



TOGETHER WE

ASPIRE

TOGETHER WE GROW

OUR COMPANY



Pictured above: Chris Stryker, Measurement Manager.

Chesapeake Utilities

Corporation is a diversified energy company that provides superior service to its customers and communities. For more than 100 years the Company has successfully delivered safe, secure, reliable and efficient solutions that are environmentally and economically smart. Chesapeake positions itself for long-term growth that creates superior value.

CHESAPEAKE UTILITIES

distributes natural gas through its Delaware and Maryland divisions to approximately 60,000 residential, commercial and industrial customers in Delaware and portions of Maryland. Additionally, **Sandpiper Energy, Inc.** distributes propane and natural gas to approximately 11,000 residential, commercial and industrial customers in Worcester County, Maryland.

FLORIDA PUBLIC UTILITIES COMPANY (“FPU”)

distributes natural gas to approximately 74,000 residential and commercial customers; electricity to 31,000 customers; and propane to 16,000 customers across Florida.

EASTERN SHORE NATURAL GAS COMPANY (“ESNG”)

owns and operates a 442-mile interstate pipeline that transports natural gas from various points in Pennsylvania to customers in Delaware, Maryland and Pennsylvania.

PENINSULA PIPELINE COMPANY, INC.

provides natural gas transmission services in Florida.

ASPIRE ENERGY OF OHIO, LLC (“ASPIRE ENERGY”)

is an unregulated natural gas infrastructure company with over 2,500 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 300 conventional producers and provides gathering and processing services necessary to maintain quality and reliability to wholesale markets.

SHARP ENERGY

distributes propane to 37,000 customers in Delaware, the Eastern Shore of Maryland and Virginia and southeastern Pennsylvania. Sharp AutoGas fuels over 280 vehicles through 14 propane fueling stations in Delaware, Maryland and Pennsylvania.

XERON, INC.

markets natural gas liquids to large trading, petrochemical and retail propane companies in the U.S.

PENINSULA ENERGY SERVICES COMPANY, INC. (“PESCO”)

provides natural gas supply and supply management services to over 3,000 customers in Florida, Delaware, Maryland, Pennsylvania and Ohio.

Together we aspire, together we grow.
Introducing our new family of logos.



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LEADERSHIP & BOARD

Executive, Corporate and Business Unit Officers and the Board of Directors.

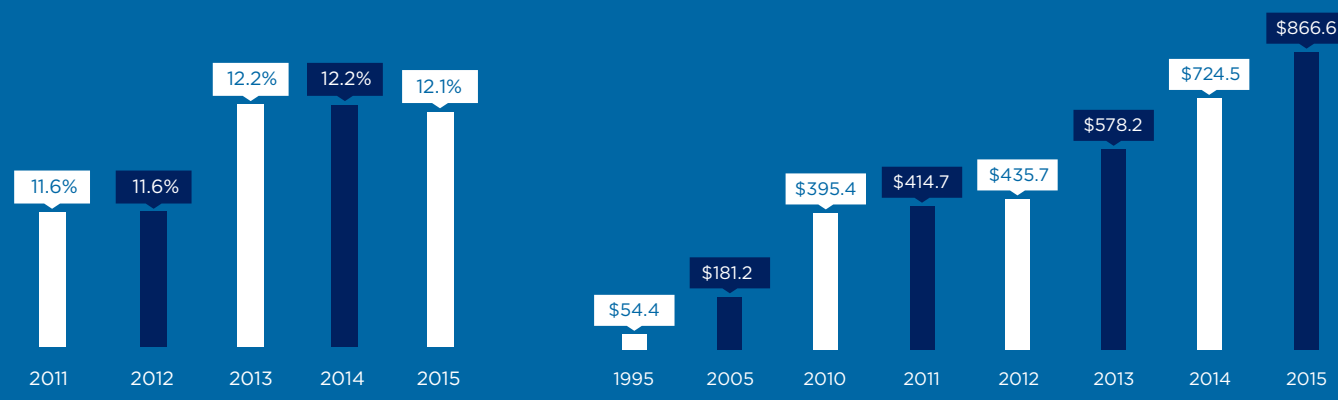
2015 FINANCIAL HIGHLIGHTS

(dollars in thousands, except per share amounts)	2015	2014	2015/2014 % CHANGE	2013	2014/2013 % CHANGE
OPERATING REVENUES	\$459,244	\$498,834	-8%	\$444,306	12%
OPERATING INCOME	\$77,758	\$62,279	25%	\$62,734	-1%
NET INCOME	\$41,140	\$36,092	14%	\$32,787	10%
EARNINGS PER SHARE*					
BASIC	\$2.73	\$2.48	10%	\$2.27	9%
DILUTED	\$2.72	\$2.47	10%	\$2.26	9%
ANNUALIZED DIVIDENDS PER SHARE*	\$1.15	\$1.08	6%	\$1.03	5%
TOTAL ASSETS	\$1,068,586	\$904,469	18%	\$837,522	8%
STOCKHOLDERS' EQUITY	\$358,138	\$300,322	19%	\$278,773	8%
LONG-TERM DEBT, NET OF CURRENT MATURITIES	\$149,340	\$158,486	-6%	\$117,592	35%
AVERAGE RETURN ON EQUITY	12.1%	12.2%	N/M	12.2%	N/M

OTHER

SHARES OUTSTANDING AT YEAR-END*	15,270,659	14,588,711	5%	14,457,345	1%
REGISTERED STOCKHOLDERS	2,396	2,329	3%	2,345	-1%
AVERAGE TOTAL NATURAL GAS DISTRIBUTION CUSTOMERS	144,872	141,227	3%	138,210	2%
AVERAGE TOTAL ELECTRIC DISTRIBUTION CUSTOMERS	31,430	31,272	1%	31,151	N/M
AVERAGE TOTAL PROPANE DISTRIBUTION CUSTOMERS	53,682	53,272	1%	51,988	2%

*Shares and per share amounts for all periods presented reflect the three-for-two stock split declared on July 2, 2014, effected in the form of a stock dividend, and distributed on September 8, 2014.



AVERAGE RETURN ON EQUITY

MARKET CAPITALIZATION (IN MILLIONS)

