



ONEOK

**SECOND-QUARTER
2018 RESULTS**

July 31, 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.



Mont Belvieu I fractionator — Gulf Coast

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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

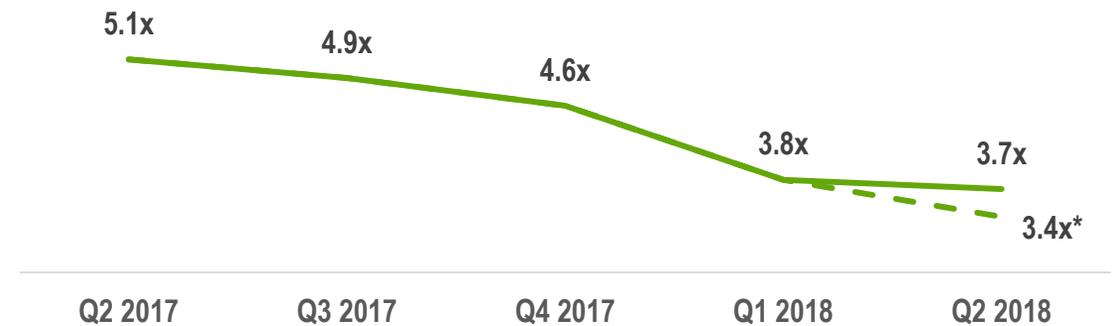
Distributable Cash Flow (DCF) in Excess of Dividends Paid
(\$ in millions)



Adjusted EBITDA Growth
(\$ in millions)



Debt-to-EBITDA Ratio
(trailing 12 months)



*Q2 2018 adjusted EBITDA annualized

NATURAL GAS LIQUIDS

VOLUME UPDATE

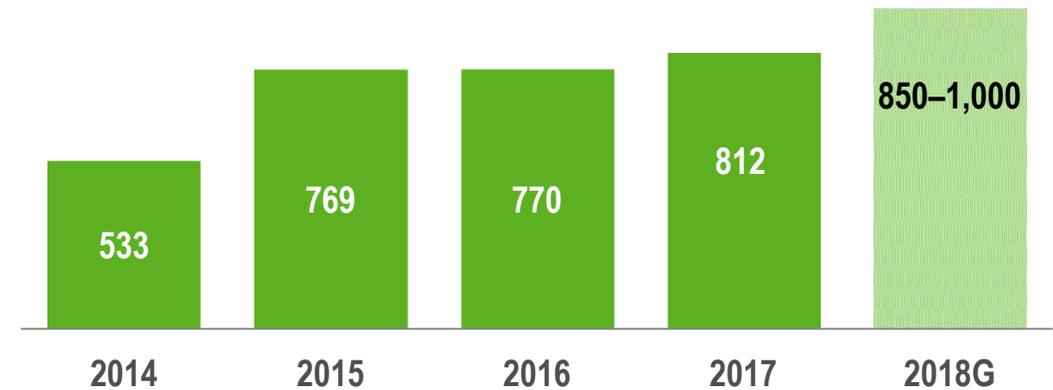
- ◆ 2018 volume growth expected to be driven primarily by increased producer activity in the STACK and SCOOP areas and increased ethane recovery in the Mid-Continent
 - Ethane volumes across ONEOK's system increased 60,000 bpd compared with second quarter 2017
- ◆ Six to nine third-party natural gas 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**
Total	855,000 bpd	903,000 bpd	

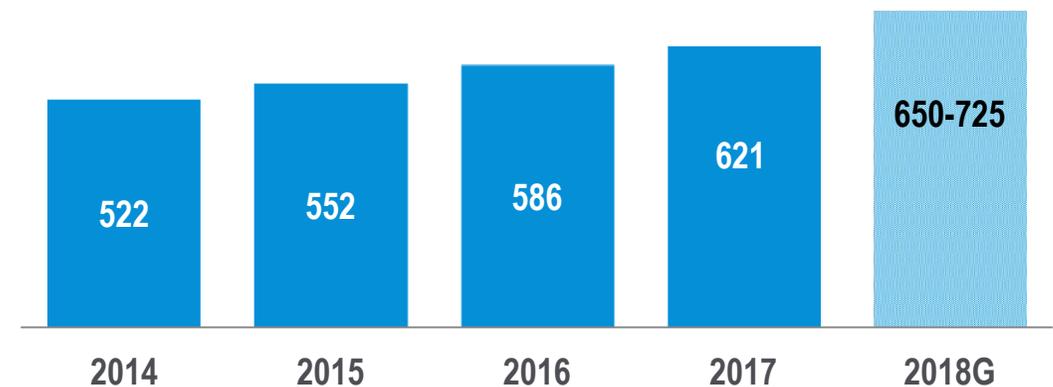
*Includes transportation and fractionation

