CHESAPEAKE UTILITIES CORPORATION

Seaport Global Securities Transport & Industrials Conference

March 23, 2017

TOP WORK PLACES

CHESAPEAKE UTILITIES CORPORATION

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 meaning 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 2016 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.

Today's Presenters

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TOP WORK PLACES

CHESAPEAKE UTILITIES CORPORATION

Discussion Agenda

- Introduction
- Business Overview
- Our Growth Strategy
- Project Profiles
- Financial Overview
- Conclusion
- Appendices
  - Supplementary Financial Information

Introduction

Chesapeake Utilities Corporation

Profile Overview: NYSE–CPK (www.chpk.com)

We are a diversified energy company that provides superior care and service to nearly 236,000 customers through our regulated energy, unregulated energy and other business segments.

Market capitalization:	**$1.1 billion (3/09/2017)**		
Shares outstanding:	**16.3 million**		
Closing stock price:	**$66.85 (3/09/2017)**		
P/E ratio:	**23.3x**		
Market to book value:	**2.5x**		
Top 25 shareholders:	**46% of outstanding shares (12/31/16)**		
2016 Diluted EPS:	**$2.86**		
2016 Return on equity:	**1-year 11.3%**	**5-Years 11.9%**	
Diluted EPS growth:	**1-year 5.1%**	**5-Years 8.4%**	
Annualized dividend:	**$1.22**		
Annualized dividend growth:	**1-year 6.1%**	**5-Years 5.8%**	
Capital expenditures:	**2016**		**$169 MM**
	Five Years through 2016		**$669 MM**

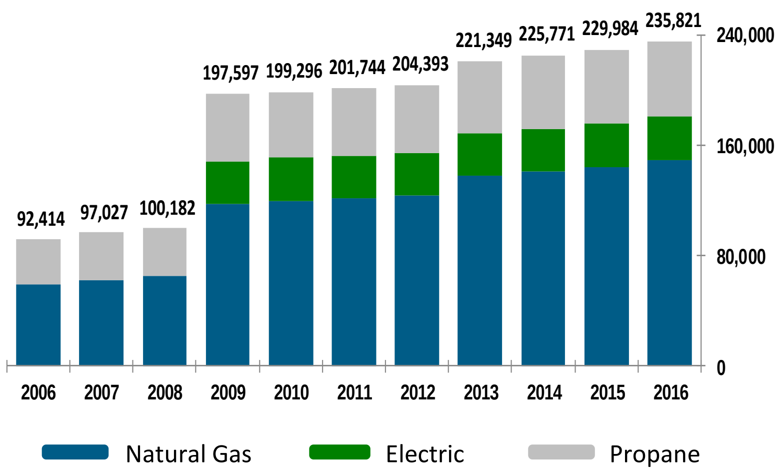
Business Overview

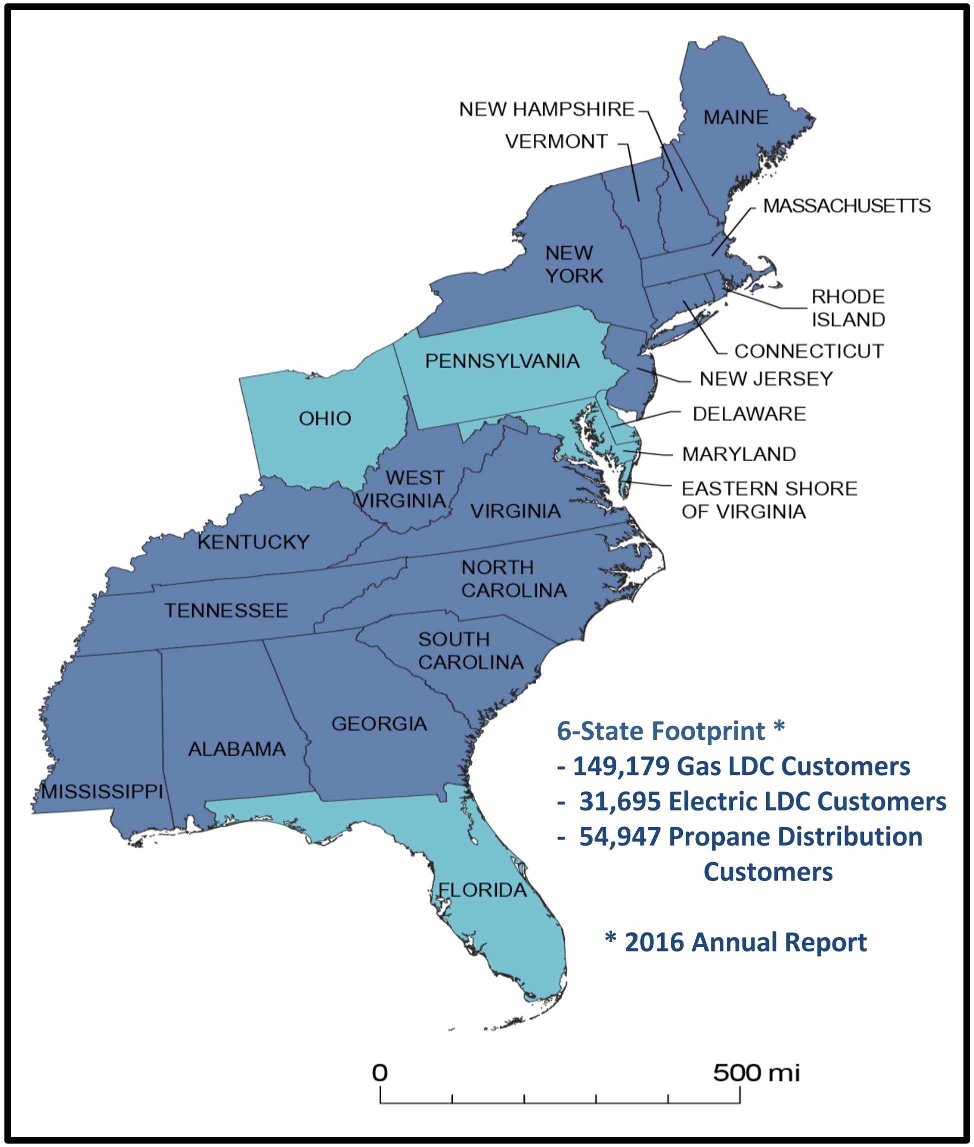
Chesapeake Utilities Corporation

Company Overview

*Chesapeake is a diversified energy company providing superior care and service to approximately **236,000** customers through regulated energy, unregulated energy, and other business segments.*

Historic Customer Growth





Chesapeake's Business Structure

Regulated Energy

2016 Operating Income: $69.9MM (83%)
2016 Total Assets: $986.8MM (80%)

Natural Gas Distribution
Delaware
Chesapeake - Delaware Division
Maryland
Chesapeake - Maryland Division
Sandpiper
Florida
Chesapeake - Florida Division
FPU
FPU - Indiantown Division
FPU - Fort Meade Division

Natural Gas Transmission
Eastern Shore - Interstate Pipeline
Peninsula Pipeline - Florida Intrastate Pipeline

Electric Distribution
FPU

Unregulated Energy

2016 Operating Income: $13.8MM (16%)
2016 Total Assets: $226.4MM (19%)

Propane Distribution
Delmarva Peninsula, Maryland and Pennsylvania
Sharp/ Sharpgas
Florida
FPU/ Flo-gas

Natural Gas Gathering, Processing, Marketing, and Supply
Aspire Energy of Ohio

Natural Gas Marketing
PESCO

Combined Heat And Power Plant (CHP)
Eight Flags

Propane and Crude Oil Wholesale Marketing
Xeron

Other
FPU Unregulated Energy Services

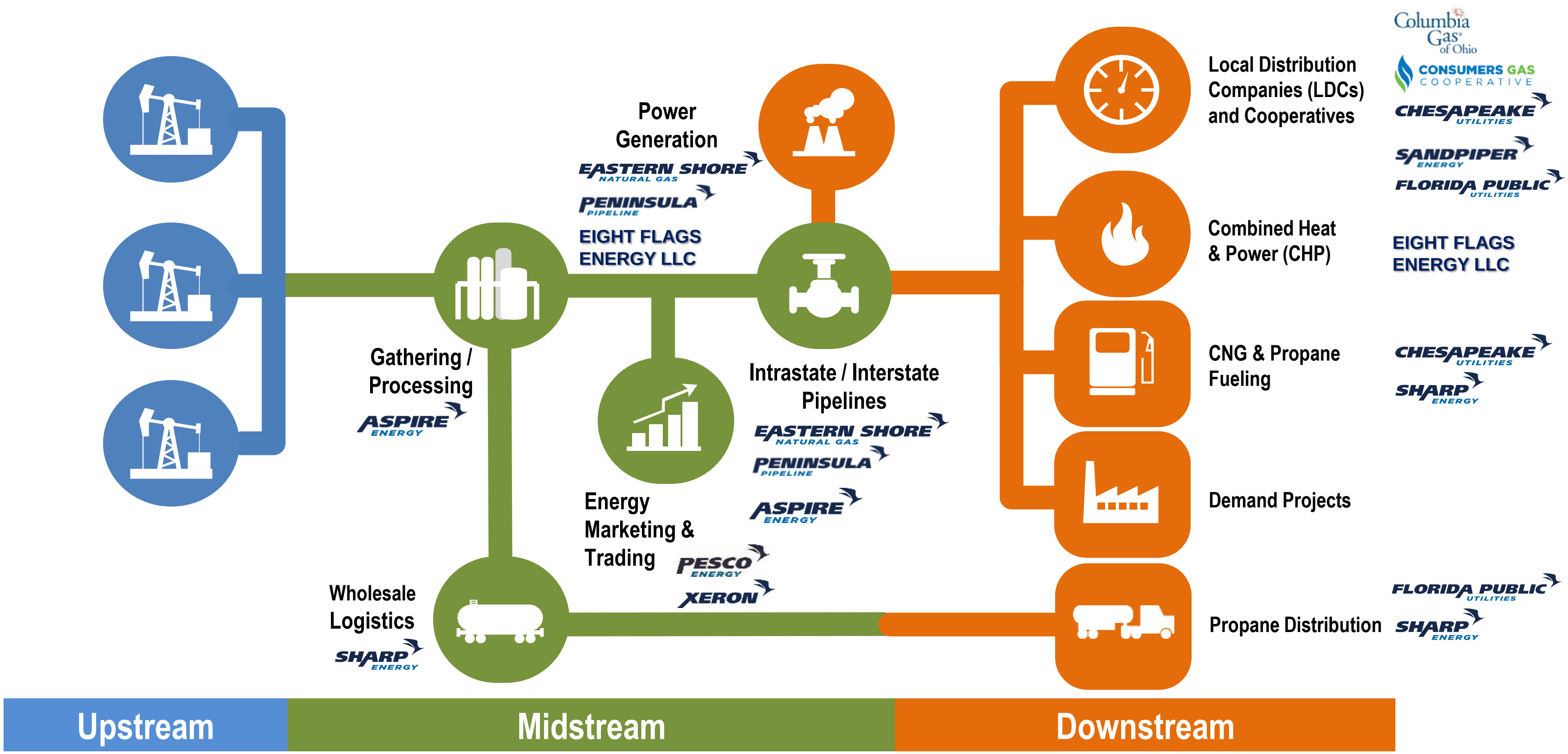
Other Businesses

2016 Operating Income: $0.4MM (1%)
2016 Total Assets: $16.1MM (1%)

Intercompany Real Estate And Other
Skipjack
ESRE
CIC

Growth Across the Energy Value Chain

Expanding CPK Geography and Services

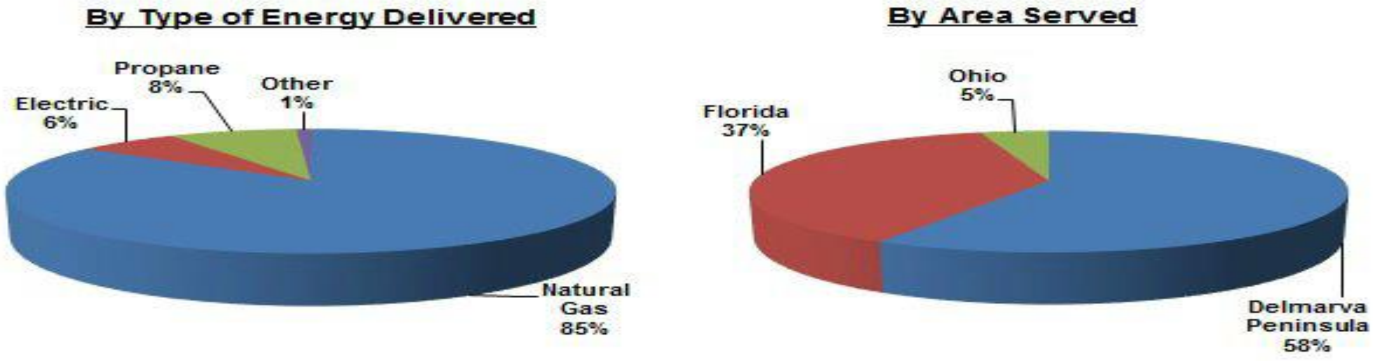


CPK continues to develop growth opportunities across the value chain, with emphasis on midstream and downstream investments that are consistent with our long-term growth strategy and are accretive to earnings per share

