



FOR IMMEDIATE RELEASE

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NYSE Symbol: CPK

**CHESAPEAKE UTILITIES CORPORATION'S NATURAL GAS TRANSMISSION
SUBSIDIARY BEGINS REGULATORY PROCESS
FOR ITS 2017 EXPANSION PROJECT**

Dover, Delaware — Chesapeake Utilities Corporation (NYSE: CPK) ("Chesapeake Utilities" or the "Company") today announced that its natural gas transmission subsidiary, Eastern Shore Natural Gas Company ("Eastern Shore"), submitted a request to the Federal Energy Regulatory Commission (the "FERC") on May 12, 2016 to initiate FERC's pre-filing procedures for Eastern Shore's proposed 2017 Expansion Project. The 2017 Expansion Project consists of (i) approximately 33 miles of pipeline looping in Pennsylvania, Maryland and Delaware; (ii) upgrades to existing metering facilities; (iii) installation of an additional 3,550 horsepower compressor unit at the existing Daleville Compressor Station in Chester County, Pennsylvania; and (iv) approximately 17 miles of new mainline extension and the addition of two pressure control stations in Sussex County, Delaware. The proposed 2017 Expansion Project facilities will provide up to an aggregate of 86,437 dekatherms per day of additional firm natural gas transportation capacity to meet anticipated market demand.

Eastern Shore intends to file its certificate application for the 2017 Expansion Project with the FERC approximately 180 days after FERC approval to commence the pre-filing review process. Such filing is anticipated to occur in November 2016. Subject to the FERC's approval and issuance of the certificate, Eastern Shore intends to commence construction of the expansion project facilities in June 2017 and to place the facilities in service in the fourth quarter of 2017.

About Chesapeake Utilities Corporation

Chesapeake Utilities 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 related services. Information about Chesapeake Utilities Corporation and the Chesapeake Utilities family of businesses is available at <http://www.chpk.com> or through its IR App.

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

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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.

For more information, contact:

Beth W. Cooper

Senior Vice President & Chief Financial Officer

302.734.6799