



ONEOK

**SECOND-
QUARTER 2019
RESULTS**

JULY 30, 2019

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 Feb. 25, 2019, April 30, 2019, and July 30, 2019, and are not being updated or affirmed by this presentation.



Elk Creek Pipeline – Wyoming

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FINANCIAL STRENGTH – A COMPETITIVE ADVANTAGE

INCREASING EXCESS CASH

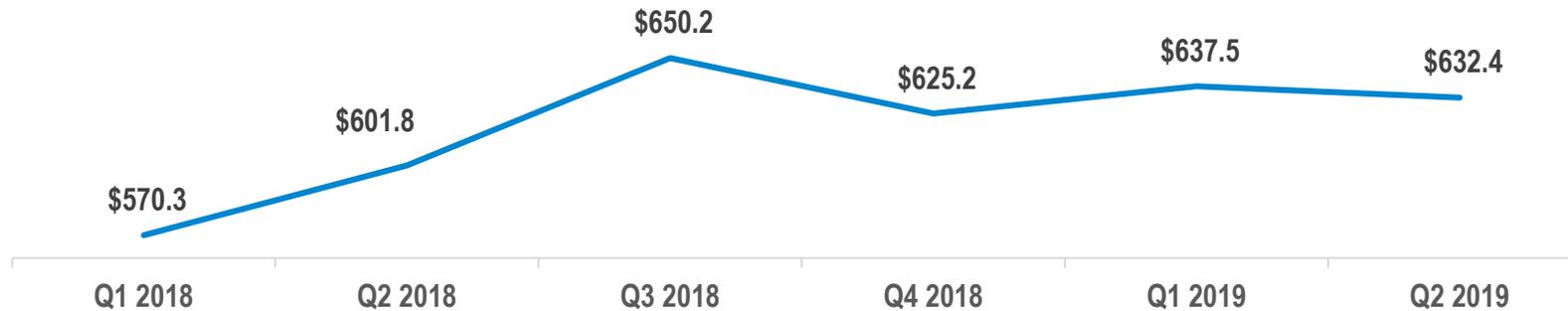
- ◆ DCF in excess of dividends paid of \$183 million, a 20% increase compared with the first quarter 2019
- ◆ \$2.5 billion of borrowing capacity available on ONEOK’s credit facility and \$273.4 million of cash and cash equivalents as of June 30, 2019
- ◆ Investment-grade credit ratings provide a competitive advantage
 - S&P: BBB (stable); Moody’s: Baa3 (stable)
- ◆ Trailing 12-month net debt-to-EBITDA ratio of 4.2 times

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



(a) DCF calculation includes a \$50 million distribution from Northern Border Pipeline that is excluded from adjusted EBITDA.

Adjusted EBITDA Growth
(\$ in millions)



