ONEOK, Inc. and Subsidiaries
CONSOLIDATED STATEMENTS OF INCOME

(*Unaudited*)	Three Months Ended December 31, 2017	Three Months Ended December 31, 2016	Years Ended December 31, 2017	Years Ended December 31, 2016
	(*Thousands of dollars, except per share amounts*)			
Revenues				
Commodity sales	**$ 3,162,392**	$ 2,101,150	**$ 9,862,652**	$ 6,858,456
Services	**629,766**	553,311	**2,311,255**	2,062,478
Total revenues	**3,792,158**	2,654,461	**12,173,907**	8,920,934
Cost of sales and fuel (exclusive of items shown separately below)	**3,073,764**	2,021,470	**9,538,045**	6,496,124
Operations and maintenance	**194,511**	179,859	**735,190**	668,335
Depreciation and amortization	**103,769**	99,310	**406,335**	391,585
Impairment of long-lived assets	**—**	—	**15,970**	—
General taxes	**22,298**	24,320	**98,396**	88,849
Gain on sale of assets	**(20)**	(98)	**(924)**	(9,635)
Operating income	**397,836**	329,600	**1,380,895**	1,285,676
Equity in net earnings from investments	**40,293**	39,249	**159,278**	139,690
Impairment of equity investments	**—**	—	**(4,270)**	—
Allowance for equity funds used during construction	**32**	1	**107**	209
Other income	**3,715**	183	**15,385**	6,091
Other expense	**(1,505)**	(5,214)	**(24,936)**	(4,059)
Interest expense (net of capitalized interest of $1,256, $1,326, $5,510 and $10,591, respectively)	**(124,190)**	(114,188)	**(485,658)**	(469,651)
Income before income taxes	**316,181**	249,631	**1,040,801**	957,956
Income taxes	**(251,369)**	(54,870)	**(447,282)**	(212,406)
Income from continuing operations	**64,812**	194,761	**593,519**	745,550
Income (loss) from discontinued operations, net of tax	**—**	(296)	**—**	(2,051)
Net income	**64,812**	194,465	**593,519**	743,499
Less: Net income attributable to noncontrolling interests	**1,767**	103,960	**205,678**	391,460
Net income attributable to ONEOK	**63,045**	90,505	**387,841**	352,039
Less: Preferred stock dividends	**274**	—	**767**	—
Net income available to common shareholders	**$ 62,771**	$ 90,505	**$ 387,074**	$ 352,039
Amounts available to common shareholders:				
Income from continuing operations	**$ 62,771**	$ 90,801	**$ 387,074**	$ 354,090
Income (loss) from discontinued operations	**—**	(296)	**—**	(2,051)
Net income	**$ 62,771**	$ 90,505	**$ 387,074**	$ 352,039
Basic earnings per common share:				
Income from continuing operations	**$ 0.16**	$ 0.43	**$ 1.30**	$ 1.68
Income (loss) from discontinued operations	**—**	—	**—**	(0.01)
Net income	**$ 0.16**	$ 0.43	**$ 1.30**	$ 1.67
Diluted earnings per common share:				
Income from continuing operations	**$ 0.16**	$ 0.43	**$ 1.29**	$ 1.67
Income (loss) from discontinued operations	**—**	—	**—**	(0.01)
Net income	**$ 0.16**	$ 0.43	**$ 1.29**	$ 1.66
Average shares (*thousands*)				
Basic	**385,586**	211,398	**297,477**	211,128
Diluted	**388,071**	213,157	**299,780**	212,383
Dividends declared per share of common stock	**$ 0.745**	$ 0.615	**$ 2.72**	$ 2.46

