



**ONEOK**

**INVESTOR UPDATE**

APRIL 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, and Feb. 26, 2018, and are not being updated or affirmed by this presentation.



Mont Belvieu II fractionator – Gulf Coast

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# FUTURE GROWTH

# PRODUCER-DRIVEN NEED FOR MORE INFRASTRUCTURE

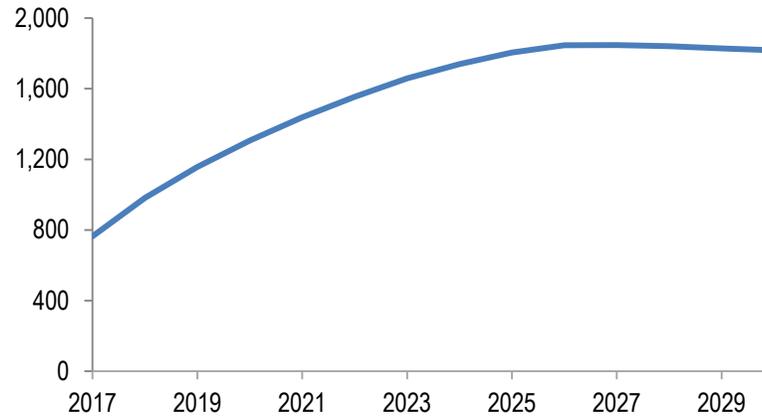
CAPACITY EXPANSIONS CRITICAL TO MEETING GROWING PRODUCTION

- ◆ Volume forecasts across the basins where we operate show significant growth in crude oil, natural gas and NGLs

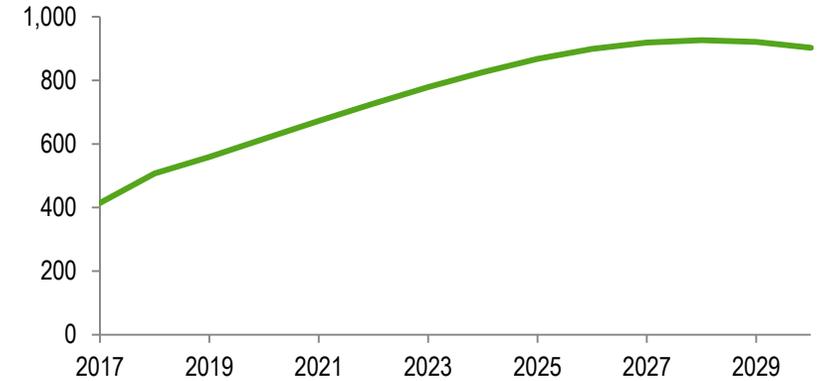
- ◆ 10-year NGL growth projections:

- Williston Basin: ~150,000 bpd (C3+)
- STACK/SCOOP: ~500,000 bpd
- Permian Basin: ~1 million bpd

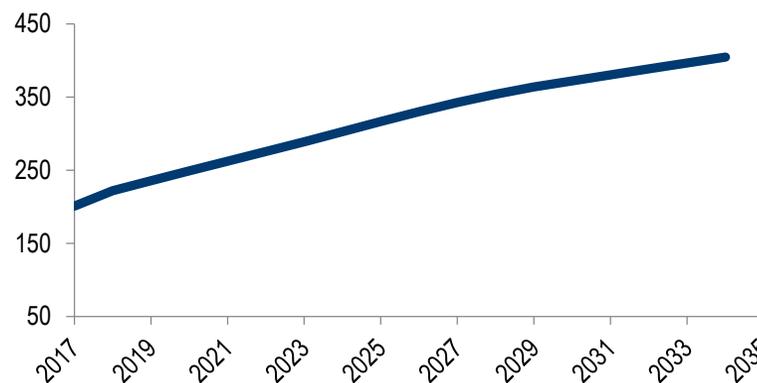
Permian NGL Production Growth(Mb/d)



STACK/SCOOP NGL Production Growth (Mb/d)



Williston Basin NGL Supply - C3+ (Mb/d)



Williston Basin Natural Gas Supply (Bcf/d)

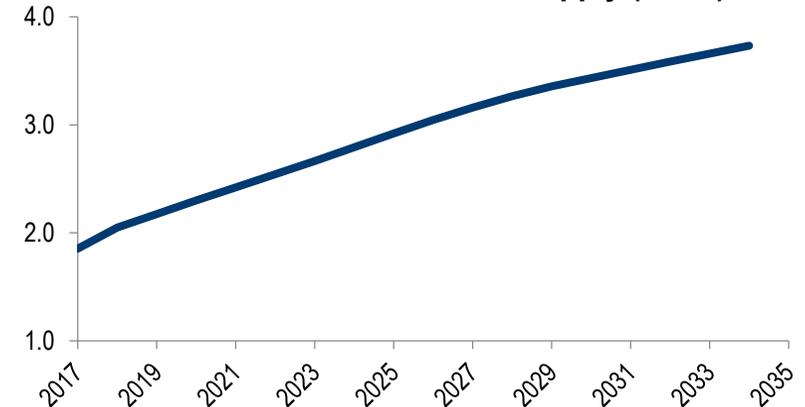


Chart Sources:  
 Permian: Wood Mackenzie; STACK/SCOOP: ONEOK and third-party data; Williston Basin: NDPA Forecast (average of 2 cases), Oct. 2017

\*STACK: Sooner Trend (oil field), Anadarko (basin), Canadian and Kingfisher (counties)  
 \*\*SCOOP: South Central Oklahoma Oil Province

# NATURAL GAS LIQUIDS GROWTH PROJECTS

\$3.6 BILLION ANNOUNCED SINCE JUNE 2017

Project	Scope	CapEx (\$ in millions)	Expected Completion
<b>West Texas LPG Pipeline expansion</b>	<ul style="list-style-type: none"> <li>120-mile pipeline lateral extension with capacity of 110,000 bpd in the Delaware Basin</li> <li>Supported by long-term dedicated NGL production from two planned third-party natural gas processing plants</li> </ul>	\$160*	Q3 2018
<b>Sterling III expansion</b>	<ul style="list-style-type: none"> <li>60,000 bpd NGL pipeline expansion</li> <li>Increases capacity to 250,000 bpd</li> <li>Includes additional NGL gathering system expansions</li> <li>Supported by long-term third-party contract</li> </ul>	\$130	Q4 2018
<b>Elk Creek Pipeline project</b>	<ul style="list-style-type: none"> <li>900-mile NGL pipeline from the Williston Basin to the Mid-Continent with capacity of up to 240,000 bpd, and related infrastructure</li> <li>Supported by long-term contracts, which include minimum volume commitments</li> <li>Expansion capability up to 400,000 bpd with additional pump facilities</li> </ul>	\$1,400	Year-end 2019
<b>Arbuckle II Pipeline</b>	<ul style="list-style-type: none"> <li>530-mile NGL pipeline from the Mid-Continent to the Gulf Coast with initial capacity of 400,000 bpd</li> <li>More than 50 percent of initial capacity is contracted under long-term, fee-based agreements</li> <li>Expansion capability up to 1 million bpd with additional pump facilities</li> </ul>	\$1,360	Q1 2020
<b>MB-4 fractionator</b>	<ul style="list-style-type: none"> <li>125,000 bpd NGL fractionator and related infrastructure in Mont Belvieu, Texas</li> <li>Fractionation capacity is fully contracted under long-term, fee-based agreements</li> </ul>	\$575	Q1 2020
<b>Total</b>		<b>\$3,625</b>	

\*Represents ONEOK's 80 percent ownership interest.

# GATHERING AND PROCESSING GROWTH PROJECTS

\$600 MILLION ANNOUNCED SINCE JUNE 2017

Project	Scope	CapEx (\$ in millions)	Expected Completion
<b>Additional STACK processing capacity</b>	<ul style="list-style-type: none"> <li>• 200 MMcf/d processing capacity through long-term processing services agreement with third party</li> <li>• 30-mile natural gas gathering pipeline</li> </ul>	\$40	In Service
<b>Canadian Valley expansion</b>	<ul style="list-style-type: none"> <li>• 200 MMcf/d processing plant expansion in the STACK</li> <li>• Increases capacity to 400 MMcf/d</li> <li>• 20,000 bpd additional NGL volume</li> <li>• Supported by acreage dedications, primarily fee-based contracts and minimum volume commitments</li> </ul>	\$160	Q4 2018
<b>Demicks Lake plant and infrastructure</b>	<ul style="list-style-type: none"> <li>• 200 MMcf/d processing plant in the core of the Williston Basin</li> <li>• Contributes additional NGL and natural gas volume on ONEOK's system</li> <li>• Supported by acreage dedications and primarily fee-based contracts</li> </ul>	\$400	Q4 2019
<b>Total</b>		<b>\$600</b>	

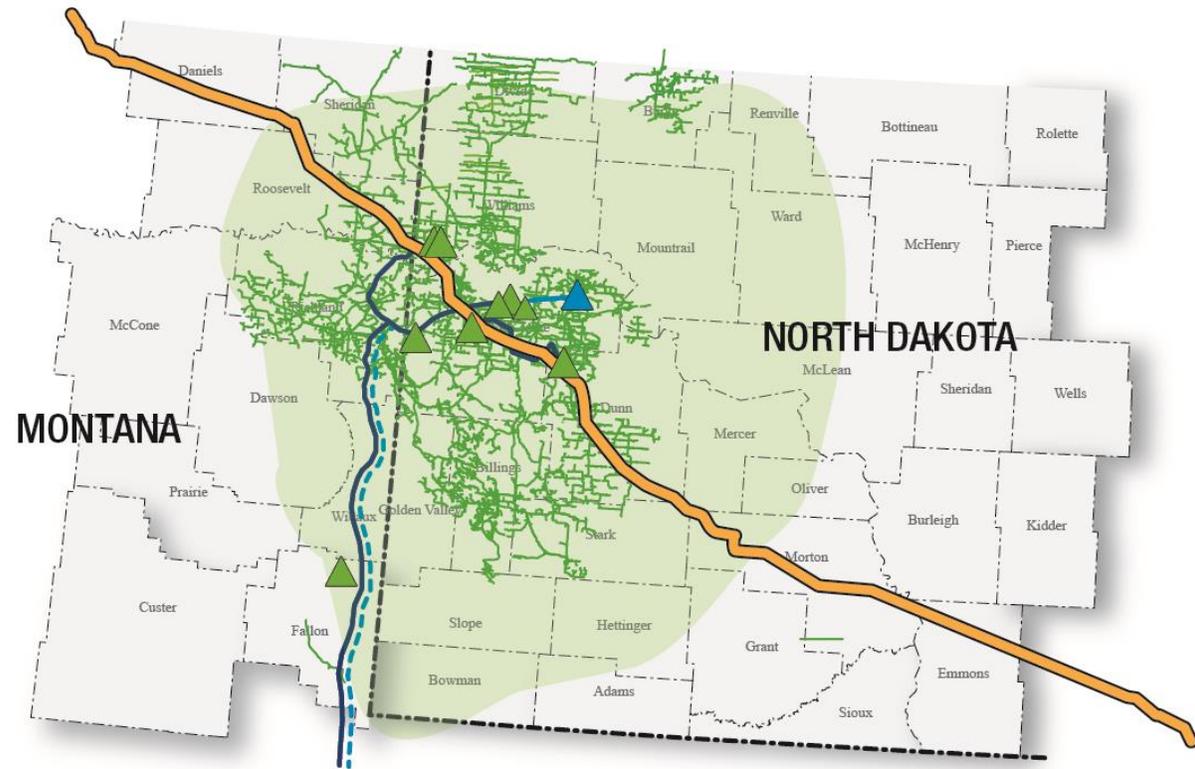
# DEMICKS LAKE PLANT

## PROCESSING CAPACITY TO SUPPORT PRODUCER GROWTH AND HELP MEET GAS CAPTURE TARGETS

- ◆ Williston Basin growth continues with enhanced well-completion techniques driving increased production and lower breakeven economics
  - One-third of the rigs needed today to develop the same volume produced three years ago
- ◆ Natural gas capture targets continue to rise putting oil production at risk without additional midstream infrastructure investments
  - North Dakota natural gas capture targets:
    - ◇ 88 percent by November 2018; 91 percent by November 2020
- ◆ More than 1 million acres dedicated to ONEOK in the core of the basin (3 million acres dedicated basin wide)
- ◆ Expected adjusted EBITDA multiple of 4-6x

### Demicks Lake plant

- ◆ 200 MMcf/d natural gas processing plant and related infrastructure in McKenzie County, North Dakota
  - \$400 million – expected completion in the fourth quarter 2019
  - Increases processing capacity in the region to more than 1.2 Bcf/d
  - Contributes additional NGL volumes to ONEOK's NGL gathering system and natural gas volumes to ONEOK's 50 percent-owned Northern Border Pipeline

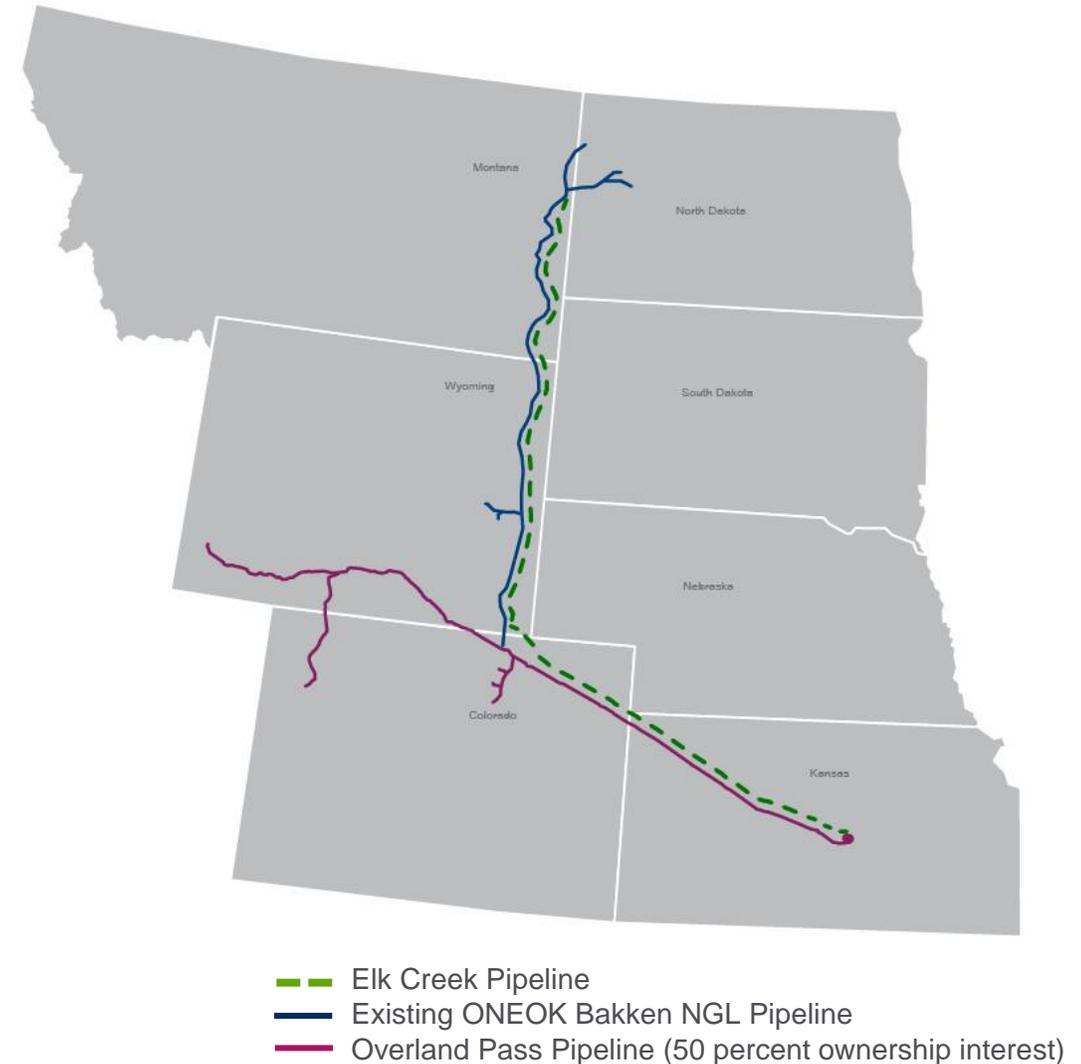


- Natural Gas Gathering Pipelines
- ▲ Demicks Lake Plant
- ▲ Existing Processing Plants
- - Elk Creek Pipeline
- Bakken NGL Pipeline
- Northern Border Pipeline (50 percent ownership interest)

# ELK CREEK PIPELINE PROJECT

## COMPELLING STRATEGIC RATIONALE

- ◆ Existing Bakken NGL Pipeline and Overland Pass Pipeline operating at full capacity
- ◆ Growing production in the region drives need for increased NGL takeaway
  - Producer drilling and completion improvements driving break-evens lower
  - Increased activity in the Powder River and Denver-Julesburg (DJ) basins
  - High-quality, well-capitalized producers
- ◆ Strengthens ONEOK's position in the high-production areas of the Williston, Powder River and DJ basins
- ◆ Elk Creek Pipeline supported by contracts totaling more than 100,000 bpd
  - Contract terms of 10-15 years
  - 70,000 bpd of minimum volume commitments
- ◆ State-mandated natural gas capture targets are increasing
  - North Dakota natural gas capture targets will increase from 85 percent currently to 91 percent by 2020
- ◆ Attractive project returns expected: adjusted EBITDA multiple of 4-6x
  - Approximately 900-mile, 20-inch pipeline with initial capacity of 240,000 bpd, expandable to 400,000 bpd
  - \$1.2 billion for new pipeline – expected completion by year end 2019
  - \$200 million for incremental related infrastructure
  - Expected to be significantly accretive to distributable cash flow per share



