



**Annual Meeting of Stockholders
May 2, 2013**

One Company, One Team - Moving Forward Together!



Forward Looking Statements and Other Disclosures

Safe Harbor Statement: Some of the Statements in this document concerning future company performance will be forward-looking within the meanings of the securities laws. Actual results may materially differ from those discussed in these forward-looking statements, and you should refer to the additional information contained in Chesapeake Utilities Corporation's 2012 Annual Report on Form 10-K filed with the SEC and our other SEC filings concerning factors that could cause those results to be different than contemplated in today's discussion.

REG G Disclosure: Today's discussion includes certain non-GAAP financial measures as defined under SEC Regulation G. Although non-GAAP measures are not intended to replace the GAAP measures for evaluation of Chesapeake's performance, Chesapeake believes that the portions of the presentation, which include certain non-GAAP financial measures, provide a helpful comparison for an investor's evaluation purposes.

Gross Margin: Gross Margin is determined by deducting the cost of sales from operating revenue. Cost of sales includes the purchased fuel cost for natural gas, electric and propane distribution operations and the cost of labor spent on different revenue-producing activities. Other companies may calculate gross margin in a different manner.





2012 Financial Results

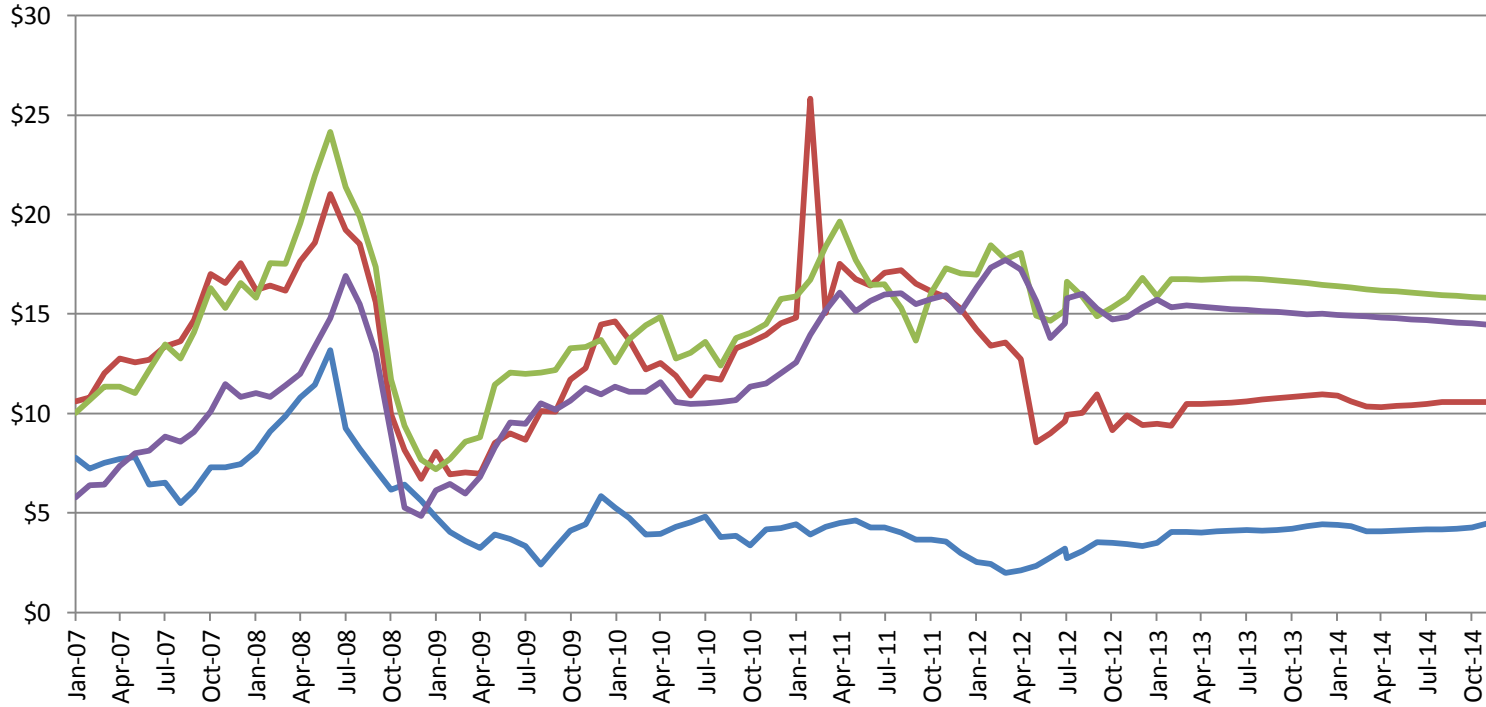
For the periods ended December 31,
(in thousands except per share amounts)

	Year-to-Date	
	2012	2011
Operating Income		
Regulated Energy	\$ 46,999	\$ 43,911
Unregulated Energy	8,355	9,619
Other	1,281	175
Total Operating Income	56,635	53,705
Other Income	271	906
Interest Charges	8,747	9,000
Income Before Taxes	48,159	45,611
Income Taxes	19,296	17,989
Net Income	\$ 28,863	\$ 27,622
Diluted Earnings Per Share	\$ 2.99	\$ 2.87

