Veresen Q2 2016 Conference Call

August 4, 2016

Forward-Looking and Non-GAAP Information Advisory

Certain information contained in this presentation constitutes forward-looking information under applicable Canadian securities laws. All information, other than statements of historical fact, which addresses activities, events or developments that we expect or anticipate may or will occur in the future, is forward-looking information. Forward-looking information typically contains statements with words such as "may", "estimate", "anticipate", "believe", "expect", "plan", "intend", "target", "project", "forecast" or similar words suggesting future outcomes or outlook. Forward-looking statements in this presentation include, but are not limited to, statements with respect to: the in-service dates of the Sunrise, Tower and Saturn Phase II gas processing facilities; levels of debt relative to EBITDA after construction projects come into service; the amount of EBITDA to be realized by Veresen's business segments; the funding strategy and outlook, including sources and uses of capital, for 2016, 2017, and 2018; the forecast for distributable cash in 2016; and the ability of each of our businesses to generate distributable cash in 2016. The risks and uncertainties that may affect the operations, performance, development and results of our businesses include, but are not limited to, the following factors: our ability to successfully implement our strategic initiatives and achieve expected benefits; levels of oil and gas exploration and development activity; the status, credit risk and continued existence of contracted customers; the availability and price of capital; the availability and price of energy commodities; the availability of construction services and materials; fluctuations in foreign exchange and interest rates; our ability to successfully obtain regulatory approvals; changes in tax, regulatory, environmental, and other laws and regulations; competitive factors in the pipeline, NGL and power industries; operational breakdowns, failures, or other disruptions; and the prevailing economic conditions in North America. Additional information on these and other risks, uncertainties and factors that could affect our operations or financial results are included in our filings with the securities commissions or similar authorities in each of the provinces of Canada, as may be updated from time to time. Although we believe the expectations conveyed by the forward-looking information are reasonable based on information available to us on the date of preparation, we can give no assurances as to future results, levels of activity and achievements. Readers should not place undue reliance on the information contained in this presentation, as actual results achieved will vary from the information provided herein and the variations may be material. We make no representation that actual results achieved will be the same in whole or in part as those set out in the forward-looking information. Furthermore, the forward-looking statements contained herein are made as of the date hereof, and, except as required by law, we do not undertake any obligation to update publicly or to revise any forward-looking information, whether as a result of new information, future events or otherwise. We expressly qualify any forward-looking information contained in this presentation by this cautionary statement.

Certain financial information contained in this news release may not be standard measures under Generally Accepted Accounting Principles ("GAAP") in the United States and may not be comparable to similar measures presented by other entities. These measures are considered to be important measures used by the investment community and should be used to supplement other performance measures prepared in accordance with GAAP in the United States. US GAAP requires us to equity account for our investments in jointly-controlled businesses. However, we have chosen to provide some information on our jointly-controlled businesses on a proportionate basis to assist the reader. For further information on other non-GAAP financial measures used by Veresen see Management's Discussion and Analysis, in particular, the section entitled "Non-GAAP Financial Measures" contained in the annual Management Discussion and Analysis, filed by Veresen with Canadian securities regulators.

Actions Under Enhanced Funding Strategy

Strong Core Business and Supportive Asset Market Make it the Right Time

Pursue Sale of Power Assets

- Sizable, high quality power portfolio; however, not complementary to core business
- Limited incremental growth opportunities at rates of return that would compete for capital with opportunities in core business

Suspension of DRIP Programs

- Reflect growth in distributable cash and other metrics on a per share basis
- Enhanced funding strategy less dilutive and provides a lower implied cost of capital

Right Time

- Increased confidence in the sustainability of Alliance’s performance under new service model
- Stability and predictability within existing cash flow stream due to high quality contract structures and counterparties
- Line of sight to Sunrise and Tower in-service in late 2017, with Saturn Phase II fully operational in mid 2018
- Supportive asset market for quality power portfolios with scale

