



ONEOK

THIRD-QUARTER 2018 RESULTS

OCT. 30, 2018

FORWARD-LOOKING STATEMENTS

Statements contained in this presentation that include company expectations or predictions should be considered forward-looking statements that are covered by the safe harbor protections provided under federal securities legislation and other applicable laws.

It is important to note that actual results could differ materially from those projected in such forward-looking statements. For additional information that could cause actual results to differ materially from such forward-looking statements, refer to ONEOK's Securities and Exchange Commission filings.

This presentation contains factual business information or forward-looking information and is neither an offer to sell nor a solicitation of an offer to buy any securities of ONEOK.

All references in this presentation to financial guidance are based on news releases issued on Jan. 22, 2018, Feb. 26, 2018, May 1, 2018, July 31, 2018, and Oct. 30, 2018, and are not being updated or affirmed by this presentation.



Elk Creek Pipeline – Wyoming

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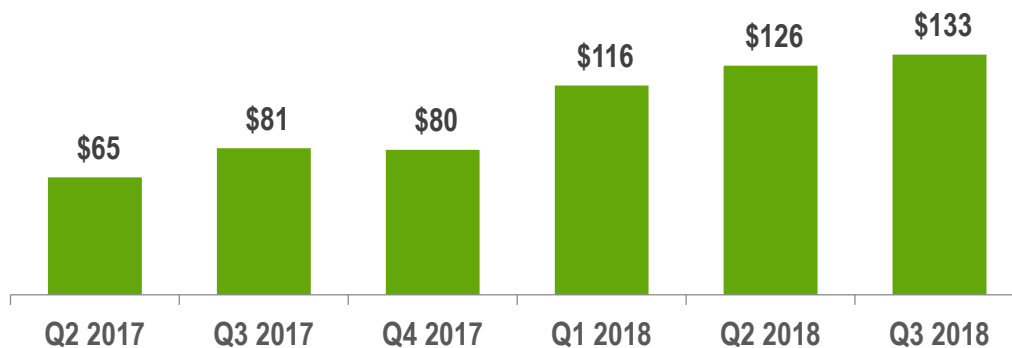
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FINANCIAL STRENGTH – A COMPETITIVE ADVANTAGE

INCREASING EXCESS CASH

- ◆ **Prefunded** a significant portion of capital-growth projects and immediately reduced debt with a \$1.2 billion equity offering in January 2018, satisfying equity financing needs in 2018
- ◆ Significant liquidity from a \$1.25 billion senior notes issuance completed in July 2018
 - \$2.4 billion of available borrowing capacity on credit facility at Sept. 30, 2018
- ◆ Investment-grade credit ratings provide a competitive advantage
 - S&P: BBB (stable); Moody's: Baa3 (stable)
- ◆ Extensive asset footprint provides opportunity to invest capital at attractive returns to drive earnings growth

Distributable Cash Flow (DCF) in Excess of Dividends Paid
(\$ in millions)



Adjusted EBITDA Growth
(\$ in millions)