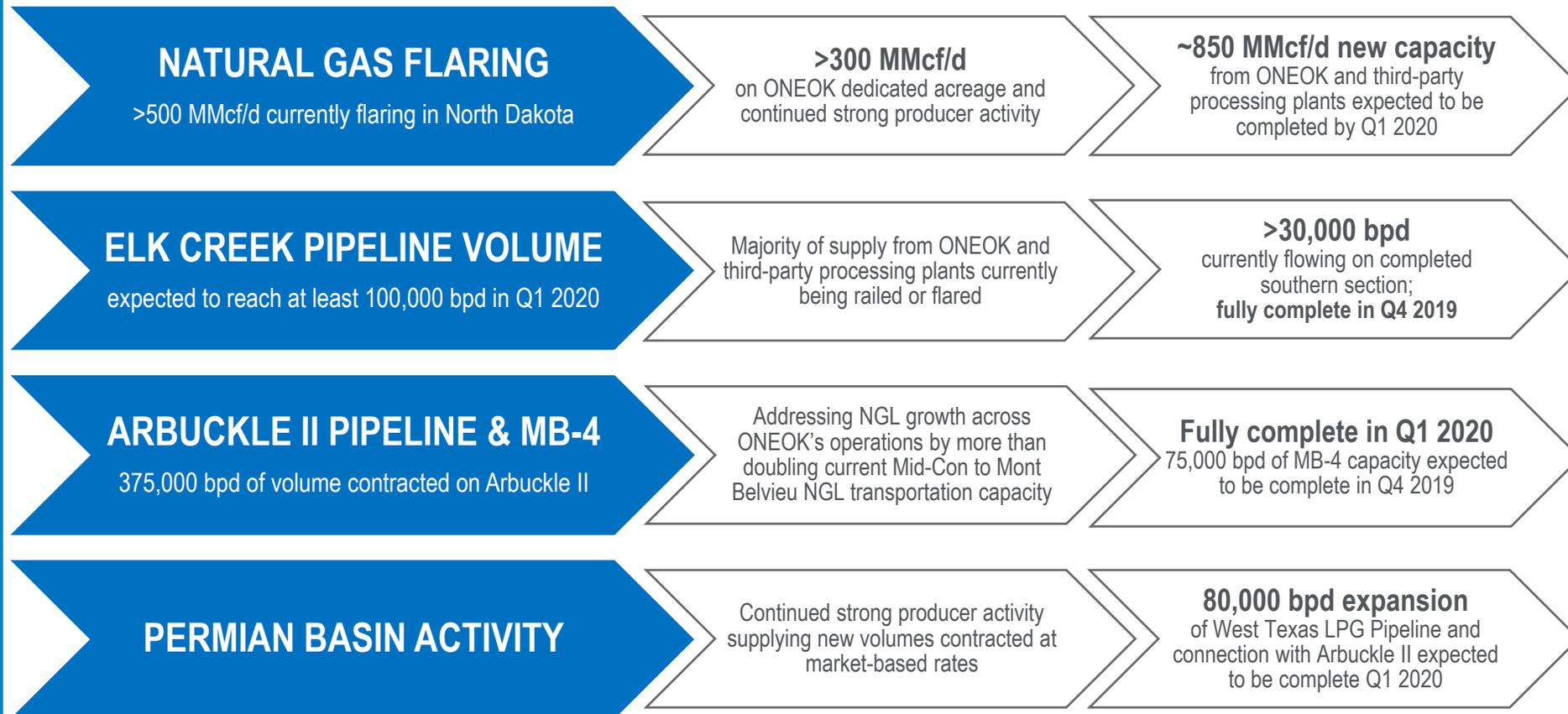
Expect **>20% increase** in 2020 adjusted EBITDA compared with 2019 guidance midpoint

EARNINGS DRIVERS

KEY DRIVERS

FEE-BASED SOLUTIONS

EXPECTED 2020 OUTLOOK



~850 MMcf/d new capacity
 from ONEOK and third-party processing plants expected to be completed by Q1 2020

>30,000 bpd
 currently flowing on completed southern section;
fully complete in Q4 2019

Fully complete in Q1 2020
 75,000 bpd of MB-4 capacity expected to be complete in Q4 2019

80,000 bpd expansion
 of West Texas LPG Pipeline and connection with Arbuckle II expected to be complete Q1 2020