ONEOK, Inc. and Subsidiaries
CONSOLIDATED BALANCE SHEETS

(Unaudited)	December 31, 2017	December 31, 2016
	(Thousands of dollars)	
Assets		
Current assets		
Cash and cash equivalents	**$ 37,193**	$ 248,875
Accounts receivable, net	**1,202,951**	872,430
Materials and supplies	**90,301**	60,912
Natural gas and natural gas liquids in storage	**342,293**	140,034
Commodity imbalances	**38,712**	60,896
Other current assets	**53,008**	45,986
Assets of discontinued operations	**—**	551
Total current assets	**1,764,458**	1,429,684
Property, plant and equipment		
Property, plant and equipment	**15,559,667**	15,078,497
Accumulated depreciation and amortization	**2,861,541**	2,507,094
Net property, plant and equipment	**12,698,126**	12,571,403
Investments and other assets		
Investments in unconsolidated affiliates	**1,003,156**	958,807
Goodwill and intangible assets	**993,460**	1,005,359
Deferred income taxes	**205,907**	—
Other assets	**180,830**	162,998
Assets of discontinued operations	**—**	10,500
Total investments and other assets	**2,383,353**	2,137,664
Total assets	**$ 16,845,937**	$ 16,138,751

ONEOK, Inc. and Subsidiaries
CONSOLIDATED BALANCE SHEETS
(Continued)

(Unaudited)	**December 31, 2017**	December 31, 2016
Liabilities and equity	*(Thousands of dollars)*	
Current liabilities		
Current maturities of long-term debt	**$ 432,650**	$ 410,650
Short-term borrowings	**614,673**	1,110,277
Accounts payable	**1,140,571**	874,731
Commodity imbalances	**164,161**	142,646
Accrued interest	**135,309**	112,514
Other current liabilities	**179,971**	166,042
Liabilities of discontinued operations	**—**	19,841
Total current liabilities	**2,667,335**	2,836,701
Long-term debt, excluding current maturities	**8,091,629**	7,919,996
Deferred credits and other liabilities		
Deferred income taxes	**52,697**	1,623,822
Other deferred credits	**348,924**	321,846
Liabilities of discontinued operations	**—**	7,471
Total deferred credits and other liabilities	**401,621**	1,953,139
Commitments and contingencies		
Equity		
ONEOK shareholders' equity:		
Preferred stock, $0.01 par value: issued 20,000 shares at December 31, 2017, and no shares at December 31, 2016	**—**	—
Common stock, $0.01 par value: authorized 1,200,000,000 shares, issued 423,166,234 shares and outstanding 388,703,543 shares at December 31, 2017; authorized 600,000,000 shares, issued 245,811,180 shares and outstanding 210,681,661 shares at December 31, 2016	**4,232**	2,458
Paid-in capital	**6,588,878**	1,234,314
Accumulated other comprehensive loss	**(188,530)**	(154,350)
Retained earnings	**—**	—
Treasury stock, at cost: 34,462,691 shares at December 31, 2017, and 35,129,519 shares at December 31, 2016	**(876,713)**	(893,677)
Total ONEOK shareholders' equity	**5,527,867**	188,745
Noncontrolling interests in consolidated subsidiaries	**157,485**	3,240,170
Total equity	**5,685,352**	3,428,915
Total liabilities and equity	**$ 16,845,937**	$ 16,138,751