Core Strategy Remains Unchanged

Optimizing the Funding Strategy to Enhance Value

Focused Strategy

- Integrated natural gas and NGL infrastructure business
- Connecting competitive supply regions with pipelines accessing growing end markets
- Western Canada – U.S. Mid West – Pacific Northwest triangle

Best in Class Growth

- $1.4 billion of contracted capital projects under construction
  - $535 million invested to date
- Fully funded with no requirement to access equity capital markets

Balance Sheet and Per Share Metrics

- Focus on per share metrics, with growing EBITDA and distributable cash over time
- Leverage levels of approximately 4.0x – 4.5x Debt to EBITDA once the projects under construction are in service

Attractive Cash Dividend

- Attractive annualized dividend rate of $1.00 / share
- Approximately 9% yield
- Entirely supported by distributable cash generated from existing take-or-pay and fee-for-service contracts

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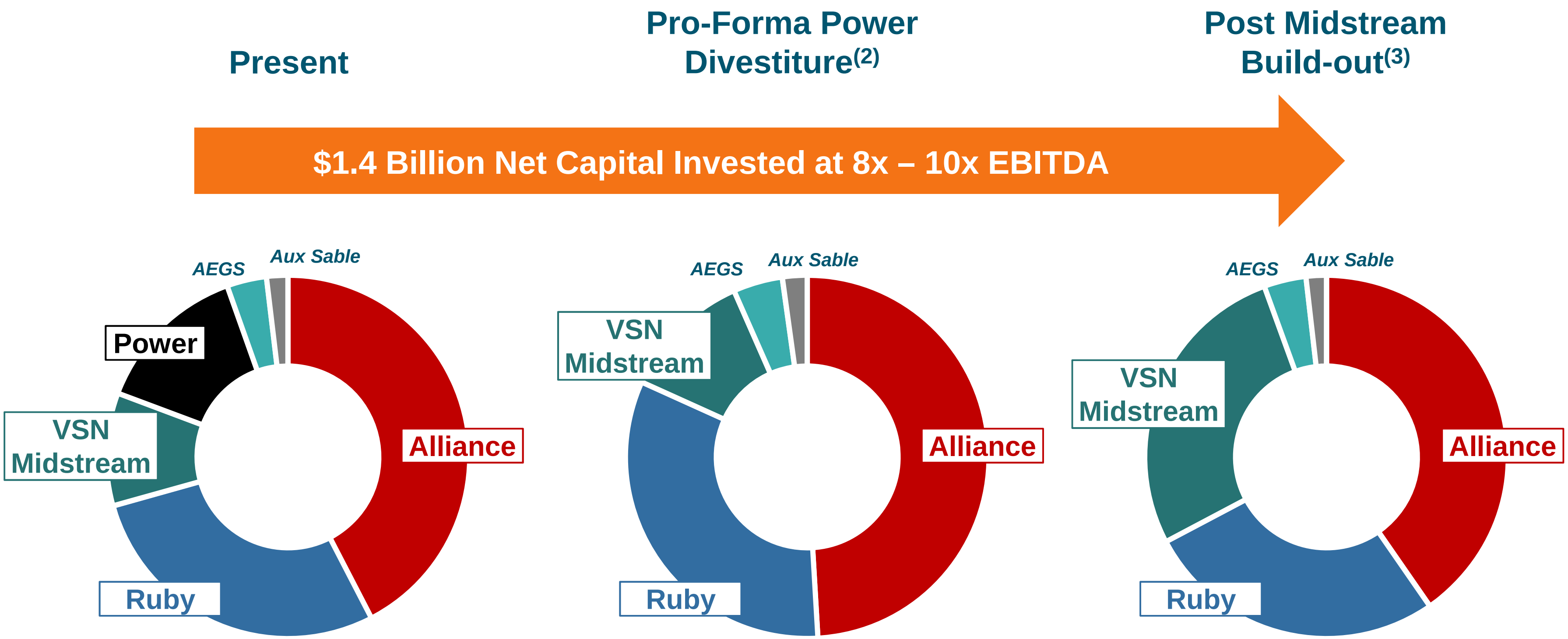
Illustrative Financial Progression

