

MDU RESOURCES GROUP INC
Form 424B2
May 16, 2014

Filed Pursuant to Rule 424(b)(2)
Registration No. 333-195990
PROSPECTUS SUPPLEMENT
(To Prospectus dated May 15, 2014)

Up to 5,275,670 Shares

MDU RESOURCES GROUP, INC.

Common Stock

We have entered into an equity distribution agreement, dated May 20, 2013 and amended on December 2, 2013, with Wells Fargo Securities, LLC, or Wells Fargo Securities, relating to shares of our common stock, par value \$1.00 per share, offered by this prospectus supplement and the accompanying prospectus pursuant to a continuous offering program. In accordance with the terms, and subject to the conditions, of the equity distribution agreement, we may offer and sell up to 7,500,000 shares of our common stock from time to time through Wells Fargo Securities as our agent for the offer and sale of the shares. As of the date of this prospectus supplement, we have sold 2,224,330 shares of our common stock pursuant to the equity distribution agreement and a prior prospectus supplement and accompanying prospectus, which means that we may sell up to an additional 5,275,670 shares of our common stock pursuant to the equity distribution agreement and this prospectus supplement and the accompanying prospectus. Sales of our common stock, if any, under this prospectus supplement and the accompanying prospectus may be made in privately negotiated transactions or transactions that are deemed to be "at the market offerings," including sales made directly on the New York Stock Exchange or sales made to or through a market maker. Wells Fargo Securities is not required to sell any specific number of shares but, subject to the terms and conditions of the equity distribution agreement, and as instructed by us, will make all sales using its commercially reasonable efforts consistent with its normal trading and sales practices to sell such shares. Sales of the shares, if any, will be made at market prices prevailing at the time of sale. There is no arrangement for funds to be received in an escrow, trust or similar arrangement. The offering of common stock pursuant to the equity distribution agreement will terminate upon the earlier of (1) the sale of all shares of common stock subject to the equity distribution agreement and (2) the termination by us or Wells Fargo Securities of the equity distribution agreement. Wells Fargo Securities will receive from us a commission equal to 1% of the gross sales price of all shares sold through it as sales agent and/or principal under the equity distribution agreement and we have agreed to reimburse Wells Fargo Securities for its reasonable documented out-of-pocket expenses, including fees, disbursements and expenses of counsel.

Our common stock is listed on the New York Stock Exchange under the symbol "MDU." On May 15, 2014, the last reported sale price of our common stock on the New York Stock Exchange was \$33.75 per share.

Our principal executive offices are located at MDU Resources Group, Inc., 1200 West Century Avenue, P.O. Box 5650, Bismarck, North Dakota 58506-5650, and our telephone number is (701) 530-1000.

See "Risk Factors" beginning on page S-3 of this prospectus supplement and the discussion of risk factors contained in our annual, quarterly and current reports filed with the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, which are incorporated by reference into this prospectus supplement and the accompanying prospectus, to read about certain factors you should consider before purchasing any of the securities being offered.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these shares or passed upon the adequacy or accuracy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

Wells Fargo Securities

The date of this prospectus supplement is May 16, 2014.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering of common stock and also adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference into this prospectus supplement and the accompanying prospectus. The second part is the accompanying prospectus, which contains a description of the securities registered by us and gives more general information, some of which may not apply to this offering. You should read this entire prospectus supplement, the accompanying prospectus and any free writing prospectus carefully, including the consolidated financial statements and other information incorporated by reference herein and therein in their entirety before making an investment decision. If the information contained or incorporated by reference in this prospectus supplement (or any free writing prospectus) is different from, or inconsistent with, the information contained or incorporated by reference in the accompanying prospectus, you should rely on the information contained or incorporated by reference in this prospectus supplement (or any free writing prospectus).

You should rely only on the information incorporated by reference or provided in this prospectus supplement, the accompanying prospectus and any "free writing prospectus" we may authorize to be delivered to you. Neither we nor Wells Fargo Securities has authorized anyone else to provide you with different, inconsistent or additional information. If anyone provides you with different, inconsistent or additional information, you should not rely on it. Neither we nor Wells Fargo Securities is making an offer to sell these securities in any jurisdiction where such offer or sale is not permitted. This document may only be used where it is legal to sell these securities. You should assume that the information contained in this prospectus supplement, the accompanying prospectus, any free writing prospectus, and the documents incorporated by reference herein and therein is accurate only as of the dates such information is or

was presented, regardless of the time of delivery of this prospectus supplement and the accompanying prospectus or of any sale of our common stock. Our business, financial condition, liquidity, results of operations and prospects may have changed since those dates.

