VERESEN

Corporate Presentation

August 2017

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 timing of the closing and cost of the transaction with Pembina and the anticipated financial attributes of the transaction with Pembina including the amount of future dividend, the anticipated synergies and growth opportunities associated with the assets of the combined company; capital cost, target economics and in-service date of Veresen capital projects under construction; credit ratings and share of 2017 cash flow of Veresen's counterparties; the amount of distributable cash to be realized by Veresen in 2017; amount of capital expenditures by Veresen in 2017; investment multiples of, and EBITDA to be realized by Veresen Midstream growth projects; future cost structure of Ruby Pipeline; ability to realize on opportunity to recontract AEGS; future status of Veresen Midstream in the Montney area; timing of in-service at Burstall Ethane Storage Project; timing of a final investment decision for Jordan Cove LNG; and outlook for Alliance volumes and AECO-Chicago Citygate basis differential; and timing of funding of Cutbank Ridge Partnership by Mitsubishi. 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: the ability of the parties to satisfy the conditions to closing of the Pembina transaction; that favourable circumstances continue to exist in respect of current operations and current and future growth projects (including the ability to finance operations and such projects on favorable terms), future levels of oil and natural gas development, potential revenue and cash flow enhancement; future cash flows; with respect to Pembina's future dividends and results: prevailing commodity prices, margins and exchange rates, that the businesses of the combined company will continue to achieve sustainable financial results and that the combined company's future operations and results of operations will be consistent with past performance of Pembina and Veresen and management expectations in relation thereto including, the sanctioning and completion of any third party projects relating to growth projects, future operating costs, the availability and sources of capital, operating costs, ongoing utilization and future expansion for the combined company, the ability to reach required commercial agreements, and the ability to obtain required regulatory and environmental approvals on the necessary terms and in a timely manner, the continuation of timely performance by counterparties to material agreements; and that unforeseen events will not prevent the continued performance of contracts; 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.

TSX Ticker	VSN
Common Shares Outstanding	313.7 million
Share Price (July 31, 2017)	$18.21
52-Week Trading Range	$10.76 - $18.77
Market Capitalization	$5.7 billion
Entity Value[(1)]	$9.7 billion
Annualized Dividend	$1.00/share
Annualized Yield	~5.5%
Credit Rating (S&P/DBRS)	BBB (Stable/ Under review with Negative Implications)
Head Office	Calgary, AB, Canada

(1) Entity Value consists of proportionately consolidated debt, preferred share value and market capitalization.

Combination With Pembina Pipeline Corporation

Creates one of the largest energy infrastructure companies in Canada

Transaction Overview

- Announced on May 1, 2017
- Offer to acquire all outstanding shares of Veresen in exchange for 0.4287 common shares of Pembina or $18.65 in cash for each Veresen share, subject to pro ration(1)
- 21.8% premium to Veresen's 20-day weighted average share price of $15.31
- Greater than 99% of each of Veresen common shares and preferred shares voted in favor of approving the transaction
- Transaction has been approved by the Court of Queen's Bench of Alberta

Financial Highlights

- Over 85% of revenue of the combined entity from fee-based contract structures
- Combined company is expected to maintain strong BBB investment grade credit rating
- Pro forma enterprise value of approximately $33 billion
- Combined 2018 adjusted EBITDA of $2.55 – $2.75 billion
- Expected annual synergies of $75 – $100 million
- Upon close of the transaction Pembina will increase its dividend to $2.16 per share annualized
- Significant near term growth projects

Regulatory / Timing

- Expected to close late Q3 or early Q4 2017 subject to customary regulatory approvals required in Canada and the US
- Pembina's senior executive will lead the combined company
- Three of Veresen's directors will be appointed to Pembina's Board at closing

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(1) Subject to proration, a maximum of approximately 99.5 million Pembina common shares to be issued and maximum cash consideration of approximately $1.523 billion

