ASPIRING, CARING,
CONNECTING, GROWING




First Quarter 2015
Earnings Conference Call

Friday, May 8, 2015
10:30 AM ET

CHESAPEAKE UTILITIES CORPORATION

TOP WORK PLACES

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 2014 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.

Stock Split: All share and per share data have been presented on a post split basis, reflecting the 3-for-2 stock split, effected in the form a stock dividend, which was distributed on September 8, 2014.

Year to Date Financial Results

First Quarter 2015 Performance Summary

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

	1Q15	1Q14	Change
Operating Income			
Regulated Energy segment	$ 22,182	$ 21,091	$ 1,091
Unregulated Energy segment	15,229	10,858	4,371
Other businesses and eliminations	97	(326)	423
Total Operating Income	37,508	31,623	5,885
Other Income	133	6	127
Interest Charges	2,448	2,155	293
Income Before Taxes	35,193	29,474	5,719
Income Taxes	14,084	11,793	2,291
Net Income	$ 21,109	$ 17,681	3,428
Diluted Earnings Per Share	$ 1.44	$ 1.22	$ 0.22

- Diluted EPS of $1.44, representing a $0.22 per share increase, or 18%
- Higher retail propane margins per gallon generated $5.0 million in additional gross margin
- Natural gas expansions and other customer growth generated $2.8 million in additional gross margin during the quarter

Regulated Energy Segment Results

First Quarter 2015 Performance Summary

(in thousands)	2015	2014	Change
Revenue	$ 109,582	$ 102,166	$ 7,416
Cost of Sales	57,129	54,307	2,822
Gross Margin	52,453	47,859	4,594
Operations & Maintenance	21,283	18,402	2,881
Depreciation & Amortization	5,900	5,527	373
Other Taxes	3,088	2,839	249
Other Operating Expenses	30,271	26,768	3,503
Operating Income	$ 22,182	$ 21,091	$ 1,091

Results

- Operating income increased by $1.1 million to $22.2 million in the first quarter of 2015 compared to 2014
- Gross margin increased by $4.6 million
  - Service expansions - $1.4 million
  - Customer growth - $1.3 million
  - Florida electric base rate adjustment - $1.2 million
  - Florida GRIP - $755,000
- Other operating expenses increased $3.5 million
  - Higher payroll costs during winter months and to support growth
  - Higher contractor costs
  - Increased depreciation and property tax costs because of increased investments
  - Transaction and vendor negotiation costs

Unregulated Energy Segment Results

First Quarter 2015 Performance Summary

(in thousands)	2015	2014	Change
Revenue	$ 60,996	$ 79,973	$ (18,977)
Cost of Sales	35,677	59,159	(23,482)
Gross Margin	25,319	20,814	4,505
Operations & Maintenance	8,557	8,424	133
Depreciation & Amortization	1,051	980	71
Other Taxes	482	552	(70)
Other Operating Expenses	10,090	9,956	134
Operating Income	$ 15,229	$ 10,858	$ 4,371

Results

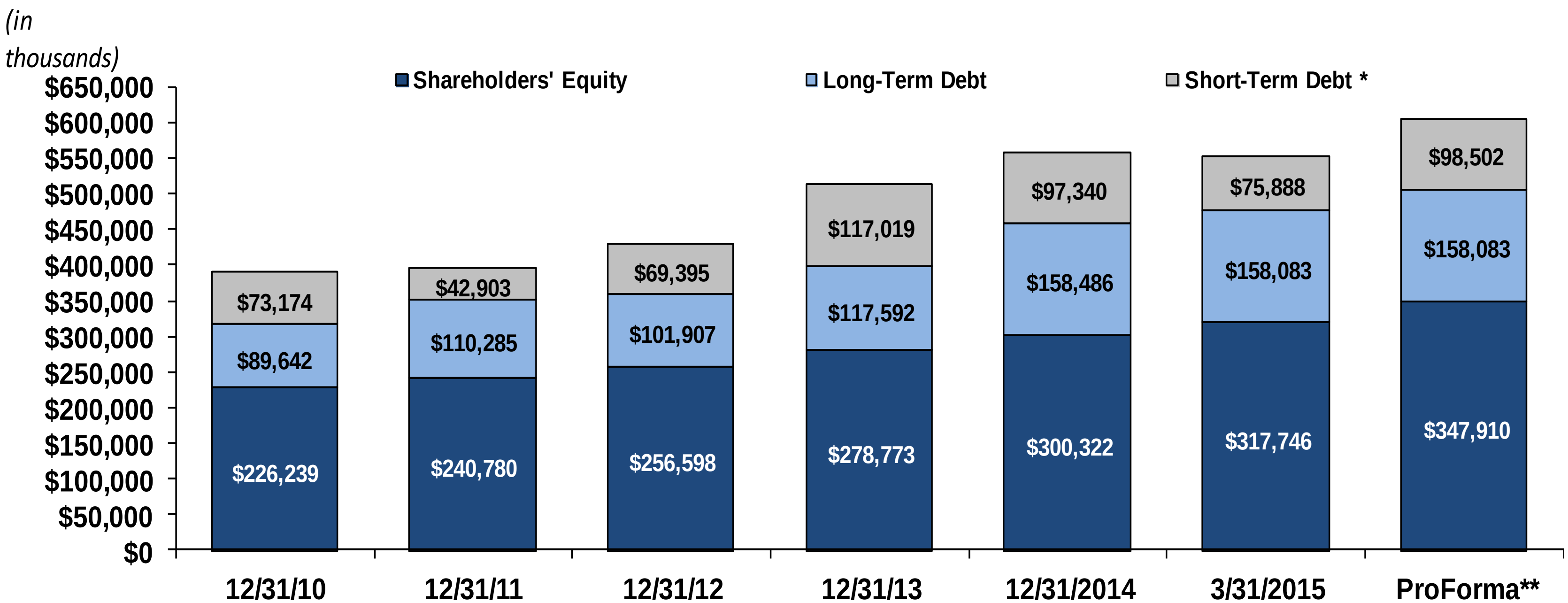
- Operating income increased by $4.4 million to $15.2 million in the first quarter of 2015 compared to 2014
- Gross margin increased by $4.5 million
  - Higher retail propane margins due to local market conditions and favorable supply chain management - $5.0 million
  - Increased consumption due to colder weather and timing of bulk deliveries on Delmarva - $870,000
  - Decreased trading volume for Xeron due to lower wholesale propane price volatility – ($1.0 million)