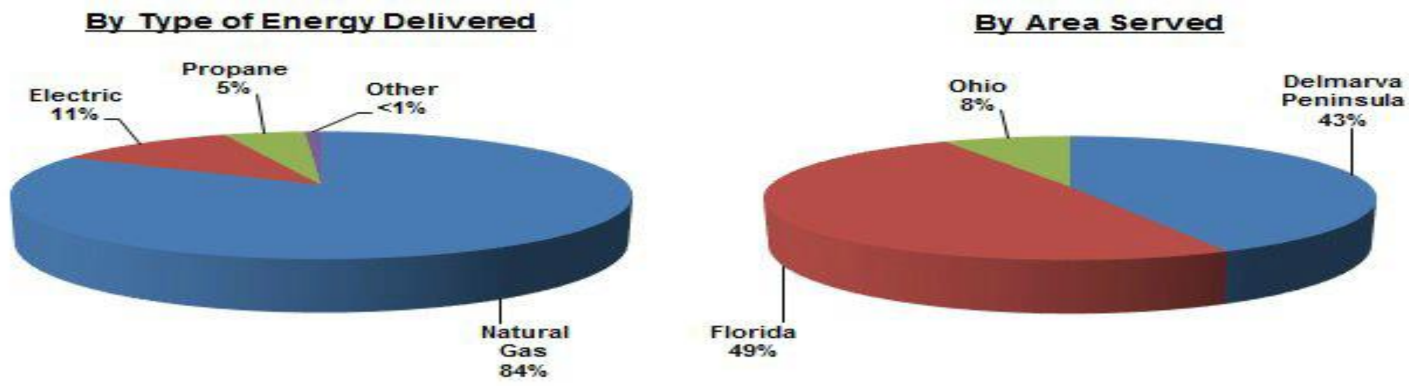
Business Mix

Energy Delivered and Area Served

Operating Income by Energy Delivered and Area Served



Average Investment by Energy Delivered and Area Served [1]

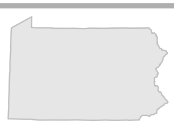


[1] Average investment is based on investments for the 13-month period ended December 31, 2016.

CHESAPEAKE UTILITIES CORPORATION

Chesapeake Family of Companies

Chesapeake strives to provide operational excellence and positive experiences for the customers and the communities it serves

MD/DE 	• Natural Gas Transmission, Distribution and Marketing • Propane Distribution • Vehicle Fueling	Chesapeake Utilities; Eastern Shore Natural Gas; Sandpiper Energy; Sharp Energy; Pesco Energy
VA 	• Propane Distribution	Sharp Energy
FL 	• Natural Gas Transmission, Distribution and Marketing • Electricity Distribution • Eight Flags Energy - Combined Heat and Power Plant (CHP) • Propane Distribution	Florida Public Utilities; Peninsula Pipeline; Pesco Energy
PA 	• Natural Gas Transmission • Propane Distribution and Fueling	Sharp Energy; Eastern Shore Natural Gas
OH 	• Natural Gas Gathering, Marketing, Liquids Processing and Supply Distribution	Aspire Energy; Pesco Energy
TX 	• Propane and Crude Oil Marketing • Based in Texas but serving areas beyond Texas	Xeron

Business Unit Overview

Chesapeake Utilities & Sandpiper Energy

CHESAPEAKE UTILITIES

- **Chesapeake Utilities** distributes natural gas to approximately 62,000 residential and commercial customers in Delaware and Maryland.
- In Delaware, Chesapeake continues to expand its system in southeast Sussex County.

SANDPIPER ENERGY

- In Maryland, Chesapeake's **Sandpiper Energy** business unit distributes propane and natural gas to approximately 11,000 customers in Worcester County - Primarily through community gas systems.
- Most recently, natural gas service was extended to Ocean City, Maryland.

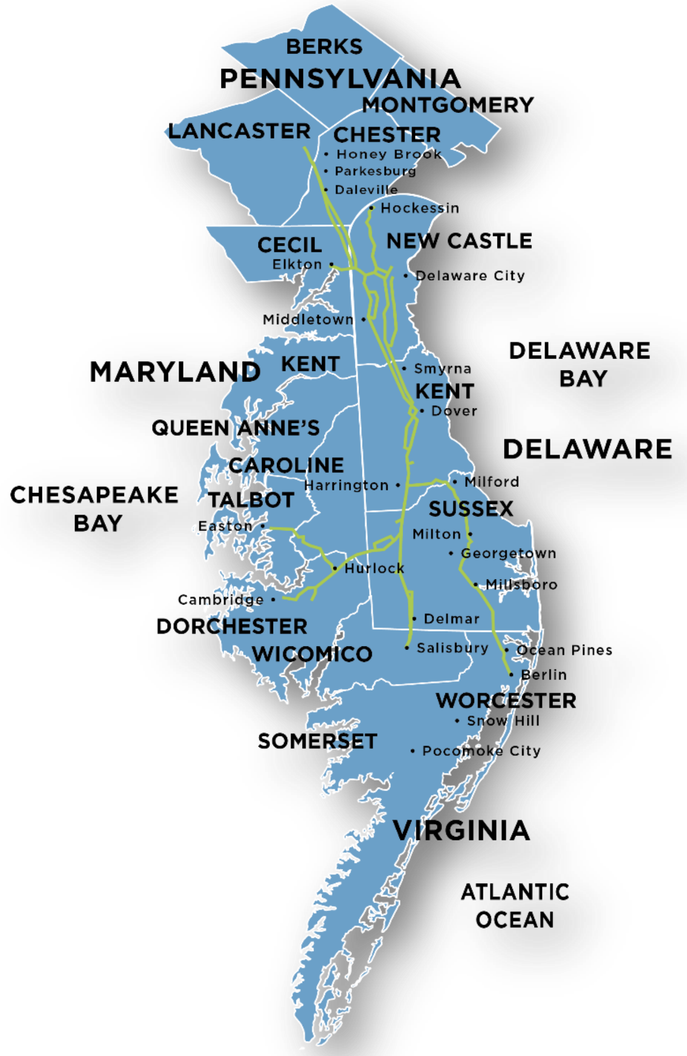
CHESAPEAKE UTILITIES
& SANDPIPER ENERGY

Business Unit Overview

Eastern Shore Natural Gas

EASTERN SHORE NATURAL GAS

- **Eastern Shore Natural Gas Company ("ESNG")** owns and operates a 448-mile interstate pipeline that transports natural gas from various points in Pennsylvania to customers in Delaware, Maryland and Pennsylvania.
- Recent extensions through Cecil County, Maryland, and through southeastern Sussex County, Delaware, and into Worcester County, Maryland, are providing opportunities for growth.
- Operates under the jurisdiction of the Federal Energy Regulatory Commission (FERC)
- Currently inter-connected with 3 upstream pipelines at 4 interconnect points
- Serves a mix of Local Distribution Companies, Industrials and Electric Power Generation customers



Business Unit Overview

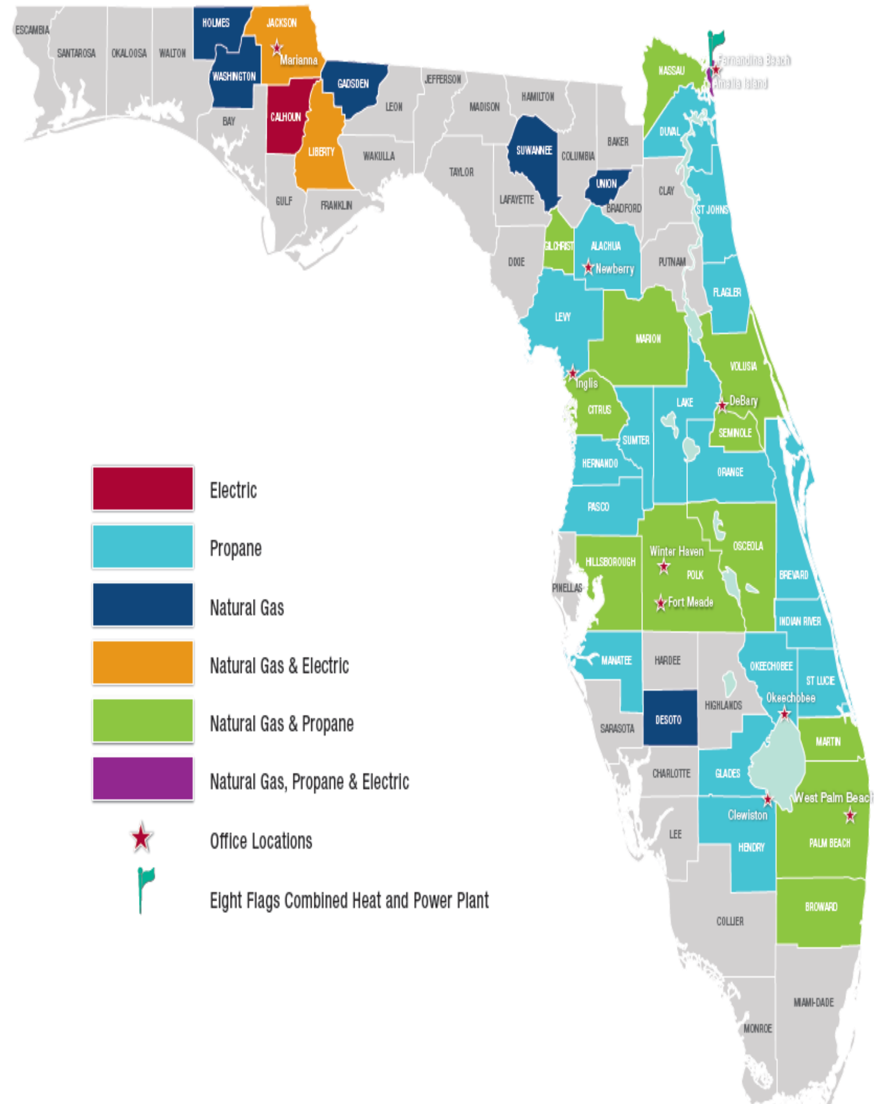
Florida Operations

- **Florida Public Utilities and Chesapeake's Central Florida Gas division** distribute natural gas to approximately 76,000 residential and commercial customers throughout Florida, and electricity to approximately 32,000 customers in Marianna and Amelia Island, Florida.

- **Florida Public Utilities'** propane distribution subsidiary provides service to approximately 17,000 customers in various areas of Florida.

- **Eight Flags'** combined heat and power plant produces steam which is sold to Rayonier, and 20 MW of electricity which is distributed to FPU customers on Amelia Island.