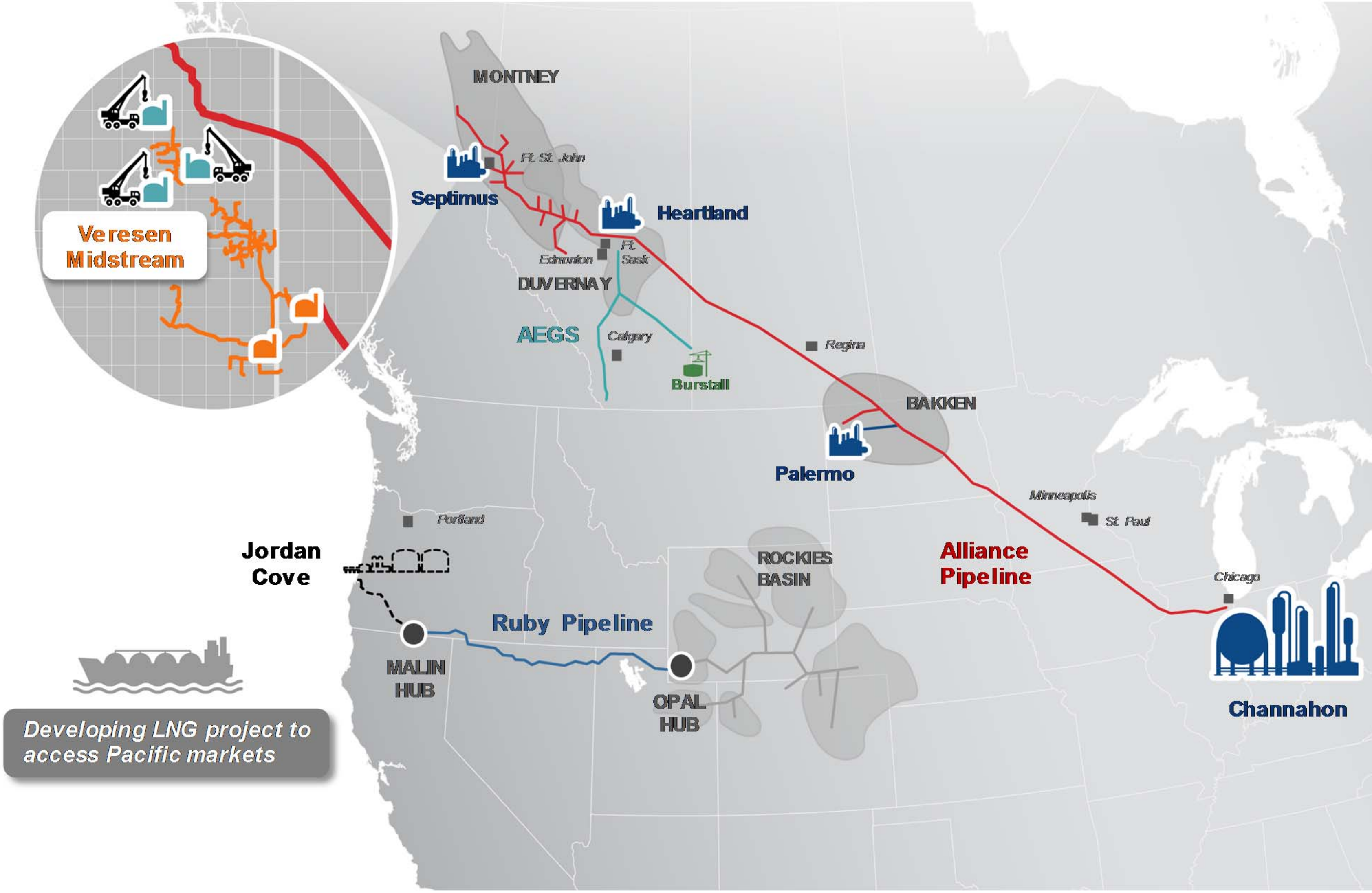
Rationale For Combination With Pembina

Combined entity greater than the sum of its parts

- Integrated business across the energy infrastructure value chain
- Market position and geographic footprint difficult to replicate
- Enhanced capabilities to secure and execute future growth opportunities
- Attractive cash dividend at a lower payout ratio
- One of the strongest balance sheets in the Canadian infrastructure space

Our Business Today

Asset base focused on top supply regions and high value markets



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Best in Class Growth Under Construction

$1.4 billion of capital projects under construction starting up by 2018

Project	Veresen W.I.	Net Capital		Target Economics		Target In-Service
		Total	Invested (1)	Leverage (2)	EV / EBITDA	
	%	*$ millions*	*$ millions*	*%*		
Tower Gas Plant	47%	$335	$255	55%-60%	8x - 10x	Q4 2017
Sunrise Gas Plant	47%	$405	$350	55%-60%	8x - 10x	Q4 2017
Saturn Phase II Gas Plant	47%	$435	$285	55%-60%	8x - 10x	Q1 2018
South Central (Ph II) & Tower Liquids Hubs	47%	$70	$37	55%-60%	8x - 10x	2017/Mid 2018
Liquids Rich Gas Processing Projects(3)	47%	$55	$14	55%-60%	8x - 10x	2017/2018
Burstall Ethane Storage	100%	$140	$110		8x - 9x	Q4 2018
Total Construction(4)		**$1,440**	**$1,051**			

