



# JEFFERIES 2016 GLOBAL ENERGY CONFERENCE

Houston, TX | Nov. 29, 2016

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# 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 the 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 and ONEOK Partners' 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 or ONEOK Partners.

All references in this presentation to financial guidance are based on news releases issued on Dec. 21, 2015, Feb. 22, 2016, May 3, 2016, Aug. 2, 2016, and Nov. 1, 2016, and are not being updated or affirmed by this presentation.



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# INDEX

ONEOK Overview	4
ONEOK Partners Overview	6
Appendix	
– ONEOK Partners	17
– Financial Strength	20
– ONEOK Partners Business Segments	24
– Natural Gas Liquids	25
– Natural Gas Gathering and Processing	29
– Natural Gas Pipelines	35
– ONEOK Partners Non-GAAP Reconciliations	38

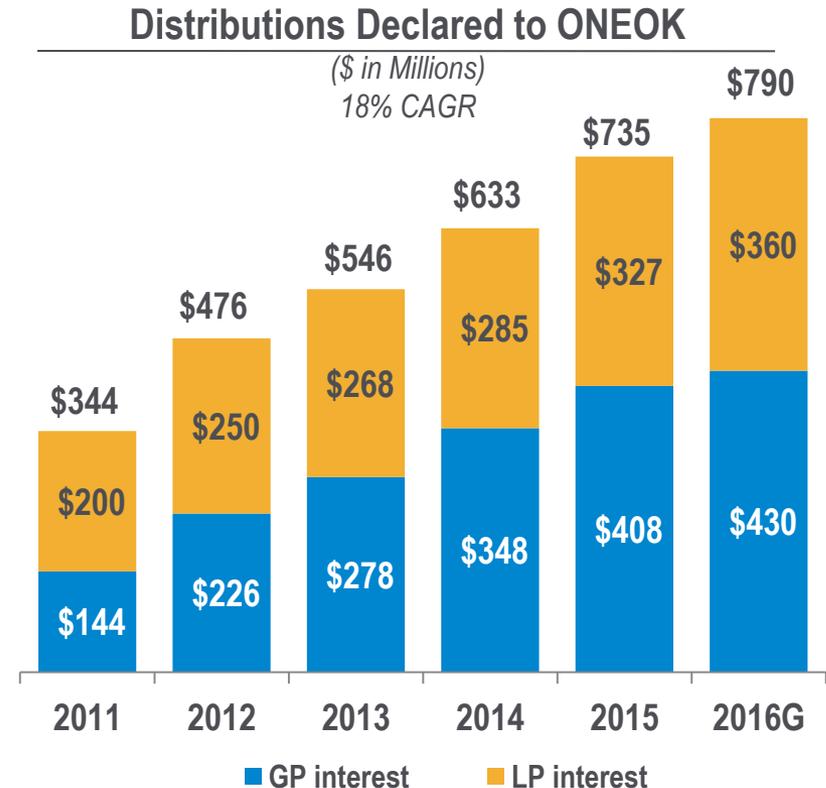
# ONEOK OVERVIEW



# OKS GROWTH BENEFITS OKE

## VALUE OF GP INTEREST TO ONEOK

- Nearly 70% of every incremental ONEOK Partners adjusted EBITDA dollar, at current ownership level, flows to ONEOK as ONEOK Partners distributions
- Potential uses for cash at ONEOK:
  - Support ONEOK Partners, if needed
  - Purchase additional ONEOK Partners units
  - Repay debt
  - Repurchase ONEOK shares
  - Fund ONEOK Partners capital-growth at the ONEOK level
  - Support acquisitions
  - Increase dividends to shareholders



# ONEOK PARTNERS OVERVIEW

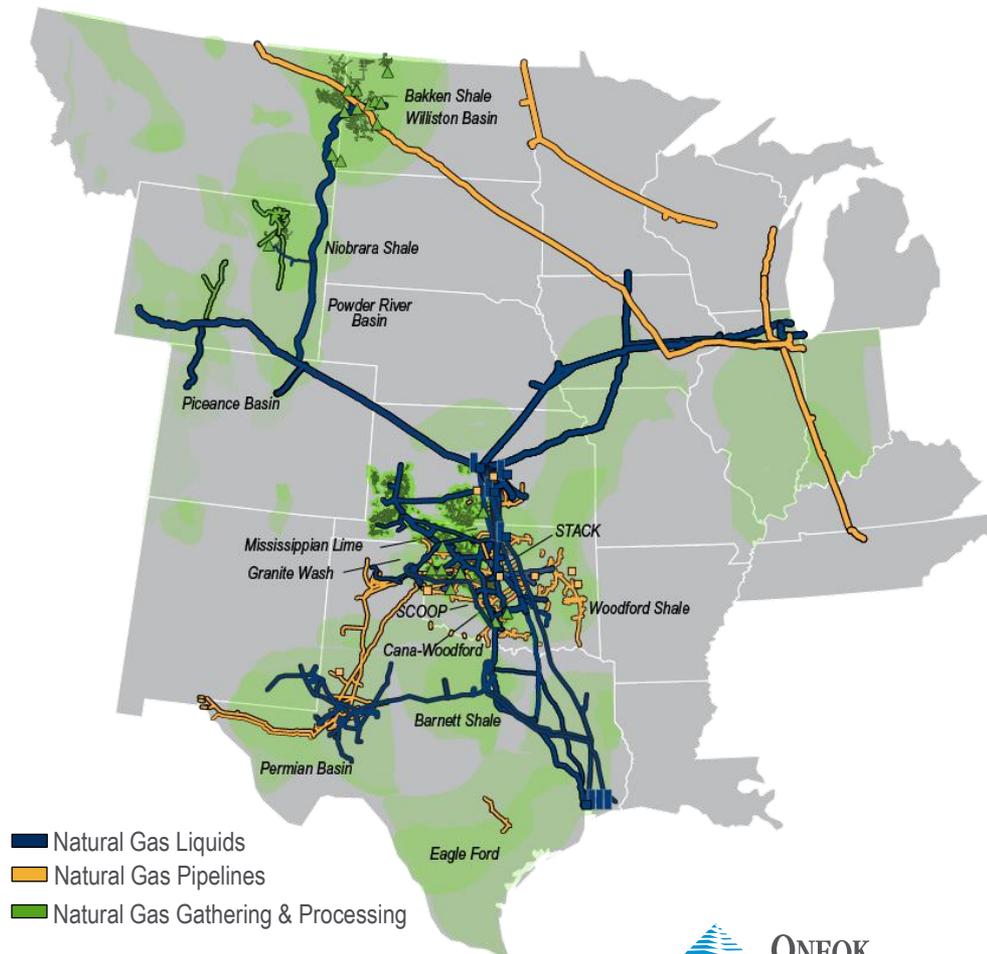


# ONEOK PARTNERS

## GEOGRAPHICALLY DIVERSE ASSETS



- Owns and operates strategically located assets in midstream natural gas liquids and natural gas businesses
- Provides nondiscretionary services to producers, processors and customers
- Extensive 37,000-mile integrated network of natural gas liquids and natural gas pipelines
- Supply and market diversity create opportunities



# OKS GROWTH: 2006 – 2016

COMPLETED ~\$9 BILLION OF GROWTH PROJECTS AND ACQUISITIONS

## 2. Niobrara/Powder River Basin

- Niobrara NGL Lateral
- OPPL Expansion
- Sage Creek and NGL Infrastructure Acquisition

## 4. Permian Basin and Gulf Coast

- Roadrunner Gas Transmission Pipeline
- WesTex Transmission Pipeline Expansion
- Sterling I Expansion
- Sterling I and II Reconfiguration
- Sterling III and Arbuckle Pipelines
- MB II and III Fractionators
- Mont Belvieu E/P Splitter
- Ethane Header Pipeline
- West Texas LPG Pipeline System Acquisition

## 1. Bakken/Williston Basin

- Plants: Garden Creek I, II and III; Grasslands Plant Expansion; Stateline I and II; Lonesome Creek; and Bear Creek
- Bakken NGL Pipeline and Expansion Phase I
- Stateline de-ethanizers
- Field Compression and Related Infrastructure
- Divide County Gathering System
- Related NGL Infrastructure