- **Peninsula Pipeline Company, Inc.** provides natural gas transmission services in Florida.



Regulatory Oversight

Overview of Regulatory Agencies and Most Recent Base Rate Proceedings

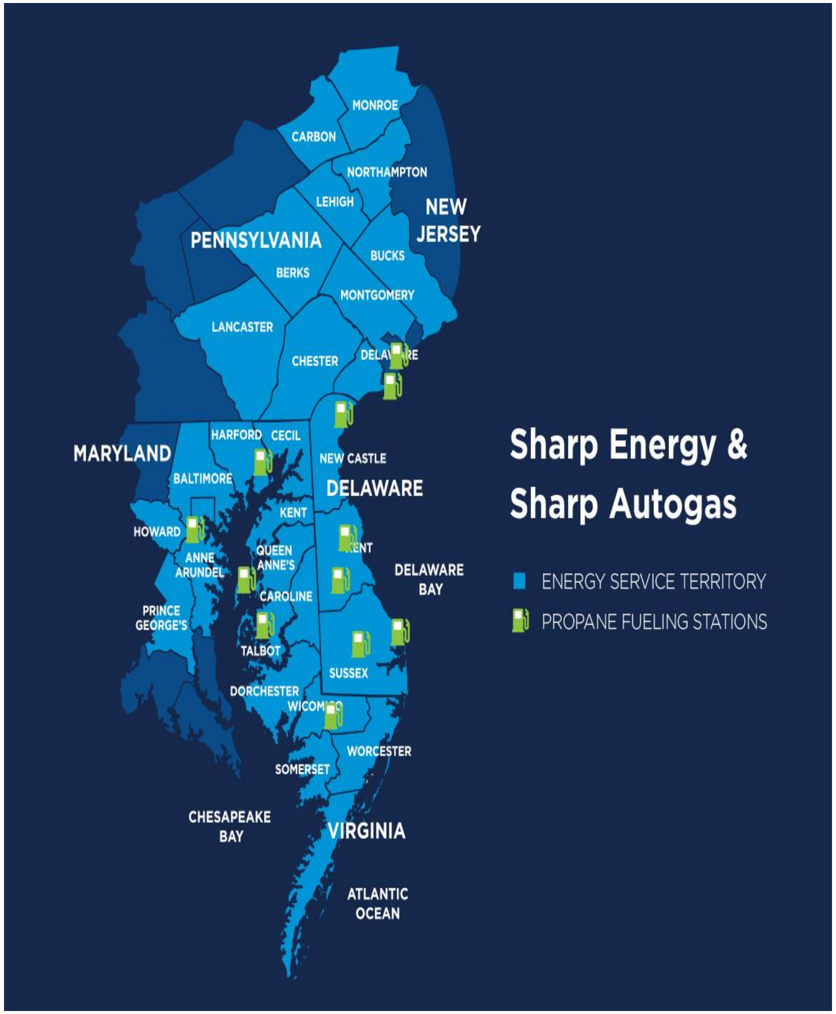
	Chesapeake Utilities - Delaware Division	Chesapeake Utilities - Florida Division	FPU Natural Gas	FPU Electric	Chesapeake Utilities - Maryland Division	Eastern Shore	Sandpiper
Regulatory Agency:	Delaware PSC	Florida PSC	Florida PSC	Florida PSC	Maryland PSC	FERC	Maryland PSC
Commission Structure:	5 commissioners	5 commissioners	5 commissioners	5 commissioners	5 commissioners	5 commissioners	5 commissioners
	Part-Time	Full-Time	Full-Time	Full-Time	Full-Time	Full-Time	Full-Time
	Gubernatorial Appointment	Gubernatorial Appointment	Gubernatorial Appointment	Gubernatorial Appointment	Gubernatorial Appointment	Presidential Appointment	Gubernatorial Appointment
Base Rate Proceeding:							
Delay in collection of rates subsequent to filing application	60 days	90 days	90 days	90 days	180 days	Up to 180 days	180 days
Application date associated with the most recent permanent rates	12/21/2015	7/14/2009	12/17/2008	4/28/2014	5/1/2006	12/30/2010 (2)	12/2/2015
Effective date of permanent rates	01/01/2017	1/14/2010	1/14/2010(1)	11/1/2014	12/1/2007	7/29/2011 (2)	12/1/2016
Rate increase approved	$2,250,000	$2,536,300	$7,969,000	$3,750,000	$648,000	$805,000 (2)	$—
Rate of return approved	9.75%	10.80%	10.85%	10.25%	10.75%	13.90%	Not Stated

(1) Eastern Shore allowed pre-tax, pre-interest return. ESNG base rate proceeding filed January 27, 2017

Business Unit Overview

Sharp Energy

- **Sharp Energy** distributes propane to approximately 39,000 customers in Delaware, Maryland and the Eastern Shore of Virginia, and southeastern Pennsylvania.
- Our propane operations have grown organically through our Community Gas Systems (“CGS”) strategy, and our recent expansions of service into Cecil County, Maryland and eastern Pennsylvania.
- Sharp Autogas fuels over 500 independent customer vehicles through 12 multi-fleet propane fueling stations and 19 private-fleet propane fueling stations in Delaware, Maryland and Pennsylvania.
- Propane storage capacity is in excess of 5 million gallons; more than any other propane provider on the Delmarva Peninsula.



Business Unit Overview

Aspire Energy

- **Aspire Energy** of Ohio is an unregulated natural gas infrastructure company with approximately 2,600 miles of pipeline systems in 40 counties throughout Ohio.
- Aspire Energy provides natural gas supplies to various local gas cooperatives and local distribution companies.
- Aspire Energy primarily sources gas from more than 300 conventional producers and provides gathering and processing services necessary to maintain quality and reliability to wholesale markets.
- CPK acquired Gatherco on April 1, 2015 and began operations as Aspire Energy.

Aspire Energy Value Chain

Delivery to End Users & Down-Stream Markets

- Nearly 90% of Aspire Energy's margin is generated from unregulated long-term supply agreements with Columbia Gas of Ohio (COH) and Consumers Gas Cooperative (CGC), which serve more than 20,000 end-use customers.

CONSUMERS GAS COOPERATIVE

Columbia Gas® of Ohio

- 3.6 Million Dts Delivered Annually to CGC and COH
- $11.0 Million Annual Margin from CGC and COH

Other Businesses

PESCO ENERGY

- Wholesale & retail natural gas marketing company that provides natural gas supply management services
- Serves over 5,000 customers in the Southeast, Mid-Atlantic and Appalachian Basin regions
- Recently started providing services in Georgia & Ohio

XERON

- Provides natural gas liquids to large independent oil and petrochemical companies, wholesale/retail propane distributors, and other trading partners throughout the U.S.
- Based in Houston, Texas

Other

- Skipjack, Inc. owns and leases office buildings in Delaware and Maryland to affiliates of Chesapeake Utilities
- Eastern Shore Real Estate, Inc. (ESRE) owns and leases office buildings in Delaware and Maryland to divisions and subsidiaries of Chesapeake Utilities
- Chesapeake Investment Company is an investment company incorporated in Delaware

Our Growth Strategy

Company Performance & Direction

Strategic Platform for Sustainable Growth

Results

Developing
New Business Lines and
Executing Existing
Business Unit Growth

Engagement Strategies
Provide the Strategic Infrastructure for
Sustainable Growth

Safety, Reliability, Customer Satisfaction, etc.

Results

- Safety Awards
- Top Workplace and Top Leadership Awards
- Community Service Awards
- Achieving top quartile growth in earnings
- Achieving top quartile Total Shareholder Return

TOP WORK PLACES 2016

Five years in a row!

New Business Lines and Existing Business Unit Growth

- Maximizing Organic Growth
- Extensions into New Territories
- Transforming Opportunities into Growth
- New Business Creation

Engagement Strategies

- Engaged Employees
- Brand Strategy
- Strategic Thinking
- Engaging Customers
- Engaging with Communities

Our strategy continues to produce financial performance with strong growth in earnings, capital investments and return on equity. We are making investments in the strategic infrastructure needed to develop and execute sustainable long-term growth strategies and are committed to continue to invest at returns on capital that will drive shareholder value.

Our Foundation for Growth

Engagement Strategies

Employees

Highly engaged employees support our strategies and brand.

Strategic Alignment

Guided by our brand, our employees work together toward common goals that are aligned with our strategic plan and remained disciplined in our growth strategy.

Execution

The creativity and dedication of our employees enable us to develop and execute growth strategies, transforming opportunities into profitable earnings growth.

Top Workplace in Delaware

For the **fifth consecutive year** in 2016, Chesapeake Utilities Corporation was recognized as a **Top Workplace in Delaware**.

Strategic Planning & Thinking

Focused on Sustaining Long-term Growth

Every Business Unit and Corporate Function is Involved

We carry out strategic thinking sessions to generate insights and inspire strategic thinking throughout the Company.

We involve all of our business units and corporate departments in our strategic planning process to identify and develop new growth opportunities over a five-year plan.

Aggressive Growth Targets

Our Strategic Planning process challenges us to achieve aggressive growth targets for the long-term. These targets are deliberately set high enough and require us to think differently.

We follow a disciplined approach to evaluate investment opportunities.

Market Focused and Continuous Adjustment

Our Strategic Plan is updated every year or more often to reflect changes in market conditions.

This concerted effort produces a dynamic plan that challenges us to focus on investment opportunities that can sustain the growth required to achieve our aggressive targets over the long term.

Key Elements of our Strategy

Grow earnings from a stable utility foundation and invest in related businesses that enhance shareholder value

Executing on capital investments that generate returns greater than our cost of capital

Expanding our energy distribution and transmission businesses organically including new geographic areas

Expand our footprint in potential growth markets through strategic acquisitions

Enter new unregulated energy businesses that complement our existing operating units and growth strategy, while capitalizing on opportunities across the energy value chain

Differentiate Chesapeake as a full-service energy supplier / partner / provider - through a customer-centric model

Seek to leverage our pipeline capabilities, skill sets, and assets and be a preferred owner and operator of pipeline systems to serve high growth markets within and beyond our existing footprint

Key Initiatives for Growth

Fiscal 2017

Utility
- Customer Growth
- Conversions
- Florida Gas Reliability Infrastructure Program(GRIP)
- Florida Electric Reliability Infrastructure Program (ESTAR)
- Service Expansions
  - White Oak Project Completed
  - ESNG 2017 Expansion Constructed
  - Expansion to and in Ocean City
  - Florida Gas Expansions
- ESNG Rate Case
- ESNG System Reliability Project Constructed
- **Acquisitions**

Unregulated Energy
- Customer Growth
  - Aspire Energy of Ohio
  - Propane
  - Autogas
  - PESCO – new services and territories
  - **Acquisitions**

Fiscal 2018

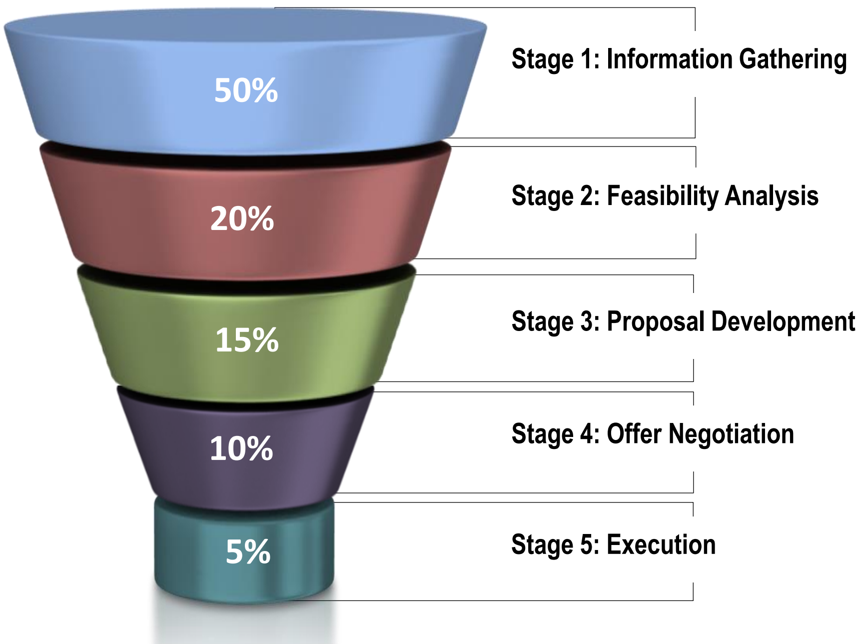
Utility
- Customer Growth
- Conversions
- Florida Gas Reliability Infrastructure Program (GRIP)
- Florida Electric Reliability Infrastructure Program (ESTAR)
- Service Expansions
  - ESNG 2017 Expansion in Service
  - Expansion in Ocean City
  - Florida Gas Expansions
- **Acquisitions**
- **Midstream Opportunities**