Significant Growth Within Veresen Midstream

Proportionately Consolidated Segment EBITDA[(1)]



	Present	Pro-Forma Power Divestiture	Post Midstream Build-out
EBITDA *(proportionately consolidated)*	$650MM – $750MM	$550MM – $650MM	$700MM – $800MM
Debt / EBITDA	~ 5.0x	4.25x – 4.75x	4.0x – 4.5x

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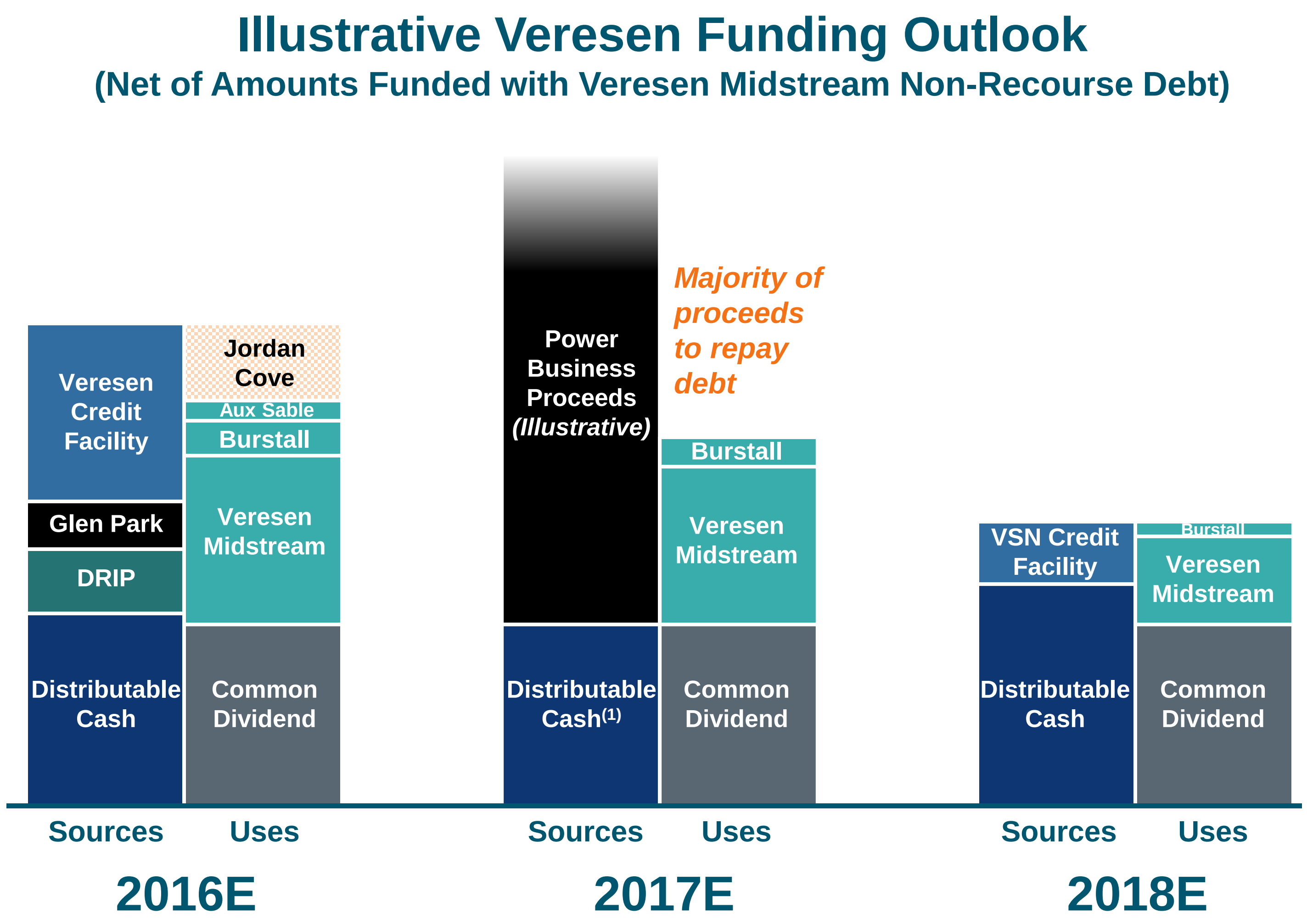
(1) Excludes Veresen corporate costs, project development, and preferred dividends
(2) Assumes illustrative divestiture of power segment at the present time
(3) Assumes illustrative divestiture of power segment and full midstream build out, including additional capital required to complete construction and the benefit of incremental EBITDA, at the present time

