



FOR IMMEDIATE RELEASE

Contact: Steven Silvers
303-596-9960
media@sundropfuels.com

Chesapeake Energy Corporation acquires fifty percent stake in Sundrop Fuels

LOUISVILLE, COLORADO [July 11, 2011] – Sundrop Fuels, Inc., a gasification-based drop-in biofuels company, and Chesapeake NG Ventures Corp. (CNGV), a wholly owned subsidiary of Chesapeake Energy Corporation (NYSE:CHK), today announced that they have closed a transaction in which CNGV will invest \$155 million, enabling Sundrop Fuels to expand operations and begin construction of a commercial demonstration facility to produce biobased “green gasoline” made from cellulosic material. Additionally, Sundrop Fuels announced that Oak Investment Partners, a current investor, has committed to invest \$20 million pro rata with CNGV. The deals closed on July 11, 2011.

Sundrop Fuels uses an ultrahigh-temperature heat transfer process to gasify virtually any cellulosic feedstock into synthesis gas, which is then converted into clean, affordable biobased “green gasoline” and other drop-in transportation biofuels for use in today’s automobiles, diesel engines and aircraft via the nation’s existing fuels distribution infrastructure. At the core of Sundrop Fuels’ intellectual property is its *RP Reactor*[™], a high-efficiency radiant particle technology that is more than 20 times faster than conventional convection gasification methods.

In addition, Sundrop Fuels is able to maximize its synthesis gas production by integrating clean, abundant natural gas with biomass feedstock, facilitating the most efficient utilization of hydrogen from both the biomass and natural gas to produce higher yields than any other biomass process. The combination of Sundrop Fuels technology with the efficient reactor-heating and hydrogen-enrichment properties of natural gas will provide the foundation for massive-scale biorefineries that will dramatically reduce both the nation’s dependence on foreign oil and the amount of greenhouse gases released into the atmosphere.

Sundrop Fuels plans to break ground in 2012 on its first commercial-scale integrated biorefinery, which will produce more than 40 million gallons of transportation fuel annually demonstrating its *RP Reactor*[™] technology with ExxonMobil’s Methanol-to-Gasoline (MTG) process. The company expects to launch production at its first large-scale, 200-million gallon per year biorefinery in 2016.

The commercial readiness of Sundrop Fuels technology is indicative of Chesapeake’s approach to enabling core technologies that address fundamental process and economic issues without taking on

massive R&D expenditures. This investment is a key element of Chesapeake's strategy to reduce U.S. dependence on OPEC oil imports by facilitating the production of tank-ready fuels from American natural gas.

Aubrey K. McClendon, Chesapeake's Chief Executive Officer, commented, "We are excited to be a part of bringing this ground-breaking technology to market. The combination of Sundrop Fuels' advanced technology and Chesapeake's proven execution capabilities is a tremendous partnership and represents an important step in further utilizing America's clean, abundant, affordable natural gas resources to provide realistic and timely solutions to our country's energy needs."

Wayne W. Simmons, Sundrop Fuels Chief Executive Officer, stated, "Sundrop Fuels technology exemplifies the role of clean-burning, hydrogen-rich natural gas coupled with non-food biomass to realize the nation's goals for affordable renewable transportation fuels that are fully compatible with today's engines and distribution infrastructure. Teaming with industry leader Chesapeake will position Sundrop Fuels to make a significant contribution to America's Renewable Fuels Standards by bringing mass quantities of domestically produced, badly-needed advanced biofuels to the competitive market."

Bandel Carano, Managing Partner of Oak Investment Partners, added, "Sundrop Fuels disruptive 'green gasoline' technology based on non-food cellulosic biomass and natural gas feedstocks promises to ensure America's liquid fuels energy security while dramatically reducing the industry's carbon footprint at lowest possible cost per gallon. The Sundrop Fuels and Chesapeake partnership is a compelling model for how an innovative venture-backed clean energy company can scale to meet America's domestic liquid fuels demand with the visionary leadership and strategic commitment of a leading U.S. energy company."

Chesapeake's equity position in Sundrop Fuels will be held by Chesapeake NG Ventures Fund, L.L.C. (CNGV-Fund), a subsidiary of Chesapeake Natural Gas Ventures Corporation (CNGV). CNGV is in-turn a wholly-owned subsidiary of Chesapeake Energy Corporation. CNGV-Fund provides an investment vehicle for Chesapeake's investments in energy-related companies.

Chesapeake Energy Corporation is the second-largest producer of natural gas, a Top 15 producer of oil and natural gas liquids and the most active driller of new wells in the U.S. Headquartered in Oklahoma City, the company's operations are focused on discovering and developing unconventional natural gas and oil fields onshore in the U.S. Chesapeake owns leading positions in the Barnett, Haynesville, Bossier, Marcellus and Pearsall natural gas shale plays and in the Granite Wash, Cleveland, Tonkawa, Mississippian, Bone Spring, Avalon, Wolfcamp, Wolfberry, Eagle Ford, Niobrara, Three Forks/Bakken and Utica unconventional liquids plays. The company has also vertically integrated its operations and owns substantial midstream, compression, drilling and oilfield service assets. Chesapeake's stock is listed on the New York Stock Exchange under the symbol CHK. Further information is available at www.chk.com where Chesapeake routinely posts announcements, updates, events, investor information, presentations and press releases.

Sundrop Fuels, Inc. is a gasification-based drop-in advanced biofuels company based in Louisville, Colorado. The company uses a proprietary ultrahigh-temperature heat transfer process to gasify virtually any cellulosic feedstock into synthesis gas, which is then converted into clean, affordable drop-in biobased “green gasoline” and other liquid transportation biofuels for use in today’s automobiles, diesel engines and aircraft via the nation’s existing pipeline infrastructure. Backing for Sundrop Fuels comes from its strategic partner, Chesapeake Energy Corporation, and by two of the world’s premier venture firms, Oak Investment Partners and Kleiner Perkins Caulfield & Byers. Sundrop Fuels plans to build and operate large-scale biorefineries each generating more than 200 millions of drop-in transportation biofuels annually. For more information visit www.sundropfuels.com.

Oak Investment Partners is a multi-stage venture capital firm with over \$9 billion in committed capital. Its primary investment focus is on high-growth opportunities in communications, information technology, clean energy, consumer internet/new media, financial services technology, healthcare services, and retail. Over the past 32 years, Oak has achieved a strong track record as a stage-independent investor funding more than 481 companies at key points in their lifecycle. Oak has been involved in company formation, funded spinouts of operating divisions and technology assets, and provided growth equity to mid- and late-stage private businesses and to public companies through PIPE investments. By building long-term relationships that endure through changing economic cycles, Oak has helped innovators anticipate trends and successfully exploit new business opportunities. Oak’s Clean Energy portfolio investments include Aurora Algae, Boston Power, eSolar, GreenVolts, Nexant, NanoH2O, Phononic Devices, Protean Electric and Sundrop Fuels. For more information, visit www.oakvc.com.

Sundrop Fuels and RP Reactor are trademarks of Sundrop Fuels, Inc. ©2011. All Rights Reserved

###

Sundrop Fuels media and corporate communications

Steven Silvers

Mobile: (303) 596-9960 Email: media@sundropfuels.com