SERVICE MAPS

CHESAPEAKE UTILITIES & SANDPIPER ENERGY

■ ENERGY SERVICE TERRITORY

🛢️ NATURAL GAS FUELING STATION

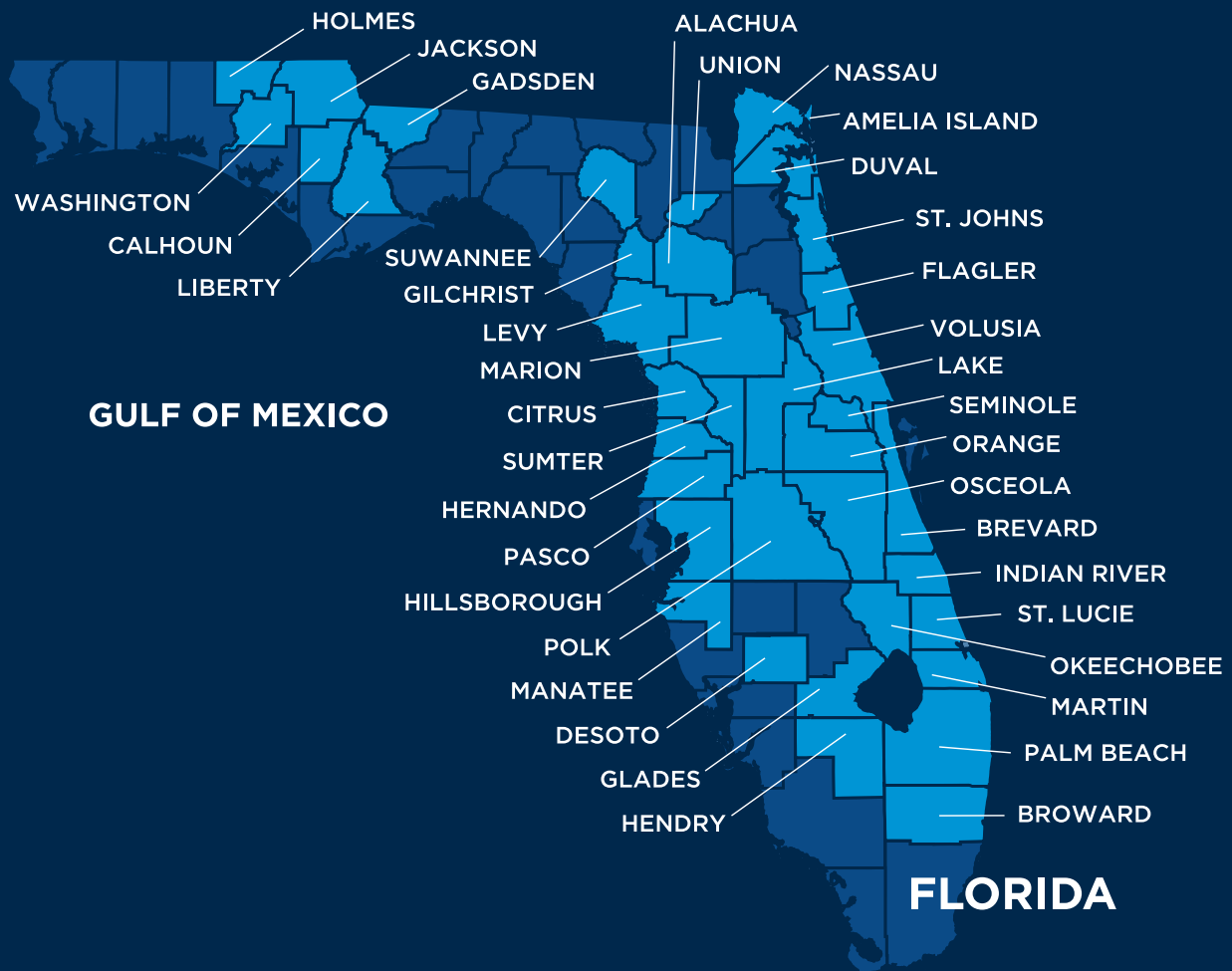


Chesapeake Utilities' Delmarva natural gas distribution operations serve approximately 71,000 residential, commercial and industrial customers in Delaware and Maryland, more than doubling the number of customers in the last 15 years. During that time, Chesapeake's Delaware division has extended its system southeastward to Milford, DE and through several other communities, reaching the shore in Lewes, DE and south to the Delaware state line. Chesapeake's Maryland division operates on Maryland's lower Eastern Shore in Wicomico, Dorchester and Caroline Counties, and has recently expanded into Cecil County in northeastern Maryland. Sandpiper Energy, Inc. provides propane and natural gas through underground distribution mains to approximately 11,000 residential, commercial and industrial customers in Worcester County, MD. Located in Dover, DE, Chesapeake Utilities operates the only natural gas fueling station on the Delmarva Peninsula.

EASTERN SHORE NATURAL GAS COMPANY

— NATURAL GAS TRANSMISSION PIPELINE

The Company's natural gas interstate transmission subsidiary, Eastern Shore Natural Gas Company ("ESNG"), receives natural gas from three upstream interstate pipeline systems and transports it to local distribution companies, electric power generators and industrial customers in southern Pennsylvania, Delaware and on the Eastern Shore of Maryland. Since the pipeline went Open Access in 1997, ESNG has quadrupled pipeline capacity, adding over 180 miles of new pipeline facilities and extending service toward Lewes, DE, west to Cecil County, MD and south across the state of Delaware. Our service territories extend as far as the Eastern Shore towns of Cambridge, Easton, Salisbury and Berlin, MD.

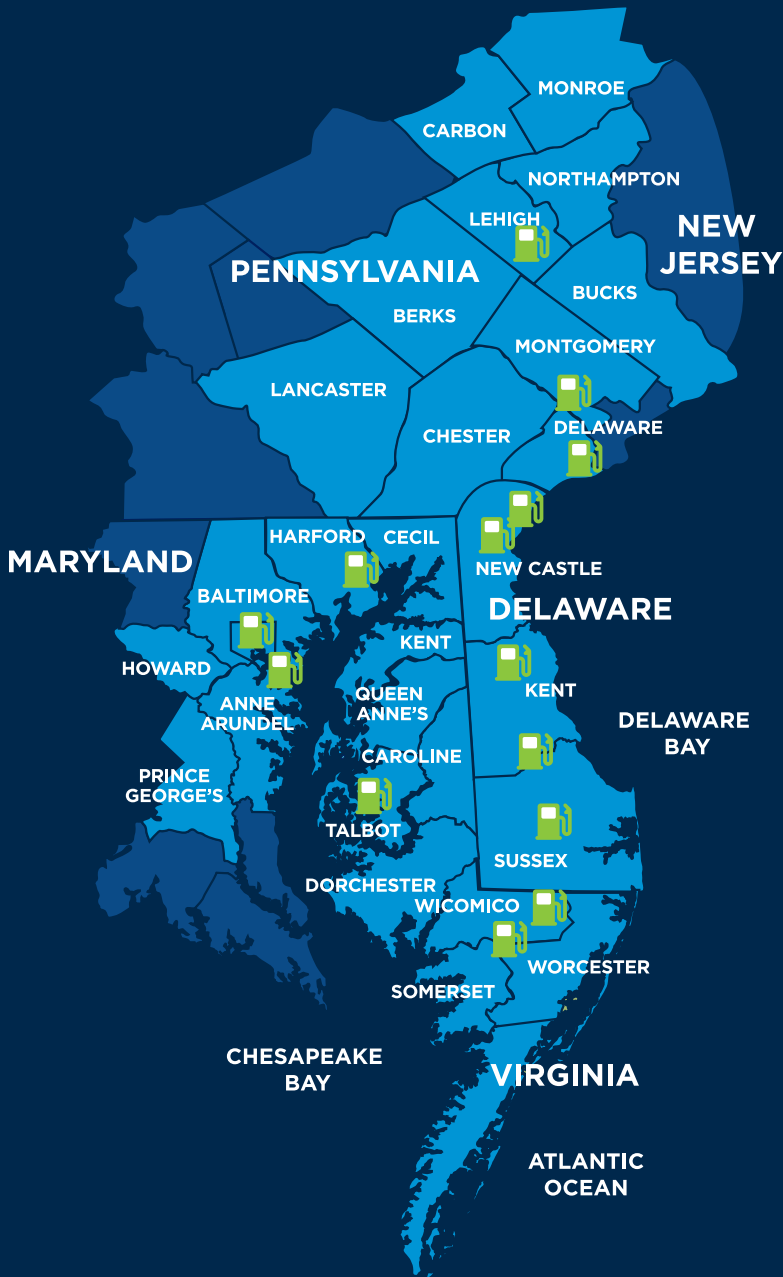


FLORIDA PUBLIC UTILITIES COMPANY

■ ENERGY SERVICE TERRITORY

Our Florida natural gas distribution operations, which serve approximately 74,000 customers, include Chesapeake's Florida division and the natural gas distribution operation of Florida Public Utilities Company ("FPU"), which was acquired in October 2009. FPU distributes electricity to approximately 31,000 customers in four counties throughout northeast and northwest Florida. Our Florida propane distribution subsidiary, Flo-Gas, Inc., provides propane distribution service to approximately 16,000 customers in various areas of Florida. Peninsula Pipeline Company, Inc., Chesapeake's intrastate pipeline subsidiary, provides natural gas transportation services to customers in Florida. Our Florida energy presence has grown over the past 15 years from three counties in central Florida to 39 counties throughout the state.