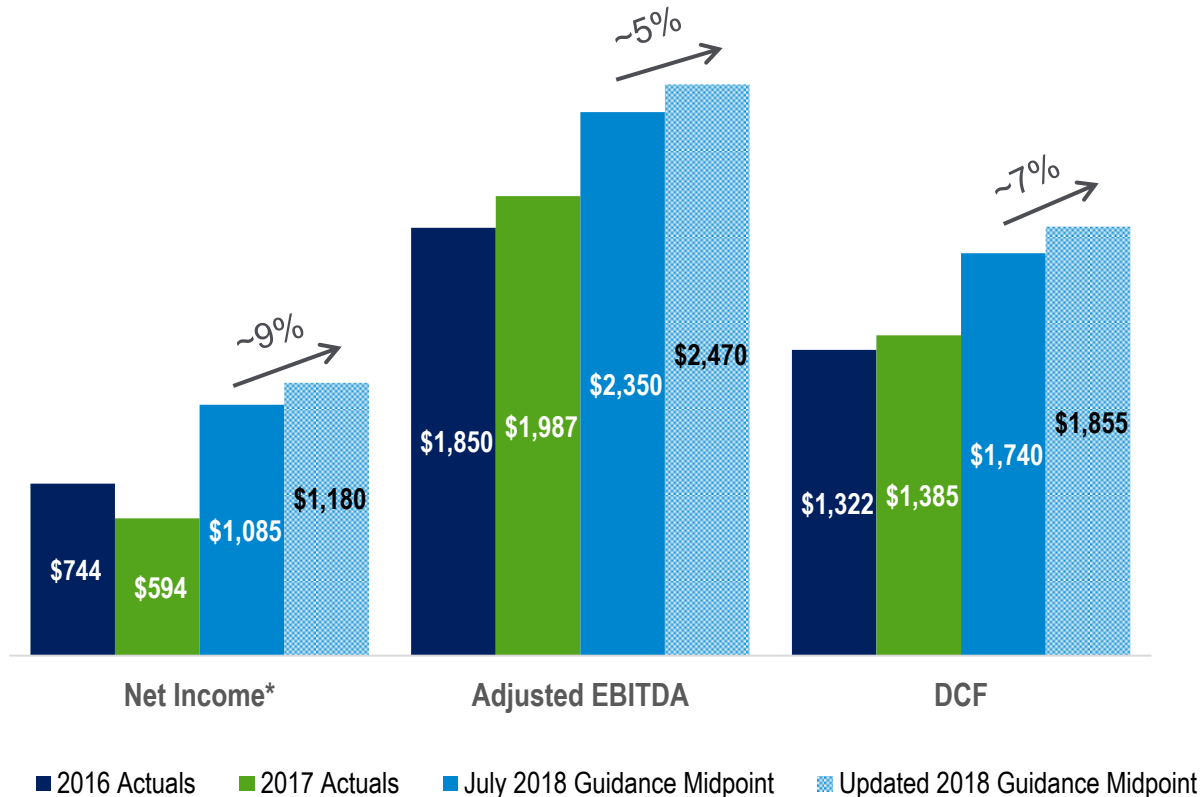


Debt-to-EBITDA Ratio
(trailing 12 months)



*Q3 2018 adjusted EBITDA annualized

2018 FINANCIAL GUIDANCE INCREASED



*2017 net income includes one-time noncash charges of \$141.3 million related to the enactment of the Tax Cuts and Jobs Act, \$50 million in ONEOK and ONEOK Partners merger transaction costs and \$20.2 million of impairment charges.

Updated 2018 Guidance Range				
Reconciliation of Net Income to				
Adjusted EBITDA and Distributable Cash Flow				
(Millions of dollars)				
Net income	\$	1,140	–	\$ 1,220
Interest expense, net of capitalized interest		480	–	470
Depreciation and amortization		425	–	435
Income taxes		355	–	365
Noncash compensation expense		40	–	30
Other noncash items and equity AFUDC		(10)	–	(10)
Adjusted EBITDA	\$	2,430	–	\$ 2,510
Interest expense, net of capitalized interest		(480)	–	(470)
Maintenance capital		(170)	–	(180)
Equity in net earnings from investments		(150)	–	(160)
Distributions received from unconsolidated affiliates		185	–	205
Other		-	–	(10)
Distributable cash flow	\$	1,815	–	\$ 1,895

2018 FINANCIAL GUIDANCE INCREASED

SEGMENT ADJUSTED EBITDA

Updated 2018 Guidance Range

(Millions of dollars)

Reconciliation of segment adjusted EBITDA to adjusted EBITDA

Segment adjusted EBITDA:

Natural Gas Liquids	\$	1,485	–	\$	1,535
Natural Gas Gathering and Processing		600	–		620
Natural Gas Pipelines		350	–		360
Other		(5)	–		(5)
Adjusted EBITDA	\$	2,430	–	\$	2,510