Reconciliation of First Quarter 2015

Key variances for the three months ended March 31, 2015 included:

(in thousands, except per share)	Pre-tax Income	Net Income	Earnings Per Share
First Quarter of 2014 Reported Results	$ 29,474	$ 17,681	$ 1.22
Adjusting for Unusual Items:			
Absence of BravePoint, which was sold in October 2014	438	263	0.02
Weather impact	330	198	0.01
	768	461	0.03
Increased (Decreased) Gross Margins:			
Higher retail propane margins	5,020	3,011	0.21
Service expansions	1,431	858	0.06
Other natural gas growth	1,327	796	0.05
FPU Electric base rate increase	1,212	727	0.05
Propane wholesale marketing	(1,026)	(615)	(0.04)
GRIP	755	453	0.03
	8,719	5,230	0.36
Increased Other Operating Expenses:			
Higher payroll costs	(814)	(488)	(0.04)
Higher service contractor costs	(769)	(461)	(0.03)
Transaction costs	(514)	(308)	(0.02)
Higher facility maintenance	(466)	(280)	(0.02)
Higher depreciation, asset removal and property tax costs due to new capital investments	(463)	(278)	(0.02)
	(3,026)	(1,815)	(0.13)
Interest Charges	(292)	(175)	(0.01)
Net Other Changes	(450)	(273)	(0.03)
First Quarter of 2015 Reported Results	$ 35,193	$ 21,109	$ 1.44

