



**ONEOK**

**INVESTOR  
UPDATE**

August 2018

# FORWARD-LOOKING STATEMENTS

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

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

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

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



Bear Creek plant — Williston Basin

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**A PREMIER  
INFRASTRUCTURE  
COMPANY**

# KEY INVESTMENT CONSIDERATIONS

## A PREMIER ENERGY INFRASTRUCTURE COMPANY

### MAJOR ENERGY INFRASTRUCTURE COMPANY

- Extensive systems connect North American energy revolution with worldwide demand
- Premier assets in most prolific U.S. commodity-producing basins - Permian and Williston basins; STACK and SCOOP\* areas
- "Fee-for-service" business model benefits from growing U.S. commodity production; limits direct commodity price exposure

### HIGHLY ATTRACTIVE MARKET GROWTH

- Benefits from globally competitive North American resource economics
- Connects growing NGL and natural gas supplies with expanding global demand markets
- Broad range of NGL end uses driving global demand

### RARE BLEND OF CASH YIELD PLUS GROWTH

- Premier infrastructure network generates significant operating cash flow to fund both capital expenditure opportunities and attractive capital returns
- ~5 percent dividend yield; 9-11 percent annual dividend growth expected through 2021
- Expected annual dividend coverage target greater than 1.2 times
- >\$4 billion of high-return capital-growth projects expanding core infrastructure base

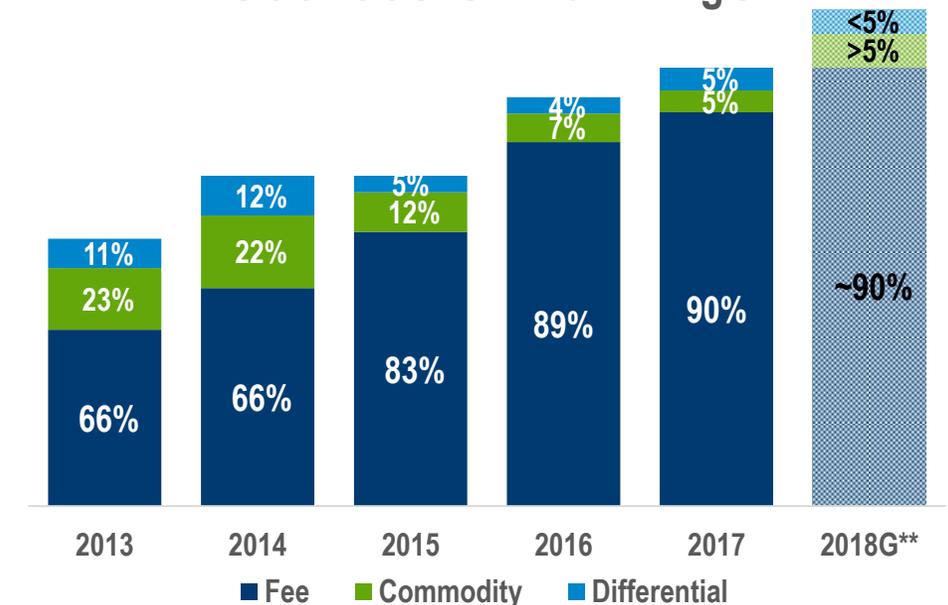
### LARGE, WELL-CAPITALIZED ENTERPRISE

- ~\$28 billion market capitalization; S&P 500 company
- Solid investment-grade balance sheet
- Extensive asset footprint provides opportunity to invest capital at attractive returns to drive earnings growth

### Adjusted EBITDA Growth (\$ in billions)



### Sources of Earnings



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

\*\*Guidance issued Jan. 22, 2018

# ONEOK VS. S&P 500

## A UNIQUE INVESTMENT OPPORTUNITY

OKE is a Unique Investment Opportunity

S&P 500

500

Investment Grade  
(BBB- / Baa3)

371

Large Market Cap  
(>\$20bn)

226

High EPS Growth  
(>10% in 2018-2020)

104

High Dividend Yield  
(>4% in 2018)

4

High Dividend Growth  
(~10% in 2018-2020)

1

ONEOK

ONEOK has the fastest growing dividend and EBITDA of S&P 500 high dividend yield investment-grade companies

(shown as percentages)

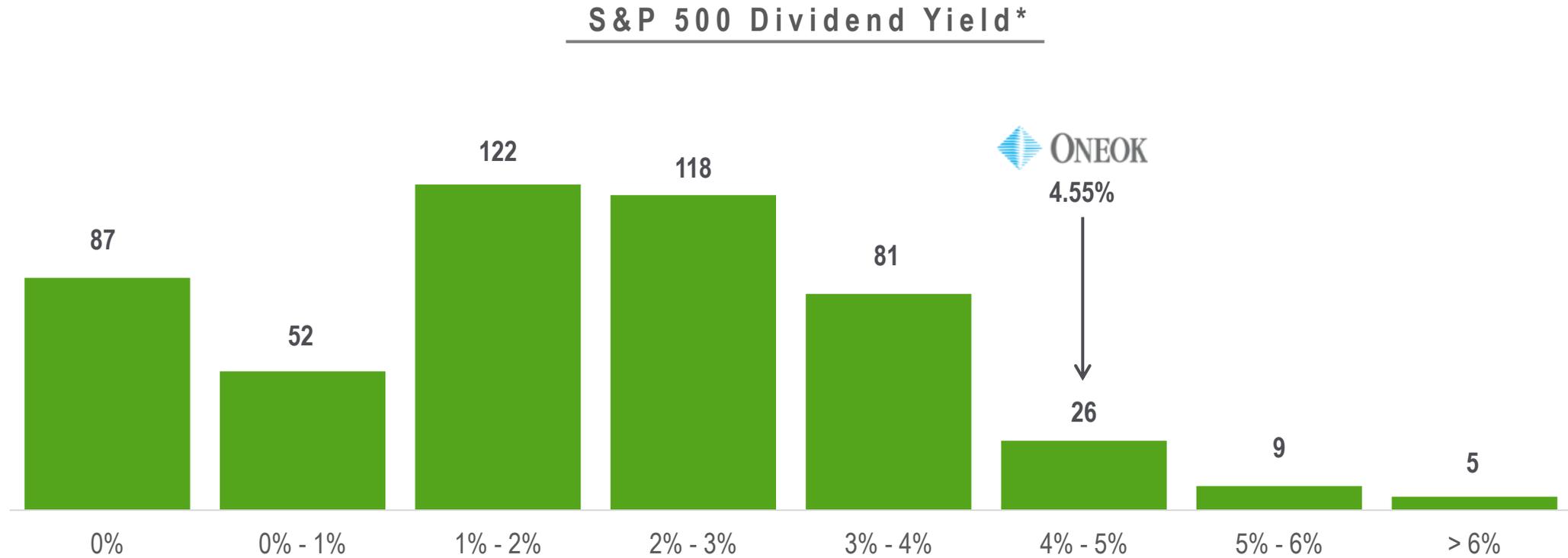
	ONEOK	Median S&P 500	Median S&P Dividend Aristocrats**
Approximate Current Dividend Yield	4.55	2.3	2.3
EBITDA Growth* 2018 – 2020	11.4	7.2	6.3
EPS Growth* 2018 – 2020	11.6	10.2	7.6
Dividend Growth* 2018 – 2020	10.9	6.1	6.2

\*2018-2020 growth rates based on consensus estimates for ONEOK as of July 31, 2018; remaining data is as of June 29, 2018.

\*\*Includes the companies within the S&P 1,500 that have followed a managed-dividends policy of consistently increasing dividends every year for at least 20 years.

# ONEOK'S ATTRACTIVE DIVIDEND PROFILE

1 OF 40 COMPANIES IN THE S&P 500 WITH A DIVIDEND YIELD GREATER THAN 4 PERCENT



Source: NASDAQ market data as of June 29, 2018

\*Based on estimated 2018 dividend yield.

# THE HIGH DIVIDEND YIELD UNIVERSE

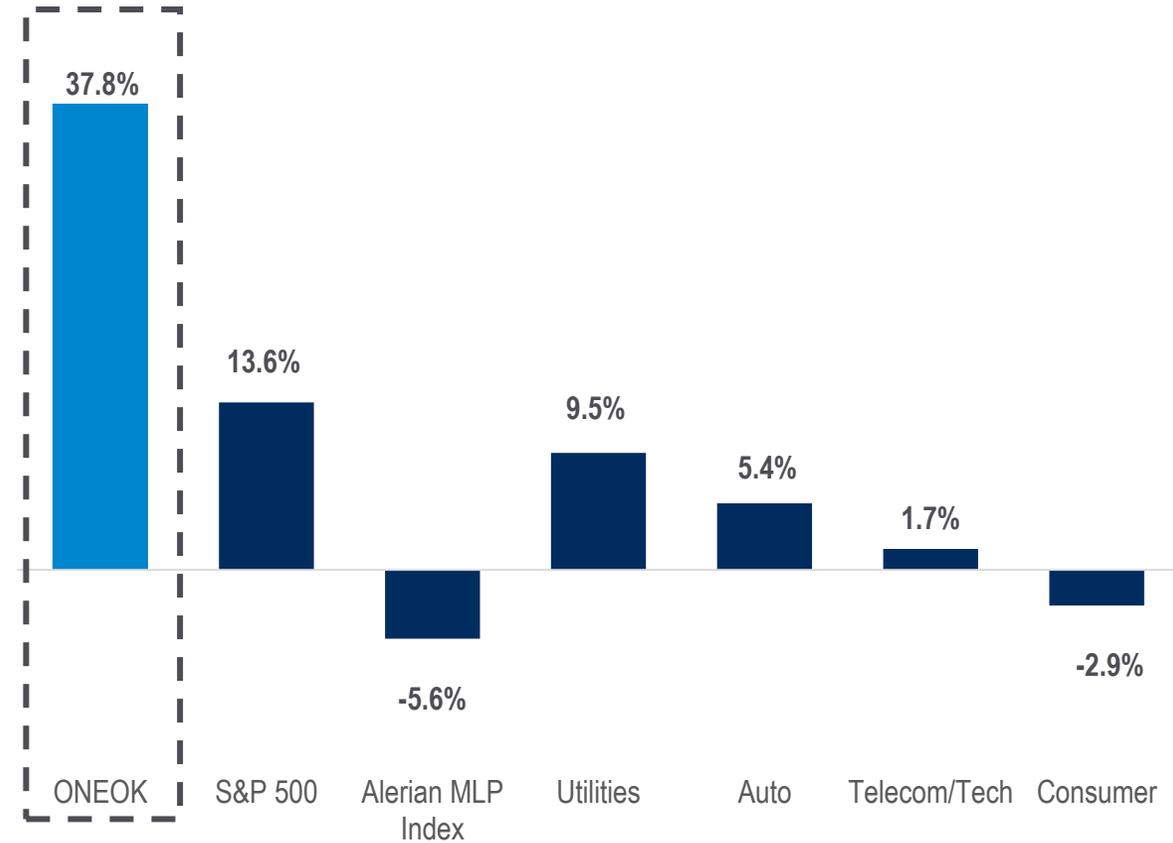
ONEOK HAS RETURNED MORE VALUE TO SHAREHOLDERS THAN OTHER HIGH DIVIDEND PEERS

## Evaluating the ONEOK Peer Universe



## Total Shareholder Return vs. Peers

Last three years, annualized



Source: Bloomberg market data as of June 29, 2018

\*Utilities includes CenterPoint, Dominion, Duke, Entergy, FirstEnergy, PPL and Southern. Auto includes Ford and General Motors. Telecom/Tech includes AT&T, IBM, Verizon and Qualcomm. Consumer includes Kraft Heinz, Macy's and Philip Morris.

