

Chesapeake Energy Emerges From Bankruptcy and Shifts Back to Natural Gas

“U.S. shale producer Chesapeake Energy Corp on Tuesday exited Chapter 11 bankruptcy with business plan that nods to its founders’ emphasis on natural gas after a recent push into crude oil,” writes Jennifer Hiller in *Reuters’ Energy & Environment*.

“Once the second-largest U.S. natural gas producer, Chesapeake was felled by a long slide in gas prices and heavy debts from overspending on deals. Two years ago it paid \$4 billion in a bet on shale oil firm WildHorse Resource Development. But oil prices fell after the deal closed.”

“The company plans to focus 85% of this year’s spending on gas fields in the U.S. Northeast and Louisiana, and will let its oil output decline, Chief Executive Doug Lawler said in an interview.”

“It aims to spend between \$700 million and \$750 million per year on new projects that could generate \$400 million in annual free cash flow, he said.”

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