Unregulated Energy
- Customer Growth
  - Aspire Energy of Ohio
  - Propane
  - Autogas
  - PESCO – new services and territories
  - **Combined Heat & Power Plants**
  - **Gas Pipelines for Power Generators**
  - **Acquisitions**

Opportunistic Growth

Expanding CPK Footprint and Services

Strategic Development Growth Opportunities



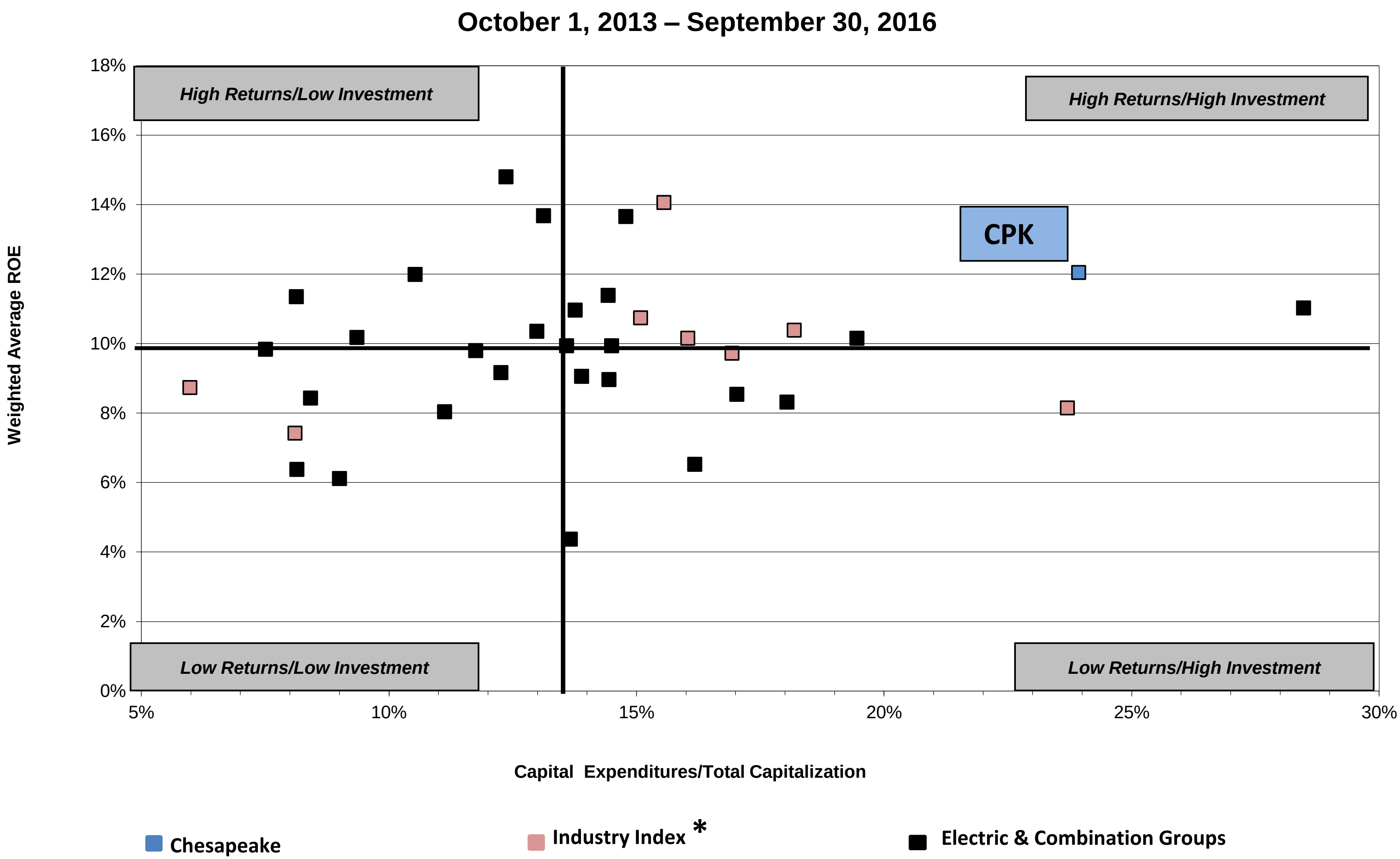
We continue our relentless efforts to drive growth by focusing on long-term, sustainable growth opportunities.

- The Strategic Business Development funnel has strong strategic alignment with:
  - Development of new pipeline infrastructure projects that provide services and delivery to downstream markets and end users
  - Expansion of downstream infrastructure to provide services and delivery to end-use customers
  - Expansion of existing footprint through acquisitions

Note: Percentages are for illustrative purposes only. These percentages fluctuate frequently based upon the opportunities under consideration.

Performance Quadrant

Peer ROE vs. Capital Expenditures



* *Includes companies previously a part of the Edward Jones Natural Gas Distribution peer group.*

Source: Bloomberg

Project Profiles

Current Key Growth Initiatives

Summary of Completed and Underway Projects

	Project	Description	Capacity	Status
Delmarva	**Eastern Shore Natural Gas White Oak Expansion**	Natural gas transportation services to Calpine's electric generating plant in Dover, DE	Capacity increase of 45,000 dt/d from May to October with allowable interruption period of up to 90 days from November to April	In-Service March 2017
Delmarva	**Eastern Shore Natural Gas System Reliability**	Additional facilities that ensure the quality of service and optimal system design and operation	No new capacity is being created; this project is strictly a reliability project	In-Service April 2017
Delmarva	**Eastern Shore Natural Gas 2017 Expansion Project**	Capacity expansion of ESNG's existing pipeline to provide additional natural gas transportation services to several customers	Capacity increase of up to 61,162 dt/d	Filing process initiated, Precedent Agreements signed
Florida	**Florida Gas Reliability Infrastructure Program (GRIP)**	Natural gas pipe replacement program. Enhances reliability and integrity of systems and allows recovery of capital and related costs through rates.	Replaced 214 miles of distribution mains through 2016	Ongoing
Florida	**Eight Flags Energy, LLC**	Combined heat and power plant operating in our natural gas and electric distribution territory on Amelia Island in Nassau County, Florida.	Plant produces approximately 20MW of base load power sold to FPU for electric distribution. Steam generated sold to Rayonier Performance Fibers	Fully Operational
Florida	**Florida Electric Reliability Infrastructure Program (ESTAR)**	Florida distribution system replacement program. Enhances reliability and outage response and allows recovery of capital and related costs through rates.	Estimated capital replacement of approximately $69 million	Florida PSC Filing
Ohio	**Aspire Energy of Ohio**	Provides natural gas supply to local distribution cooperatives and companies; and sources gas from 300 producers in Eastern Ohio.	2,550 miles of pipeline	Accretive after first 12 months

Gross Margin Highlights

Major Projects and Initiatives Summary

Gross Margin for the Period

Dollars in thousands	Actual		Estimate	
	2015	**2016**	**2017**	**2018**
Completed Projects since 2014				
Aspire Energy	$ 6,324	$ 12,271	$ 13,376	$ 14,302
Natural Gas Transmission Capital Investment (Expansions & Contracts)	7,704	14,896	12,926	9,941
Florida GRIP	7,508	11,552	13,727	14,407
Delaware Division Rate Case	-	1,487	2,250	2,250
Eight Flags CHP (Both Regulated and Unregualted Impacts)	-	4,998	8,156	8,457
Total Completed Projects since 2014	**$ 21,536**	**$ 45,204**	**$ 50,435**	**$ 49,357**
Projects and Initiatives underway				
ESNG System Reliability and 2017 Expansion Projects (1)	-	-	1,875	15,891
Total Projects and Initiatives Underway	**$ -**	**$ -**	**$ 1,875**	**$ 15,891**
Major Projects and Initiatives Total	**$ 21,536**	**$ 45,204**	**$ 52,310**	**$ 65,248**

$23,668

$7,106

$12,938

(1) Based on most recent project in service timing for ESNG 2017 Expansion Project. ESNG 2017 rate case impact not included beyond recovery of system reliability project

We are focused on developing new growth opportunities that will increase the margin growth in 2017 and beyond

Eastern Shore Natural Gas

White Oak Expansion Project

White Oak Mainline Project – Docket No. CP15-18-000/001	
Estimated Capital Cost	Approximately $39.8 million
Miles of Pipeline/Compression	5.4 miles of 16-inch looping 3,550 hp at Delaware City
Capacity Increase (dt/d)	45,000 firm May – October, with allowable interruption period of up to 90 days from November-April
Annualized Margin	$5.8 million (assuming full 90 days of interruption)

Purpose: To provide Calpine's 309 MW electric generation plant in the Garrison Oak Technical Park with 45,000 dt/d of NG transportation served under ESNG's rate schedule OPT≤90.

FERC: CP application filed with FERC on November 21, 2014. An amendment was filed on November 18, 2015, to specify the preference for an alternate route for the Kemblesville Loop. A combined Environmental Assessment that included both the White Oak and the System Reliability Projects was issued on April 25,2016.

Certificate of Public Convenience was issued on July 21, 2016 by the FERC. FERC's notice to proceed was issued on August 4, 2016.

Completing the Project: Construction of the pipeline looping was completed and placed into service in December 2016. Construction of the new compression was completed and placed into service in March 2017.

Eastern Shore Natural Gas

System Reliability Project

System Reliability Project – Docket No. CP15-498-000	
Estimated Capital Cost	Approximately $36.3 million
Miles of Pipeline/Compression	10.1 miles of 16-inch looping 1,775 hp at Bridgeville
Capacity Increase (dt/d)	No new capacity
Rate Recovery	Rate recovery will begin when the rates associated with the 2017 rate case become effective, anticipated August 2017
Annualized Margin	$4.5 million (1)

Purpose: After an assessment of the challenges encountered during the 2013-14 winter, ESNG developed a project consisting of facilities that will significantly aid in handling lower receipt pressure at the Parkesburg interconnect (which was also realized during the 2015 winter) and mitigate risk associated with a portion of the pipeline that is highly critical and is currently not looped.

FERC: CP application filed with FERC on May 22, 2015. FERC has issued the EA, joint with the White Oak Mainline project on April 25,2016.