Total Capitalization

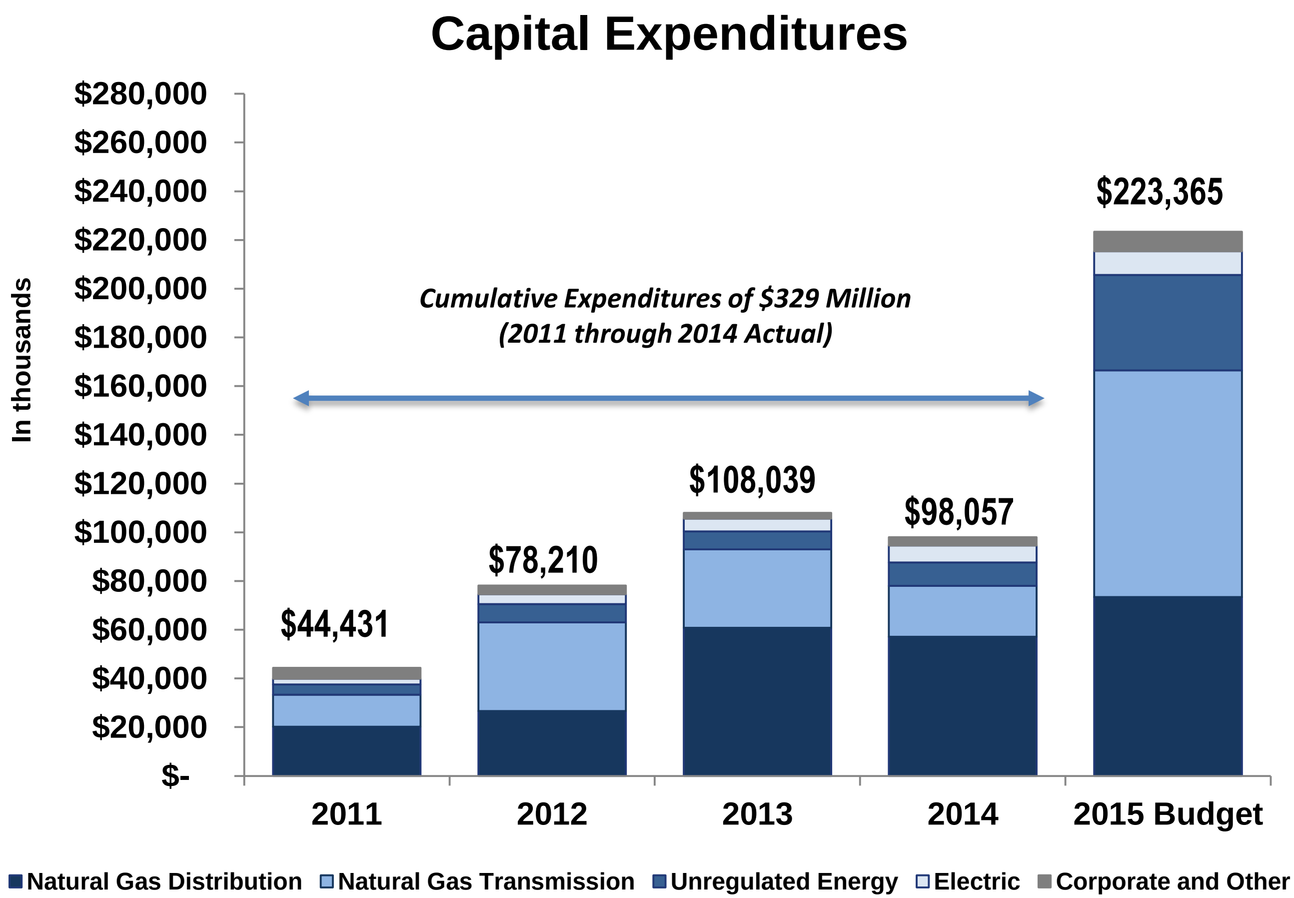


Equity/Permanent Capitalization	71.6%	68.6%	71.6%	70.3%	65.5%	66.8%	68.8%
Equity/Total Capitalization	58.2%	61.1%	60.0%	54.3%	54.0%	57.6%	57.6%

Short-term debt includes current portion of long-term debt.

***** Pro Forma represents Chesapeake Utilities' 3/31/2015 Total Capitalization, plus the consideration paid for Gatherco.***

Building for the Future



- Higher capital investment in 2015 for natural gas distribution and transmission system expansions, infrastructure improvements, facilities, systems and other strategic investments.
- Projects include the Eight Flags CHP, Florida GRIP, and expanded service to supply natural gas to an electric generation plant.
- In addition to the capital budget, we completed the Gatherco, Inc. acquisition on April 1, 2015.

Gatherco Acquisition and Merger

- Chesapeake and Gatherco consummated the merger on April 1, 2015.

- Gatherco merged with and is now operated as Aspire Energy of Ohio, LLC, a newly formed, wholly-owned subsidiary of Chesapeake.

- Consideration
  - Gatherco shareholders received cash and shares of Chesapeake Utilities Corporation in exchange for their Gatherco shares, and stock options were settled for cash.
  - 592,970 shares were issued to Gatherco shareholders pursuant to the transaction.

Chesapeake Utilities Equity Consideration	$30.2 Million
Cash Consideration	19.9 Million
Cash Consideration – Gatherco Stock Options	7.7 Million
Plus: Acquired Debt	1.7 Million
Aggregate Merger Consideration	$59.5 Million
Less : Cash Acquired	(6.7) Million
Net Purchase Price	**$52.8 Million**

Overview of Gatherco's Business

Background
•Established in 1997
•Purchased gathering assets of Columbia Gas Transmission

Assets
•16 gathering systems
•Over 2,000 miles of pipelines in Central and Eastern Ohio

Services
•Natural gas gathering
•Natural gas liquid processing
•Natural gas supply to local distributors

Customers
•300 local producers
•Consumer Gas Cooperative 6,000 Members
•Columbia Gas of Ohio 24,000 customers

Status of Gatherco Transition to Aspire Energy

- Transitioning brand to Aspire Energy

- Current Operations
  - On-boarding process underway
  - Recruitment in progress for current key positions
  - Identifying candidates to fill new positions to further our growth strategy
  - Several key functions centralized at Chesapeake's corporate headquarters – i.e., oversight of human resources, accounting, treasury, etc. functions
  - Rollout of our safety, environmental compliance, etc. plans

- Growth Strategy
  - Formalizing future strategy for growth
  - Beginning to identify gathering projects that provide the opportunity to increase the footprint and throughput of the gathering system

Margin Impact from Major Initiatives

	Gross Margin for the Period (1)			
	Three Months Ended March 31,		Estimate for	Total 2014
	2015	2014	2015	Margin
Acquisition:				
Gatherco acquisition being served by Aspire Energy of Ohio	$ —	$ —	$ 8,797	$ —
Service Expansions				
Natural Gas Transmission:				
Short-term				
New Castle County, Delaware	$ 968	$ —	$ 2,509	$ 2,026
Long-term				
Kent County, Delaware	463	—	1,844	463
Total Service Expansions	$ 1,431	$ —	$ 4,353	$ 2,489
Total Major Projects	$ 1,431	$ —	$ 13,150	$ 2,489

(1) Gross margin of $7.3 million and $21.8 million for the three months ended March 31, 2014 and the year ended December 31, 2014, respectively, related to projects initiated prior to 2014 is excluded from the above table as those projects no longer result in period-over-period variances.