NATURAL GAS LIQUIDS

VOLUME UPDATE

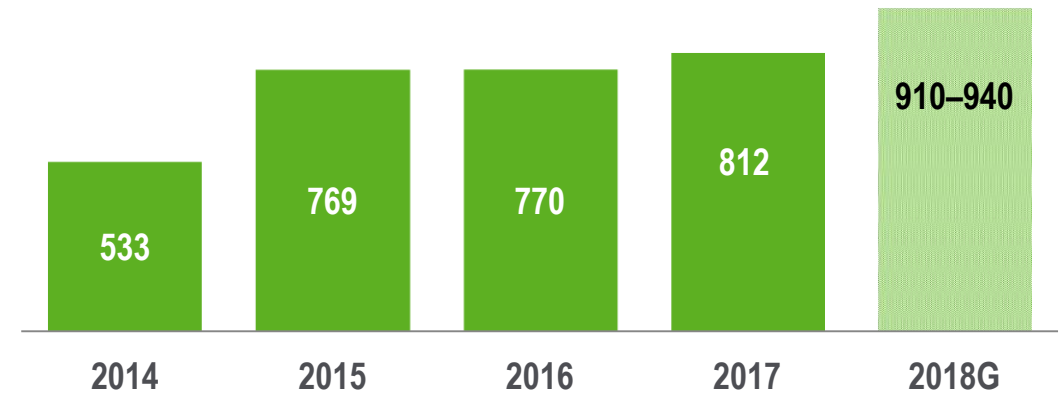
- ◆ Third quarter 2018 volumes gathered increased approximately 6 percent, compared with the second quarter 2018
- ◆ 2018 volume growth expected to be driven primarily by increased producer activity in the STACK and SCOOP areas and increased ethane volumes in the Mid-Continent
 - Ethane volumes gathered across ONEOK's system increased approximately 100,000 bpd compared with the third quarter 2017
- ◆ 2018 third-party processing plant connections:
 - Two in the third quarter: STACK and SCOOP (1), Powder River (1)
 - Two connections and one plant expansion in the first half 2018: STACK and SCOOP

Region/Asset	Second Quarter 2018 – Average Gathered Volumes	Third Quarter 2018 – Average Gathered Volumes	Average Bundled Rate (per gallon)
Bakken NGL Pipeline	138,000 bpd	138,000 bpd	~30 cents*
Mid-Continent	569,000 bpd	614,000 bpd	~ 9 cents*
West Texas LPG system	196,000 bpd	204,000 bpd	~ 3 cents**
Total	903,000 bpd	956,000 bpd	

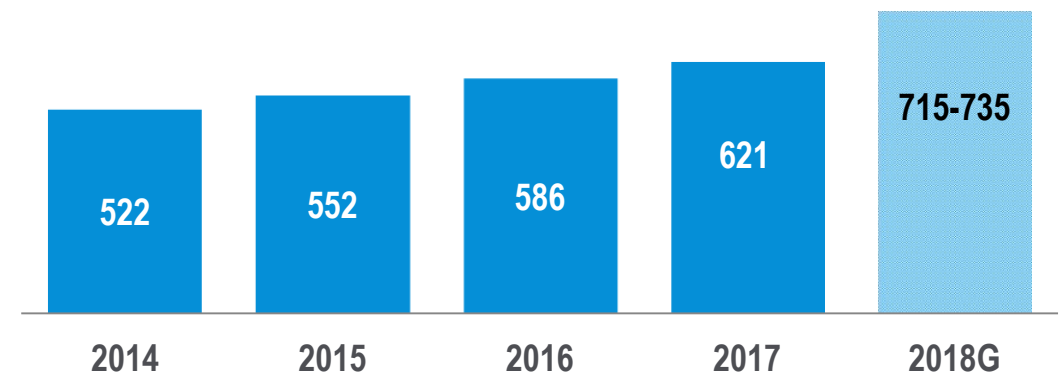
*Includes transportation and fractionation

**Transportation only

Gathered Volume (MBbl/d)



Fractionation Volume (MBbl/d)



NATURAL GAS GATHERING AND PROCESSING

VOLUME UPDATE

Rocky Mountain

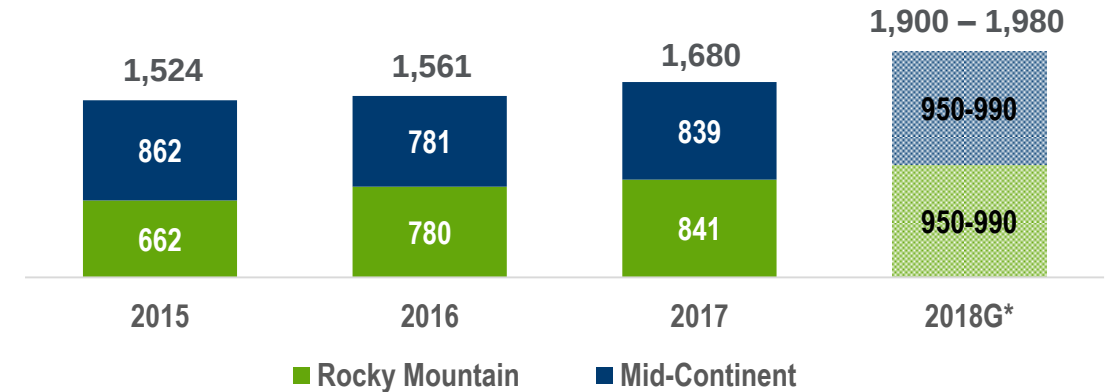
- ◆ Third quarter 2018 natural gas volumes processed increased approximately 8 percent, compared with the second quarter 2018
- ◆ Expect to connect approximately 550 wells in 2018 in the Williston Basin
 - 137 well connects completed in the third quarter; 459 through the first nine months 2018