**Transportation only

Gathered Volume (MBbl/d)



Fractionation Volume (MBbl/d)



NATURAL GAS GATHERING AND PROCESSING

VOLUME UPDATE

Williston Basin

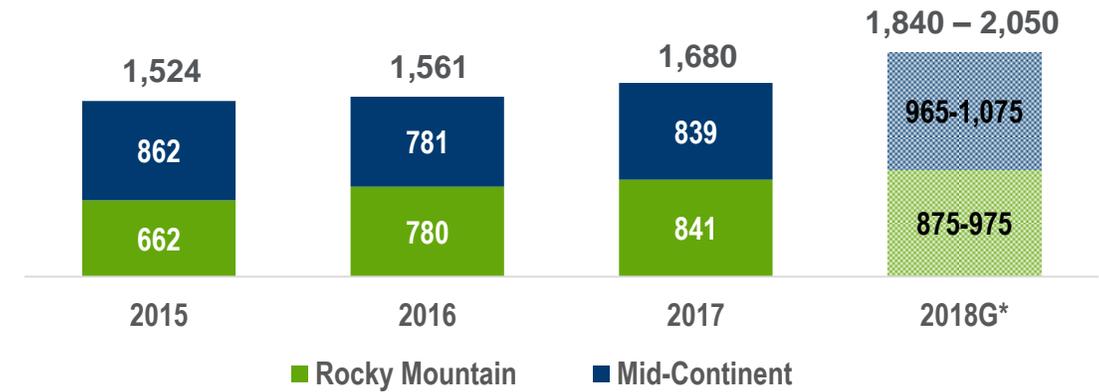
- ◆ Bear Creek natural gas processing plant expansion to 130 MMcf/d complete
- ◆ Expect to connect approximately 550 wells in 2018
 - 322 well connects completed in the first half of 2018
- ◆ More than 25 rigs on ONEOK's dedicated acreage

Mid-Continent

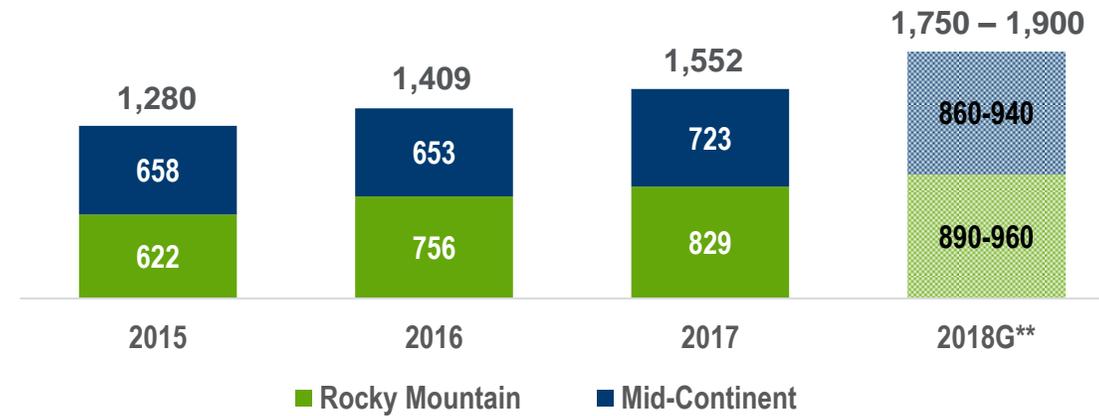
- ◆ Expect to connect approximately 130 wells in 2018
 - 61 well connects completed in the first half of 2018
- ◆ More than 10 rigs on ONEOK's dedicated acreage

