



VERESEN

Veresen Q3 2016 Conference Call

November 2, 2016

Forward-Looking and Non-GAAP Information Advisory

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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.

Third Quarter Highlights

Strong Operational and Financial Performance YTD

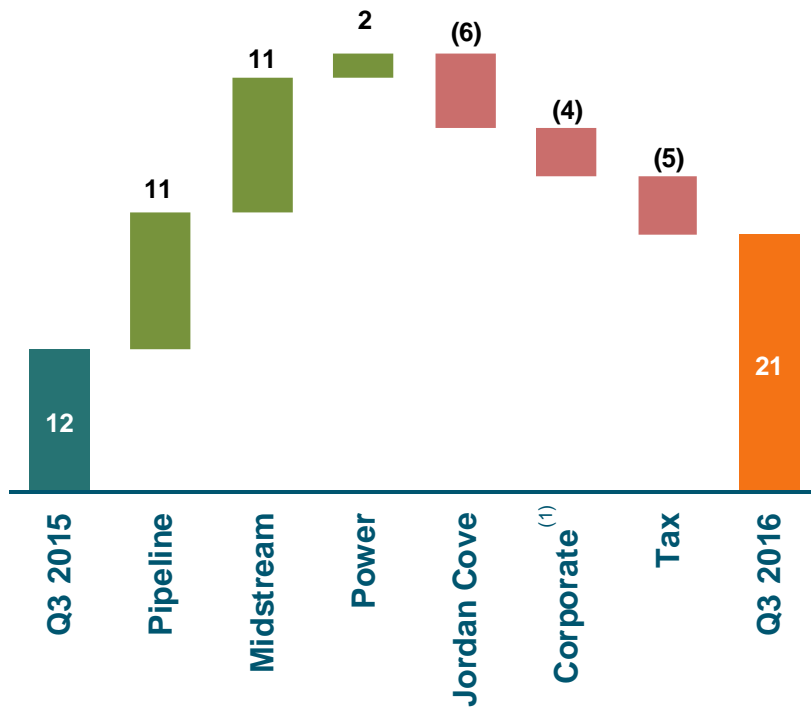
- Very strong quarter from both an operational and financial perspective
 - Distributable cash for the quarter of \$101 million or \$0.33 per Common Share compared to \$94 million or \$0.30 per Common Share in the second quarter
- Full year 2016 distributable cash guidance increased approximately 6% to a range of \$1.12 per Common Share to \$1.16 per Common Share
- Announced intention to pursue the sale of its power generation business and the suspension of the Premium Dividend™ and Dividend Reinvestment Plan
- Veresen Midstream secured an additional \$650 million of new credit facilities
- Invested over \$150 million into growth projects in the third quarter
 - Over \$600 million invested into projects that are not yet generating cash flow
- Inventory of \$1.3 billion in projects under construction
 - Expect project inventory will continue to grow, with additional projects to be sanctioned both by the end of the year and in 2017