>20% increase
 in adjusted EBITDA
compared with 2019 guidance midpoint

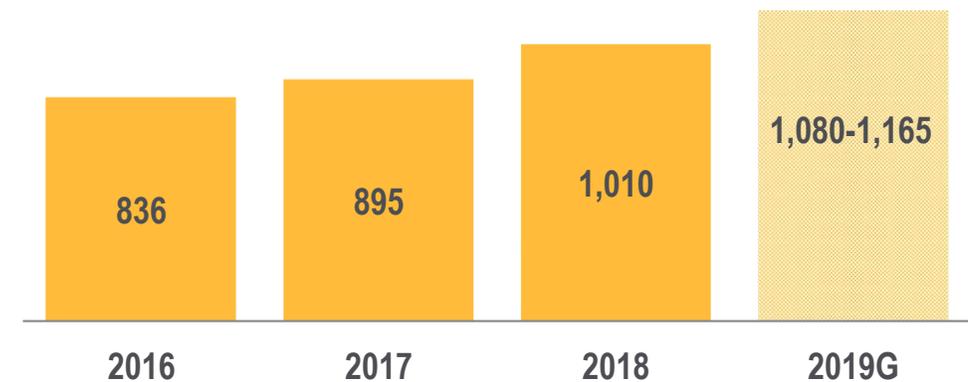
NATURAL GAS LIQUIDS

VOLUME UPDATE

- ◆ NGL raw feed throughput volumes increased 8%, compared with the first quarter 2019
 - Gulf Coast/Permian volume increased approximately 20%
- ◆ 2019 third-party natural gas processing plant connections:
 - Mid-Continent (2); Permian Basin (1)
 - Third-party plant expansions: STACK and SCOOP (1); Permian Basin (1)
- ◆ Recent project completions:
 - Elk Creek Pipeline southern section complete July 15, 2019
 - ◇ Extends from the Powder River Basin in eastern Wyoming to ONEOK's existing Mid-Continent NGL facilities
 - ◇ Current throughput of more than 30,000 bpd of NGLs

Average NGL Raw Feed Throughput Volumes ^(a)			
Region/Asset	First Quarter 2019	Second Quarter 2019	Average Bundled Rate (per gallon)
Bakken NGL Pipeline	167,000 bpd	167,000 bpd	~30 cents ^(c)
Mid-Continent	556,000 bpd	575,000 bpd	~ 9 cents ^(c)
Gulf Coast/Permian ^(b)	305,000 bpd	366,000 bpd	~ 5 cents ^(d)
Total	1,028,000 bpd	1,108,000 bpd	

NGL Raw Feed Throughput Volume ^(a)
(M B b l / d)



(a) Represents physical raw feed volumes on which ONEOK charges a fee for transportation and/or fractionation services.

(b) Gulf Coast/Permian volumes consist of volume from the West Texas LPG pipeline system, Arbuckle Pipeline volume originating in Texas and any volume fractionated at ONEOK's Mont Belvieu fractionation facilities received from a third-party pipeline.

(c) Includes transportation and fractionation.

(d) Primarily transportation only.

NATURAL GAS GATHERING AND PROCESSING

VOLUME UPDATE

Rocky Mountain

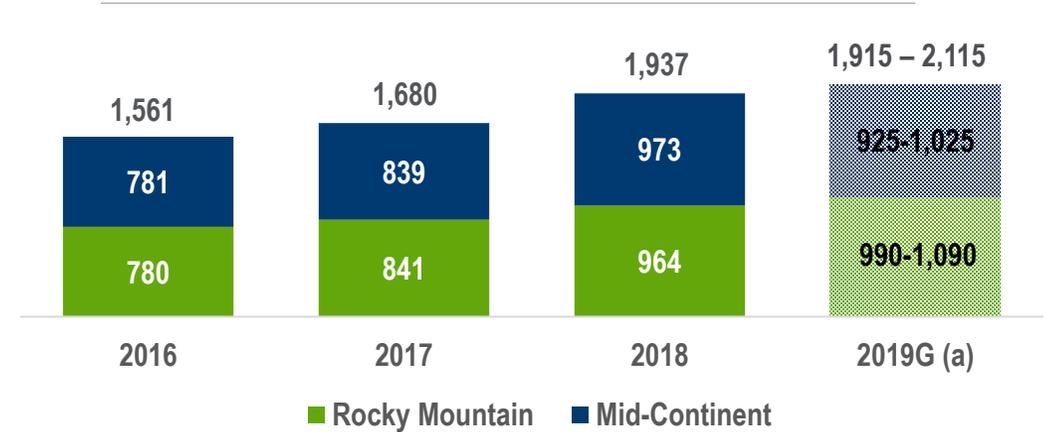
- ◆ Expect to connect approximately 620 wells in 2019
 - 259 well connects completed in the first half of 2019
- ◆ Second-quarter 2019 natural gas volumes processed increased approximately 5%, compared with the first quarter 2019