# ARBUCKLE II PIPELINE AND MB-4 FRACTIONATOR

## CRITICAL INFRASTRUCTURE TO SERVE GROWING PRODUCTION

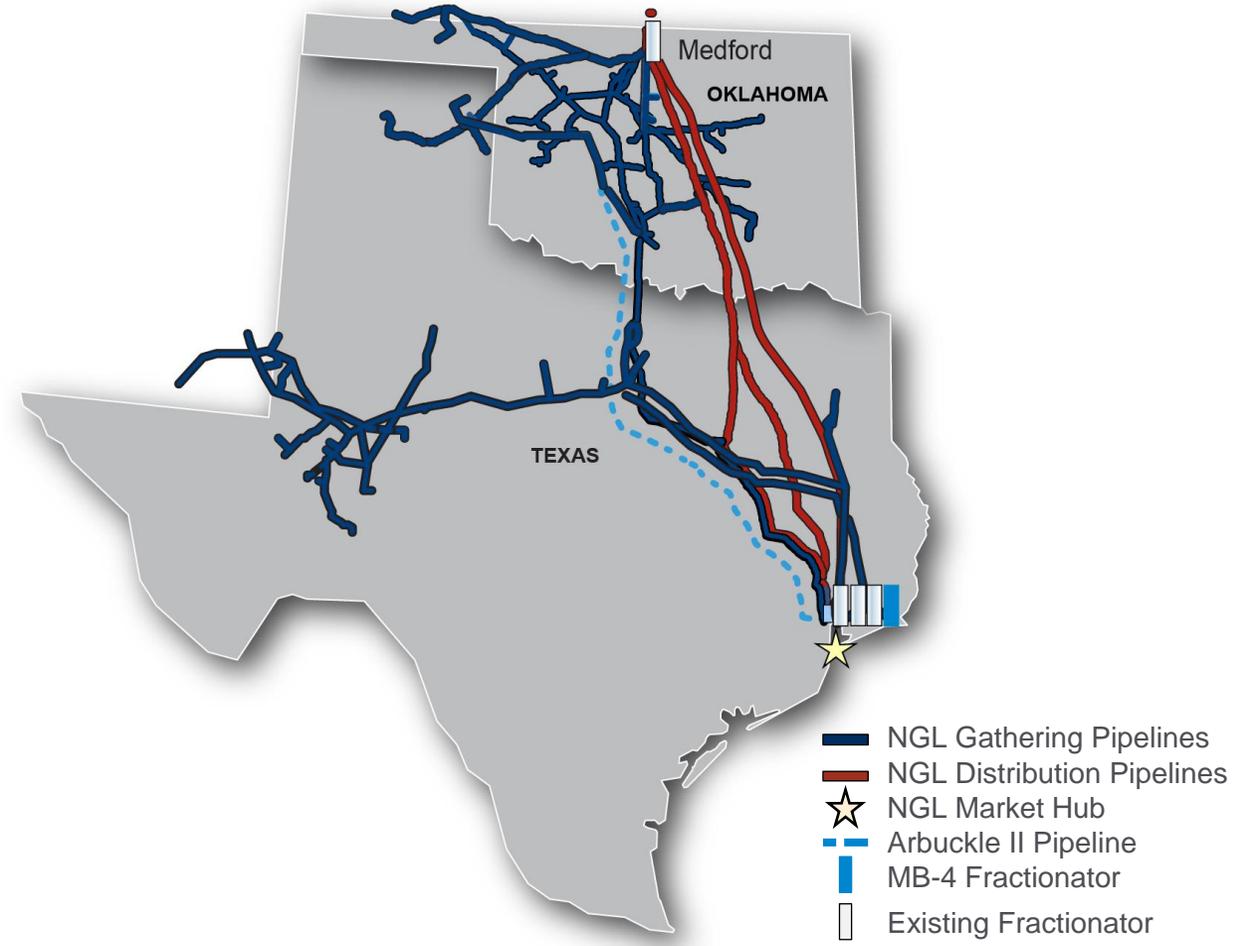
- ◆ Volume growth expected across ONEOK footprint, particularly in STACK and SCOOP areas and Williston Basin, creating a need for additional capacity
- ◆ Pipeline and fractionator projects serving producer needs at attractive returns
  - Anchored by long-term contracts with 10- to 20-year terms
  - Expected adjusted EBITDA multiples of 4-6x

### Arbuckle II Pipeline

- ◆ 530-mile, 24- and 30-inch diameter NGL pipeline with initial capacity of 400,000 bpd expandable to 1 million bpd
  - \$1.36 billion – expected completion first quarter 2020

### MB-4 Fractionator

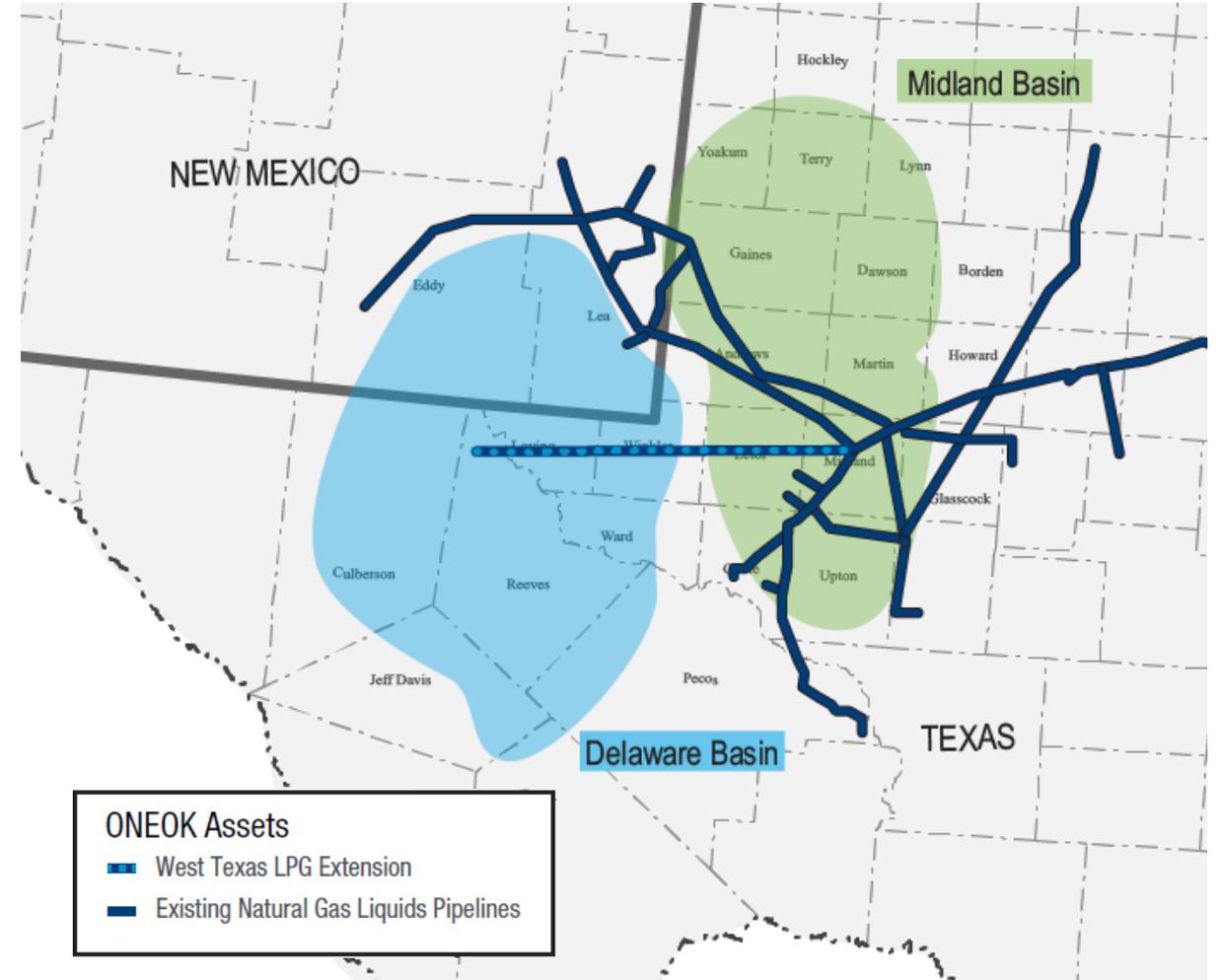
- ◆ 125,000 bpd NGL fractionator and related infrastructure in Mont Belvieu
  - \$575 million – expected completion first quarter 2020
- ◆ Increases ONEOK's system wide fractionation capacity to 965,000 bpd



# WEST TEXAS LPG EXPANSION

## EXTENDING REACH INTO PROLIFIC DELAWARE BASIN

- ◆ Approximately 120-mile, 16-inch pipeline extension with initial capacity of 110,000 bpd
  - Supported by long-term dedicated NGL production from two planned third-party natural gas processing plants
    - ◇ Up to 40,000 bpd NGL production
  - Project includes expansion of existing system to accommodate increased volumes
  - \$200 million investment\*
  - Expected completion in the third quarter 2018
- ◆ Delaware Basin is one of the fastest growing plays in the U.S.
- ◆ Positioned for significant future NGL volume growth in the Permian Basin



\*ONEOK operates and has an 80 percent ownership interest in West Texas LPG. ONEOK's investment is \$160 million.



# OVERVIEW



# KEY INVESTMENT CONSIDERATIONS

A PREMIER ENERGY COMPANY

## STRATEGIC, INTEGRATED ASSETS

- One of the largest energy midstream service providers in the U.S.
- Well-positioned in NGL-rich plays and major market areas
- Significant growth potential – STACK and SCOOP areas; Williston and Permian basins
- Announced more than \$4 billion of growth projects since June 2017

## LONG-TERM SHAREHOLDER VALUE

- Predominantly fee-based earnings
- Commitment to safe, reliable and environmentally responsible operations
- 9-11 percent annual dividend growth expected through 2021

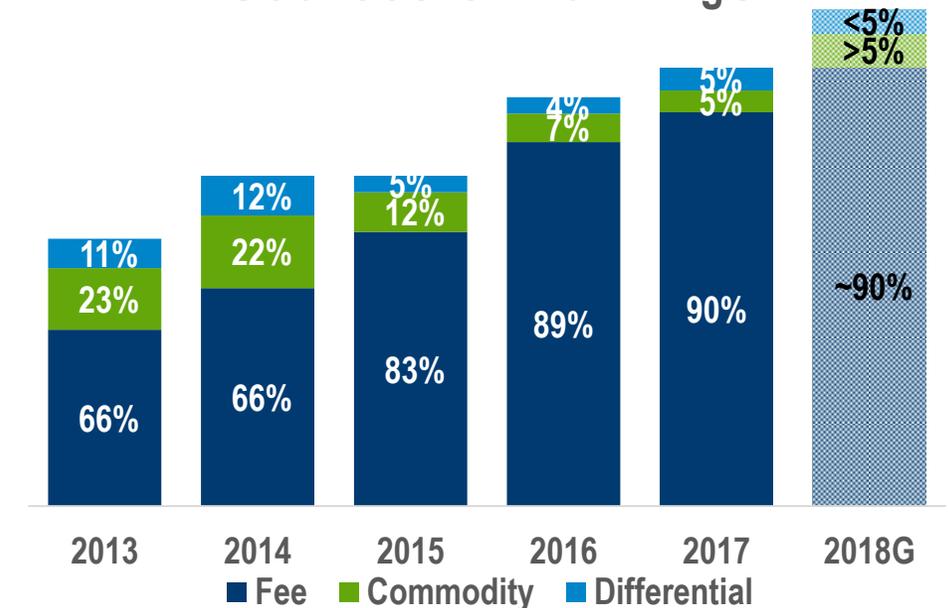
## FINANCIAL STRENGTH

- Strong balance sheet
- Committed to investment-grade credit ratings
- Expected annual dividend coverage target greater than 1.2 times
- Financial flexibility – a result of disciplined growth and prudent financial decision-making

Adjusted EBITDA Growth  
(\$ in billions)



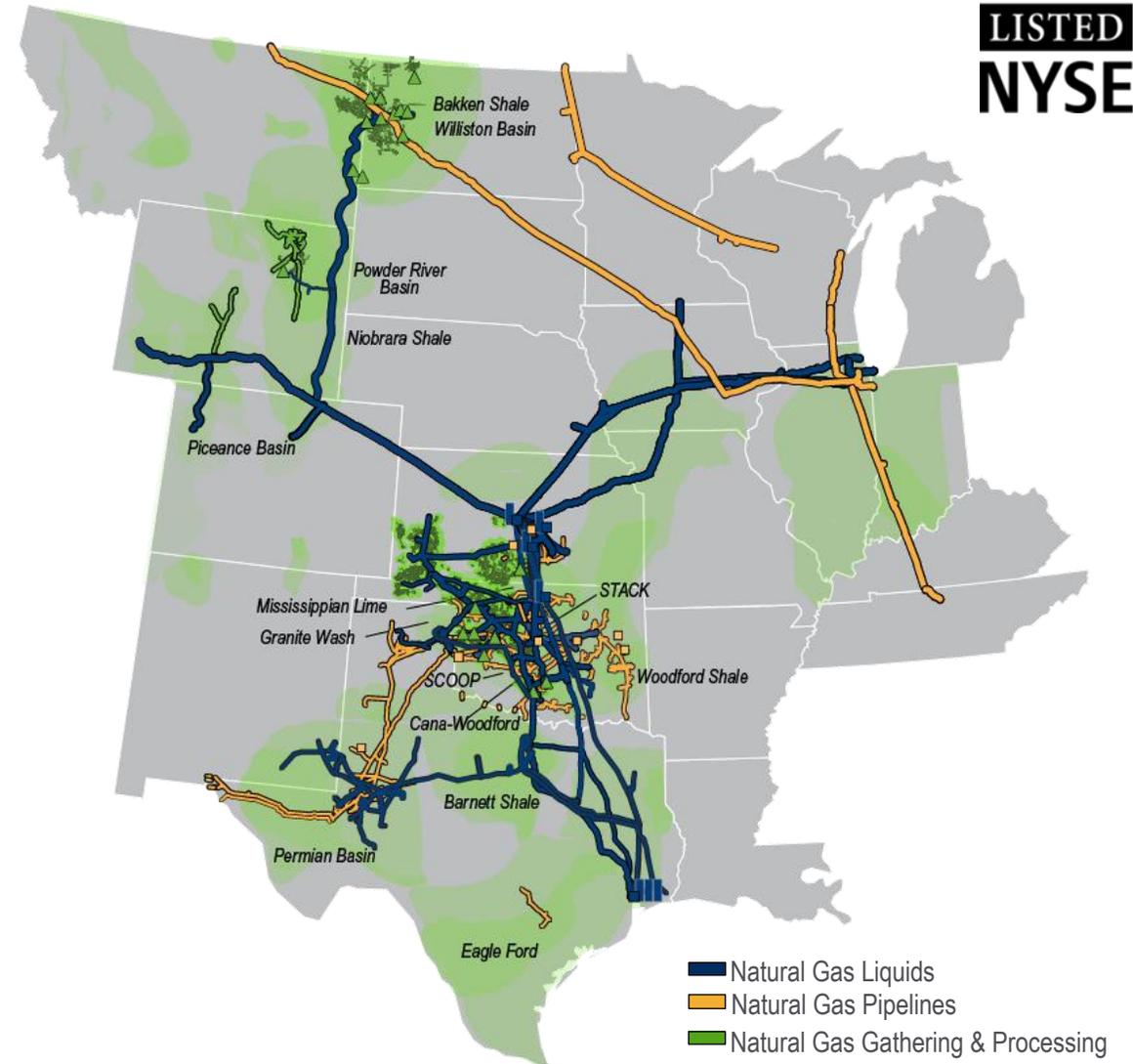
Sources of Earnings



# INTEGRATED. RELIABLE. DIVERSIFIED.

OKE  
LISTED  
NYSE

- ◆ Approximately 38,000-mile network of natural gas liquids and natural gas pipelines
- ◆ Provides midstream services to producers, processors and customers
- ◆ Significant basin diversification
- ◆ Growth expected to be driven by:
  - Industry fundamentals from increased producer activity
  - Highly productive basins
  - Increased ethane demand from the petrochemical industry and NGL exports