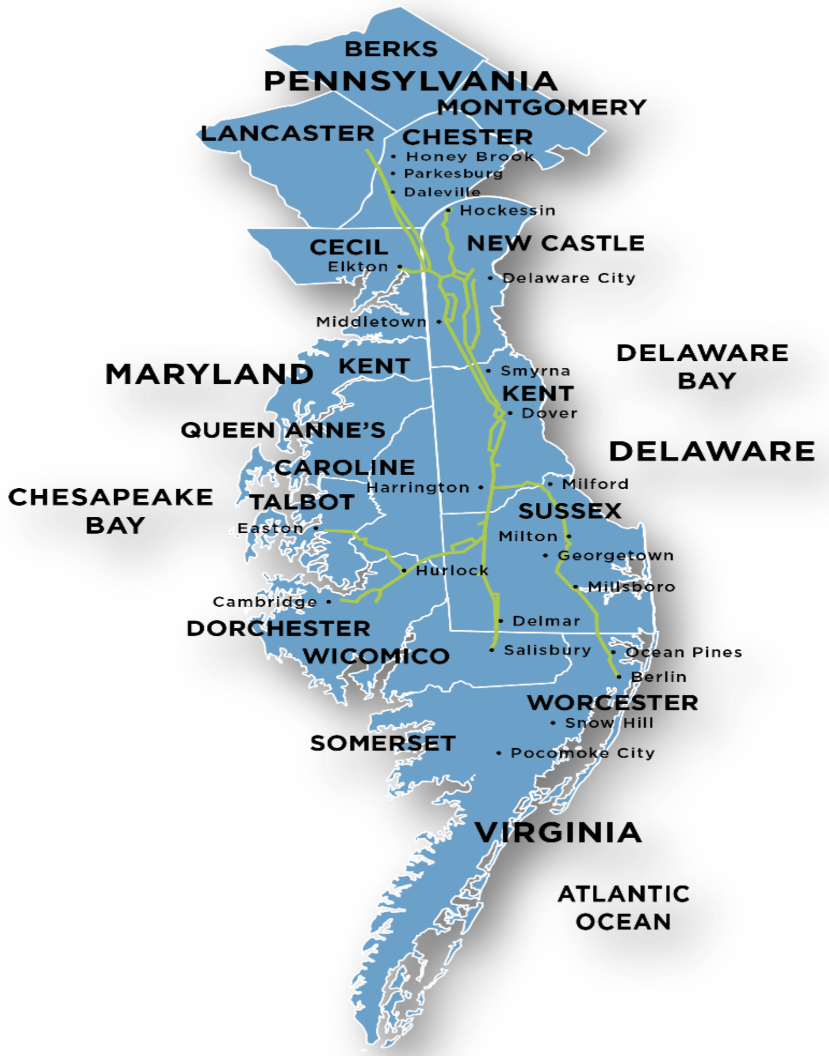
Certificate of Public Convenience was issued on July 21, 2016 by the FERC. FERC issued a limited notice to proceed on August 12, 2016 for one pipeline loop and the new compression, and issued notice to proceed on September 15, 2016 for the remaining pipeline loop.

Completing the Project: One of the pipeline loops (2.5 miles) is complete and was placed into service in December 2016. The remaining pipeline loop and the new compression are anticipated to be completed in April 2017.

1. This is the estimated margin assuming recovery in the 2017 rate case.

Eastern Shore Natural Gas

2017 Expansion Project Overview



Purpose

- **Enables Eastern Shore Natural Gas (ESNG) to meet growing demand for energy that is reliable, clean, and at a low cost**
- **Increases firm transportation deliverability in our region by approximately 25 percent, supporting economic growth in the region**
- **Precedent agreements have been signed by five of ESNG's existing customers, who have requested new firm transportation services.**

FERC Considerations

- **FERC approved ESNG's request to commence the pre-filing review process on May 17, 2016.**
- **On December 30, 2016, Eastern Shore filed its CP application, requesting the FERC approve the project in May 2017.**
- **On March 10, 2017, the FERC established May 12, 2017 as the date of issuance for the Environmental Assessment and August 10, 2017 as the 90 day federal authorization decision deadline resulting.**

Eastern Shore Natural Gas

2017 Expansion Project Details

Miles of Pipeline/Compression:	~23 miles of pipeline looping in Pennsylvania, Maryland and Delaware ~17 miles of new mainline extension
Other Facilities:	Upgrades to the TETCO interconnect 3,550 hp new compression-Daleville Compressor Station Two new pressure control stations
Total Capacity Increase (dt/d):	Up to an aggregate of 61,162 dekatherms
Capital Investment:	Approximately $98.6 Million
Annual Estimated Margin:	$15.7 million in the first full year of operation
Construction Commencement:	Third quarter of 2017 - subject to the timing of FERC approval
In Service:	Early second quarter of 2018

Florida Public Utilities (FPU)

Gas Reliability Infrastructure Program (GRIP)

GRIP is a natural gas pipe replacement program approved by the Florida PSC, which:

- expedites the replacement of cast iron and bare steel mains and service lines;
- enhances the reliability and integrity of the Company's Florida natural gas distribution systems; and
- allows recovery of capital and program-related costs through rates.

Estimated Capital Cost	Invested $102.8 million since 2012 to date (12/31/16); Additional investment of $7.0 million planned for 2017
Miles of Pipeline	Replaced 214 miles of distribution mains to date; 20 additional miles planned for 2017
Gross Margin Increase for 2016	$4.1 million
Gross Margin Increase for 2017	$2.2 million

Eight Flags Energy, LLC

Combined Heat and Power Plant

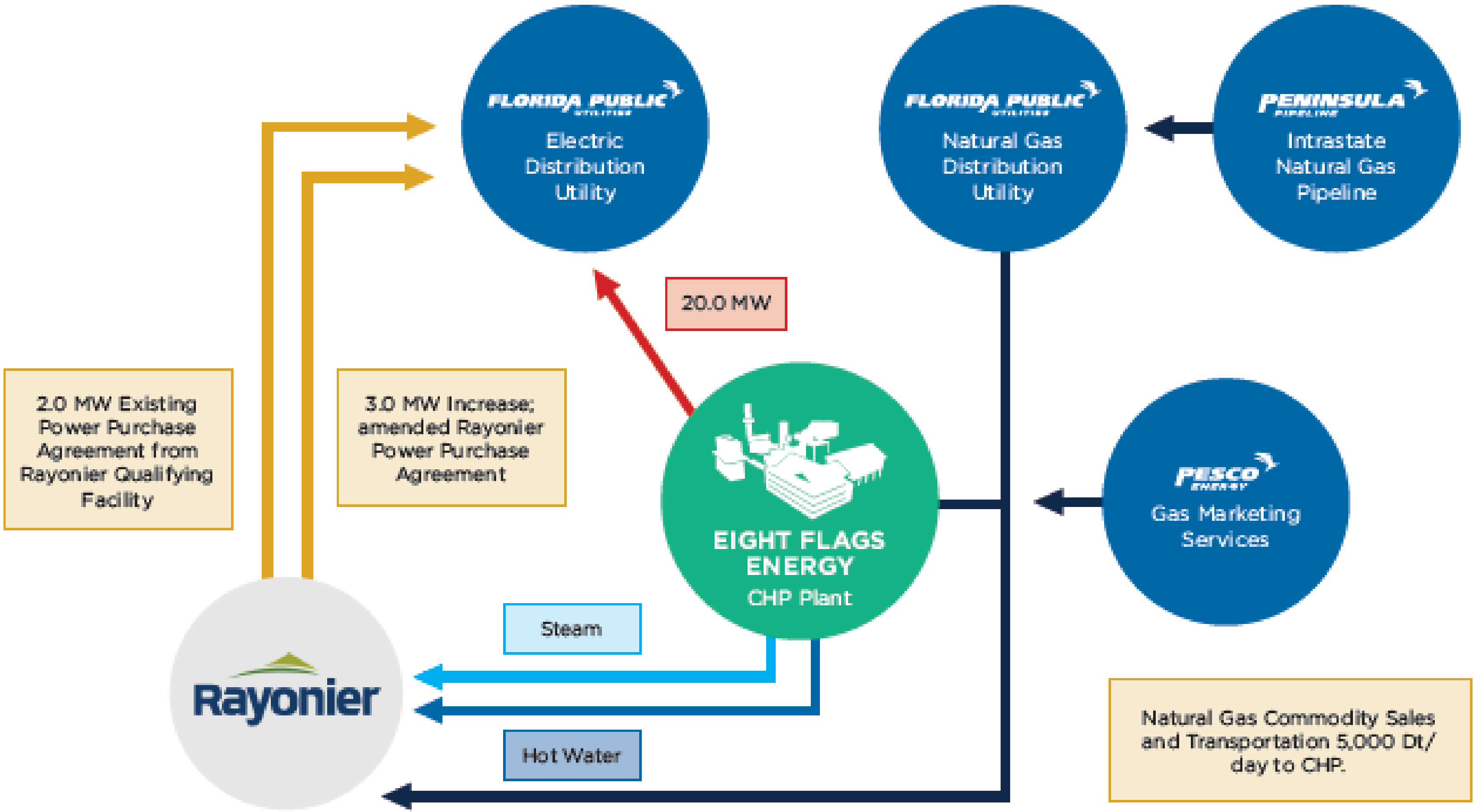
Project completed and fully operational in July 2016

Project Specifics

- **Capital Investment:** **$40.0 Million**
- **Capacity:** **20 MW**
- **Annual Margin:** **$8.2 Million**
- **Est. electric purchase savings** **$3 to $4 Million per year depending on natural gas prices**

- The Eight Flags Energy CHP Plant is fully commissioned and in service, providing opportunities across our business units to deliver more value to our customers and shareholders
- 2016 margin of $5.0 million and $8.2 million expected for 2017
- FPU customers will benefit from reliable, environmentally friendly electricity in their homes and businesses and cost savings in the coming years