Mid-Continent

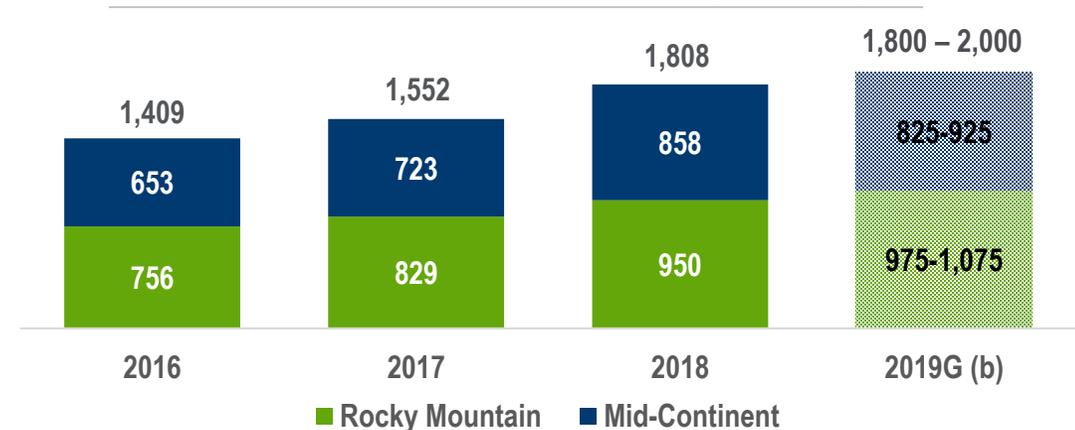
- ◆ Expect to connect approximately 100 wells in 2019
 - 73 well connects completed in the first half of 2019

Region	First Quarter 2019 – Average Gathered Volumes	Second Quarter 2019 – Average Gathered Volumes	First Quarter 2019 – Average Processed Volumes	Second Quarter 2019 – Average Processed Volumes
Mid-Continent	961 MMcf/d	999 MMcf/d	854 MMcf/d	888 MMcf/d
Rocky Mountain	1,031 MMcf/d	1,079 MMcf/d	1,003 MMcf/d	1,052 MMcf/d
Total	1,992 MMcf/d	2,078 MMcf/d	1,857 MMcf/d	1,940 MMcf/d

Gathered Volumes (MMcf/d)



Processed Volumes (MMcf/d)



(a) 2019 guidance gathered volumes (BBtu/d): 2,540 – 2,800
 (b) 2019 guidance processed volumes (BBtu/d): 2,360 – 2,620