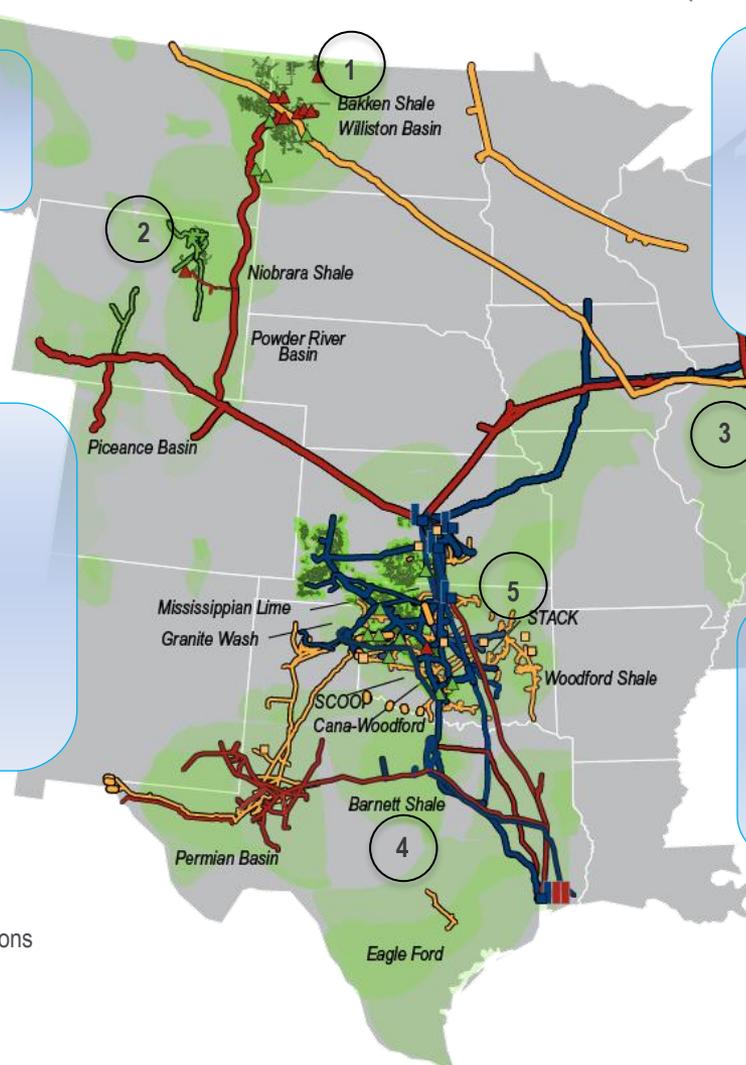
## 3. Midwest Region

- MGT/Compressor Station
- Midwestern Extension
- Guardian II Expansion
- North System Acquisition

## 5. Mid-Centent Region

- Canadian Valley Plant
- NGL Plant Connections
- Bushton Fractionator Expansion
- NGL Pipeline and Hutchinson Fractionator Infrastructure
- Maysville Plant Acquisition

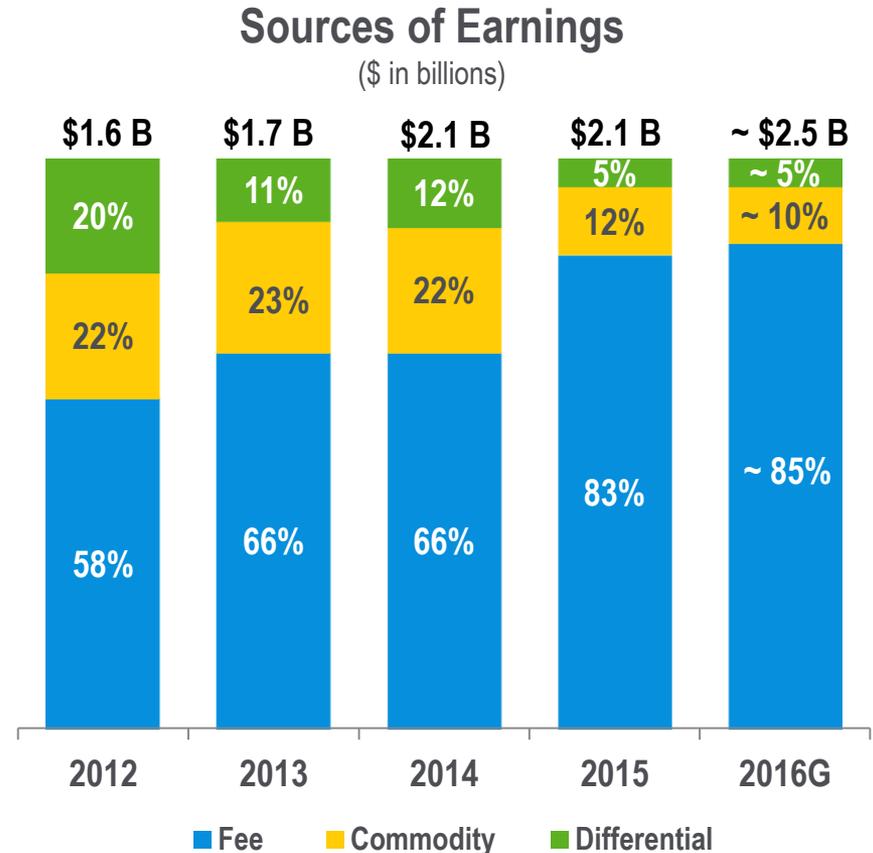
- Natural Gas Gathering & Processing
- Natural Gas Liquids
- Natural Gas Pipelines
- Completed Growth Projects and Acquisitions



# ONEOK PARTNERS SOURCES OF EARNINGS

TRANSFORMED TO MORE FEE BASED

- Volume risk
  - Exists primarily in natural gas gathering and processing and natural gas liquids segments
    - Ethane opportunity impacts the natural gas liquids segment
  - Mitigated by supply and market diversity, firm-based, frac-or-pay and ship-or-pay contracts
  - Mitigated by significant acreage dedications in the core areas of the basins we operate in
- Commodity price risk significantly reduced
  - Recontracting efforts increased fee-based earnings and decreased commodity exposure
  - Remaining commodity exposure mitigated by hedging
- Price differential risk
  - NGL location price differentials between Mid-Continent and Gulf Coast and product price differentials
  - Optimization expected to be less of a contributor
    - Assets can be utilized to capture location and product price differentials

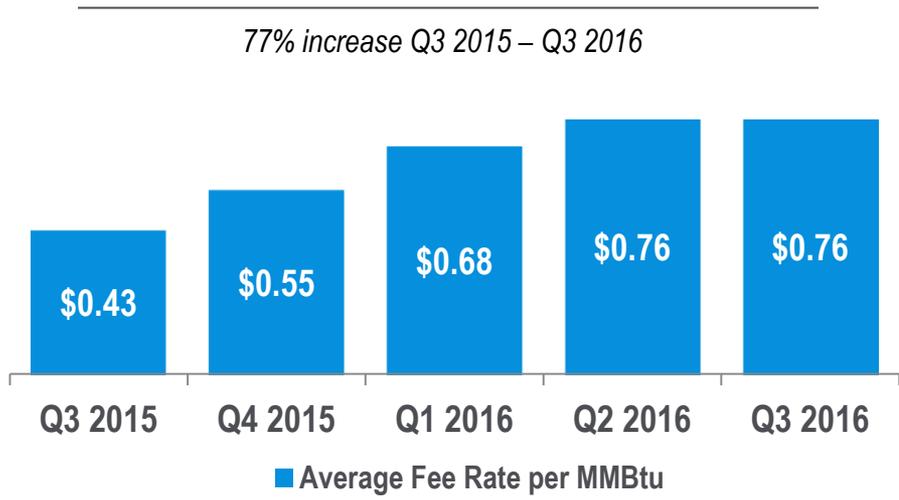


# NATURAL GAS GATHERING AND PROCESSING

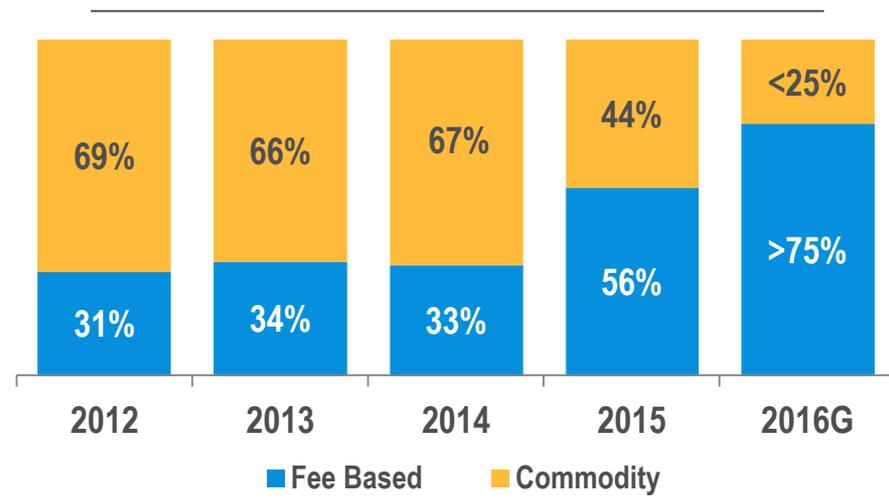
## PRIMARILY FEE BASED

- Achieving increased fee-based contract mix by restructuring percent-of-proceeds (POP) contracts with a fee component to include a higher fee rate
  - Increasing fee-based earnings while providing enhanced services to customers
- Restructuring efforts continue to be successful and are ongoing