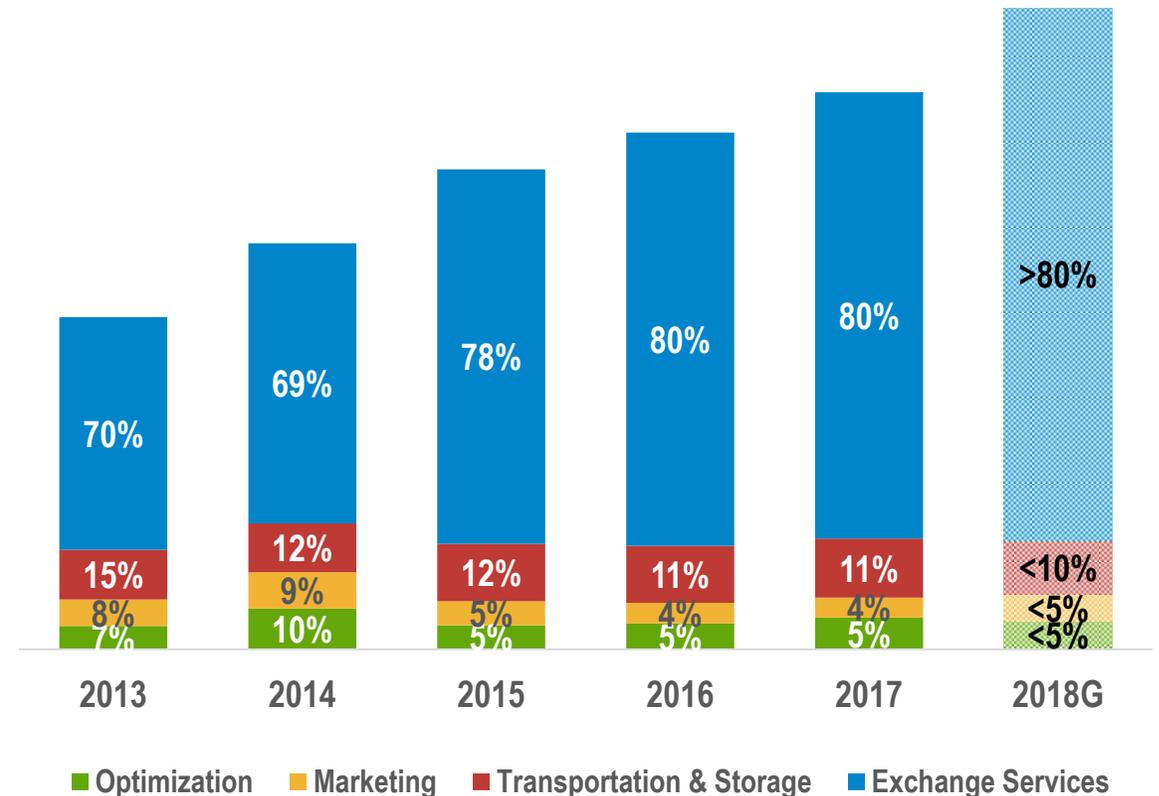


# NATURAL GAS LIQUIDS

## 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

## Sources of Earnings



# NATURAL GAS GATHERING AND PROCESSING

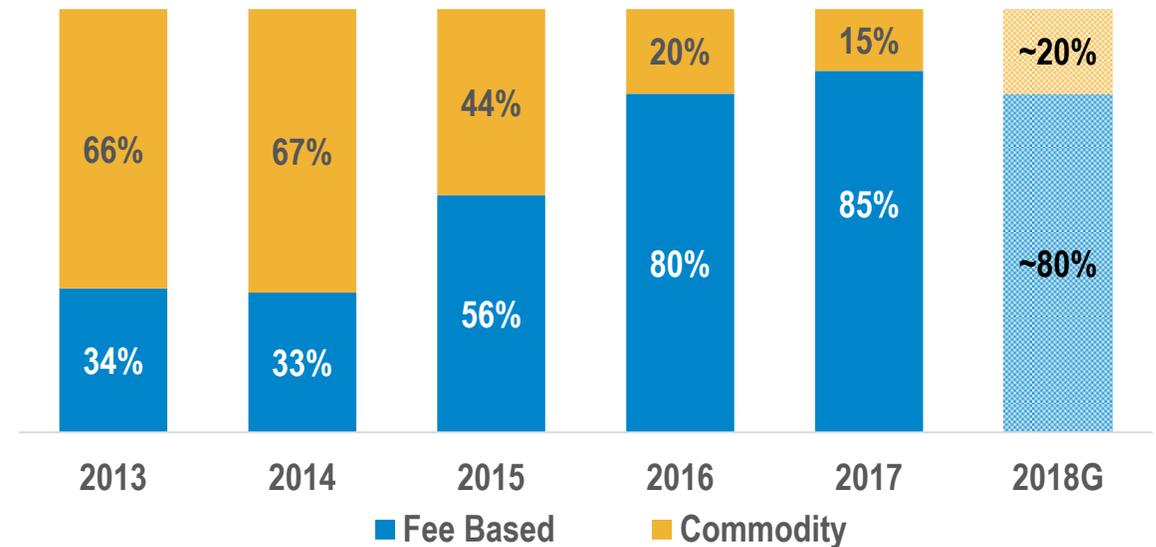
## PREDOMINANTLY FEE BASED

- ◆ 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 producers
  - Expect fee rate to average **approximately 80 cents** in 2018 with minor fluctuations due primarily to increased Mid-Continent volumes

### Average Fee Rate (per MMBtu)



### Contract Mix by Earnings

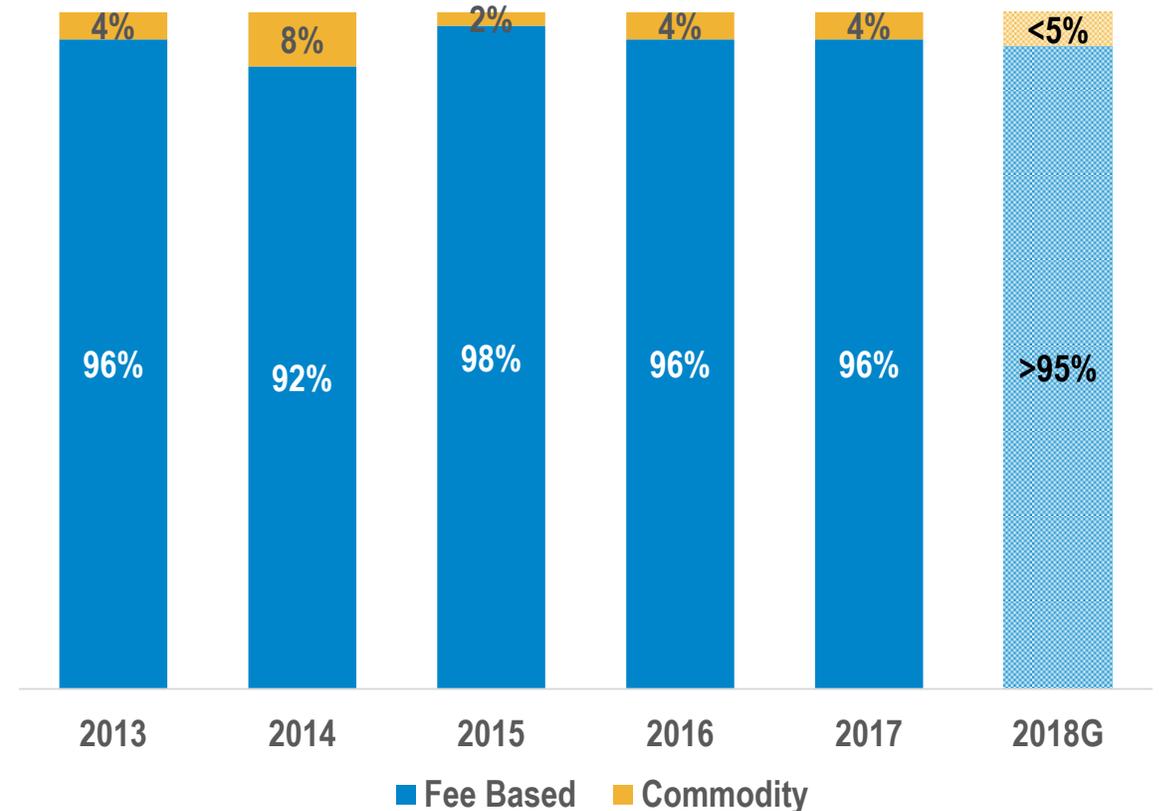


# NATURAL GAS PIPELINES

## PREDOMINANTLY 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
  - Completed in 2016
  - Contract terms of 25 years
  - Capacity:
    - ◇ Roadrunner\*: 570 MMcf/d
      - Phase III to add 70 MMcf/d, expected completion in 2019
    - ◇ WesTex expansion: 260 MMcf/d

## Sources of Earnings



\*ONEOK operates and has a 50 percent ownership interest in Roadrunner. Capacities represent total pipeline capacity.

# STRONG BALANCE SHEET

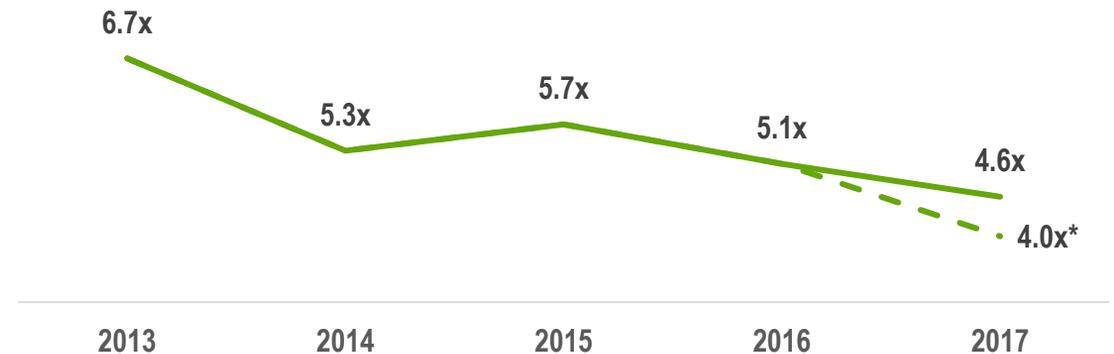
## POSITIONING ONEOK FOR CONTINUED GROWTH

- ◆ Funding highly accretive growth while maintaining de-leveraging target of < 4.0x
  - \$2.5 billion revolving credit facility
  - January 2018 equity offering:
    - ◇ \$1.2 billion in gross proceeds
  - 2017 ATM equity issuances:
    - ◇ ~\$450 million in total net proceeds
- ◆ ONEOK does not expect to issue additional equity in 2018 and well into 2019
  - Additional capital-growth projects expected to be funded with cash generated from operations and short- and long-term borrowings
- ◆ Investment-grade credit ratings provide a competitive advantage
  - S&P: BBB (stable)
  - Moody's: Baa3 (stable)

Adjusted EBITDA Growth  
(\$ in billions)



GAAP Debt-to-EBITDA Ratio



\*Pro forma for \$1.2 billion of equity issued in January 2018

# GUIDANCE



# 2018 FINANCIAL GUIDANCE SUMMARY

- ◆ Adjusted EBITDA: \$2,215 million – \$2,415 million
- ◆ Distributable cash flow: \$1,615 million – \$1,815 million
  - Target dividend coverage ratio of  $\geq 1.2$  times
- ◆ Net income: \$955 million – \$1,155 million
- ◆ Capital expenditures: \$2,090 million – \$2,480 million
  - Growth: \$1,950 million – \$2,300 million
  - Maintenance: \$140 million – \$180 million

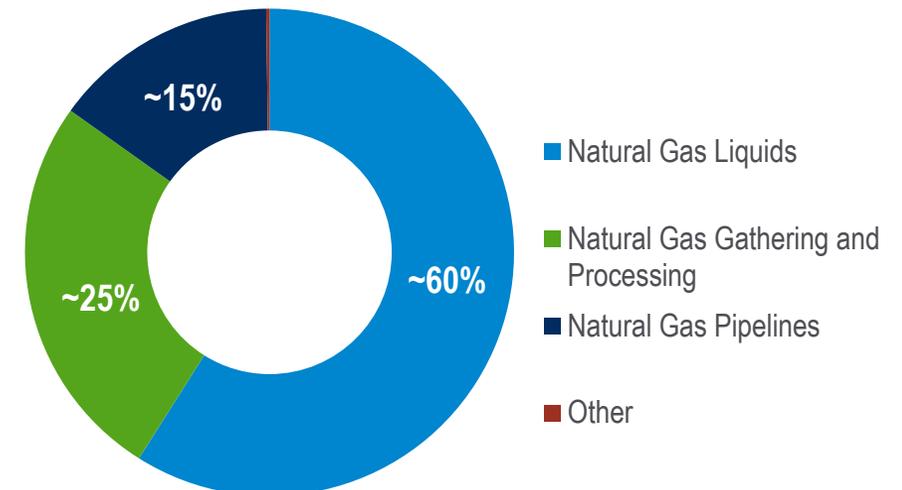
Dividends Paid Per Share Per Year



First quarter dividend increased 2.5 cents per share on Jan. 17, 2018.

2018 Adjusted EBITDA Guidance

2018 Guidance (\$ in millions)	Natural Gas Liquids	Natural Gas Gathering and Processing	Natural Gas Pipelines	Other
Adjusted EBITDA	\$1,300 – \$1,430	\$575 – \$625	\$335 – \$355	\$5



\*Dividend paid in fourth quarter 2017, annualized, with previously announced 9-11% annual growth.

Note: Adjusted EBITDA, distributable cash flow and coverage ratio are non-GAAP measures. Reconciliations to relevant GAAP measures are included in the appendix.

# NATURAL GAS LIQUIDS

## VOLUME UPDATE

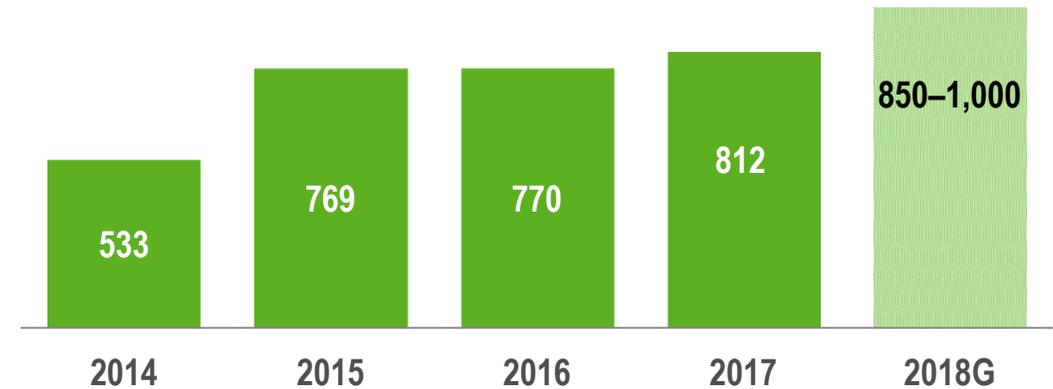
- ◆ 2018 volume growth expected to be driven primarily by increased producer activity in the STACK and SCOOP areas and increased ethane recovery in the Mid-Continent
- ◆ Ethane rejection on ONEOK's system expected to be approximately 70,000 bpd by the end of 2018
  - Approximately \$100 million of incremental adjusted EBITDA expected during 2018 compared with 2017
- ◆ Six to nine third-party natural gas processing plant connections expected in 2018

Region/Asset	Third Quarter 2017 – Average Gathered Volumes	Fourth Quarter 2017 – Average Gathered Volumes	Full Year 2017 – Average Gathered Volumes	Average Bundled Rate (per gallon)
Bakken NGL Pipeline	135,000 bpd	136,000 bpd	135,000 bpd	~30 cents*
Mid-Continent	485,000 bpd	529,000 bpd	487,000 bpd	< 9 cents*
West Texas LPG system	192,000 bpd	202,000 bpd	190,000 bpd	< 3 cents**
<b>Total</b>	<b>812,000 bpd</b>	<b>867,000 bpd</b>	<b>812,000 bpd</b>	

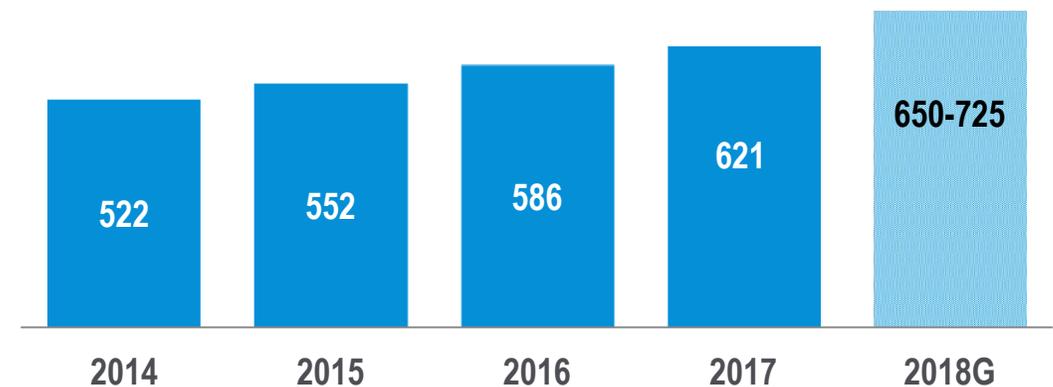
\*Includes transportation and fractionation

\*\*Transportation only

### Gathered Volume (MBbl/d)



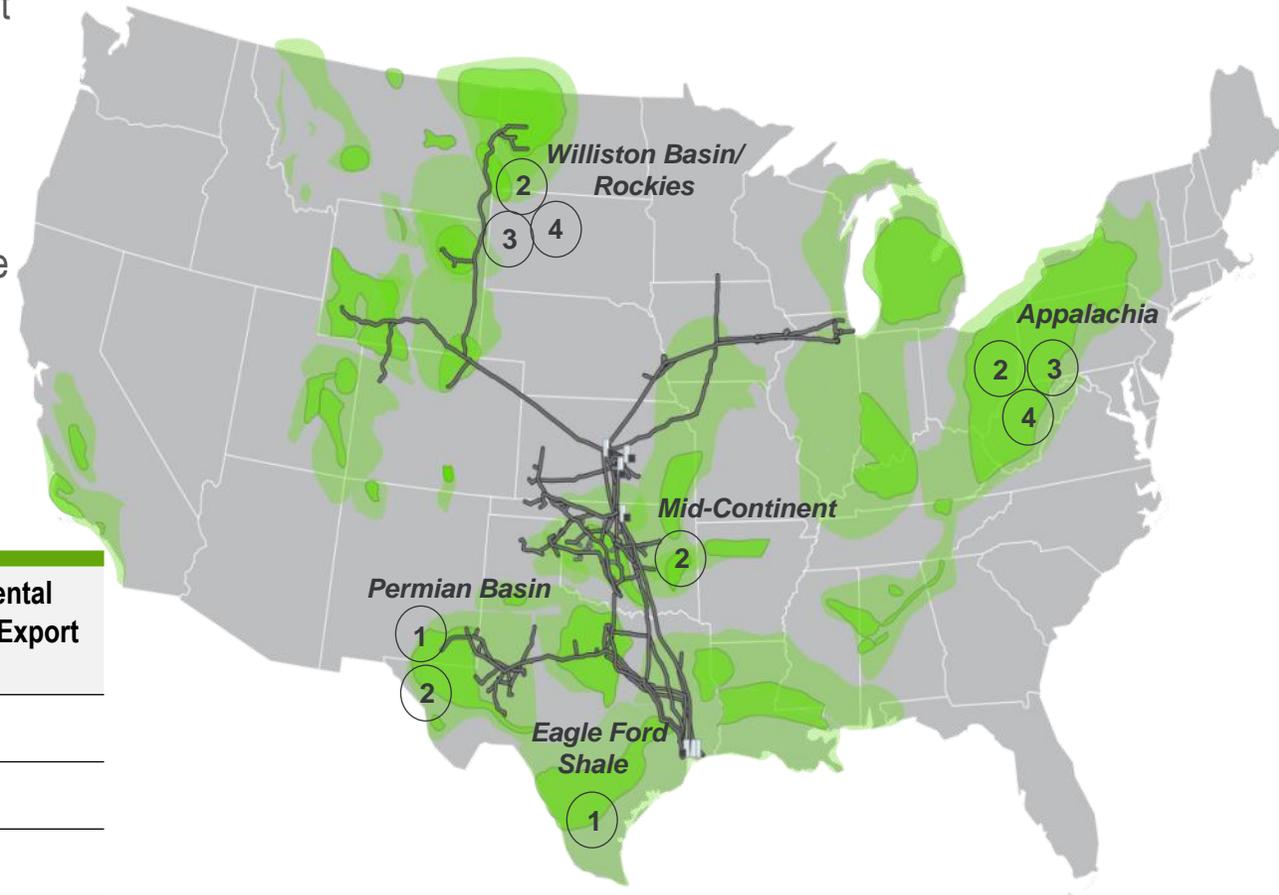
### Fractionation Volume (MBbl/d)