NATURAL GAS PIPELINES

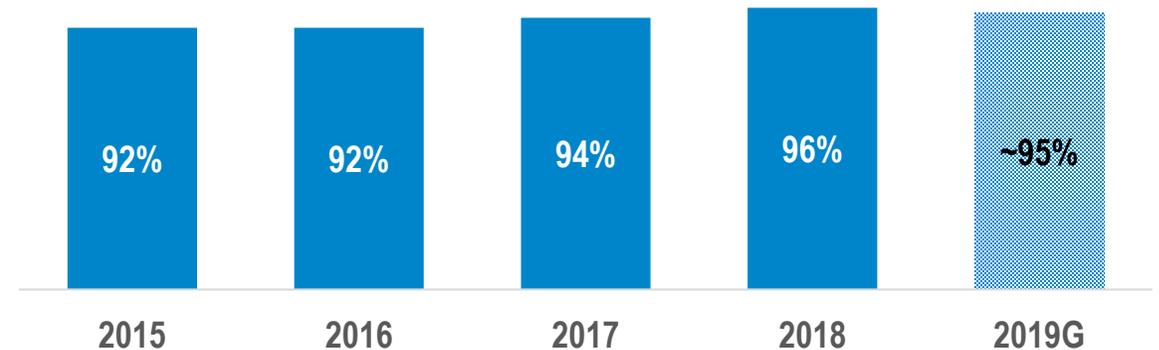
WELL-POSITIONED AND MARKET-CONNECTED

- ◆ Natural gas transportation capacity contracted increased 14% compared with the second quarter 2018
- ◆ Recently completed capital-growth projects in the Permian Basin and STACK and SCOOP areas, resulting in higher firm transportation volume including:
 - 300 MMcf/d expansion of the ONEOK WesTex Transmission system.
 - 150 MMcf/d eastbound and 100 MMcf/d westbound expansions of the ONEOK Gas Transportation system.
 - 750 MMcf/d of eastbound transportation capacity on ONEOK's Roadrunner Gas Transmission joint venture to make the pipeline bidirectional, expanding to ~1 Bcf/d in the fourth quarter 2019.

Natural Gas Transportation Capacity Contracted (MDth/d)



Natural Gas Transportation Capacity Subscribed



BUSINESS SEGMENT PERFORMANCE

Q2 2019 VS. Q1 2019 ADJUSTED EBITDA VARIANCES

◆ Natural gas gathering and processing increased

- **\$33.7 million increase** due primarily to higher volumes in the Williston Basin and STACK and SCOOP areas.
- **\$6.8 million increase** due primarily to lower operating costs.
- **\$5.1 million decrease** due primarily to lower realized natural gas and NGL prices, net of hedges.

◆ Natural gas liquids decreased

- **\$39.5 million decrease** in optimization and marketing due primarily to lower earnings on the sale of purity NGLs held in inventory due to a \$20 million earnings benefit recognized in the first quarter 2019 and narrower location price differentials, offset partially by higher optimization volumes.
- **\$9.9 million decrease** in transportation and storage services from lower volumes on the North System^(a) due to seasonal demand.
- **\$6.9 million decrease** from higher operating costs due primarily to the timing of routine maintenance projects.
- **\$27.5 million increase** in exchange services due primarily to higher volumes in the Permian Basin and STACK and SCOOP areas.

◆ Natural gas pipelines decreased

- **\$7.3 million decrease** from equity in net earnings from investments on Northern Border Pipeline due to seasonality.
- **\$3.3 million increase** from higher interruptible transportation revenues.

(a) 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.