Other Pro Forma Margin Impacts

Upcoming Major Projects:

Project	Estimated In Service Date	Projected Capital Cost	Estimated Annualized Margin	Estimated Margin for 2015
20-year OPT ≤ 90 Service to an industrial customer in Kent County, Delaware	Late first quarter or early second quarter of 2016	$30.0 million	$5.8 million	$ —
Eight Flags CHP plant in Nassau County, Florida	Third quarter of 2016	$40.0 million	$7.3 million	$ —

Regulatory Initiatives:

- GRIP:
  - $755,000 incremental margin during 1st Qtr., 2015
  - The Company expects to invest an additional $11.6 million in this program in 2015
- Florida Electric Rate Case:
  - An increase in FPU's annual revenue requirement of approximately $3.8 million, effective for meter readings on or after November 1, 2014
  - $1.2 million incremental margin during 1st Qtr., 2015

Natural Gas Service to Calpine Energy Services

Garrison Energy Center

Garrison Energy Center	
Estimated Capital Cost	Approximately $30 million
Miles of Pipeline/Compression	7.2 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

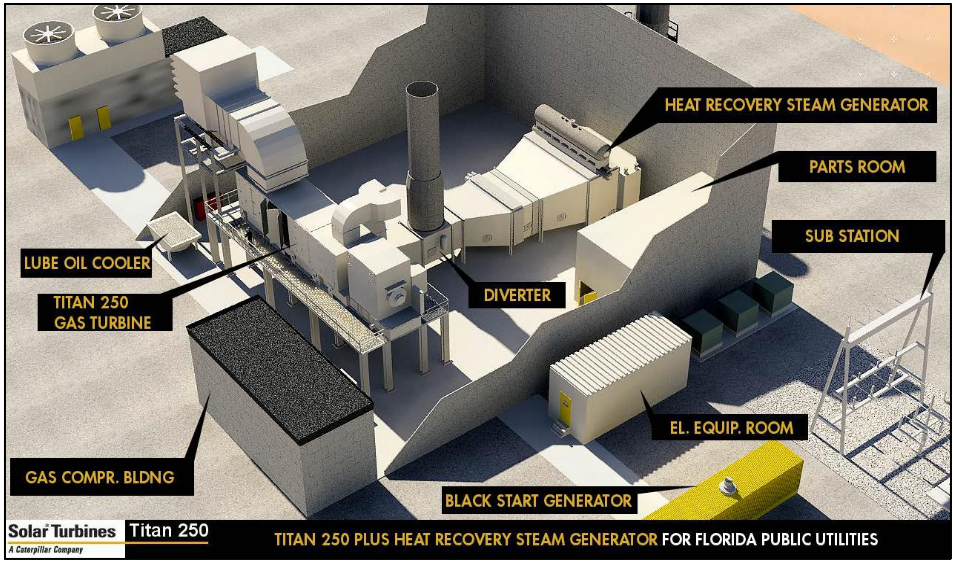
- Chesapeake's natural gas transmission subsidiary, Eastern Shore Natural Gas (ESNG), entered into a Precedent Agreement with Calpine Energy Services in August 2014.
- Calpine is committed to enter into a twenty year service agreement for ESNG to provide natural gas transportation services for Calpine's new state-of-the art electric generating plant in Dover, DE pending the completion of certain project activities, including the receipt of the necessary governmental approvals and completion of pipeline facilities.
- Service will be provided under ESNG's new Off Peak $\leq$ 90 Firm Transportation Rate Schedule (OPT).
- Pipeline facilities are targeted to be completed with service under the twenty year service agreement initiated during late first quarter/early second quarter of 2016.

Eight Flags Energy, LLC

Combined Heat and Power Plant

General Information

- FERC certified Qualified Facility (QF) Combined Heat and Power Project
- Sited at the Rayonier Advanced Materials paper mill on Amelia Island, Florida.
- 100% of electric sales to FPU electric distribution system; 100% of steam sales to Rayonier Advanced Materials
- Key agreements have been executed
- Purchase Power Agreement approved by the FPSC
- Completed air permit and preliminary work on-site