# ETHANE RECOVERY BY BASIN

## INCREMENTAL ETHANE DEMAND

- ◆ ONEOK's NGL infrastructure connects supply to the Gulf Coast market
  - Incremental ethane transported and fractionated volume potential of 175,000 – 200,000 bpd
  - Approximately \$100 million of incremental adjusted EBITDA expected during 2018 compared with 2017
- ◆ Basins closer to market hubs expected to be the first to recover ethane
- ◆ Incremental ethane opportunity for ONEOK by region:
  - Mid-Continent: ~100,000 bpd
  - Williston Basin: ~50,000 bpd
  - Permian Basin: ~10,000 bpd



Ethane Supply	Expected Timing	Expected Incremental Petrochemical and Export Capacity*
1	2017	144,000 bpd
2	2018	307,000 bpd
3	2019	153,000 bpd
4	2020+	408,000 bpd
<b>Total</b>		<b>1,012,000 bpd</b>

\*As of Feb. 2018; 2020+ includes potential second wave of petrochemical facilities

# NATURAL GAS GATHERING AND PROCESSING

## VOLUME UPDATE

### Williston Basin

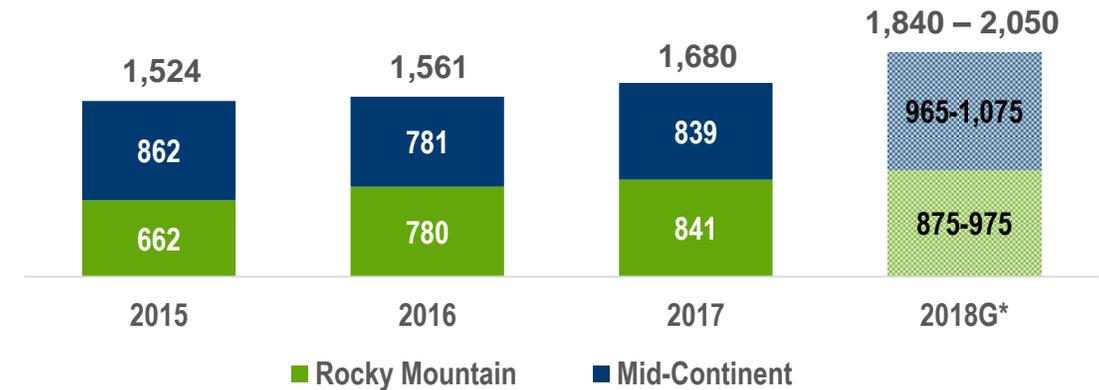
- ◆ 117 well connects completed in the fourth quarter 2017; 430 for the full year 2017
- ◆ Approximately 25 rigs on ONEOK's dedicated acreage
- ◆ Expect to connect approximately 500 wells in 2018

### Mid-Continent

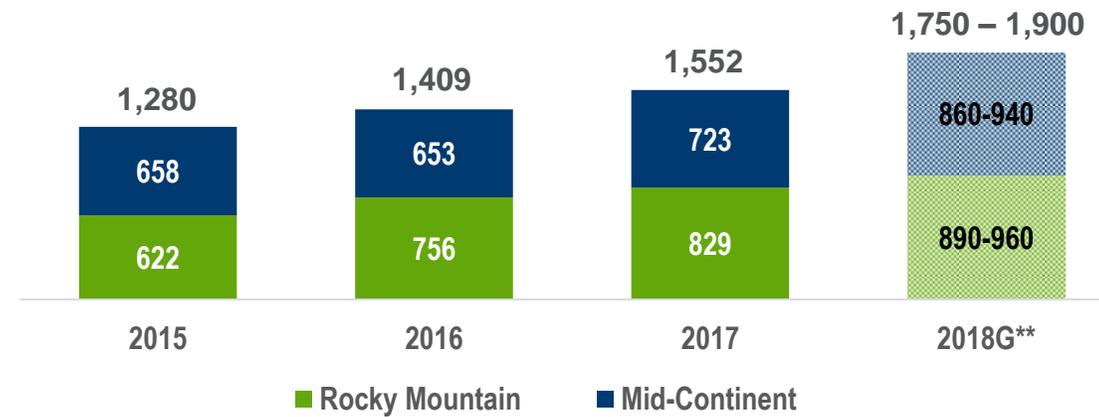
- ◆ 37 well connects completed in the fourth quarter 2017; 113 for the full year 2017
- ◆ Increased producer activity in the STACK and SCOOP plays expected to be largest driver of 2018 natural gas volume growth
- ◆ Approximately 12 rigs on ONEOK's dedicated acreage
- ◆ Expect to connect approximately 150 wells in 2018

Region	Third Quarter 2017 – Average Gathered Volumes	Fourth Quarter 2017 – Average Gathered Volumes	Third Quarter 2017 – Average Processed Volumes	Fourth Quarter 2017 – Average Processed Volumes
Rocky Mountain	867 MMcf/d	904 MMcf/d	857 MMcf/d	892 MMcf/d
Mid-Continent	863 MMcf/d	915 MMcf/d	744 MMcf/d	792 MMcf/d
Total	1,730 MMcf/d	1,819 MMcf/d	1,601 MMcf/d	1,684 MMcf/d

### Gathered Volumes (MMcf/d)



### Processed Volumes (MMcf/d)



\*2018 guidance gathered volumes (BBtu/d): 2,430-2,700

\*\*2018 guidance processed volumes (BBtu/d): 2,310-2,500

# NATURAL GAS PIPELINES

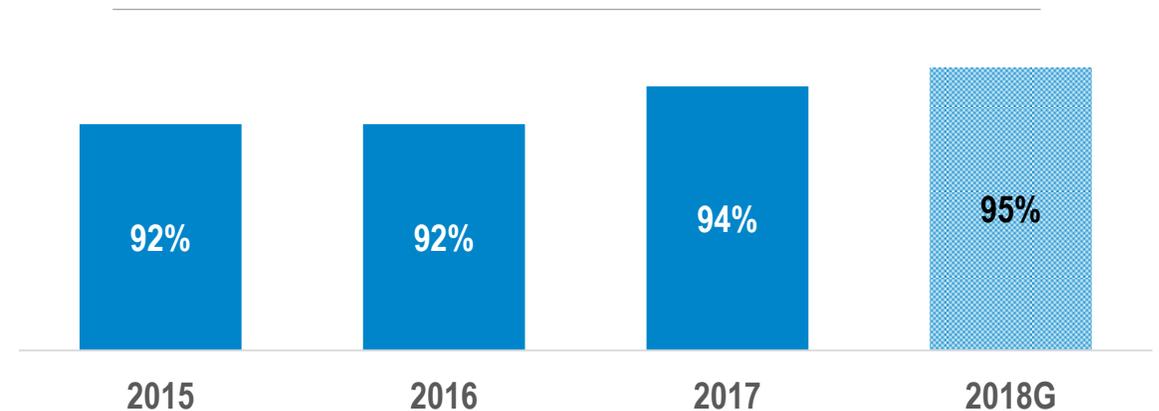
## WELL-POSITIONED AND MARKET-CONNECTED

- ◆ 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
- ◆ Well-positioned for additional natural gas takeaway options out of the Permian Basin and STACK and SCOOP areas
- ◆ Contracted transportation capacity and fee-based earnings have increased with completion of WesTex Transmission Pipeline expansion and Roadrunner Gas Transmission Pipeline
- ◆ 100 MMcf/d westbound expansion of ONEOK Gas Transmission Pipeline out of the STACK play expected to be in service in the second quarter 2018

Natural Gas Transportation Capacity Contracted (MDth/d)



Natural Gas Transportation Capacity Subscribed





# APPENDIX

# ONEOK GROWTH: 2006-2016

\$9 BILLION INVESTED IN INFRASTRUCTURE

## 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

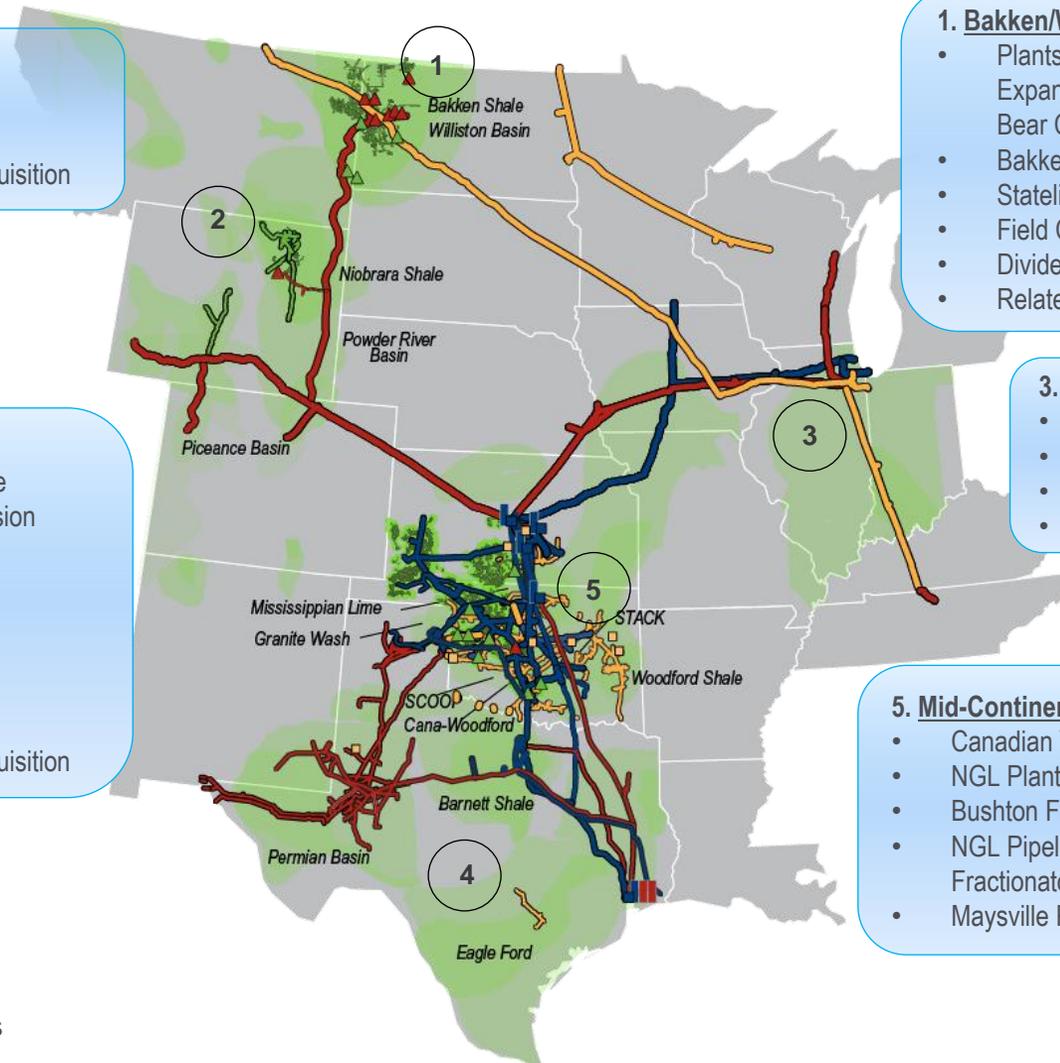
## 3. Midwest Region

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

## 5. Mid-Continent 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





# STACK AND SCOOP

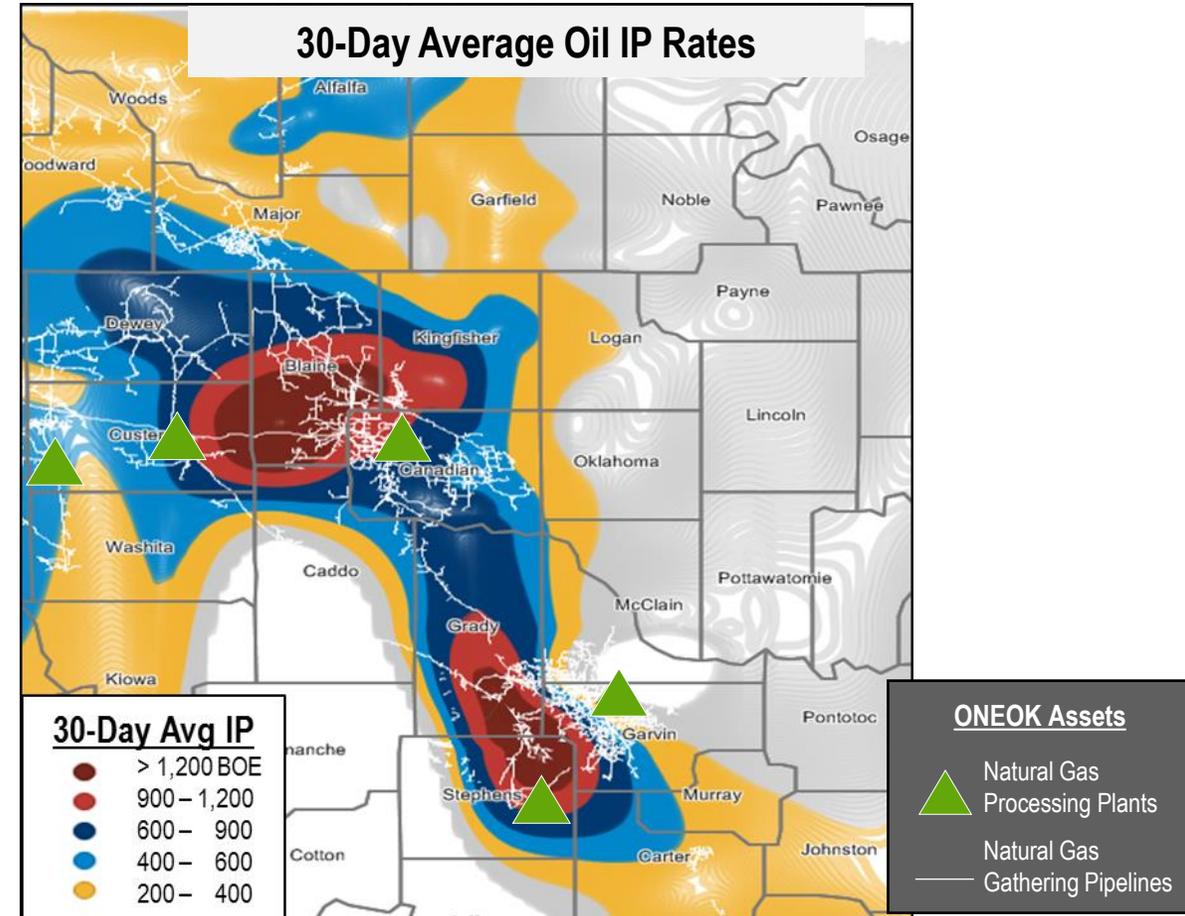
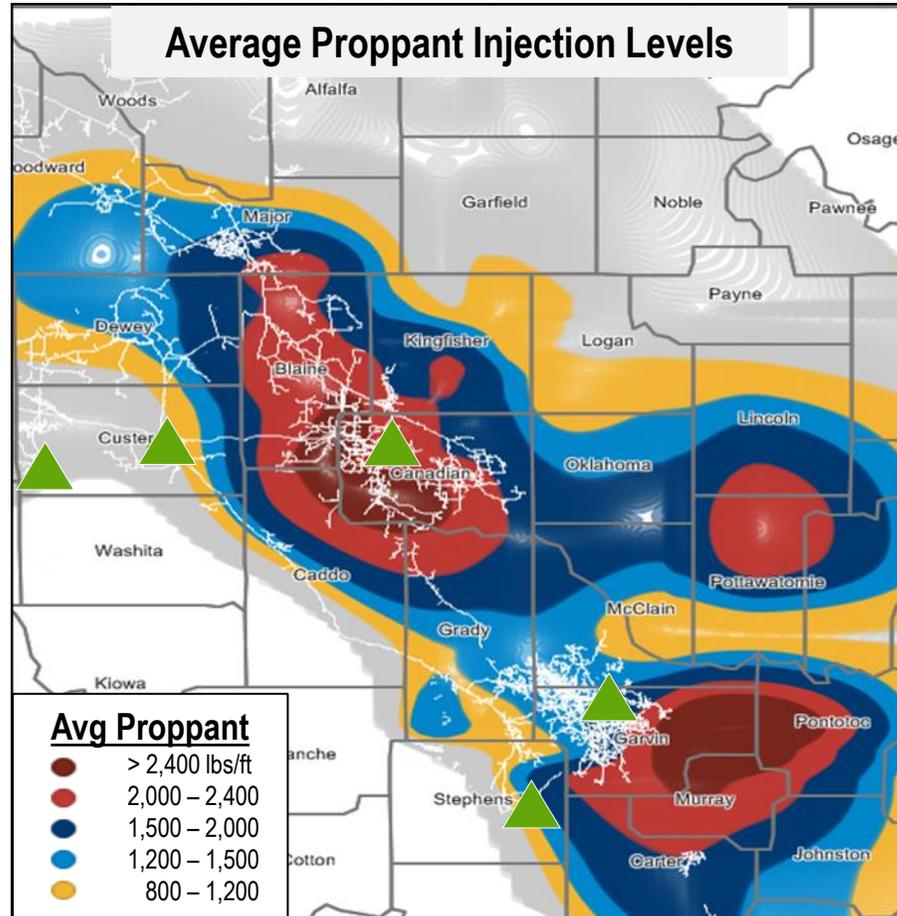


