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Eastern Shore Natural Gas Receives FERC Approval To Construct And Operate New Facilities In Delaware To Sustain System Reliability

DOVER, Del., Aug. 5, 2016 /PRNewswire/ -- Chesapeake Utilities Corporation (NYSE: CPK) ("Chesapeake Utilities") announced today that the Federal Energy Regulatory Commission ("FERC") has approved plans by Eastern Shore Natural Gas ("ESNG"), Chesapeake Utilities' interstate natural gas transmission subsidiary, to construct pipeline and compression facilities to preserve the reliability and flexibility of its interstate pipeline system. The project is estimated to cost approximately \$36 million.

"The investment we are making in this project is part of our ongoing commitment to the reliability of our natural gas transmission infrastructure, benefiting energy consumers throughout our service territories," said Michael P. McMasters, President and Chief Executive Officer of Chesapeake Utilities Corporation.

The project will include 10.1 miles of pipeline, including 2.5 miles of 16-inch pipeline looping in New Castle County, Delaware and 7.6 miles of 16-inch pipeline looping in Kent County, Delaware and adding 1,775 horsepower of additional compression at ESNG's existing Bridgeville Compressor Station in Sussex County, Delaware. Completion of the facilities are anticipated by the end of the first quarter of 2017.

"Since the company's inception in 1955, ESNG has proven that reliable and safe service go hand-in-hand," said Steve Thompson, President of Eastern Shore Natural Gas. "Addressing changes in operating conditions, including the extreme weather conditions we experienced in the polar vortex during the winter of 2015, will contribute to the continued reliable and safe service that is at the center of our Company's mission."

About Chesapeake Utilities Corporation

Chesapeake Utilities Corporation is a diversified energy company engaged in natural gas distribution, transmission, gathering and processing, and marketing; electricity distribution; propane gas distribution and wholesale marketing; and other businesses. Information about Chesapeake Utilities Corporation's businesses is available at www.chpk.com or through our IR App.

About Eastern Shore Natural Gas Company

Eastern Shore Natural Gas Company, a subsidiary of Chesapeake Utilities Corporation, owns and operates a 442-mile interstate pipeline that transports natural gas from various points in Pennsylvania to customers in Delaware, Maryland and Pennsylvania. For more information, visit www.esng.com.

Please note that Chesapeake Utilities Corporation is not affiliated with Chesapeake Energy, an oil and natural gas exploration company headquartered in Oklahoma City, Oklahoma.

Cautionary Note Regarding Forward-Looking Statements: Statements in this release that are not historical are forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Words such as "expect," "likely," "outlook," "forecast," "would," "could," "should," "can," "will," "project," "intend," "plan," "goal," "target," "continue," "sustain," "believe," "seek," "estimate," "anticipate," "may," "possible," "assume," variations of such words and similar expressions are intended to identify such forward-looking statements. These forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties and assumptions that could cause actual results to vary materially from those indicated, including the factors described in Item 1A (Risk Factors) of our most recent Annual Report on Form 10-K and Quarterly Report on Form 10-Q, each of which is incorporated herein by reference, and in other documents that we file or furnish with the Securities and Exchange Commission. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those indicated or anticipated by such forward-looking statements. Accordingly, you are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date they are made. Except to the extent required by law, the Company does not undertake, and expressly disclaims, any duty or obligation to update publicly any forward-looking statement after the date of this release, whether as a result of new information, future events, changes in assumptions or otherwise.

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