CHESAPEAKE ENERGY CORP
Form 8-K
September 28, 2017

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 8-K
CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934
Date of Report (Date of earliest event reported): September 27, 2017

CHESAPEAKE ENERGY CORPORATION (Exact name of Registrant as specified in its Charter)		
Oklahoma (State or other jurisdiction of incorporation)	1-13726 (Commission File No.)	73-1395733 (IRS Employer Identification No.)
6100 North Western Avenue, Oklahoma City, Oklahoma (Address of principal executive offices)		73118 (Zip Code)
(405) 848-8000 (Registrant's telephone number, including area code)		

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company o

If an emerging growth company, indicate by check o

mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 8.01 Other Events.

On September 27, 2017, the Company and certain subsidiary guarantors named therein (collectively, the "Guarantors") entered into a purchase agreement (the "Purchase Agreement") with Morgan Stanley & Co. LLC, as representative of the several initial purchasers named therein (collectively, the "Purchasers"), under which the Company agreed to sell $300,000,000 aggregate principal amount of additional 8.00% Senior Notes due 2025 (the "2025 Notes") and $550,000,000 aggregate principal amount of 8.00% Senior Notes due 2027 (the "2027 Notes", and together with the 2025 Notes, the "Offered Notes") in a private placement (the "Private Placement") conducted pursuant to Rule 144A and Regulation S under the Securities Act. The 2025 Notes will be an additional issuance of the Company's outstanding 8.00% Senior Notes due 2025, which the Company issued in December 2016 in an original aggregate principal amount of $1,000,000,000. The 2027 Notes will be an additional issuance of the Company's outstanding 8.00% Senior Notes due 2027, which the Company issued in June 2017 in an original aggregate principal amount of $750,000,000. The 2025 Notes will be issued at an issue price of 101.25 percent of par, plus accrued interest from July 15, 2017, and the 2027 Notes will be issued at an issue price of 99.75 percent of par, plus accrued interest from June 6, 2017. At closing, the Company expects to receive net proceeds from the sale of the Offered Notes of approximately $842,000,000, after deducting the Purchasers' discount and estimated expenses of the offering and excluding accrued interest. The closing of the issuance of the Offered Notes is expected to occur on October 12, 2017.

The Company intends to use the net proceeds from the Private Placement, together with cash on hand and borrowings under its credit facility (if required), to fund the purchase price of its tender offers that commenced on September 27, 2017 for the Company's 6.625% Senior Notes due 2020, 6.875% Senior Notes due 2020, 6.125% Senior Notes due 2021, 5.375% Senior Notes due 2021 and 8.00% Senior Secured Second Lien Notes due 2022 (the "Tender Offers"). If the Tender Offers are not consummated or the net proceeds from the offering exceed the total consideration payable in the Tender Offers, the Company intends to use the remaining net proceeds for general corporate purposes, which may include the repayment of outstanding indebtedness under its credit facility and the repayment or repurchase of other indebtedness.

To the extent the Purchasers or their affiliates own any of the Company's senior notes and the Company repurchases or repays such senior notes using the net proceeds from the Private Placement, they will receive a portion of such net proceeds.

The Purchase Agreement contains customary representations, warranties and agreements of the Company and the Guarantors and customary indemnification rights.

The foregoing description of the Purchase Agreement is qualified in its entirety by reference to the full text of the Purchase Agreement, a copy of which is filed as Exhibit 10.1 to this report.

This current report does not constitute an offer to sell, or a solicitation of an offer to buy, nor shall there be any sale of the securities in any state or jurisdiction in which such offer, solicitation or sale is unlawful. Any offers of the securities will be made only by means of a confidential offering circular pursuant to Rule 144A and Regulation S under the Securities Act.

This Form 8-K includes "forward-looking statements" that give the Company's current expectations or forecasts of future events, including the use of proceeds of the proposed notes offering. 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 market conditions, results of tender offers or by inaccurate or changed assumptions or by known or unknown risks and uncertainties (including those stated in the Company's Annual Report on Form 10-K for the year ended December 31, 2016 and its other filings with the Securities and Exchange Commission), that could cause actual results to differ materially 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.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Document Description
10.1	Purchase Agreement, dated September 27, 2017, by and among Chesapeake Energy Corporation, the subsidiary guarantors named therein and Morgan Stanley & Co. LLC, as representative of the initial purchasers named therein, relating to the private placement of the 8.00% Senior Notes due 2025 and 8.00% Senior Notes due 2027

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CHESAPEAKE ENERGY CORPORATION

By: /s/ James R. Webb

James R. Webb

Executive Vice President - General Counsel and Corporate Secretary

Date: September 28, 2017