

CHESAPEAKE ENERGY CORP

Form 424B3

May 09, 2006

Filed pursuant to Rule 424 (b) (3)

Registration No. 333-132261

\$600,000,000

of

Chesapeake Energy Corporation

2.75% Contingent Convertible Senior Notes due 2035

(Liquidation Preference \$100 per share)

and

Common Stock

(Par Value \$.01 per share)

PROSPECTUS SUPPLEMENT NO. 1

DATED May 9, 2006

TO PROSPECTUS DATED March 7, 2006

The selling securityholders table on pages 61 through 63 of the prospectus is amended by this supplement no. 1 to read as follows.

**Principal Amount of Notes Beneficially Owned Prior to the Offering**

**Principal Amount of Notes Being**

**SECURITYHOLDER**

|  |            |            |
|--|------------|------------|
| Advent Convertible Master Cayman                         | 4,020,000  | 4,020,000  |
| Allstate Insurance Company                               | 1,000,000  | 1,000,000  |
| Aloha Airlines Non-Pilots Pension Trust                  | 10,000     | 10,000     |
| Alpine Associates  | 10,026,000 | 10,026,000 |
| Alpine Partners, L.P.                                    | 1,364,000  | 1,364,000  |
| American Investors Life Insurance Company                | 1,500,000  | 1,500,000  |
| Argent Classic Convertible Arbitrage Fund (Bermuda) Ltd. | 880,000    | 880,000    |

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|  |            |            |
|--|------------|------------|
| Argent LowLev Convertible Arbitrage Fund II, LLC | 150,000    | 150,000    |
| Argent LowLev Convertible Arbitrage Fund Ltd.    | 5,120,000  | 5,120,000  |
| Argent LowLev Convertible Arbitrage Fund, LLC    | 880,000    | 880,000    |
| Aristeia International Limited                   | 47,300,000 | 47,300,000 |
| Aristeia Partners LP                             | 7,700,000  | 7,700,000  |
| Arkansas PERS                                    | 315,000    | 315,000    |
| AstraZenca Holdings Pension                      | 40,000     | 40,000     |
| Bank of America Pension Plan                     | 2,500,000  | 2,500,000  |
| Barnet Partners, Ltd.                            | 12,200,000 | 12,200,000 |
| BNP Paribas Arbitrage                            | 25,000,000 | 25,000,000 |
| Boilermakers Blacksmith Pension Trust            | 425,000    | 425,000    |