Average Fee Rate



Contract Mix by Earnings



# STACK AND SCOOP PLAYS\*

POSITIONED AS A CRITICAL SERVICE PROVIDER ACROSS ALL BUSINESS SEGMENTS

## Natural Gas Liquids

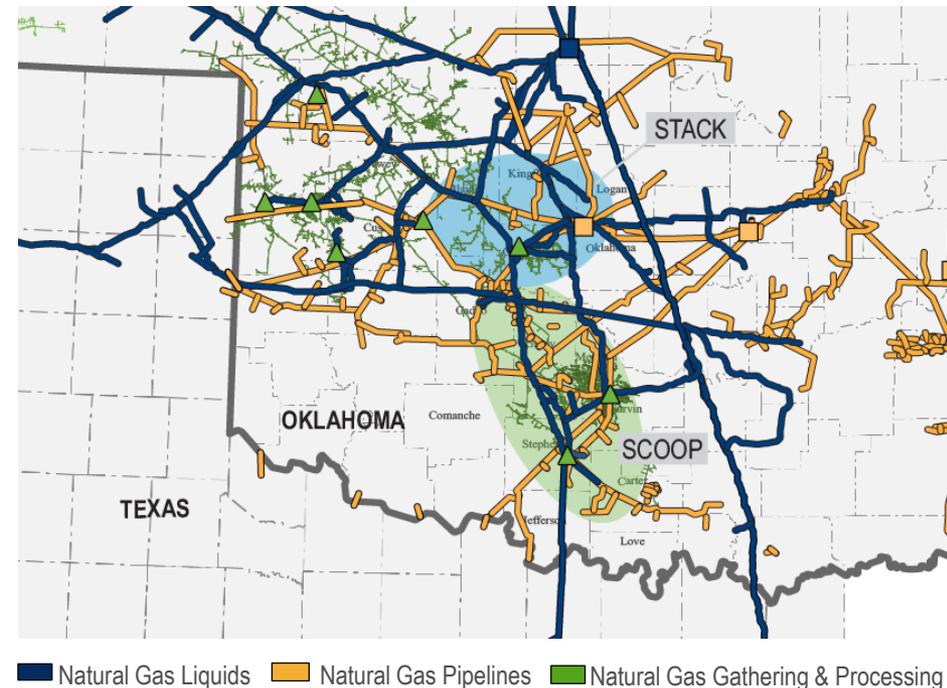
- Approximately 100 third-party plant connections in Mid-Continent
- Incremental 100,000 bpd of expected supply by 2019
  - 40,000 bpd of available gathering capacity; expandable to 100,000 bpd with less than \$100 million of capital expenditures

## Natural Gas Gathering and Processing

- Access to nearly 700 MMcf/d of processing capacity through integrated asset network
- Approximately 120 MMcf/d of natural gas processing capacity available

## Natural Gas Pipelines

- Extensive pipeline footprint across the region
- Flexibility from approximately 50 Bcf of storage capacity
- Opportunities to match supply with markets



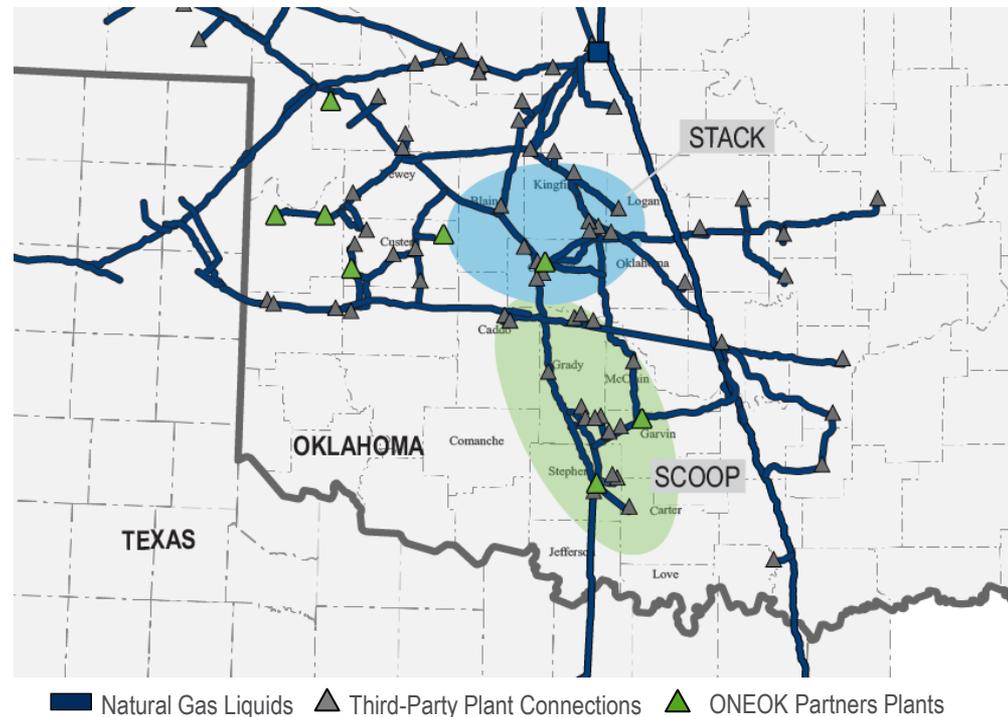
\*STACK: Sooner Trend (oil field), Anadarko (basin), Canadian and Kingfisher (counties)

\*SCOOP: South Central Oklahoma Oil Province

# STACK AND SCOOP PLAYS

NATURAL GAS LIQUIDS – POSITIONED AS A CRITICAL NGL TAKEAWAY PROVIDER

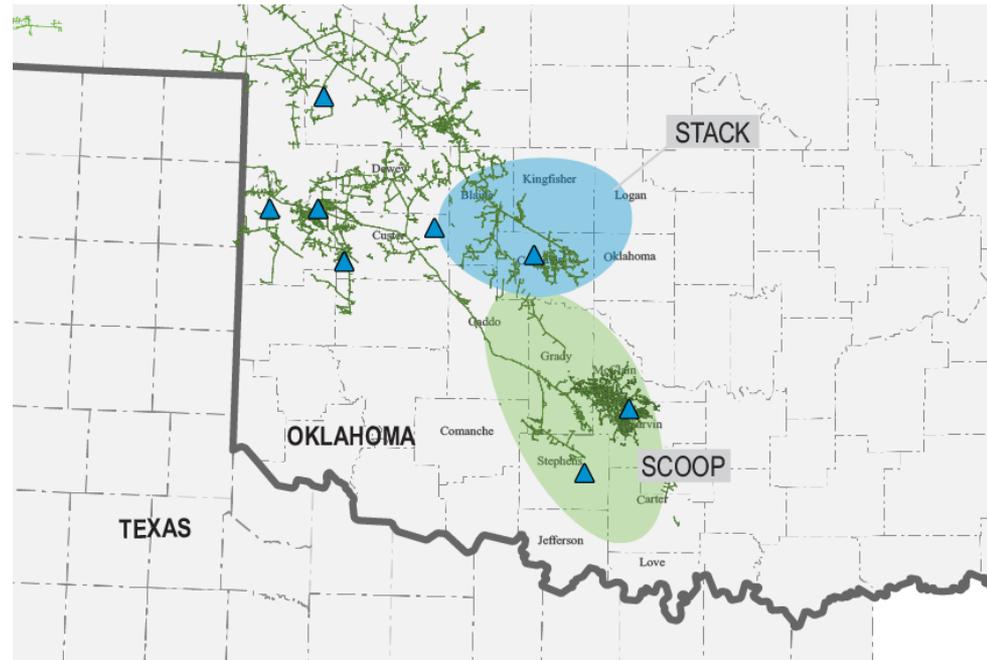
- Currently gathering approximately 150,000 – 200,000 bpd of NGLs
- Three new processing plant connections in the STACK and SCOOP expected by the end of 2017
- Expect an incremental 100,000 bpd of NGLs gathered by the end of 2019
- Approximately 110 existing plant connections in the Mid-Continent
- 40,000 bpd of available gathering capacity
  - Expandable to 100,000 bpd with less than \$100 million of capital expenditures



# STACK AND SCOOP PLAYS

NATURAL GAS GATHERING AND PROCESSING – WELL-POSITIONED FOOTPRINT

- Approximately 200,000 acres dedicated to ONEOK Partners in the STACK
- Well completions expected to increase in the fourth quarter 2016
- Producers are seeing some wells average 8 to 10 MMcf/d initial production rates