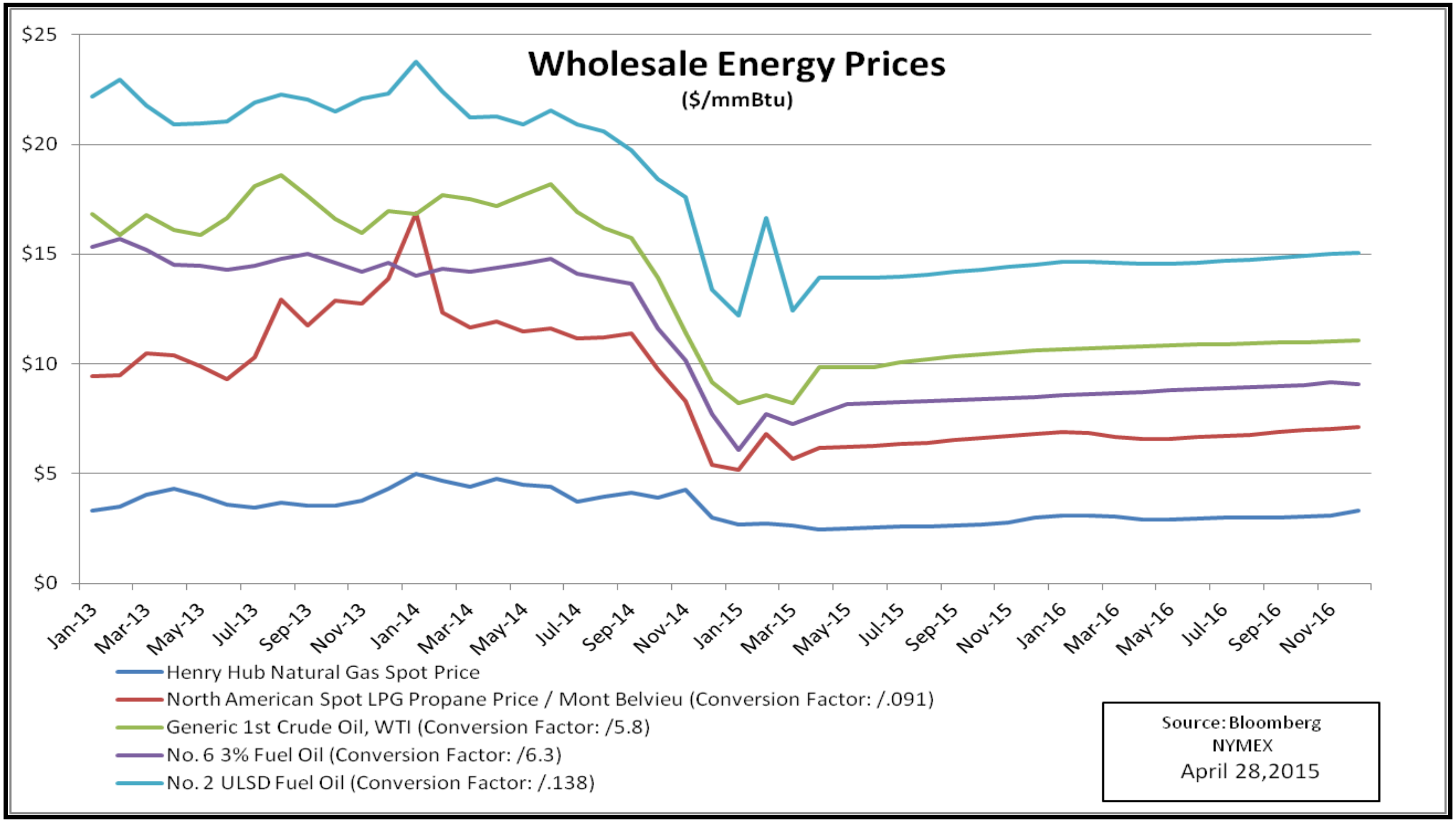


Project Specifics

- Capital Investment: $40.0 Million
- Capacity: 19.8 MW
- Annual Margin: $7.3 Million
- Projected In-service date: 3rd Qtr. of 2016
- Est. electric purchase savings: $3 to $4 Million per year depending on natural gas prices