ONEOK, Inc. and Subsidiaries
CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)	Years Ended December 31, 2017	2016
	(Thousands of dollars)	
Operating activities		
Net income	**$ 593,519**	$ 743,499
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	**406,335**	391,585
Impairment charges	**20,240**	—
Noncash contribution of preferred stock, net of tax	**12,600**	—
Equity in net earnings from investments	**(159,278)**	(139,690)
Distributions received from unconsolidated affiliates	**167,372**	144,673
Deferred income taxes	**437,917**	211,638
Share-based compensation expense	**26,262**	40,563
Pension and postretirement benefit expense, net of contributions	**4,079**	11,643
Allowance for equity funds used during construction	**(107)**	(209)
Gain on sale of assets	**(924)**	(9,635)
Changes in assets and liabilities:		
Accounts receivable	**(330,521)**	(285,806)
Natural gas and natural gas liquids in storage	**(202,259)**	(11,950)
Accounts payable	**261,305**	287,632
Commodity imbalances, net	**43,699**	45,971
Settlement of exit activities liabilities	**(9,707)**	(19,906)
Accrued interest	**22,795**	(16,529)
Risk-management assets and liabilities	**37,617**	(78,136)
Other assets and liabilities, net	**(15,532)**	37,998
Cash provided by operating activities	**1,315,412**	1,353,341
Investing activities		
Capital expenditures (less allowance for equity funds used during construction)	**(512,393)**	(624,634)
Contributions to unconsolidated affiliates	**(87,861)**	(68,275)
Distributions received from unconsolidated affiliates in excess of cumulative earnings	**28,742**	52,044
Proceeds from sale of assets	**3,879**	25,420
Cash used in investing activities	**(567,633)**	(615,445)
Financing activities		
Dividends paid	**(829,414)**	(517,601)
Distributions to noncontrolling interests	**(276,260)**	(549,419)
Borrowing (repayment) of short-term borrowings, net	**(495,604)**	563,937
Issuance of long-term debt, net of discounts	**1,190,496**	1,000,000
Debt financing costs	**(11,425)**	(2,770)
Repayment of long-term debt	**(994,776)**	(1,108,040)
Issuance of common stock	**471,358**	21,971
Other	**(13,836)**	5,403
Cash used in financing activities	**(959,461)**	(586,519)
Change in cash and cash equivalents	**(211,682)**	151,377
Change in cash and cash equivalents included in discontinued operations	**—**	(121)
Change in cash and cash equivalents from continuing operations	**(211,682)**	151,256
Cash and cash equivalents at beginning of period	**248,875**	97,619
Cash and cash equivalents at end of period	**$ 37,193**	$ 248,875

ONEOK, Inc. and Subsidiaries
INFORMATION AT A GLANCE

	Three Months Ended December 31,		Years Ended December 31,	
(*Unaudited*)	**2017**	**2016**	**2017**	**2016**
	(*Millions of dollars, except as noted*)			
Natural Gas Liquids				
Operating costs	**$ 103.5**	$ 90.9	**$ 359.8**	$ 327.6
Depreciation and amortization	**$ 42.8**	$ 41.1	**$ 167.3**	$ 163.3
Equity in net earnings from investments	**$ 15.8**	$ 13.3	**$ 59.9**	$ 54.5
Adjusted EBITDA	**$ 309.4**	$ 253.6	**$ 1,154.9**	$ 1,079.6
NGLs transported-gathering lines (*MBbl/d*) (a)	**867**	744	**812**	770
NGLs fractionated (*MBbl/d*) (b)	**682**	579	**621**	586
NGLs transported-distribution lines (*MBbl/d*) (a)	**592**	520	**567**	508
Average Conway-to-Mont Belvieu OPIS price differential - ethane in ethane/propane mix (*$/gallon*)	**$ 0.07**	$ 0.02	**$ 0.05**	$ 0.03
Capital expenditures	**$ 54.5**	$ 20.4	**$ 114.3**	$ 105.9

(a) - Includes volumes for consolidated entities only.
(b) - Includes volumes at company-owned and third-party facilities.

Natural Gas Gathering and Processing				
Operating costs	**$ 84.4**	$ 77.2	**$ 309.5**	$ 285.6
Depreciation and amortization	**$ 47.1**	$ 45.2	**$ 184.9**	$ 178.5
Equity in net earnings from investments, excluding impairment	**$ 2.3**	$ 2.7	**$ 12.1**	$ 10.7
Adjusted EBITDA	**$ 144.3**	$ 126.6	**$ 518.5**	$ 446.8
Natural gas gathered (*BBtu/d*) (a)	**2,402**	1,995	**2,211**	2,034
Natural gas processed (*BBtu/d*) (a) (b)	**2,235**	1,869	**2,056**	1,882
NGL sales (*MBbl/d*) (a)	**196**	156	**187**	156
Residue natural gas sales (*BBtu/d*) (a)	**975**	829	**896**	865
Realized composite NGL net sales price (*$/gallon*) (a) (c) (d)	**$ 0.20**	$ 0.25	**$ 0.22**	$ 0.23
Realized condensate net sales price (*$/Bbl*) (a) (c) (e)	**$ 38.93**	$ 42.60	**$ 35.22**	$ 38.31
Realized residue natural gas net sales price (*$/MMBtu*) (a) (c) (e)	**$ 2.35**	$ 2.95	**$ 2.48**	$ 2.80
Average fee rate (*$/MMBtu*) (a)	**$ 0.86**	$ 0.84	**$ 0.86**	$ 0.76
Capital expenditures	**$ 98.5**	$ 84.7	**$ 284.2**	$ 410.5