# FINANCIAL STRENGTH

## INCREASING EXCESS CASH AND IMPROVED LEVERAGE METRICS

- ◆ \$1.2 billion equity offering in January 2018 prefunded a significant portion of ONEOK's capital-growth projects, immediately reducing debt
- ◆ \$1.25 billion senior notes issuance completed in July 2018 providing significant liquidity
- ◆ ONEOK does not expect to issue additional equity in 2018 and well into 2019 for ONEOK's announced capital-growth projects
- ◆ Investment-grade credit ratings provide a competitive advantage
  - S&P: BBB (stable); Moody's: Baa3 (stable)
- ◆ Extensive asset footprint provides opportunity to invest capital at attractive returns to drive earnings growth

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



**Adjusted EBITDA Growth**  
(\$ in millions)



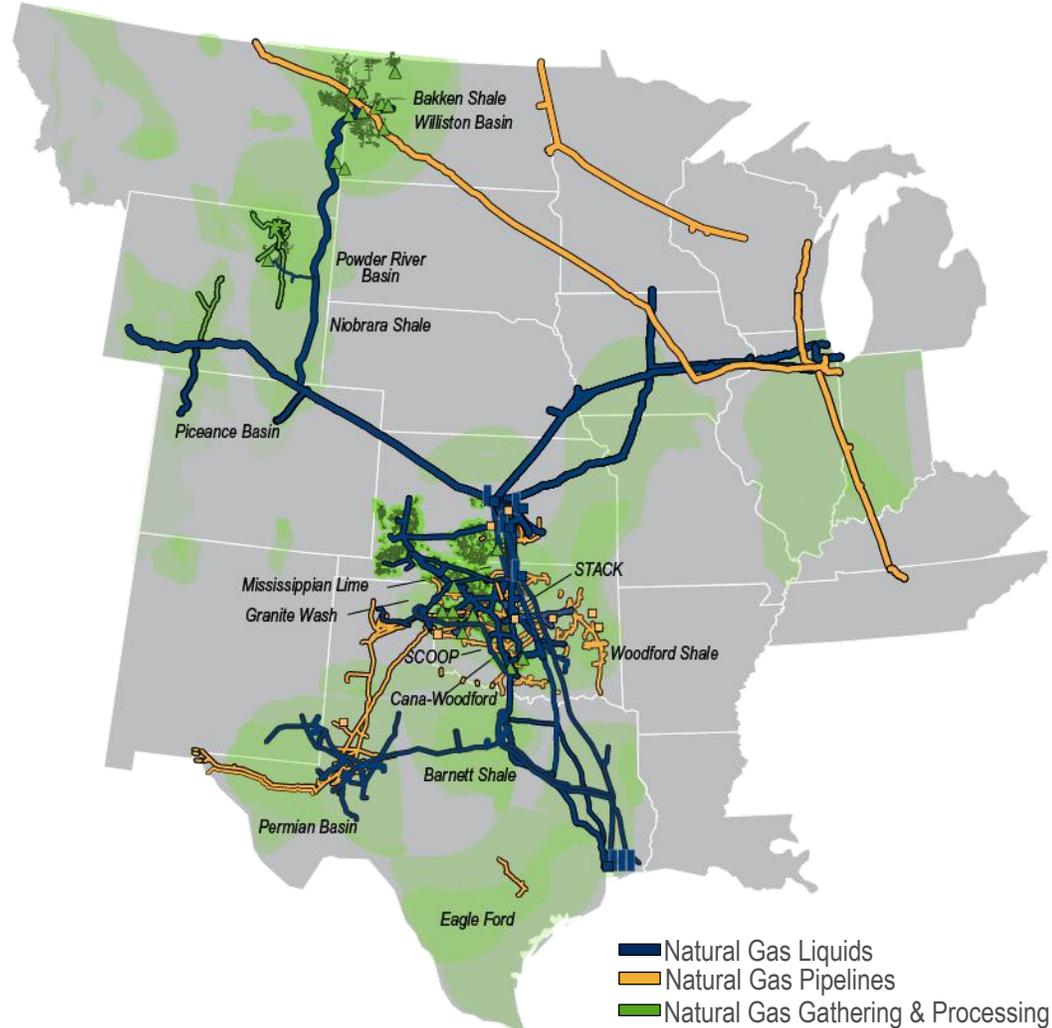
**Debt-to-EBITDA Ratio**  
(trailing 12 months)



\*Q2 2018 adjusted EBITDA annualized

# STRATEGICALLY POSITIONED ASSETS

ASSETS IN BEST NGL PRODUCTION REGIONS IN THE U.S.



U.S. NGL Production		
Region	Million barrels/month	Percent
Gulf (Permian/Eagle Ford)	62.4	54.1
Rocky Mountain (Bakken)	18.8	16.3
Mid-Continent (STACK/SCOOP)	18.8	16.3
East Coast (Appalachian)	13.2	11.4
West Coast	2.2	1.9

BASIN	ONEOK EXPOSURE
STACK/SCOOP	<ul style="list-style-type: none"> <li>Largest NGL takeaway provider with more than 110 natural gas processing plant connections</li> <li>Constructing Sterling III NGL pipeline expansion and Arbuckle II NGL pipeline</li> </ul>
Permian	<ul style="list-style-type: none"> <li>40 third-party natural gas processing plant connections</li> <li>Constructing 120-mile West Texas LPG expansion into heart of the Delaware Basin and related infrastructure</li> </ul>
Bakken	<ul style="list-style-type: none"> <li>Largest NGL takeaway provider in the Williston Basin</li> <li>Constructing Elk Creek pipeline to transport NGLs from the Williston Basin to the Mid-Continent and related infrastructure</li> </ul>

Source: NGL production based on U.S. Energy Information Administration (EIA) data as of May 2017.



# FUTURE GROWTH

# PRODUCER-DRIVEN NEED FOR MORE INFRASTRUCTURE

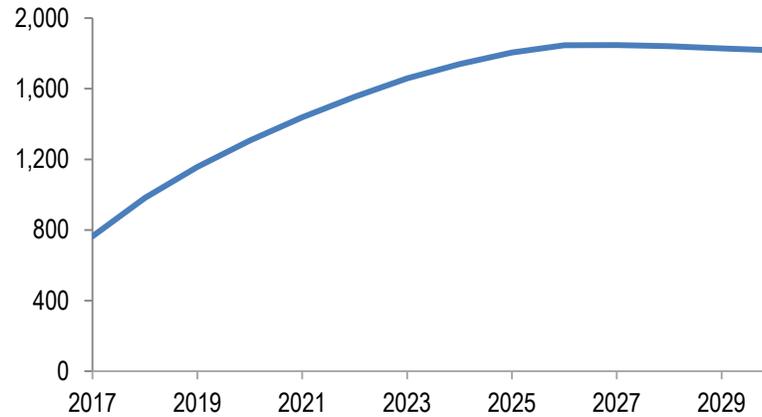
CAPACITY EXPANSIONS CRITICAL TO MEETING GROWING PRODUCTION

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

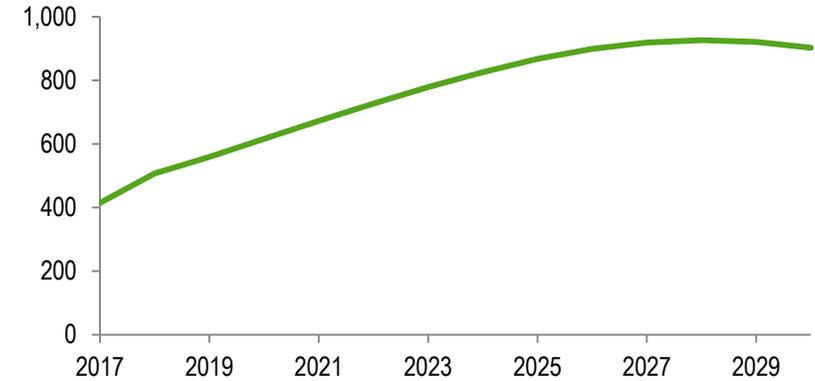
◆ 10-year NGL growth projections:

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

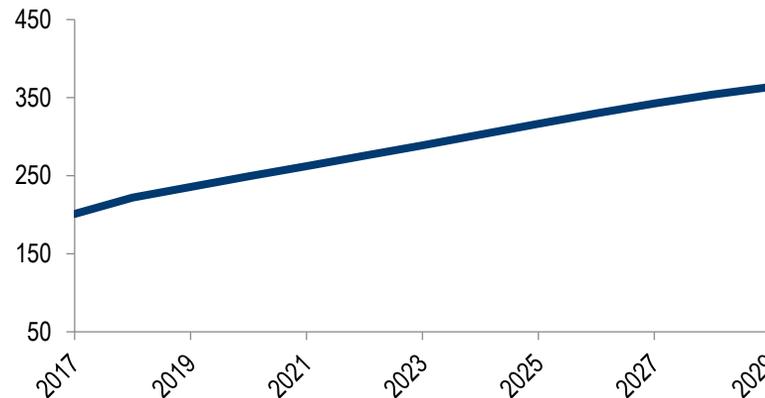
**Permian NGL Production Growth(Mb/d)**



**STACK/SCOOP NGL Production Growth (Mb/d)**



**Bakken NGL Supply - C3+ (Mb/d)**



**Williston Basin Natural Gas Supply (Bcf/d)**

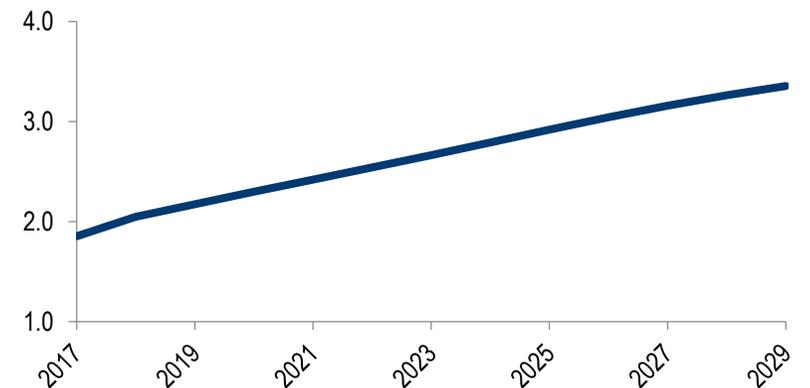


Chart Sources:  
 Permian: Wood Mackenzie; STACK/SCOOP: ONEOK and third-party data; Williston Basin: NDPA Forecast (average of two cases), Oct. 2017

# NATURAL GAS LIQUIDS GROWTH PROJECTS

~\$3.7 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>	\$200*	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	Q4 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>\$3,665</b>	

\*Reflects total project cost. On July 31, 2018, ONEOK acquired the remaining 20 percent interest in the West Texas LPG Pipeline Limited Partnership.

\*\*ONEOK expects the southern section of the pipeline to be in service as early as the third quarter 2019.

# 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 a long-term processing services agreement with a 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 more than 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>	

# NATURAL GAS PIPELINES GROWTH PROJECTS

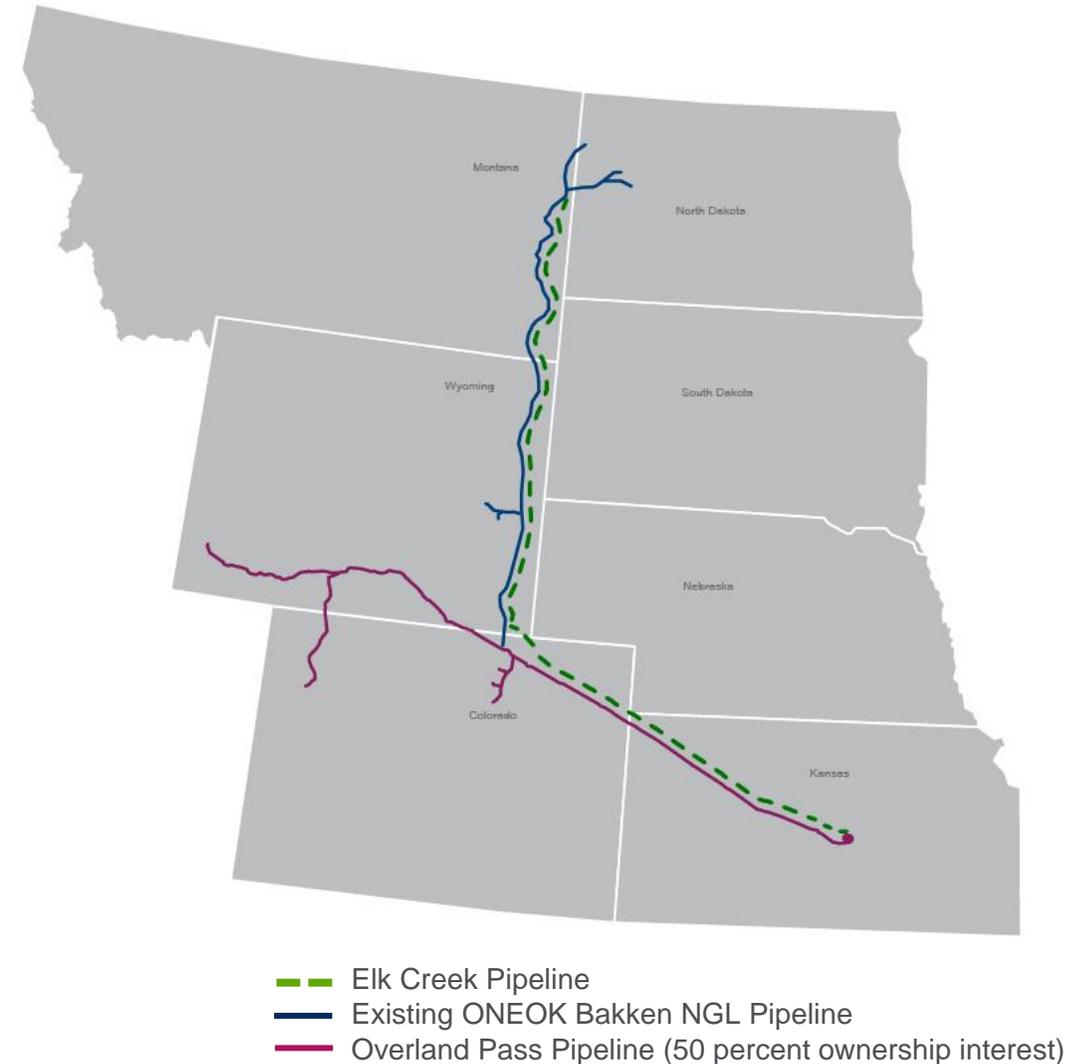
ANNOUNCED SINCE JUNE 2018

Project	Scope	Expected Completion
<b>ONEOK Gas Transportation (OGT) westbound expansion</b>	<ul style="list-style-type: none"><li>• 100 MMcf/d westbound expansion from the STACK area to multiple western Oklahoma interstate pipeline delivery points</li><li>• Open season could increase expansion up to 300 MMcf/d, dependent upon results</li></ul>	Q4 2018
<b>OGT eastbound expansion</b>	<ul style="list-style-type: none"><li>• 150 MMcf/d eastbound expansion from the STACK and SCOOP areas to an eastern Oklahoma interstate pipeline delivery point</li></ul>	Q1 2019
<b>ONEOK WesTex Transmission expansion</b>	<ul style="list-style-type: none"><li>• 150 MMcf/d expansion from the Permian Basin to interstate pipeline delivery points in the Texas Panhandle</li><li>• Open season could increase expansion up to 450 MMcf/d, dependent upon results</li></ul>	Q1 2019
<b>Roadrunner Gas Transmission bidirectional project</b>	<ul style="list-style-type: none"><li>• 750 MMcf/d of eastbound transportation capacity from the Delaware Basin to the Waha area</li></ul>	Q1 2019

