

Chesapeake Energy Skips Interest Payment; Borrowing Base Slashed

“Chesapeake Energy Corp, the shale pioneer widely anticipated to seek bankruptcy protection, said on Thursday it had skipped an interest payment due June 15 on some of its notes and its capacity to borrow money was slashed by lenders,” reports Shariq Khan in *Reuters’ Commodities*.

“The company said in a regulatory filing its borrowing base under a so-called ‘reserve-based’ loan was cut to \$2.3 billion from \$3 billion and its creditors had agreed to waive some events of default.”

“The company has been in talks with creditors, which include Franklin Resources Inc, to ‘roll up’ some of its existing debt and make it part of a bankruptcy loan, Reuters reported.”

“Chesapeake owes about \$250 million in payments this year on portions of its nearly \$9 billion in outstanding debt, according to its latest public filings. It had about \$82 million in cash and untapped credit lines of about \$1 billion at March 31.”

Read the article.