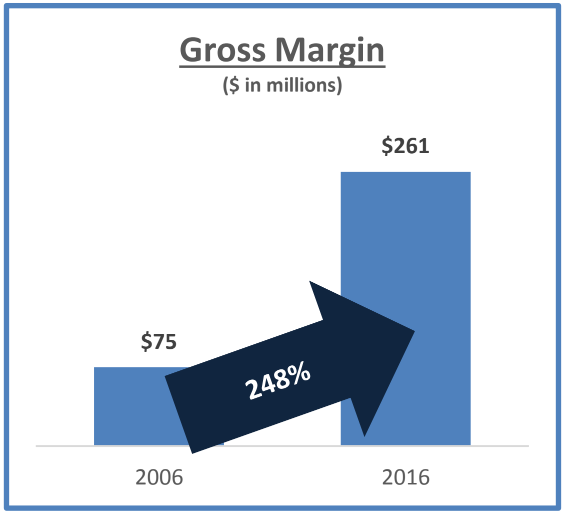
Eight Flags CHP - Structure of the Deal

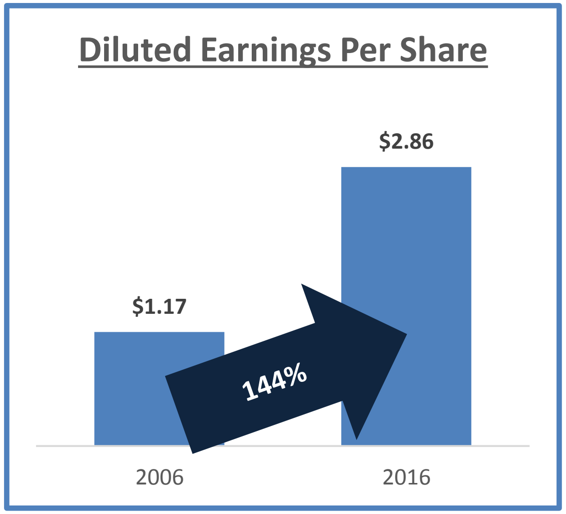


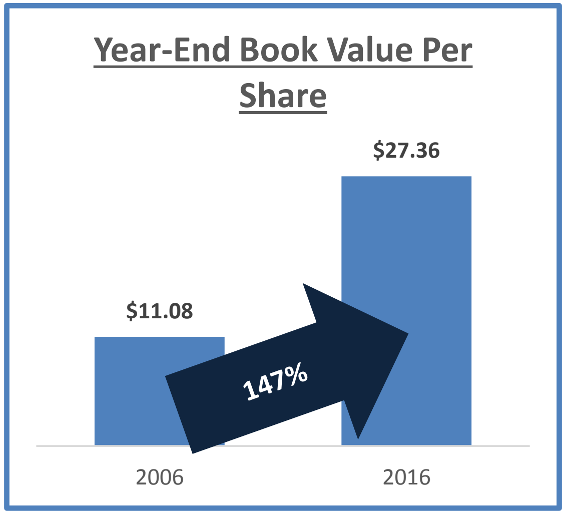
Financial Overview

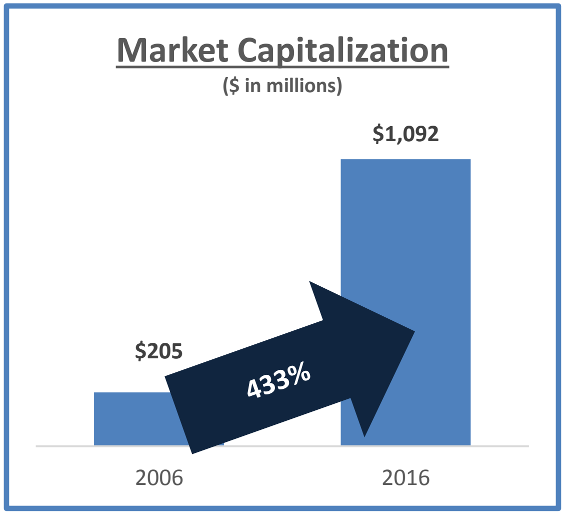
Strong Results over the Last Ten Years

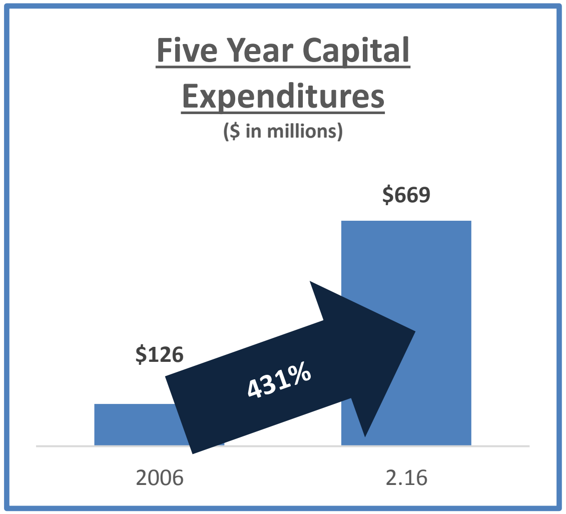
Financial Metrics for 2006 and 2016

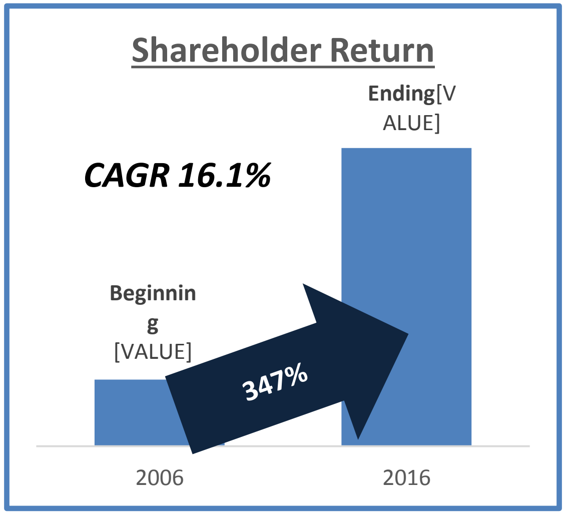












2016 Financial Achievements

EPS $2.86
Net Income
$44.7 million

Dividend
Growth
6.1%

Capital
Expenditures
$169 Million

EPS Growth
5.1%

Total Shareholder
Return
20.2%

Over
$1.2 Billion in
Assets

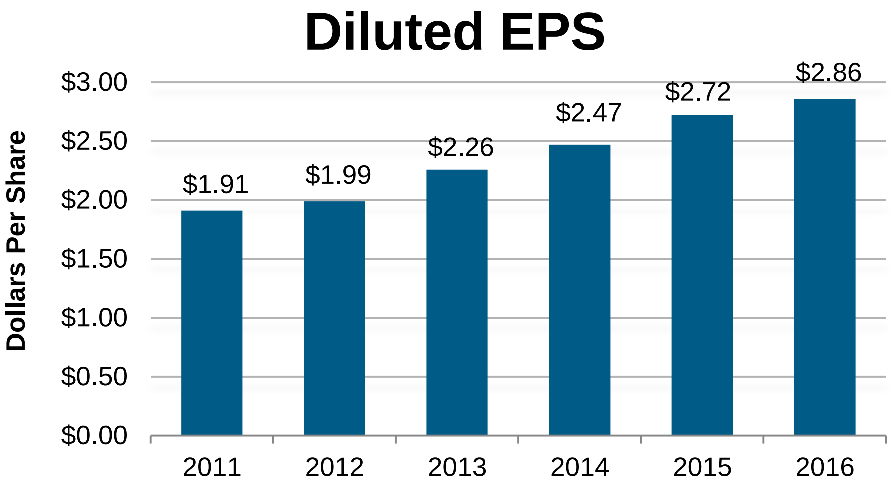
10th Consecutive
Record Year of
Earnings

Return on
Equity
11.3%

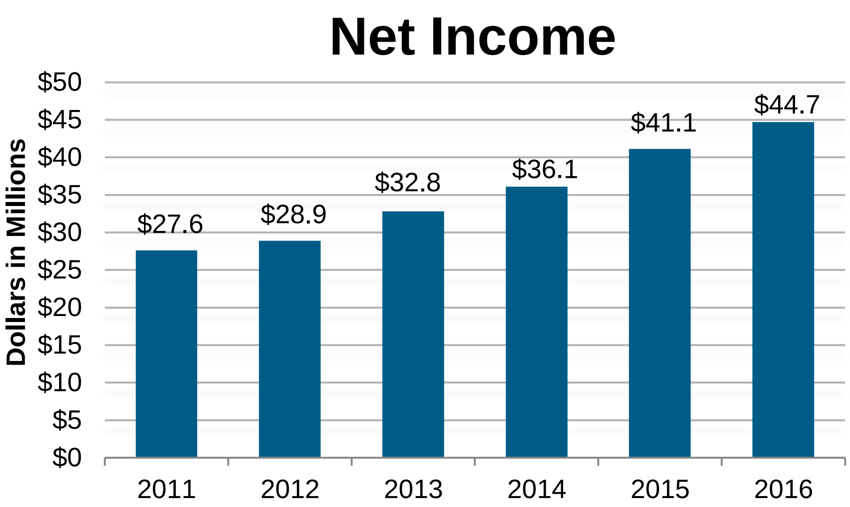
Market
Capitalization
$1.092 Billion

Generating Record Results

EPS and Net Income



- **2016 growth in EPS of 5.1%**
- **5-year compound annual growth rate of 8.4%**
- **10-year compound annual growth rate of 9.3%**



- **Record 2016 net income of $44.7 million**

Consolidated Financial Results

For the years ended December 31st

(in thousands except per share amounts)	Year-to-Date 2016	Year-to-Date 2015
Operating Income		
Regulated Energy	$ 69,851	$ 60,985
Unregulated Energy	13,844	16,355
Other	401	418
Total Operating Income	84,096	77,758
Other Income	(441)	293
Interest Charges	10,639	10,006
Income Before Taxes	73,016	68,045
Income Taxes	28,341	26,905
Net Income	**$ 44,675**	**$ 41,140**
	Increase $3,535 or 8.6%	
Diluted Earnings Per Share	**$ 2.86**	**$ 2.72**
	Increase $0.14 or 5.1%	

FY 2016 Results

- Growth in natural gas distribution and transmission businesses generated $8.9 million in additional regulated energy operating income
- Higher unregulated energy operating income for Aspire Energy and Eight Flags CHP drove growth in unregulated energy gross margin; while warmer weather and lower retail margins per gallon for propane reduced operating income for unregulated energy

Energy Segment Results

For the years ended December 31st (in thousands)

Regulated Energy	FY 2016	FY 2015
Gross Margin	$ 196,080	$ 179,088
Operations & Maintenance	88,098	83,616
Settlement Gain/Asset Impairment	(130)	(1,497)
Depreciation & Amortization	25,677	24,195
Other Taxes	12,584	11,789
Other Operating Expenses	126,229	118,103
Operating Income	$ 69,851	$ 60,985
Unregulated Energy	**FY 2016**	**FY 2015**
Gross Margin	$ 64,962	$ 60,317
Operations & Maintenance	42,659	36,536
Depreciation & Amortization	6,386	5,679
Other Taxes	2,073	1,747
Other Operating Expenses	51,118	43,962
Operating Income	$ 13,844	$ 16,355

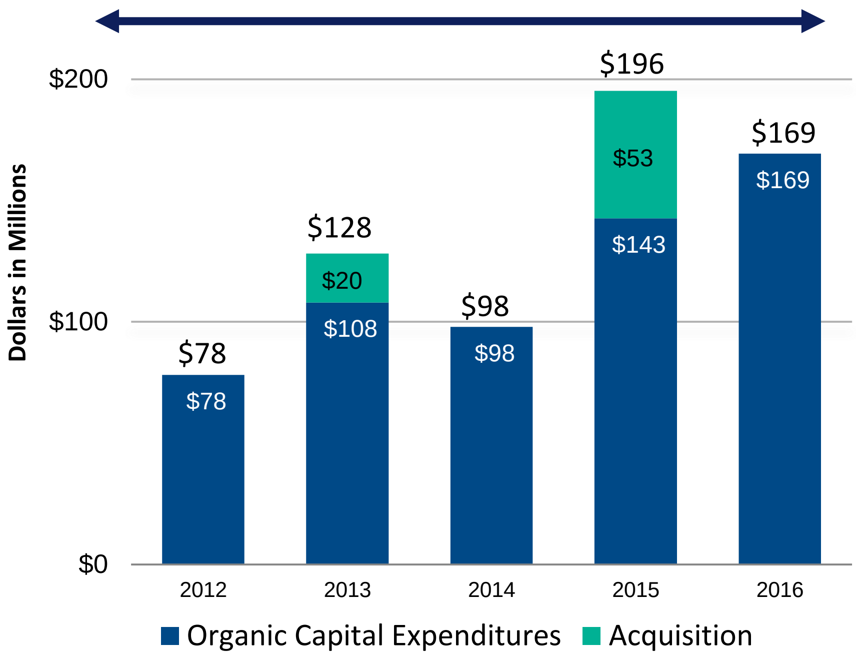
FY 2016 Results

- **Higher regulated energy operating income driven by increased gross margin including:**
  - **$9.9 million from natural gas transmission expansions, interim services and customer growth**
  - **$4.0 million generated by additional Florida GRIP investments**
  - **$1.5 million from rates implemented for the Delaware division (partial year)**
  - **$1.4 from regulated natural gas services provided to the Eight Flags CHP**
- **Unregulated energy gross margin increases from Aspire Energy, Eight Flags and PESC0; offset by lower propane volume due to warmer weather, and a return to more normal retail propane margins**

Capital Expenditures

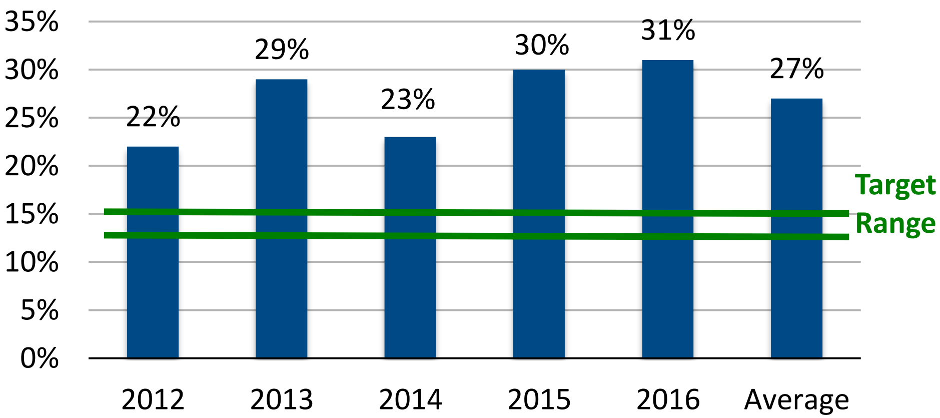
Investing Growth - Historical Capital Expenditures

Cumulative Expenditures and Acquisitions of $669 Million



- The Company invested $169 million in new capital expenditures in 2016.
- Of the 2016 capital investments, approximately 83% correspond to regulated energy investments.
- We have invested approximately $669 million over the last five years, which represents approximately 83% of the Company's Total Capitalization of $805 million at 12/31/2016.