# 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 approximately 140,000 bpd
  - Contract terms of 10-15 years
  - 70,000 bpd of minimum volume commitments
- ◆ 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

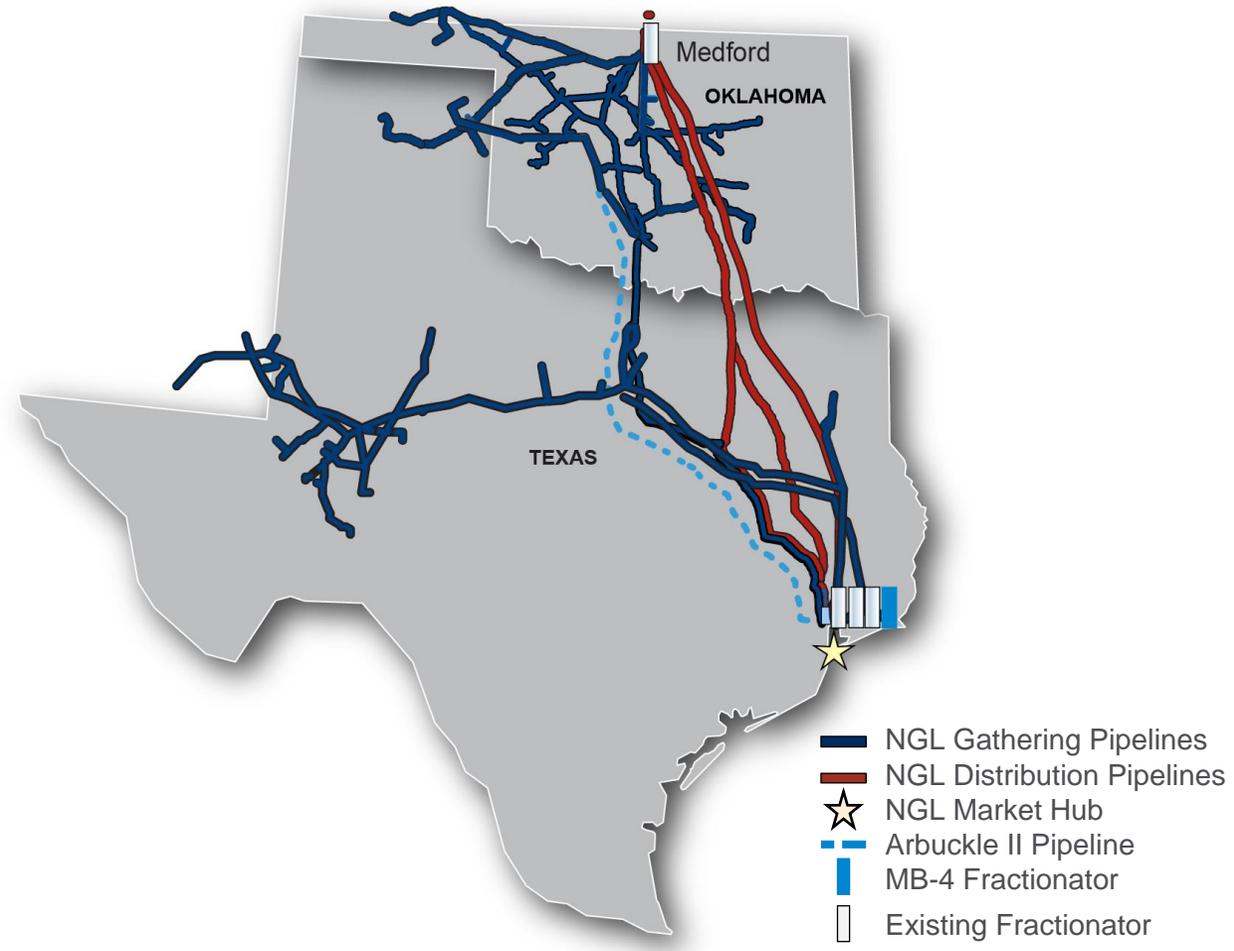
- ◆ Volume growth expected across ONEOK footprint, particularly in the STACK and SCOOP areas and Williston and Permian basins, creating a need for additional capacity
- ◆ Pipeline and fractionator projects serving producer needs at attractive returns
  - Anchored by long-term contracts with 10- to 20-year 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
  - Approximately 290,000 bpd contracted, a 45 percent increase from project announcement
  - Potential to connect with wholly-owned West Texas LPG system to take advantage of low-cost expansion for growing Permian Basin volumes

### 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



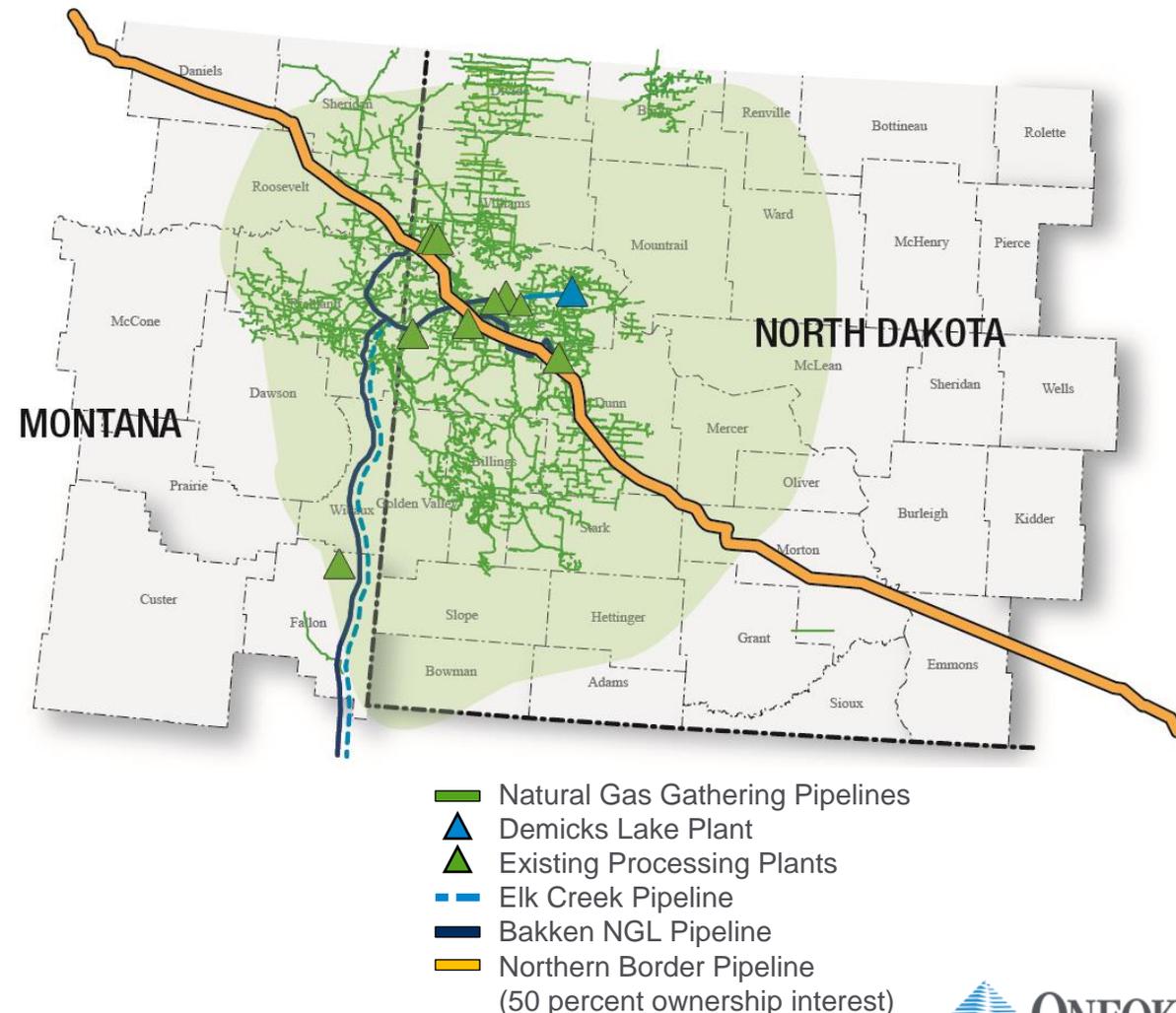
# DEMICKS LAKE PLANT

## 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

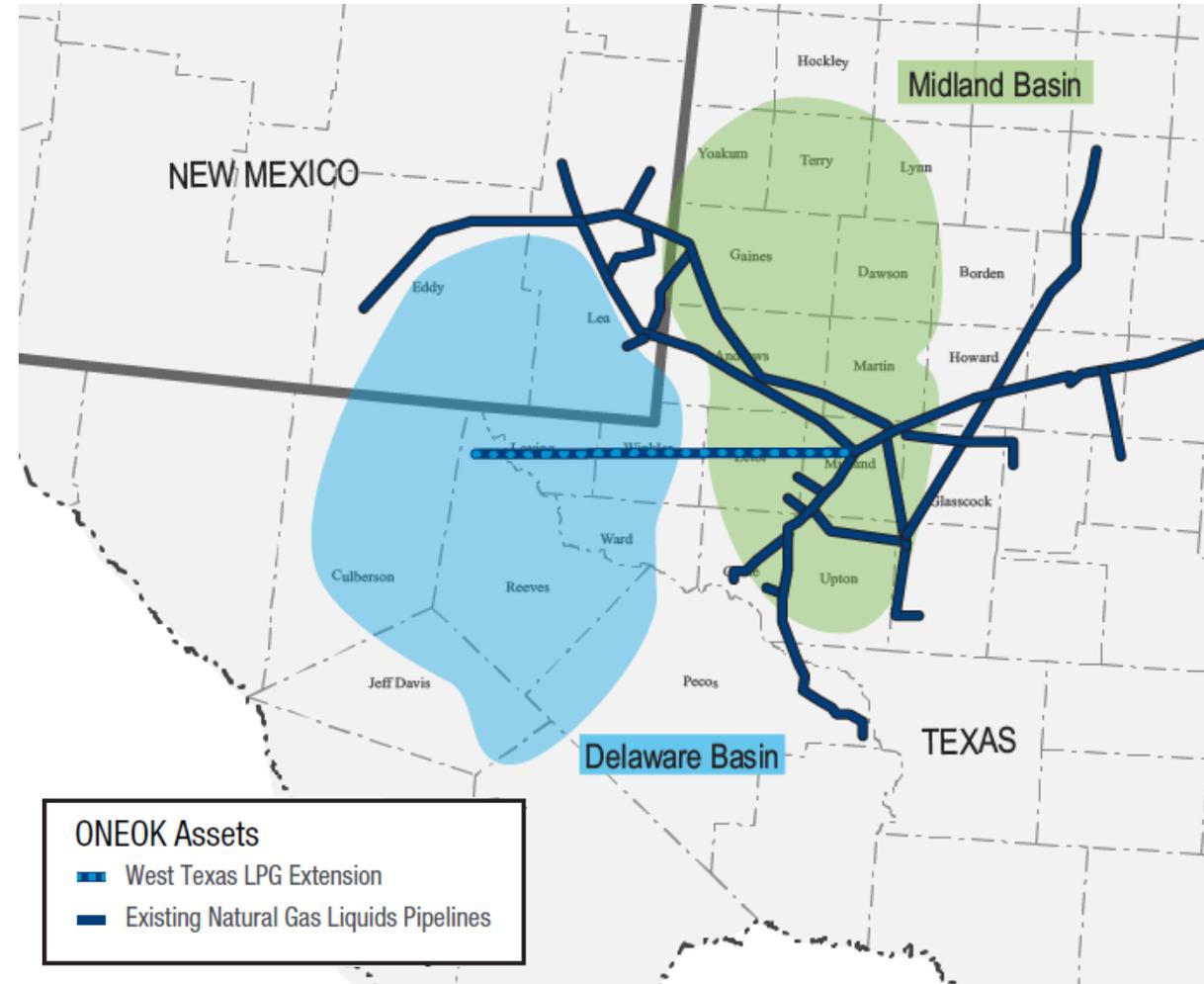
- ◆ 200 MMcf/d natural gas processing plant and related infrastructure in McKenzie County, North Dakota
  - \$400 million – expected completion in the fourth quarter 2019
  - Increases processing capacity in the region to more than 1.2 Bcf/d
  - Contributes additional NGL volumes to ONEOK's NGL gathering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



# 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.
- ◆ Acquired remaining 20 percent interest in the West Texas LPG Pipeline in July 2018 to become the sole pipeline owner
  - Strategic step in broader Permian Basin strategy – provides opportunities for expansions and better integration with ONEOK's existing NGL system
- ◆ Positioned for significant future NGL volume growth in the Permian Basin



\*Reflects total project cost. On July 31, 2018, ONEOK acquired the remaining 20 percent interest in the West Texas LPG Pipeline Limited Partnership.