Funding Strategy

Fully Funded Without Need to Access Equity Capital Markets



(1) Distributable Cash in 2017E will in part be contingent on the timing of the closing of the Power disposition

Second Quarter Highlights

Another Solid Quarter of Operational and Financial Performance

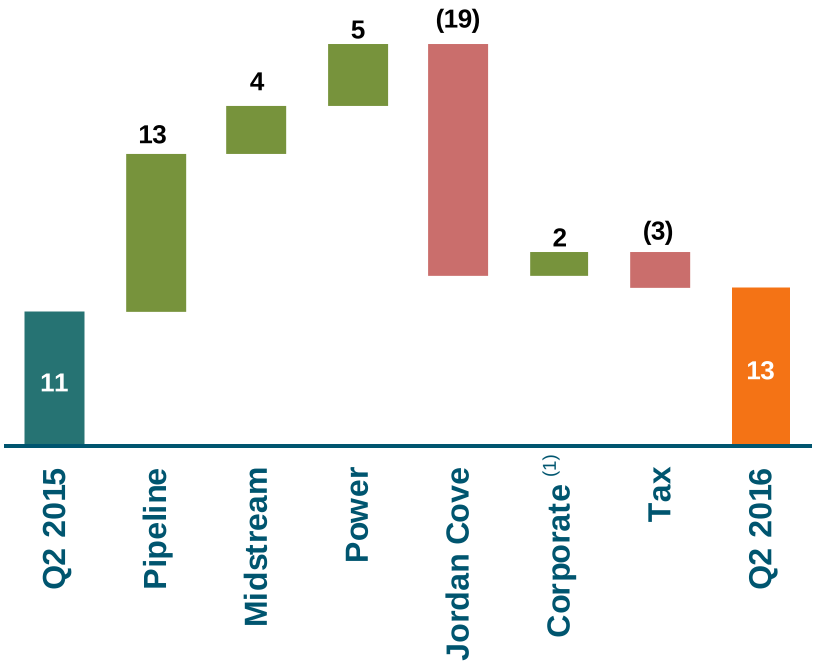
- Distributable Cash of $94 million ($0.30 per share) driven by higher contributions from each of the three business segments
- Very strong volumes at Alliance during second full quarter under new service model
  - Producer demand driven by wide AECO – Chicago basis and curtailments on alternative egress options out of Western Canada
  - Continuing to optimize the operations of the pipeline and offerings to producers under new service model
- Construction at Veresen Midstream continues with $424 million ($203 million net to VSN) invested in the second quarter
  - On budget and on schedule, with approximately 35% of capital incurred
  - 50 mmcf/d refrigeration expansion at Hythe placed into service in June, on budget and ahead of schedule
- Jordan Cove continues to progress on regulatory and commercial fronts
  - FERC issued Order Granting Rehearing for Further Considerations
  - Discussions with buyers for additional volumes at the terminal continue to advance

