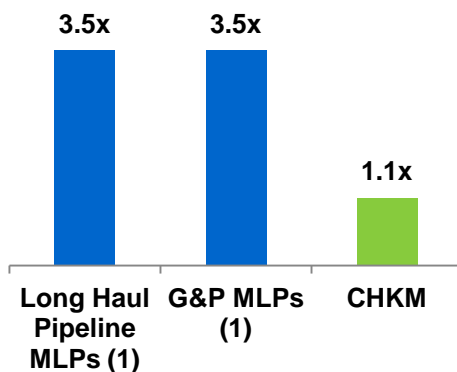


# WELL POSITIONED TO DELIVER GROWTH



## Funding Capacity

Debt/2011E EBITDA



CHKM – \$750 MM of liquidity



## Growth Opportunities

- Organic growth capital
  - Significant opportunities
  - Mid-teens return
- CHK drop-down portfolio
  - Leading basins
  - #1 acreage positions
- Third-party acquisitions
  - Opportunistic



## Industry- Leading Opportunity

- Unique asset base growth potential
- Best-in-class distribution growth
- Investment-grade risk profile
- Unmatched low risk, high-return investment

**Well positioned to deliver best-in-class total return**

(1) Long haul pipeline includes: EPB, BWP, SEP and TCLP. G&P includes: RGNC, MWE, NGLS, WES, CPNO, DPM, APL, XTEX, CMLP, MMLP and EXLP.

# SAFE AND RESPONSIBLE OPERATIONS

## Commitment to Safety and Environmental Excellence



### ■ Chesapeake Midstream Partners remains committed to:

- Protecting our country's natural resources
- Encouraging our employees, contractors, suppliers and vendors to work in the safest and most environmentally-friendly manner possible
- Continually evaluating and improving our operating practices to minimize our environmental footprint
- Being a good neighbor in the areas in areas where we live and work



COMMITMENT TO ENVIRONMENTAL EXCELLENCE

# CORPORATE INFORMATION

## CHKM Headquarters

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Oklahoma City, OK 73118  
(405) 935-1500  
Web site: [www.chk.com](http://www.chk.com)

## Contact:

Dave Shiels  
Chief Financial Officer  
[dave.shiels@chk.com](mailto:dave.shiels@chk.com)  
(405) 935-6224