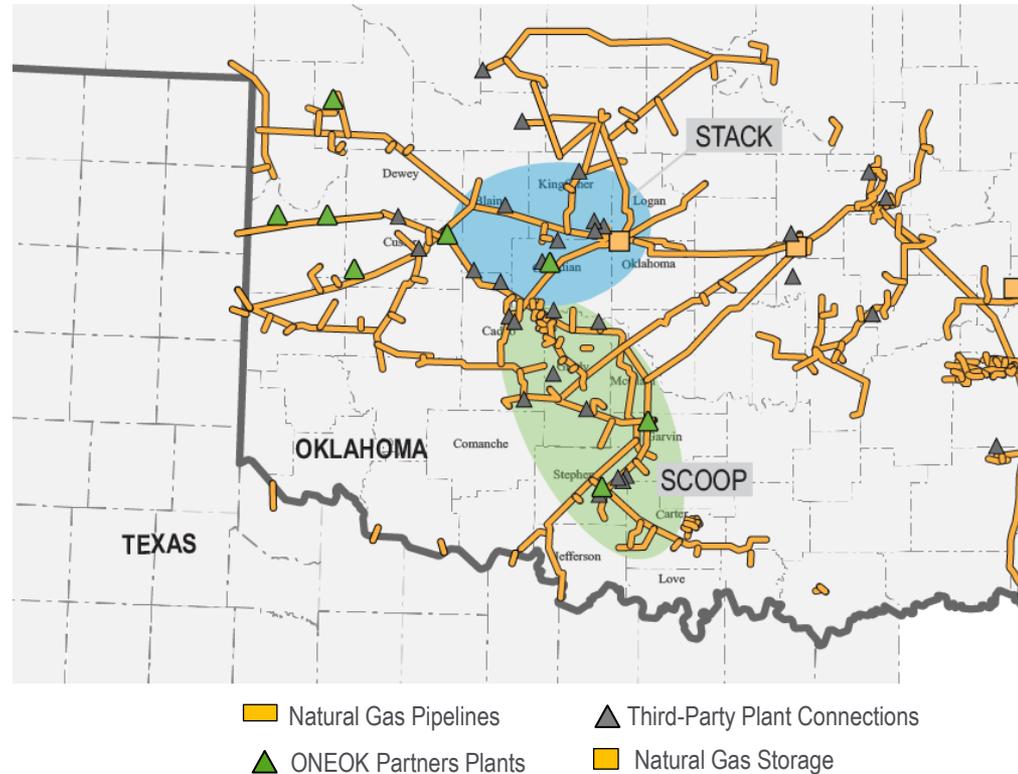
■ Natural Gas Gathering and Processing Pipelines    ▲ ONEOK Partners Plants



# STACK AND SCOOP PLAYS

## NATURAL GAS PIPELINES – PROVIDING CONNECTIVITY

- Connected to 34 natural gas processing plants in Oklahoma with a total capacity of 1.8 Bcf/d
- Access to on-system utility and industrial markets
- Recently announced binding open season to expand ONEOK Gas Transmission Pipeline
  - Firm commitment for 100 MMcf/d secured
- Approximately 50 Bcf of natural gas storage capacity in Oklahoma

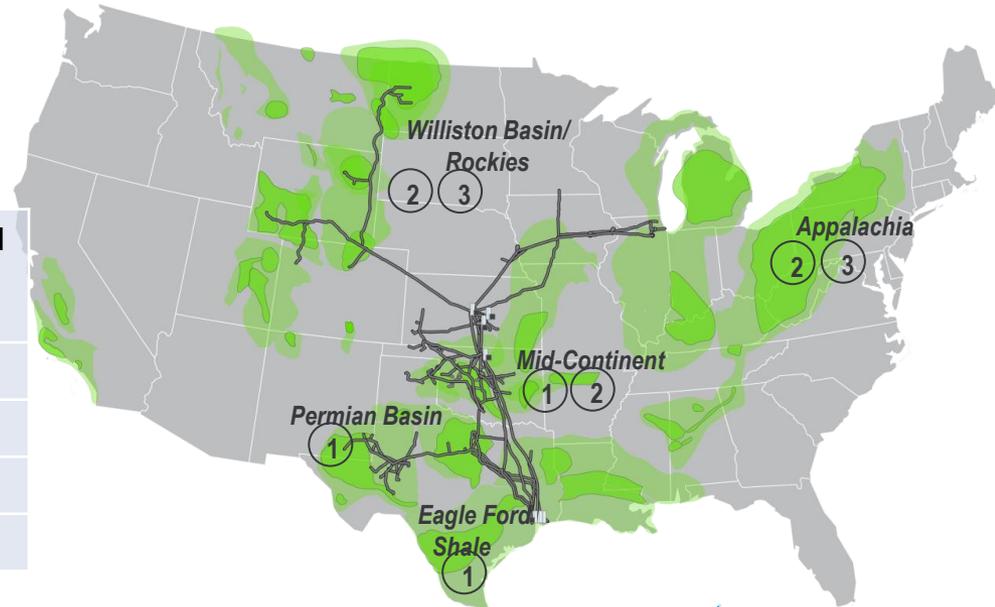


# ETHANE RECOVERY BY BASIN

## INCREMENTAL ETHANE DEMAND CAPACITY

- Approximately one-third of all U.S. ethane being rejected is on ONEOK Partners' NGL system
- ONEOK Partners' NGL infrastructure already connects supply to Gulf Coast region
  - Incremental ethane transported and fractionated volume potential of 175,000 – 200,000 bpd
  - Potential annual earnings uplift from full ethane recovery estimated to be approximately \$200 million
- Basins closer to market hubs will likely be the first to recover ethane
- Incremental ethane opportunity for the partnership by basin:
  - Mid-Continent: ~140,000 bpd
  - Williston Basin: ~35,000 bpd
  - Permian: ~10,000 bpd

Ethane Supply	Expected Timing	Expected Incremental Petrochemical and Export Capacity*
1	2Q2016 – 1Q2017	260,000 bpd
2	2Q2017 – 4Q2017	344,000 bpd
3	1Q2018 – 1Q2020	282,000 bpd
	<b>Total</b>	<b>886,000 bpd</b>





# APPENDIX

# ONEOK PARTNERS



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# ONEOK PARTNERS

## *UNIQUELY POSITIONED TO CREATE LONG-TERM VALUE*

- Increasing fee-based earnings through gathering, processing, fractionation, storage and transport services
  - ONEOK Partners' fee-based earnings are expected to increase to more than 85% in 2016 from approximately 66% in 2014
- Market driven projects continue to emerge – NGL and natural gas
  - Natural gas exports to Mexico driven by growing demand
  - Ethane demand projected to significantly increase due to petrochemical facilities
  - Lower natural gas prices could stimulate more ethane recovery
- Supply and market diversification – strategic, integrated assets in growing NGL-rich plays and well-positioned in major market areas
  - NGL-rich plays: Williston, Powder River, Mid-Continent and Permian
  - Major markets: Gulf Coast, Midwest and Southwest
- Well positioned in core areas of the Williston Basin and STACK and SCOOP plays
  - Large backlog of drilled but uncompleted wells in the Williston Basin
  - Recent compression infrastructure, Lonesome Creek and Bear Creek plants capture flared gas inventory
  - Available capacity and market connectivity to serve STACK and SCOOP customers
  - Drilling in most productive areas of the Williston Basin and STACK and SCOOP plays\*
- Strong, investment-grade balance sheet, liquidity and financial flexibility as a result of disciplined growth and prudent financial actions

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# OUR KEY STRATEGIES

## A PREMIER ENERGY COMPANY

### GROWTH

- Increase distributable cash flow through investments in organic growth projects and strategic acquisitions
  - Continue to increase NGL and natural gas volume
  - Continue to grow/expand our integrated natural gas liquids and natural gas infrastructure by utilizing our strategic supply and market positions
  - Continue to increase fee-based earnings in all three business segments

### FINANCIAL

- Proactively manage balance sheet and maintain investment-grade credit ratings at ONEOK Partners
  - Manage capital spending and distribution growth rates over the long term, resulting in financial strength
  - Continue to take necessary steps to maintain investment-grade credit rating

### ENVIRONMENT, SAFETY AND HEALTH

- Continue sustainable improvement in ESH performance
  - Continue to maintain the mechanical reliability of our assets

### PEOPLE

- Attract, select, develop, motivate, challenge and retain a diverse and inclusive group of employees to support strategy execution

# FINANCIAL STRENGTH

# STRONG BALANCE SHEETS

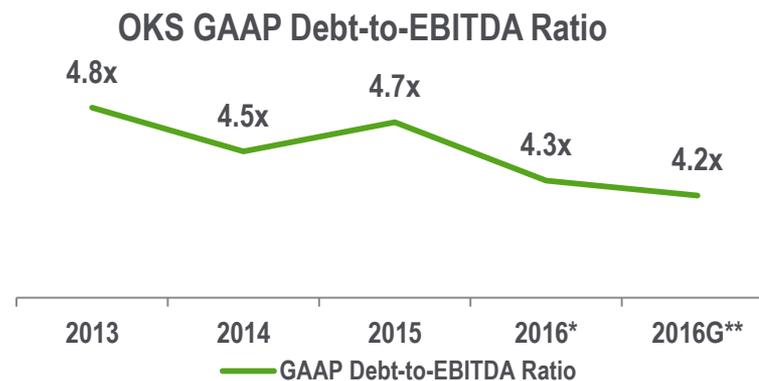
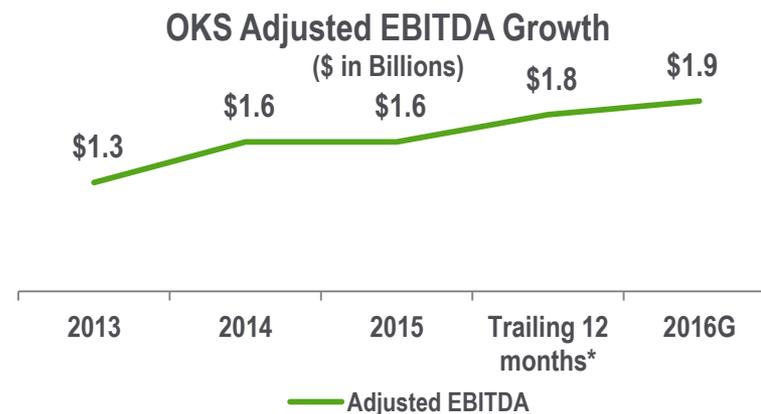
COMMITTED TO OKS INVESTMENT-GRADE CREDIT RATING

