

**ONEOK Announces First-quarter 2012 Financial Results;
Reaffirms 2012 Earnings Guidance**

May 1, 2012

Page 1

**ONEOK, Inc. and Subsidiaries
CONSOLIDATED STATEMENTS OF INCOME**

<i>(Unaudited)</i>	Three Months Ended	
	March 31,	
	2012	2011
	<i>(Thousands of dollars, except per share amounts)</i>	
Revenues	\$ 3,414,600	\$ 3,760,600
Cost of sales and fuel	2,771,013	3,130,723
Net margin	643,587	629,877
Operating expenses		
Operations and maintenance	192,881	192,759
Depreciation and amortization	83,409	79,357
Goodwill impairment	10,255	-
General taxes	31,177	28,922
Total operating expenses	317,722	301,038
Gain (loss) on sale of assets	57	(510)
Operating income	325,922	328,329
Equity earnings from investments	34,620	32,092
Allowance for equity funds used during construction	975	466
Other income	9,861	3,352
Other expense	(2,274)	(2,285)
Interest expense	(75,815)	(79,349)
Income before income taxes	293,289	282,605
Income taxes	(73,839)	(84,320)
Income from continuing operations	219,450	198,285
Income from discontinued operations, net of tax	762	1,061
Gain on sale of discontinued operations, net of tax	13,250	-
Net income	233,462	199,346
Less: Net income attributable to noncontrolling interests	110,597	69,216
Net income attributable to ONEOK	\$ 122,865	\$ 130,130
Amounts attributable to ONEOK:		
Income from continuing operations	\$ 108,853	\$ 129,069
Income from discontinued operations	14,012	1,061
Net Income	\$ 122,865	\$ 130,130
Basic earnings per share:		
Income from continuing operations	\$ 1.05	\$ 1.21
Income from discontinued operations	0.13	0.01
Net Income	\$ 1.18	\$ 1.22
Diluted earnings per share:		
Income from continuing operations	\$ 1.03	\$ 1.18
Income from discontinued operations	0.13	0.01
Net Income	\$ 1.16	\$ 1.19
Average shares <i>(thousands)</i>		
Basic	103,809	107,020
Diluted	105,926	109,179
Dividends declared per share of common stock		
	\$ 0.61	\$ 0.52

-more-

**ONEOK Announces First-quarter 2012 Financial Results;
Reaffirms 2012 Earnings Guidance**

May 1, 2012

Page 2

**ONEOK, Inc. and Subsidiaries
CONSOLIDATED BALANCE SHEETS**

	March 31, 2012	December 31, 2011
<i>(Unaudited)</i>		
Assets	<i>(Thousands of dollars)</i>	
Current assets		
Cash and cash equivalents	\$ 781,192	\$ 65,953
Accounts receivable, net	1,154,951	1,339,933
Gas and natural gas liquids in storage	299,130	549,915
Commodity imbalances	163,939	63,452
Energy marketing and risk management assets	54,368	40,280
Other current assets	155,695	185,143
Assets of discontinued operations	-	74,136
Total current assets	2,609,275	2,318,812
Property, plant and equipment		
Property, plant and equipment	11,495,219	11,177,934
Accumulated depreciation and amortization	2,794,183	2,733,601
Net property, plant and equipment	8,701,036	8,444,333
Investments and other assets		
Goodwill and intangible assets	1,001,956	1,014,127
Investments in unconsolidated affiliates	1,219,635	1,223,398
Other assets	720,174	695,965
Total investments and other assets	2,941,765	2,933,490
Total assets	\$ 14,252,076	\$ 13,696,635

-more-

**ONEOK Announces First-quarter 2012 Financial Results;
Reaffirms 2012 Earnings Guidance**

May 1, 2012

Page 3

**ONEOK, Inc. and Subsidiaries
CONSOLIDATED BALANCE SHEETS**

<i>(Unaudited)</i>	March 31, 2012	December 31, 2011
Liabilities and equity	<i>(Thousands of dollars)</i>	
Current liabilities		
Current maturities of long-term debt	\$ 364,397	\$ 364,391
Notes payable	419,757	841,982
Accounts payable	1,110,108	1,341,718
Commodity imbalances	201,089	202,206
Energy marketing and risk management liabilities	94,573	137,680
Other current liabilities	410,399	345,383
Liabilities of discontinued operations	-	12,815
Total current liabilities	2,600,323	3,246,175
Long-term debt, excluding current maturities	5,225,849	4,529,551
Deferred credits and other liabilities		
Deferred income taxes	1,408,420	1,446,591
Other deferred credits	638,029	674,586
Total deferred credits and other liabilities	2,046,449	2,121,177
Commitments and contingencies		
Equity		
ONEOK shareholders' equity:		
Common stock, \$0.01 par value:		
authorized 300,000,000 shares; issued 122,905,591 shares and outstanding 103,922,403 shares at March 31, 2012; issued 122,904,924 shares and outstanding 103,254,980 shares at December 31, 2011	1,229	1,229
Paid-in capital	1,317,489	1,418,414
Accumulated other comprehensive loss	(178,845)	(206,121)
Retained earnings	2,019,864	1,960,374
Treasury stock, at cost: 18,983,188 shares at March 31, 2012, and 19,649,944 shares at December 31, 2011	(903,585)	(935,323)
Total ONEOK shareholders' equity	2,256,152	2,238,573
Noncontrolling interests in consolidated subsidiaries	2,123,303	1,561,159
Total equity	4,379,455	3,799,732
Total liabilities and equity	\$ 14,252,076	\$ 13,696,635