SERVICE MAPS



SHARP ENERGY & SHARP AUTOGAS

- ENERGY SERVICE TERRITORY
- PROPANE FUELING STATIONS

Through our subsidiary, Sharp Energy, Chesapeake provides propane distribution service to approximately 37,000 customers throughout Delaware, Maryland, Virginia and southeastern Pennsylvania. Within our propane distribution operations, we market Community Gas Systems™ (“CGS”), propane distribution systems that serve a subdivision from a central fuel storage facility through looped gas mains, which deliver gasified propane to residential and commercial users. Our propane operations have grown organically through our CGS strategy. In addition to our ongoing start-ups in Cecil County, MD and the Poconos region of Pennsylvania, Sharp Energy recently continued our strategy of geographic expansion by beginning a start-up on the western shore of Maryland. Sharp Energy is also focusing on propane AutoGas, a viable alternative fuel for automobiles. With reduced emissions and lower costs, Sharp Energy’s AutoGas currently fuels over 280 vehicles, displacing over 600,000 gallons of gasoline.



We continue to invest in our brand, employees, customers and communities, **fostering growth opportunities in existing and new markets** throughout our service territories and into new geographic areas.

ASPIRE ENERGY

PIPELINE INFRASTRUCTURE

Aspire Energy of Ohio (“Aspire Energy”) is an unregulated natural gas infrastructure company with over 2,500 miles of pipeline systems in 40 counties throughout Ohio. Aspire Energy provides natural gas supplies to various local gas cooperatives and local distribution companies, including Consumers Gas Cooperative and Ohio’s largest local distribution company, Columbia Gas of Ohio. In aggregate, we supply gas serving more than 20,000 end-use customers. Aspire Energy primarily sources gas from 300 conventional producers and provides gathering and processing services necessary to maintain quality and reliability to our wholesale markets.

LETTER FROM THE PRESIDENT

MY FELLOW SHAREHOLDERS:

How good it is to report that 2015 was another record year for Chesapeake Utilities Corporation. We posted record earnings for the ninth consecutive year. Our earnings per share reached \$2.72 (diluted), surpassing 2014's record by 10.1 percent. Total shareholder return, including stock price and dividends, was 16.7 percent in 2015, bringing our compound annual shareholder return to 14.4 percent for the past 10 years. Remarkably, over the same period, our total shareholder return has been in the 85th percentile of the more than 2,000 companies listed on the New York Stock Exchange ("NYSE").

FOUNDATION FOR GROWTH

Our approach to growth is relatively simple. It starts with persistent effort by our employees. They aspire to excel in everything they do, serving our customers, communities and investors with personal care and commitment. Every day, I grow prouder of their efforts and accomplishments as they continuously embody our shared values of Aspiring and Caring.

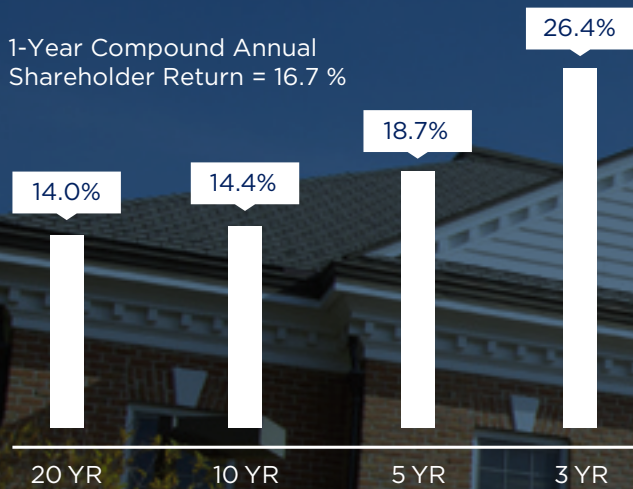
We have a plan for growth that challenges all of us to excel, and it is the spirited discipline and drive of our employees that makes our strategic planning process and the resulting plan work. Contrary to the old adage that too many cooks spoil the broth, we involve all of our business units in our strategic planning process and in identifying and developing new growth opportunities. Our strategic planning process requires that all of our business units look ahead together as one Company to develop a five-year plan, which we update every year, or more often if market forces dictate. This concerted effort produces a dynamic plan that challenges all of us to focus on investment opportunities that can sustain the growth required to achieve our aggressive targets over the long term.

As part of the process, our Growth Council oversees the evaluation and development of large and strategically significant projects. The Growth Council includes executives with operations, engineering, business development, regulatory, financial and legal backgrounds. The Council weighs the benefits and risks associated with each project, including its strategic and operational fit before it is presented for Board approval. After approval, the Council monitors further development until the project is fully launched and executed. This process supports sound resource allocation decisions and provides the discipline to develop and execute large and strategically significant growth projects. We're proud of our growth process and our record of successful execution.



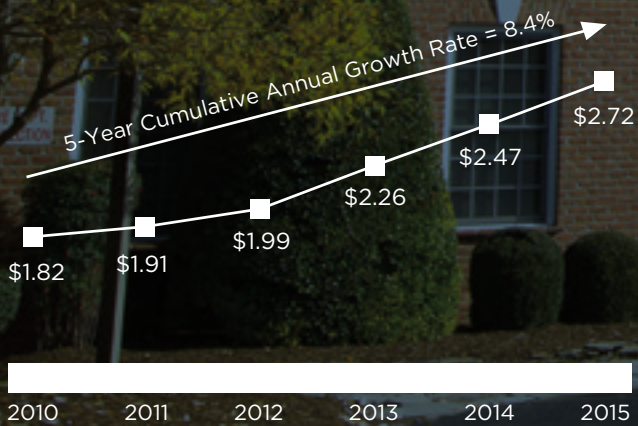
COMPOUND ANNUAL SHAREHOLDER RETURN

Total shareholder return for 2015 was 16.7 percent. In addition, our shareholders have earned more than 14 percent returns during each of the periods shown on a compound annual basis.



DILUTED EARNINGS PER SHARE

We achieved 8.4 percent cumulative annual growth rate.



CONTINUED GROWTH

We grew in 2015 by nearly every measure, as you will see throughout our annual report. Looking forward, we currently have several opportunities under development that we expect to start generating earnings and growth in 2016 and 2017. The foundation for this growth has already been laid. We are currently in the process of laying the foundation for more growth that we would expect to materialize in 2018, 2019 and 2020. Rest assured that we will continue our relentless efforts to drive growth by focusing on long-term, sustainable growth opportunities. We will remain both aggressive and disciplined, aspiring and careful, in our quest for growth with enduring value. These values are ingrained in our culture, strategic planning and our growth process.

RALPH ADKINS, CHAIR EMERITUS, RETIRING AFTER 54 YEARS OF SERVICE

After 54 years of service with Chesapeake Utilities Corporation, Ralph Adkins, former CEO and Chair of the Board and currently Chair Emeritus, is retiring. Over the years, Ralph has been involved in initiatives such as the Central Florida Gas Company and Plant City Natural Gas Company acquisitions in the mid to late 1980s, our acquisitions of propane distribution assets, our acquisition of Florida Public Utilities in 2009 and our acquisition of Gatherco, Inc., which was merged into our subsidiary, Aspire Energy of Ohio, in 2015.

In 1962, when Ralph joined the Company, we had \$3.1 million in revenue and net income of \$247,000. Net plant was less than \$6 million in 1962; today, it is more than \$850 million, 140 times larger than it was when Ralph joined the Company.

