

CHESAPEAKE ENERGY CORP
Form SC TO-I/A
December 27, 2004

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Schedule TO

(Amendment No. 2)

**Tender Offer Statement under Section 14(d)(1) or 13(e)(1) of the
Securities Exchange Act of 1934**

CHESAPEAKE ENERGY CORPORATION

(Name of Subject Company (Issuer) and Filing Person (Offeror))

6.00% CUMULATIVE CONVERTIBLE PREFERRED STOCK

(Title of Class of Securities)

165167-7-01/165167-6-02 (144A)

(CUSIP Number of Class of Securities)

Aubrey K. McClendon

Chairman of the Board and

Chief Executive Officer

6100 North Western Avenue

Oklahoma City, Oklahoma 73118

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(405) 848-8000

(Name, address and telephone number of person authorized to receive notices and communications on behalf of filing person)

With copies to:

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Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

Check the appropriate boxes below to designate any transactions to which the statement relates:

- third-party tender offer subject to Rule 14d-1.
- issuer tender offer subject to Rule 13e-4.
- going-private transaction subject to Rule 13e-3.
- amendment to Schedule 13D under Rule 13d-2.

Check the following box if the filing is a final amendment reporting the results of the tender offer:

This Amendment No. 2 to Tender Offer Statement on Schedule TO amends and supplements the Tender Offer Statement on Schedule TO filed with the Securities and Exchange Commission on November 30, 2004, and amended by Amendment No. 1 to the Schedule TO, filed on December 16, 2004, by Chesapeake Energy Corporation, an Oklahoma corporation (the Company), and relates to an offer by the Company to exchange (the Exchange Offer) a number of shares of the Company's common stock equal to (i) 4.8605 shares plus (ii) \$7.75 divided by the Weighted Average Price of the Company's common stock (the Exchange Ratio), for each validly tendered and accepted share of 6.00% Cumulative Convertible Preferred Stock (the Preferred Stock), on the terms and subject to the conditions described in the exchange offer prospectus, as amended (the Exchange Offer Prospectus), which is a part of the registration statement filed with the Securities and Exchange Commission on Form S-4, as amended (SEC File No. 333-120874) (the Registration Statement).

The Exchange Ratio was to be fixed after 5:00 p.m., New York City time, on December 23, 2004, on the basis of the formula set forth in the Exchange Offer Prospectus and was to be announced prior to the opening of trading on December 27, 2004. Prior to 9:00 a.m., New York City time, on December 27, 2004, the Company announced that the Exchange Ratio, calculated on the basis of the formula set forth in the Exchange Offer Prospectus, was fixed at 5.3260 shares of common stock for each share of Preferred Stock tendered and accepted by the Company in the Exchange Offer. The Weighted Average Price of the Company's common stock was calculated to be \$16.65, pursuant to procedure set forth in the Exchange Offer Prospectus.

The information contained in the Exchange Offer Prospectus and the related letter of transmittal (the Letter of Transmittal) is amended and supplemented by the information set forth hereinabove in this Amendment No. 2.

The Schedule TO is hereby amended and supplemented by this Amendment No. 2 to Schedule TO as follows:

Item 1. Summary Term Sheet.

Item 1 of Schedule TO is hereby amended and supplemented by adding the following text:

What exchange ratio has been calculated with respect to the exchange ratio based on the formula set forth in the exchange offer prospectus?

Based on the formula set forth in the Exchange Offer Prospectus, the exchange ratio has been fixed at 5.3260 shares of common stock for each share of Preferred Stock tendered and accepted in the exchange offer.

Item 4. Terms of the Transaction.

Item 4 of Schedule TO is hereby amended and supplemented by adding the following:

On December 27, 2004, Chesapeake Energy Corporation announced that the exchange ratio, calculated on the basis of the formula set forth in the exchange offer prospectus, was fixed at 5.3260 shares of common stock for each share of Preferred Stock tendered and accepted in the

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exchange offer. The full text of Chesapeake's press release, relating to the calculation and announcement of the exchange ratio, is filed herewith as exhibit (a)(3) and is incorporated herein by reference.

Item 12. Exhibits.

Item 12 of Schedule TO is hereby amended by adding the following:

(a)(3) Press Release of Chesapeake Energy Corporation, dated December 27, 2004, announcing the exchange ratio (incorporated herein by reference to Form 8-K filed on December 27, 2004 pursuant to Rule 425 under the Securities Act of 1933 and deemed filed pursuant to Rule 13e-4(c) under the Securities Exchange Act of 1934).

SIGNATURES

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: December 27, 2004

CHESAPEAKE ENERGY CORPORATION

By: /s/ Martha A. Burger

Martha A. Burger
Treasurer and Senior Vice President

Human Resources

EXHIBIT INDEX

| EXHIBIT NUMBER | EXHIBIT NAME |
|---------------------------|--|
| (a)(1) | Exchange Offer Prospectus, dated November 30, 2004 (as amended on December 16, 2004) incorporated herein by reference to Amendment No. 1 to the Company's Registration Statement on Form S-4 filed on December 16, 2004. |
| (a)(2) | Press Release, dated November 30, 2004 (incorporated herein by reference to Form 8-K filed on November 30, 2004 pursuant to Rule 425 under the Securities Act of 1933 and deemed filed pursuant to Rule 13e-4(c) under the Securities Exchange Act of 1934). |
| (a)(3) | Press Release of Chesapeake Energy Corporation, dated December 27, 2004, announcing the exchange ratio (incorporated herein by reference to Form 8-K filed on December 27, 2004 pursuant to Rule 425 under the Securities Act of 1933 and deemed filed pursuant to Rule 13e-4(c) under the Securities Exchange Act of 1934). |
| (d) | Not applicable |
| (g) | Not applicable. |
| (h) | Opinion of Vinson & Elkins L.L.P. incorporated herein by reference to Exhibit 8.1 to the Company's Registration Statement on Form S-4 filed on November 30, 2004. |