-more-

**ONEOK Announces First-quarter 2012 Financial Results;
Reaffirms 2012 Earnings Guidance**

May 1, 2012

Page 4

**ONEOK, Inc. and Subsidiaries
CONSOLIDATED STATEMENTS OF CASH FLOWS**

<i>(Unaudited)</i>	Three Months Ended March 31,	
	2012	2011
	<i>(Thousands of dollars)</i>	
Operating Activities		
Net income	\$ 233,462	\$ 199,346
Depreciation and amortization	83,417	79,391
Impairment of goodwill	10,255	-
Gain on sale of discontinued operations	(13,250)	-
Reclassified loss on energy price risk management assets and liabilities	29,861	-
Equity earnings from investments	(34,620)	(32,092)
Distributions received from unconsolidated affiliates	36,879	27,607
Deferred income taxes	51,411	52,044
Share-based compensation expense	5,008	7,902
Allowance for equity funds used during construction	(975)	(466)
Loss (gain) on sale of assets	(57)	510
Other	(1,360)	(333)
Changes in assets and liabilities:		
Accounts receivable	180,413	53,410
Gas and natural gas liquids in storage	251,227	301,262
Accounts payable	(176,674)	(77,843)
Commodity imbalances, net	(101,604)	(18,092)
Energy marketing and risk management assets and liabilities	(122,900)	(12,683)
Other assets and liabilities	(4,408)	67,818
Cash provided by operating activities	426,085	647,781
Investing Activities		
Capital expenditures (less allowance for equity funds used during construction)	(348,437)	(194,679)
Proceeds from sale of discontinued operations, net of cash sold	32,008	-
Contributions to unconsolidated affiliates	(2,577)	(250)
Distributions received from unconsolidated affiliates	4,062	4,904
Proceeds from sale of assets	521	540
Other	24	-
Cash used in investing activities	(314,399)	(189,485)
Financing Activities		
Borrowing (repayment) of notes payable, net	(422,225)	(556,855)
Issuance of debt, net of discounts	699,657	1,295,450
Long-term debt financing costs	(5,392)	(10,986)
Repayment of debt	(3,082)	(228,137)
Issuance of common stock	2,228	5,024
Issuance of common units	459,735	-
Dividends paid	(63,375)	(55,651)
Distributions to noncontrolling interests	(72,852)	(68,041)
Other	-	(48)
Cash provided by financing activities	594,694	380,756
Change in cash and cash equivalents	706,380	839,052
Change in cash and cash equivalents included in discontinued operations	8,859	7,179
Change in cash and cash equivalents from continuing operations	715,239	846,231
Cash and cash equivalents at beginning of period	65,953	30,341
Cash and cash equivalents at end of period	\$ 781,192	\$ 876,572

-more-

ONEOK Announces First-quarter 2012 Financial Results; Reaffirms 2012 Earnings Guidance

