

**ONEOK Announces First-quarter 2014 Financial Results; Reaffirms 2014 Financial Guidance
Income from Continuing Operations Increases by 60 Percent**

May 6, 2014

Page 1

**ONEOK, Inc. and Subsidiaries
CONSOLIDATED STATEMENTS OF INCOME**

<i>(Unaudited)</i>	Three Months Ended March 31,	
	2014	2013
	<i>(Thousands of dollars, except per share amounts)</i>	
Revenues		
Commodity sales	\$ 2,806,729	\$ 2,198,794
Services	356,567	319,161
Total revenues	3,163,296	2,517,955
Cost of sales and fuel	2,652,669	2,146,848
Net margin	510,627	371,107
Operating expenses		
Operations and maintenance	126,726	121,405
Depreciation and amortization	67,414	55,283
General taxes	22,385	19,730
Total operating expenses	216,525	196,418
Gain (loss) on sale of assets	15	41
Operating income	294,117	174,730
Equity earnings from investments	33,659	25,855
Allowance for equity funds used during construction	10,971	9,087
Other income	1,409	5,622
Other expense	(25,534)	(1,501)
Interest expense (net of capitalized interest of \$15,768, and \$12,605, respectively)	(94,901)	(64,486)
Income before income taxes	219,721	149,307
Income taxes	(14,984)	(38,804)
Income from continuing operations	204,737	110,503
Income from discontinued operations, net of tax	1,774	55,202
Net income	206,511	165,705
Less: Net income attributable to noncontrolling interests	112,996	53,184
Net income attributable to ONEOK	\$ 93,515	\$ 112,521
Amounts attributable to ONEOK:		
Income from continuing operations	\$ 91,741	\$ 57,319
Income from discontinued operations	1,774	55,202
Net income	\$ 93,515	\$ 112,521
Basic earnings per share:		
Income from continuing operations	\$ 0.44	\$ 0.28
Income from discontinued operations	0.01	0.27
Net income	\$ 0.45	\$ 0.55
Diluted earnings per share:		
Income from continuing operations	\$ 0.44	\$ 0.27
Income from discontinued operations	0.01	0.27
Net income	\$ 0.45	\$ 0.54
Average shares (<i>thousands</i>)		
Basic	209,130	205,479
Diluted	210,166	209,458
Dividends declared per share of common stock	\$ 0.40	\$ 0.36

**ONEOK Announces First-quarter 2014 Financial Results; Reaffirms 2014 Financial Guidance
Income from Continuing Operations Increases by 60 Percent**

May 6, 2014

Page 2

**ONEOK, Inc. and Subsidiaries
CONSOLIDATED BALANCE SHEETS**

<i>(Unaudited)</i>	March 31, 2014	December 31, 2013
Assets	<i>(Thousands of dollars)</i>	
Current assets		
Cash and cash equivalents	\$ 210,227	\$ 145,565
Accounts receivable, net	883,673	1,109,510
Natural gas and natural gas liquids in storage	231,237	188,286
Commodity imbalances	82,979	80,481
Other current assets	102,089	133,010
Assets of discontinued operations	146,122	747,872
Total current assets	1,656,327	2,404,724
Property, plant and equipment		
Property, plant and equipment	11,313,498	10,970,256
Accumulated depreciation and amortization	1,802,704	1,738,302
Net property, plant and equipment	9,510,794	9,231,954
Investments and other assets		
Investments in unconsolidated affiliates	1,229,054	1,229,838
Goodwill and intangible assets	1,021,620	1,024,562
Other assets	202,626	224,353
Assets of discontinued operations	32,713	3,626,050
Total investments and other assets	2,486,013	6,104,803
Total assets	\$ 13,653,134	\$ 17,741,481

-more-

**ONEOK Announces First-quarter 2014 Financial Results; Reaffirms 2014 Financial Guidance
Income from Continuing Operations Increases by 60 Percent**