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 PIPELINES

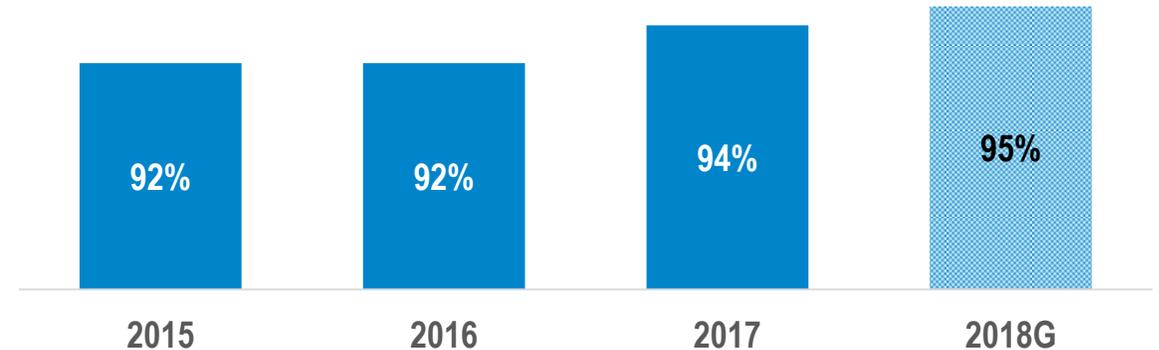
WELL-POSITIONED AND MARKET-CONNECTED

- ◆ 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



BUSINESS SEGMENT PERFORMANCE

Q2 2018 VS. Q1 2018 ADJUSTED EBITDA VARIANCES

◆ Natural gas gathering and processing increased

- **\$32.3 million increase** due primarily to natural gas volume growth in the Williston Basin and the STACK and SCOOP areas
- **\$8.2 million increase** due to contract settlements
- **\$2.0 million increase** due to higher realized natural gas prices
- **\$2.5 million decrease** due primarily to lower equity earnings primarily related to ONEOK's Powder River Basin equity investments

◆ Natural gas liquids increased

- **\$23.0 million increase** in optimization and marketing due primarily to wider location price differentials and the sale of purity NGL inventory previously held
- **\$8.2 million increase** in exchange services due to increased volumes in the STACK and SCOOP areas and the impact of seasonal weather in the first quarter 2018, offset partially by the timing of earnings associated with higher unfractionated NGL inventory levels
- **\$12.2 million decrease** in transportation and storage services due primarily to lower volumes on the North System* due to seasonal demand
- **\$8.6 million decrease** due to higher operating costs, excluding noncash compensation expense, from the timing of routine maintenance projects and higher property taxes

◆ Natural gas pipelines decreased

- **\$3.2 million decrease** from lower net retained fuel
- **\$2.7 million decrease** due to lower natural gas storage services

**The North System is a FERC-regulated NGL pipeline that transports NGL purity products and various refined products throughout the Midwest markets, particularly near Chicago, Illinois*

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	-	-	-
Adjusted EBITDA	2,285	-	2,415
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)
Distributable cash flow	\$ 1,675	-	\$ 1,805

NON-GAAP RECONCILIATION

(\$ in Millions)	2017					2018	
	Q1	Q2	Q3	Q4	FY	Q1	Q2
Reconciliation of Net Income to Adjusted EBITDA							
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)	-
Adjusted EBITDA	\$460	\$462	\$517	\$548	\$1,987	\$570	\$602
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)
Distributable Cash Flow	\$324	\$330	\$364	\$366	\$1,384	\$432	\$453
Dividends paid to preferred shareholders	-	-	-	(1)	(1)	-	-
Distributions paid to public limited partners	(135)	(135)	-	-	(270)	-	-
Distributable cash flow to shareholders	\$189	\$195	\$364	\$365	\$1,113	\$432	\$453
Dividends paid	(130)	(130)	(283)	(285)	(828)	(316)	(327)
Distributable cash flow in excess of dividends paid	59	65	81	80	285	116	126
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



Bear Creek plant — Williston Basin