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RISK FACTORS

Investing in our common stock involves certain risks. You are urged to read and consider the following risk factors as well as those described in our annual, quarterly and current reports filed with the SEC under the Exchange Act, which are incorporated by reference into this prospectus supplement and the accompanying prospectus. Before making an investment decision, you should carefully consider these risks as well as other information that we include or incorporate by reference in this prospectus supplement and the accompanying prospectus. The risks and uncertainties described below and those incorporated from our other filings with the SEC are not the only ones facing us.

Additional risks and uncertainties not currently known to us or that we currently deem not material also may impair our business operations. If any of those risks actually occur, our business, financial condition, operating results, cash flow and prospects could be materially adversely affected, and the trading price of our common stock could decline, resulting in the loss of all or part of your investment.

You may experience significant dilution as a result of this offering and additional issuances of our securities, which could materially and adversely affect the market price of our common stock.

Our Restated Certificate of Incorporation, as amended, permits our board of directors to authorize, without stockholder approval, the issuance of additional common stock or one or more series of preferred stock, preferred stock A, preference stock or securities convertible or exchangeable into or exchangeable for our equity securities. We may, from time to time and at any time, seek to offer and sell common stock, preferred stock, preferred stock A, preference stock or other securities, including sales of common stock in this offering through Wells Fargo Securities, based on market conditions and other factors that may be beyond our control.

This offering may have a dilutive effect on our earnings per share after giving effect to the issuance of our common stock in this offering and the receipt of the expected net proceeds. The actual amount of dilution from this offering, or from any future offering of common stock, preferred stock, preferred stock A, preference stock or other securities will be based on numerous factors and cannot be determined at this time. The market price of our common stock could decline as a result of sales of a large number of shares of our equity securities in the market pursuant to this offering, or otherwise, or as a result of the perception or expectation that those sales could occur.

The market price of our common stock may fluctuate significantly.

The market price of our common stock could be subject to significant fluctuations in response to factors such as the following, some of which are beyond our control:

- actual or anticipated variations in our quarterly operating results, including variations from the expectations of management, securities analysts and investors;
- changes in expectations as to our future financial performance, including financial estimates by securities analysts and investors;
- announcements by us or our competitors of significant contracts, acquisitions, joint marketing relationships, joint ventures or capital commitments;
- announcements by third parties of significant claims or proceedings against us;
- favorable or adverse regulatory or legislative developments;
- our dividend policy;
- future sales by us of common stock or other securities;
- changes in the ratings of our securities;

market perception of us and our industry and developments generally affecting industries in which we operate; and general economic conditions.

In addition, the stock markets in general, including the New York Stock Exchange, are subject to significant price and trading fluctuations. These fluctuations have resulted in volatility in the market prices of securities that often has been unrelated or disproportionate to changes in operating performance and may affect adversely the market price of our common stock.

PLAN OF DISTRIBUTION (CONFLICTS OF INTEREST)

We have entered into an equity distribution agreement, dated May 20, 2013 and amended on December 2, 2013, with Wells Fargo Securities under which we may offer and sell up to 7,500,000 shares of our common stock from time to time through Wells Fargo Securities, as our agent. As of the date of this prospectus supplement, we have sold 2,224,330 shares of our common stock pursuant to the equity distribution agreement and a prior prospectus supplement and accompanying prospectus, which means that we may sell up to an additional 5,275,670 shares of our common stock pursuant to the equity distribution agreement and this prospectus supplement and the accompanying prospectus. The sales, if any, of the additional shares of common stock under the equity distribution agreement may be made in "at the market offerings" as defined in Rule 415 under the Securities Act of 1933, as amended, including sales made directly on the New York Stock Exchange, the principal existing trading market for our common stock, or on any other existing trading market for our common stock and sales made to or through a market maker. The equity distribution agreement also provides that Wells Fargo Securities may sell our common stock by any other method permitted by law, including, without limitation, in privately negotiated transactions.