Mid-Continent

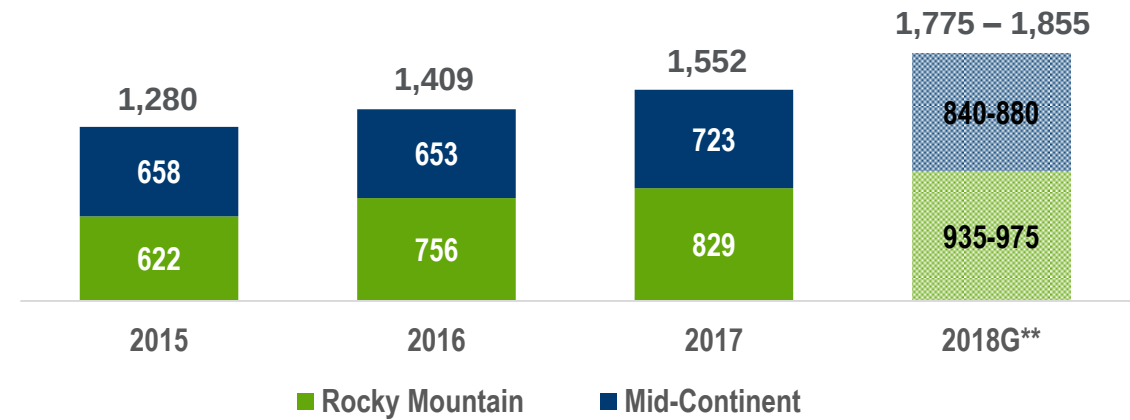
- ◆ Expect to connect approximately 130 wells in 2018
 - 29 well connects completed in the third quarter; 90 through the first nine months 2018

Region	Second Quarter 2018 – Average Gathered Volumes	Third Quarter 2018 – Average Gathered Volumes	Second Quarter 2018 – Average Processed Volumes	Third Quarter 2018 – Average Processed Volumes
Mid-Continent	968 MMcf/d	949 MMcf/d	853 MMcf/d	835 MMcf/d
Rocky Mountain	948 MMcf/d	1,005 MMcf/d	932 MMcf/d	1,003 MMcf/d
Total	1,916 MMcf/d	1,954 MMcf/d	1,785 MMcf/d	1,838 MMcf/d

Gathered Volumes (MMcf/d)



Processed Volumes (MMcf/d)



*2018 guidance gathered volumes (BBtu/d): 2,500-2,610

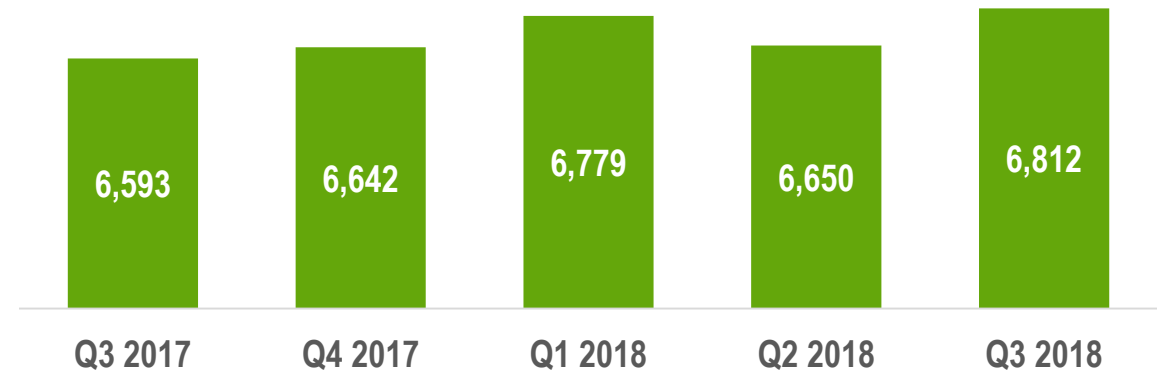
**2018 guidance processed volumes (BBtu/d): 2,350-2,450