- Net income of \$28.9 million or \$2.99 per share, an increase of 4.2% (9.9% growth rate adjusting for amortization of acquisition adjustment) compared to 2011
- Growth in natural gas businesses more than offset lower energy consumption due to significantly warmer temperatures in the winter of 2012 and amortization of the acquisition adjustment
- Higher retail propane margins per gallon, and increased revenues from the advanced information services business generated additional earnings in 2012



Natural gas expected to have a sustained price advantage



- Henry Hub Natural Gas Spot Price
- North American Spot LPG Propane Price / Mont Belvieu (Conversion Factor: /.091)
- Generic 1st Crude Oil, WTI (Conversion Factor: /5.8)
- No. 6 3% Fuel Oil (Conversion Factor: /6.3)

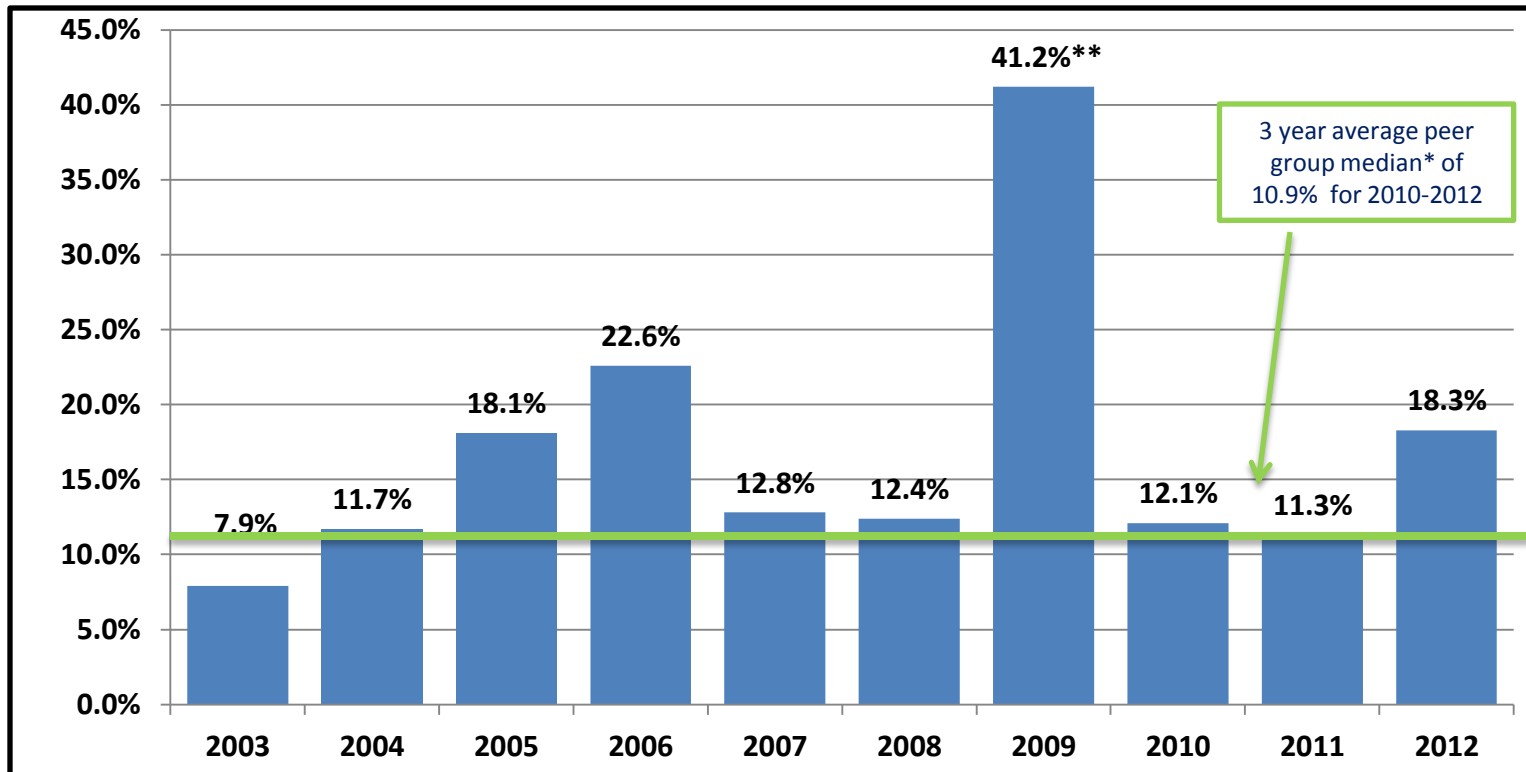
Source: Bloomberg
NYMEX



Investing in Growth

Capital Expenditures as Percentage of Total Capitalization

We are aggressively seeking opportunities to invest capital to generate value for our customers and shareholders.