From time to time during the term of the equity distribution agreement, and subject to the terms and conditions set forth therein, we may deliver an issuance notice to Wells Fargo Securities specifying the length of the selling period, the amount of common stock to be sold and any minimum price below which sales may not be made. Upon acceptance of an issuance notice from us, Wells Fargo Securities has agreed to use its commercially reasonable efforts consistent with its normal trading and sales practices to sell our common stock on such terms and subject to the conditions set forth in the equity distribution agreement. Subject to certain conditions, we or Wells Fargo Securities may suspend any sale of shares of common stock at any time upon proper notice to the other, upon which the selling period will immediately terminate. The obligation of Wells Fargo Securities under the equity distribution agreement to sell common stock pursuant to any issuance notice is subject to a number of conditions, which Wells Fargo Securities reserves the right to waive in its sole discretion.

Wells Fargo Securities will provide written confirmation to us no later than the opening of the trading day on the New York Stock Exchange following the trading day on which shares of our common stock are sold under the equity distribution agreement. Each confirmation will include the number of shares of common stock sold in respect of such trading day, the net proceeds to us and the compensation payable by us to Wells Fargo Securities with respect to the sales.

We will pay Wells Fargo Securities a commission for its services in acting as sales agent and/or principal equal to 1% of the gross sales price of all shares sold through it under the equity distribution agreement. We have also reimbursed Wells Fargo Securities \$75,000 for its reasonable documented out-of-pocket expenses, including fees, disbursements and expenses of counsel, in connection with the equity distribution agreement that were incurred on or prior to May 20, 2013, and we have agreed to reimburse Wells Fargo Securities for its reasonable documented out-of-pocket expenses, including fees, disbursements and expenses of counsel, in connection with the equity distribution agreement incurred after that date. We estimate that the total expenses for the offering of all 7,500,000 shares, excluding compensation payable to Wells Fargo Securities under the terms of the equity distribution agreement, will be approximately \$250,000. In connection with the sale of the common stock hereunder, Wells Fargo Securities may be deemed to be an "underwriter" within the meaning of the Securities Act of 1933, as amended, and the compensation paid to Wells Fargo Securities may be deemed to be underwriting commissions or discounts. We have agreed to indemnify Wells Fargo Securities against certain civil liabilities, including under the Securities Act of 1933, as amended, or to contribute to payments Wells Fargo Securities may be required to make because of any of these liabilities.

Sales of our common stock as contemplated by this prospectus supplement will be settled through the facilities of The Depository Trust Company or by such other means upon which we and Wells Fargo Securities may agree. Settlement for sales of common stock will occur on the third (3rd) trading day following the date on which any sales are made, or on some other date that is agreed upon by us and Wells Fargo Securities in connection with a particular transaction, in return for payment of the net proceeds to us. There is no arrangement for funds to be received in an escrow, trust or similar arrangement.

We will report at least quarterly the number of shares of common stock sold through Wells Fargo Securities, as agent under the equity distribution agreement, and the net proceeds received by us with respect to such common stock.

The offering of common stock pursuant to the equity distribution agreement will terminate upon the earlier of (1) the sale of all shares of common stock subject to the equity distribution agreement and (2) the termination of the equity distribution agreement by either Wells Fargo Securities or us. The equity distribution agreement may be terminated by Wells Fargo Securities or us at any time upon three (3) days' notice, by us in certain circumstances and upon notice by Wells Fargo Securities in certain circumstances, including our failure to maintain a listing of our common stock on the New York Stock Exchange or the occurrence of a material adverse change in our company.

Conflicts of Interest

An affiliate of Wells Fargo Securities is the administrative agent, and a lender to us, under our revolving credit facility and may receive a portion of amounts, if any, which may be repaid from the proceeds of this offering. Because an affiliate of Wells Fargo Securities is a lender under our revolving credit facility, Wells Fargo Securities or its affiliates may receive more than 5% of the net proceeds of this offering.

Other Relationships

Wells Fargo Securities and its affiliates have engaged in, and may in the future engage in, investment banking, advisory, general financing, trustee, banking and other commercial services for us and our affiliates from time to time in the ordinary course of business. They have received, or may in the future receive, customary fees and commissions for these engagements. An affiliate of Wells Fargo Securities serves as the transfer agent and registrar for our equity securities.