# FORWARD-LOOKING STATEMENTS

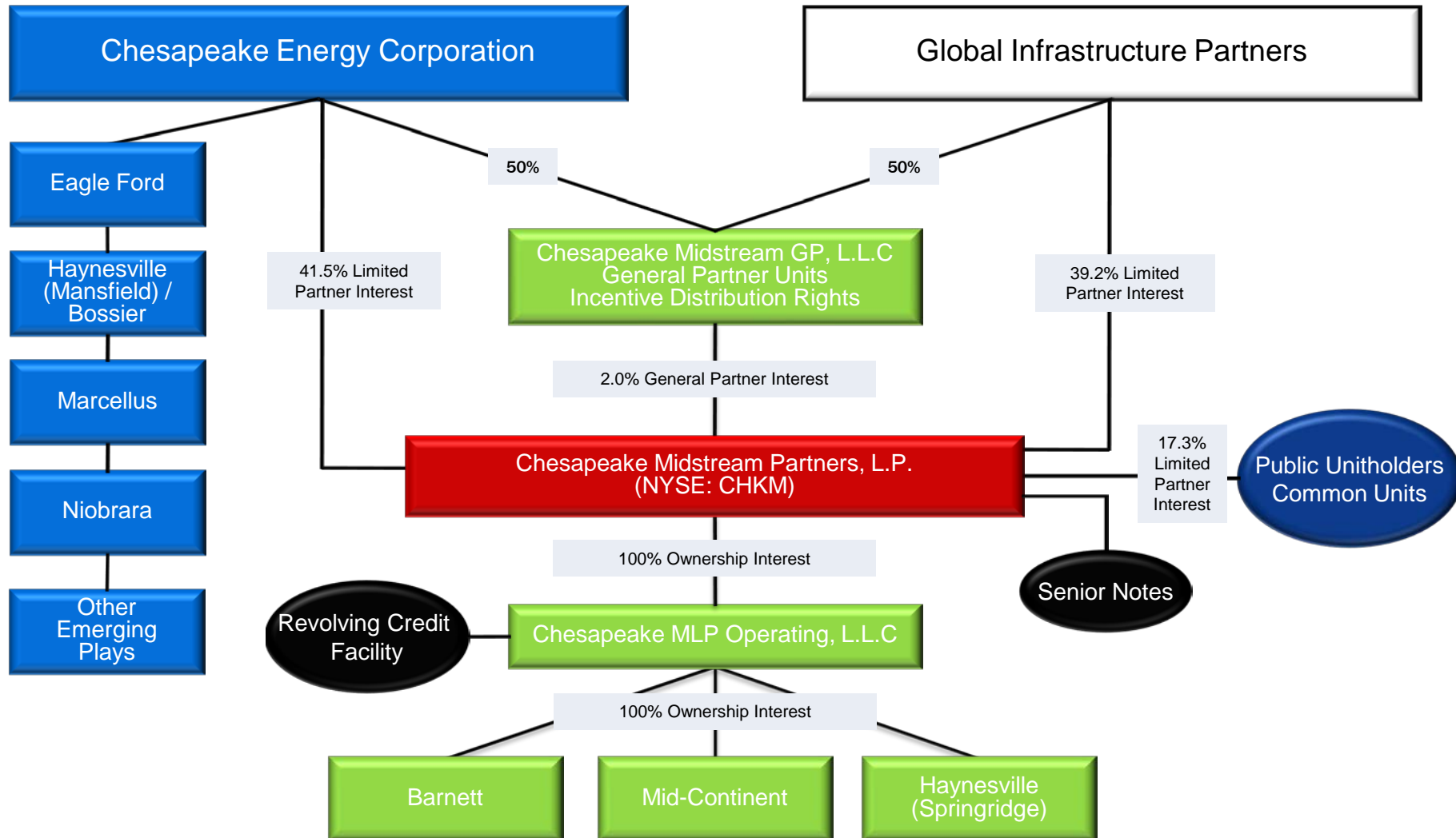


Certain statements and information in this presentation may constitute forward-looking statements. The words “believe,” “expect,” “anticipate,” “plan,” “intend,” “foresee,” “should,” “would,” “could,” or similar expressions are intended to identify forward-looking statements, which are generally not historical in nature. These forward-looking statements are based on current expectations and beliefs concerning future developments and their potential effect on us. While management believes that these forward-looking statements are reasonable as and when made, there can be no assurance that future developments affecting us will be those that we anticipate. All comments concerning our expectations for future revenues and operating results are based on our forecasts for our existing operations and do not include the potential impact of any future acquisitions. Our forward-looking statements involve significant risks and uncertainties (some of which are beyond our control) and assumptions that could cause actual results to differ materially from our historical experience and our present expectations or projections. Important factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to, those summarized below:

- dependence on Chesapeake Energy Corporation (“Chesapeake” or “CHK”) and Total E&P USA, Inc. (“Total”) for a substantial majority of our revenues;
- the impact on our growth strategy and ability to increase cash distributions if Chesapeake and Total do not increase the volume of natural gas they provide to our gathering systems;
- oil and natural gas realized prices;
- the termination of our gas gathering agreements with Chesapeake or Total;
- our potential inability to pay the minimum quarterly distribution to our unitholders;
- the limitations that Chesapeake’s and our own level of indebtedness may have on our financial flexibility;
- our ability to obtain new sources of natural gas, which is dependent on factors largely beyond our control;
- the availability of capital resources to fund capital expenditures and other contractual obligations, and our ability to access those resources through the debt or equity capital markets;
- competitive conditions;
- the unavailability of third-party pipelines interconnected to our gathering systems or the potential that the volumes we gather do not meet the quality requirement of such pipelines;
- new asset construction may not result in revenue increases and will be subject to regulatory, environmental, political, legal and economic risks;
- our exposure to direct commodity price risk may increase in the future;
- our ability to maintain and/or obtain rights to operate our assets on land owned by third parties;
- hazards and operational risks that may not be fully covered by insurance;
- our dependence on Chesapeake for substantially all of our compression capacity;
- our lack of industry and geographic diversification; and
- legislative or regulatory changes, including changes in environmental regulations, environmental risks, regulations by FERC and liability under federal and state environmental laws and regulations.

Other factors that could cause our actual results to differ from our projected results are described in our 2010 Form 10-K. Individuals are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date hereof. We undertake no obligation to publicly update or revise any forward-looking statements after the date they are made, whether as a result of new information, future events or otherwise.

# OWNERSHIP STRUCTURE



# NON-GAAP RECONCILIATION



The following table presents a reconciliation of the non-GAAP financial measures of Adjusted EBITDA, Distributable Cash Flow and Adjusted Distributable Cash Flow to their most closely related GAAP financial measures (in thousands):

	<b>Three Months Ended June 30, 2011</b>	<b>Three Months Ended June 30, 2010</b>	<b>Six Months Ended June 30, 2011</b>	<b>Six Months Ended June 30, 2010</b>
<b>Net Income</b> .....	\$ 41,083	\$ 37,017	\$ 79,859	\$ 71,931
<b>Adjusted for:</b>				
Interest expense .....	3,837	1,866	5,277	3,817
Income tax expense .....	726	559	1,696	1,073
Depreciation and amortization expense .....	32,747	22,102	63,685	42,712
(Gain) Loss on sale of assets .....	923	(37)	863	(67)
<b>Adjusted EBITDA</b> .....	<b>\$ 79,316</b>	<b>\$ 61,507</b>	<b>\$ 151,380</b>	<b>\$ 119,466</b>
<b>Cash provided by operating activities</b> .....	<b>\$ 68,719</b>	<b>79,084</b>	<b>205,988</b>	<b>197,409</b>
<b>Adjusted for:</b>				
Changes in assets and liabilities .....	7,878	(18,688)	(58,673)	(80,195)
Maintenance capital expenditures .....	(18,500)	(17,500)	(37,000)	(35,000)
Other non-cash items .....	(127)	26	(371)	42
<b>Distributable cash flow</b> .....	<b>57,970</b>	<b>42,922</b>	<b>109,944</b>	<b>82,256</b>
<b>Adjusted for:</b>				
Implied minimum volume commitment .....	—	14,219	5,268	31,395
<b>Adjusted distributable cash flow</b> .....	<b>\$ 57,970</b>	<b>\$ 57,141</b>	<b>\$ 115,212</b>	<b>\$ 113,651</b>
<b>Cash distribution</b>				
Limited partner units (\$0.3625 x 138,161,160 units) ..	\$ 50,084			
General partner units (\$0.3625 x 2,819,606 units) .....	1,022			
<b>Total cash distribution</b> .....	<b>\$ 51,106</b>			
<b>Distribution coverage ratio</b> .....	<b>1.13</b>			