Natural Gas Price Advantage

Despite Decreasing Energy Prices

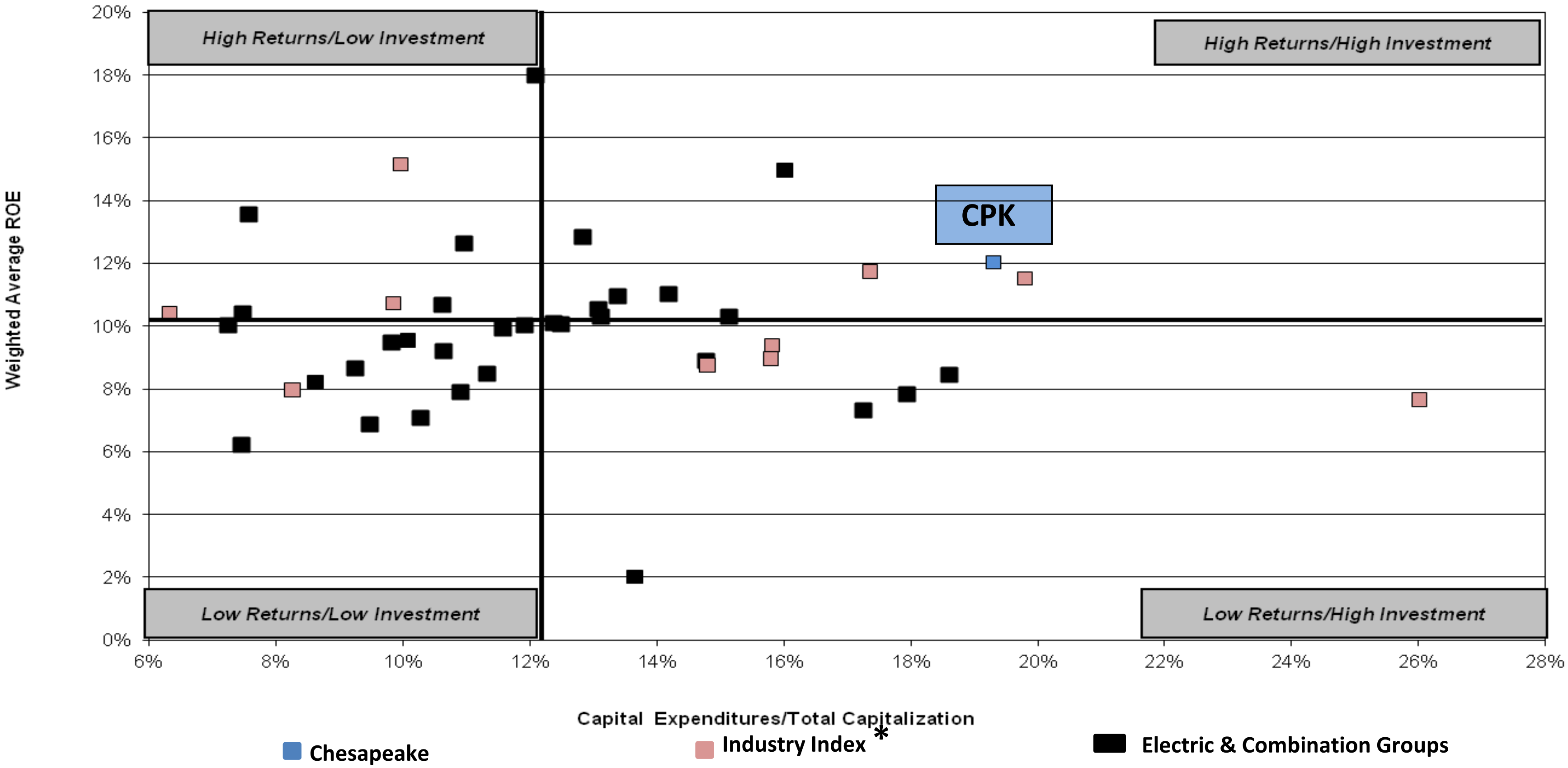


Growth Trajectory

	Traditional Growth Strategies	Current and New Growth Strategies
Regulated Energy	• NG transmission and distribution expansions • Residential and commercial customer growth in existing markets • On main conversions • Major industrial customers • Acquisitions	• Conversion programs for residential and commercial customers • System reliability and infrastructure program • New applications for natural gas • Transportation service for power generation
Unregulated Energy	• Organic growth • Wholesale • Community Gas Systems • Startups • Acquisitions	• Compressed natural gas (CNG) • Liquefied Natural Gas (LNG) • Propane Fueled Vehicles • Combined Heat and Power projects (CHP) • Midstream Opportunities