(1) As of Jun 30, 2017
(2) Veresen Midstream leverage is at the partnership level, with debt being non-recourse to Veresen
(3) Liquids rich gas processing projects include $45 mm ($21 mm net to VSN) in modifications to existing compressor stations to process richer gas and $72 mm ($34 mm net to VSN) of capital projects to increase liquids handling capabilities at the Hythe gas processing plant
(4) Does not include incremental Veresen Midstream gathering pipelines and other minor capital projects

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Q2 2017 Proportionate Consolidation[1]

Strong financial position with appropriate leverage at each business

Proportionate Consolidation Metrics	Pipelines: Alliance[2]	Pipelines: Ruby[3]	Pipelines: AEGS	Midstream: Veresen Midstream[4]	Midstream: Aux Sable	Power	Corporate[5]	Total
EBITDA	**75**	**49**	**8**	**17**	**9**	**14**	**(9)**	**163**
Interest	(12)	(13)	(1)	(4)	-	(2)	(8)	**(40)**
Principal Repayment	(16)	(12)	(1)	(1)	-	(1)	-	**(31)**
Maintenance Capex	-	-	-	-	(3)	-	-	**(3)**
Other	9	6	-	5	(1)	(1)	(7)	**11**
Distributable Cash	**56**	**30**	**6**	**17**	**5**	**10**	**(24)**	**100**
Long-term Debt[1]	**694**	**688**	**75**	**931**	**2**	**40**	**1,011**	**3,441**
Debt / Trailing Twelve Month (TTM) EBITDA	**2.3x**	**3.5x**	**2.7x**	**13.3x**	**0.1x**	**0.5x**	**n/a**	**5.1x**
Pro forma Debt / TTM EBITDA excluding Power[6]								***4.7x***

(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 and deferred financing fees, meaning that the Long-term Debt values in this table may not be indicative of the face value of debt outstanding
(2) Approximately 54% of Alliance EBITDA was earned in C$. “Other” represents funds distributed from available liquidity
(3) Ruby EBITDA presented as a 50% proportionate share with benefit of preferred distribution structure reflected in “other”
(4) Veresen Midstream PIK unit structure provides for Veresen to receive approximately 60% of the cash distributions from the Partnership while Veresen was entitled to approximately 47% of net income during 2017
(5) Corporate EBITDA does not include $26 million of Jordan Cove project development spending expensed during the quarter. Corporate “other” relates to preferred share dividends
(6) Represents the reduction of debt from the sale of the power business, including $191 million in cash on the balance sheet at the end of the quarter and less associated TTM EBITDA of $86 million