In addition, in the ordinary course of business activities, Wells Fargo Securities and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates. Wells Fargo Securities and its affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

LEGAL OPINIONS

Certain legal matters in connection with this offering, including the validity of the common stock, will be passed upon for us by Paul K. Sandness, Esq., our General Counsel, and also by Cohen Tauber Spievack & Wagner P.C., New York, New York. Pillsbury Winthrop Shaw Pittman LLP, New York, New York, will act as counsel to Wells Fargo Securities.

PROSPECTUS

MDU RESOURCES GROUP, INC.

Debt Securities
and
Common Stock

We may offer from time to time any combination of the securities described in this prospectus in one or more offerings and in amounts authorized from time to time. We will provide the specific terms of our securities, including their offering prices, in supplements to this prospectus. The supplements may also add, update or change information contained in this prospectus. You should read this prospectus and any supplements carefully before you invest.

Our common stock is listed on the New York Stock Exchange and trades under the symbol "MDU."

Our principal executive offices are located at MDU Resources Group, Inc., 1200 West Century Avenue, P.O. Box 5650, Bismarck, North Dakota 58506-5650, and our telephone number is (701) 530-1000.

See the discussion of risk factors, if any, discussed in the accompanying prospectus supplement as well as the risk factors contained in our annual, quarterly and current reports filed with the Securities and Exchange Commission under the Securities Exchange Act of 1934, which are incorporated by reference into this prospectus, to read about certain factors you should consider before investing in the securities being offered.

We may offer our securities to or through underwriters or dealers, directly to purchasers or through agents designated from time to time. This prospectus may be used in connection with any offering of securities through any of these methods or any other methods described in supplements to this prospectus. The supplements to this prospectus will describe the terms of any particular plan of distribution, including any underwriting arrangements. The "Plan of Distribution" section on page 19 of this prospectus provides more information on this topic.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this Prospectus is May 15, 2014.

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ABOUT THIS PROSPECTUS

References in this prospectus to the “Company,” “MDU Resources,” “we,” “our” and “us” refer to MDU Resources Group, Inc.

This prospectus is part of a registration statement that we filed under the Securities Act of 1933 with the Securities and Exchange Commission, or SEC, utilizing a “shelf” registration process. Under this shelf registration process, we may issue and sell any combination of the securities described in this prospectus in one or more offerings from time to time in amounts authorized by the board of directors of MDU Resources. The registration statement is unlimited to the amount of securities that may be registered. The actual amount of securities being issued from time to time will be disclosed through a prospectus supplement.

This prospectus provides you with a general description of the securities that we may offer. Each time we sell securities, we will provide a prospectus supplement that will contain specific information about the terms of that offering. Material United States federal income tax considerations applicable to the offered securities will be discussed in the applicable prospectus supplement, if necessary. The applicable prospectus supplement may also add, update or change information contained in this prospectus. If there is any inconsistency between the information in this prospectus and the applicable prospectus supplement you should rely on the information contained in the prospectus supplement. You should read both this prospectus and any applicable prospectus supplement together with additional information described under the heading “Where You Can Find More Information About Us” and “Incorporation by Reference.”

For more detailed information about the securities, you can read the exhibits to the registration statement. Those exhibits have been either filed with the registration statement or incorporated by reference to earlier SEC filings listed in the registration statement.

WHERE YOU CAN FIND MORE INFORMATION ABOUT US

We file annual, quarterly and other reports and other information with the SEC. You can read and copy any information filed by us with the SEC at the SEC’s Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. You can obtain additional information about the Public Reference Room by calling the SEC at 1-800-SEC-0330.

In addition, the SEC maintains an Internet site (<http://www.sec.gov>) that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC, including us. We also maintain a website (<http://www.mdu.com>). Information contained on our website does not constitute part of this prospectus.

INCORPORATION BY REFERENCE

The SEC allows us to “incorporate by reference” the information that we file with them, which means that we may disclose important information to you by referring you to those documents. Information incorporated by reference is considered to be part of this prospectus. We are incorporating by reference the documents listed below and any future filings we make with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, or Exchange Act, after the date of this prospectus (other than any documents, or portions of documents, not deemed to be filed) until we sell all of the securities described in this prospectus. Any of those future filings will update, supersede and replace the information contained in any documents incorporated by reference in this prospectus at the time of the future filings.

