



Williams' Global Resolution with Chesapeake Receives Bankruptcy Court Approval

December 17, 2020

TULSA, Okla.--(BUSINESS WIRE)-- Williams (NYSE: WMB) today announced bankruptcy court approval of the global resolution it reached last month with Chesapeake as part of Chesapeake's Chapter 11 bankruptcy restructuring process. Subsequent to the bankruptcy court's approval, Williams received a payment of \$112 million from Chesapeake related to all pre-petition and past due receivables associated with midstream expenses per the existing contracts.

Key highlights of the approved global resolution include the following:

- Chesapeake will pay all pre-petition and past due receivables related to midstream expenses, per the existing contracts.
- Chesapeake will not attempt to reject Williams' gathering agreements in the Eagle Ford, Marcellus, or Mid-Con.
- In the Haynesville, Williams has agreed to reduce its gathering fees in exchange for gaining ownership of a portion of Chesapeake's South Mansfield producing assets, which consist of approximately 50,000 net mineral acres. In addition, Chesapeake will enter into a long-term gas supply commitment of a minimum 100 Mth/d and up to 150 Mth/d for the Transco Regional Energy Access (REA) pipeline currently under development.
 - The reduced gathering fees are consistent with incentive rates that Williams has offered in the past to attract drilling capital and are therefore expected to promote additional drilling across Chesapeake's prolific Haynesville footprint.
 - The South Mansfield assets provide an opportunity for Williams to transition the acreage to a strong and well-capitalized operator that will grow production volumes, and drive growth in fee based cash flows on Williams' existing spare midstream capacity, while also enabling Williams to market significant gas volumes for future downstream opportunities.
 - The commitment to REA provides valuable incremental takeaway capacity for Chesapeake's Marcellus production and the associated Williams gathering systems, while adding a valuable capacity commitment to the Transco project.

"Williams has strategically invested in large-scale and essential infrastructure necessary to gather and treat the natural gas that Chesapeake and its joint interest owners produce in the Eagle Ford, Haynesville, and Marcellus," said Alan Armstrong, Williams president and CEO. "Our gathering systems are necessary to realize the full potential of these high value reserves, and we are pleased to have been able to work with Chesapeake toward a mutually beneficial outcome that will put Chesapeake on a clear path to a bright future. Chesapeake is a valuable customer, and this transaction will both strengthen Chesapeake and allow Williams to enhance the value of our significant midstream infrastructure by bringing adequate capitalization to these low-cost gas reserves."

About Williams

Williams (NYSE: WMB) is committed to being the leader in providing infrastructure that safely delivers natural gas products to reliably fuel the clean energy economy. Headquartered in Tulsa, Oklahoma, Williams is an industry-leading, investment grade C-Corp with operations across the natural gas value chain including gathering, processing, interstate transportation and storage of natural gas and natural gas liquids. With major positions in top U.S. supply basins, Williams connects the best supplies with the growing demand for clean energy. Williams owns and operates more than 30,000 miles of pipelines system wide – including Transco, the nation's largest volume and fastest growing pipeline – and handles approximately 30 percent of the natural gas in the United States that is used every day for clean-power generation, heating and industrial use. www.williams.com

Portions of this document may constitute "forward-looking statements" as defined by federal law. Although the company believes any such statements are based on reasonable assumptions, there is no assurance that actual outcomes will not be materially different. Any such statements are made in reliance on the "safe harbor" protections provided under the Private Securities Reform Act of 1995. Additional information about issues that could lead to material changes in performance is contained in the company's annual and quarterly reports filed with the Securities and Exchange Commission.



View source version on [businesswire.com](https://www.businesswire.com/news/home/20201217005904/en/): <https://www.businesswire.com/news/home/20201217005904/en/>

MEDIA:

media@williams.com

(800) 945-8723

INVESTOR CONTACTS:

Danilo Juvane
(918) 573-5075

Brett Krieg
(918) 573-4614

Source: Williams