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|  |            |            |   |           |           |           |
|--|------------|------------|---|-----------|-----------|-----------|
| Canadian Imperial Holdings, Inc.   | 10,000,000 | 10,000,000 | 0 | 255,951   | 255,951   | 0         |
| CBARB, a segregated account of Geode Capital Master Fund Ltd.,   |            |            | 0 |           |           |           |
| an open-ended exempted mutual fund company registered as a segregated accounts company under the laws of |            |            |   |           |           |           |
| Bermuda  | 2,000,000  | 2,000,000  |   | 51,190    | 51,190    | 0         |
| Citadel Equity Fund Ltd.   | 82,500,000 | 82,500,000 | 0 | 2,111,596 | 2,111,596 | 0         |
| Class C Trading Company LTD  | 100,000    | 100,000    | 0 | 2,560     | 2,560     | 0         |
| CNH CA Master Account, L.P.  | 42,500,000 | 42,500,000 | 0 | 1,087,792 | 1,087,792 | 0         |
| Columbia Convertible Securities Fund   | 3,231,000  | 3,231,000  | 0 | 526,263   | 82,698    | 443,566   |
| Continental Assurance Company on behalf of its Separate Account E  | 2,300,000  | 2,300,000  |   | 58,869    | 58,869    | 0         |
| Convertible Securities Fund  | 19,000     | 19,000     | 0 | 1,618     | 486       | 1,132     |
| Daimler Chrysler Corp Emp. #1 Pension Plan, dtd 4/1/89   | 1,215,000  | 1,215,000  | 0 | 31,098    | 31,098    | 0         |
| DBAG London  | 10,624,000 | 10,624,000 | 0 | 524,194   | 271,922   | 252,272   |
| Delaware PERS  | 185,000    | 185,000    | 0 | 4,735     | 4,735     | 0         |
| Delta Airlines Master Trust  | 90,000     | 90,000     | 0 | 2,304     | 2,304     | 0         |
| Deutsche Bank Securities Inc.  | 1,150,000  | 1,150,000  | 0 | 3,354,631 | 29,434    | 3,325,196 |
| DKR Soundshore Oasis Holding Fund Ltd.   | 1,750,000  | 1,750,000  | 0 | 44,791    | 44,791    | 0         |
| Empyrean Capital Fund, LP  | 6,164,000  | 6,164,000  | 0 | 157,768   | 157,768   | 0         |
| Empyrean Capital Overseas Benefit Plan Fund, Ltd   | 1,191,000  | 1,191,000  | 0 | 30,484    | 30,484    | 0         |
| Empyrean Capital Overseas Fund, Ltd  | 10,145,000 | 10,145,000 | 0 | 259,662   | 259,662   | 0         |
| Forest Fulcrum Fund L.P.   | 939,000    | 939,000    | 0 | 108,852   | 24,034    | 84,818    |
| Forest Global Convertible Fund, Ltd., Class A-5  | 1,361,000  | 1,361,000  | 0 | 158,658   | 34,835    | 123,823   |
| Forest Multi-Strategy Master Fund SPC,   |            |            | 0 |           |           |           |
| on behalf of its Multi Strategy Segregated Portfolio   | 397,000    | 397,000    |   | 147,024   | 10,161    | 136,863   |
| FPL Group Employees Pension Plan   | 245,000    | 245,000    | 0 | 6,271     | 6,271     | 0         |
| Franklin and Marshall College  | 30,000     | 30,000     | 0 | 768       | 768       | 0         |
| FrontPoint Convertible Arbitrage Fund, L.P.  | 6,000,000  | 6,000,000  | 0 | 153,571   | 153,571   | 0         |
