On July 2, 2014, Chesapeake Utilities Corporation (the “Company”) announced that its Board of Directors approved a three-for-two stock split of the Company’s outstanding common stock in the form of a stock dividend. To assist our stockholders in their understanding of the stock split, we have provided answers to the following frequently asked questions:

1. What is a three-for-two stock split?
   
   All stockholders at the close of business on August 13, 2014, the record date, will receive one additional share of common stock for every two shares of common stock owned as of the close of business on the record date. The stock split will be effected in the form of a stock dividend. All references to “stock split” within this document refer to a stock split in the form of a stock dividend.

2. What are the key dates relating to the Company’s stock split?
   
   - **Record date: August 13, 2014 (close of business).** The date that determines which stockholders are entitled to receive additional shares as a result of the stock split. If you own the Company’s stock on this date, then you will receive one share of stock for each two shares you already own.
   
   - **Distribution Date: September 8, 2014.** The date that the Company’s transfer agent will increase stockholders’ holdings to reflect the stock split.
   
   - **Ex-Split Date: September 9, 2014.** The date when the Company’s common stock will begin trading at its new split-adjusted price on the New York Stock Exchange.

3. Why is the Company splitting the stock?
   
   The Company’s Board of Directors made a decision to split the stock in order to make the shares more affordable to a broader range of investors and increase liquidity in the trading of the Company’s stock.

4. How does a three-for-two stock split work?
   
   Stockholders will receive one additional share of the Company’s common stock for every two shares currently owned. Therefore, each stockholder will own one and one-half times as many shares after the split as prior to the split. Correspondingly, the price of each share after the split should be roughly two-thirds of the pre-split price, though the total market value of a stockholder’s holdings immediately after the split should be the same as before the split. For example, a stockholder who owns 100 shares of the Company’s common stock at a market price of approximately $75 per share on the record date, has a total investment of $7,500. After the split, this stockholder will own 150 shares of the Company’s common stock valued at approximately $50.00 per share for a total investment of $7,500.

5. What happens if I buy or sell shares before the record date?
   
   If you buy shares before the record date with enough time allowed for settlement (three business days prior to the record date), then you will be entitled to the shares issued as a result of the stock split. These shares will be paid on the September 8, 2014 distribution date. If the shares settle
after the record date, you will receive the shares issued as a result of the stock split; however, these shares will not be distributed to you until seven to ten days after the September 8, 2014 distribution date.

If you sell shares before the record date you will not be entitled to the stock split.

6. What happens if I buy or sell shares between the record date and the distribution date?

If you buy shares between the record date and the distribution date, the new shares will be entitled to the shares issued as a result of the stock split. If your shares are with Computershare, you will receive the additional shares approximately seven to ten business days after September 8, 2014, the distribution date, as these shares were not held on the record date. If your shares are held with a brokerage, you will need to contact your broker as to the anticipated timing of the receipt of the additional shares.

If you sell shares between the record date and the distribution date, you will not be entitled to the stock split.

7. What happens if shares are purchased on my behalf through the Company’s Automatic Dividend Reinvestment and Direct Stock Purchase Plan (“DSPP”) between the record date and the distribution date?

Your new shares will be entitled to the stock split and will be automatically credited to your DSPP account. You will receive a DSPP statement reflecting your split-adjusted share balance within approximately seven to ten business days after the September 8, 2014 distribution date.

8. Do I need to pay anything for these new shares?

No. There is no cost to you associated with the stock split.

9. What are the tax consequences for this stock split?

The Company has been advised that, under current law for U.S. federal income tax purposes, the receipt of new shares in this stock split distribution will not be taxable as income to U.S. residents. However, you will need to adjust your tax basis to reflect this stock split in determining the gain or loss if you ever decide to sell any of your shares. Your tax basis for each original pre-split share should be allocated proportionately among the original shares and the new shares received in the stock split. If you are a stockholder who owns several blocks of the Company’s common stock acquired at different times, the allocation must be done on a block-to-block basis. Your holding period for each new share will be the same as the holding period for the corresponding original shares. Any cash payment received in lieu of a fractional share will be taxable and reported on the appropriate tax form at the end of the year. This summary is provided for your general information. It does not constitute tax advice and does not purport to be complete or to describe the consequences that may apply to particular categories of stockholders or your personal circumstances. You should consult your personal tax advisor about the individual tax consequences of any transaction you undertake with your shares in the Company, including, without limitation, the calculation of your tax basis as a result of this stock split and the tax consequences of any distribution.
10. Does the stock split change my percentage ownership in the Company?

