



SANDPIPER ENERGY MET WITH OCEAN PINES RESIDENTS TO DISCUSS FIRST PHASE OF NATURAL GAS CONVERSIONS

Dover, Delaware — Sandpiper Energy (“Sandpiper”), a subsidiary of Chesapeake Utilities (“Chesapeake”), met with residents of Ocean Pines, Maryland to provide details on the first phase of the natural gas conversion process in the community. The meeting was held at the Ocean Pines Community Center at 6 p.m. on March 10, 2016. The forum featured information stations for residents to get details and ask questions regarding billing, customer service, safety and to learn more about the conversion and connection processes. There were an estimated 150 homeowners in attendance, along with Sandpiper personnel and members of the Ocean Pines Association (“OPA”) board.

The meeting began with an introduction by Bob Thompson, OPA General Manager. Thompson described the contract between Sandpiper and the OPA that was finalized in December 2015 allowing Sandpiper to bring natural gas to the community. The agreement included a ten-year ground lease, a five-year service agreement and a perpetual nonexclusive deed of easement.

Jim Moore, Chesapeake’s Vice President, was then introduced. Moore began by stating that the meeting would consist of a brief presentation summarizing Sandpiper’s conversion process, followed by breakout sessions that would allow homeowners in attendance to ask specific questions directly to Sandpiper employees.

Shane Breakie, Chesapeake’s Director of Energy Services, led the presentation which began with a brief history of the company – emphasizing that Chesapeake and Sandpiper plan to be around for the long haul. Topics that Breakie stressed throughout the presentation were safety as well as the many benefits of natural gas – both from an environmental and economic standpoint.

Breakie then moved on to describe the conversion process by going step-by-step through what customers could expect as Sandpiper continues its conversion through the Ocean Pines area. First, when Sandpiper moves into a new area for conversion, postcards are sent to residents approximately four to six weeks before the beginning of the conversion to natural gas. Next, temporary tanks are set which allow homes to continue to receive service during the conversion process. Next, gas lines are purged of the remaining propane, a process that can require “flaring” – often seen as a bright yellow flame in a controlled setting from a portable burner. Then, meter bars and meter stops are installed, and

existing appliances are surveyed. Once this is complete, natural gas is introduced into the mains.

Conversion coordinators will set up times to meet with each customer to perform leak surveys and the conversion processes that occur within the customer's home. On the day of conversion, the customer's internal piping is pressure tested and step-down regulators are installed in each natural gas appliance. If any appliances were replaced or upgraded, the conversion coordinators will explain the operation of the new appliances, if necessary. Once the conversion process is completed in each area, the temporary propane tanks are removed and Sandpiper moves to the next area for conversion.

Breakie went through a series of Frequently Asked Questions regarding Safety and Operations, Billing, Conversion and Sales. Residents were then invited to visit any of the four information stations to ask specific questions that may not have been covered during the presentation. Sandpiper also provided attendees with comment sheets and requested they be filled out by any homeowner who had any additional comments or questions. Sandpiper will be providing regular updates to homeowners and members of the community via the OPA website at www.oceanpines.org.

Sandpiper Energy is a subsidiary of Chesapeake Utilities and distributes natural gas and propane to approximately 11,000 residential, commercial and industrial customers in Worcester County, Maryland. In the last two years, more than 2,400 Berlin and West Ocean City customers have converted their homes and businesses to natural gas. For more information regarding Sandpiper, including Frequently Asked Questions about the conversion of Ocean Pines to natural gas, please access the website at www.sandpiper-energy.com.

Chesapeake Utilities is a division of Chesapeake Utilities Corporation (NYSE: CPK), 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 related businesses. Information about Chesapeake Utilities Corporation and the Company's family of businesses is available at www.chpk.com.

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