ITEMS FOR DISCUSSION

I. LONG TERM PRODUCTION OUTLOOK
II. NATURAL GAS DEMAND FACTORS
III. MARKET BOTTLENECK SOLUTIONS
IV. LESSONS LEARNED
THE RESULT OF THE “SHALE GALE”

- When NYMEX Mcf was $7.20, commodity portion of CNG was $1.00/GGE
- When NYMEX Mcf was $3.60, commodity portion of CNG was $0.50/GGE
- When NYMEX Mcf was $1.80, commodity portion of CNG was $0.25/GGE

1 Mcf = 8 gasoline gallon equivalents / 1 Mcf = 7.2 diesel gallon equivalents

Source: FactSet Research Systems
SHALE PRODUCTION ECONOMICS PROVIDE SUBSTANTIAL PRICE RISK SECURITY TO CNG CONSUMERS

Breakeven Henry Hub Price for Productive Capacity* of Analyzed Plays

- Less than $3.00 per Mcf: 18.2 Bcf per Day
- Less than $4.00 per Mcf: 70.5 Bcf per day
- Less than $5.00 per Mcf: 74.1 Bcf per day
- Less than $7.00 per Mcf: 108.6 Bcf per day

Source: IHS CERA 2010

* Forty years of plateau proved, possible, and potential productive capacity
CHK’s goal remains to deliver an average of 250,000 bbls/day of liquids production in 2015
The innovators and early adopters can pave the way for significant technology change that can be utilized by the early majority and late majority.
## NATURAL GAS VEHICLE MARKET PENETRATION

<table>
<thead>
<tr>
<th>Vehicle Type</th>
<th>U.S NGV Population</th>
<th>U.S Market Penetration (by vehicle count)</th>
<th>U.S Annual NGV Fuel Use (thousand DGE)</th>
<th>U.S. Market Penetration (by fuel use)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Low</td>
<td>High</td>
<td>Low</td>
<td>High</td>
</tr>
<tr>
<td>Transit Buses</td>
<td>8,500&lt;sup&gt;b&lt;/sup&gt;</td>
<td>12,200&lt;sup&gt;a&lt;/sup&gt;</td>
<td>12.82%</td>
<td>17.43%</td>
</tr>
<tr>
<td>Refuse Trucks</td>
<td>1,300&lt;sup&gt;c&lt;/sup&gt;</td>
<td>1,500&lt;sup&gt;b&lt;/sup&gt;</td>
<td>0.95%</td>
<td>1.09%</td>
</tr>
<tr>
<td>School Buses</td>
<td>1,360&lt;sup&gt;d&lt;/sup&gt;</td>
<td>2,300&lt;sup&gt;b&lt;/sup&gt;</td>
<td>0.27%</td>
<td>0.46%</td>
</tr>
<tr>
<td>Medium-Duty Trucks/Vans</td>
<td>10,000&lt;sup&gt;b&lt;/sup&gt;</td>
<td>22,000&lt;sup&gt;a&lt;/sup&gt;</td>
<td>0.35%</td>
<td>0.76%</td>
</tr>
<tr>
<td>Other Heavy-Duty Trucks</td>
<td>1,600&lt;sup&gt;a&lt;/sup&gt;</td>
<td>3,651&lt;sup&gt;a&lt;/sup&gt;</td>
<td>0.02%</td>
<td>0.04%</td>
</tr>
<tr>
<td>Light Trucks/Vans</td>
<td>41,000&lt;sup&gt;a&lt;/sup&gt;</td>
<td>71,500&lt;sup&gt;f&lt;/sup&gt;</td>
<td>0.05%</td>
<td>0.09%</td>
</tr>
<tr>
<td>Passenger Cars</td>
<td>31,000&lt;sup&gt;a&lt;/sup&gt;</td>
<td></td>
<td>0.02%</td>
<td>10,107&lt;sup&gt;a&lt;/sup&gt;</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>94,760</strong></td>
<td><strong>144,151</strong></td>
<td><strong>0.04%</strong></td>
<td><strong>0.06%</strong></td>
</tr>
</tbody>
</table>

<sup>a</sup>Energy Information Agency, Alternatives to Traditional Transportation Fuels 2008, 2010  
<sup>b</sup>Yborra, S., Growth of the NGV Market: Lessons Learned Roadmap for Infrastructure Development, 2008  
<sup>c</sup>Cannon, J., Greening Garbage Trucks: Trends in Alternative Fuel Use, 2006  
<sup>d</sup>Monahan, P., School Bus Pollution Report Card 2006, 2006  
<sup>e</sup>American Public Transportation Association, 2010 Public Transportation Fact Book, 2010  
<sup>f</sup>U.S. Census Bureau, Vehicle In Use Survey, 2002  
MARKET SCALABILITY

US FOODSERVICE
- 5 CNG Freightliner M2 delivery trucks in service in OKC
- 200 trucks in OKC including North Star subsidiary

O’REILLY AUTO PARTS
- 2 CNG Ford trucks operating in OKC market
- 400 LD trucks in OK, many of which are near CNG stations

DISH NETWORK
- Working in conjunction with CHK to develop program
- 4,500 vehicles nationwide with none alternative-fueled

VERIZON WIRELESS
- 35,000 vehicles in the Telecom Operations division
- Currently running 500 CNG vehicles in NY, TX and CA

JB HUNT
- 2 CNG dedicated delivery trucks running in OKC and Tulsa
- Dedicated Contract Services division is primary target
CURRENT LIGHT DUTY FLEET NUMBERS

- Active Vehicles – 5,181
- Assigned Vehicles – 3,949
  › Includes 1,322 Assigned CNG Fleet Vehicles
- CNG Fleet – 29.5%

Current Assigned CNG Fleet Vehicles

<table>
<thead>
<tr>
<th>State/Location</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>OK</td>
<td>1,136</td>
</tr>
<tr>
<td>LA</td>
<td>158</td>
</tr>
<tr>
<td>TX</td>
<td>21</td>
</tr>
<tr>
<td>OH</td>
<td>3</td>
</tr>
<tr>
<td>CO</td>
<td>2</td>
</tr>
<tr>
<td>PA</td>
<td>1</td>
</tr>
<tr>
<td>WV</td>
<td>1</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>1,322</strong></td>
</tr>
</tbody>
</table>

CNG Count Total

<table>
<thead>
<tr>
<th>Vehicle Type</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assigned Fleet</td>
<td>1,322</td>
</tr>
<tr>
<td>Department &amp; Pool</td>
<td>206</td>
</tr>
<tr>
<td>Employee Lease – Oklahoma</td>
<td>274</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,802</strong></td>
</tr>
</tbody>
</table>
NATURAL GAS TRANSPORTATION
SUPPLY CHAIN SYNERGIES:
IMPRESSIVE WEB OF OPPORTUNITIES FOR ALL STAKEHOLDERS

Technological Innovation + Infrastructure Buy-In + End User Utilization

Robust Market For State Fleet Vehicles

Technology
Retailers
Fleets
States
Norman Herrera  
Office: (405) 935-3786  
norman.herrera@chk.com

William Freeman  
Office: (717) 230-8620  
william.freeman@chk.com