# STACK AND SCOOP PRODUCTION

## ONEOK ASSETS: WELL POSITIONED IN HIGH ACTIVITY AREAS

- ◆ Higher levels of proppant injection may be a leading indicator for production activity

- ◆ Producers continue to expand their areas of focus based on production results



Source: IHS, wells completed from January 2015 to June 2017

# STACK AND SCOOP PLAYS

RELIABLE FULL-SERVICE PROVIDER

## Natural Gas Liquids

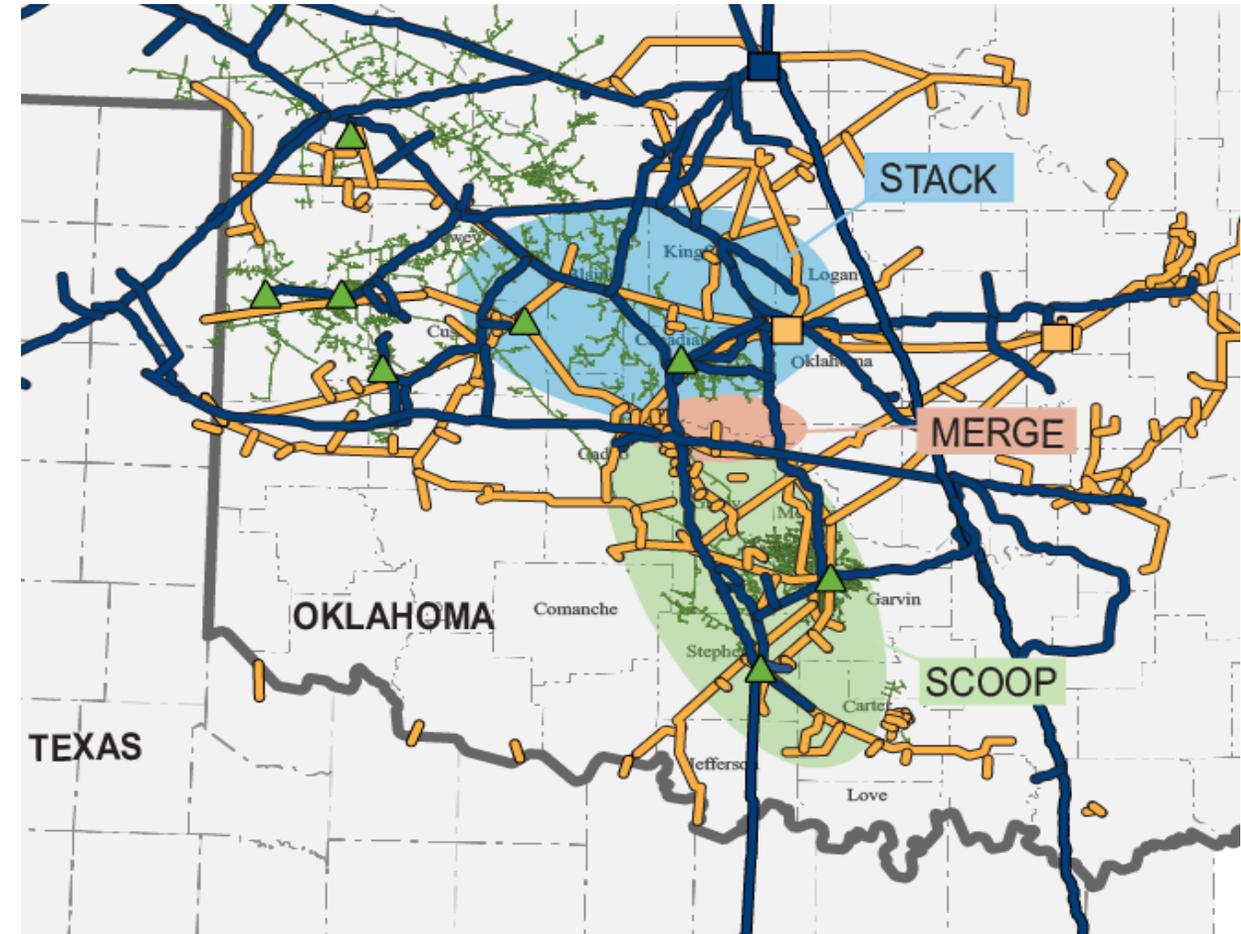
- ◆ Approximately 110 third-party natural gas processing plant connections in Mid-Continent
- ◆ Approximately 140,000 bpd incremental ethane opportunity out of the Mid-Continent
- ◆ Incremental 100,000 bpd of expected supply by end of 2018

## Natural Gas Gathering and Processing

- ◆ Access to nearly 900 MMcf/d of processing capacity through integrated asset network at the end of 2017; increasing to 1.1 Bcf/d by end of 2018

## Natural Gas Pipelines

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



■ Natural Gas Liquids ■ Natural Gas Pipelines ■ Natural Gas Gathering & Processing

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

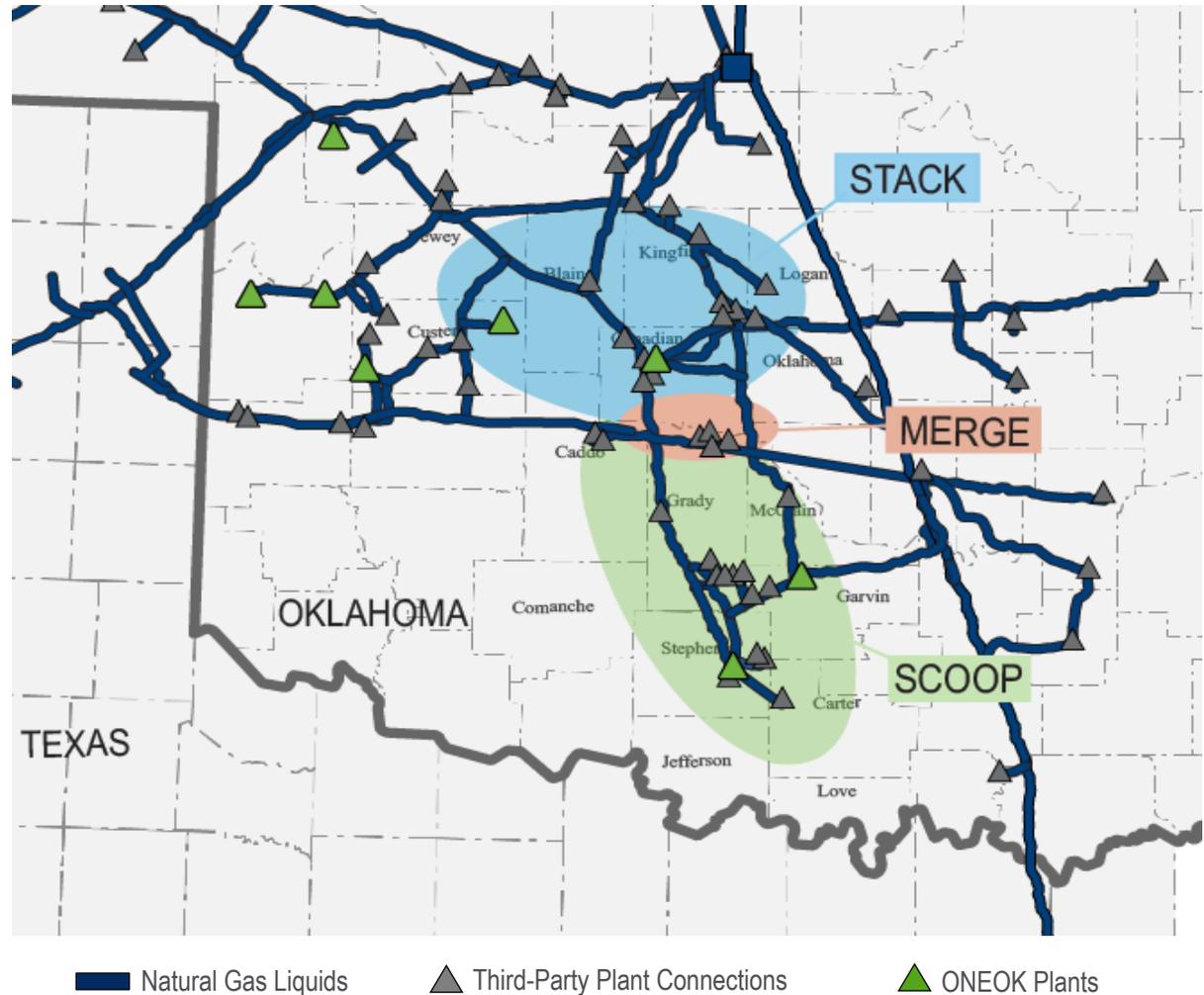
\*\*SCOOP: South Central Oklahoma Oil Province

# STACK AND SCOOP PLAYS

## FULL-SERVICE CAPABILITY

### Natural Gas Liquids

- ◆ Currently gathering approximately 200,000 – 250,000 bpd of NGLs
- ◆ More than 110 existing natural gas processing plant connections in the Mid-Continent
- ◆ Recently announced growth projects to accommodate accelerated producer investments in the STACK
  - Sterling III and Mid-Continent NGL system expansions
    - ◇ Expanding Sterling III pipeline to 250,000 bpd, from 190,000 bpd
  - ONEOK's Canadian Valley natural gas processing plant expansion
    - ◇ 200 MMcf/d processing plant expansion expected to add approximately 20,000 bpd of NGLs by 2019
  - Arbuckle II Pipeline
    - ◇ NGL pipeline from the Mid-Continent to the Gulf Coast with initial capacity of 400,000 bpd; expandable up to 1 million bpd

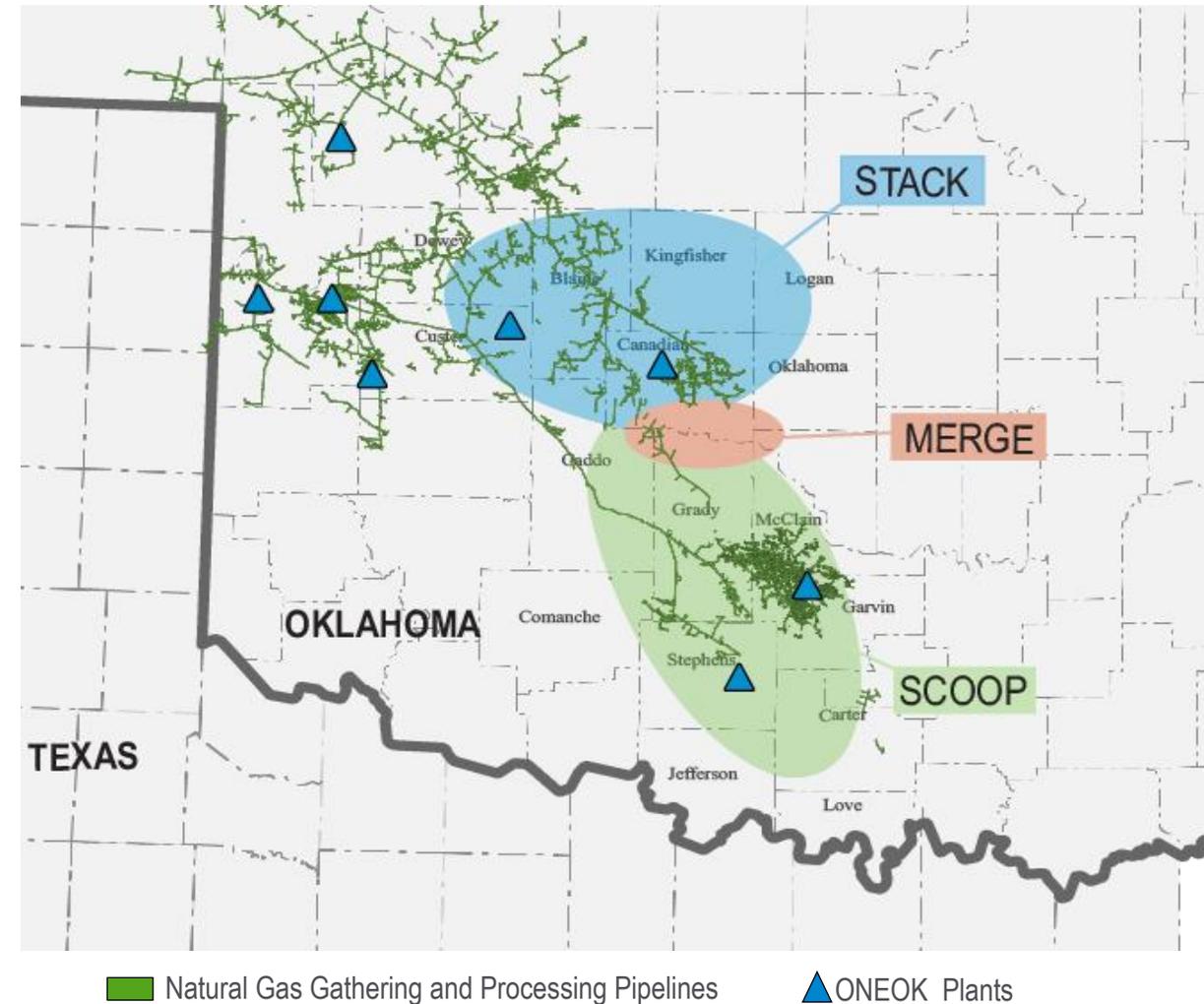


# STACK AND SCOOP PLAYS

## WELL-POSITIONED GATHERING AND PROCESSING ASSETS

### Natural Gas Gathering and Processing

- ◆ More than 300,000 acres dedicated in the STACK and SCOOP
- ◆ Producer results continue to improve through enhanced well completions and rig efficiencies
- ◆ Integrated network of natural gas processing plants with expected capacity of 1.1 Bcf/d by end of 2018
- ◆ Recently announced growth projects to support increasing producer activity on dedicated acreage
  - 200 MMcf/d Canadian Valley processing plant expansion
    - ◇ Increases capacity to 400 MMcf/d by the fourth quarter 2018

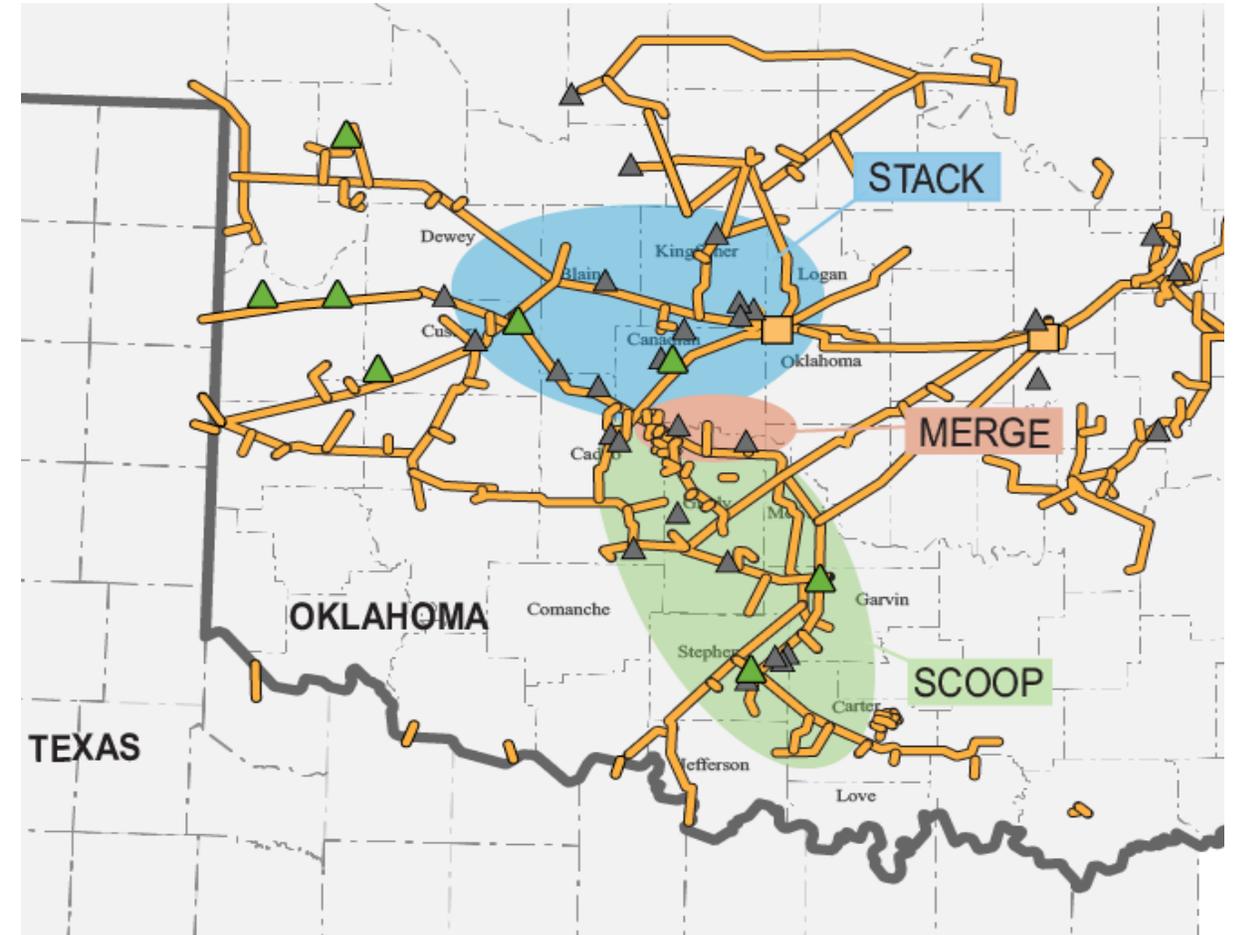


# STACK AND SCOOP PLAYS

## PROVIDING CONNECTIVITY

### Natural Gas Pipelines

- ◆ 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 with peak demand of approximately 2.4 Bcf/d
- ◆ Westbound expansion of ONEOK Gas Transmission Pipeline out of the STACK
  - Firm commitments for 100 MMcf/d secured
  - Expected completion in the second quarter 2018
  - Ongoing market discussions to scale up project by adding compression
- ◆ Approximately 50 Bcf of natural gas storage capacity in Oklahoma