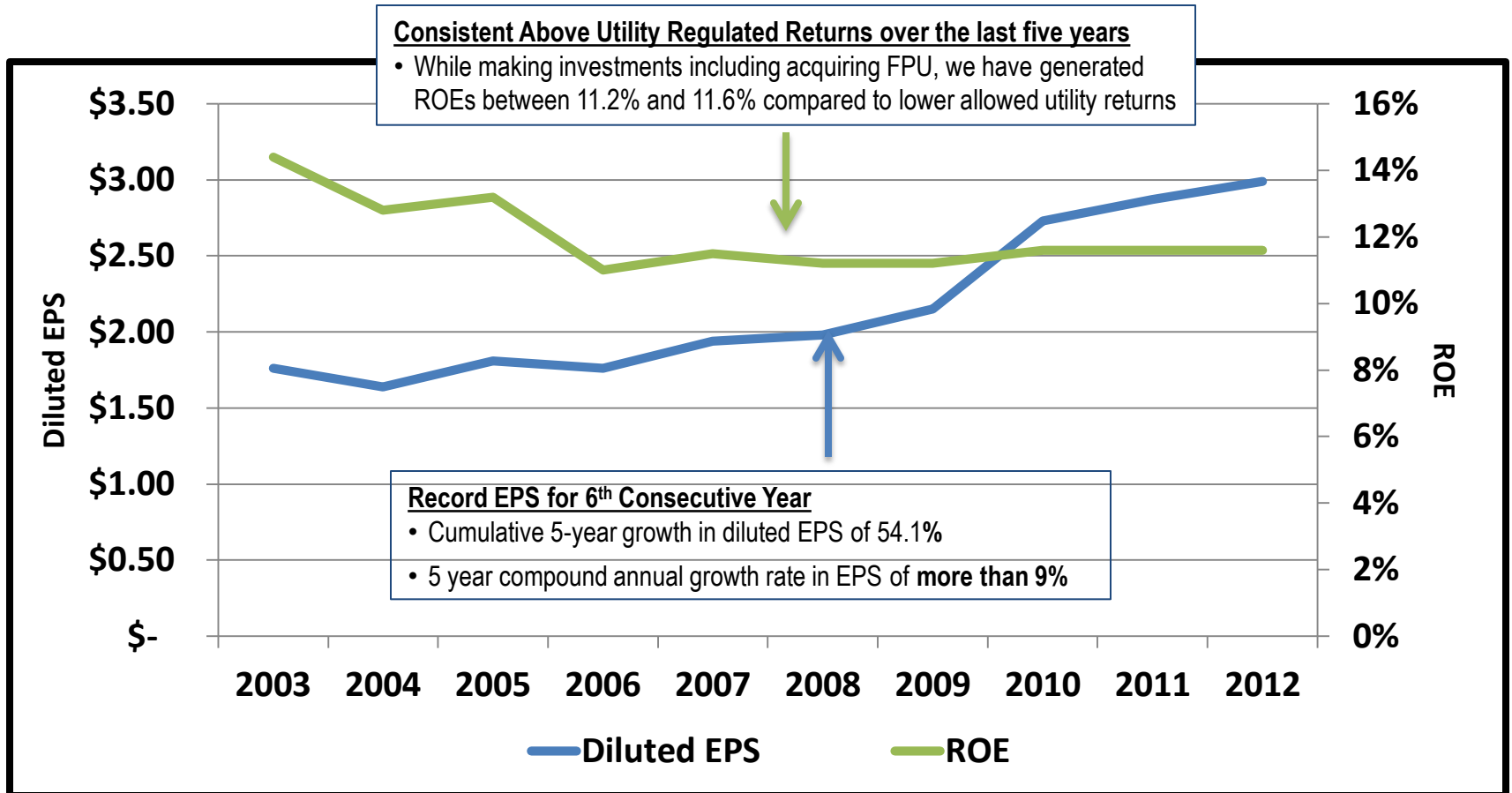
*Named Peer Group includes the following companies: AGL Resources, Inc.; Atmos Energy Corporation; Delta Natural Gas Company, Inc.; The Laclede Group, Inc.; New Jersey Resources Corp.; Northwest Natural Gas Company; Piedmont Natural Gas Company, Inc.; RGC Resources, Inc.; South Jersey Industries, Inc.; and WGL Holdings, Inc.. Results of Peer Group through September 30, 2012.