Needless to say, a lot changed during Ralph's tenure. This year, our net income was \$41 million, 165 times 1962's earnings. Ralph was with the Company in the 1970s, when the country was experiencing shortages of natural gas and our supplies were curtailed by 61 percent. Today, there is an abundance of domestically-produced natural gas. In 1962, we served Delaware and the Eastern Shore of Maryland. Today, we are also serving customers in Pennsylvania, Virginia, Florida and Ohio. In the early 1980s, *Forbes Magazine* recognized us as an up-and-coming company. Today, we are continuing that tradition by achieving top quartile performance in many of the key metrics that we monitor. In 1993, while Ralph was our CEO, Chesapeake Utilities Corporation was first listed on the NYSE as "CPK." On March 9, 2016, we celebrated with Ralph and his family by ringing The Closing Bell® at the NYSE. Many thanks, Ralph, for your faithful service over 54 years.

Thanks also to John Schimkaitis, who succeeded Ralph as Chair of the Board, and thanks to all of our Board members for supporting the stretch goals we set each year and cheering us on as we cross those goal lines. Thanks to our employees for all they do every day. And to all of you, our profound thanks for your abiding trust and confidence in us.

Sincerely,



Michael P. McMasters
President and Chief Executive Officer



ONE COMPANY

2015 was another year of opportunities and growth for Chesapeake Utilities Corporation. We continue to live our brand of Aspiring and Caring in all that we do. This is how we make business decisions and ensure we are disciplined in focusing on strategic growth that reinforces our brand and delivers superior shareholder value.

As we continued to grow this past year, it became clear that our strength comes from all of us working together as One Company. Regardless of each individual's role, business unit, or geographic location within the Company, our brand unifies our Company. To help communicate our brand throughout our family of businesses, we created a new family of logos. The new logo design embodies both the unity and individuality of each member of our family of businesses. The name of each business, cast in the same strong, bold font, leans forward, led by the soaring bird that symbolizes our shared core values: Aspiring and Caring. Our brand icon represents our strong culture and unwavering commitment to reach new heights as one Company.

In the spirit of living our brand, we had the opportunity to honor Ralph J. Adkins, Chair Emeritus, for his 54 years of service and contributions to our Company and our shareholders with a celebratory day at the NYSE. Ralph was joined by his family and the Company's leadership team on the podium at the NYSE to ring The Closing Bell®.

Pictured from left: Jeff Householder, President of Florida Public Utilities Company; Steve Thompson, Senior Vice President; Elaine Bittner, Senior Vice President of Strategic Development; Michael P. McMasters, President and Chief Executive Officer; Ralph Adkins, Chair Emeritus; John Schimkaitis, Chair of the Board of Directors; Beth Cooper, Senior Vice President and Chief Financial Officer; Jim Moriarty, Vice President and General Counsel; and Vikrant Gadgil, Vice President and Chief Information Officer.



CHESAPEAKE
UTILITIES CORPORATION

CHESAPEAKE
LISTED
NYSE

ALPHA
CHESAPEAKE EASTERN SHORE
FLORIDA PUBLIC
PENINSULA PESCO SANDPIPER SHARP XERON

TOGETHER WE ASPIRE

“For the fourth consecutive year, our Company was honored with a Top Workplace Award. I treasure this because it is a reflection of our culture and the quality of our employees and management team. Across the Company, our teams are working together to provide solutions to our customers’ needs and generate superior shareholder value. I am proud to say: **Together we aspire, together we grow.**”

- Michael P. McMasters, President and CEO

Chesapeake Utilities Corporation is a growing company with ambitious aspirations. By working together, we produce outstanding results for our employees, customers, communities and investors. Our employees’ creativity and dedication enable us to pursue growth initiatives with perseverance to achieve our objectives and generate positive results.

In 2015, we acquired Gatherco, Inc. in Ohio and rebranded our new subsidiary as Aspire Energy of Ohio, LLC (“Aspire Energy”). This acquisition is a direct result of our strategic business development efforts to further our growth by expanding our energy market presence and extending our geographic footprint.

Aspire Energy is a natural gas infrastructure company, providing midstream gathering and processing services to more than 300 producers in central and eastern Ohio. With operations in 40 of 88 Ohio counties, our newest subsidiary operates 16 gathering systems and more than 2,500 miles of gathering and intrastate pipelines in the Marcellus and Utica shale production areas, supplying natural gas to Ohio distributors. Additionally, this acquisition sets the groundwork for further expansion in this region.



Pictured above: Doug Ward, Vice President of Aspire Energy; and Elaine Bittner, Senior Vice President of Strategic Development and President of Aspire Energy.

By aspiring and caring together, we transform opportunities into profitable earnings growth throughout our businesses. We empower and encourage our employees to work in unison toward common goals, aligned with our brand values and our strategic plan.

EMPOWERING OUR EMPLOYEES

At Chesapeake, our employees are the heart of our Company. Everyone plays an important role in helping us accomplish our goals. Our internal programs encourage both professional and personal development, as well as opportunities for community engagement.

As our employees aspire to grow, our Company grows, becomes more resilient, and thrives. For the fourth consecutive year in 2015, Chesapeake was recognized as a Top Workplace in Delaware. The survey results surpassed industry benchmarks in nearly every category.

Pictured below from left: Amanda Chi, Director of Business Planning; Travis Vogl, Financial Analyst; Ryan Sebastian, Network Infrastructure Manager; Sarah Hardy, Senior Marketing Analyst; and Bill O'Brien, Associate General Counsel.



We express gratitude to our employees through several continuing programs. For example, our monthly Chesapeake Cares program celebrates employee milestones, Company accomplishments and growth plans. We also honor employees through our recognition program, which empowers employees to acknowledge team members who have exemplified our brand values in their interactions with one another and customers.

To successfully plan our Chesapeake Cares events, we have a team of more than 40 Brand Champions, who organize these events for their colleagues at business locations. Our Brand Champions are essential in ensuring that our brand is embraced across the Company. Recently, the Brand Champions were recognized for the roles they play at the first Annual Brand Champion Workshop.

Through our Chesapeake Aspiring Scholars program, the Company annually supports the educational aspirations of employees' children. In 2015, we awarded students of employees across our Company with scholarship grants to support their continuing education at an accredited college or university, or post-secondary technical school.

We also continue to recognize employees for making safety a high priority in everything they do. We strengthen our expertise and employee involvement to encourage a culture dedicated to promoting safer working environments and communities. In its fourth year, our ACEs in Safety Awards Program honors our employees who go above and beyond the norm to achieve excellence in safety. Employees are recognized for their exceptional safety practices in caring about colleagues, customers and the communities we serve.

We also provide opportunities to help our employees lead a healthier lifestyle. Our Chesapeake Wellness Program promotes health awareness and encourages our employees to enhance their health. Annually, we host health fairs at various business locations for employees and family members, offering biometric screenings and resources for inspiring healthier lifestyles. As we look to the future, we will continue to create programs that showcase how we care for our employees and help them reach new aspirations.

SERVING OUR CUSTOMERS TOGETHER

At Chesapeake, we see our communities as an extension of our Chesapeake family. We all live in the communities we serve and strive to create meaningful connections with our customers. We feel privileged to have the opportunity to serve our customers and provide energy resources in a safe and reliable manner – and we take this responsibility seriously.

As a team, we strive to deliver an exceptional customer experience. In 2015, Chesapeake Utilities Corporation was honored with the “Excellence in Business Award for Corporation of the Year.” This achievement is based on significant contributions to the business community and the positive influence Chesapeake has had on making Delaware a better place to live and work.

“I am honored that we have been recognized as a leader in the Delaware business community,” said Michael P. McMasters, President and CEO. “We take special pride in our communities. The teamwork, innovation and drive of our employees enhance the image of business in Delaware. Chesapeake has continued to grow, creating jobs for Delaware, successfully serving its customers and making a positive impact on local communities.”