The stock split does not change your proportional interest in the Company as all stockholders will receive one additional share for every two shares owned as of August 13, 2014, except for stockholders that will receive cash in lieu of fractional shares.

11. How and when will I receive my stock split shares?

You will receive your stock split shares on or about September 8, 2014. Certificates are no longer automatically issued, therefore, your stock split shares will be issued electronically as follows:

a. If you are a registered holder of the Company’s common stock, meaning that you hold your shares in your name directly through Computershare (the transfer agent) or hold physical stock certificates in your name, you will receive your additional shares in book-entry form. A statement will be mailed to you within seven to ten business days reflecting your stock split-adjusted share balance.

b. If you hold shares in the Company’s DSPP, your additional shares will automatically be deposited into your DSPP account and a statement will be mailed to you within seven to ten business days reflecting your split-adjusted share balance.

c. If you hold shares through a brokerage account, your additional shares will be electronically deposited to your brokerage account. Please contact your broker with any questions regarding these shares.

12. What happens if I am entitled to receive a fraction of a share as a result of the stock split?

No fractional shares will be issued in connection with the stock split except for participants enrolled in the Company’s DSPP who will have whole and fractional shares credited to their DSPP account. Stockholders who own shares not enrolled in our DSPP will receive cash in lieu of any fractional share that they would have otherwise received in connection with the stock split, except as otherwise may be allowed or required under Plan documents. The price paid for the fractional share will be based on the closing price of the Company’s common stock on the trading day preceding the payable date, September 7, 2014, as reported by the New York Stock Exchange.

13. How and when will I receive my cash in lieu of a fractional share of the Company’s common stock following the stock split?

If you are entitled to receive a cash payment in lieu of a fractional share, you will receive your cash payment on or about September 8, 2014 in one of two ways:

a. If you are a registered stockholder, meaning you hold your shares in your name or possess a physical stock certificate, the Company will mail you a check for the payment of your fractional share.

b. If your shares are held through a brokerage account, payment of the fractional share will be distributed to you by your brokerage firm. You should contact your broker for more information.

14. How does the stock split affect the Company’s quarterly dividend rate?

The Company’s quarterly dividend per share rate will be adjusted for the three-for-two stock split so the stockholder’s total dividend amount remains unchanged as a result of the stock split.
15. How does the stock split affect my stockholder voting rights this year?

The 2014 proxy-voting season took place prior to the record date of the stock split. Therefore, there is no impact this year. Next year, assuming your holdings are unchanged and if the total number of shares of common stock outstanding were to be unchanged, you would have more shares of common stock, but your proportionate vote would remain the same relative to other stockholders.

16. If I currently hold stock certificates, should I continue to hold them?

The stock certificates that you currently hold are, and will continue to be, valid and should not be destroyed. Those certificates continue to represent the same number of shares as shown on them and should be kept in a safe and secure place. Alternatively, since there can be risk in holding physical certificates due to theft, fire or misplacement, at any time a stockholder can send their physical certificate(s) to Computershare for Safekeeping. The safekeeping function places all shares previously held on paper into an electronic format called “book-entry form.”

Book-entry form of registered ownership allows you to own shares without having paper stock certificates in your possession. You are the owner of record and enjoy the same stockholder benefits as you would if you maintained the shares in certificate form.

17. Can I request a physical stock certificate?

We believe that electronic holdings are the safest, most convenient way to hold your shares. If you prefer to receive a physical stock certificate for your additional shares, you may request it by contacting Computershare’s Investor Services through one of the means of contact explained in Question 18 below. Your physical stock certificate will be mailed to you at the address on record within two weeks of your request.

18. What happens if I lose my statement?

Unlike stock certificates, the account statement is not a negotiable document so there is no replacement fee. You can request replacement statements at any time by contacting Computershare as follows:

Phone (toll free): 877-498-8865
Online: [www.computershare.com/investor](http://www.computershare.com/investor) (you must first create an account for access)
Mail: Computershare Trust Company
    P.O. Box 30170
    College Station, TX  77842-3170

19. Has the Company previously split the stock?

Yes, the Company’s stock has split previously as follows:

<table>
<thead>
<tr>
<th>Date</th>
<th>Split Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 16, 1984</td>
<td>Two for One Split</td>
</tr>
<tr>
<td>October 3, 1986</td>
<td>Three for Two Split</td>
</tr>
<tr>
<td>April 4, 1989</td>
<td>Three for Two Split</td>
</tr>
</tbody>
</table>