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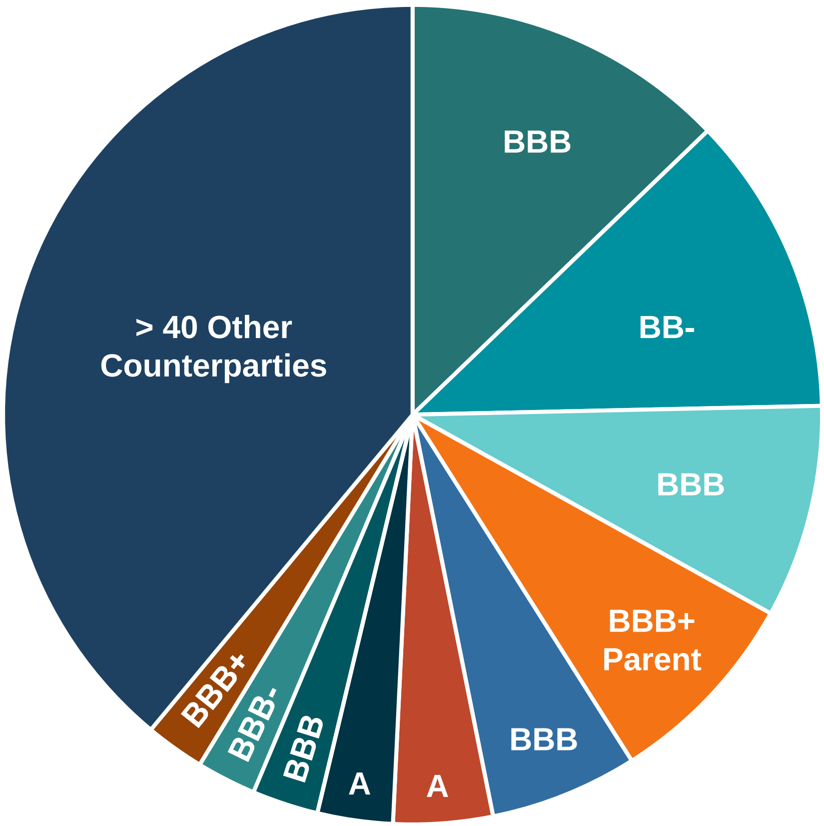
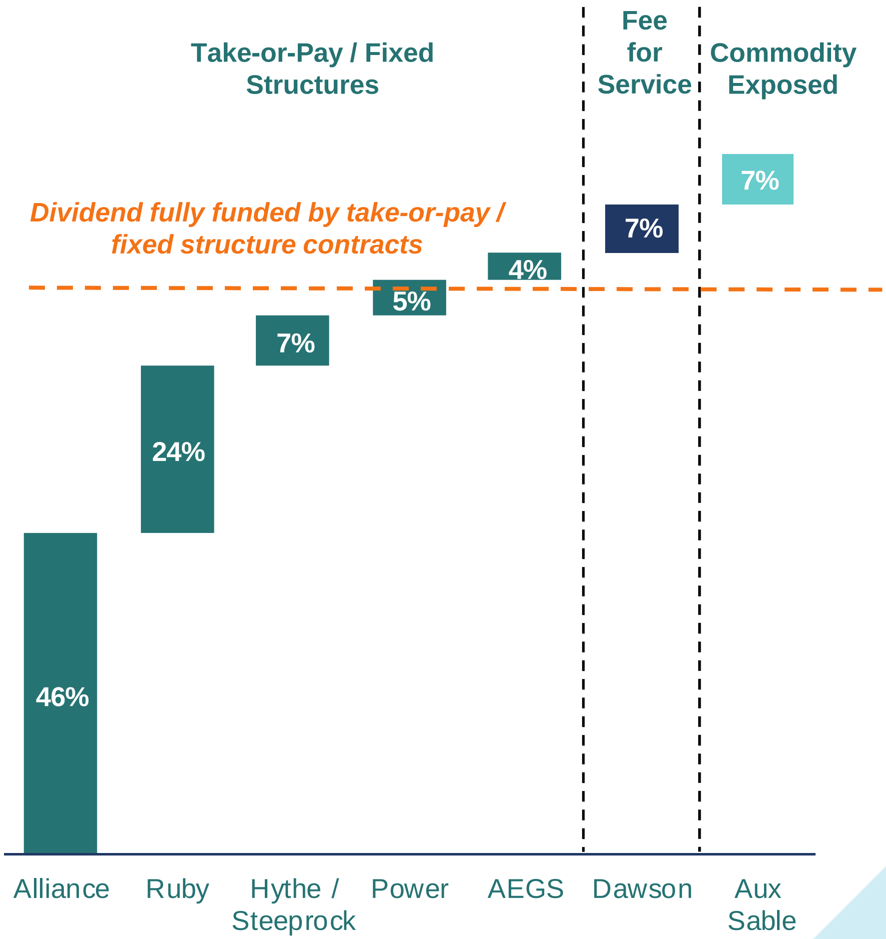
Counterparty Diversification and Contract Structures

Diversified portfolio of counterparties and secure fee-based contract structures

Percent of 2017G Distributable Cash Flow by Counterparty and S&P Credit Rating



Percent of 2017G Cash Flow[(1)]



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(1) Based on 2017 guidance midpoint. Veresen corporate costs and preferred dividends pro-rated across businesses based on distributable cash