Performance Quadrant
Peer ROE vs. Capital Expenditures

January 1, 2012 – December 31, 2014

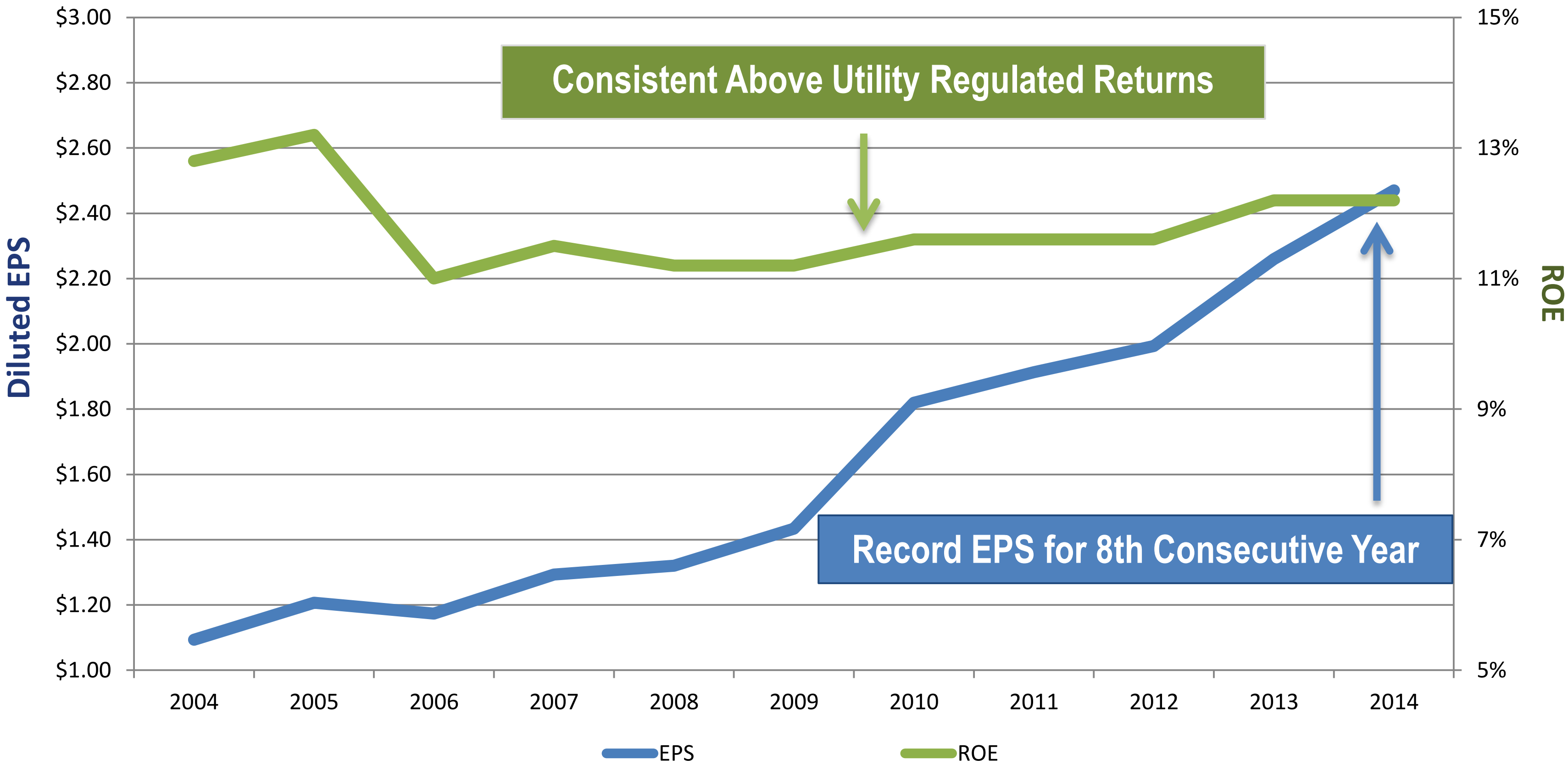


Source: Bloomberg

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

Generating Growth

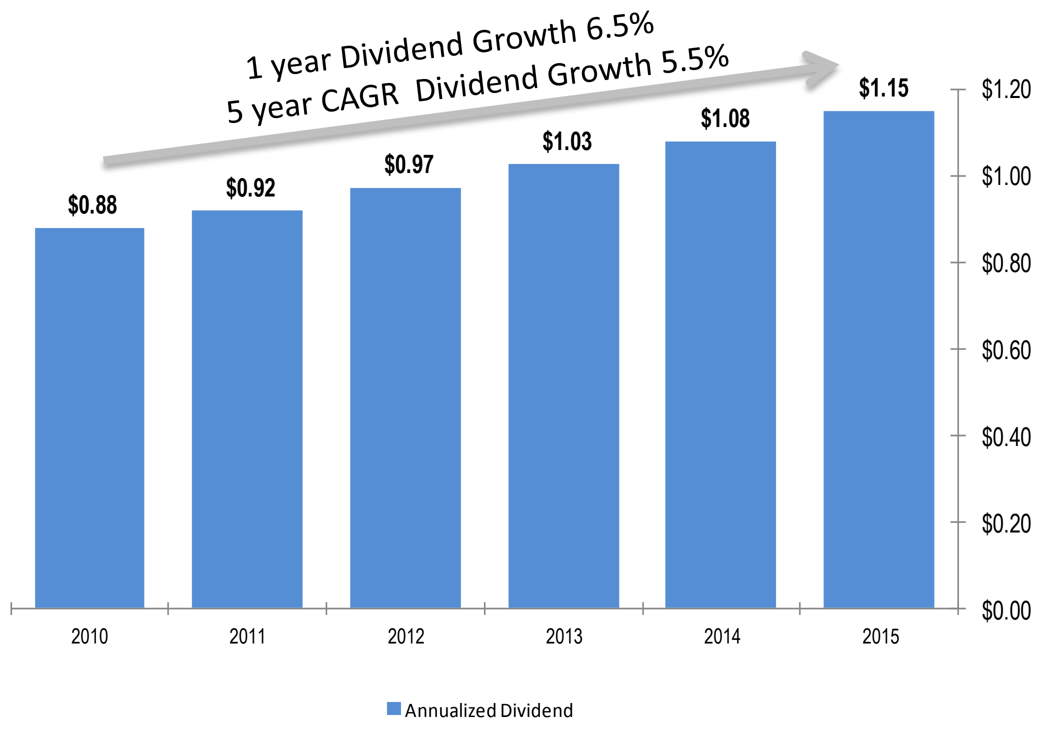
Return on Equity and Earnings per Share



Continuous Dividend Growth

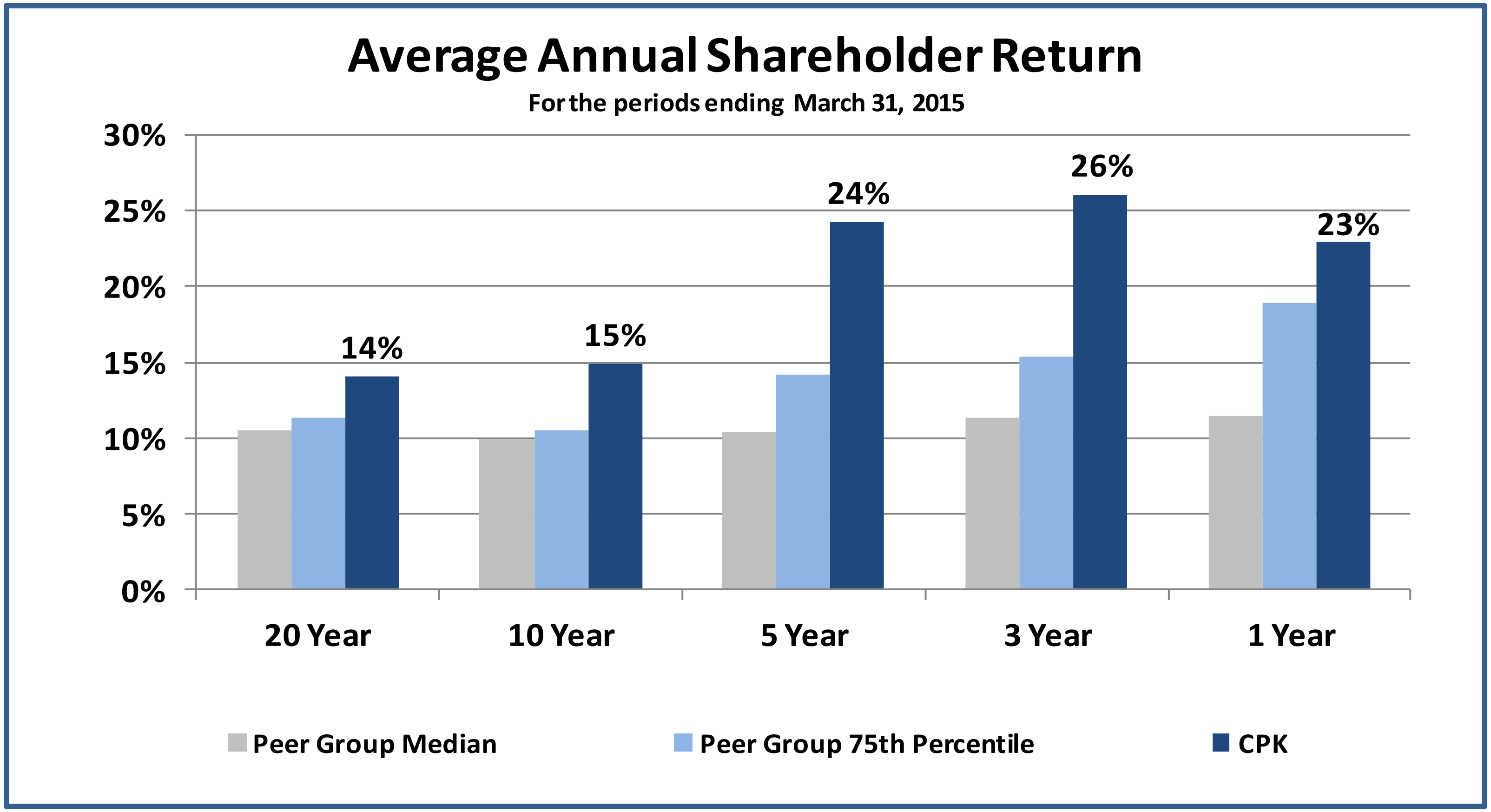
- The Board increased the annualized dividend by $0.07 or 6.5% on May 6, 2015.
- We have delivered 5.5% five year compound annual dividend growth while continuing to invest in the business to generate future earnings and dividend growth.

We are committed to providing superior dividend growth that is supported by earnings growth.



Superior Shareholder Return

Investors in Chesapeake achieved compound average annual returns in excess of 14% over all periods shown



Financial Metrics Performance Summary

Performance Metrics	Chesapeake Results		
For periods ending 12/31/14 unless otherwise noted	1 Year	3 Year	5 Year
Capital Expenditures / Total Capitalization	18.4%	19.4%	16.9%
Earnings Per Share Growth (CAGR)	9.2%	8.8%	11.8%
Return on Equity	12.3%	12.0%	11.9%
Dividends Per Share Growth (CAGR) *for the periods ending 03/31/15*	5.2%	5.5%	5.2%
Earnings Retention Ratio	57.1%	55.1%	54.2%
Shareholder Return (CAGR) *for the periods ending 03/31/15*	23.0%	26.0%	24.2%

We achieved top quartile performance in 16 out of 20 categories.