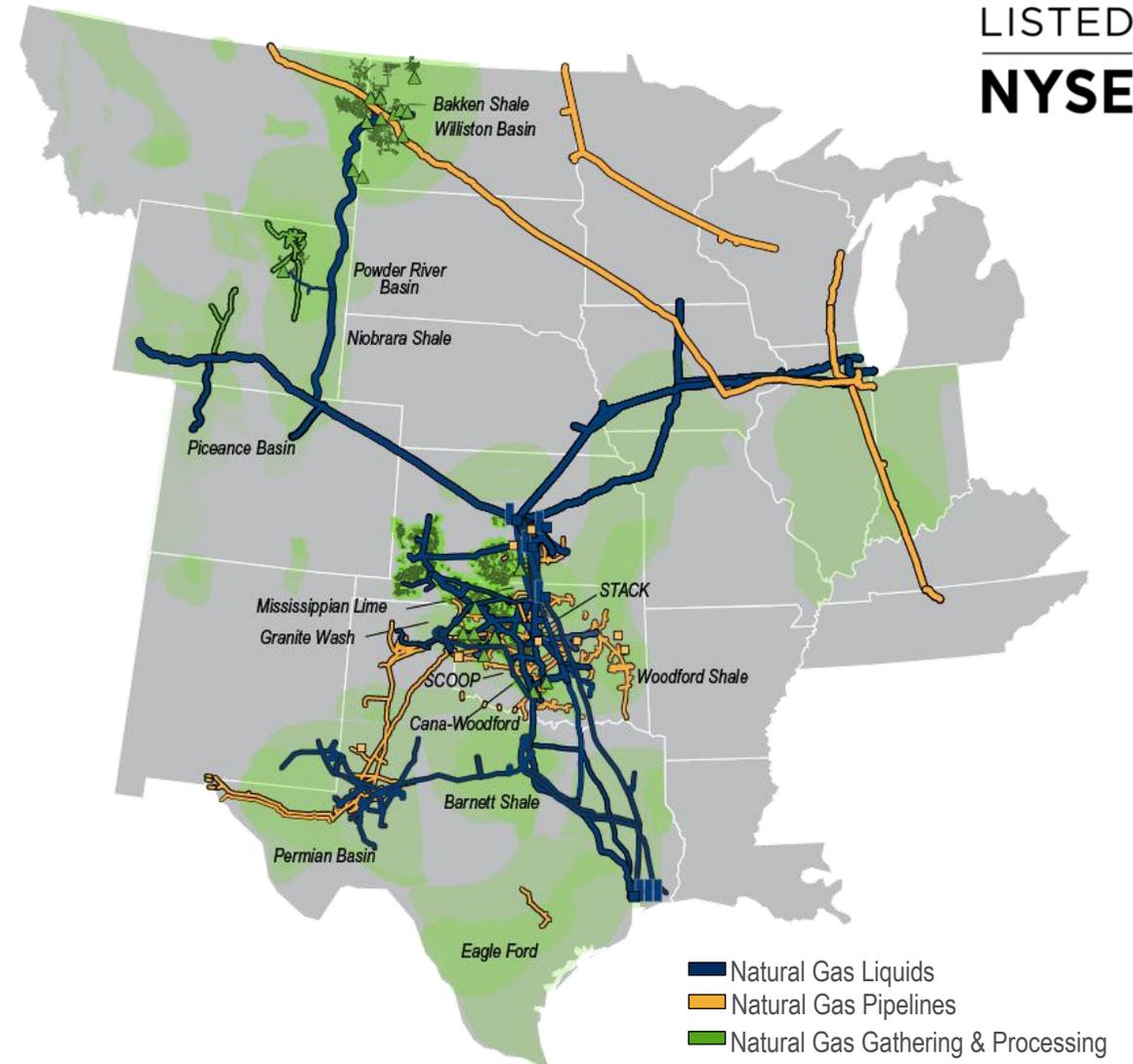


# APPENDIX

# 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





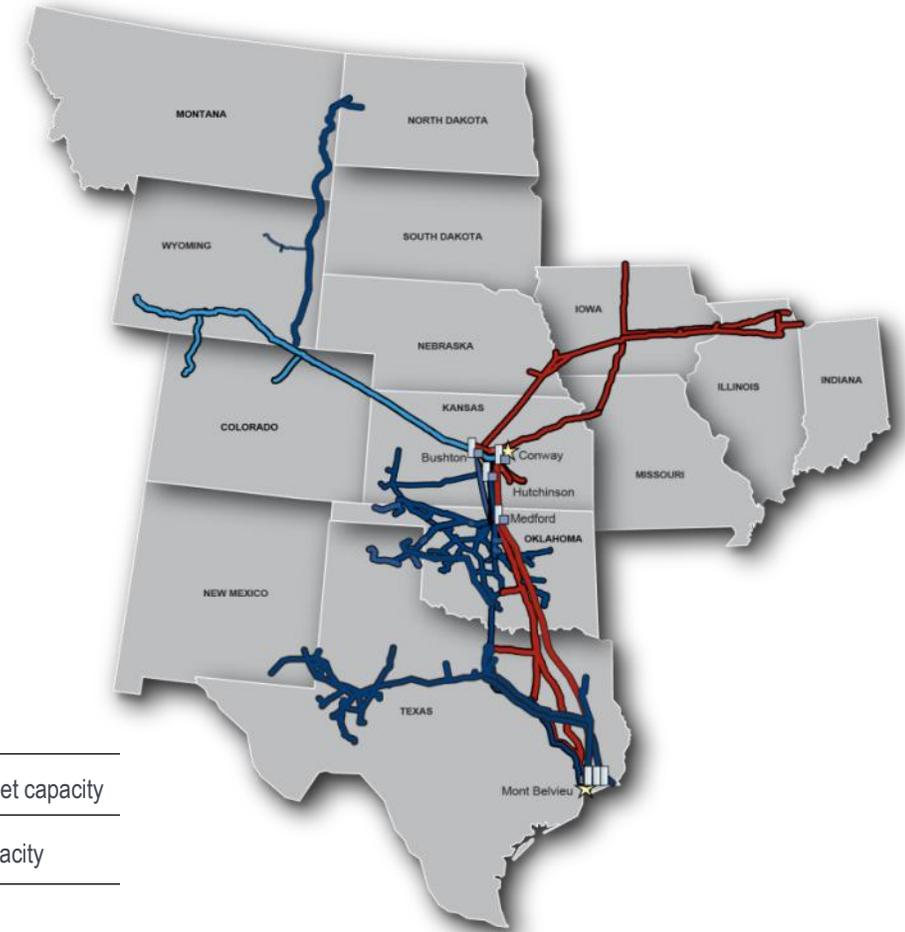
# BUSINESS SEGMENTS



# 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	4,370 miles of pipe with 1,060 mbp/d capacity
Gathering – Raw Feed	7,170 miles of pipe with 1,485 MBp/d capacity

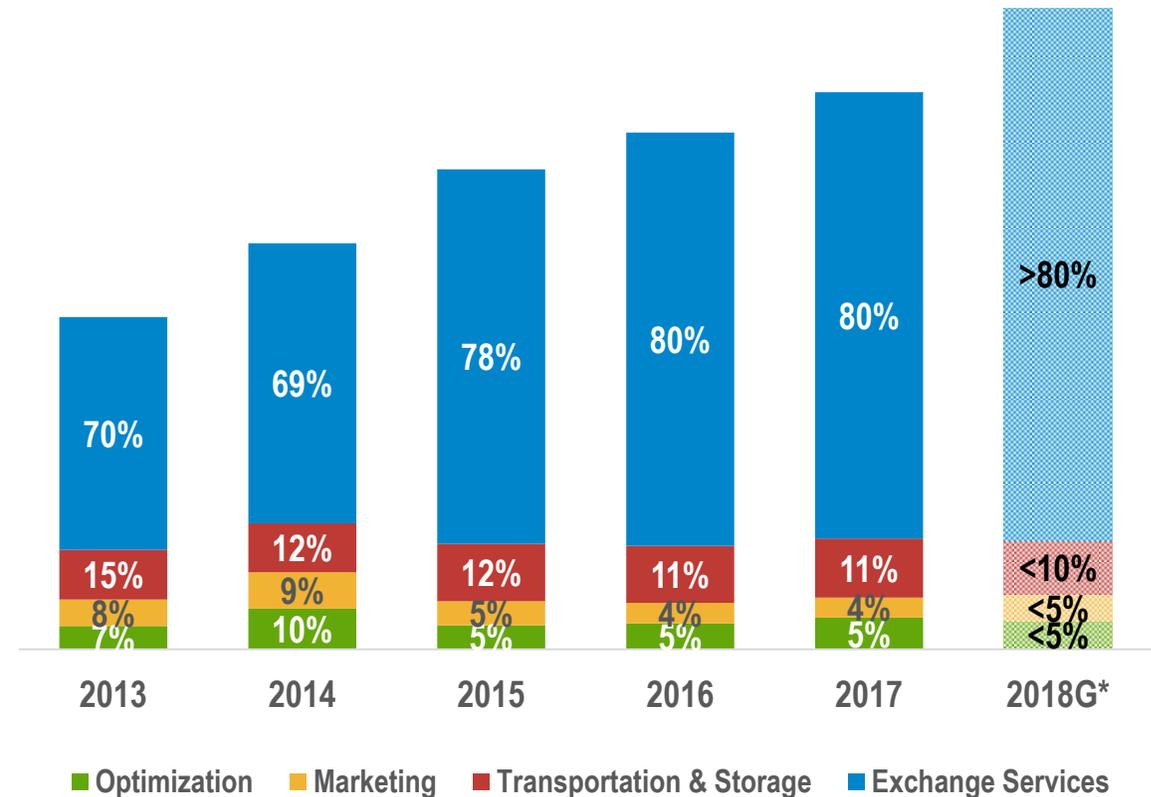
As of June 30, 2018

# 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



\*Guidance issued Jan. 22, 2018

# NATURAL GAS LIQUIDS

## VOLUME UPDATE

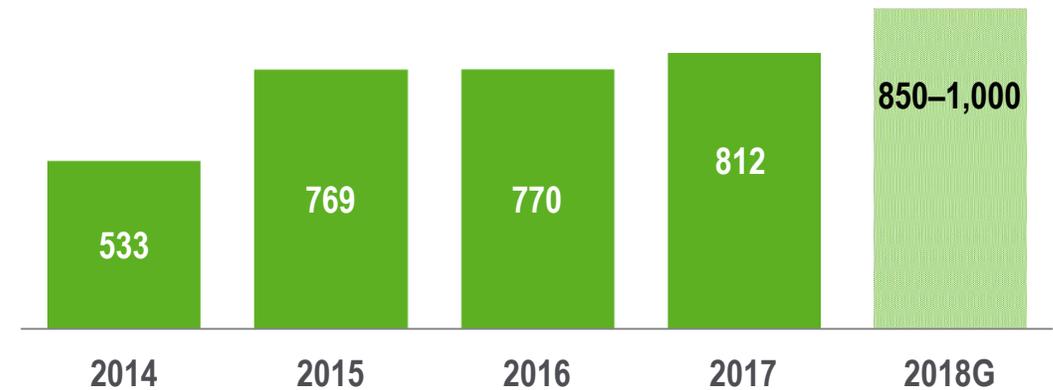
- ◆ 2018 volume growth expected to be driven primarily by increased producer activity in the STACK and SCOOP areas and increased ethane recovery in the Mid-Continent
  - Ethane volumes across ONEOK's system increased more than 70,000 bpd compared with July 2017
- ◆ Six to nine third-party natural gas processing plant connections expected in 2018
  - Two third-party plants connected in the STACK and SCOOP areas in the second quarter
  - One existing third-party plant connection in the STACK and SCOOP area was expanded in the first quarter

Region/Asset	First Quarter 2018 – Average Gathered Volumes	Second Quarter 2018 – Average Gathered Volumes	Average Bundled Rate (per gallon)
Bakken NGL Pipeline	136,000 bpd	138,000 bpd	~30 cents*
Mid-Continent	527,000 bpd	569,000 bpd	< 9 cents*
West Texas LPG system	192,000 bpd	196,000 bpd	< 3 cents**
<b>Total</b>	<b>855,000 bpd</b>	<b>903,000 bpd</b>	

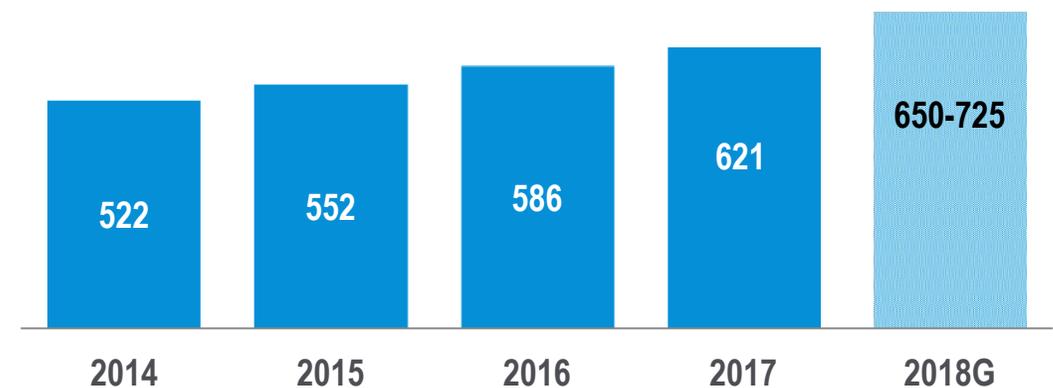
\*Includes transportation and fractionation