## ONEOK Partners

- Leverage target
  - Debt-to-Adjusted EBITDA ratio < 4.0x
- Committed to taking necessary steps to keep investment-grade credit ratings
  - S&P: BBB
  - Moody's: Baa2
- \$2.4 billion revolving credit facility
  - Matures 2020

## ONEOK

- \$300 million revolving credit facility
  - Matures 2020
- Significant free cash flow at OKE available to support OKS, if needed
  - Expect \$250 million of cash on hand at year-end 2016
- No debt maturities until 2022
- Stand-alone, net debt-to-Adjusted EBITDA 1.8x



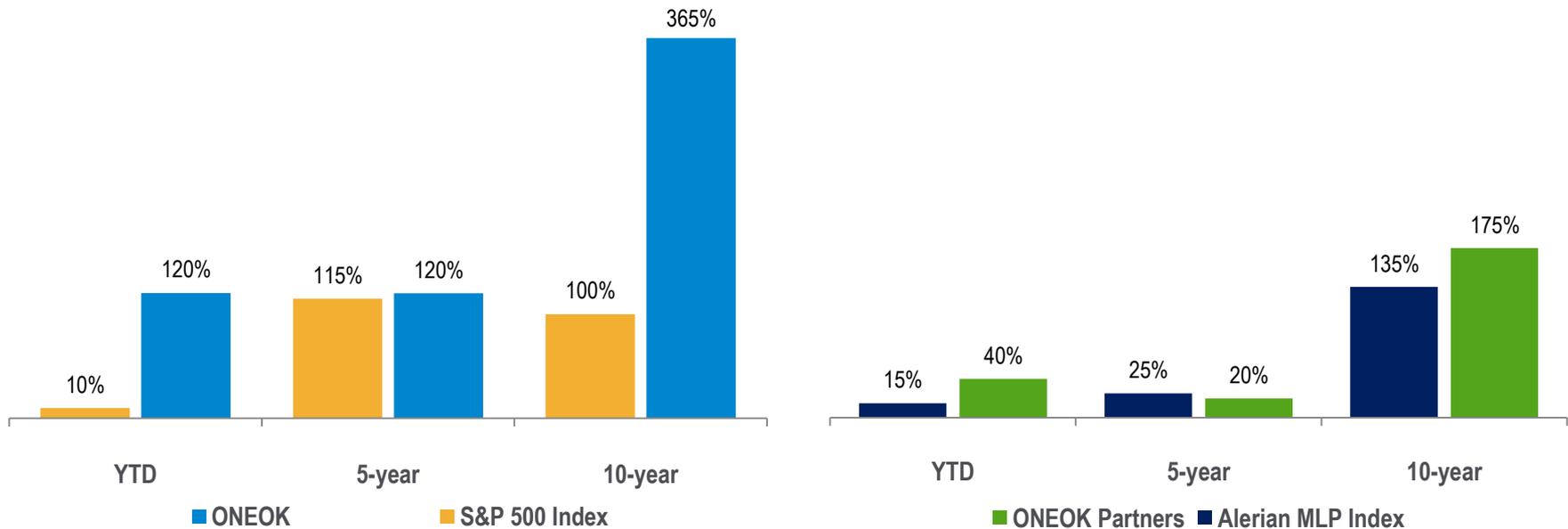
\*12-months ended Sept. 30, 2016

\*\* Expected ratio (or less) by late 2016

# TOTAL SHAREHOLDER RETURN

## ONEOK AND ONEOK PARTNERS – PROVEN LONG-TERM VALUE

- Long-term investors have experienced high returns from both ONEOK and ONEOK Partners
  - 10-year returns for both investments outperformed the S&P 500 Index
- Year-to-date 2016 returns outperformed the S&P 500 and Alerian MLP Indexes



Note: Total return as of Sept. 30, 2016.

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# KEY INVESTMENT CONSIDERATIONS

## *PREMIER ENERGY COMPANIES*

### **ONEOK**

- Stable cash flow
  - Cash flow underpinned by investment-grade MLP with fee-based business model
  - GP and LP distributions from ONEOK Partners drive significant cash flow generation and growth
  - Prudent financial practices results in financial strength and flexibility

### **ONEOK Partners**

- Stable cash flow
  - Primarily fee-based, nondiscretionary services
  - Prudent financial practices: proactively manage commodity risk
  - Strong balance sheet and financial flexibility: maintain investment-grade credit ratings with ample liquidity to support capital-growth projects
- Strategic, integrated assets connecting prolific supply basins and key markets create opportunities
  - Nondiscretionary services to producers, processors and customers
  - NGL infrastructure to support expected increased ethane demand beginning in 2017
  - Natural gas infrastructure to supply growing natural gas exports to Mexico
- Focused on creating value for both customers and investors
  - Demonstrated financial discipline
  - Commitment to investment-grade credit ratings at ONEOK Partners
- Disciplined growth
  - Aligning capital-growth projects with producer customer needs as a result of lower commodity prices
- Safe, reliable and environmentally responsible operator
  - Proven track record and commitment



# ONEOK PARTNERS BUSINESS SEGMENTS



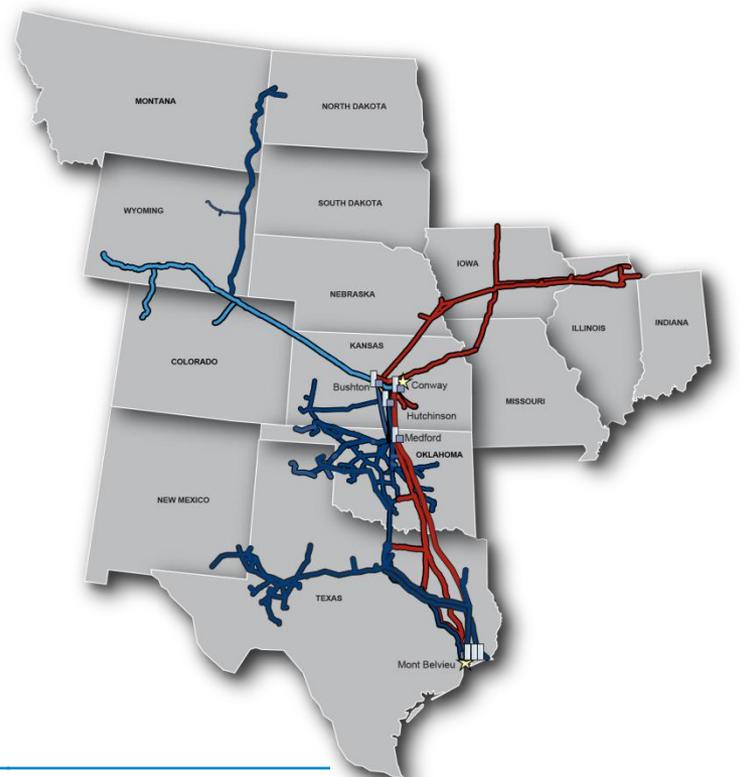
# NATURAL GAS LIQUIDS



# NATURAL GAS LIQUIDS

## ASSET OVERVIEW

- Provides **nondiscretionary**, fee-based services to natural gas processors and customers
  - Gathering, fractionation, transportation, marketing and storage
- Extensive NGL gathering system – Second largest in the U.S.
  - Connected to more than 180 natural gas processing plants in the Mid-Continent, Barnett Shale, Rocky Mountain regions and Permian Basin
    - Represents 90% of pipeline-connected natural gas processing plants located in Mid-Continent
      - Well positioned to capture growth in SCOOP/STACK and Cana-Woodford
    - Contracted NGL volumes exceed physical volumes – minimum volume commitments
- Extensive NGL fractionation system – Second largest in the U.S.
  - Fractionation capacity near two market hubs
    - Conway, KS and Medford, OK – 500,000 bpd capacity
    - Mont Belvieu, TX – 340,000 bpd capacity
- Bakken NGL Pipeline offers exclusive pipeline takeaway from the Williston Basin
- Links key NGL market centers at Conway, Kansas, and Mont Belvieu, Texas
- North System supplies Midwest refineries and propane markets