NATURAL GAS LIQUIDS GROWTH PROJECTS

Project	Scope	CapEx (\$ in millions)	Expected Completion
Elk Creek Pipeline project	<ul style="list-style-type: none"> 900-mile NGL pipeline from the Williston Basin to the Mid-Continent with capacity of up to 240,000 bpd, and related infrastructure Supported by long-term contracts, which include minimum volume commitments Expansion capability up to 400,000 bpd with additional pump facilities 	\$1,400	Q4 2019 ^(a)
Arbuckle II Pipeline	<ul style="list-style-type: none"> 530-mile NGL pipeline from the Mid-Continent to the Gulf Coast with initial capacity of up to 400,000 bpd More than 50% of initial capacity is contracted under long-term, fee-based agreements Expansion capability up to 1 million bpd with additional pump facilities 	\$1,360	Q1 2020
MB-4 fractionator	<ul style="list-style-type: none"> 125,000 bpd NGL fractionator and related infrastructure in Mont Belvieu, Texas Fractionation capacity is fully contracted under long-term, fee-based agreements 	\$575	Q1 2020 ^(b)
WTLPG pipeline expansion and Arbuckle II connection	<ul style="list-style-type: none"> Increasing mainline capacity by 80,000 bpd with additional pump facilities and pipeline looping Connecting WTLPG to the Arbuckle II Pipeline Supported by long-term dedicated production from six third-party processing plants expected to produce up to 60,000 bpd 	\$295	Q1 2020
Bakken NGL Pipeline extension	<ul style="list-style-type: none"> 75-mile NGL pipeline in the Williston Basin connecting with a third-party processing plant Supported by a long-term contract with a minimum volume commitment 	\$100	Q4 2020
MB-5 fractionator	<ul style="list-style-type: none"> 125,000 bpd NGL fractionator and related infrastructure in Mont Belvieu, Texas Fractionation capacity is fully contracted under long-term, fee-based agreements 	\$750	Q1 2021
Arbuckle II Pipeline extension	<ul style="list-style-type: none"> Extension of pipeline further north and additional NGL gathering infrastructure to increase capacity between the Mid-Continent market hub and Arbuckle II 	\$240	Q1 2021
Arbuckle II Pipeline expansion	<ul style="list-style-type: none"> 100,000 bpd NGL pipeline expansion up to 500,000 bpd by adding pump stations 	\$60	Q1 2021
WTLPG pipeline expansion	<ul style="list-style-type: none"> Increasing mainline capacity by an additional 40,000 bpd Supported by long-term dedicated production from third-party processing plants expected to produce up to 45,000 bpd 	\$145	Q1 2021
Mid-Continent fractionation facility expansions	<ul style="list-style-type: none"> 65,000 bpd of expansions at ONEOK's Mid-Continent NGL facilities 	\$150	Q1 2021 ^(c)

(a) Southern section of the pipeline from the Powder River Basin to ONEOK's existing Mid-Continent NGL facilities complete July 15, 2019.

(b) 75,000 bpd of capacity expected to be completed ahead of schedule in the fourth quarter 2019; remaining 50,000 bpd expected to be completed in the first quarter 2020.

(c) 15,000 bpd of capacity expected to be completed in the third quarter 2020; remaining 50,000 bpd expected to be completed in the first quarter 2021.

GATHERING AND PROCESSING GROWTH PROJECTS

Project	Scope	CapEx (\$ in millions)	Expected Completion
Demicks Lake I plant and infrastructure	<ul style="list-style-type: none"> • 200 MMcf/d processing plant in the core of the Williston Basin • Expected to open full by capturing natural gas currently being flared • Contributes additional NGL and natural gas volume on ONEOK's system • Supported by acreage dedications and primarily fee-based contracts 	\$400	Q4 2019
Demicks Lake II plant and infrastructure	<ul style="list-style-type: none"> • 200 MMcf/d processing plant in the core of the Williston Basin • Contributes additional NGL and natural gas volume on ONEOK's system • Supported by acreage dedications and primarily fee-based contracts 	\$410	Q1 2020
Bear Creek plant expansion and infrastructure	<ul style="list-style-type: none"> • 200 MMcf/d processing plant expansion in the Williston Basin • Contributes additional NGL and natural gas volume on ONEOK's system • Supported by acreage dedications and primarily fee-based contracts 	\$405	Q1 2021

2019 FINANCIAL GUIDANCE

ANNOUNCED FEB. 25, 2019

				2019 Guidance Range		
(\$ in millions)				Midpoint		
Net income	\$	1,140	\$	1,270	\$	1,400
Adjusted EBITDA		2,500		2,600		2,700
Distributable cash flow		1,820		1,940		2,060
Capital-growth expenditures		2,500		3,100		3,700
Maintenance capital expenditures		160		180		200
Segment Adjusted EBITDA:						
Natural Gas Liquids		1,520		1,570		1,620
Natural Gas Gathering and Processing		620		650		680
Natural Gas Pipelines		360		375		390
Other		–		5		10

Note: Adjusted EBITDA and distributable cash flow are non-GAAP measures. Reconciliations to relevant GAAP measures are included in this presentation.