Capital Expenditures/ Average Total Capitalization

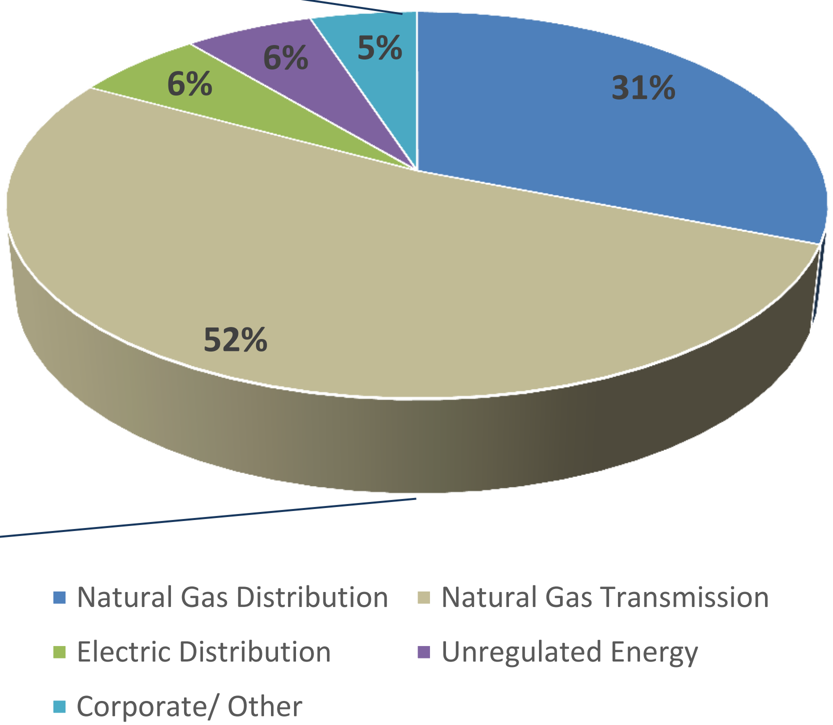


- In 2016, the Company invested 31% in terms of Capital Expenditures / Average Total Capitalization.
- Over the last five years, the Company has invested an average of 27% of Average Total Capitalization in new capital expenditures, which exceeds our "target range" of 13% - 15%.

Continuing to Build for the Future

2017 Budgeted Capital Expenditures of $260 million

$ thousands	**2017 Budgeted Capital Expenditures**
$ 34,298	Delmarva Natural Gas / Sandpiper
$ 52,481	Florida Natural Gas
$130,137	Eastern Shore Natural Gas
$ 15,070	Florida Electric
$ 4,990	Aspire Energy
$ 11,153	Propane Distribution
$ 12,187	Corporate / Other
$260,316	**Total Budgeted Capital Spending**



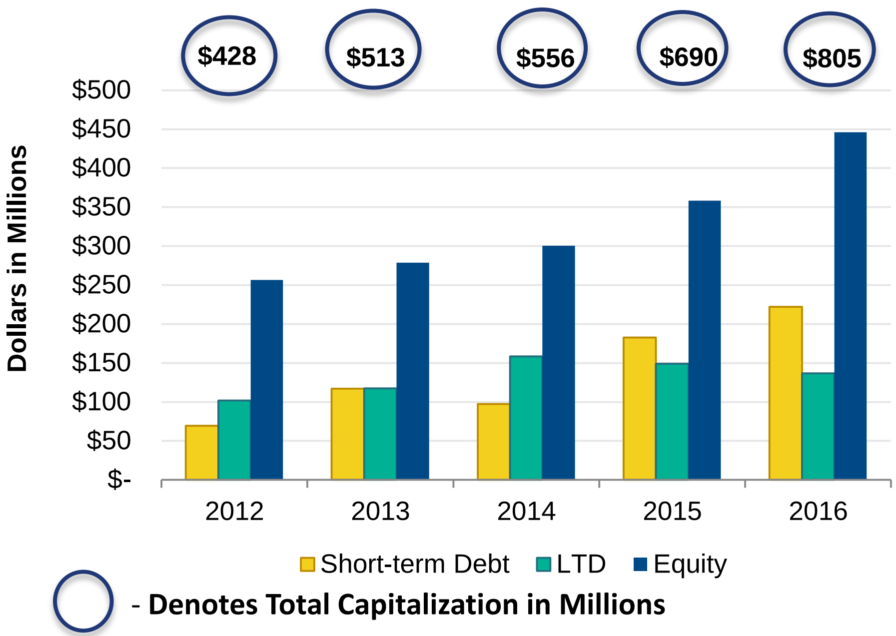
Regulated	89.1%
Unregulated	6.3%
Other	4.6%
Total	100.0%

CHESAPEAKE UTILITIES CORPORATION

Total Capitalization

Strong Balance Sheet to Support Growth

Capital Structure (Total Capitalization)



- Our disciplined approach to capitalization has resulted in a strong balance sheet and positions us well to access capital for growth:
  - New equity issuance in 2016
  - Short-term lines of credit
  - Five Year Revolving Credit
  - Long-Term Private Placements

Equity as a Percentage of Total Capitalization

2012	2013	2014	2015	2016
60%	54%	54%	52%	55%

- **Our target equity ratio is 50-60%**

2017 Debt Facilities

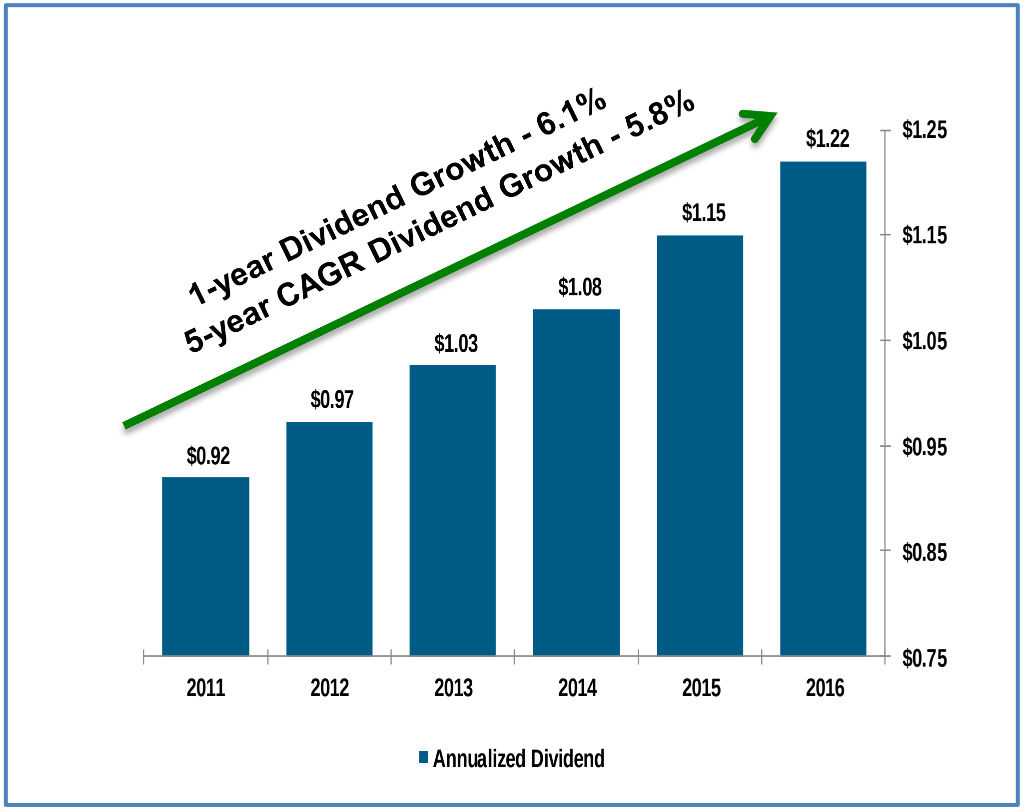
Facility	Maturity	Total Facility	Interest Rate	Borrowing (1)	Availability
Bank Lines	10/31/2017	$170 million	Libor plus 1.00%	$160 million	$10 million
Revolving Credit	10/8/2020	$150 million	Libor plus 1.00%	$50 million	$92 million
Shelf Facility	10/8/2018	$150 million	US10Y plus Spread	$70 million	$80 million

(1) Borrowing under the Bank Lines and Revolver as of 12/31/16.
Revolver availability includes letters of credit of $8 million.
Borrowing of $70 million under the Shelf Facility at 3.25% to occur in April.

Continuous Dividend Growth

Delivering value to shareholders

We deliver outstanding value to shareholders by leveraging our utility foundation, our continuous efforts to identify profitable opportunities supported by our disciplined approach to investing capital.



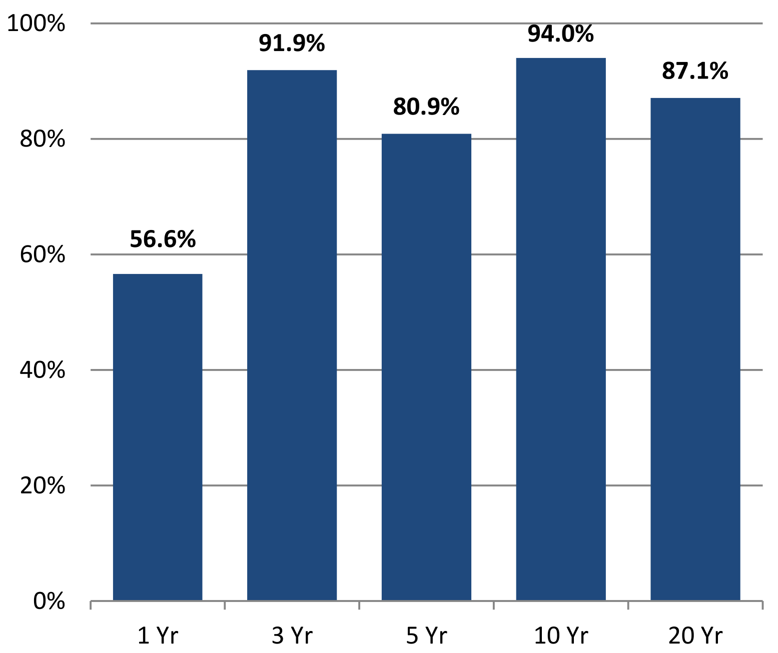
We are committed to long-term growth in shareholder return by providing dividend growth that is supported by sustainable earnings growth.