Fractionation	840,000 bpd net capacity
Isomerization	9,000 bpd capacity
E/P Splitter	40,000 bpd
Storage	26.7 MMBbl capacity
Distribution	4,380 miles of pipe with 1,060 mbpd capacity
Gathering – Raw Feed	7,090 miles of pipe with 1,480 MBpd capacity
	As of Dec. 31, 2015

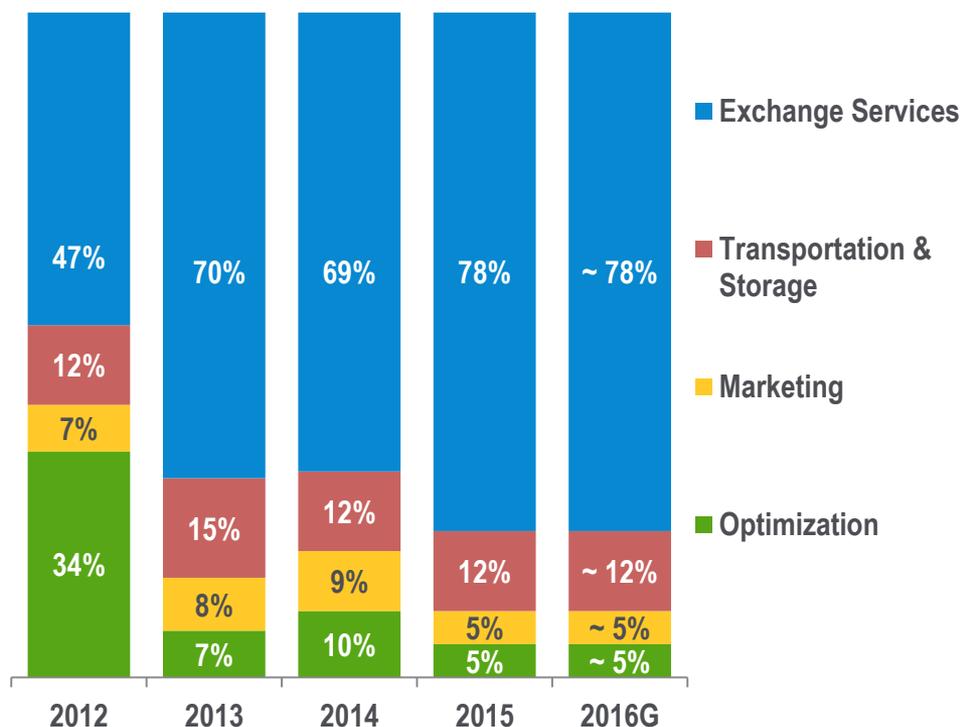
- NGL Gathering Pipelines
- NGL Distribution Pipelines
- ★ NGL Market Hub
- ▭ NGL Fractionator
- Overland Pass Pipeline (50% interest)
- NGL Storage



# NATURAL GAS LIQUIDS

## PREDOMINANTLY FEE BASED

- Exchange Services - **Primarily fee based**
  - Gather, fractionate and transport raw NGL feed to storage and market hubs
- Transportation & Storage Services - **Fee based**
  - Transport NGL products to market centers and provide storage services for NGL products
- Marketing - **Differential based**
  - Purchase for resale approximately 70% of fractionator supply on an index-related basis and truck and rail services
- Optimization - **Differential based**
  - Obtain highest product price by directing product movement between market hubs and convert normal butane to iso-butane



Focused on increasing fee-based exchange-services earnings



# NATURAL GAS LIQUIDS

## VOLUME UPDATE

- Continue to benefit from strong NGL asset position in the STACK and SCOOP
- STACK wells have shown strong results and are NGL-rich with six to nine gallons of NGLs per Mcf in the natural gas stream

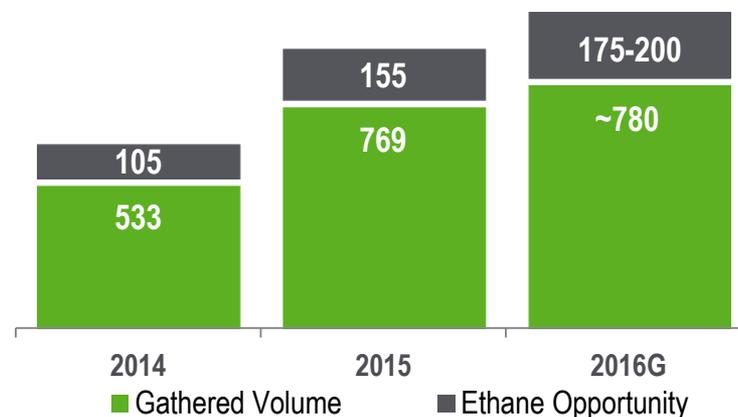
Region/ Asset	Third Quarter 2016 – Average Gathered Volumes	Average Bundled Rate (per gallon)
Bakken NGL Pipeline	124,000 bpd	> 30 cents**
Mid-Continent	452,000* bpd	< 9 cents**
West Texas LPG system	199,000 bpd	< 3 cents***

\* Includes spot volumes

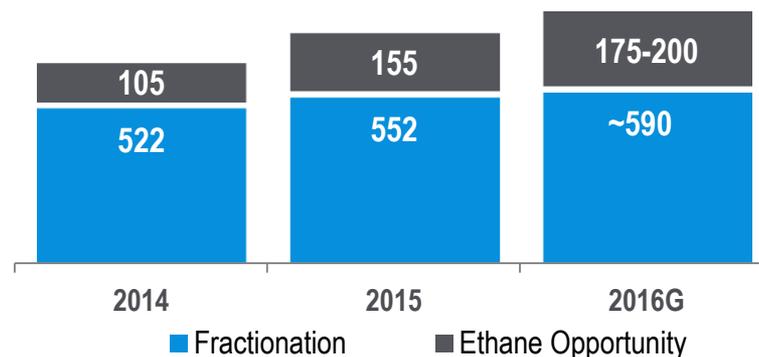
\*\* Includes transportation and fractionation

\*\*\* Includes transportation

Gathered Volume (MMbbl/d)



Fractionation Volume (MMbbl/d)



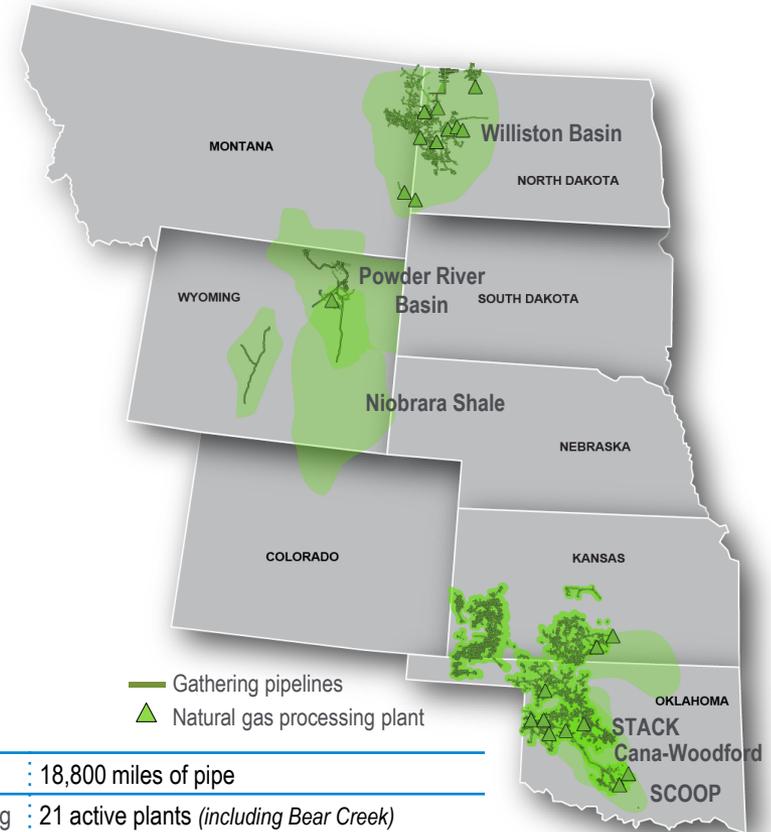
# NATURAL GAS GATHERING AND PROCESSING



# NATURAL GAS GATHERING AND PROCESSING

## ASSET OVERVIEW

- **Nondiscretionary** services to producers
  - Gathering, compression, treating and processing
- Diverse contract portfolio
  - More than 2,000 contracts
  - Percent of proceeds (POP) with fees
    - Restructured significant POP with fee contracts to include a larger fee component
- Natural gas supplies from three core areas:
  - Williston Basin
    - Includes oil, natural gas and natural gas liquids in the Bakken and Three Forks formations
  - Mid-Continent
    - STACK
    - SCOOP
    - Cana-Woodford Shale
    - Mississippian Lime
    - Granite Wash, Hugoton, Central Kansas Uplift
  - Powder River Basin
    - Crude oil and NGL-rich Niobrara, Sussex and Turner formations