Adjusted Net Income

Comparisons to Q2 2015 and Q1 2016

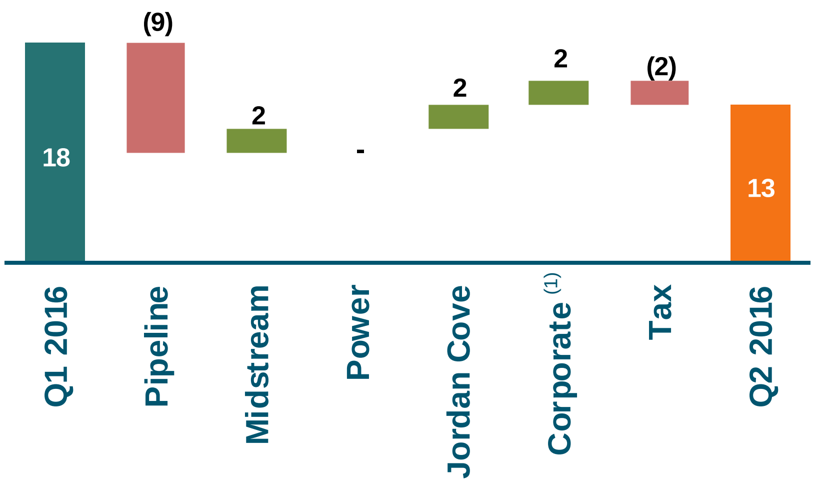
Q2 2015 vs Q2 2016

C$ millions



Q1 2016 vs Q2 2016

C$ millions



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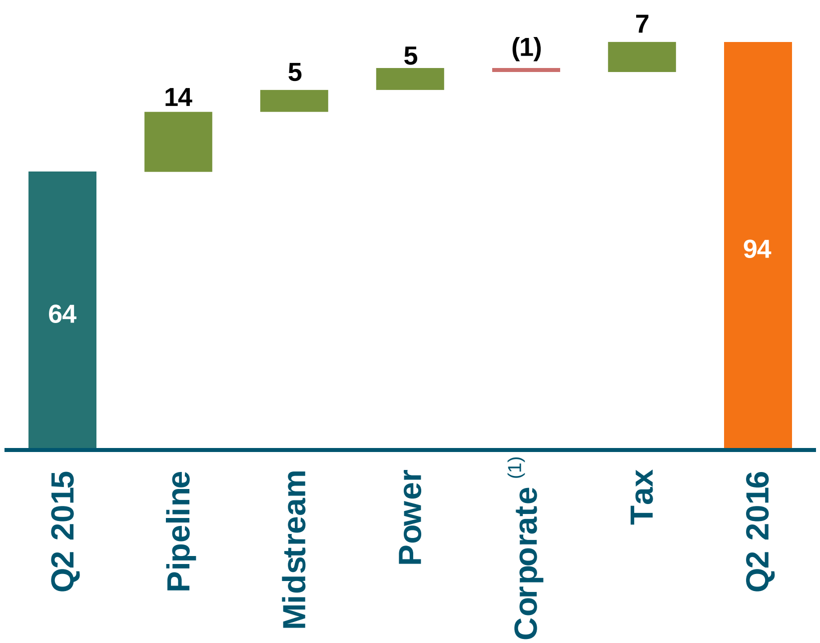
(1) Corporate includes preferred dividends