**Includes FPU acquisition.



Generating Growth

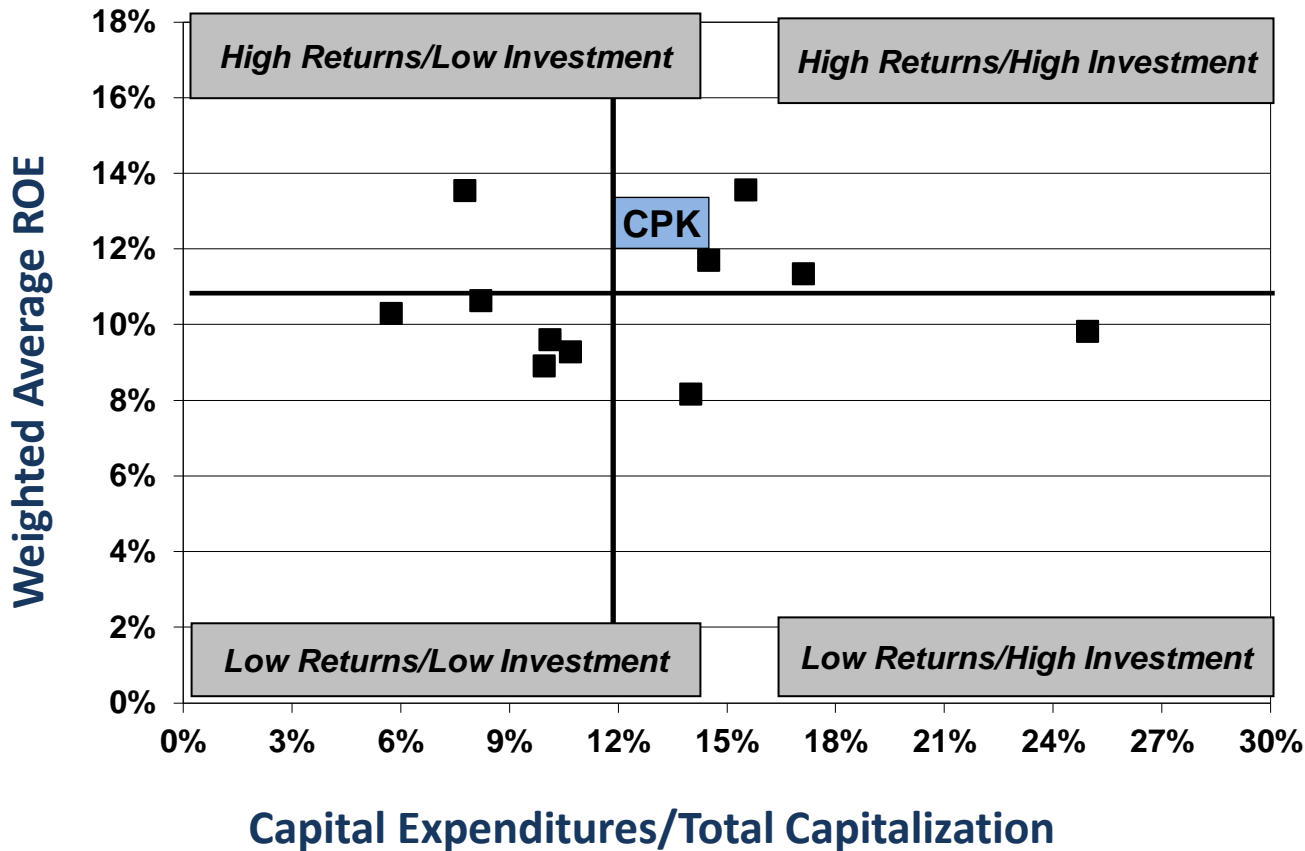
Above Utility Regulated Returns and Superior EPS Growth





Peer ROE vs. Capital Expenditures

2010 – 2012 Performance Quadrant



- The returns earned in our unregulated businesses coupled with our returns achieved in our regulated businesses have enabled us to achieve strong consolidated returns
- We will continue to focus on maximizing returns in our existing businesses while investing capital in new opportunities



Year to Date Financial Results

First Quarter 2013 Performance Summary

(in thousands except per share amounts)

<i>in millions except share amounts</i>	1Q13	1Q12	Change
Operating Income (Loss)			
Regulated Energy	\$ 17,306	\$ 14,798	\$ 2,508
Unregulated Energy	9,369	5,154	4,215
Other	(125)	121	(246)
Total Operating Income	26,550	20,073	6,477
Other Income	289	196	93
Interest Charges	2,072	2,291	(219)
Income Before Taxes	24,767	17,978	6,789
Income Taxes	9,898	7,251	2,647
Net Income	\$ 14,869	\$ 10,727	\$ 4,142
Diluted Earnings Per Share	\$ 1.54	\$ 1.11	\$ 0.43

Highlights

- 39% increase in net income and earnings per share
- Key Drivers of increased gross margin:
 - Weather returning to normal (\$3.2 million)
 - Strong retail propane margins per gallon (\$2.1 million)
 - Growth in natural gas businesses (\$1.6 million)