May 1, 2012

Page 5

ONEOK, Inc. and Subsidiaries INFORMATION AT A GLANCE

(Unaudited)	Three Months Ended March 31,	
	2012	2011
(Millions of dollars, except as noted)		
<u>ONEOK Partners</u>		
Net margin	\$ 421.1	\$ 329.5
Operating costs	\$ 115.9	\$ 108.7
Depreciation and amortization	\$ 49.3	\$ 42.7
Operating income	\$ 256.0	\$ 177.6
Capital expenditures	\$ 280.8	\$ 144.8
<u>Natural gas gathering and processing business (a)</u>		
Natural gas gathered (BBtu/d)	1,045	992
Natural gas processed (BBtu/d) (b)	769	641
NGL sales (MBbl/d)	53	44
Residue gas sales (BBtu/d)	357	274
Realized composite NGL net sales price (\$/gallon) (c)	\$ 1.09	\$ 1.09
Realized condensate net sales price (\$/Bbl) (c)	\$ 89.89	\$ 76.25
Realized residue gas net sales price (\$/MMBtu) (c)	\$ 3.71	\$ 6.06
Realized gross processing spread (\$/MMBtu) (c)	\$ 8.59	\$ 8.33
<u>Natural gas pipelines business (a)</u>		
Natural gas transportation capacity contracted (MDth/d)	5,552	5,608
Transportation capacity subscribed	86%	87%
Average natural gas price		
Mid-Continent region (\$/MMBtu)	\$ 2.37	\$ 4.10
<u>Natural gas liquids business</u>		
NGL sales (MBbl/d)	511	478
NGLs fractionated (MBbl/d) (d)	585	495
NGLs transported-gathering lines (MBbl/d) (a)	498	397
NGLs transported-distribution lines (MBbl/d) (a)	485	461
Conway-to-Mont Belvieu OPIS average price differential		
Ethane (\$/gallon)	\$ 0.24	\$ 0.15
(a) - For consolidated entities only.		
(b) - Includes volumes processed at company-owned and third-party facilities.		
(c) - Presented net of the impact of hedging activities and includes equity volumes only.		
(d) - Includes volumes fractionated from company-owned and third-party facilities.		
<u>Natural Gas Distribution</u>		
Net margin	\$ 237.3	\$ 243.7
Operating costs	\$ 105.0	\$ 104.7
Depreciation and amortization	\$ 33.5	\$ 35.9
Operating income	\$ 98.8	\$ 103.1
Capital expenditures	\$ 58.4	\$ 47.2
<u>Natural gas volumes (Bcf)</u>		
Natural gas sales	65.6	75.6
Transportation	57.5	62.4
<u>Natural gas margins</u>		
Net margin on natural gas sales	\$ 201.0	\$ 204.1
Transportation margin	\$ 27.0	\$ 29.0
<u>Energy Services</u>		
Net margin	\$ (15.4)	\$ 55.9
Operating costs	\$ 4.8	\$ 8.0
Depreciation and amortization	\$ 0.2	\$ 0.1
Goodwill impairment	\$ 10.3	\$ -
Operating income (loss)	\$ (30.7)	\$ 47.8
Natural gas marketed (Bcf)	218	259
Natural gas gross margin (\$/Mcf)	\$ (0.07)	\$ 0.22
Physically settled volumes (Bcf)	417	494

-more-

**ONEOK Announces First-quarter 2012 Financial Results;
Reaffirms 2012 Earnings Guidance**

May 1, 2012

Page 6

**ONEOK, Inc. and Subsidiaries
CONSOLIDATING INCOME STATEMENT**

<i>(Unaudited)</i>	Three Months Ended March 31, 2012			
	ONEOK	ONEOK Partners	Consolidating Entries	Consolidated
	<i>(Millions of dollars)</i>			
Operating income				
ONEOK Partners	\$ -	\$ 256	\$ -	\$ 256
Natural Gas Distribution	99	-	-	99
Energy Services	(31)	-	-	(31)
Other	2	-	-	2
Operating income	70	256	-	326
Equity in earnings of ONEOK Partners	128	-	(128)	-
Other income (expense)	4	40	-	44
Interest expense	(23)	(53)	-	(76)
Income taxes	(70)	(4)	-	(74)
Income from continuing operations	109	239	(128)	220
Income (loss) from discontinued operations, net of tax	14	-	-	14
Net Income	123	239	(128)	234
Less: Net income attributable to noncontrolling interests	-	-	111	111
Net income attributable to ONEOK	\$ 123	\$ 239	\$ (239)	\$ 123

<i>(Unaudited)</i>	Three Months Ended March 31, 2011			
	ONEOK	ONEOK Partners	Consolidating Entries	Consolidated
	<i>(Millions of dollars)</i>			
Operating income				
ONEOK Partners	\$ -	\$ 177	\$ -	\$ 177
Natural Gas Distribution	103	-	-	103
Energy Services	48	-	-	48
Other	-	-	-	-
Operating income	151	177	-	328
Equity in earnings of ONEOK Partners	82	-	(82)	-
Other income (expense)	(1)	34	-	33
Interest expense	(22)	(57)	-	(79)
Income taxes	(81)	(3)	-	(84)
Income from continuing operations	129	151	(82)	198
Income (loss) from discontinued operations, net of tax	1	-	-	1
Net Income	130	151	(82)	199
Less: Net income attributable to noncontrolling interests	-	-	69	69
Net income attributable to ONEOK	\$ 130	\$ 151	\$ (151)	\$ 130

-more-

**ONEOK Announces First-quarter 2012 Financial Results;
Reaffirms 2012 Earnings Guidance**

May 1, 2012

Page 7

ONEOK, Inc. and Subsidiaries

RECONCILIATION OF NON-GAAP FINANCIAL MEASURE

ONEOK, Inc. Stand-Alone Cash Flow, Before Changes in Working Capital

<i>(Unaudited)</i>	Three Month Ended March 31, 2012	
	<i>(Millions of dollars)</i>	
Net income	\$	233.5
Net income attributable to noncontrolling interests		(110.6)
Equity in earnings of ONEOK Partners		(128.4)
Distributions received from ONEOK Partners		91.5
Depreciation, amortization and impairment		44.4
Deferred income taxes		49.5
Gain on sale of discontinued operations		(13.3)
Reclassified loss on energy price risk management assets and liabilities		29.9
Other		3.7
Cash flow, before changes in working capital	\$	200.2