Shareholder Return

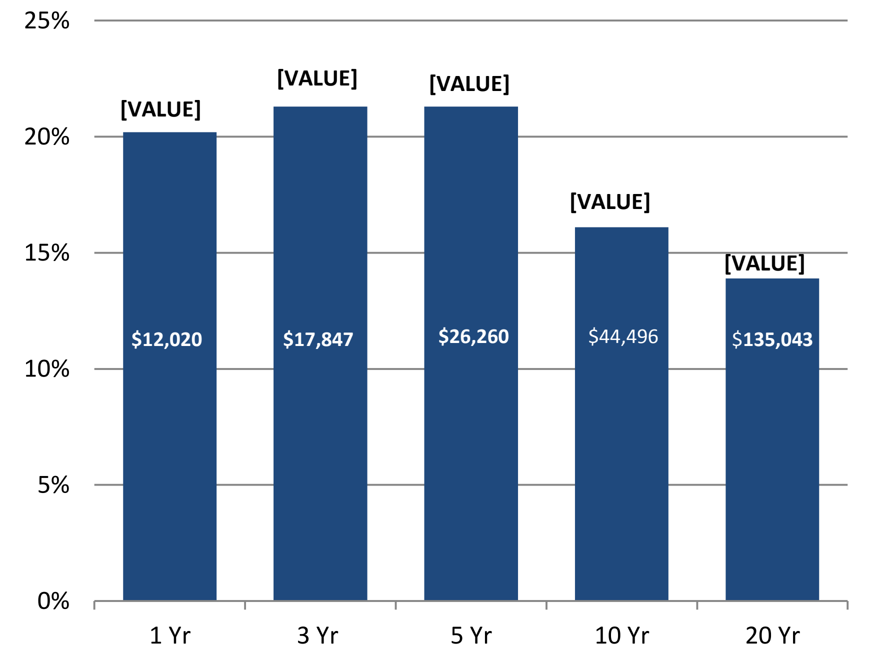
Comparison to Broader Market – NYSE Companies

- In terms of the broader market, Chesapeake is in the top quartile for four of the five periods shown
- For all periods, our compound annual shareholder return has achieved 13.9% or greater

CPK Ranking amongst all NYSE companies for periods ending 12/31/16



Annual Compound Shareholder Return for periods ending 12/31/16



Dollar Values of a $10,000 investment for Each Period

Source: Bloomberg

Conclusion

Investment Highlights

A High Growth Energy Delivery Investment Proposition

Diversified Asset Base

- Utility foundation with upside from complementary unregulated energy platform
- Natural gas and electric distribution businesses serving approximately 181,000 utility customers
- 83% of investment in regulated energy and 17% of investment in unregulated energy as of 12/31/16

Strong Financial Performance & Consistent Track Record

- Attractive five year annual compound shareholder return of 21% as of 12/31/16
- 10 consecutive years of EPS growth; 8.3% five year annual compound EPS growth as of 12/31/16
- Achieved ROEs ranging from 11.2% - 12.2% over the last ten years (Average 11.7%)
- 13 consecutive years of dividend growth; 56 consecutive years of dividends
- 6.1% 1-year annualized dividend growth rate (5.8% - five year compound annual growth rate)

Balance Sheet that Supports Growth

- Strong balance sheet with equity to total capitalization target of 50% - 60%
- Total assets of $1.2 billion with approximately $987 million of those assets representing net plant
- High investment-grade credit ratings (NAIC1) with ample liquidity to support growth

Future Earnings Growth Opportunities

- $260 million in budgeted capital expenditures for 2017
- Projects to be completed in 2017 that will generate additional earnings growth in 2018 and beyond
- Continuing to pursue and develop new growth opportunities and regulatory strategies that build on our core businesses
- Continued deployment of the strategies that have generated our success and which provide the strategic infrastructure for sustainable future growth

Financial Metric Summary

Chesapeake has as strong growth performance record in terms of capital investment and earnings per share - leading to solid return on equity, dividend growth and total return for shareholders for the past five years.

Performance Metrics	**Chesapeake Results**		
For periods ending 12/31/16	1 Year	3 Year	5 Year
Capital Expenditures / Average Total Capitalization	31.1%	27.8%	26.8%
Diluted Earnings Per Share Growth (CAGR)	5.1%	8.2%	8.4%
Return on Average Equity	11.3%	11.9%	11.9%
Annualized Dividends Per Share Growth (CAGR)	6.1%	5.9%	5.8%
Earnings Retention Ratio	58.2%	57.9%	56.3%
Shareholder Return (CAGR)	20.2%	21.3%	21.3%

Source: Chesapeake 2016 10-K, except Shareholder Return from Bloomberg

Conclusion

- Strategic platform for growth continues to support our path forward
- Opportunities exist across the midstream and downstream energy value chain in Chesapeake's current and contiguous markets that provide opportunities for continued growth
- Disciplined and successful execution of growth strategy
- Well-positioned for continued growth in 2017 and beyond

Appendices

Supplementary Financial Information

Historical Income Statement

(in thousands, except shares and per share data)	For the Year Ended December 31, 2016	2015	2014
Operating Revenues			
Regulated Energy	**$ 305,689**	$ 301,902	$ 300,442
Unregulated Energy	**203,778**	162,108	184,961
Other businesses and eliminations	**(10,607)**	(4,766)	13,431
Total operating revenues	**498,860**	459,244	498,834
Operating Expenses			
Regulated energy cost of sales	**109,609**	122,814	134,560
Unregulated energy and other cost of sales	**128,434**	97,228	143,556
Operations	**117,571**	107,562	102,197
Maintenance	**12,391**	11,803	9,706
(Gain from a settlement)/asset impairment charges	**(130)**	(1,500)	6,881
Depreciation and amortization	**32,159**	29,972	26,316
Other taxes	**14,730**	13,607	13,339
Total operating expenses	**414,764**	381,486	436,555
Operating Income	**84,096**	77,758	62,279
Gains from sales of businesses	**—**	—	7,139
Other (expense) income	**(441)**	293	101
Interest charges	**10,639**	10,006	9,482
Income Before Income Taxes	**73,016**	68,045	60,037
Income taxes	**28,341**	26,905	23,945
Net Income	**$ 44,675**	$ 41,140	$ 36,092
Weighted Average Common Shares Outstanding:			
Basic	**15,570,539**	15,094,423	14,551,308
Diluted	**15,613,091**	15,143,373	14,604,944
Earnings Per Share of Common Stock:			
Basic	**$ 2.87**	$ 2.73	$ 2.48
Diluted	**$ 2.86**	$ 2.72	$ 2.47
Cash Dividends Declared Per Share of Common Stock	**$ 1.2025**	$ 1.1325	$ 1.0667

CHESAPEAKE UTILITIES CORPORATION

Historical Balance Sheet

Assets

(in thousands, except shares and per share data)	As of December 31, 2016	2015
Property, Plant and Equipment		
Regulated energy	**$ 957,681**	$ 842,756
Unregulated energy	**196,800**	145,734
Other businesses and eliminations	**21,114**	18,999
Total property, plant and equipment	**1,175,595**	1,007,489
Less: Accumulated depreciation and amortization	**(245,207)**	(215,313)
Plus: Construction work in progress	**56,276**	62,774
Net property, plant and equipment	**986,664**	854,950
Current Assets		
Cash and cash equivalents	**4,178**	2,855
Accounts receivable (less allowance for uncollectible accounts of $909 for 2016 and 2015)	**62,803**	41,007
Accrued revenue	**16,986**	12,452
Propane inventory, at average cost	**6,457**	6,619
Other inventory, at average cost	**4,576**	3,803
Regulatory assets	**7,694**	8,268
Storage gas prepayments	**5,484**	3,410
Income taxes receivable	**22,888**	24,950
Prepaid expenses	**6,792**	7,146
Mark-to-market energy assets	**823**	153
Other current assets	**2,470**	1,044
Total current assets	**141,151**	111,707
Deferred Charges and Other Non-Current Assets		
Goodwill	**15,070**	14,548
Other intangible assets, net	**1,843**	2,222
Investments, at fair value	**4,902**	3,644
Regulatory assets	**76,803**	77,519
Receivables and other deferred charges	**2,786**	2,831
Total deferred charges and other non-current assets	**101,404**	100,764
Total Assets	**$ 1,229,219**	$ 1,067,421

Historical Balance Sheet

Capitalization and Liabilities

	As of December 31,	
	2016	**2015**
(in thousands, except shares and per share data)		
Capitalization		
Stockholders’ equity		
Preferred stock, par value $0.01 per share (authorized 2,000,000 shares), no shares issued and outstanding	**$ —**	$ —
Common stock, par value $0.4867 per share (authorized 25,000,000 shares)	**7,935**	7,432
Additional paid-in capital	**250,967**	190,311
Retained earnings	**192,062**	166,235
Accumulated other comprehensive loss	**(4,878)**	(5,840)
Deferred compensation obligation	**2,416**	1,883
Treasury stock	**(2,416)**	(1,883)
Total stockholders’ equity	**446,086**	358,138
Long-term debt, net of current maturities	**136,954**	149,006
Total capitalization	**583,040**	507,144
Current Liabilities		
Current portion of long-term debt	**12,099**	9,151
Short-term borrowing	**209,871**	173,397
Accounts payable	**56,935**	39,300
Customer deposits and refunds	**29,238**	27,173
Accrued interest	**1,312**	1,311
Dividends payable	**4,973**	4,390
Accrued compensation	**10,496**	10,014
Regulatory liabilities	**1,291**	7,365
Mark-to-market energy liabilities	**773**	433
Other accrued liabilities	**7,063**	7,059
Total current liabilities	**334,051**	279,593
Deferred Credits and Other Liabilities		
Deferred income taxes	**222,894**	192,600
Regulatory liabilities	**43,064**	43,064
Environmental liabilities	**8,592**	8,942
Other pension and benefit costs	**32,828**	33,481
Deferred investment tax credits and other liabilities	**4,750**	2,597
Total deferred credits and other liabilities	**312,128**	280,684
Other commitments and contingencies (Note 19 and 20)		
Total Capitalization and Liabilities	**$ 1,229,219**	$ 1,067,421

Historical Cash Flow Statement

(in thousands)	For the Year Ended December 31, 2016	2015	2014
Operating Activities			
Net Income	**$ 44,675**	$ 41,140	$ 36,092
Adjustments to reconcile net income to net operating cash:			
Goodwill & long-lived asset impairment	**—**	—	6,881
Depreciation and amortization	**32,159**	29,972	26,316
Depreciation and accretion included in other costs	**7,334**	6,978	6,577
Deferred income taxes, net	**31,257**	20,520	22,235
Realized loss (gain) on sale of assets/investments	**695**	(340)	(7,293)
Unrealized (gain) loss on investments/commodity contracts	**(385)**	96	501
Employee benefits and compensation	**1,887**	1,235	684
Share-based compensation	**2,367**	1,937	1,958
Other, net	**(79)**	47	3
Changes in assets and liabilities:			
Accounts receivable and accrued revenue	**(27,013)**	17,097	20,683
Propane inventory, storage gas and other inventory	**(2,531)**	1,527	4,177
Regulatory assets/liabilities, net	**(7,523)**	3,883	(11,014)
Prepaid expenses and other current assets	**(1,387)**	(759)	(699)
Accounts payable and other accrued liabilities	**13,968**	(13,672)	(13,624)
Income taxes receivable	**2,466**	(4,967)	(15,936)
Customer deposits and refunds	**2,065**	1,976	(927)
Accrued compensation	**358**	(331)	37
Other assets and liabilities, net	**(1,802)**	(3,972)	(2,944)
Net cash provided by operating activities	**98,511**	102,367	73,707
Investing Activities			
Property, plant and equipment expenditures	**(165,001)**	(141,843)	(91,587)
Change in intangibles	**—**	—	14
Proceeds from sale of assets	**174**	164	10,797
Acquisitions, net of cash acquired	**—**	(20,930)	—
Environmental expenditures	**(350)**	(174)	(233)
Net cash used by investing activities	**(165,177)**	(162,783)	(81,009)
Financing Activities			
Common stock dividends	**(17,482)**	(15,924)	(13,887)
Issuance (Purchase) of stock for Dividend Reinvestment Plan	**811**	813	(165)
Proceeds from issuance of common stock, net of expenses	**57,360**	—	—
Change in cash overdrafts due to outstanding checks	**3,920**	2,450	(921)
Net borrowing (repayment) under line of credit agreements	**32,526**	82,178	(16,513)
Proceeds from issuance of long-term debt	**—**	—	49,975
Repayment of long-term debt and capital lease obligation	**(9,146)**	(10,820)	(9,969)
Net cash provided by financing activities	**67,989**	58,697	8,520
Net Increase (Decrease) in Cash and Cash Equivalents	**1,323**	(1,719)	1,218
Cash and Cash Equivalents — Beginning of Period	**2,855**	4,574	3,356
Cash and Cash Equivalents — End of Period	**$ 4,178**	$ 2,855	$ 4,574

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For additional information, please visit our website at www.chpk.com or our IR app.

TOP WORK PLACES

CHESAPEAKE UTILITIES CORPORATION