1. MDU Resources’ Annual Report on Form 10-K for the year ended December 31, 2013;
2. MDU Resources’ Quarterly Report on Form 10-Q for the quarter ended March 31, 2014;

3. MDU Resources' Current Reports on Form 8-K, filed on January 23, February 13, February 19, March 13, April 14, April 24 and May 15, 2014, and Current Report on Form 8-K/A, filed on February 19, 2014;
MDU Resources' Registration Statement on Form 8-A, filed September 21, 1994, Amendment No. 1 thereto, filed March 23, 2000, Amendment No. 2 thereto, filed March 10, 2003, Amendment No. 3 thereto, filed January 21, 2004, Amendment No. 4 thereto, filed June 27, 2007, Amendment No. 5 thereto, filed November 19, 2008, Amendment No. 6 thereto, filed January 5, 2009 and Amendment No. 7 thereto, filed April 30, 2010, and any further amendments thereto; and
5. MDU Resources' Proxy Statement for an annual meeting of stockholders held on April 22, 2014.

We will provide to each person, including any beneficial owner, to whom a copy of this prospectus is delivered, a copy of any or all of the information that has been incorporated by reference in this prospectus but not delivered with this prospectus. We will provide this information upon written or oral request at no cost to the requester. You should direct your requests to:

Office of the Treasurer

MDU Resources Group, Inc.

1200 West Century Avenue

P.O. Box 5650

Bismarck, North Dakota 58506-5650

Telephone: (701) 530-1000.

You should rely only on the information contained in, or incorporated by reference in, this prospectus and any prospectus supplement. We have not, and any underwriters, agents or dealers have not, authorized anyone else to provide you with different information. We are not, and any underwriters, agents or dealers are not, making an offer of these securities in any state where the offer is not permitted. You should not assume that the information contained in this prospectus and any prospectus supplement is accurate as of any date other than the date on the front of such document or that the information incorporated by reference in this prospectus is accurate as of any date other than the date of the document incorporated by reference.

FORWARD-LOOKING STATEMENTS

This prospectus, any related prospectus supplement and the documents that we incorporate by reference herein and therein may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Exchange Act. Forward-looking statements are all statements other than statements of historical fact, including without limitation those statements that are identified by the words "anticipates," "estimates," "expects," "intends," "plans," "predicts" and similar expressions, and include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions (many of which are based, in turn, upon further assumptions) and other statements that are other than statements of historical facts. From time to time, we may publish or otherwise make available forward-looking statements of this nature.

Forward-looking statements involve risks and uncertainties, which could cause actual results or outcomes to differ materially from those expressed. Our expectations, beliefs and projections are expressed in good faith and are believed by us to have a reasonable basis, including without limitation, management's examination of historical operating trends, data contained in our records and other data available from third parties. Nonetheless, our expectations, beliefs or projections may not be achieved or accomplished.

Any forward-looking statement contained in this prospectus, any related prospectus supplement or any document incorporated by reference into this document speaks only as of the date on which the statement is made, and we undertake no obligation to update any forward-looking statement or statements to reflect events or circumstances that occur after the date on which the statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for us to predict all of the factors, nor can we assess the effect of each factor on our business or the extent to which any factor, or combination of factors, may

cause actual results to differ materially from those contained in any forward-looking statement. All forward-looking statements, whether written or oral and whether made by or on behalf of us, are expressly qualified by the risk factors and cautionary statements contained in or incorporated by reference into this prospectus.

MDU RESOURCES GROUP, INC.

We are a diversified natural resource company, which was incorporated under the laws of the state of Delaware in 1924. Our principal executive offices are at 1200 West Century Avenue, P.O. Box 5650, Bismarck, North Dakota 58506-5650, telephone (701) 530-1000.