- Natural Gas Pipelines
- ▲ Third-Party Plant Connections
- ▲ ONEOK Plants
- Natural Gas Storage



# PERMIAN BASIN

# PERMIAN BASIN

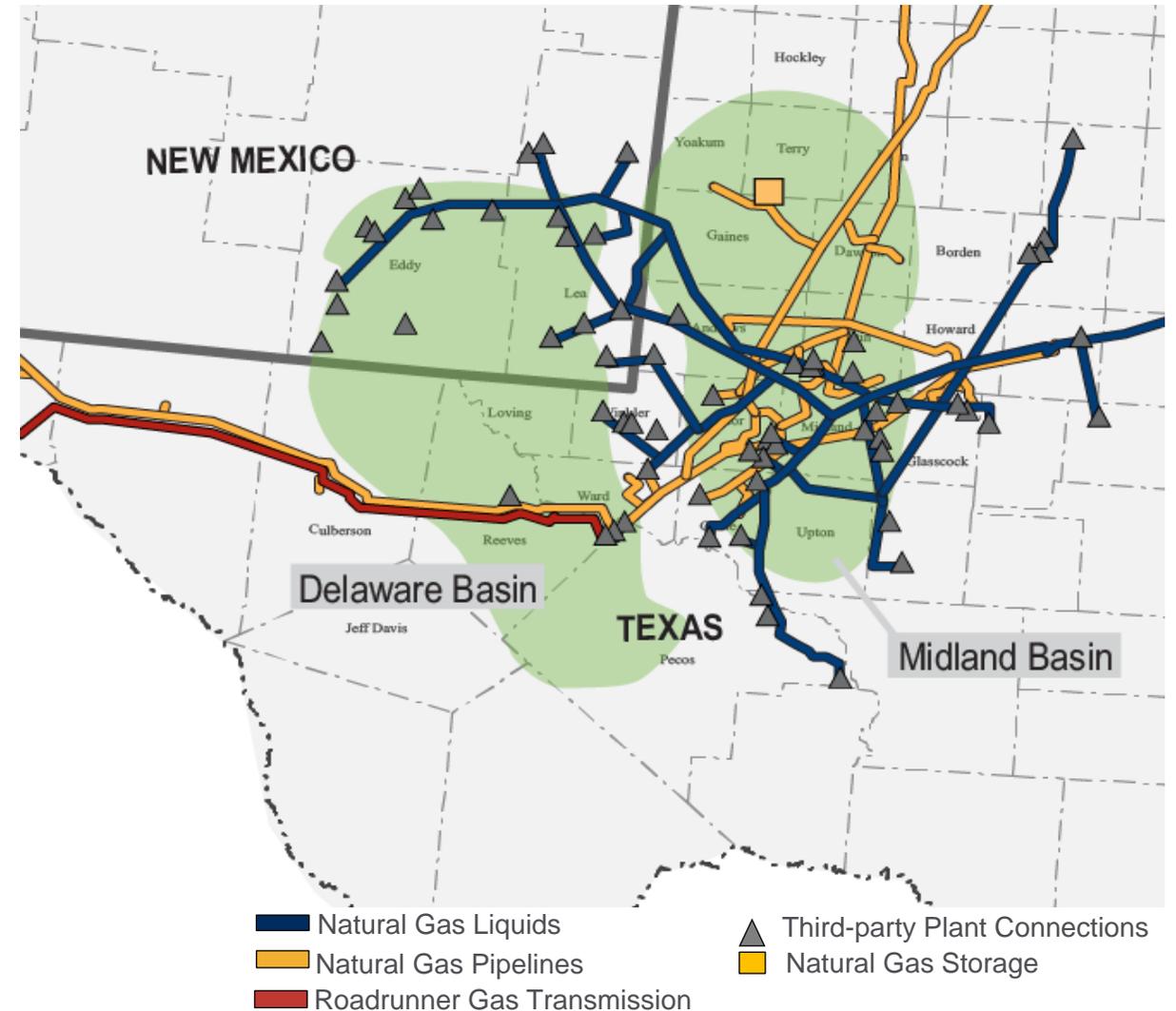
## RELIABLE SERVICE PROVIDER

### Natural Gas Liquids

- ◆ Approximately 40 third-party natural gas processing plant connections in the Permian Basin
- ◆ West Texas LPG pipeline system expandable through additional pump stations and pipeline looping
  - Current capacity: 285,000 bpd\*
  - Recently announced extension into the Delaware Basin

### Natural Gas Pipelines

- ◆ Connected to more than 25 natural gas processing plants serving the Permian Basin with a total capacity of 1.9 Bcf/d
- ◆ Access to on-system utility and industrial markets with peak demand of approximately 1.5 Bcf/d
- ◆ Completed capital projects in 2016:
  - Roadrunner Phase I and II totaling 570 MMcf/d of capacity\*\*
  - WesTex Transmission Pipeline adding 260 MMcf/d of capacity
- ◆ 4 Bcf of active natural gas storage capacity in Texas



\*ONEOK operates and has an 80 percent ownership interest in West Texas LPG. ONEOK's volume interest capacity is approximately 230,000 bpd.

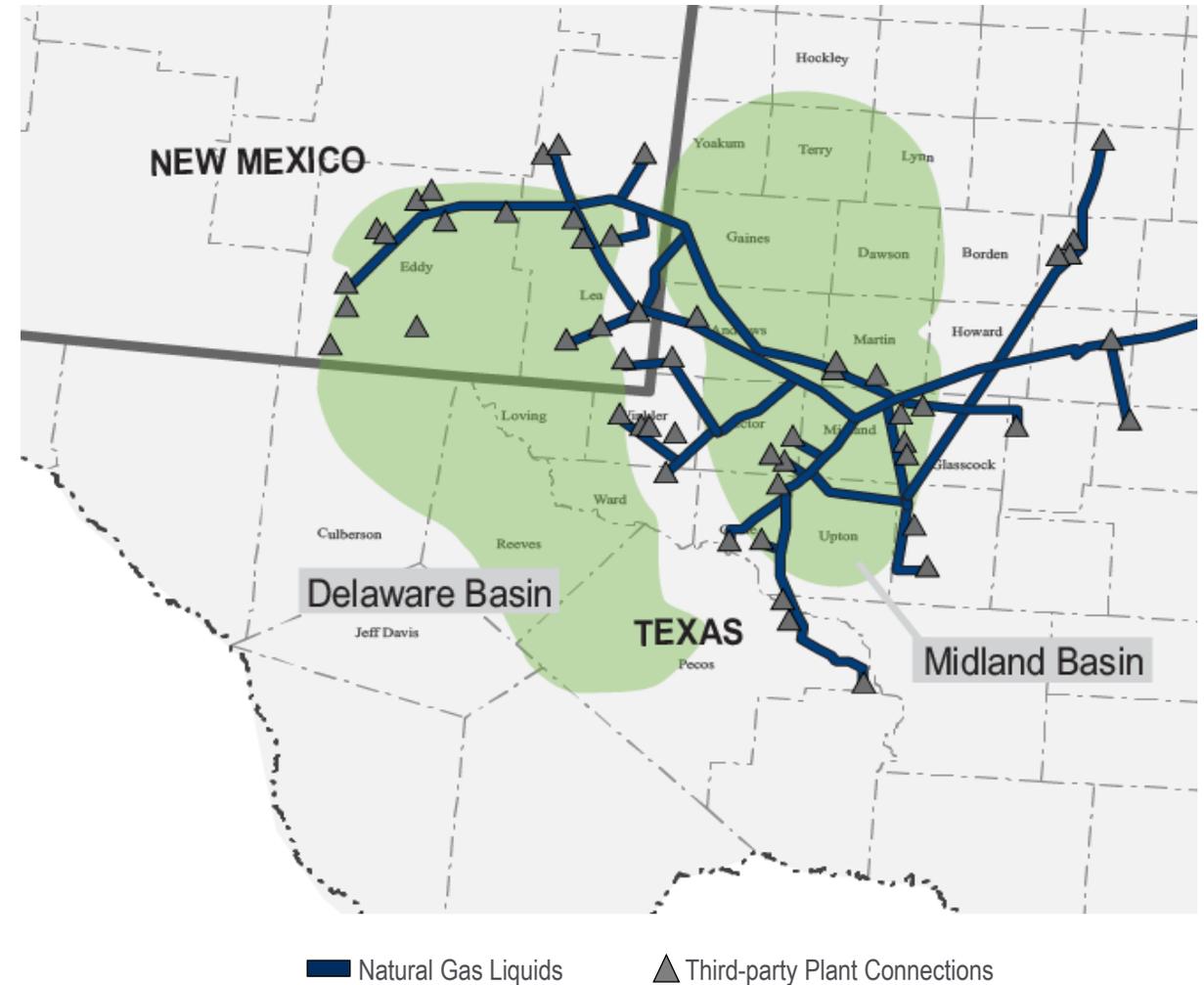
\*\*ONEOK operates and has a 50 percent ownership interest in Roadrunner. Capacity represents total pipeline capacity.

# PERMIAN BASIN

## FULL-SERVICE CAPABILITY

### Natural Gas Liquids

- ◆ Extensive network of natural gas liquids pipelines connecting supply to Gulf Coast and Conway, Kansas, market centers
- ◆ Ability to offer transportation and fractionation services to new customers in the basin

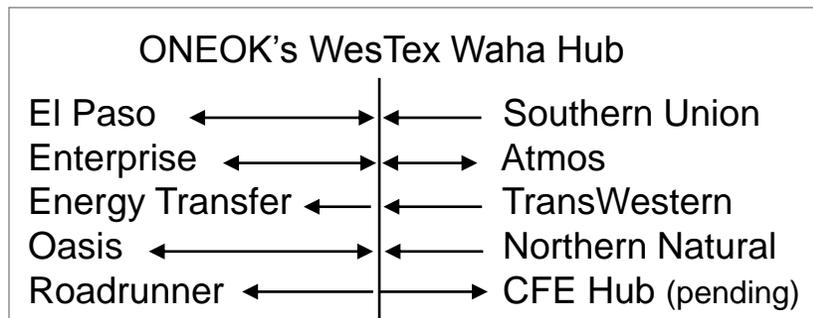
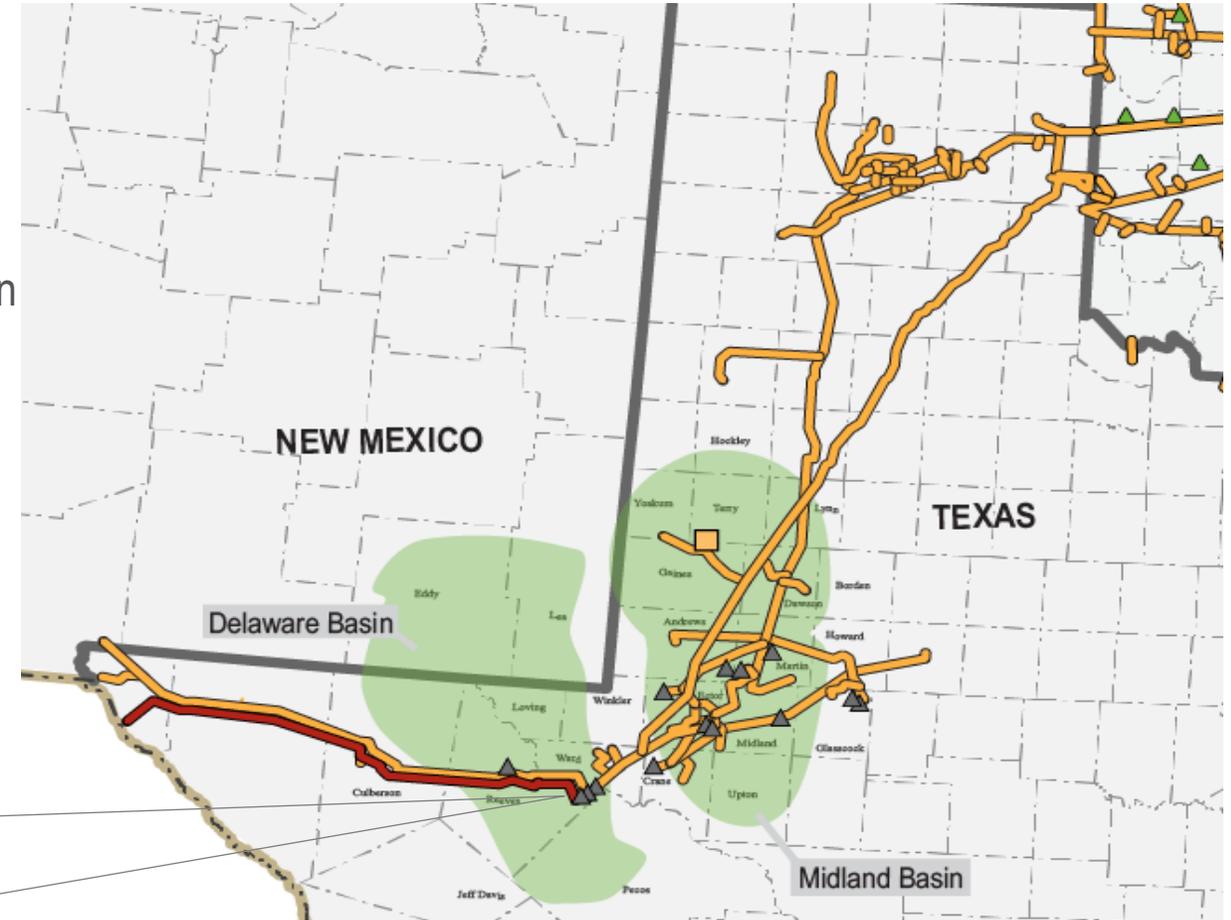


# PERMIAN BASIN

## PROVIDING CONNECTIVITY

### Natural Gas Pipelines

- ◆ Connected to more than 25 natural gas processing plants serving the Permian Basin with a total capacity of 1.9 Bcf/d
- ◆ Well-positioned in the Delaware Basin with a significant position in the Midland Basin
- ◆ 2,500-mile network of natural gas pipelines and storage connecting Mid-Continent and Permian Basin supply with natural gas utility and industrial markets in Texas and Mexico
- ◆ ONEOK WesTex provides access to Waha Hub pipelines for liquidity and transaction capabilities



- Orange line: Natural Gas Pipelines
- Yellow square: Natural Gas Storage
- Red line: Roadrunner Gas Transmission
- Green triangle: ONEOK Plant Connections
- Grey triangle: Third-party Plant Connections



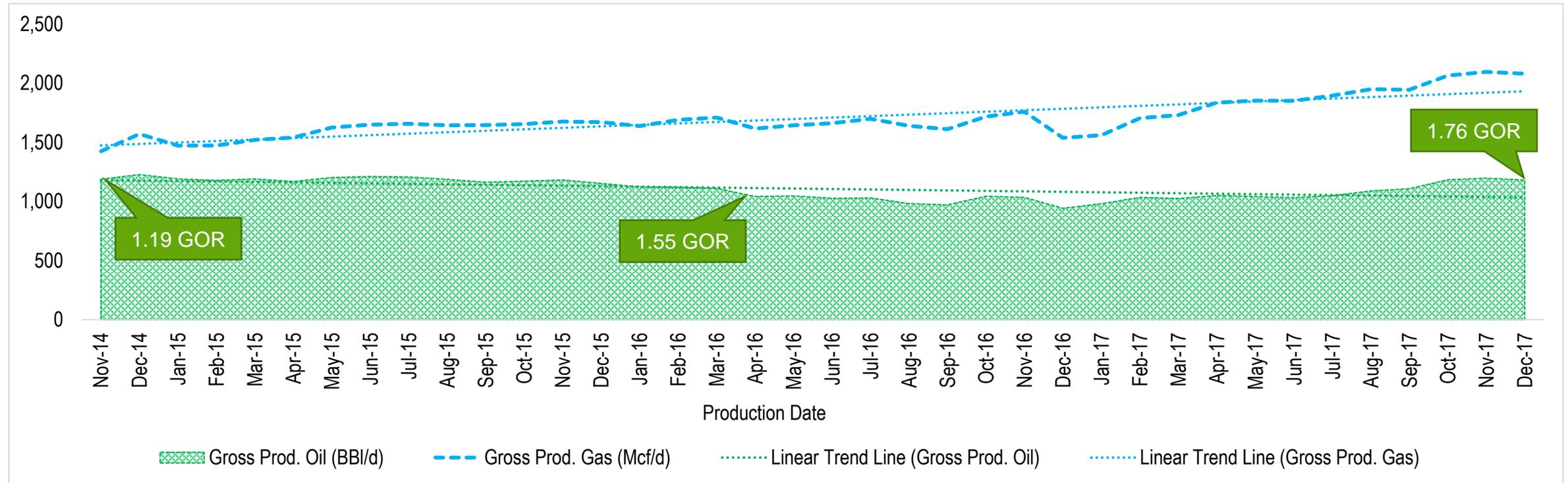
# WILLISTON BASIN



# WILLISTON BASIN

## INCREASING GAS-TO-OIL RATIOS (GOR) DRIVING VOLUME GROWTH

- ◆ Producer efficiencies across the basin leading to increasing production with fewer rigs
- ◆ North Dakota reported record levels of natural gas production in 2017:
  - **December 2017: 2.1 Bcf/d**
  - December 2016: 1.5 Bcf/d