NATURAL GAS PIPELINES

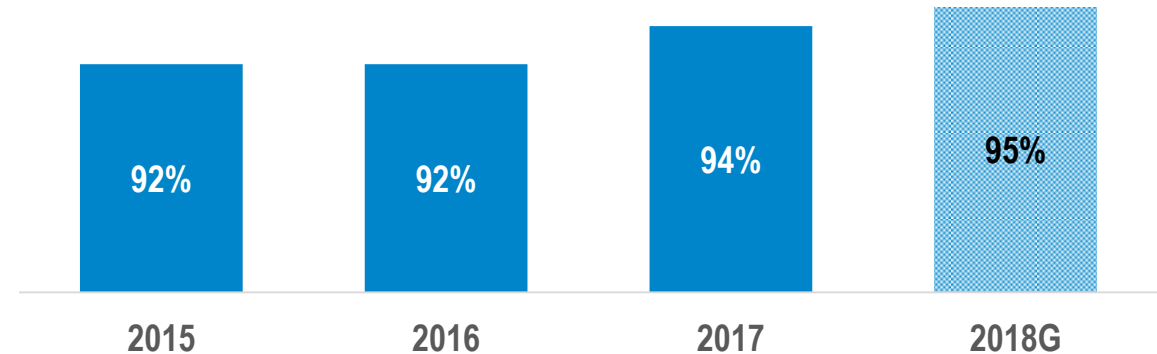
WELL-POSITIONED AND MARKET-CONNECTED

- ◆ Expect more than 95 percent fee-based earnings in 2018, and:
 - Approximately 95 percent of transportation capacity contracted
 - Approximately 65 percent of natural gas storage capacity contracted
- ◆ Firm demand-based contracts serving primarily investment-grade utility customers
- ◆ Recently announced natural gas takeaway projects in the Permian Basin and STACK and SCOOP areas, including:
 - 300 MMcf/d expansion of the ONEOK WestTex Transmission system.
 - 150 MMcf/d eastbound and 100 MMcf/d westbound expansions of the ONEOK Gas Transportation system.
 - ~1 Bcf/d of eastbound transportation capacity on ONEOK's Roadrunner Gas Transmission joint venture to make the pipeline bidirectional.

Natural Gas Transportation
Capacity Contracted (MDth/d)



Natural Gas Transportation
Capacity Subscribed



BUSINESS SEGMENT PERFORMANCE

Q3 2018 VS. Q2 2018 ADJUSTED EBITDA VARIANCES

◆ Natural gas liquids increased

- **\$29.4 million increase** in optimization and marketing due primarily to wider location price differentials
- **\$20.8 million increase** in exchange services due to increased volumes in the STACK and SCOOP areas and the timing of earnings associated with unfractionated NGLs previously held in inventory

◆ Natural gas pipelines increased

- **\$5.5 million increase** from increased interruptible volumes and firm transportation capacity contracted
- **\$2.0 million increase** from equity earnings on Northern Border Pipeline and Roadrunner Gas Transmission Pipeline
- **\$2.5 million decrease** due to higher operating costs from higher employee-related costs and the timing of routine maintenance projects

◆ Natural gas gathering and processing decreased

- **\$14.9 million decrease** due to favorable contract settlements in the second quarter 2018 and unfavorable contract settlements in the third quarter 2018
- **\$3.2 million increase** due primarily to natural gas volume growth in the Williston Basin
- **\$2.6 million increase** due to higher realized natural gas liquids prices