2017 Distributable Cash Guidance & Supporting Details

Distributable cash of $1.21 to $1.31 per share

		EBITDA		Interest		Principal		Maint.	Other		Distributable Cash	
		Low	High	Low	High	Low	High	Capex	Low	High	Low	High
Pipelines												
Alliance	$mm	$288	$310	($45)	($45)	($65)	($66)		$35	$35	$213	$234
Ruby	$mm	$193	$215	($46)	($49)	($46)	($48)		$15	$3	$116	$121
AEGS	$mm	$27	$28	($4)	($4)	($4)	($4)				$19	$20
Total Pipelines	$mm	$508	$553	($95)	($98)	($115)	($118)		$50	$38	$348	$375
Veresen Midstream	$mm	$75	$81	($18)	($18)	($4)	($4)		$13	$7	$66	$66
Aux Sable	$mm	$42	$59			($1)	($2)	($6)	($11)	($5)	$24	$46
Total Asset Level	**$mm**	**$625**	**$693**	**($113)**	**($116)**	**($120)**	**($124)**	**($6)**	**$52**	**$40**	**$438**	**$487**
Corporate												
Administration	$mm	($33)	($32)								($33)	($32)
Debt Service	$mm			($36)	($35)						($36)	($35)
Current Tax	$mm											
Pref. Share Dividends	$mm								($26)	($26)	($26)	($26)
Total Excl. Power	**$mm**	**$592**	**$661**	**($149)**	**($151)**	**($120)**	**($124)**	**($6)**	**$26**	**$14**	**$355**	**$385**
Per Share	***$/share***										***$1.13***	***$1.23***
Power	$mm	$40	$40	($7)	($7)	($7)	($7)	($1)			$25	$25
Total Incl. Power	**$mm**	**$625**	**$725**	**($155)**	**($160)**	**($125)**	**($130)**	**($7)**	**$25**	**$15**	**$380**	**$410**
Per Share	***$/share***										***$1.21***	***$1.31***

(1) Assumes exchange rate of C$1.31/US$, AECO – Chicago Citygate Basis of US$0.83 - $1.03, USGC ethane margin of US $0.04 to US$0.06/gal and USGC propane plus margin of US$0.39 to US$0.54/gal

(2) Ruby's fixed distributions represent Veresen's dividends received on the convertible preferred interest held in Ruby Pipeline LLC

(3) In 2017, Veresen Midstream will pay fixed distributions of $116 million, of which Veresen's share is $66 million. The PIK structure will allow Veresen to receive approximately 57% of 2017 cash distributions while it will record approximately 47% of 2017 net income

(4) 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 totals

(5) Assumes 313.6mm shares outstanding

(6) Distributable cash guidance sensitivities on a pre-tax, annualized basis are: +/- $0.01 change in C$/US$ exchange rate of +/- $2mm, +/- US$0.15/mmbtu change in Chicago – AECO basis differential of +/- $4mm, and +/- US$0.05/gal change in propane plus frac spread of +/- $6mm

Capital Expenditure / Project Development Outlook

2017 capital program of $525 to $575 million

Capital Expenditures ($mm)
(Proportionately Consolidated)

		Low	High
Veresen Midstream	$mm	$500	$550
Aux Sable	$mm	$1	$3
Ruby	$mm	$1	$3
Burstall	$mm	$30	$40
Total Growth Capital Expenditures[1,2]	**$mm**	**$525**	**$575**
Equity Contributions to Veresen Midstream	**$mm**	**$325**	**$375**
Project Development	**$mm**		**~US$62**

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(1) Guidance capital expenditures are shown on a proportionately consolidated basis and are based on Veresen's ownership interest in jointly held, majority controlled, and wholly-owned businesses
(2) 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 totals

Overview of Key Businesses

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Alliance Pipeline & Aux Sable

Premier transporter of natural gas and NGL's from top plays to high-value end markets

Future Opportunities at Alliance Pipeline & Aux Sable

Near-term • Higher Priority → Long-term • Low Priority

Re-contract

- Fully contract limited firm capacity available in 2019-2020
- Certain shippers with contracts expiring have option to renew
- Increase tenor of firm volumes
- Have begun discussing contract extensions with shippers