Gathering	18,800 miles of pipe
Processing	21 active plants (including Bear Creek) 1,830 MMcf/d capacity
Production	1,930 BBtu/d or 1,524 MMcf/d gathered 1,690 BBtu/d or 1,280 MMcf/d processed; 850 BBtu/d residue gas sold 130 MBbl/d NGLs sold
Production as of Dec. 31, 2015	

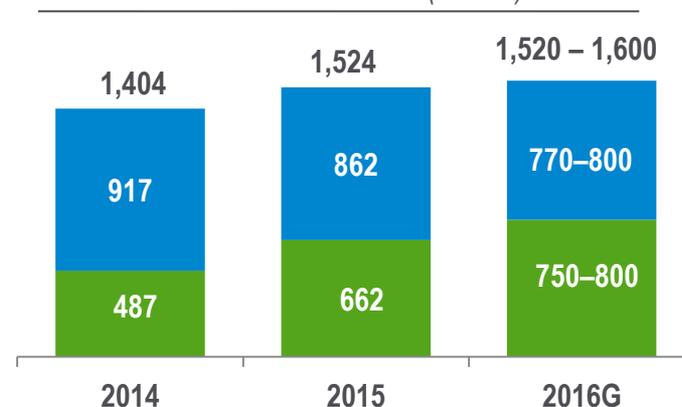
# NATURAL GAS GATHERING AND PROCESSING

## VOLUME UPDATE

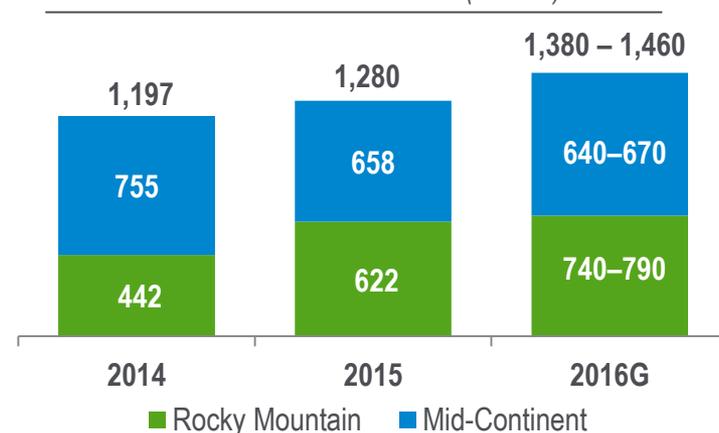
- Expect higher natural gas gathered and processed volumes in the fourth quarter 2016 compared with the third quarter 2016 as a result of:
  - The Bear Creek natural gas processing plant
  - Increased well completions in the Williston Basin and Mid-Continent, specifically in the STACK play
- Expect Williston processed volumes to reach nearly 780 MMcf/d in the fourth quarter
- Expect Mid-Continent processed volumes to reach nearly 690 MMcf/d in the fourth quarter

Region	Third Quarter 2016 – Average Gathered Volumes	Third Quarter 2016 – Average Processed Volumes
Rocky Mountain	765 MMcf/d	740 MMcf/d
Mid-Continent	751 MMcf/d	631 MMcf/d

Gathered Volumes (MMcf/d)



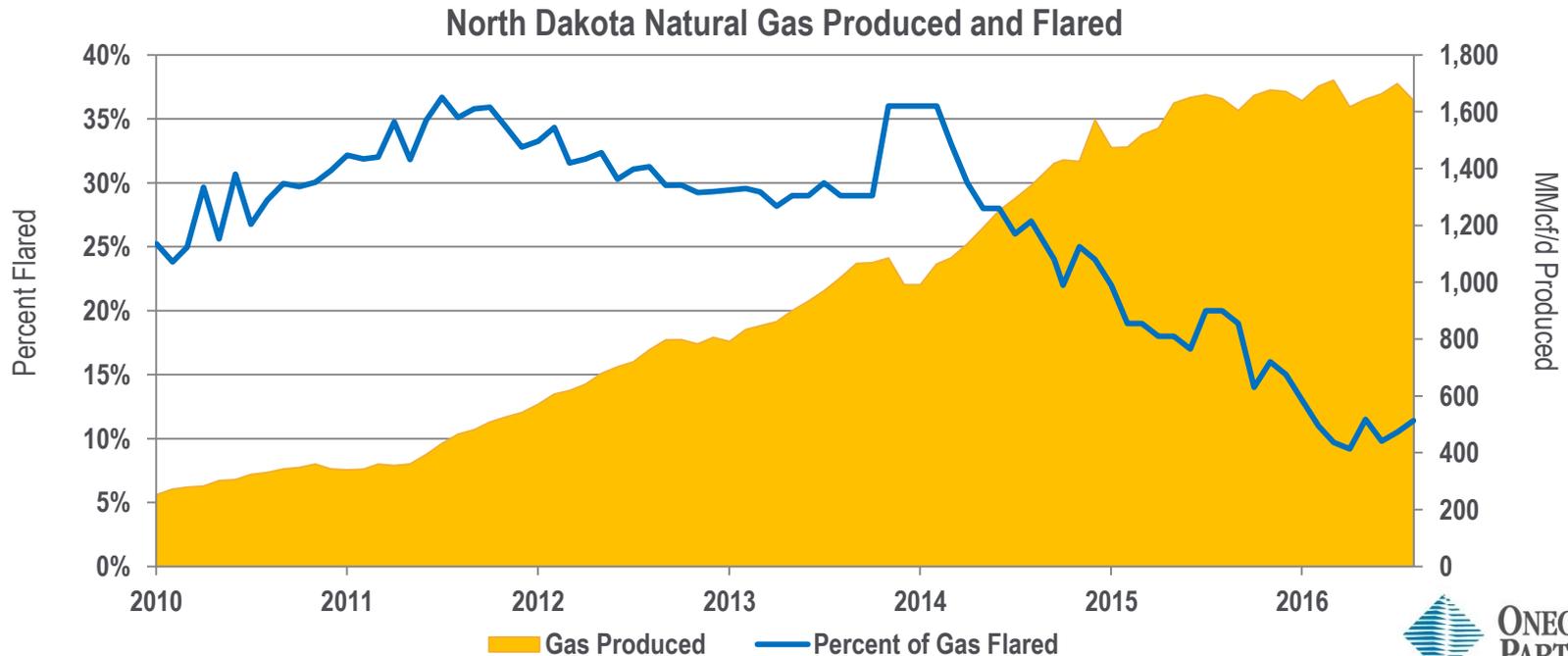
Processed Volumes (MMcf/d)



# WILLISTON BASIN

## INCREASED GAS CAPTURE AND VOLUME BACKLOG BENEFITS OKS

- Increased natural gas capture results in increased NGL and natural gas value uplift
- More than 88% of North Dakota's natural gas production was captured in August 2016
- North Dakota Industrial Commission (NDIC) policy targets:
  - Increase natural gas capture to: 85% by Nov. 2016; 88% by Nov. 2018; and 91% by Nov. 2020
- August statewide flaring was approximately 185 MMcf/d, with nearly 70-80 MMcf/d estimated to be on ONEOK Partners' dedicated acreage
- Producer customers are more incentivized to increase natural gas capture rates to maximize the value of wells drilled



# NATURAL GAS GATHERING AND PROCESSING

## COMMODITY PRICE RISK MITIGATION

Three Months Ending December 31, 2016			
Commodity	Volumes Hedged	Average Price	Percent Hedged
Natural Gas* (MMBtu/d)	77,800	\$2.82 / MMBtu	93%
Condensate (bpd)	1,800	\$58.68 / Bbl	79%
Natural Gas Liquids** (bpd)	8,800	\$0.48 / gallon	83%

Year Ending December 31, 2017			
Commodity	Volumes Hedged	Average Price	Percent Hedged
Natural Gas* (MMBtu/d)	73,100	\$2.66 / MMBtu	74%
Condensate (bpd)	1,800	\$44.88 / Bbl	74%
Natural Gas Liquids** (bpd)	8,000	\$0.51 / gallon	67%

Year Ending December 31, 2018			
Commodity	Volumes Hedged	Average Price	Percent Hedged
Natural Gas* (MMBtu/d)	25,900	\$2.83 / MMBtu	32%

\* Natural gas prices represent a combination of hedges at various basis locations

\*\*NGLs hedged reflect propane, normal butane, iso-butane and natural gasoline only. The ethane component of the equity NGL volume is not hedged and not expected to be material to ONEOK Partners' results of operations  
 Volumes hedged as of Sept. 30, 2016.