\*\*Transportation only

### Gathered Volume (MBbl/d)



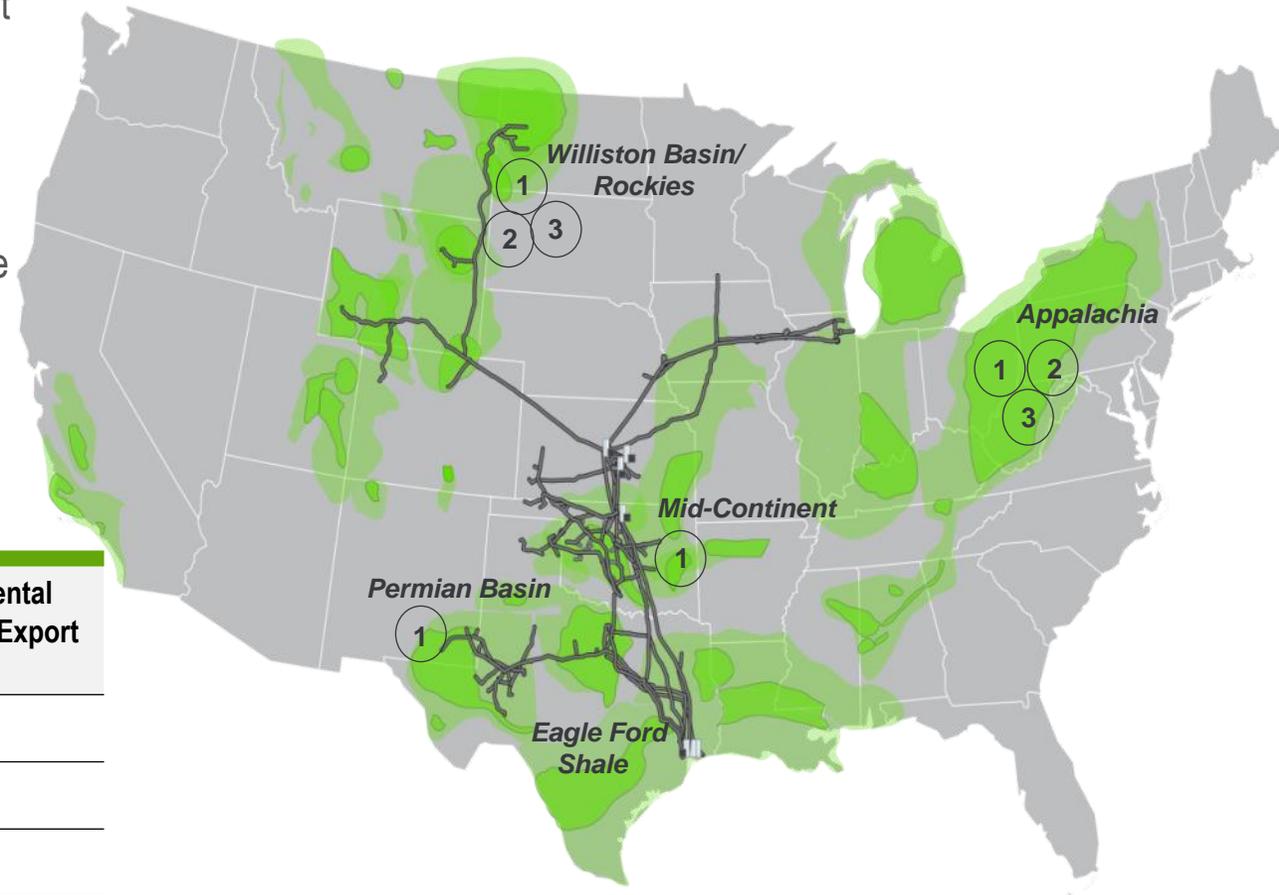
### Fractionation Volume (MBbl/d)



# ETHANE RECOVERY BY BASIN

## INCREMENTAL ETHANE DEMAND

- ◆ ONEOK's NGL infrastructure connects supply to the Gulf Coast market
  - 70,000 bpd of additional ethane on ONEOK's system compared with July 2017
  - Conway-priced ethane expected to remain in rejection until Arbuckle II is placed in service
- ◆ 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



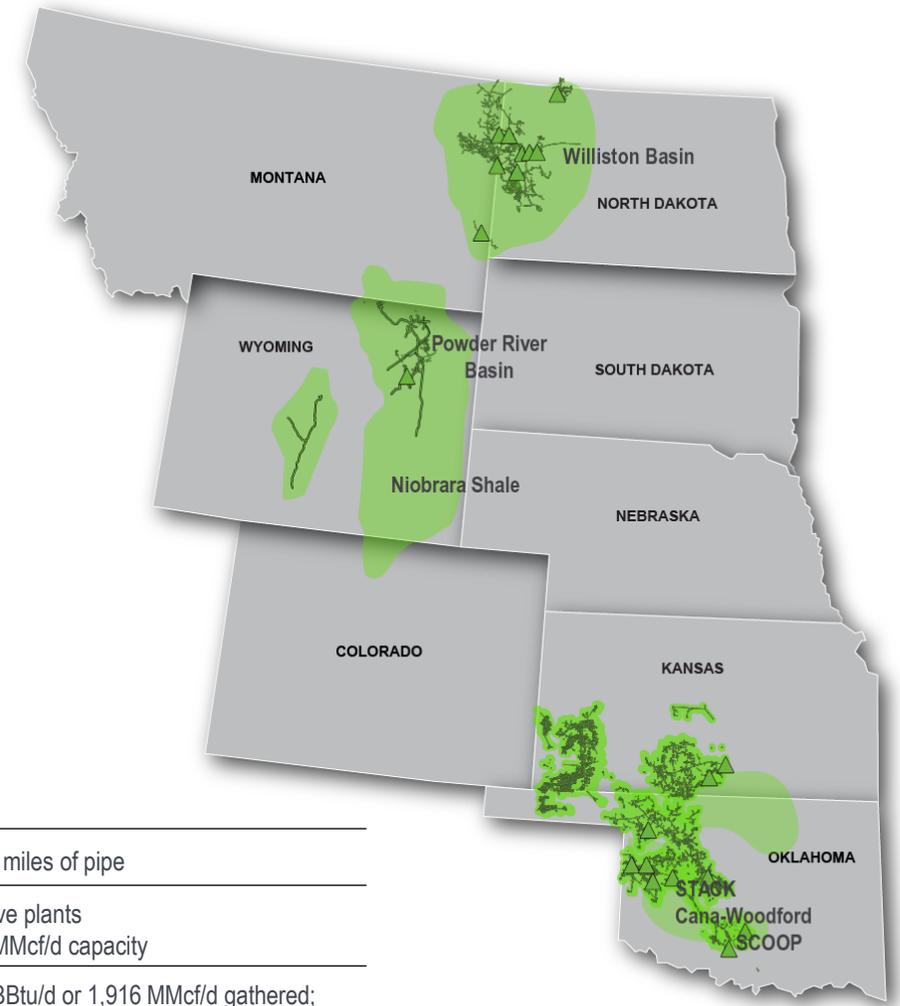
Ethane Supply	Expected Timing	Expected Incremental Petrochemical and Export Capacity*
1	2018	307,000 bpd
2	2019	153,000 bpd
3	2020+	435,000 bpd
<b>Total</b>		<b>895,000 bpd</b>

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

# 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 significant 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	19,250 miles of pipe
Processing	20 active plants 2,050 MMcf/d capacity
Volumes	2,505 BBtu/d or 1,916 MMcf/d gathered; 2,365 BBtu/d or 1,785 MMcf/d processed; 1,028 BBtu/d residue gas sold; 197 MBbl/d NGLs sold
<i>As of June 30, 2018</i>	

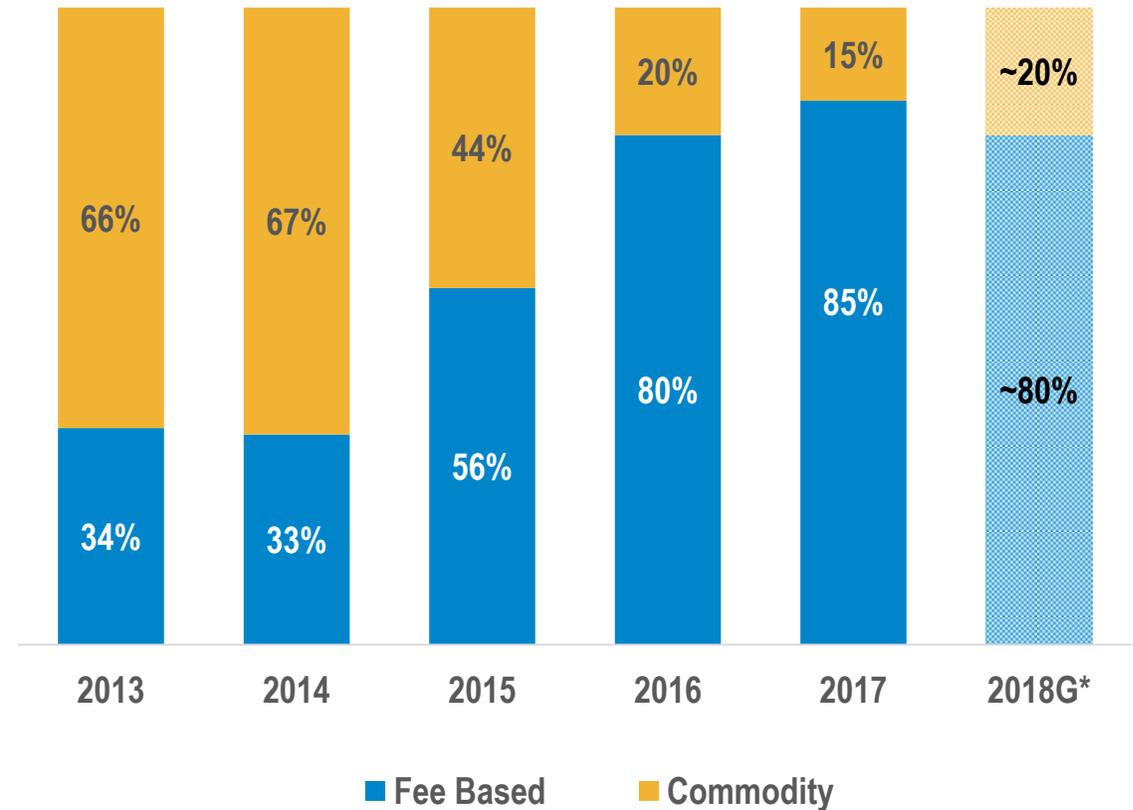
- Gathering pipelines
- ▲ Natural gas processing plant

# 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 85 to 90 cents per MMBtu in 2018 with minor fluctuations due primarily to strong Williston Basin volume growth

### Contract Mix by Earnings



\*Guidance issued Jan. 22, 2018

# NATURAL GAS GATHERING AND PROCESSING

## VOLUME UPDATE

### Williston Basin

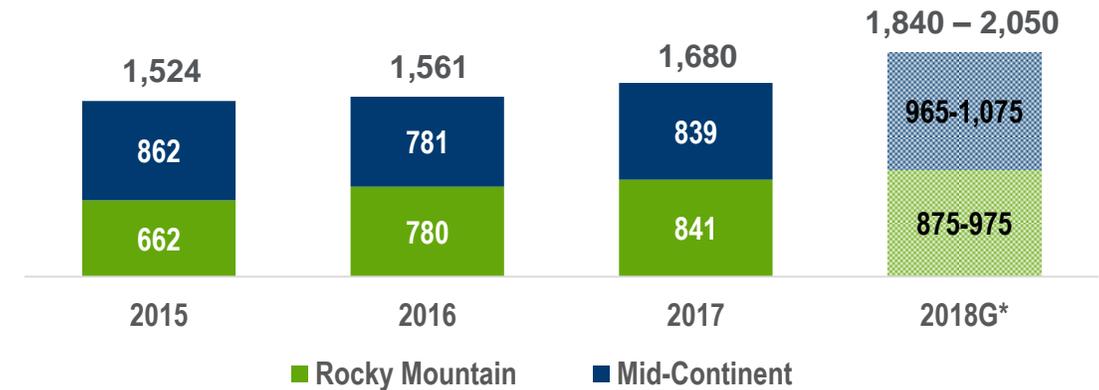
- ◆ Bear Creek natural gas processing plant expansion to 130 MMcf/d completed
- ◆ Expect to connect approximately 550 wells in 2018
  - 322 well connects completed in the first half of 2018
- ◆ 25 to 30 rigs on ONEOK's dedicated acreage