Adjusted Net Income

Comparisons to Q3 2015 and Q2 2016

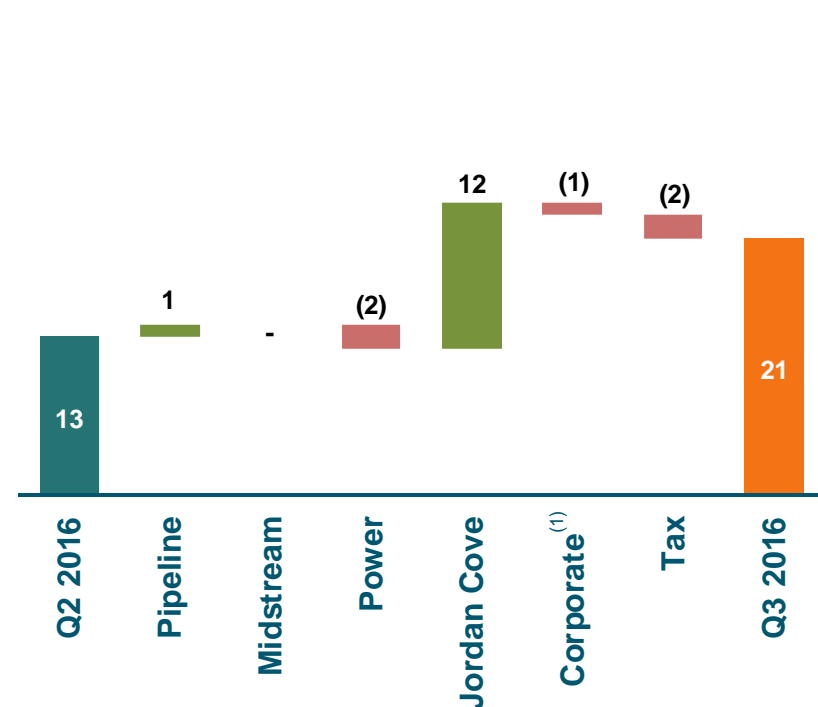
Q3 2015 vs Q3 2016

C\$ millions



Q2 2016 vs Q3 2016

C\$ millions

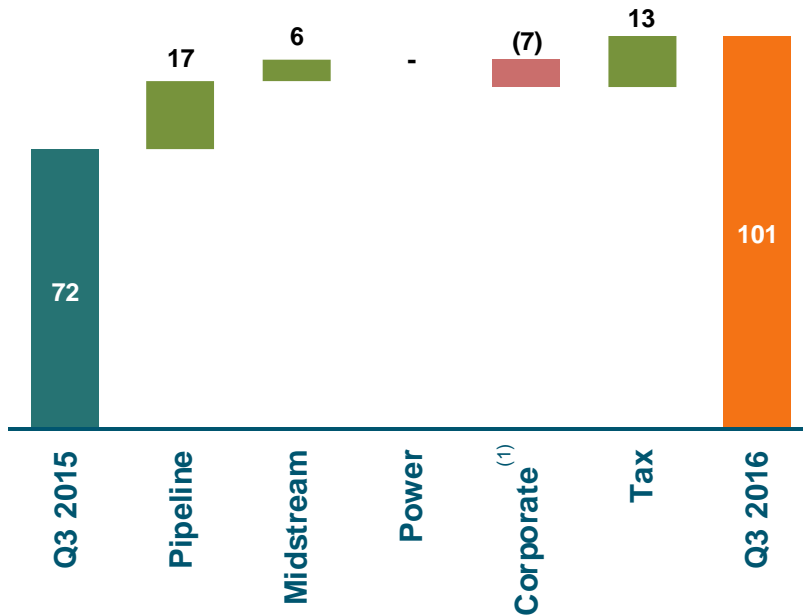


Distributable Cash

Comparisons to Q3 2015 and Q2 2016

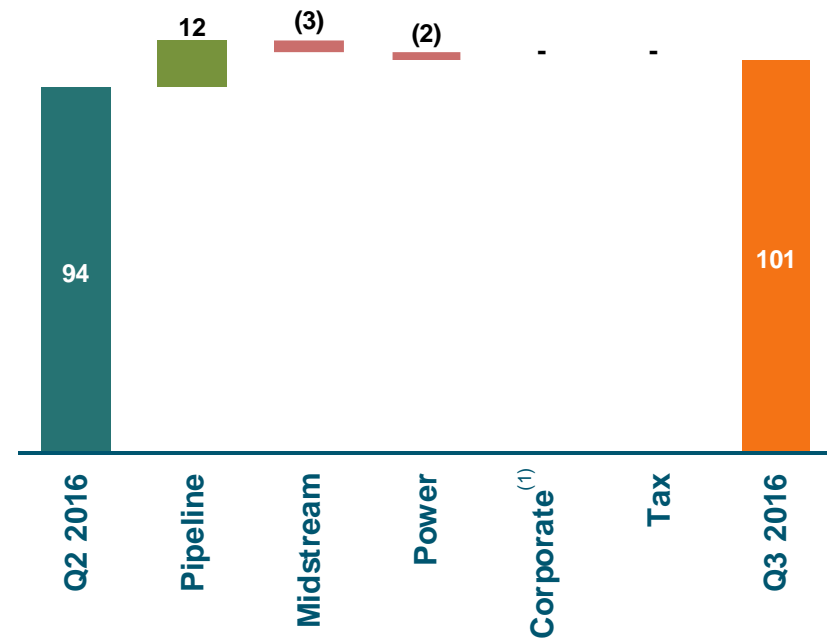
Q3 2015 vs Q3 2016

C\$ millions






Q2 2016 vs Q3 2016

C\$ millions



2016 Guidance Increase

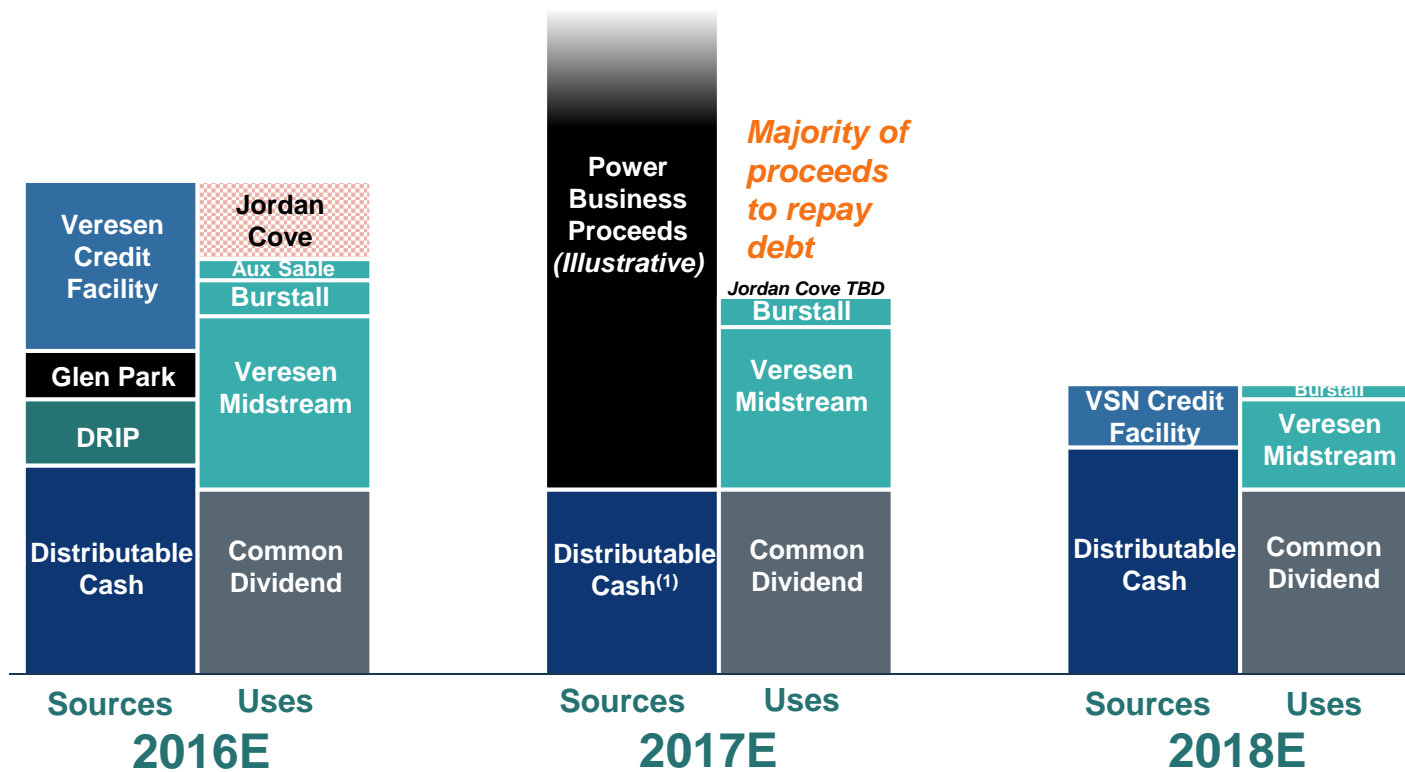
Increased Distributable Cash Expectation to \$1.12 – \$1.16 per Share

	2016 Forecast ⁽¹⁾				
	C\$ per Share		C\$ millions		
	Low	High	Low	High	
Alliance Distributions	\$0.62	\$0.64	\$192	\$198	 \$0.06 - \$0.04
Ruby Distributions	\$0.38	\$0.39	\$119	\$121	
AEGS	\$0.06	\$0.06	\$19	\$19	
Veresen Midstream Distributions	\$0.20	\$0.20	\$63	\$63	
Aux Sable Distributions, net of support payments					
Fixed	\$0.13	\$0.14	\$41	\$44	
Variable	(\$0.12)	(\$0.11)	(\$38)	(\$33)	
Power	\$0.15	\$0.15	\$48	\$49	
General & Administrative	(\$0.12)	(\$0.11)	(\$37)	(\$34)	 \$(0.01)
Debt Service (Principal & Interest)	(\$0.10)	(\$0.10)	(\$33)	(\$32)	 \$0.02
Taxes	\$0.00	\$0.00	\$0	\$0	
Preferred Share Dividends	(\$0.09)	(\$0.09)	(\$26)	(\$26)	
Total	\$1.12	\$1.16	\$347	\$360	
C\$/US\$ Exchange Rate - Average	1.31	1.33			
Average Number of Common Shares Outstanding (MM)	310	310			

Funding Strategy

Fully funded with no need to access equity or debt capital markets

Illustrative Veresen Funding Outlook (Net of amounts funded with Veresen Midstream non-recourse debt)



Majority of proceeds to repay debt

Jordan Cove TBD

EBITDA ⁽²⁾ \$650 – \$750mm

Target Debt / EBITDA ~5.0x

\$525 – \$675mm

4.5 – 5.0x

\$650 – \$750mm

4.0 – 4.5x



(1) Distributable Cash in 2017E will in part be contingent on the timing of the closing of the Power disposition
(2) Before corporate costs and preferred dividend payments



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Q&A