Source: North Dakota Industrial Commission and North Dakota Pipeline Authority

# WILLISTON BASIN

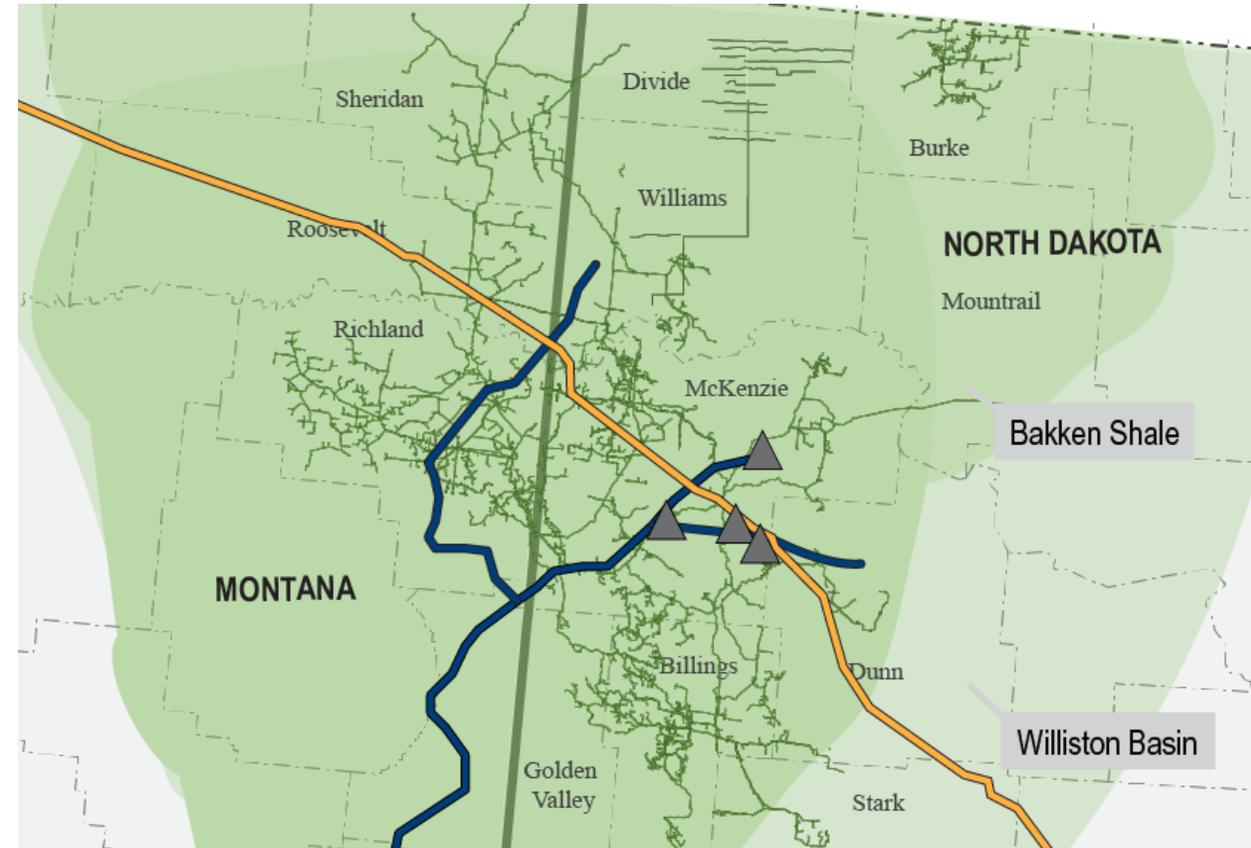
## PROVIDING VALUABLE TAKEAWAY CAPACITY

### Natural Gas Liquids

- ◆ Elk Creek Pipeline will add 240,000 bpd of NGL takeaway capacity by year-end 2019
  - Expandable to 400,000 bpd
- ◆ Four third-party natural gas processing plant connections
- ◆ Highest margin NGL barrel with average bundled fee rates of approximately 30 cents per gallon
- ◆ *Approximately 35,000 bpd* incremental ethane opportunity

### Natural Gas Pipelines

- ◆ 2.4 Bcf/d of long-haul natural gas transportation capacity through ONEOK's 50 percent owned Northern Border Pipeline
- ◆ Northern Border Pipeline provides the most economical capacity route out of the Williston Basin
  - Substantially contracted through the fourth quarter 2020



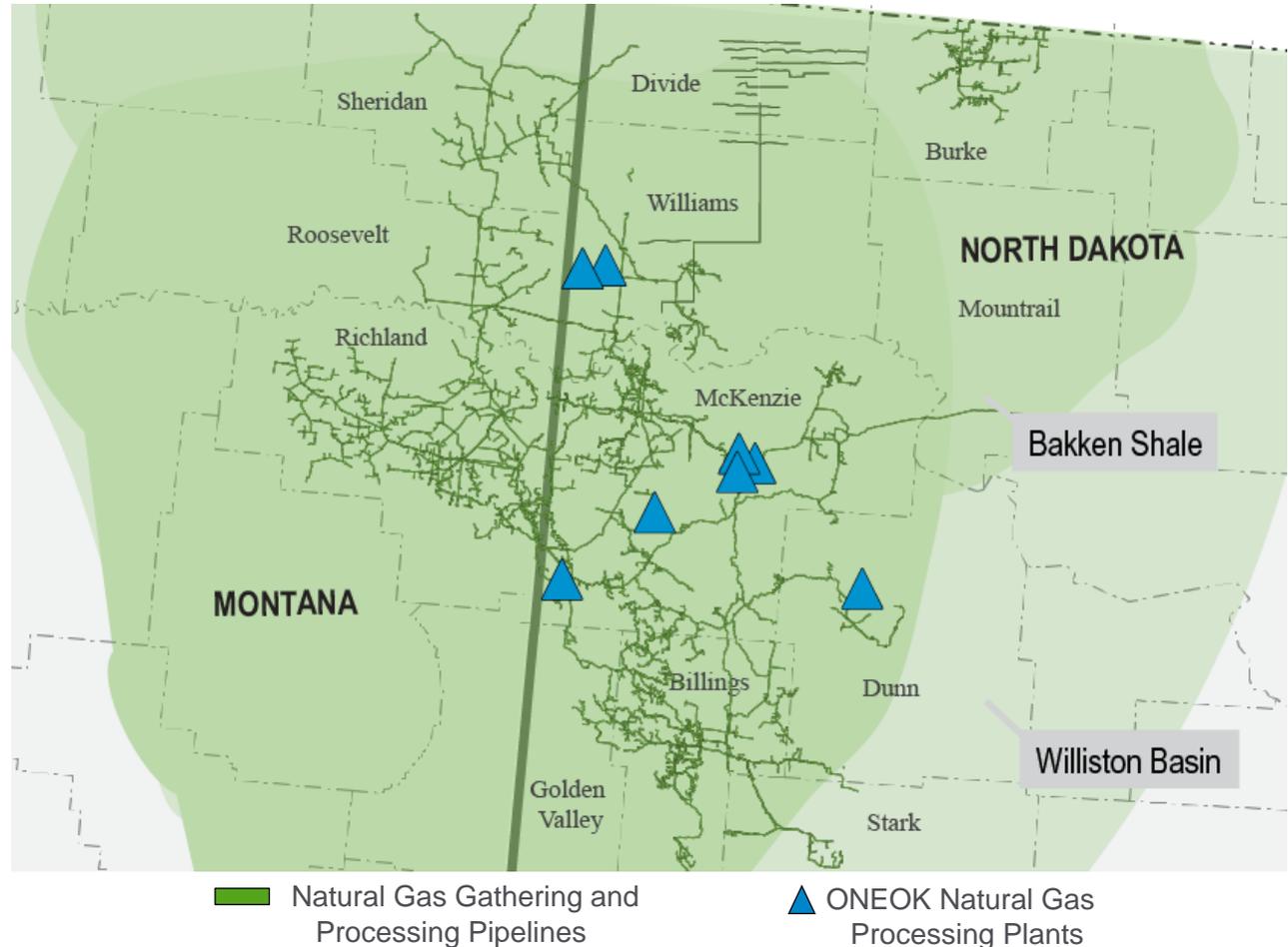
— Natural Gas Liquids — Natural Gas Pipelines ▲ Third-party Plant Connections

# WILLISTON BASIN

## COMPETITIVELY ADVANTAGED ASSET FOOTPRINT

### Natural Gas Gathering and Processing

- ◆ More than 3 million acres dedicated to ONEOK
  - Approximately 1 million acres in the core
- ◆ More than 1 Bcf/d of natural gas processing capacity
  - ONEOK's Demicks Lake plant will increase capacity to more than 1.2 Bcf/d by 2020
  - Approximately 100 MMcf/d currently available
- ◆ Increased producer drilling activity in the basin
  - Approximately 25 rigs on ONEOK's dedicated acreage
- ◆ Approximately 350 – 400 drilled but uncompleted wells on ONEOK's dedicated acreage
- ◆ Approximately 500 well connects expected in 2018
- ◆ Higher gas-to-oil ratios in the core of the basin where completion activities are highest

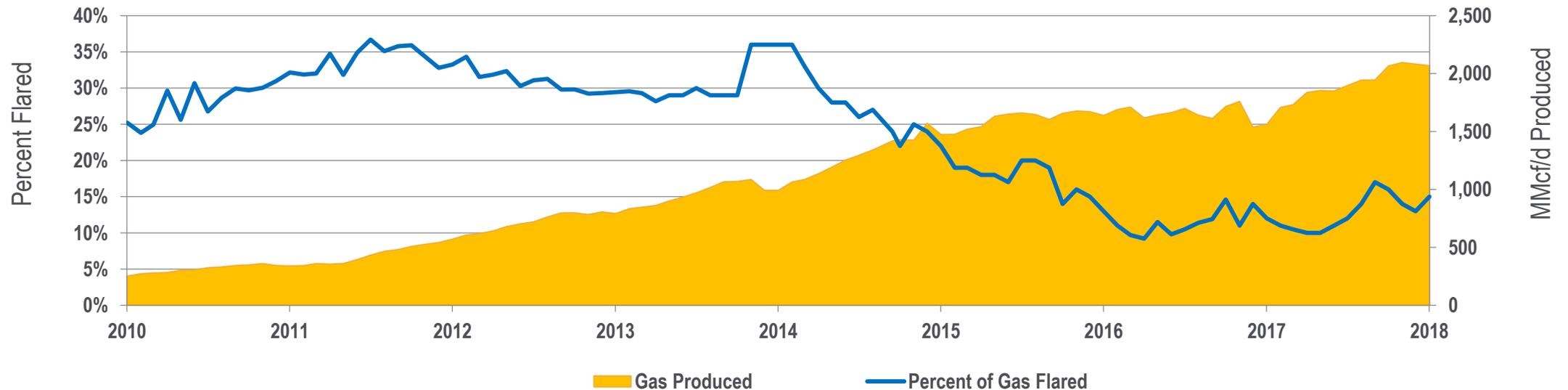


# WILLISTON BASIN

## INCREASED NATURAL GAS CAPTURE RESULTS

- ◆ Increased NGL and natural gas value uplift
- ◆ Approximately 85% of North Dakota's natural gas production was captured in January 2018
- ◆ North Dakota Industrial Commission (NDIC) policy targets:
  - Natural gas capture: currently 85%, increasing to 88% by Nov. 2018 and 91% by Nov. 2020
- ◆ January statewide flaring was approximately 310 MMcf/d, with approximately 130 MMcf/d estimated to be on ONEOK's dedicated acreage
- ◆ Producers incentivized to increase natural gas capture rates to maximize the value of wells drilled

North Dakota Natural Gas Produced and Flared



Source: NDIC Department of Mineral Resources



# POWDER RIVER BASIN

# POWDER RIVER BASIN

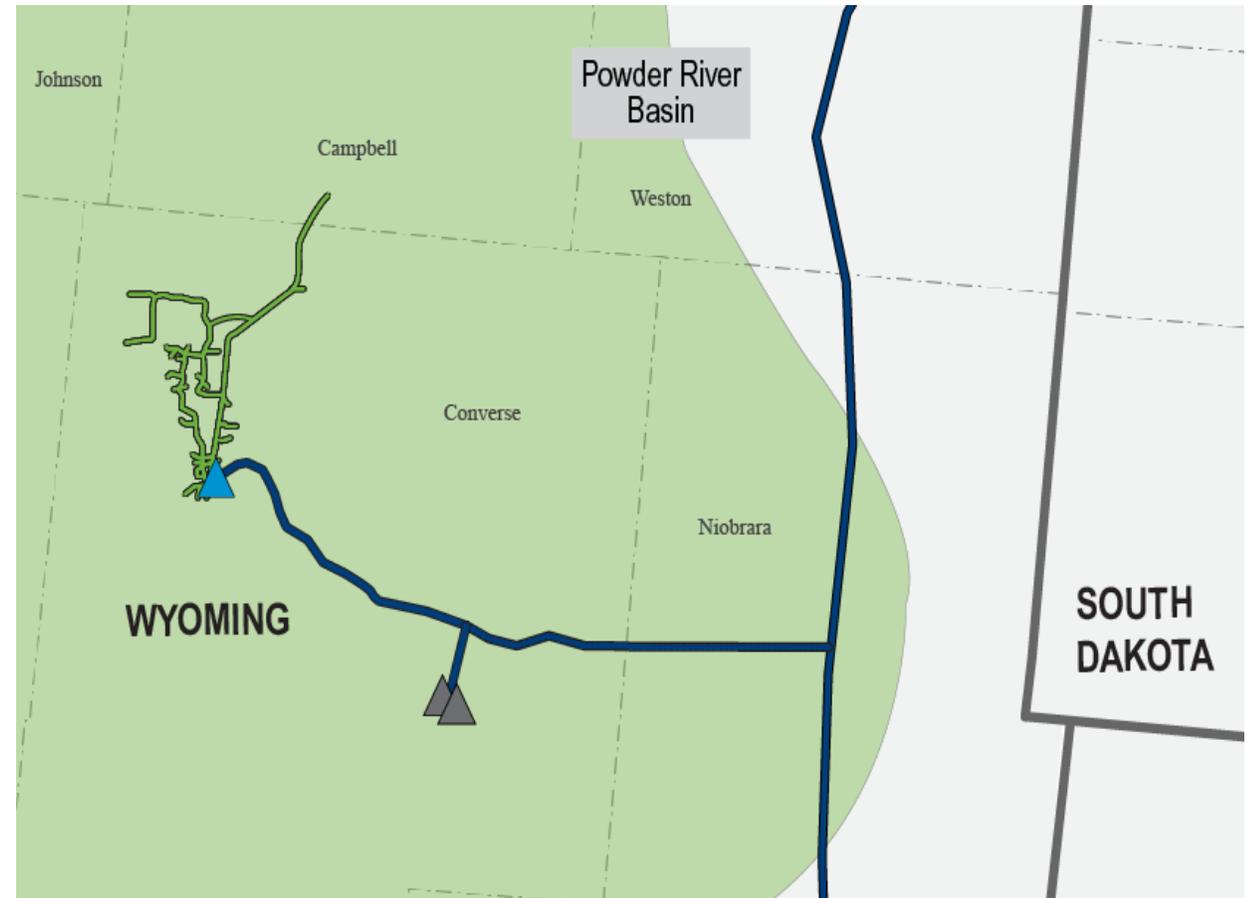
## PROVIDING VALUABLE TAKEAWAY CAPACITY

### Natural Gas Liquids

- ◆ Assets located in NGL-rich Niobrara, Sussex and Turner formations
- ◆ NGL takeaway through Bakken NGL Pipeline and Overland Pass Pipeline
  - Elk Creek Pipeline will provide additional capacity once complete
- ◆ Two third-party natural gas processing plant connections

### Natural Gas Gathering and Processing

- ◆ Approximately 130,000 acres dedicated to ONEOK
- ◆ 50 MMcf/d processing capacity at Sage Creek natural gas processing plant
- ◆ Integrated assets and value chain with natural gas liquids segment



- Natural Gas Liquids
- Natural Gas Gathering and Processing
- ▲ ONEOK Plant
- ▲ Third-party Plant