2019 FINANCIAL GUIDANCE

NON-GAAP RECONCILIATION

2019 Guidance Range

(Millions of dollars)

Reconciliation of Net Income to Adjusted EBITDA and Distributable Cash Flow

Net Income	\$ 1,140	-	\$ 1,400
Interest expense, net of capitalized interest	525	-	475
Depreciation and amortization	490	-	470
Income taxes	340	-	410
Noncash compensation expense	45	-	25
Equity AFUDC and other noncash items	(40)	-	(80)
Adjusted EBITDA	2,500	-	2,700
Interest expense, net of capitalized interest	(525)	-	(475)
Maintenance capital	(200)	-	(160)
Equity in net earnings from investments	(125)	-	(175)
Distributions received from unconsolidated affiliates	170	-	180
Other	-	-	(10)
Distributable cash flow	\$ 1,820	-	\$ 2,060

NON-GAAP RECONCILIATION

(\$ in Millions)	2017					2018					2019	
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2
Reconciliation of Net Income to Adjusted EBITDA												
Net income	\$186	\$176	\$167	\$65	\$594	\$266	\$282	\$314	\$293	\$1,155	\$337	\$312
Interest expense, net of capitalized interest	116	118	127	125	486	116	113	122	119	470	115	117
Depreciation and amortization	99	101	102	104	406	104	107	107	111	429	114	115
Impairment charges	-	-	20	-	20	-	-	-	-	-	-	-
Income taxes	55	44	97	251	447	76	88	102	97	363	78	99
Noncash compensation expense	2	3	5	3	13	9	12	6	11	38	6	5
Equity AFUDC and other noncash items	2	20	(1)	-	21	(1)	-	(1)	(5)	(7)	(13)	(16)
Adjusted EBITDA	\$460	\$462	\$517	\$548	\$1,987	\$570	\$602	\$650	\$626	\$2,448	\$637	\$632
Interest expense, net of capitalized interest	(116)	(118)	(127)	(125)	(486)	(116)	(113)	(122)	(119)	(470)	(115)	(117)
Maintenance capital	(24)	(23)	(33)	(67)	(147)	(30)	(44)	(63)	(51)	(188)	(41)	(44)
Equity earnings from investments	(40)	(39)	(40)	(40)	(159)	(40)	(37)	(39)	(42)	(158)	(43)	(34)
Distributions received from unconsolidated affiliates	47	50	49	50	196	50	48	47	52	197	59	100
Other	(3)	(2)	(2)	-	(7)	(2)	(3)	-	(2)	(7)	10	4
Distributable Cash Flow	\$324	\$330	\$364	\$366	\$1,384	\$432	\$453	\$473	\$464	\$1,822	\$507	\$541
Dividends paid to preferred shareholders	-	-	-	(1)	(1)	-	-	(1)	-	(1)	-	(1)
Distributions paid to public limited partners	(135)	(135)	-	-	(270)	-	-	-	-	-	-	-
Distributable cash flow to shareholders	\$189	\$195	\$364	\$365	\$1,113	\$432	\$453	\$472	\$464	\$1,821	\$507	\$540
Dividends paid	(130)	(130)	(283)	(285)	(828)	(316)	(327)	(339)	(352)	(1,334)	(354)	(357)
Distributable cash flow in excess of dividends paid	59	65	81	80	285	116	126	133	112	487	153	183
Dividends paid per share	\$0.615	\$0.615	\$0.745	\$0.745	\$2.720	\$0.770	\$0.795	\$0.825	\$0.855	\$3.245	\$0.860	\$0.865
Dividend coverage ratio	1.46	1.50	1.29	1.28	1.34	1.37	1.39	1.39	1.32	1.37	1.43	1.51
Number of shares used in computations (millions)	211	211	380	383	304	411	411	411	411	411	412	413

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.



Elk Creek Pipeline — Kansas