# NATURAL GAS GATHERING AND PROCESSING

## COMMODITY PRICE SENSITIVITIES AFTER HEDGING

Commodity	Sensitivity	Earnings Impact* (\$ in Millions)	
		2016*	2017**
Natural Gas	\$0.10 / MMBtu	\$0.1	\$0.9
Natural Gas Liquids	\$0.01 / gallon	\$0.2	\$1.0
Crude Oil	\$1.00 / barrel	\$0.1	\$0.4

\*Three-month forward looking sensitivities net of hedges in place

\*\*Full-year forward looking sensitivities net of hedges in place



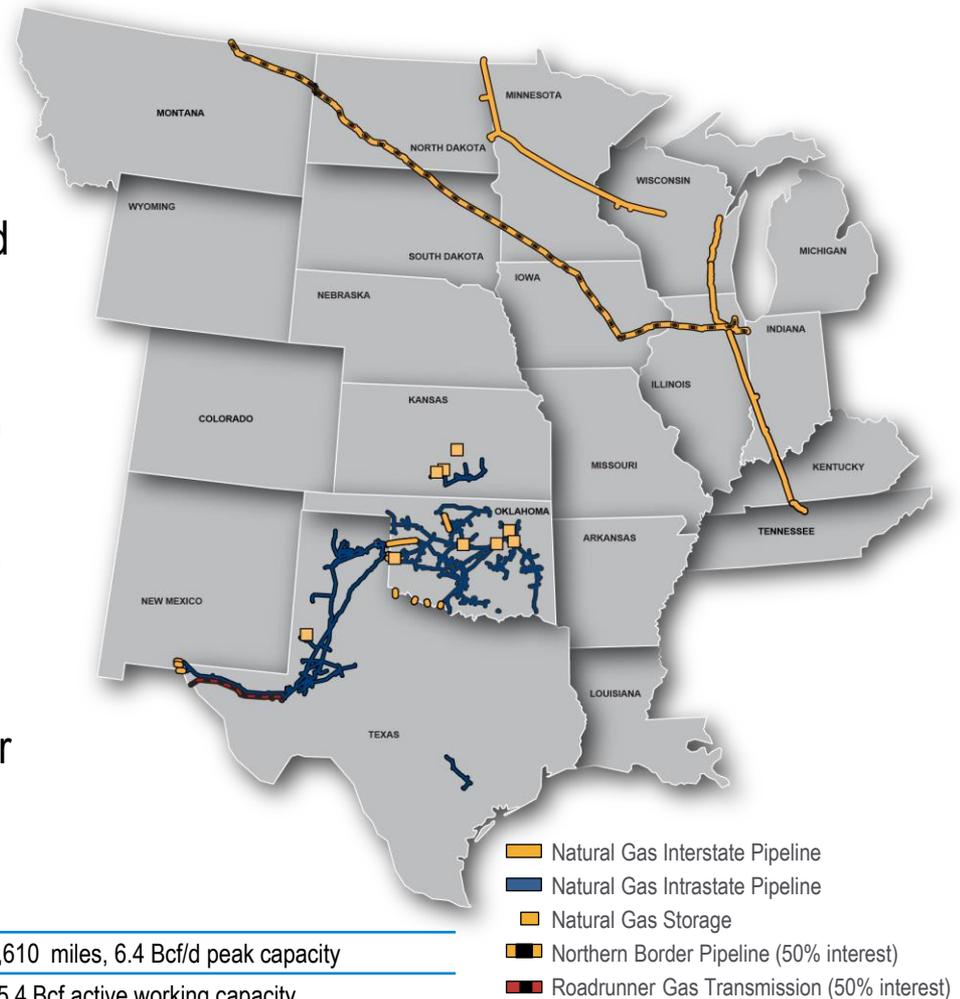
# NATURAL GAS PIPELINES



# NATURAL GAS PIPELINES

## ASSET OVERVIEW

- Predominantly fee-based income
- 92% of transportation capacity contracted under firm **demand-based rates** in 2015
- 83% of contracted system transportation capacity serves end-use markets in 2015
  - Connected directly to end-use markets
    - Local natural gas distribution companies
    - Electric-generation facilities
    - Large industrial companies
- 71% of storage capacity contracted under firm, **fee-based arrangements** in 2015

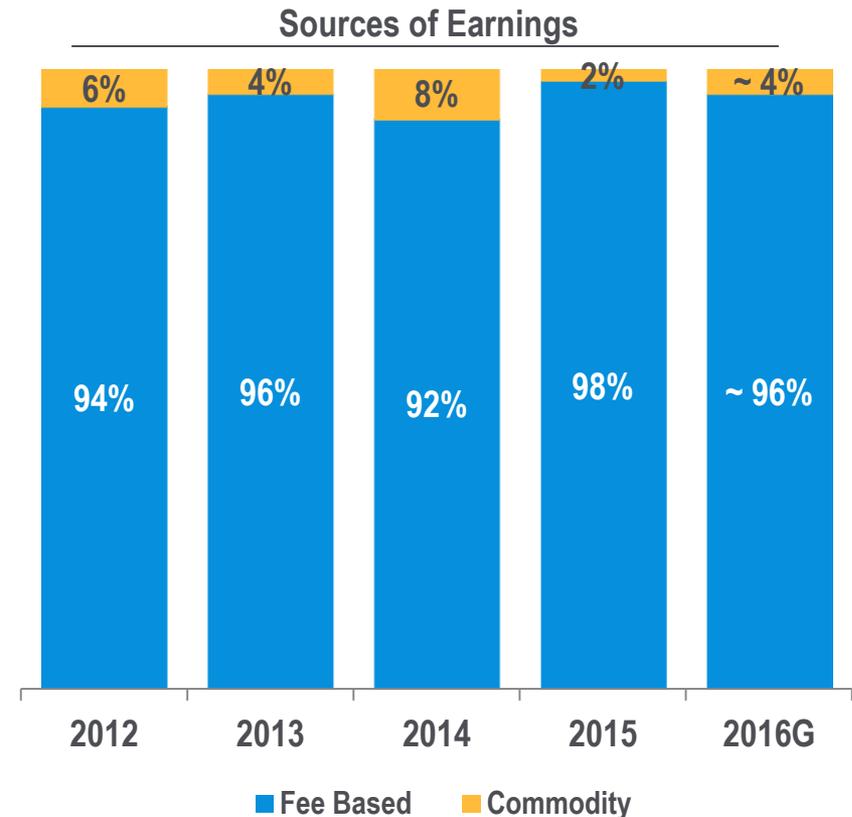


Pipelines	6,610 miles, 6.4 Bcf/d peak capacity
Storage	55.4 Bcf active working capacity
As of Dec. 31, 2015	

# NATURAL GAS PIPELINES

## *PREDOMINANTLY FEE BASED*

- Nearly 100% of earnings is firm, fee-based
- Firm demand-based contracts serving primarily investment-grade utility customers
- Roadrunner Gas Transmission pipeline project and WesTex pipeline expansion enhance export capability to Mexico
  - Roadrunner Phase I completed in March 2016
  - Roadrunner Phase II completed in October 2016
  - WesTex expansion completed in October 2016
  - Contract terms of 25 years
- Fee-based earnings further enhanced with the completion of a natural gas compressor station project on Midwestern Gas Transmission in March 2016



# NON-GAAP RECONCILIATIONS – ONEOK PARTNERS



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# NON-GAAP RECONCILIATIONS

## ONEOK PARTNERS

ONEOK Partners has disclosed in this presentation its historical and anticipated adjusted EBITDA, which is a non-GAAP financial metric, used to measure the partnership's financial performance.

Adjusted EBITDA is defined as net income adjusted for interest expense, depreciation and amortization, impairment charges, income taxes and allowance for equity funds used during construction and certain other noncash items

The partnership believes the non-GAAP financial measure described above is useful to investors because it is used by many companies in its industry to measure financial performance and is commonly employed by financial analysts and others to evaluate the financial performance of the partnership and to compare the financial performance of the partnership with the performance of other publicly traded partnerships within its industry.

Adjusted EBITDA should not be considered an alternative to net income, earnings per unit or any other measure of financial performance presented in accordance with GAAP.

This non-GAAP financial measure excludes some, but not all, items that affect net income. Additionally, this calculation may not be comparable with similarly titled measures of other companies.

Reconciliations of adjusted EBITDA are included in the tables.

# OKS NON-GAAP RECONCILIATION

## NET INCOME TO ADJUSTED EBITDA

(\$ in Millions)	2011	2012	2013	2014	2015	Trailing 12 months*	2016G
<b>Reconciliation of Net Income to Adjusted EBITDA</b>							
Net Income	\$831	\$888	\$804	\$911	\$598	\$803	~\$1,120
Interest expense, net of capitalized interest	223	206	237	282	339	363	~370
Depreciation and amortization	178	203	237	291	352	383	~380
Impairment charges	-	-	-	76	264	264	-
Income tax (benefit) expense	13	10	11	13	4	7	~11
Allowance for equity funds used during construction and other	(3)	(13)	(31)	(15)	8	(1)	~(1)
<b>Adjusted EBITDA</b>	<b>\$1,242</b>	<b>\$1,294</b>	<b>\$ 1,258</b>	<b>\$1,558</b>	<b>\$1,565</b>	<b>\$1,819</b>	<b>~\$1,880</b>