May 6, 2014

Page 3

**ONEOK, Inc. and Subsidiaries
CONSOLIDATED BALANCE SHEETS
(Continued)**

<i>(Unaudited)</i>	March 31, 2014	December 31, 2013
Liabilities and equity	<i>(Thousands of dollars)</i>	
Current liabilities		
Current maturities of long-term debt	\$ 10,650	\$ 10,650
Notes payable	125,000	564,462
Accounts payable	1,155,114	1,273,102
Commodity imbalances	216,750	213,577
Accrued interest	102,831	109,099
Other current liabilities	127,697	103,752
Liabilities of discontinued operations	153,682	455,688
Total current liabilities	1,891,724	2,730,330
Long-term debt, excluding current maturities	7,199,029	7,753,657
Deferred credits and other liabilities		
Deferred income taxes	1,144,348	1,146,562
Other deferred credits	229,277	217,522
Liabilities of discontinued operations	61,049	1,048,230
Total deferred credits and other liabilities	1,434,674	2,412,314
Commitments and contingencies		
Equity		
ONEOK shareholders' equity:		
Common stock, \$0.01 par value: authorized 600,000,000 shares; issued 245,811,180 shares and outstanding 207,865,891 shares at March 31, 2014; issued 245,811,180 shares and outstanding 206,618,877 shares at December 31, 2013	2,458	2,458
Paid-in capital	1,377,023	1,433,600
Accumulated other comprehensive loss	(109,913)	(121,987)
Retained earnings	280,242	2,020,815
Treasury stock, at cost: 37,945,289 shares at March 31, 2014, and 39,192,203 shares at December 31, 2013	(965,310)	(997,035)
Total ONEOK shareholders' equity	584,500	2,337,851
Noncontrolling interests in consolidated subsidiaries	2,543,207	2,507,329
Total equity	3,127,707	4,845,180
Total liabilities and equity	\$ 13,653,134	\$ 17,741,481

-more-

**ONEOK Announces First-quarter 2014 Financial Results; Reaffirms 2014 Financial Guidance
Income from Continuing Operations Increases by 60 Percent**

May 6, 2014

Page 4

ONEOK, Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS

<i>(Unaudited)</i>	Three Months Ended March 31,	
	2014	2013
	<i>(Thousands of dollars)</i>	
Operating activities		
Net income	\$ 206,511	\$ 165,705
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	78,768	90,221
Charges attributable to exit activities	1,739	—
Equity earnings from investments	(33,659)	(25,855)
Distributions received from unconsolidated affiliates	30,345	23,495
Deferred income taxes	16,301	68,107
Share-based compensation expense	4,450	16,756
Pension and postretirement benefit expense, net contributions	8,502	18,381
Allowance for equity funds used during construction	(10,971)	(9,087)
Gain on sale of assets	(15)	(41)
Other	—	(2,227)
Changes in assets and liabilities:		
Accounts receivable	112,780	90,953
Natural gas and natural gas liquids in storage	63,844	214,541
Accounts payable	27,817	(103,690)
Commodity imbalances, net	3,555	(56,301)
Settlement of exit activities liabilities	(12,176)	—
Accrued interest	(6,397)	14,288
Other assets and liabilities, net	(1,011)	(33,748)
Cash provided by operating activities	490,383	471,498
Investing activities		
Capital expenditures (less allowance for equity funds used during construction)	(429,525)	(501,065)
Acquisition	(14,000)	—
Contributions to unconsolidated affiliates	(627)	(3,036)
Distributions received from unconsolidated affiliates	4,725	6,698
Proceeds from sale of assets	93	2,596
Cash used in investing activities	(439,334)	(494,807)
Financing activities		
Repayment of notes payable, net	(439,462)	(265,920)
Issuance of ONE Gas, Inc. debt, net of discounts	1,199,994	—
ONE Gas, Inc. long-term debt financing costs	(9,663)	—
Repayment of debt	(551,933)	(1,975)
Issuance of common stock	3,020	2,831
Issuance of common units, net of issuance costs	52,839	12,819
Dividends paid	(83,275)	(73,781)
Cash of ONE Gas, Inc. at separation	(60,000)	—
Distributions to noncontrolling interests	(101,655)	(90,336)
Cash provided by (used in) financing activities	9,865	(416,362)
Change in cash and cash equivalents	60,914	(439,671)
Change in cash and cash equivalents included in discontinued operations	3,748	(2,372)
Change in cash and cash equivalents included in continuing operations	64,662	(442,043)
Cash and cash equivalents at beginning of period	145,565	579,578
Cash and cash equivalents at end of period	\$ 210,227	\$ 137,535

-more-

**ONEOK Announces First-quarter 2014 Financial Results; Reaffirms 2014 Financial Guidance
Income from Continuing Operations Increases by 60 Percent**