ENGAGING WITH OUR COMMUNITIES AND GOVERNMENTS

Our performance as a strong community partner stems from our passion to help people reach their aspirations and make a meaningful impact on the lives of others. Beyond the energy services which we provide, we take pride in being a true partner in our communities and delivering value to our communities and society as a whole.

Our corporate citizenship aligns with our culture of Aspiring and Caring. Engaging with our communities is an integral part of our culture. We don't just talk about it, but create programs and opportunities for our employees to participate in community initiatives. We serve as volunteers, leaders on boards and committees, and at times in direct service to those in need.



Together
We Aspire.
Together
We Grow.

We feel privileged
to have the
opportunity
to serve our
customers and
provide energy
resources in a
safe and reliable
manner - and
we take this
responsibility
seriously.

Pictured left: Gloria Dewey, Director of
Customer Care, Back Office.



Our corporate citizenship aligns with our culture of

Aspiring
and
Caring.

Engaging with our communities is an

integral
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of our
culture.

In 2015, we also contributed more than \$235,000 to approximately 100 organizations nominated by employees throughout the Company.

A few highlights included partnerships with the following organizations:

Our approach to community engagement is driven by our strong leadership, dedicated employees and our collaboration with nonprofit partners and other organizations – all working toward a common goal of changing lives for the better.

In 2015, Chesapeake partnered with the American Heart Association as a Legacy Sponsor for the 13th Southern Delaware Go Red for Women® Event in celebrating “The Power of a Woman’s Heart.”

Elaine Bittner, Senior Vice President of Strategic Development, was the Event Chair for the second consecutive year. She led a team of caring employee volunteers from our Delaware and Florida locations to help raise over \$250,000 during two years of events, and to plan another gala event this year to promote national awareness of heart disease and stroke in women. This year’s event included a fashion show featuring Chesapeake women, who showcased the latest fashions and their energy in red-carpet style while supporting a great cause. These efforts resulted in another record-breaking event for the Delaware Chapter of the American Heart Association.

Our annual United Way® campaign is also a major focus of our community outreach. Companywide, employees pledged over \$65,000. Our subsidiary, FPU, was named the “Small Business of the Year for United Way” of northeast Florida for the third consecutive year. Additionally, FPU was recognized with the United Way’s top honor, the “Circle of Honor Platinum Award,” for best practices exhibited in a campaign.

In November 2015, we introduced our Cares with a Cause program. Through this companywide program we harness the power of our collective efforts to create a larger impact. Each quarter, we select a charitable cause to support through volunteering time or contributing goods. Our first Cares with a Cause event was a holiday toy and gift drive. Each business unit office partnered with a local charity, such as Toys for Tots or local shelters, to distribute employee donations of toys and gifts for children. Overall, employees throughout Delaware, Florida, Maryland and Ohio donated more than 1,350 items.

Through our SHARING Program, we partner with nonprofit organizations in Delaware and Maryland to provide financial assistance during the cold winter months to our customers who are elderly, ill and less fortunate. In 2015, we awarded grants through our SHARING Program totaling approximately \$43,000 to assist those in need.



Pictured above from left: Jessica Coxe, Marketing Coordinator; Suzy Hutchison, Customer Experience Manager; and Krystal McGill, Financial Administration Manager.

In 2015, Chesapeake expanded its Holiday Cares program to include all of our business regions. As part of our companywide Holiday Cares Volunteer Event, “Thanksgiving for All,” Chesapeake donated approximately \$30,000 to the local food banks and other nonprofit organizations sponsoring food drives in Delaware, Florida, Maryland and Ohio. Nearly 200 enthusiastic employee volunteers dedicated approximately 1,000 hours to package and distribute over 3,300 holiday meal boxes to families across our service areas.

Throughout the year, Chesapeake finds other ways to partner with local community organizations. In May 2015, Chesapeake employees joined Delaware Governor Jack Markell and the Food Bank of Delaware with many other volunteers at Legislative Hall in Dover, Delaware. This event raised awareness about statewide food insecurities and hunger issues. Volunteers assembled 5,200 “backpack” meals – one week of food delivered to less fortunate children in Delaware.

In July 2015, we hosted our annual Summer Chesapeake Cares Volunteer Event, working with the Food Bank of Delaware in support of its Summer Nutrition Program. For two days, volunteers from our Delaware and Maryland business offices sorted more than 10,000 pounds of donated fresh produce and food and packaged approximately 3,500 meals for children in Delaware.

“This was our fourth year partnering with the Food Bank of Delaware to provide Thanksgiving meals for local families,” said Elaine Bittner, Senior Vice President of Strategic Development. “Our employees look forward to volunteering for this event every year, and helping those in communities we serve. This is just another way we connect with our communities.”

In honor of our continuous commitment to community initiatives, the Food Bank of Delaware named Chesapeake Utilities Corporation “Donor of the Year.” In 2015, Chesapeake Utilities Corporation also



Pictured above: Employee volunteers taking part in our companywide Holiday Cares Volunteer Event, “Thanksgiving for All.” Nearly 200 Chesapeake employee volunteers dedicated approximately 1,000 hours to package and distribute over 3,300 holiday meal boxes to families across our service areas.

received the “Tourism Partner of the Year” award for its work within the Kent County, Delaware community. This recognition exemplified our support of events and programs that benefited tourism in the county, including the Dover Days Festival and the Amish Country Bike Tour.

Our Chesapeake Cares Mentor Program is another initiative to connect with our local communities with a specific focus on helping our youth. We successfully partnered with Connecting Generations to develop and launch our mentor program in Delaware. The program focuses on in-school mentoring at all grade levels and provides opportunities for our employees to volunteer approximately one hour per week with a student.

With the success of our initial launch, we expanded our program companywide with the addition of our new partner, Junior Achievement. Employees commit to a five to 12-week curriculum working with a teacher in the classroom. This additional mentoring option provides our employees an opportunity to make a positive impact on the lives of local students.

In 2015, FPU contributed \$25,000 to Step Up for Students, Inc., which provides scholarships for underprivileged children to attend school through a tax credit program offered throughout the state of Florida.

Care for our environment is another focus of service by

our Company and its employees. We have partnered with The Nature Conservancy for many years in support of raising funds for conservation in Delaware through the annual Dogfish Dash for the Delaware Chapter of The Nature Conservancy. Our Company participation includes sponsorships, participating runners and event volunteers from all of our business locations.

Additionally, employees participated in a project at the Milford Neck Preserve in Milford, Delaware, where they had an opportunity to show their support by mulching and performing other activities to help protect the plants from the summer heat and winter cold. The work of our employees will help make a difference to the Milford Neck landscape, including beaches and dunes, tidal marshlands, freshwater wetlands, swamp and upland forests and farmlands.

As One Company, we continue to develop strong partnerships with community organizations and our local governments. As a result, our employees are proud to be part of the Chesapeake family and look forward to working together to help improve the lives of others and build strong communities.



In honor of our continuous commitment to community initiatives, the Food Bank of Delaware named Chesapeake Utilities Corporation

Donor of the Year.

Pictured left: Sergio Carrillo, Director of Strategic Development.

TOGETHER WE GROW

We grew in 2015 because our employees are committed to our mission, vision and brand. This powerful energy drives our success.

IN 2015, WE GREW BY EVERY MEASURE:

Net Income

The Company's net income for the year ended December 31, 2015 was \$41.1 million, or \$2.72 per share, an increase of \$5.0 million, or \$0.25 per share, compared to 2014. 2015 was our ninth consecutive year of record earnings.

States and Customers Served

We added Ohio to the six other states in which we proudly serve: Delaware, Florida, Maryland, Pennsylvania, Virginia and Texas. Our customer base grew in every segment of our business.

Employees

Our team grew by approximately 10.5% to 832 employees at the end of 2015.

Capital Expenditures

The Company's capital expenditures for 2015 were

\$142.7 million, excluding the net amount expended to acquire our new Ohio operations. This represents a significant increase over the level of annual capital expenditures during the preceding three years, which averaged \$94.8 million per year.