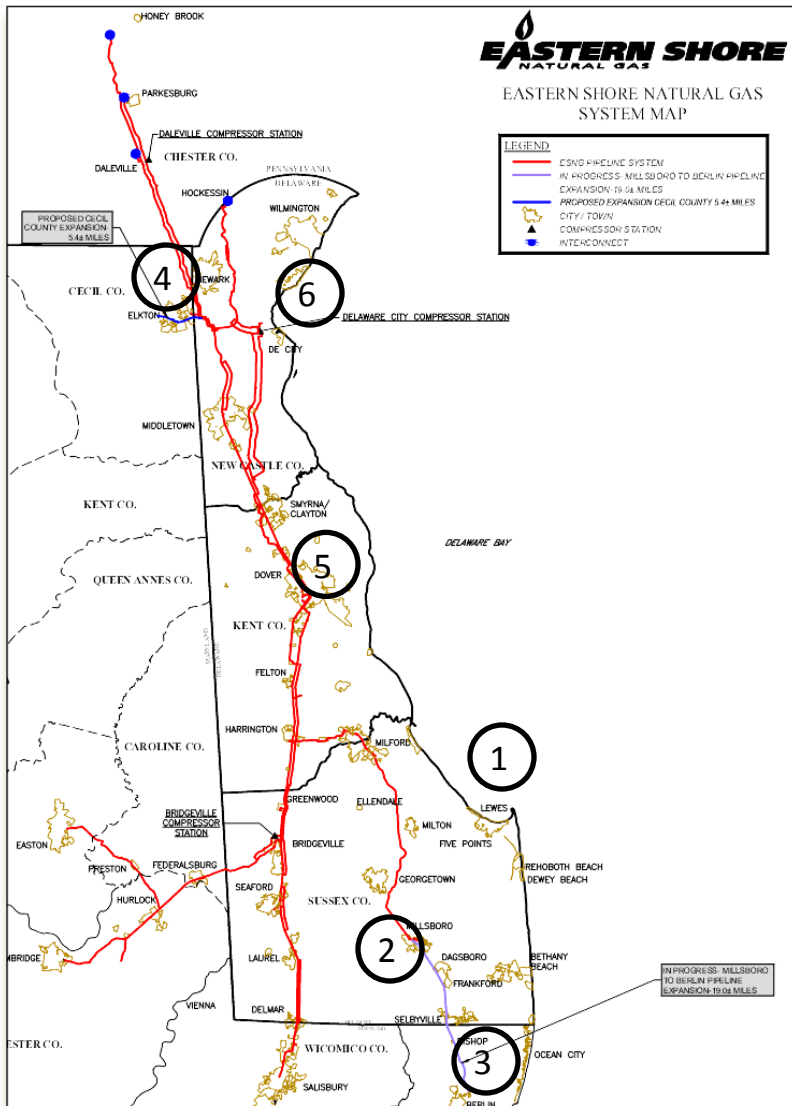


Reconciliation of EPS

For the Three Months Ended March 31, 2013

<i>(in thousands, except per share amounts)</i>	Pre-tax Income	Net Income	Earnings Per Share
First Quarter of 2012 Reported Results	\$ 17,978	\$ 10,727	\$ 1.11
Adjusting for unusual items:			
Weather impact	3,237	1,931	0.20
	<u>3,237</u>	<u>1,931</u>	<u>0.20</u>
Increased Margins:			
Natural gas organic growth	801	478	0.05
Natural gas expansion growth	794	474	0.05
Higher propane retail margins per gallon	2,119	1,264	0.13
Propane other volume increase	811	484	0.05
	<u>4,525</u>	<u>2,700</u>	<u>0.28</u>
Increased Operating Expenses:			
Payroll and benefit costs	(529)	(316)	(0.03)
Higher depreciation, asset removal and facilities costs	(461)	(275)	(0.03)
	<u>(990)</u>	<u>(591)</u>	<u>(0.06)</u>
Net other changes	17	102	0.01
First Quarter of 2013 Reported Results	<u>\$ 24,767</u>	<u>\$ 14,869</u>	<u>\$ 1.54</u>

- Return to normal winter weather in 2013 provided \$1.9 million or \$0.20 per share favorable impact in the first quarter of 2013 compared to the same period last year
- Natural gas and propane businesses added increased margins of \$2.7 million or \$0.28 per share for the quarter ended March 31, 2013