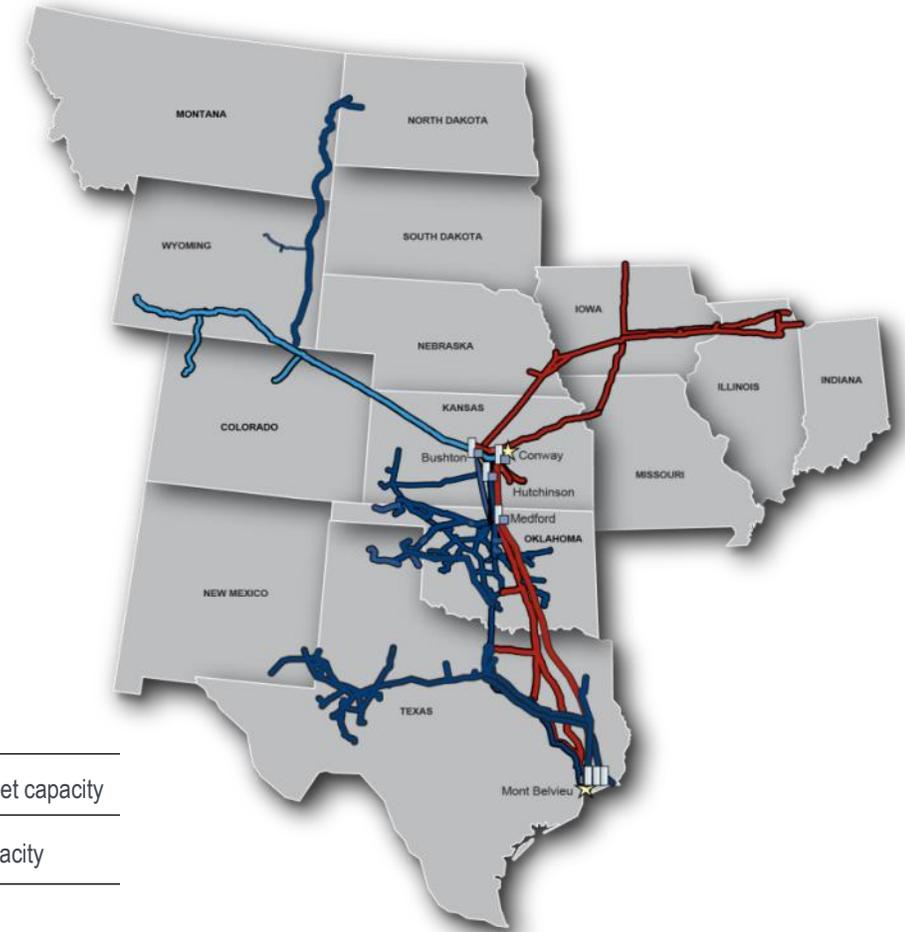
# BUSINESS SEGMENTS



# NATURAL GAS LIQUIDS

## ONE OF THE LARGEST INTEGRATED NGL SERVICE PROVIDERS

- ◆ Provides fee-based services to natural gas processors and customers
  - Gathering, fractionation, transportation, marketing and storage
- ◆ Extensive NGL gathering system
  - Connected to nearly 200 natural gas processing plants in the Mid-Continent, Barnett Shale, Rocky Mountain regions and Permian Basin
    - ◇ Represents 90 percent of pipeline-connected natural gas processing plants located in Mid-Continent
    - ◇ Contracted NGL volumes exceed physical volumes – minimum volume commitments
- ◆ Extensive NGL fractionation system
  - Fractionation capacity near two market hubs
    - ◇ Conway, Kansas and Medford, Oklahoma – 500,000 bpd capacity
    - ◇ Mont Belvieu, Texas – 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



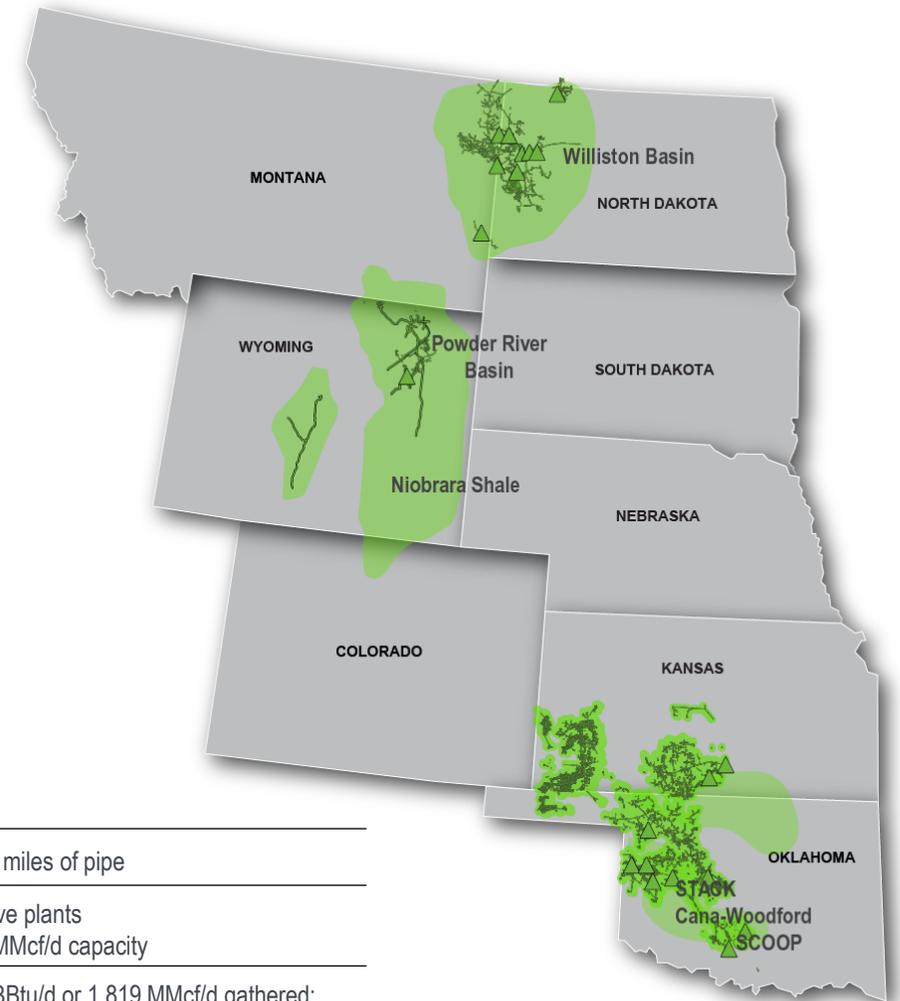
Fractionation	840,000 bpd net capacity
Isomerization	9,000 bpd capacity
E/P Splitter	40,000 bpd
Storage	26 MMBbl capacity
Distribution	4,380 miles of pipe with 1,060 mbp/d capacity
Gathering – Raw Feed	7,140 miles of pipe with 1,485 MBp/d capacity

As of Dec. 31, 2017

# NATURAL GAS GATHERING AND PROCESSING

## SERVING PRODUCERS IN KEY BASINS

- ◆ Provides gathering, compression, treating and processing services to producers
- ◆ 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
    - ◇ Bakken
    - ◇ Three Forks
  - Mid-Continent
    - ◇ STACK
    - ◇ SCOOP
    - ◇ Cana-Woodford Shale
    - ◇ Mississippian Lime
    - ◇ Granite Wash, Hugoton, Central Kansas Uplift
  - Powder River Basin
    - ◇ Niobrara, Sussex and Turner formations



Gathering	19,090 miles of pipe
Processing	20 active plants 1,845 MMcf/d capacity
Volumes	2,402 BBtu/d or 1,819 MMcf/d gathered; 2,235 BBtu/d or 1,684 MMcf/d processed; 975 BBtu/d residue gas sold; 196 MBbl/d NGLs sold
<i>As of Dec 31, 2017</i>	

- Gathering pipelines
- ▲ Natural gas processing plant

# NATURAL GAS GATHERING AND PROCESSING

Year Ending December 31, 2018			
Commodity	Volumes Hedged	Average Price	Percent Hedged
Natural Gas* (BBtu/d)	67.2	\$2.79 / MMBtu	83%
Condensate (MBbl/d)	2.4	\$52.65 / Bbl	77%
Natural Gas Liquids** (MBbl/d)	8.1	\$0.66 / gallon	79%

Year Ending December 31, 2019			
Commodity	Volumes Hedged	Average Price	Percent Hedged
Condensate (MBbl/d)	2.2	\$56.90 / Bbl	65%
Natural Gas Liquids** (MBbl/d)	7.2	\$0.71 / gallon	71%

\*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's results of operations

# NATURAL GAS GATHERING AND PROCESSING

## COMMODITY PRICE SENSITIVITIES AFTER HEDGING\*

Commodity	Sensitivity	Earnings Impact (\$ in Millions)	
		2018**	2019**
Natural Gas	\$0.10 / MMBtu	\$0.5	\$2.8
Natural Gas Liquids	\$0.01 / gallon	\$1.9	\$2.9
Crude Oil	\$1.00 / barrel	\$0.5	\$0.6

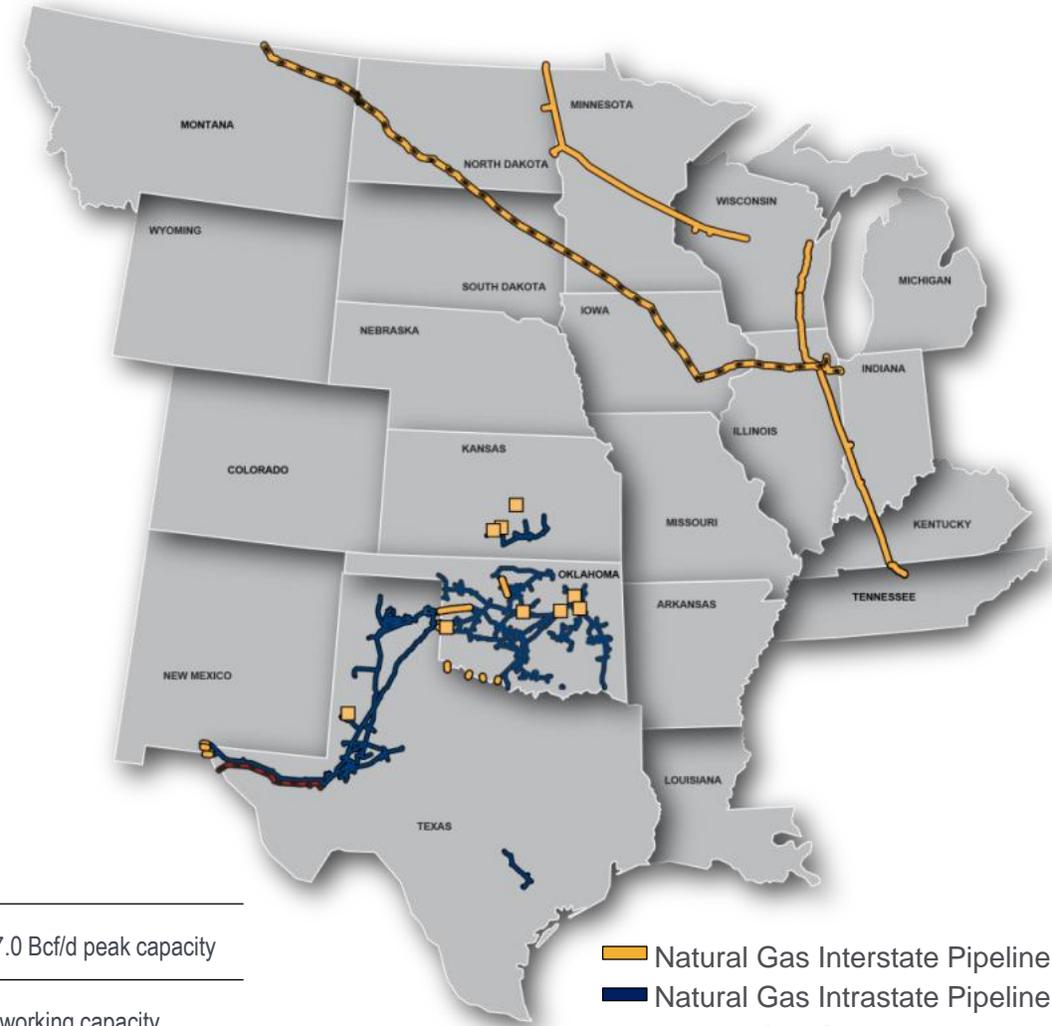
\*As of Dec. 31, 2017

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

# NATURAL GAS PIPELINES

## CONNECTIVITY TO KEY MARKETS

- ◆ Predominantly fee-based income
- ◆ 94% of transportation capacity contracted under firm **demand-based** rates in 2017
- ◆ 83% of contracted system transportation capacity served end-use markets in 2017
  - Connected directly to end-use markets
    - ◇ Local natural gas distribution companies
    - ◇ Electric-generation facilities
    - ◇ Large industrial companies
- ◆ 64% of storage capacity contracted under firm, **fee-based** contracts in 2017



Pipelines	6,655 miles, 7.0 Bcf/d peak capacity
Storage	50 Bcf active working capacity
As of Dec. 31, 2017	

- Natural Gas Interstate Pipeline
- Natural Gas Intrastate Pipeline
- Natural Gas Storage
- Northern Border Pipeline (50% interest)
- Roadrunner Gas Transmission (50% interest)



# NON-GAAP RECONCILIATIONS

# 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.

# NON-GAAP RECONCILIATION

## NET INCOME TO ADJUSTED EBITDA

<i>(\$ in Millions)</i>	2013	2014	2015	2016	2017
<b>Reconciliation of Income from Continuing Operations to Adjusted EBITDA</b>					
Income from continuing operations	\$589	\$669	\$385	\$746	\$594
Interest expense, net of capitalized interest	271	356	417	470	486
Depreciation and amortization	239	295	355	392	406
Impairment charges	-	79	264	-	20
Income taxes	166	151	137	212	447
Noncash compensation expense	11	17	14	32	13
Other noncash items and equity AFUDC	(30)	(15)	7	(2)	21
Adjusted EBITDA	\$ 1,246	\$1,552	\$1,579	\$1,850	\$1,987

# NON-GAAP RECONCILIATION

(\$ in Millions)	2016					2017				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
<b>Reconciliation of Income from Continuing Operations to Adjusted EBITDA</b>										
Income from continuing operations	\$176	\$180	\$195	\$195	\$746	\$186	\$176	\$167	\$65	\$594
Interest expense, net of capitalized interest	118	119	118	115	470	116	118	127	125	486
Depreciation and amortization	95	99	99	99	392	99	101	102	104	406
Impairment charges	-	-	-	-	-	-	-	20	-	20
Income taxes	50	52	55	55	212	55	44	97	251	447
Noncash compensation expense	7	10	3	12	32	2	3	5	3	13
Other noncash items and equity AFUDC	-	-	-	(2)	(2)	2	20	(1)	-	21
<b>Adjusted EBITDA</b>	<b>\$446</b>	<b>\$460</b>	<b>\$470</b>	<b>\$474</b>	<b>\$1,850</b>	<b>\$460</b>	<b>\$462</b>	<b>\$517</b>	<b>\$548</b>	<b>\$1,987</b>
Interest expense, net of capitalized interest	(118)	(119)	(118)	(115)	(470)	(116)	(118)	(127)	(125)	(486)
Maintenance capital	(22)	(23)	(21)	(46)	(112)	(24)	(23)	(33)	(67)	(147)
Equity earnings from investments, excluding noncash impairment charges	(33)	(32)	(35)	(40)	(140)	(40)	(39)	(40)	(40)	(159)
Distributions received from unconsolidated affiliates	47	62	41	47	197	47	50	49	50	196
Other	7	(3)	(5)	(2)	(3)	(3)	(2)	(2)	-	(7)
<b>Distributable Cash Flow</b>	<b>\$327</b>	<b>\$345</b>	<b>\$332</b>	<b>\$318</b>	<b>\$1,323</b>	<b>\$324</b>	<b>\$330</b>	<b>\$364</b>	<b>\$366</b>	<b>\$1,384</b>
Dividends paid to preferred shareholders	-	-	-	-	-	-	-	-	(1)	(1)
Distributions to public limited partners	(135)	(135)	(136)	(136)	(542)	(135)	(135)	-	-	(270)
<b>Distributable cash flow to shareholders</b>	<b>\$191</b>	<b>\$210</b>	<b>\$196</b>	<b>\$182</b>	<b>\$780</b>	<b>\$189</b>	<b>\$195</b>	<b>\$364</b>	<b>\$365</b>	<b>\$1,113</b>
Dividends paid to shareholders	\$0.615	\$0.615	\$0.615	\$0.615	\$2.460	\$0.615	\$0.615	\$0.745	\$0.745	\$2.720
Coverage ratio	1.48	1.62	1.52	1.41	1.51	1.46	1.50	1.29	1.28	1.34
Number of shares used in computations (millions)	210	210	210	211	210	211	211	380	383	304

# NON-GAAP RECONCILIATION

## NET INCOME TO ADJUSTED EBITDA AND DCF

### 2018 Guidance Range

(Millions of dollars)

#### Reconciliation of Net Income to Adjusted EBITDA and Distributable Cash Flow

Net Income	\$ 955	-	\$ 1,155
Interest expense, net of capitalized interest	495	-	455
Depreciation and amortization	425	-	435
Income taxes	310	-	360
Noncash compensation expense	35	-	25
Other noncash items and equity AFUDC	(5)	-	(15)
Adjusted EBITDA	2,215	-	2,415
Interest expense, net of capitalized interest	(495)	-	(455)
Maintenance capital	(140)	-	(180)
Equity in net earnings from investments	(140)	-	(150)
Distributions received from unconsolidated affiliates	185	-	205
Other	(10)	-	(20)
Distributable cash flow	\$ 1,615	-	\$ 1,815

# NON-GAAP RECONCILIATION

## SEGMENT ADJUSTED EBITDA TO ADJUSTED EBITDA

### 2018 Guidance Range

(Millions of dollars)

#### Reconciliation of segment adjusted EBITDA to adjusted EBITDA

Segment adjusted EBITDA:

Natural Gas Liquids	\$ 1,300	-	\$ 1,430
Natural Gas Gathering and Processing	575	-	625
Natural Gas Pipelines	335	-	355
Other	5	-	5
Adjusted EBITDA	\$ 2,215	-	\$ 2,415



Bear Creek plant — Williston Basin