Assets

Total assets exceeded \$1 billion for the first time in 2015.

Shares

Our common stock outstanding exceeded 15 million shares at the end of 2015.

Stock Price/Dividends

The Company's high, low and closing stock prices and dividends issued at the end of every quarter of 2015 exceeded those measures in 2014.



BY ASPIRING
TOGETHER WE
TRANSFORM
OPPORTUNITIES
INTO PROFITABLE
EARNINGS GROWTH
THROUGHOUT
OUR BUSINESSES.
WE EMPOWER
AND ENGAGE OUR
EMPLOYEES AS ONE
COMPANY WORKING
IN UNISON TOWARD
COMMON GOALS,
ALIGNED WITH OUR
BRAND AND OVERALL
STRATEGIC PLANNING.

Pictured left: Amanda Chi,
Director of Business Planning.

OUR STRATEGIC PLAN - THE FORCE THAT DRIVES OUR GROWTH

Together, we engage in a strategic planning process that involves all of our business units and the corporate team. We plan for the next five years and update the plan every year. In November 2015, halfway through our plan year, amid continuing increases in U.S. oil and natural gas production and declines in natural gas and oil prices, we convened our business unit leaders to assess changes in market fundamentals and potential impacts on our plan.

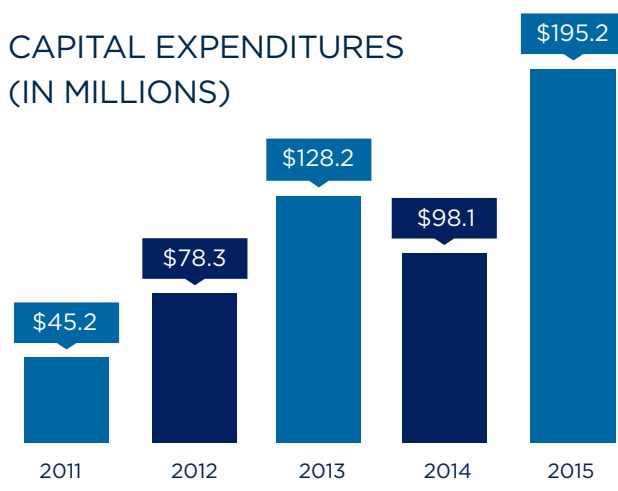
We not only plan together; we execute our plan together with discipline. Our Growth Council evaluates new growth opportunities, and monitors ongoing significant project developments from our existing businesses. With this process, we provide a disciplined capital investment process and probe to find and close any gaps in the financial, strategic and operational analysis of growth opportunities brought to the Growth Council.

Our Ohio presence, which began in April 2015, is an example of our planning and development process in action. The process began in 2014 with Growth Council consideration of a potential acquisition of the gathering, processing and intrastate pipeline systems of Gatherco, Inc. in Ohio. In 2015, after months of due diligence and negotiations, Gatherco was merged into our newly formed subsidiary, Aspire Energy of Ohio, LLC, (“Aspire Energy”) which now sources gas from 300 Ohio producers and provides gathering and processing services to maintain the quality and reliability required by its wholesale markets. Aspire Energy operates over 2,500 miles of pipeline systems in 40 of Ohio’s 88 counties and generates the majority of its margin from long-term supply agreements with Columbia Gas of Ohio and Consumers Gas Cooperative, which together serve more than 20,000 end-use customers in Ohio.

Aspire Energy expands both our geographic and market footprints and sets the stage for additional expansion and strategic enhancements regionally (including the Utica and Marcellus shale production areas). Strategically, we are also positioned to capitalize on changes in gas flows and basis pricing resulting from production in these areas.

We invested a net value of \$52.5 million to acquire our Ohio operations, signaling to the energy industry that we will consider smaller or larger investments or acquisitions that fit our strategic plan.

We brought to Ohio the experience we’ve gained in other states, building and operating energy delivery systems that creatively connect supply with demand. We saw in Ohio a new opportunity to play to our strengths by doing what we’ve learned to do well in other states for decades.



*Note: Capital Expenditures include key acquisitions.

INVESTING IN GROWTH

Over the past five years, we have invested approximately \$545 million, including acquisitions, while generating returns equal or greater than our cost of capital.



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or acquisitions
that fit our
strategic plan.

Pictured left: Zech Haynes, Meter Reader.



Our people

are leading our
strategic growth.

We utilize our
employees' expertise
across our various
businesses to
improve overall
performance.
Our employees
have worked
together across
our businesses
to identify and
develop growth
opportunities.

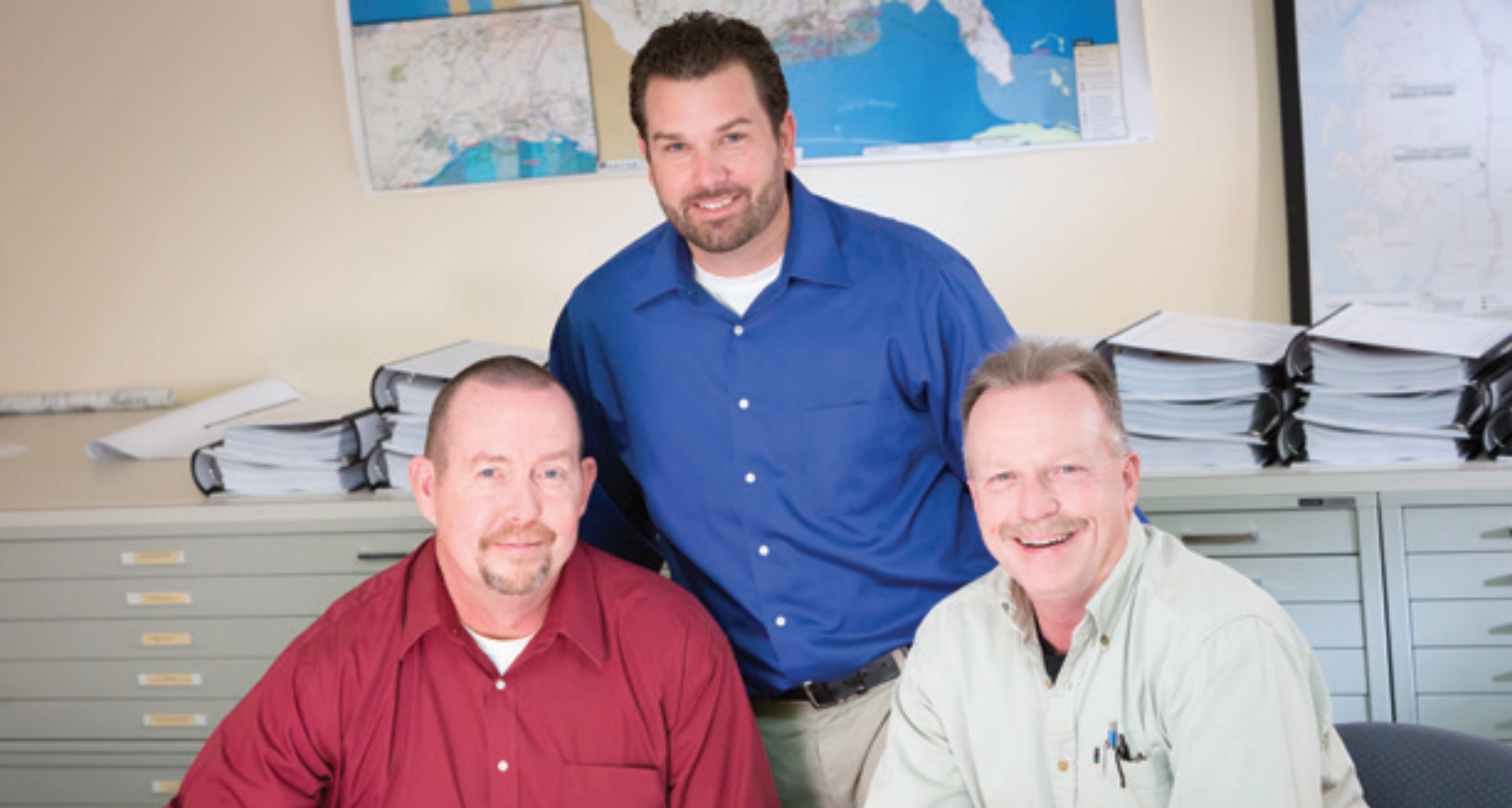
Nearly 60 years ago, we built the ESNG interstate pipeline to supply natural gas to distribution companies and large industrial customers on the Delmarva Peninsula. Over the past 20 years, ESNG has tripled its firm peak day service capacity. In 2015, ESNG pursued the regulatory authorizations required to construct \$69 million in new facilities to expand its pipeline system to serve growth in demand and further strengthen its system to meet peak demands on the coldest days. In 2016, ESNG will pursue regulatory authorizations for another expansion project that will likely add another \$125 million investment in new facilities to serve new growth in demand. The combined total of nearly \$200 million in new investment represents an 82 percent increase in ESNG's gross investment capital expenditures from the end of 2014 through 2017.