May 6, 2014

Page 5

**ONEOK, Inc. and Subsidiaries
INFORMATION AT A GLANCE**

<i>(Unaudited)</i>	Three Months Ended March 31,	
	2014	2013
	<i>(Millions of dollars, except as noted)</i>	
<u>Natural Gas Gathering and Processing</u>		
Net margin	\$ 153.6	\$ 109.3
Operating costs	\$ 64.9	\$ 51.7
Depreciation and amortization	\$ 28.8	\$ 23.9
Operating income	\$ 59.9	\$ 33.7
Equity earnings from investments	\$ 5.5	\$ 6.3
Natural gas gathered <i>(BBtu/d)</i> (a)	1,499	1,215
Natural gas processed <i>(BBtu/d)</i> (a) (b)	1,268	989
NGL sales <i>(MBbl/d)</i> (a)	90	72
Residue natural gas sales <i>(BBtu/d)</i> (a)	567	436
Realized composite NGL net sales price <i>(\$/gallon)</i> (a) (c)	\$ 1.05	\$ 0.85
Realized condensate net sales price <i>(\$/Bbl)</i> (a) (c)	\$ 76.07	\$ 88.28
Realized residue natural gas net sales price <i>(\$/MMBtu)</i> (a) (c)	\$ 3.60	\$ 3.57
Average fee rate <i>(\$/MMBtu)</i> (a)	\$ 0.38	\$ 0.36
Capital expenditures - growth	\$ 113.1	\$ 159.0
Capital expenditures - maintenance	\$ 9.8	\$ 4.9
(a) - Includes volumes for consolidated entities only.		
(b) - Includes volumes at company-owned and third-party facilities.		
(c) - Presented net of the impact of hedging activities on ONEOK Partners' equity volumes.		
<u>Natural Gas Liquids</u>		
Net margin	\$ 269.0	\$ 186.6
Operating costs	\$ 65.1	\$ 59.8
Depreciation and amortization	\$ 27.1	\$ 19.7
Operating income	\$ 176.8	\$ 107.1
Equity earnings from investments	\$ 4.8	\$ 3.1
NGL sales <i>(MBbl/d)</i>	563	578
NGLs transported-gathering lines <i>(MBbl/d)</i> (b)	475	498
NGLs fractionated <i>(MBbl/d)</i> (a)	472	512
NGLs transported-distribution lines <i>(MBbl/d)</i> (b)	430	394
Average Conway-to-Mont Belvieu OPIS price differential - ethane in ethane/propane mix <i>(\$/gallon)</i>	\$ 0.12	\$ 0.01
Capital expenditures - growth	\$ 261.0	\$ 269.3
Capital expenditures - maintenance	\$ 12.1	\$ 4.9
(a) - Includes volumes at company-owned and third-party facilities.		
(b) - Includes volumes for consolidated entities only.		
<u>Natural Gas Pipelines</u>		
Net margin	\$ 93.5	\$ 74.1
Operating costs	\$ 27.5	\$ 27.2
Depreciation and amortization	\$ 10.8	\$ 11.0
Operating income	\$ 55.1	\$ 35.9
Equity earnings from investments	\$ 23.4	\$ 16.4
Natural gas transportation capacity contracted <i>(MDth/d)</i> (a)	5,866	5,670
Transportation capacity subscribed (a)	93 %	93 %
Average natural gas price		
Mid-Continent region <i>(\$/MMBtu)</i> (a)	\$ 5.60	\$ 3.42
Capital expenditures - growth	\$ 2.1	\$ 0.5
Capital expenditures - maintenance	\$ 4.5	\$ 4.8
(a) - Includes volumes for consolidated entities only.		

-more-

**ONEOK Announces First-quarter 2014 Financial Results; Reaffirms 2014 Financial Guidance
Income from Continuing Operations Increases by 60 Percent**

May 6, 2014

Page 6

**ONEOK, Inc. Stand-alone
Cash Flow Available for Dividends**

	Three Months Ended March 31, 2014
<i>(Unaudited)</i>	<i>(Millions of dollars)</i>
Recurring cash flows:	
Distributions from ONEOK Partners – declared	\$ 146.0
Interest expense, excluding non-cash items	(21.0)
Cash income taxes	—
Energy services segment cash flow	82.8
Corporate expenses	(2.0)
Equity compensation paid by ONEOK Partners	12.6
Cash flows from recurring activities	218.4
ONE Gas separation cash flows:	
Cash payment from ONE Gas	1,130.0
ONE Gas cash flow (through January 31, 2014)	61.1
Long-term debt reduction	(573.3)
Short-term debt reduction	(600.5)
Transaction costs	(21.7)
Cash flows from ONE Gas separation	(4.4)
Total cash flows	214.0
Capital expenditures	(2.6)
Cash flow available for dividends	211.4
Dividends declared	(116.4)
Free cash flow	\$ 95.0
Dividend coverage ratio	1.82

-more-

**ONEOK Announces First-quarter 2014 Financial Results; Reaffirms 2014 Financial Guidance
Income from Continuing Operations Increases by 60 Percent**

May 6, 2014

Page 7

ONEOK, Inc. Stand-alone

Reconciliation of Cash Flow Available for Dividends and Free Cash Flow to Net Income

	Three Months Ended March 31, 2014
<i>(Unaudited)</i>	<i>(Millions of dollars)</i>
Net income attributable to ONEOK	\$ 93.5
Depreciation and amortization	3.2
Deferred income taxes	13.9
Equity in earnings of ONEOK Partners	(152.5)
Distributions from ONEOK Partners - declared	146.0
Equity compensation paid by ONEOK Partners	12.6
Energy services realized working capital	97.5
Other	(0.2)
Total cash flows	214.0
Capital expenditures	(2.6)
Cash flow available for dividends	211.4
Dividends declared	(116.4)
Free cash flow	\$ 95.0