Performance Metrics	Chesapeake Percentile Ranking		
For periods ending 12/31/14 unless otherwise noted	1 Year	3 Year	5 Year
Capital Expenditures / Total Capitalization	92.6%	86.8%	71.1%
Earnings Per Share Growth (CAGR)	31.8%	59.9%	90.1%
Return on Equity	78.5%	89.8%	84.8%
Dividends Per Share Growth (CAGR) *for the periods ending 03/31/15*	62.9%	84.4%	83.0%
Earnings Retention Ratio	91.3%	100.0%	100.0%
Shareholder Return (CAGR) *for the periods ending 03/31/15*	80.8%	100.0%	100.0%

Chesapeake's Shareholder Return (CAGR) for 10 and 20 years was 14.9% and 14.0, respectively; ranking as top performance among the peer group.

denotes percentiles in top quartile performance for the corresponding metric

Source: Bloomberg

Sustainable Growth

Financial Results

- Achieving strong growth in earnings and ROE
- Disciplined capital allocation process and unwavering financial discipline
- Delivering superior shareholder value

Drive to Grow

- Identifying and cultivating opportunities
- Transforming these opportunities into future profitable earnings growth
- Some examples – capturing new organic growth, new service expansions and new business opportunities

Engaged, Dedicated Employees

- Safety minded and focus
- Reliability of our systems
- Serving our customers and communities with determination, creativity and drive

THANK YOU!

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