Montana-Dakota Utilities Co., one of our public utility divisions, through the electric and natural gas distribution segments, generates, transmits and distributes electricity and distributes natural gas in Montana, North Dakota, South Dakota and Wyoming. Cascade Natural Gas Corporation, a wholly owned subsidiary, distributes natural gas in Oregon and Washington. Intermountain Gas Company, another wholly owned subsidiary, distributes natural gas in Idaho. Great Plains Natural Gas Co., another one of our public utility divisions, distributes natural gas in western Minnesota and southeastern North Dakota. These operations also supply related value-added services.

Through our wholly owned subsidiary, Centennial Energy Holdings, Inc., we own WBI Holdings, Inc., Knife River Corporation, MDU Construction Services Group, Inc., Centennial Energy Resources LLC and Centennial Holdings Capital LLC.

WBI Holdings is comprised of the pipeline and energy services and the exploration and production segments. The pipeline and energy services segment provides natural gas transportation, underground storage, processing and gathering services, as well as oil gathering, through regulated and nonregulated pipeline systems and processing facilities primarily in the Rocky Mountain and northern Great Plains regions of the United States. The pipeline and energy services segment is constructing Dakota Prairie Refinery in conjunction with a partner to refine crude oil and also provides cathodic protection and energy-related services. The exploration and production segment is engaged in oil and natural gas acquisition, exploration, development and production activities in the Rocky Mountain and Mid-Continent/Gulf States regions of the United States.

Knife River is comprised of the construction materials and contracting segment. Knife River mines aggregates and markets crushed stone, sand, gravel and related construction materials, including ready-mixed concrete, cement, asphalt, liquid asphalt and other value-added products. It also performs integrated contracting services. Knife River operates in the central, southern and western United States and Alaska and Hawaii.

MDU Construction Services is comprised of the construction services segment. MDU Construction Services specializes in constructing and maintaining electric and communication lines, gas pipelines, fire suppression systems, and external lighting and traffic signalization equipment. The construction services segment also provides utility excavation services and inside electrical wiring, cabling and mechanical services, sells and distributes electrical materials, and manufactures and distributes specialty equipment.

Centennial Resources owns interests in a company owning certain electric transmission lines in Brazil, which is reflected in the Other category.

Centennial Capital insures various types of risks as a captive insurer for certain of our subsidiaries. The function of the captive insurer is to fund the deductible layers of the insured companies' general liability and automobile liability coverages. Centennial Capital also owns certain real and personal property. These activities are reflected in the Other category.

RATIO OF EARNINGS TO FIXED CHARGES

The following table shows our ratio of earnings to fixed charges for the periods indicated:

Three Months Ended March 31,	Fiscal Years Ended December 31,				
2014	2013	2012	2011	2010	2009
4.0	4.9	--1	4.1	4.1	--2

¹ Due to the \$246.8 million after-tax noncash write-downs of oil and natural gas properties in 2012, earnings were insufficient by \$49.1 million to cover fixed charges for the twelve months ended December 31, 2012. If the \$246.8 million after-tax noncash write-downs were excluded, the ratio of earnings to fixed charges would have been 4.4 times for the twelve months ended December 31, 2012.

² Due to a \$384.4 million after-tax noncash write-down of oil and natural gas properties in 2009, earnings were insufficient by \$227.4 million to cover fixed charges for the twelve months ended December 31, 2009. If the \$384.4 million after-tax noncash write-down is excluded, the ratio of earnings to fixed charges would have been 4.6 times for the 12 months ended December 31, 2009.

The ratios that exclude the effects of the after-tax noncash write-downs of oil and natural gas properties are non-GAAP financial measures. We believe that these non-GAAP financial measures are useful because the write-downs excluded are not indicative of our cash flows available to meet our fixed charge obligations. The presentation of this additional information is not meant to be considered a substitute for financial measures prepared in accordance with GAAP.

USE OF PROCEEDS

Except as may otherwise be set forth in the prospectus supplement or other offering materials, the net proceeds from the sale of the securities will be added to our general funds and may be used for funding capital requirements, for the refunding of outstanding debt obligations, for corporate development purposes (including the potential acquisition of businesses and/or business assets), and for other general business purposes. We may temporarily invest any proceeds that we do not immediately need.

DESCRIPTION OF THE DEBT SECURITIES

The following description sets forth the general terms and provisions of certain Debt Securities that we may offer by this prospectus. We will describe the particular terms of any Debt Securities, and provisions that vary from those described below, in one or more prospectus supplements.