| Goldman Sachs & Co.  | 3,000,000  | 3,000,000  | 0 | 956,025   | 76,785    | 879,240   |
| Good Steward Trading Co, SPC Class F   | 118,000    | 118,000    | 0 | 3,020     | 3,020     | 0         |
| Grace Convertible Arbitrage Fund, Ltd.   | 2,000,000  | 2,000,000  | 0 | 127,975   | 51,190    | 76,785    |
| Greywolf Capital Overseas Fund   | 15,525,000 | 15,525,000 | 0 | 397,364   | 397,364   | 0         |
| Greywolf Capital Partners II LP  | 6,975,000  | 6,975,000  | 0 | 178,526   | 178,526   | 0         |
| Hallmark Convertible Securities Fund   | 20,000     | 20,000     | 0 | 512       | 512       | 0         |
| HFR CA Global Opportunity Master Trust   | 314,000    | 314,000    | 0 | 8,037     | 8,037     | 0         |
| HFR CA Global Select Master Trust Account  | 960,000    | 960,000    | 0 | 24,571    | 24,571    | 0         |
| HFR CA Select Fund   | 700,000    | 700,000    | 0 | 17,917    | 17,917    | 0         |
| HFR RVA Select Performance Master Trust  | 135,000    | 135,000    | 0 | 53,219    | 3,455     | 49,763    |
| HSBC Investments (USA) Inc. a/c HSBC Multi Strategy Arbitrage Fund                                       | 1,000,000  | 1,000,000  |   | 25,595    | 25,595    | 0         |
| ICI American Holdings Trust  | 70,000     | 70,000     | 0 | 1,792     | 1,792     | 0         |
| Inflective Convertible Opportunity Fund I, L.P.  | 5,000,000  | 5,000,000  | 0 | 127,976   | 127,976   | 0         |
| Inflective Convertible Opportunity Fund I, LTD   | 2,000,000  | 2,000,000  | 0 | 51,190    | 51,190    | 0         |
| Institutional Benchmark Series (Master Feeder) Ltd.  | 1,000,000  | 1,000,000  | 0 | 25,595    | 25,595    | 0         |
| Jefferies & Co. Inc.   | 1,200,000  | 1,200,000  | 0 | 69,525    | 30,714    | 38,811    |
| JMG Capital Partners, LP   | 21,500,000 | 21,500,000 | 0 | 550,295   | 550,295   | 0         |
| JMG Triton Offshore Fund, Ltd.   | 23,000,000 | 23,000,000 | 0 | 588,687   | 588,687   | 0         |
| KBC Financial Products (Cayman Islands) Ltd.   | 3,000,000  | 3,000,000  | 0 | 76,785    | 76,785    | 0         |
| KBC Financial Products USA, Inc.   | 5,000,000  | 5,000,000  | 0 | 127,976   | 127,976   | 0         |
| LDG Limited  | 595,000    | 595,000    | 0 | 15,229    | 15,229    | 0         |
| Lehman Brothers, Inc.  | 14,500,000 | 14,500,000 | 0 | 1,289,304 | 371,129   | 918,175   |
| Lydian Global Opportunities Master Fund Limited  | 15,000,000 | 15,000,000 | 0 | 383,927   | 383,927   | 0         |
| Lydian Overseas Partners Master Fund L.P. I  | 32,500,000 | 32,500,000 | 0 | 831,841   | 831,841   | 0         |
| Lyxor Convertible Arbitrage Fund   | 111,000    | 111,000    | 0 | 2,841     | 2,841     | 0         |
| Lyxor Master Fund Ref: Argent /LowLev CB c/o Argent  | 2,920,000  | 2,920,000  | 0 | 74,738    | 74,738    | 0         |
| Lyxor/Forest Fund Limited  | 2,909,000  | 2,909,000  | 0 | 313,955   | 74,456    | 239,499   |
| Lyxor/Inflective Convertible Opportunity Fund  | 2,000,000  | 2,000,000  | 0 | 51,190    | 51,190    | 0         |