### Mid-Continent

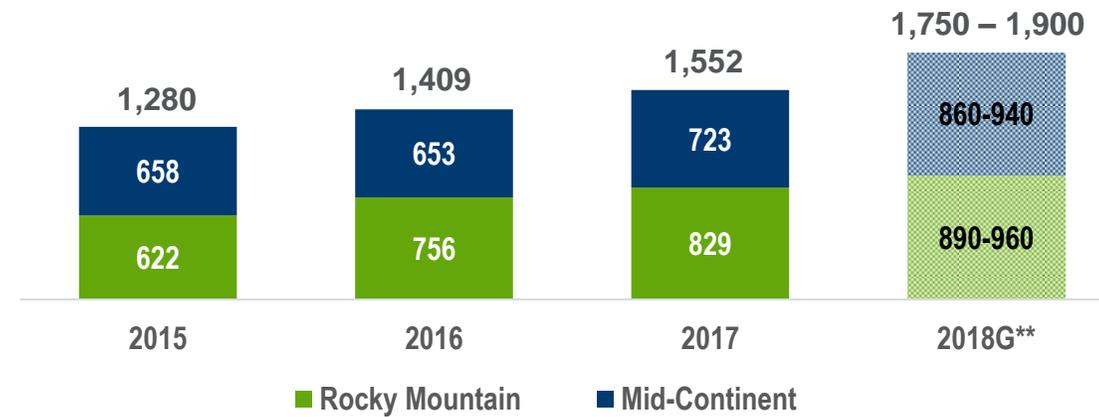
- ◆ Expect to connect approximately 130 wells in 2018
  - 61 well connects completed in the first half of 2018
- ◆ More than 10 rigs on ONEOK's dedicated acreage

Region	First Quarter 2018 – Average Gathered Volumes	Second Quarter 2018 – Average Gathered Volumes	First Quarter 2018 – Average Processed Volumes	Second Quarter 2018 – Average Processed Volumes
Mid-Continent	965 MMcf/d	968 MMcf/d	845 MMcf/d	853 MMcf/d
Rocky Mountain	911 MMcf/d	948 MMcf/d	888 MMcf/d	932 MMcf/d
Total	1,876 MMcf/d	1,916 MMcf/d	1,733 MMcf/d	1,785 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 GATHERING AND PROCESSING

Six Months Ending December 31, 2018			
Commodity	Volumes Hedged	Average Price	Percent Hedged
Natural Gas* (BBtu/d)	67.1	\$2.79 / MMBtu	85%
Condensate (MBbl/d)	2.3	\$53.20 / Bbl	82%
Natural Gas Liquids** (MBbl/d)	8.0	\$0.66 / gallon	80%

Year Ending December 31, 2019			
Commodity	Volumes Hedged	Average Price	Percent Hedged
Natural Gas* (BBtu/d)	32.0	\$2.28 / MMBtu	41%
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	\$1.7
Natural Gas Liquids	\$0.01 / gallon	\$0.9	\$2.9
Crude Oil	\$1.00 / barrel	\$0.2	\$0.6

\*As of June 30, 2018

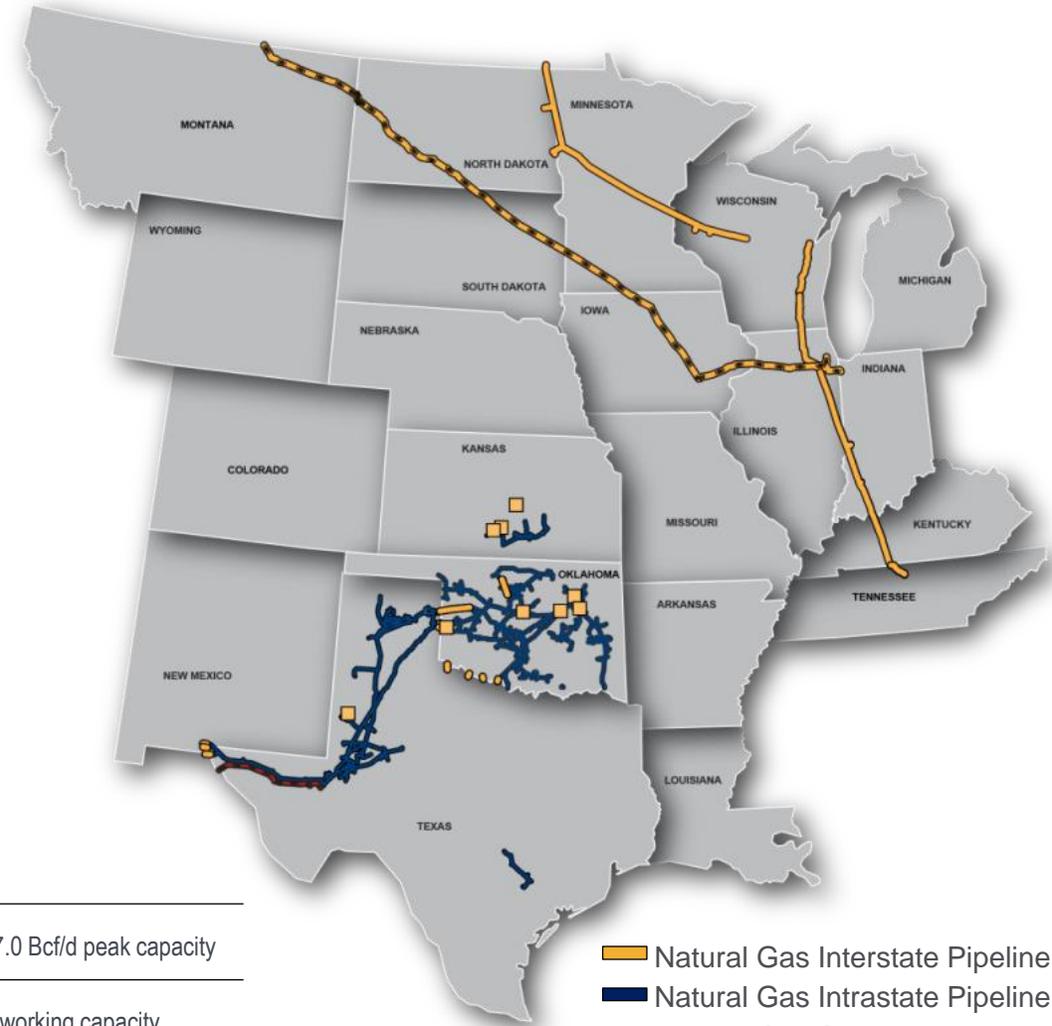
\*\*Six months ending 12/31/2018 forward-looking sensitivities net of hedges in place

\*\*\*Full-year ending 12/31/2019 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 June 30, 2018	

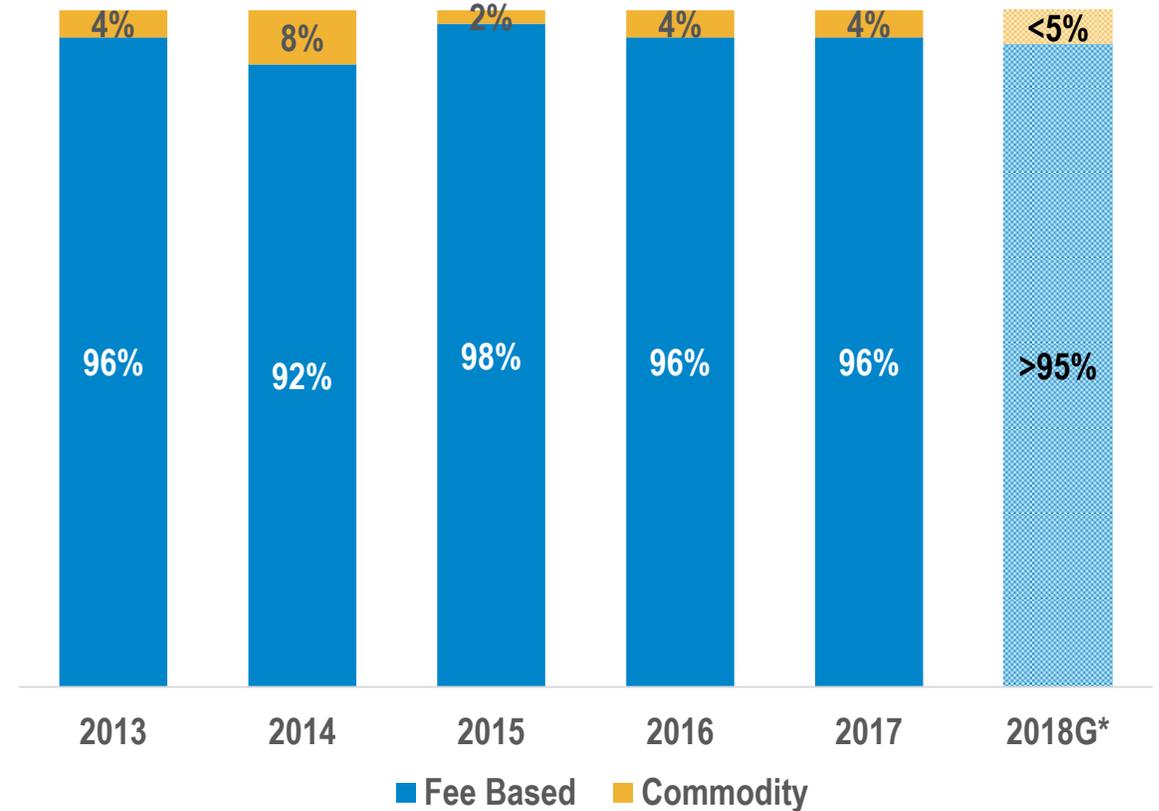
- Orange line: Natural Gas Interstate Pipeline
- Dark blue line: Natural Gas Intrastate Pipeline
- Yellow square: Natural Gas Storage
- Black line: Northern Border Pipeline (50% interest)
- Red line: Roadrunner Gas Transmission (50% interest)

# NATURAL GAS PIPELINES

## PREDOMINANTLY FEE BASED

- ◆ Firm demand-based contracts serving primarily investment-grade utility customers
- ◆ Recently announced up to 1.7 billion cubic feet per day of system expansions
  - Capital-efficient projects backed by multiple firm transportation commitments

### Sources of Earnings



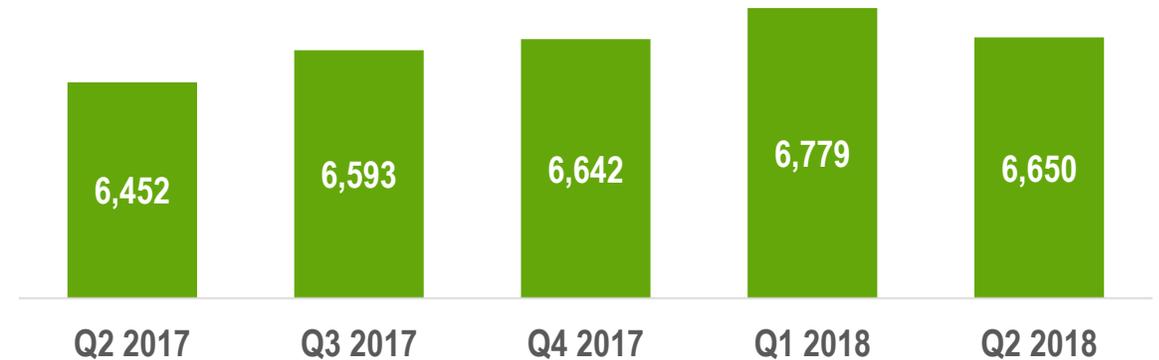
\*Guidance issued Jan. 22, 2018

# NATURAL GAS PIPELINES

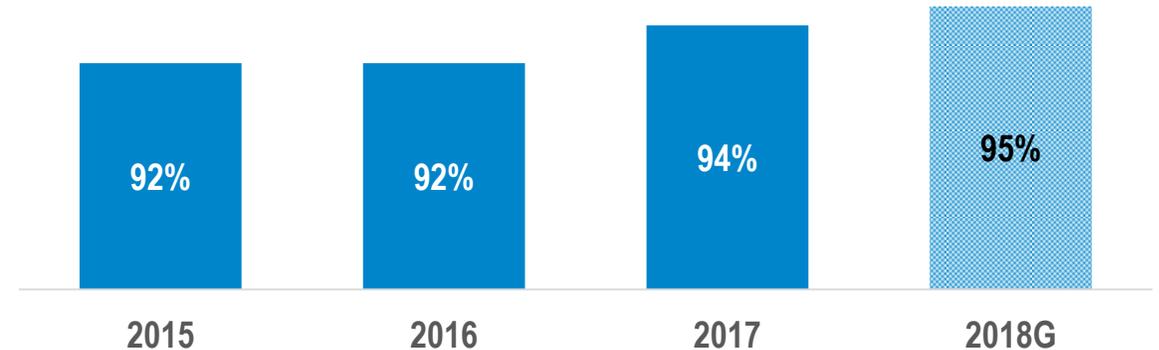
## WELL-POSITIONED AND MARKET-CONNECTED

- ◆ Expect more than 95 percent fee-based earnings in 2018, and:
  - Approximately 95 percent of transportation capacity contracted
  - Approximately 65 percent of natural gas storage capacity contracted
- ◆ Firm demand-based contracts serving primarily investment-grade utility customers
- ◆ Recently announced natural gas takeaway projects out of the Permian Basin and STACK and SCOOP areas, including expansions of the ONEOK WestTex Transmission system, ONEOK Gas Transportation system and a bidirectional project on ONEOK's Roadrunner Gas Transmission joint venture.