Distributable Cash

Comparisons to Q2 2015 and Q1 2016

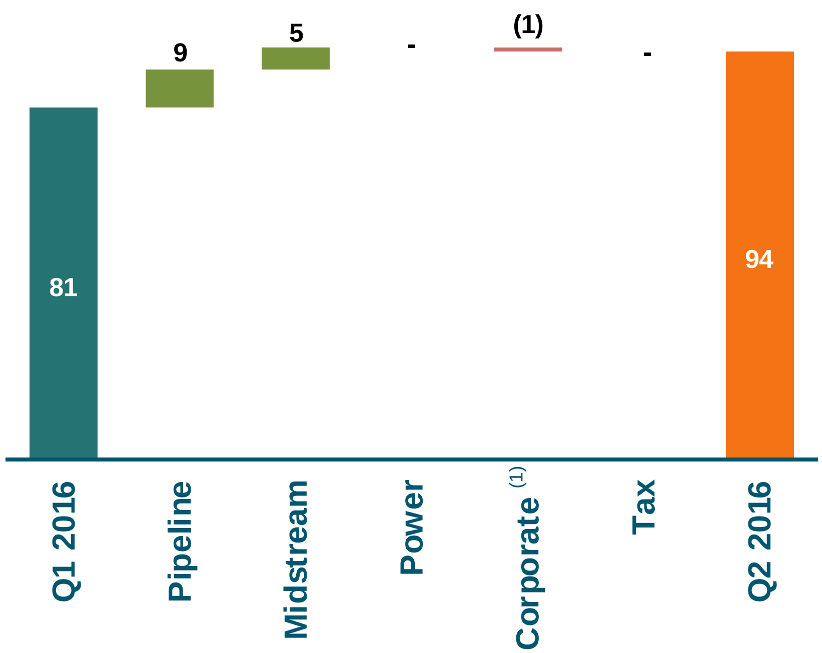
Q2 2015 vs Q2 2016

C$ millions



Q1 2016 vs Q2 2016

C$ millions



(1) Corporate includes preferred dividends

2016 Guidance Increase

Increased Distributable Cash Expectation of $1.03 – $1.13 per Share

	2016 Forecast (1)				
	C$ per Share		C$ millions		
	Low	High	Low	High	
Alliance Distributions	0.56	0.60	173	187	0.09 - 0.07
Ruby Distributions	0.38	0.39	118	121	
AEGS	0.06	0.06	19	20	
Veresen Midstream Distributions	0.20	0.20	63	63	
Aux Sable Distributions, net of support payments					
Fixed	0.13	0.14	40	43	
Variable	(0.12)	(0.11)	(37)	(34)	0.06 – (0.01)
Power	0.14	0.16	45	49	(0.01) – (0.01)
General and Administrative	(0.11)	(0.10)	(34)	(31)	(0.01) – (0.01)
Debt Service (Principal & Interest)	(0.12)	(0.12)	(37)	(36)	
Taxes	0.00	0.00	0	0	
Preferred Share Dividends	(0.09)	(0.09)	(26)	(26)	
Total	**1.03**	**1.13**	**316**	**347**	
Cdn/U.S. Exchange Rate - Average	1.30	1.33			
Average Number of Common Shares Outstanding (MM)	307	307			

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(1) The low and high estimates applicable to each line item are not intended to be additive and therefore will not add to the low and high forecast distributable cash

Scheduled Debt Amortization

Proportionately Consolidated Basis as at June 30, 2016[1,2]

Amortization ($ millions)	**H2 2016**	**2017**	**2018**	**2019**	**2020**	**2021+**	**Total**
Pipeline							
Alliance	32	65	107	124	65	327	**720**
Ruby	23	191	57	57	57	337	**722**
AEGS	2	4	4	4	65	-	**79**
Total	57	260	168	185	187	664	**1,521**
Aux Sable	7	-	-	-	-	-	**7**
Power	8	16	35	137	14	172	**382**
Veresen Midstream [3]	2	4	26	36	253	306	**627**
Corporate	-	300	150	476	-	50	**976**
Total	**74**	**580**	**379**	**834**	**454**	**1,192**	**3,513**

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(1) This table contains non-GAAP measures. Balances for our jointly controlled businesses represent our proportional share based on our ownership interest, and includes consolidation adjustments.
(2) Schedule assumes a CAD/USD Fx rate of 1.30
(3) Once the Sunrise, Tower, and Saturn Phase II facilities currently under construction are in operation, Veresen intends to refinance the Veresen Midstream expansion facility with non-amortizing debt.

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Q&A