We may issue the Debt Securities from time to time in the future, in one or more series, under the Indenture, dated as of December 15, 2003, between us and The Bank of New York Mellon, as trustee, or the Indenture Trustee, as amended and supplemented in the past and as may be amended and supplemented from time to time (the "Indenture"). The Indenture and its associated documents contain the full legal text of the matters described in this section. Because this section is a summary, it does not describe every aspect of the Debt Securities or the Indenture. This summary is subject to and qualified in its entirety by reference to all the provisions of the Indenture, including definitions of some of the terms used in the Indenture. We also include references in parentheses to some of the sections of the Indenture. The Indenture is on file with the SEC and is incorporated by reference in this prospectus. You should read the Indenture for a complete understanding of all of its provisions. This summary also is subject to and qualified by reference to the description of the particular terms of each series of Debt Securities described in the applicable prospectus supplement or supplements. The Indenture has been qualified

under the Trust Indenture Act, and you should also refer to the Trust Indenture Act for provisions that apply to the Debt Securities.

There is no requirement under the Indenture that future issuances of debt securities be issued exclusively under the Indenture, and we will be free to employ other indentures or agreements containing provisions different from those included in the Indenture or applicable to one or more issues of debt securities, in connection with future issues of the other debt securities. The terms of any such offered debt securities will be described in one or more prospectus supplements.

General

The Indenture permits us to issue an unlimited amount of Debt Securities from time to time. All Debt Securities of any one series need not be issued at the same time, and a series may be reopened for issuances of additional Debt Securities of that series. This means that we may from time to time, without the consent of the existing holders of the Debt Securities of any series, create and issue additional Debt Securities of a series having the same terms and conditions as the previously-issued Debt Securities of that series in all respects, except for issue date, issue price and, if applicable, the initial interest payment on those additional Debt Securities. Additional Debt Securities issued in this manner will be consolidated with, and will form a single series with, the previously-issued Debt Securities of that series.

A prospectus supplement and an officer's certificate relating to any series of Debt Securities being offered will include specific terms relating to that offering. These terms will include some or all of the following terms that apply to that series:

- the title of the Debt Securities;
- any limit upon the total principal amount of the Debt Securities;
- the dates, or the method to determine these dates, on which the principal of the Debt Securities will be payable and how it will be paid;
- the interest rate or rates which the Debt Securities will bear, or how the rate or rates will be determined, the interest payment dates for the Debt Securities and the regular record dates for interest payments;
- any right to delay the interest payments for the Debt Securities;
- the percentage, if less than 100%, of the principal amount of the Debt Securities that will be payable if the maturity of the Debt Securities is accelerated;
- any date or dates on which the Debt Securities may be redeemed at our option and any restrictions on those redemptions;
- any sinking fund or other provisions that would obligate us to repurchase or otherwise redeem the Debt Securities;
- any additions to the events of default under the Indenture or additions to our covenants under the Indenture for the benefit of the holders of Debt Securities;
- if the Debt Securities will be issued in denominations other than multiples of \$1,000;
- if payments on the Debt Securities may be made in a currency or currencies other than United States dollars; and, if so, the means through which the equivalent principal amount of any payment in United States dollars is to be determined for any purpose;

- any rights or duties of another entity to assume our obligations with respect to the Debt Securities;
- any collateral, security, assurance or guarantee for the Debt Securities;
- and
- any other terms of the Debt Securities not inconsistent with the terms of the Indenture.

(Indenture, Section 301.)

We may sell Debt Securities at a discount below their principal amount. United States federal income tax considerations applicable to Debt Securities sold at an original issue discount may be described in the prospectus supplement. In addition, important United States federal income tax or other tax considerations applicable to any Debt Securities denominated or payable in a currency or currency unit other than United States dollars may be described in the prospectus supplement.

Except as may otherwise be described in the applicable prospectus supplement, the covenants contained in the Indenture will not afford holders of Debt Securities protection in the event of a highly leveraged transaction involving us.