Delmarva Growth Opportunities

New Service in Delaware and Maryland

2011 - 2012 Projects

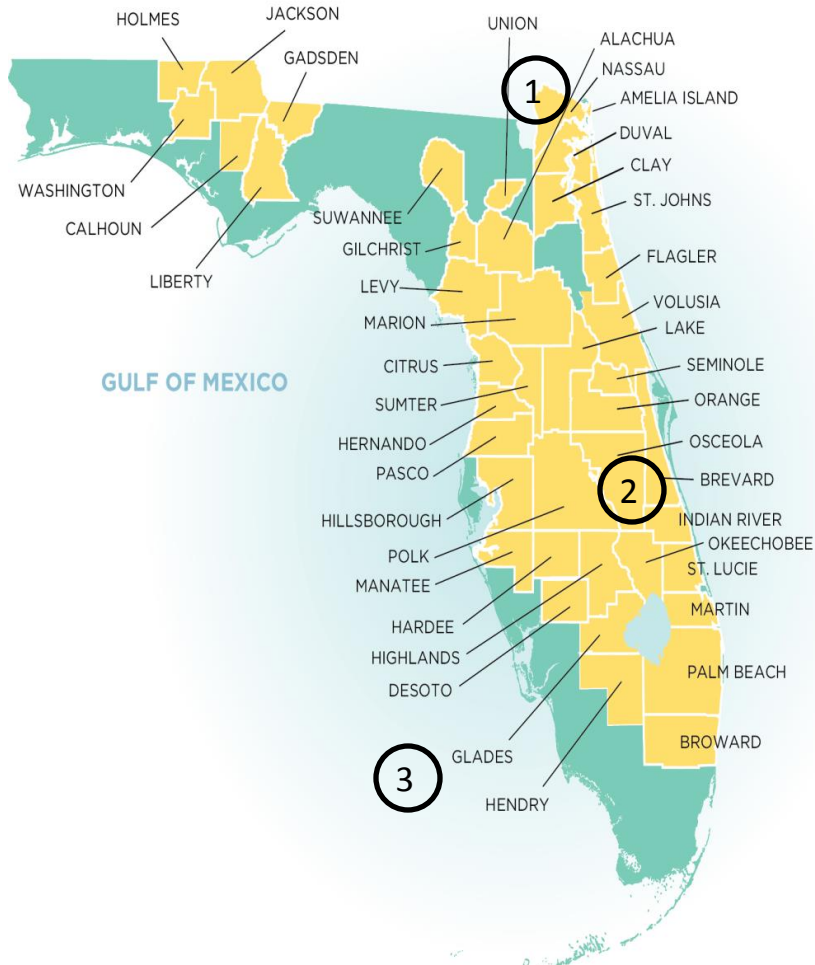
1. Natural gas expansion for southeastern DE (Nov – Dec 2011)
 - Annualized gross margin - \$1.3 million (Distribution - \$391k and Transmission - \$935k)
2. Natural gas expansion to serve two new facilities in Eastern Sussex County (March – August 2012)
 - Annualized gross margin - \$597,000 (Distribution - \$151k and Transmission - \$446k)
3. Natural gas expansion to Worcester County, MD (June 2012 – Jan 2013)
 - Annualized transmission margin - \$391k
4. Natural gas expansion to serve Cecil County, MD (Nov 2012)
 - Annualized transmission margin – \$882k

2013 Projects

5. Firm natural gas transmission service to NRG Energy Center Dover, LLC (Nov 2013)
 - Annualized transmission margin - \$2.4 - \$2.8 million
6. Delaware City Refinery Expansion (Dec 2013)
 - Annualized transmission margin - \$1.6 million
 - Replacing expiring contract generating \$1.1 million in margin



FLORIDA PRESENCE



Florida Growth Opportunities

New Service in Florida

2012 Projects

1. Natural gas expansion to Nassau County, FL (April 2012)
 - Annualized gross margin - \$1.3 million

2013 Projects

2. Natural gas expansion to an unaffiliated Florida utility (June 2013)
 - Estimated annualized gross margin - \$840,000
3. Acquisition of Glades Gas Company operating assets (February 2013)
 - Gross margin of \$220,000 for 1st quarter 2013
 - Additional 3,000 propane customers in the Okeechobee and Clewiston markets



2013 Focus and Beyond

Natural Gas Transmission

- Announced expansions to meet customer demand – NRG plant, Delaware City refinery expansion, service to an unaffiliated Florida utility
- New expansions – both interstate and intrastate - to meet customer demand and serve new markets
- New services to existing customers – interruptible, short-term firm contracts, etc.

Natural Gas and Electric Distribution

- Growth facilitated by recent expansions to new areas (Sussex County, DE; Worcester County and Cecil County, MD; and Nassau County, FL) – new growth as well as conversions
- Completion of the Eastern Shore Gas Company acquisition
- Core organic growth
- Expansions to new service areas
- Continued implementation of the Gas Reliability Infrastructure Program in Florida

Existing Unregulated Energy

- Completion of the Eastern Shore Gas Company acquisition
- Growth through our community gas system strategy
- Customer growth via new start-ups in Pennsylvania and Cecil County, MD
- Small propane acquisitions that expand our footprint - Glades Gas, etc.

New Unregulated Energy

- Alternative fuel vehicle opportunities
 - Natural gas vehicle opportunities – CNG and LNG
 - Alliance AutoGas (propane)
- Natural gas pipeline expansions to meet electric generation demand, etc.
- CHP opportunities
- New complementary products and services