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|   |            |            |   |           |           |         |
|---|------------|------------|---|-----------|-----------|---------|
| MSS Convertible Arbitrage I                             | 59,000     | 59,000     | 0 | 1,510     | 1,510     | 0       |
| Nuveen Preferred & Convertible Income Fund JPC          | 1,175,000  | 1,175,000  | 0 | 30,074    | 30,074    | 0       |
| OCLC Online Computer Library Center, Inc.               | 10,000     | 10,000     | 0 | 256       | 256       | 0       |
| Nomura Securities International, Inc.                   | 10,000,000 | 10,000,000 | 0 | 308,851   | 255,951   | 52,900  |
| Nuveen Preferred & Convertible Fund JQC                 | 1,600,000  | 1,600,000  | 0 | 40,952    | 40,952    | 0       |
| OZ Master Fund, Ltd.                                    | 41,500,000 | 41,500,000 | 0 | 1,062,197 | 1,062,197 | 0       |
| Peoples Benefit Life Insurance Company Teamsters        | 5,500,000  | 5,500,000  | 0 | 140,773   | 140,773   | 0       |
| Prudential Insurance Co. of America                     | 20,000     | 20,000     | 0 | 512       | 512       | 0       |
| Radcliffe SPC, Ltd. for and on behalf of the Class A    |            |            | 0 |           |           |         |
| Convertible Crossover Segregated Portfolio              | 23,750,000 | 23,750,000 |   | 607,884   | 607,884   | 0       |
| Rampart Convertible Arbitrage Investors, L.L.C.         | 3,000,000  | 3,000,000  | 0 | 76,785    | 76,785    | 0       |
| Rampart Enhanced Convertible L.L.C.                     | 265,000    | 265,000    | 0 | 6,783     | 6,783     | 0       |
| Recon Arbitrage Master Fund Ltd.                        | 2,000,000  | 2,000,000  | 0 | 51,190    | 51,190    | 0       |
| Redbourn Partners Ltd                                   | 8,000,000  | 8,000,000  | 0 | 204,761   | 204,761   | 0       |
| San Diego County Employees Retirement Association       | 2,500,000  | 2,500,000  | 0 | 63,988    | 63,988    | 0       |
| Sandelman Partners Multi-Strategy Master Fund, Ltd.     | 11,000,000 | 11,000,000 | 0 | 515,896   | 281,546   | 234,350 |
| Saranac Arbitrage LTD                                   | 305,000    | 305,000    | 0 | 7,807     | 7,807     | 0       |
| Saranac Capital Management LP on behalf of              |            |            | 0 |           |           |         |
| Citigroup Alternative Investments Diversified Arbitrage |            |            |   |           |           |         |
| Strategies Fund Ltd.                                    | 742,000    | 742,000    |   | 18,992    | 18,992    | 0       |
| Saranac Capital Management LP on behalf of              |            |            | 0 |           |           |         |
| Citigroup Alternative Investments QIP Multi-Strategy    |            |            |   |           |           |         |
| Arbitrage Portfolio                                     | 1,469,000  | 1,469,000  |   | 37,599    | 37,599    | 0       |
| Saranac Capital Management LP on behalf of              |            |            | 0 |           |           |         |
| Saranac Arbitrage LTD                                   | 305,000    | 305,000    |   | 7,807     | 7,807     | 0       |
| Saranac Capital Management LP on behalf of              |            |            | 0 |           |           |         |
| Saranac Erisa Arbitrage LTD                             | 484,000    | 484,000    |   | 12,388    | 12,388    | 0       |
| Satellite Convertible Arbitrage Master Fund LLC         | 5,000,000  | 5,000,000  | 0 | 127,976   | 127,976   | 0       |
| Silver Convertible Arbitrage Fund, LDC                  | 660,000    | 660,000    | 0 | 16,893    | 16,893    | 0       |
| Sphinx Convertible Arbitrage SPC                        | 1,218,000  | 1,218,000  | 0 | 116,714   | 31,175    | 85,539  |
| Sphinx Fund c/o TQA Investors                           | 1,123,000  | 1,123,000  | 0 | 40,952    | 28,743    | 12,209  |
| State of Oregon/Equity                                  | 905,000    | 905,000    | 0 | 23,164    | 23,164    | 0       |
| Syngenta AG   | 50,000     | 50,000     | 0 | 1,280     | 1,280     | 0       |
| TQA Master Fund   | 6,985,000  | 6,985,000  | 0 | 269,490   | 178,782   | 90,709  |
| TQA Master Plus Fund                                    | 2,864,000  | 2,864,000  | 0 | 121,679   | 73,304    | 48,375  |
| UBS AG London   | 12,500,000 | 12,500,000 | 0 | 319,939   | 319,939   | 0       |
| UBS Securities LLC                                      | 8,500,000  | 8,500,000  | 0 | 217,558   | 217,558   | 0       |
| Vicis Capital Master Fund                               | 5,000,000  | 5,000,000  | 0 | 127,976   | 127,976   | 0       |
| Wachovia Bank National Association                      | 30,000,000 | 30,000,000 | 0 | 767,853   | 767,853   | 0       |
| Wachovia Securities International Ltd                   | 14,000,000 | 14,000,000 | 0 | 358,331   | 358,331   | 0       |
| Waterstone Market Neutral Mac 51, Ltd.                  | 1,585,000  | 1,585,000  | 0 | 93,294    | 40,568    | 52,726  |
| Waterstone Market Neutral Master Fund, Ltd.             | 8,415,000  | 8,415,000  | 0 | 495,392   | 215,383   | 280,009 |
| Xavex Convertible Arbitrage 2 Fund                      | 330,000    | 330,000    | 0 | 8,446     | 8,446     | 0       |
| Yield Strategies Fund I, L.P.                           | 2,000,000  | 2,000,000  | 0 | 51,190    | 51,190    | 0       |
| Yield Strategies Fund II, L.P.                          | 2,000,000  | 2,000,000  | 0 | 51,190    | 51,190    | 0       |
| Zazove Convertible Arbitrage Fund, L.P.                 | 6,605,000  | 6,605,000  | 0 | 169,056   | 169,056   | 0       |
| Zazove Hedged Convertible Fund, L.P.                    | 3,000,000  | 3,000,000  | 0 | 76,785    | 76,785    | 0       |
| Zurich Institutional Benchmarks Master Fund             | 1,703,000  | 1,703,000  | 0 | 70,412    | 43,588    | 26,824  |

\* Includes common stock issuable within 60 days of the date hereof upon conversion of our convertible securities.

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(1) Includes common stock issuable upon conversion of our 2.75% Contingent Convertible Senior Notes due 2035 at a conversion rate of approximately 25.5951 shares of common stock per \$1,000 principal amount of notes.