Over the years, we've learned that connecting energy supplies with demands often requires creative solutions to meet customers' needs. This is where our team is at its best, designing services and rates to make new services feasible and affordable.

Thirty years ago, we took the skills we honed on the Delmarva Peninsula to Florida, beginning with our acquisitions of gas distribution companies in Central Florida in the mid-1980s, followed by our acquisition of FPU in 2009, which doubled the number of customers served by our Company. Over the next six years, our expanded Florida team has identified and developed opportunities to build and operate energy delivery systems that connect supply with demand and provide creative solutions to customer needs throughout Florida.

In 2015, Eight Flags Energy, LLC began construction of a combined heat and power ("CHP") plant in Nassau County, Florida. Rayonier Advanced Materials, Inc. will purchase the waste steam produced by the CHP plant's natural-gas-fired turbine and associated electric generator. The CHP plant will generate approximately 20 megawatts of base load power that will be sold to FPU for distribution to its retail electric customers. The CHP plant is expected to commence operations in mid-2016. In 2015, the Company constructed a lateral to serve the CHP plant and completed construction of several other pipeline projects to meet growth demands of affiliated and non-affiliated companies.

Our propane wholesale and retail operations are also expanding, creatively connecting supply with customer demand. We are strengthening our storage and transportation infrastructure to meet peak cold weather demands and to support our competitive pricing structure based on local market conditions. We are growing organically in our traditional service areas and



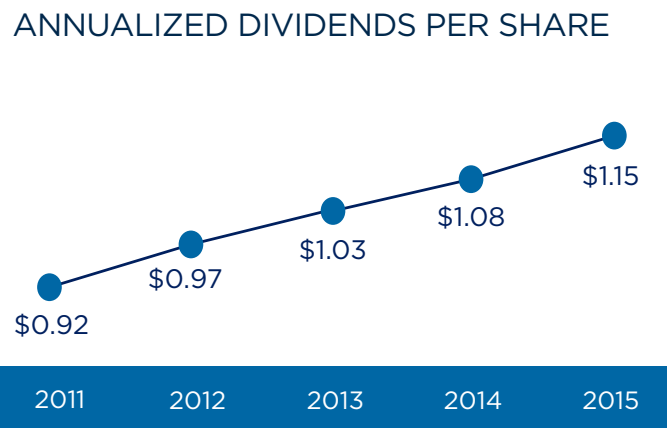
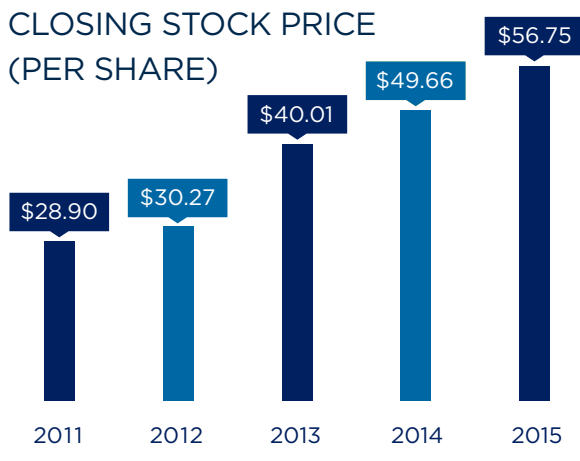
Pictured above from left: Transmission Projects Coordinators Richard Welsh, Jason Woody and Marvin Johnson.

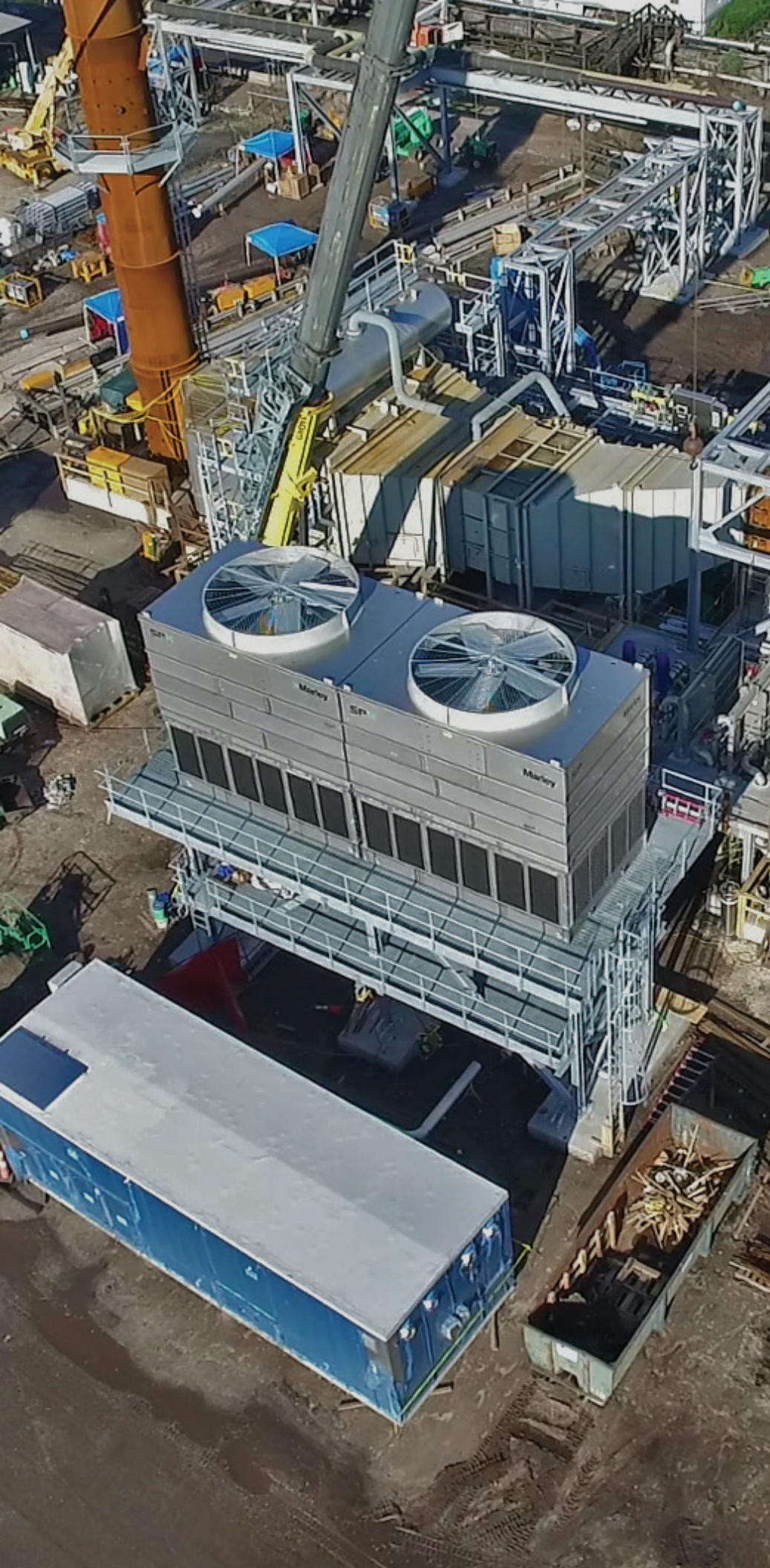
through acquisitions of other companies. We are building propane AutoGas fueling stations to serve large fleets. We are converting large industrial customers from oil to propane, displacing millions of gallons of oil and reducing their carbon emissions.