(a) - Includes volumes for consolidated entities only.
(b) - Includes volumes at company-owned and third-party facilities.
(c) - Includes the impact of hedging activities on ONEOK's equity volumes.
(d) - Net of transportation and fractionation costs.
(e) - Net of transportation costs.

Natural Gas Pipelines				
Operating costs	**$ 33.7**	$ 30.5	**$ 126.2**	$ 115.6
Depreciation and amortization	**$ 13.1**	$ 12.1	**$ 51.0**	$ 46.7
Equity in net earnings from investments	**$ 22.2**	$ 23.2	**$ 87.3**	$ 74.4
Adjusted EBITDA	**$ 88.7**	$ 89.9	**$ 339.8**	$ 313.1
Natural gas transportation capacity contracted (*MDth/d*) (a)	**6,642**	6,659	**6,611**	6,345
Transportation capacity contracted (a)	**95%**	97%	**94%**	92%
Capital expenditures	**$ 24.9**	$ 24.6	**$ 95.6**	$ 96.3

(a) - Includes volumes for consolidated entities only.

ONEOK, Inc.
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

	Three Months Ended December 31,		Years Ended December 31,	
(Unaudited)	**2017**	**2016**	**2017**	**2016**
	(Thousands of dollars, except per share amounts)			
Reconciliation of Income from Continuing Operations to Adjusted EBITDA and Distributable Cash Flow				
Income from continuing operations	**$ 64,812**	$ 194,761	**$ 593,519**	$ 745,550
Interest expense, net of capitalized interest	**124,190**	114,188	**485,658**	469,651
Depreciation and amortization	**103,769**	99,310	**406,335**	391,585
Income taxes	**251,369**	54,870	**447,282**	212,406
Impairment charges	**—**	—	**20,240**	—
Noncash compensation expense	**3,631**	11,811	**13,421**	31,981
Other noncash items and equity AFUDC (a)	**(52)**	(880)	**20,398**	(1,255)
Adjusted EBITDA (b)	**547,719**	474,060	**1,986,853**	1,849,918
Interest expense	**(124,190)**	(114,188)	**(485,658)**	(469,651)
Maintenance capital	**(67,184)**	(46,039)	**(147,157)**	(112,364)
Equity in net earnings from investments; excluding noncash impairment charges	**(40,293)**	(39,249)	**(159,278)**	(139,690)
Distributions received from unconsolidated affiliates	**50,020**	47,318	**196,114**	196,717
Other	**(58)**	(3,652)	**(6,213)**	(2,644)
Distributable cash flow (b)	**$ 366,014**	$ 318,250	$ 1,384,661	**$ 1,322,286**
Dividends paid to preferred shareholders	**(275)**	—	**(627)**	—
Distributions paid to public limited partners	**—**	(135,480)	**(270,959)**	(541,919)
Distributable cash flow to shareholders	**$ 365,739**	$ 182,770	**$ 1,113,075**	$ 780,367
Dividends paid per share	**$ 0.745**	$ 0.615	**$ 2.720**	$ 2.460
Dividend coverage ratio (b)	**1.28**	1.41	**1.34**	1.51
Number of shares used in computation (*thousands*)	**383,439**	210,523	**304,435**	210,216

(a) Full-year 2017 totals include ONEOK's April 2017 contribution to the ONEOK Foundation of 20,000 shares of Series E Preferred Stock, with an aggregate value of $20 million.
(b) Full-year 2017 amounts include transaction-related pretax cash costs of approximately $30 million, or 0.04 times dividend coverage, associated with the ONEOK and ONEOK Partners merger transaction.