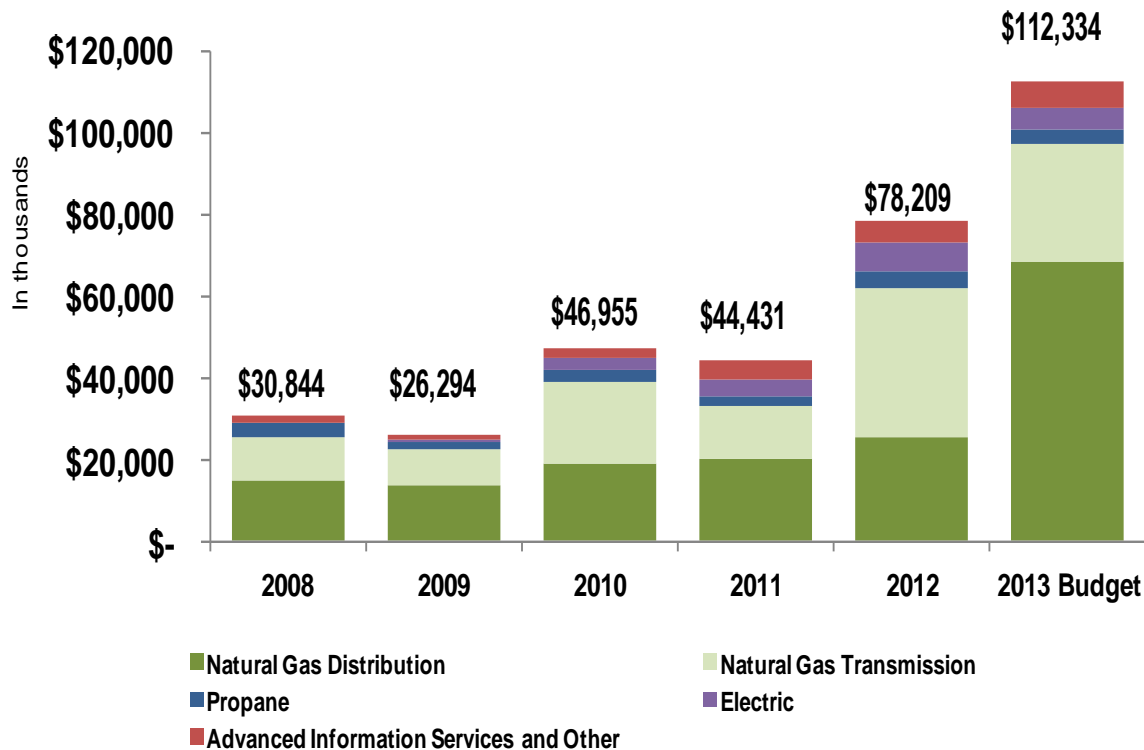
BravePoint

- Growth of ProfitZoom to existing SI customers, new fire suppression customers and other customers in other complementary industries
- Increased recurring revenue platform – managed DBA, managed IT support, SaaS, etc.
- Development of new services and markets



Capital Expenditures by Business Segment

Capital Expenditures by Business Segment



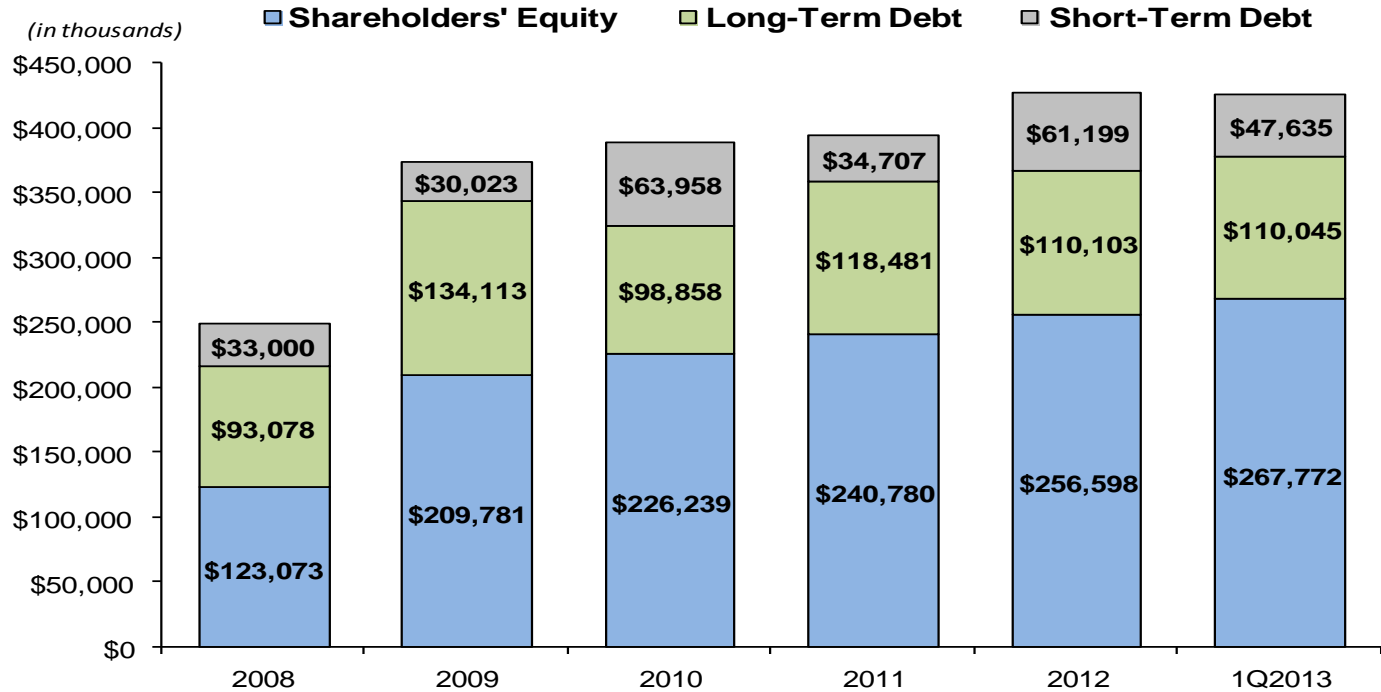
- We make investments that are projected to achieve their return on capital.
- We have invested approximately \$227 million over the last 5 years.
- Capital expenditures for 2013 are budgeted to be \$112 million, which represents the largest capital budget in our history.
- Historically, actual capital expenditures have typically lagged behind the budgeted amounts so some spending may carry into 2014.