NON-GAAP RECONCILIATION

(\$ in Millions)	2016			2017			2018			
	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	YTD
Reconciliation of Net Income to Adjusted EBITDA										
Net income	\$744	\$186	\$176	\$167	\$65	\$594	\$266	\$282	\$314	\$862
Interest expense, net of capitalized interest	470	116	118	127	125	486	116	113	122	351
Depreciation and amortization	392	99	101	102	104	406	104	107	107	318
Impairment charges	-	-	-	20	-	20	-	-	-	-
Income taxes	212	55	44	97	251	447	76	88	102	266
Noncash compensation expense	32	2	3	5	3	13	9	12	6	27
Other noncash items and equity AFUDC	-	2	20	(1)	-	21	(1)	-	(1)	(2)
Adjusted EBITDA	\$1,850	\$460	\$462	\$517	\$548	\$1,987	\$570	\$602	\$650	\$1,822
Interest expense, net of capitalized interest	(470)	(116)	(118)	(127)	(125)	(486)	(116)	(113)	(122)	(351)
Maintenance capital	(112)	(24)	(23)	(33)	(67)	(147)	(30)	(44)	(63)	(137)
Equity earnings from investments	(140)	(40)	(39)	(40)	(40)	(159)	(40)	(37)	(39)	(116)
Distributions received from unconsolidated affiliates	197	47	50	49	50	196	50	48	47	145
Other	(3)	(3)	(2)	(2)	-	(7)	(2)	(3)	-	(5)
Distributable Cash Flow	\$1,322	\$324	\$330	\$364	\$366	\$1,384	\$432	\$453	\$473	\$1,358
Dividends paid to preferred shareholders	-	-	-	-	(1)	(1)	-	-	(1)	(1)
Distributions paid to public limited partners	(542)	(135)	(135)	-	-	(270)	-	-	-	-
Distributable cash flow to shareholders	\$780	\$189	\$195	\$364	\$365	\$1,113	\$432	\$453	\$472	\$1,357
Dividends paid	(517)	(130)	(130)	(283)	(285)	(828)	(316)	(327)	(339)	(982)
Distributable cash flow in excess of dividends paid	263	59	65	81	80	285	116	126	133	375
Dividends paid per share	\$2.460	\$0.615	\$0.615	\$0.745	\$0.745	\$2.720	\$0.770	\$0.795	\$0.825	\$2.390
Dividend coverage ratio	1.51	1.46	1.50	1.29	1.28	1.34	1.37	1.39	1.39	1.38
Number of shares used in computations (millions)	210	211	211	380	383	304	411	411	411	411

NON-GAAP RECONCILIATIONS

ONEOK has disclosed in this presentation adjusted EBITDA, distributable cash flow (DCF) and dividend coverage ratio, which are non-GAAP financial metrics, used to measure ONEOK's financial performance, and are defined as follows:

Adjusted EBITDA is defined as net income from continuing operations adjusted for interest expense, depreciation and amortization, noncash impairment charges, income taxes, noncash compensation expense, allowance for equity funds used during construction (equity AFUDC), and other noncash items; and

Distributable cash flow is defined as adjusted EBITDA, computed as described above, less interest expense, maintenance capital expenditures and equity earnings from investments, excluding noncash impairment charges, adjusted for cash distributions received from unconsolidated affiliates and certain other items; and

Dividend coverage ratio is defined as ONEOK's distributable cash flow to ONEOK shareholders divided by the dividends paid for the period.

These non-GAAP financial measures described above are useful to investors because they are used by many companies in the industry as a measurement of financial performance and are commonly employed by financial analysts and others to evaluate our financial performance and to compare our financial performance with the performance of other companies within our industry. Adjusted EBITDA, DCF and dividend coverage ratio should not be considered in isolation or as a substitute for net income or any other measure of financial performance presented in accordance with GAAP.

These non-GAAP financial measures exclude some, but not all, items that affect net income. Additionally, these calculations may not be comparable with similarly titled measures of other companies. In connection with our merger transaction, we have adjusted prior periods in the following table to conform to current presentation. Furthermore, these non-GAAP measures should not be viewed as indicative of the actual amount of cash that is available or that is planned to be distributed in a given period.

ONEOK has also disclosed in this presentation forward-looking estimates for projected adjusted EBITDA multiples expected to be generated by announced capital-growth projects. Adjusted EBITDA multiples for the announced capital-growth projects reflect the expected adjusted EBITDA to be generated by the projects relative to the capital investment being made. A reconciliation of estimated adjusted EBITDA to GAAP net income for the announced capital-growth projects is not provided because the GAAP net income generated by the projects is not available without unreasonable efforts.