Natural Gas Transportation Capacity Contracted (MDth/d)



Natural Gas Transportation Capacity Subscribed





# STACK AND SCOOP



# STACK AND SCOOP PLAYS

## RELIABLE FULL-SERVICE PROVIDER

### Natural Gas Liquids

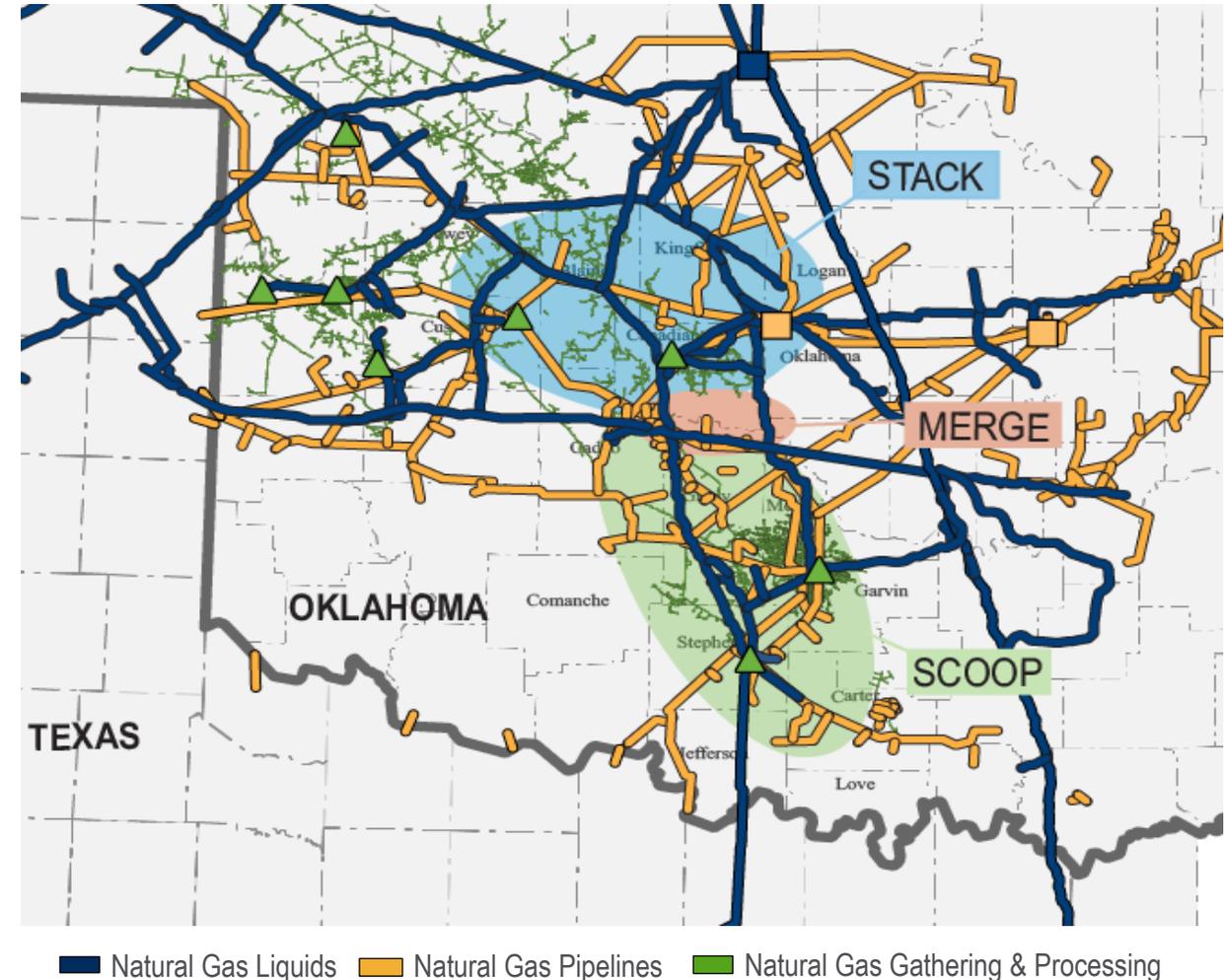
- ◆ More than 110 existing natural gas processing plant connections in the Mid-Continent
- ◆ Currently gathering approximately 250,000 bpd of NGLs with incremental 50,000 expected by end of year 2018

### 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
- ◆ More than 300,000 acres dedicated in STACK and SCOOP

### Natural Gas Pipelines

- ◆ Connected to 34 natural gas processing plants in Oklahoma with total capacity of 1.8 Bcf/d
- ◆ Approximately 50 Bcf of storage capacity in Oklahoma; on-system utility and industrial markets with peak demand of ~2.4 Bcf/d



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

\*\*SCOOP: South Central Oklahoma Oil Province



# PERMIAN BASIN

# PERMIAN BASIN

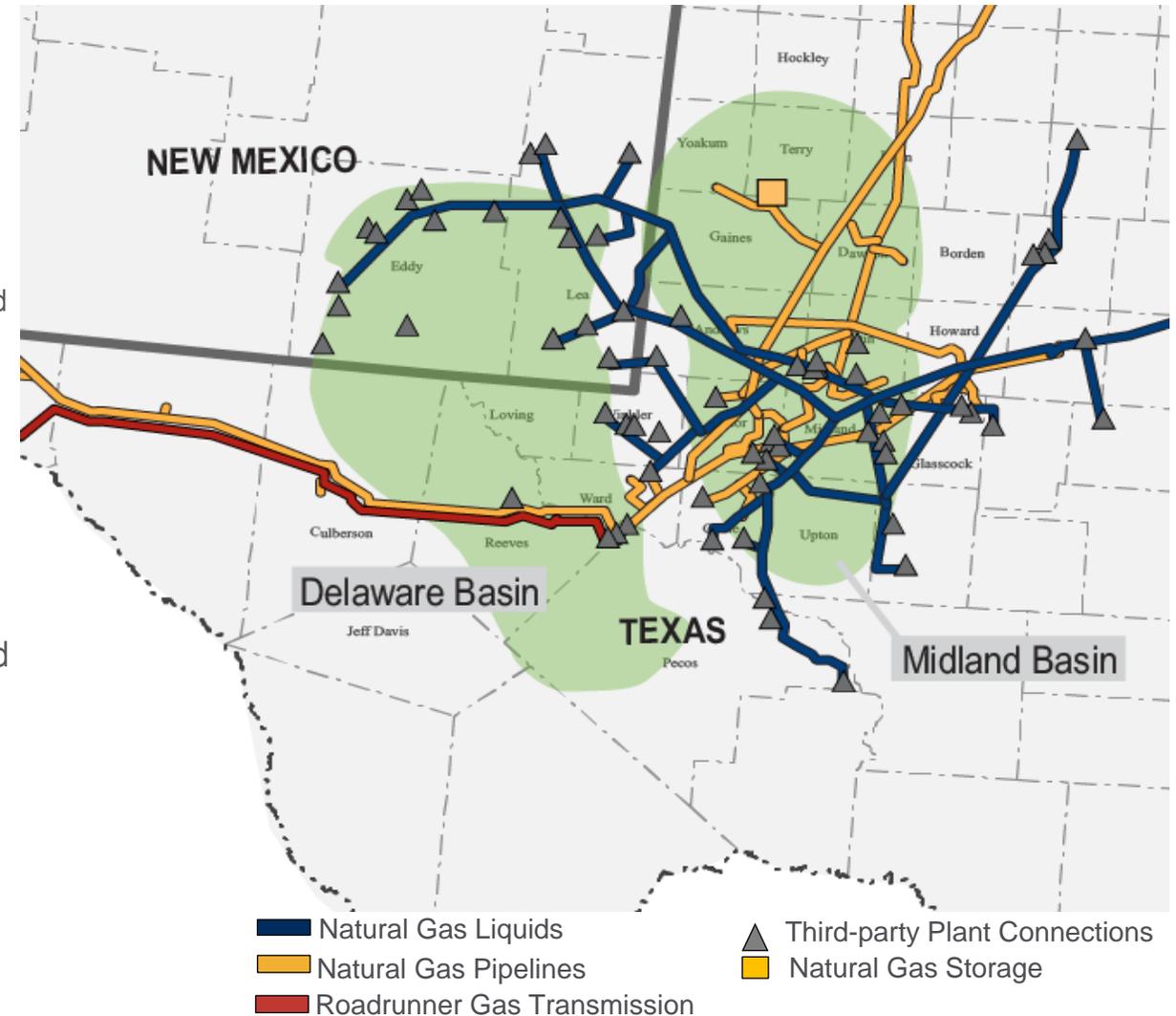
## RELIABLE SERVICE PROVIDER

### Natural Gas Liquids

- ◆ Approximately 40 third-party natural gas processing plant connections in the Permian Basin
- ◆ Approximately 120-mile, 16-inch West Texas LPG pipeline extension into Delaware Basin with initial capacity of 110,000 bpd
  - Project includes expansion of existing 285,000 bpd system to accommodate increased volumes
- ◆ Acquired remaining 20 percent interest of West Texas LPG in July 2018 to become the sole pipeline owner
  - Strategic step in broader Permian Basin strategy – provides opportunities for expansions and better integration with ONEOK's existing NGL system

### Natural Gas Pipelines

- ◆ 2,500-mile network of 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
- ◆ 4 Bcf of active natural gas storage capacity in Texas
- ◆ Announced 900 MMcf/d of expansion projects to provide additional natural gas takeaway options including, the WesTex Transmission Pipeline expansion and a project to make Roadrunner Gas Transmission bidirectional





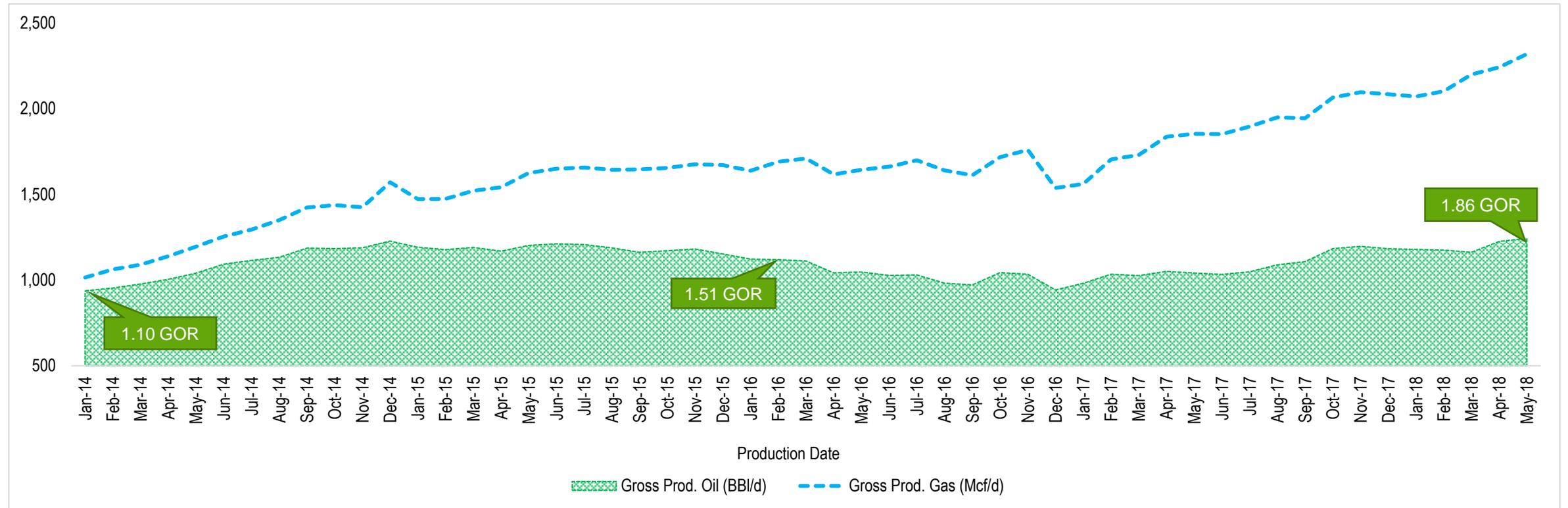
# WILLISTON BASIN



# WILLISTON BASIN

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

- ◆ Producer efficiencies across the basin leading to increasing production with fewer rigs
- ◆ New all-time high natural gas production of 2.3 Bcf/d reported in May 2018, compared with 1.9 Bcf/d in May 2017