Redemption

We will set forth any terms for the redemption of Debt Securities of any series in the applicable prospectus supplement. Unless we indicate differently in a prospectus supplement, and except with respect to Debt Securities redeemable at the option of the holder of those Debt Securities, Debt Securities will be redeemable upon notice to holders by mail at least 30 days prior to the redemption date. (Indenture, Section 504.) If less than all of the Debt Securities of any series or any tranche thereof are to be redeemed, the Indenture Trustee will select the Debt Securities to be redeemed. In the absence of any provision for selection, the Indenture Trustee will choose a method of random selection as it deems fair and appropriate. (Indenture, Section 503.)

Debt securities will cease to bear interest on the redemption date. We will pay the redemption price and any accrued interest to the redemption date upon surrender of any Debt Security for redemption. (Indenture, Section 505.) If only part of a Debt Security is redeemed, the Indenture Trustee will deliver to the holder of the Debt Security a new Debt Security of the same series for the remaining portion without charge. (Indenture, Section 506.)

We may make any redemption at our option conditional upon the receipt by the paying agent, on or prior to the date fixed for redemption, of money sufficient to pay the redemption price. If the paying agent has not received the money by the date fixed for redemption, we will not be required to redeem the Debt Securities. (Indenture, Section 504.)

Payment and Paying Agents

Except as may be provided in the applicable prospectus supplement, interest, if any, on each Debt Security payable on any interest payment date will be paid to the person in whose name that Debt Security is registered at the close of business on the regular record date for that interest payment date. However, interest payable at maturity will be paid to the person to whom the principal is paid. If there has been a default in the payment of interest on any Debt Security, the defaulted interest may be paid to the holder of that Debt Security as of the close of business on a date between 10 and 15 days before the date proposed by us for payment of the defaulted interest or in any other manner permitted by any securities exchange on which that Debt Security may be listed, if the Indenture Trustee finds it workable.

(Indenture, Section 307.)

Unless otherwise specified in the applicable prospectus supplement, principal, premium, if any, and interest on the Debt Securities at maturity will be payable upon presentation of the Debt Securities at the corporate trust office of The Bank of New York Mellon, in the city of New York, as our paying agent. However, we may choose to make payment of interest by check mailed to the address of the persons entitled to payment. We may change the place of payment on the Debt Securities, appoint one or more additional paying agents (including MDU) and remove any paying agent, all at our discretion. (Indenture, Section 702.)

Registration and Transfer

Unless otherwise specified in the applicable prospectus supplement, the transfer of Debt Securities may be registered, and Debt Securities may be exchanged for other Debt Securities of the same series or tranche, of authorized denominations and with the same terms and principal amount, at the offices of the Indenture Trustee in New York, New York. (Indenture, Section 305.) We may designate one or more additional places, or change the place or places previously designated, for registration of transfer and exchange of the Debt Securities. (Indenture, Section 702.)

Unless otherwise specified in the applicable prospectus supplement, no service charge will be made for any registration of transfer or exchange of the Debt Securities. However, we may require payment to cover any tax or other governmental charge that may be imposed in connection with a registration of transfer or exchange. We will not be required to execute or to provide for the registration, transfer or exchange of any Debt Security:

• during the 15 days before an interest payment date;

• during the 15 days before giving any notice of redemption; or

• selected for redemption except the unredeemed portion of any Debt Security being redeemed in part.

(Indenture, Section 305.)

Limitation on Secured Debt

So long as any of the Debt Securities remain outstanding, we will not issue any Secured Debt other than Permitted Secured Debt (in each case as defined below) without the consent of the holders of a majority in principal amount of the outstanding Debt Securities of all series with respect to which this covenant is made, considered as one class; provided, however, that this covenant will not prohibit the creation or existence of any Secured Debt if either:

• we make effective provision whereby all Debt Securities then outstanding will be secured equally and ratably with the Secured Debt; or

• we deliver to the Indenture Trustee bonds, notes or other evidences of indebtedness secured by the lien which secures the Secured Debt in an aggregate principal amount equal to the aggregate principal amount of the Debt Securities then outstanding and meeting other requirements set forth in the Indenture.

“Secured Debt” means Debt created, issued, incurred or assumed by us which is secured by a lien upon any of our property (other than Excepted Property). For purposes of this covenant, any Capitalized Lease Liabilities will be deemed to be Debt secured by a lien on our property.

“Debt” means:

• our indebtedness for borrowed money evidenced by a bond, debenture, note or other written instrument or agreement by which we are obligated to repay the borrowed money;