Total Capitalization

For the Years Ended December 31, and Quarter Ended March 31, 2013

Chesapeake has provided 9.0 percent earnings and 4.4 percent dividend growth since 2007 while strengthening our balance sheet.



Equity/Permanent Capitalization	56.9%	61.0%	69.6%	67.0%	70.0%	70.9%
Equity/Total Capitalization	49.4%	56.1%	58.2%	61.1%	60.0%	62.9%



Earnings and Dividend Growth

Our Commitment to Dividend Growth Supported by Earnings Growth



Sustainable growth equals ROE minus book yield.

- Chesapeake has paid a dividend for 52 consecutive years.
- Chesapeake has increased the dividend for the last 9 years.
- In 2012, the annualized dividend was increased by \$0.08 per share, or approximately **5.8%**.

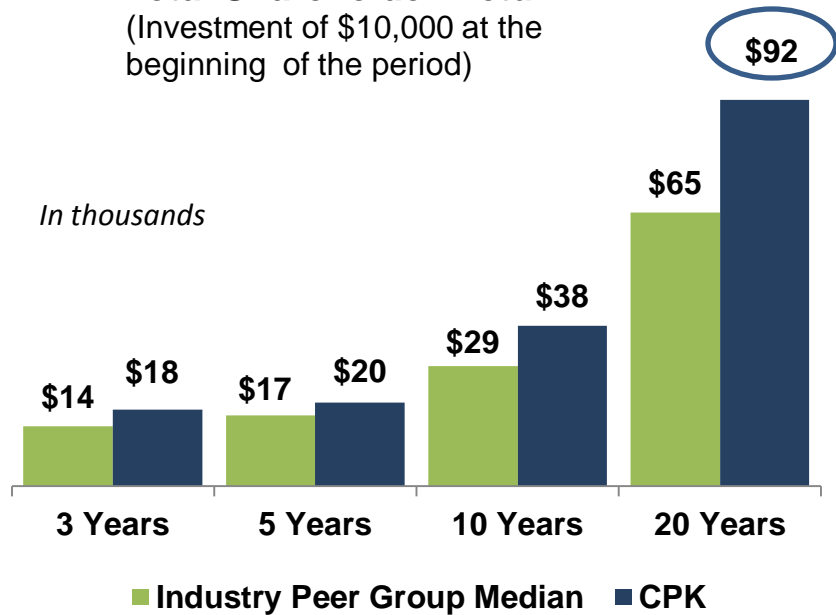


Shareholder Return

Delivered Results to Chesapeake's Shareholders

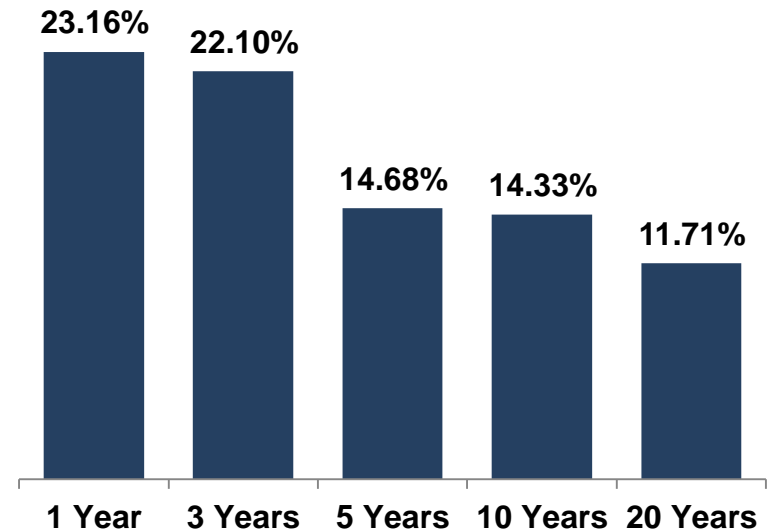
Total Shareholder Return*

(Investment of \$10,000 at the beginning of the period)



If an investor made an initial investment of \$10,000 in 1993, that investment would represent a value of approximately \$92,000 today.

Average Annual Shareholder Return*



Over the long-term, our shareholders have earned over 11% annually on their Chesapeake investment.

*For periods ending March 31,



Our Goals

- Continue to operate in a cost effective, safe manner
- Creatively develop new growth opportunities and convert into valuable services for our current and new customers
- Further invest in our people and processes to set the stage for future growth

We take our responsibility to you very seriously and will continue to pursue an aggressive, but disciplined, growth strategy in our efforts to generate attractive returns on the capital you have entrusted us to manage.