Source: North Dakota Industrial Commission and North Dakota Pipeline Authority

# WILLISTON BASIN

## PROVIDING VALUABLE TAKEAWAY CAPACITY

### Natural Gas Gathering and Processing

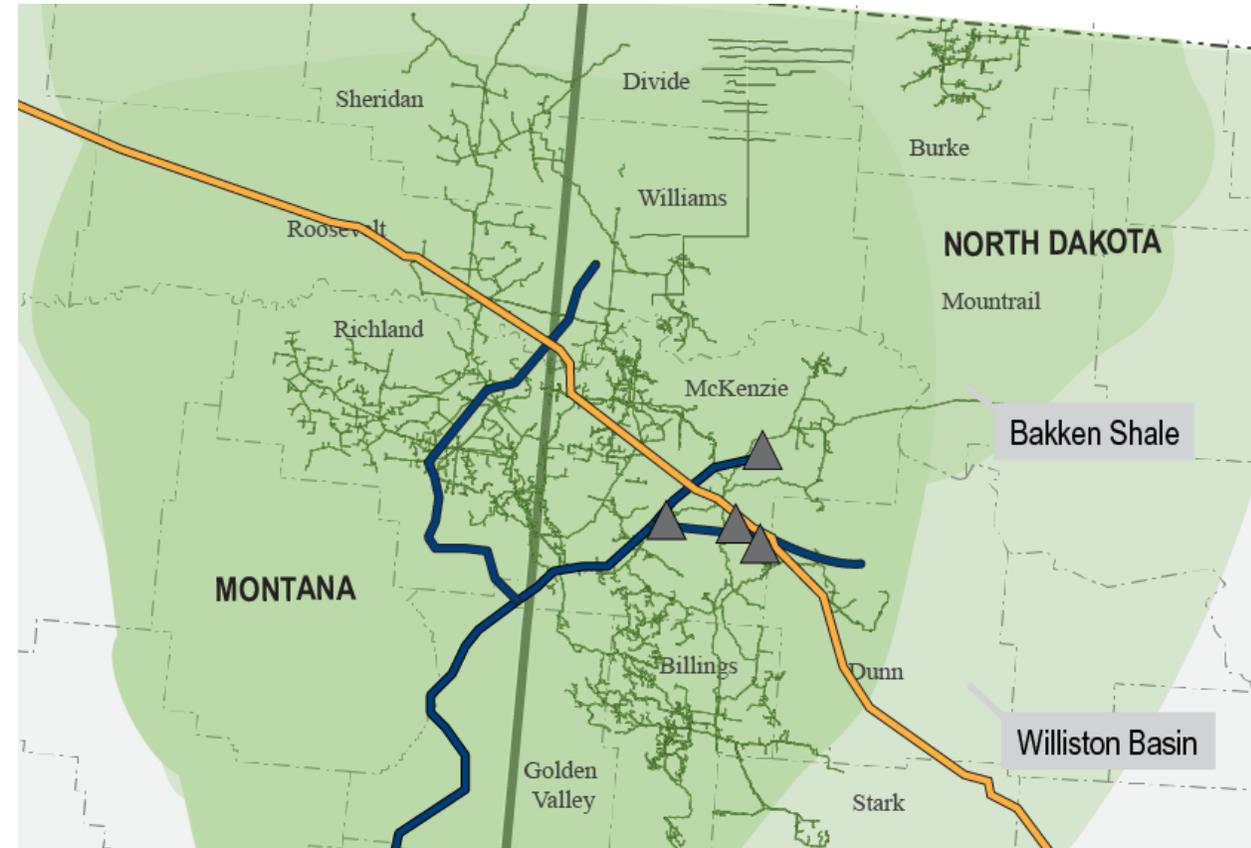
- ◆ More than 1 Bcf/d of natural gas processing capacity, increasing to more than 1.2 Bcf/d by 2020
- ◆ More than 3 million acres dedicated to ONEOK, with approximately 1 million acres in the core
- ◆ Approximately 550 well connects expected in 2018

### Natural Gas Liquids

- ◆ Elk Creek Pipeline will add 240,000 bpd of NGL takeaway capacity by year-end 2019; expandable to 400,000 bpd
- ◆ Highest margin NGL barrel with average bundled fee rates of approximately 30 cents per gallon

### Natural Gas Pipelines

- ◆ 2.4 Bcf/d of long-haul natural gas transportation capacity through ONEOK's 50 percent owned Northern Border Pipeline



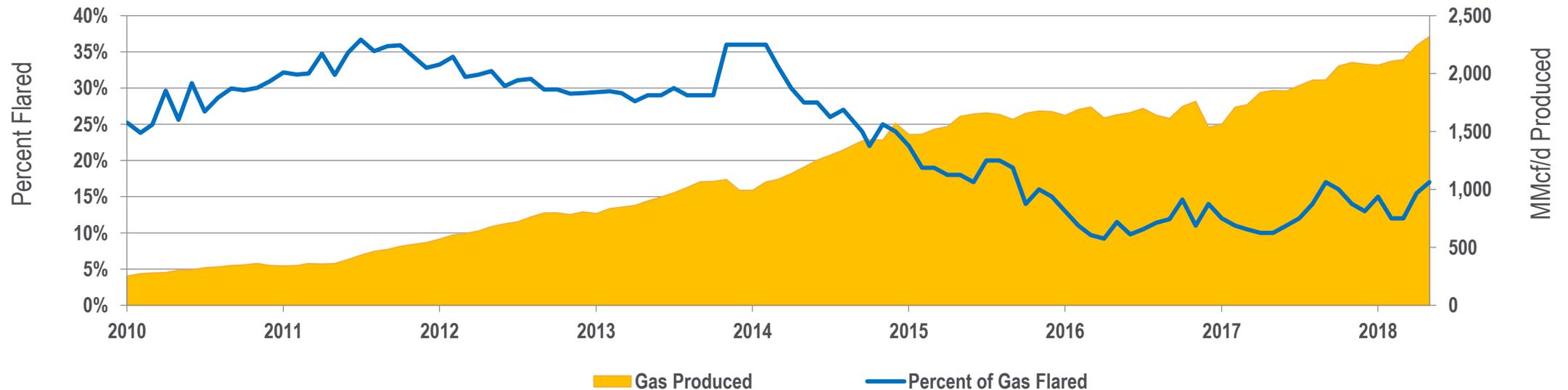
■ Natural Gas Liquids ■ Natural Gas Pipelines ▲ Third-party Plant Connections

# WILLISTON BASIN

## INCREASED NATURAL GAS CAPTURE RESULTS

- ◆ Increased NGL and natural gas value uplift
- ◆ Approximately 83% of North Dakota's natural gas production was captured in May 2018
- ◆ North Dakota Industrial Commission (NDIC) policy targets:
  - Natural gas capture: currently 85%, increasing to 88% by Nov. 2018 and 91% by Nov. 2020
- ◆ May statewide flaring was approximately 385 MMcf/d, with approximately 170 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

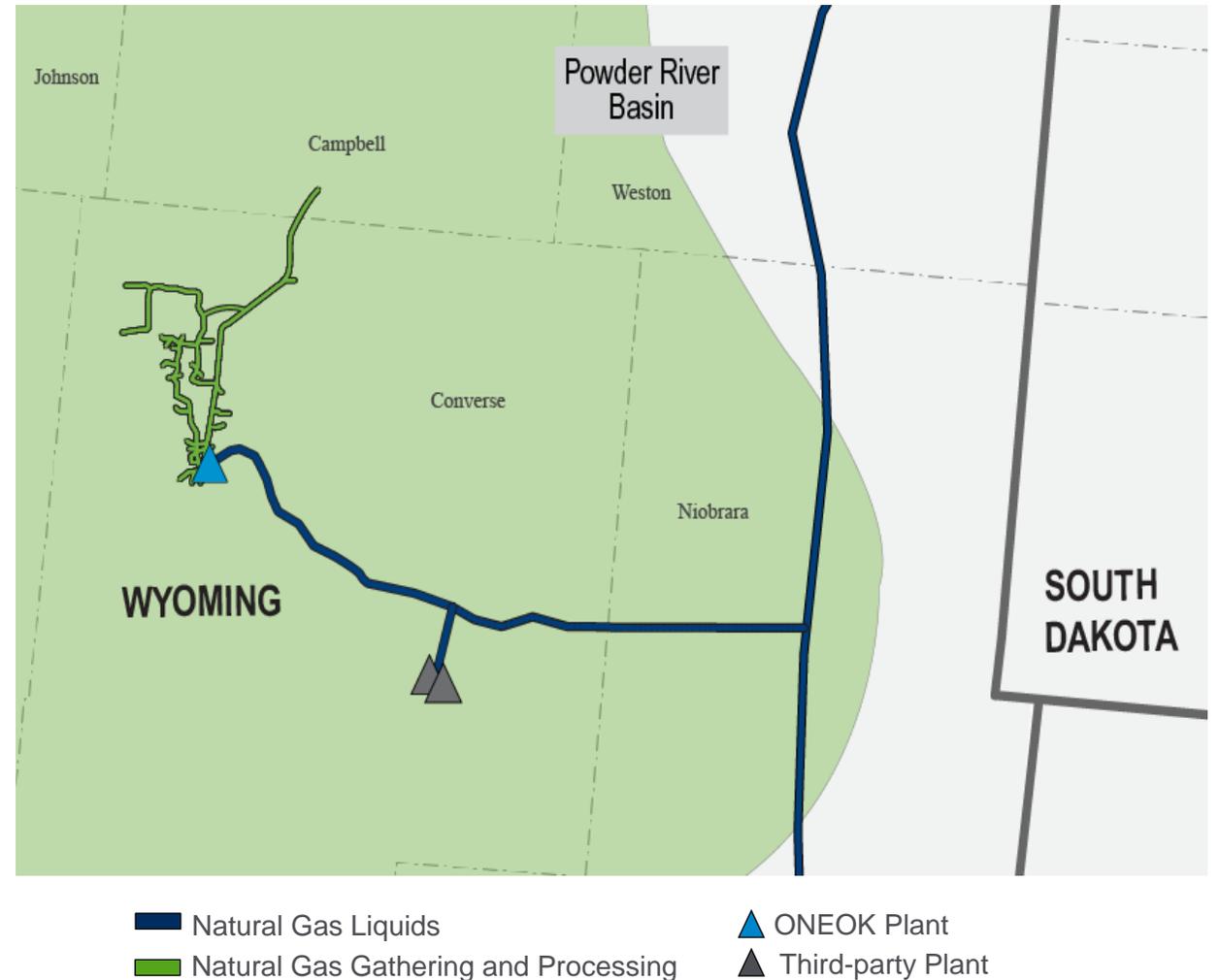
## PROVIDING VALUABLE TAKEAWAY CAPACITY

### 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





# 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

## INCOME FROM CONTINUING OPERATIONS 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)	2017					2018	
	Q1	Q2	Q3	Q4	FY	Q1	Q2
<b>Reconciliation of Net Income to Adjusted EBITDA</b>							
Net income	\$186	\$176	\$167	\$65	\$594	\$266	\$282
Interest expense, net of capitalized interest	116	118	127	125	486	116	113
Depreciation and amortization	99	101	102	104	406	104	107
Impairment charges	-	-	20	-	20	-	-
Income taxes	55	44	97	251	447	76	88
Noncash compensation expense	2	3	5	3	13	9	12
Other noncash items and equity AFUDC	2	20	(1)	-	21	(1)	-
<b>Adjusted EBITDA</b>	<b>\$460</b>	<b>\$462</b>	<b>\$517</b>	<b>\$548</b>	<b>\$1,987</b>	<b>\$570</b>	<b>\$602</b>
Interest expense, net of capitalized interest	(116)	(118)	(127)	(125)	(486)	(116)	(113)
Maintenance capital	(24)	(23)	(33)	(67)	(147)	(30)	(44)
Equity earnings from investments	(40)	(39)	(40)	(40)	(159)	(40)	(37)
Distributions received from unconsolidated affiliates	47	50	49	50	196	50	48
Other	(3)	(2)	(2)	-	(7)	(2)	(3)
<b>Distributable Cash Flow</b>	<b>\$324</b>	<b>\$330</b>	<b>\$364</b>	<b>\$366</b>	<b>\$1,384</b>	<b>\$432</b>	<b>\$453</b>
Dividends paid to preferred shareholders	-	-	-	(1)	(1)	-	-
Distributions paid to public limited partners	(135)	(135)	-	-	(270)	-	-
<b>Distributable cash flow to shareholders</b>	<b>\$189</b>	<b>\$195</b>	<b>\$364</b>	<b>\$365</b>	<b>\$1,113</b>	<b>\$432</b>	<b>\$453</b>
Dividends paid	(130)	(130)	(283)	(285)	(828)	(316)	(327)
<b>Distributable cash flow in excess of dividends paid</b>	<b>59</b>	<b>65</b>	<b>81</b>	<b>80</b>	<b>285</b>	<b>116</b>	<b>126</b>
Dividends paid per share	\$0.615	\$0.615	\$0.745	\$0.745	\$2.720	\$0.770	\$0.795
Dividend coverage ratio	1.46	1.50	1.29	1.28	1.34	1.37	1.39
Number of shares used in computations (millions)	211	211	380	383	304	411	411

# 2018 FINANCIAL GUIDANCE UPDATED JULY 31, 2018

## NON-GAAP RECONCILIATION

### 2018 Updated Guidance Range

(Millions of dollars)

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

Net Income	\$ 1,020	-	\$ 1,150
Interest expense, net of capitalized interest	485	-	465
Depreciation and amortization	425	-	435
Income taxes	315	-	335
Noncash compensation expense	40	-	30
Other noncash items and equity AFUDC	-	-	-
<b>Adjusted EBITDA</b>	<b>2,285</b>	<b>-</b>	<b>2,415</b>
Interest expense, net of capitalized interest	(485)	-	(465)
Maintenance capital	(160)	-	(180)
Equity in net earnings from investments	(140)	-	(160)
Distributions received from unconsolidated affiliates	175	-	205
Other	-	-	(10)
<b>Distributable cash flow</b>	<b>\$ 1,675</b>	<b>-</b>	<b>\$ 1,805</b>



Bear Creek plant — Williston Basin