Wherever we are, whatever the energy need, we're planning and working together to meet it and learning together as we go. That's the powerful force driving our growth.

INCREASING SHAREHOLDER VALUE

In 2015, for the 55th consecutive year, we paid a dividend of \$1.15, which is approximately six percent higher than 2014.





Over the years, we've learned that connecting energy supplies with demands often requires creative solutions to meet customers' needs.

This is where our team is at its best, designing services and rates to make new services feasible and affordable.

LEADERSHIP



EXECUTIVE OFFICERS



Michael P. McMasters
President & Chief Executive Officer



Elaine B. Bittner
Senior Vice President of Strategic Development; President and Chief Operating Officer, Aspire Energy; and Chief Operating Officer, Sharp Energy, Inc.; Peninsula Energy Services Company; and Xeron, Inc.



Beth W. Cooper
Senior Vice President, Chief Financial Officer & Assistant Secretary



Jeffrey M. Householder
President, Florida Public Utilities Company; and Peninsula Pipeline Company, Inc.



James F. Moriarty
Vice President, General Counsel & Corporate Secretary



Stephen C. Thompson
Senior Vice President; President and Chief Operating Officer, Eastern Shore Natural Gas Company; and Sandpiper Energy, Inc.

CORPORATE OFFICERS



Nicole T. Carter
Assistant Vice President of Customer Care



Mark L. Eisenhower
Vice President of Strategic Planning & Business Development



Vikrant A. Gadgil
Vice President and Chief Information Officer



John J. Lewnard
Vice President of Business Development



Thomas E. Mahn
Treasurer



Devon S. Rudloff
*Assistant Vice President
of Human Resources*



Joseph D. Steinmetz
*Assistant Vice President
of Internal Audit*

BUSINESS UNIT OFFICERS



Richard G. Garcia
*President,
Xeron, Inc.*



William D. Hancock
*Assistant Vice President,
Peninsula Energy Services
Company*



C. Trey Judy
*Vice President,
Xeron, Inc.*



Cheryl M. Martin
*Assistant Vice President of
Regulatory Affairs & Business Planning,
Florida Public Utilities Company*



C. James Moore
*Vice President,
Chesapeake Utilities; and
Sandpiper Energy, Inc.*



Aleida F. Socarrás
*Assistant Vice President of
Marketing & Energy Logistics,
Florida Public Utilities Company*



Jeffrey R. Tietbohl
*Vice President,
Eastern Shore Natural
Gas Company*



Douglas M. Ward
*Vice President,
Aspire Energy*



Kevin J. Webber
*Vice President - Business
Development & Gas Operations,
Florida Public Utilities Company*



S. Robert Zola
*President,
Sharp Energy, Inc.*

BOARD OF DIRECTORS



Ralph J. Adkins
Director Since 1989
Chair Emeritus
Retired President & Chief Executive Officer - Chesapeake Utilities Corporation



Eugene H. Bayard ■
Director Since 2006
Law Partner - Morris James Wilson Halbrook & Bayard, Georgetown, Delaware



Richard Bernstein ■
Director Since 1994
President & Chief Executive Officer - LWRC International, LLC, Cambridge, Maryland; Retired President & Chief Executive Officer - BAI Aerosystems, Inc., Easton, Maryland



Thomas J. Bresnan ■
Director Since 2001
Owner & President - Accounting & Business School of the Rockies and Denver Accounting Services, Greenwood Village, Colorado



Ronald G. Forsythe, Jr., Ph.D. ■
Director Since 2014
President & Chief Executive Officer - Quality Health Strategies, Easton, Maryland



Thomas P. Hill, Jr. ■
Director Since 2006
Retired Vice President of Finance & Chief Financial Officer - Exelon Energy Delivery Company, Philadelphia, Pennsylvania



Dennis S. Hudson, III ■
Director Since 2009
Chair & Chief Executive Officer - Seacoast National Bank & Seacoast Banking Corporation of Florida, Stuart, Florida



Paul L. Maddock, Jr. ■
Director Since 2009
Trustee & President - The Maddock Companies, Palm Beach, Florida



Michael P. McMasters

Director Since 2010

*President & Chief
Executive Officer -
Chesapeake Utilities
Corporation*



Joseph E. Moore ■ ■

Director Since 2001

*Law Partner -
Williams, Moore,
Shockley & Harrison, LLP,
Ocean City, Maryland*



Calvert A. Morgan, Jr. ■ ■

Director Since 2000

*Director and Former Special Advisor -
WSFS Financial Corporation,
Wilmington, Delaware;
Director and Vice Chair -
Wilmington Savings Fund Society
(WSFS Bank), Wilmington, Delaware;
Retired Chair, President & Chief
Executive Officer - PNC Bank,
Delaware, Wilmington, Delaware*



Dianna F. Morgan ■

Director Since 2008

*Former Senior Vice President -
Walt Disney World Co.,
Orlando, Florida;
Past Chair of the Board of
Trustees -
University of Florida,
Gainesville, Florida*



John R. Schimkaitis

Director Since 1996

*Chair of the Board
Retired President & Chief
Executive Officer -
Chesapeake Utilities
Corporation*

COMMITTEE KEY

 Audit Committee

 Compensation Committee

 Corporate Governance
Committee

AUDIT COMMITTEE

- Thomas J. Bresnan - CHAIR
- Ronald G. Forsythe, Jr., Ph.D
- Thomas P. Hill, Jr.
- Dennis S. Hudson, III
- Paul L. Maddock, Jr.

COMPENSATION COMMITTEE

- Richard Bernstein - CHAIR
- Joseph E. Moore
- Calvert A. Morgan, Jr.
- Dianna F. Morgan

CORPORATE GOVERNANCE COMMITTEE

- Calvert A. Morgan, Jr. - CHAIR
- Eugene H. Bayard
- Joseph E. Moore



**TOGETHER
WE ASPIRE**
TOGETHER WE GROW

CHESAPEAKE UTILITIES CORPORATION: BY THE NUMBERS



9

Consecutive years of record earnings

830+

Employees spanning 7 states

13.54%

Annual shareholder return since listing on the NYSE in 1993

230,000+

Customers

486

Miles of natural gas transmission pipeline

1859

Chesapeake Utilities Corporation history began with providing street lighting in Dover, DE

2,500

Miles of natural gas gathering pipelines

1947

Year of Incorporation in Delaware

4,136

Miles of natural gas distribution mains

1985

Chesapeake Utilities Corporation's common stock began trading on the NASDAQ National Market System as CHPK

52,642

Gallons of propane distributed annually

1993

Chesapeake Utilities Corporation's common stock began trading on the New York Stock Exchange as CPK

437

Miles of underground propane distribution mains

4.1 M

Gallons of bulk propane storage capacity

4

Consecutive years recognized as a Top Workplace company in Delaware