Debottleneck

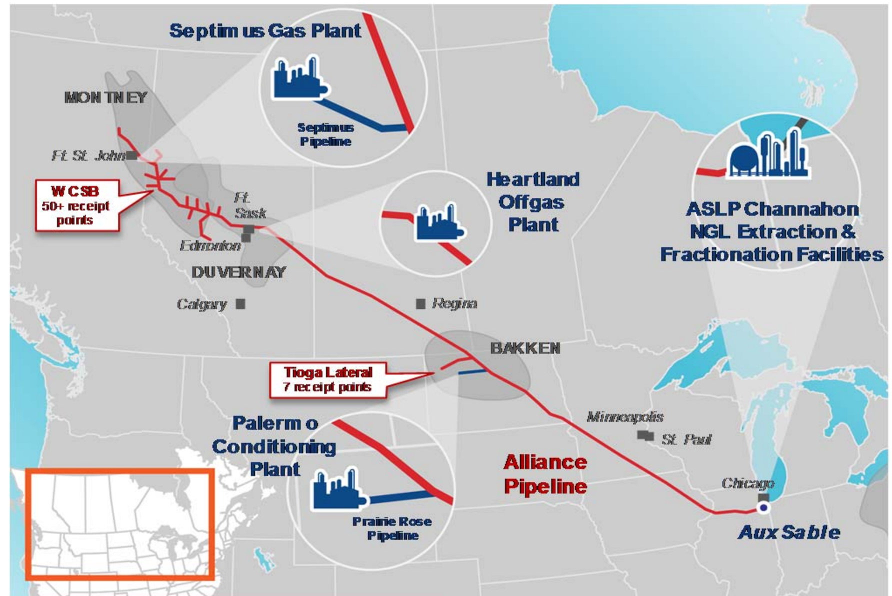
- Explore debottlenecking to maximize utilization of long-haul capacity
- Consider gathering system expansions

Ancillary Services

- Storage, incremental liquids handling or other similar opportunities

Expand

- Large scale expansions of the long-haul system and potentially fractionation capacity at Channahon



Alliance Pipeline

- Transports gas from top plays, including Montney, Duvernay and Bakken, to high value Chicago market
- All-in firm toll of US$0.93/mcf from Alberta and US$1.05/mcf from BC combined with strong upstream economics for producers makes Alliance very competitive relative to other pipelines coming into Chicago
- Ability to transport NGLs out of saturated Alberta market a significant competitive advantage
- Nameplate capacity of ~1.65 Bcf/d

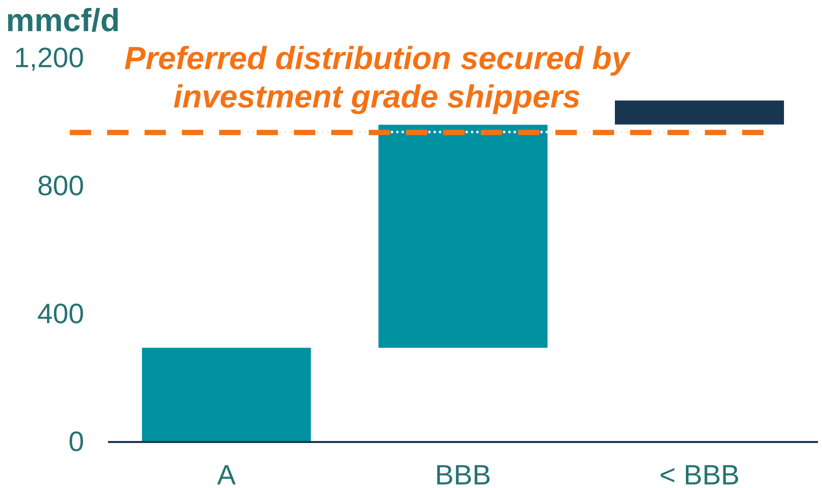
Aux Sable

- World-scale Channahon NGL extraction and fractionation facility with 131,500 bbl/d capacity
- Strategically located near Chicago, serving major NGL markets via pipeline and rail
- Aux Sable business also includes the Heartland offgas facility, Septimus plant & pipeline, Palermo plant and Prairie Rose pipeline

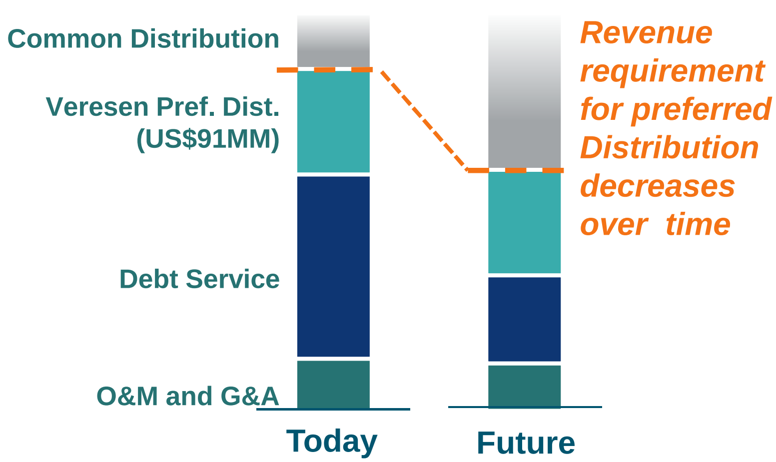
Ruby Pipeline

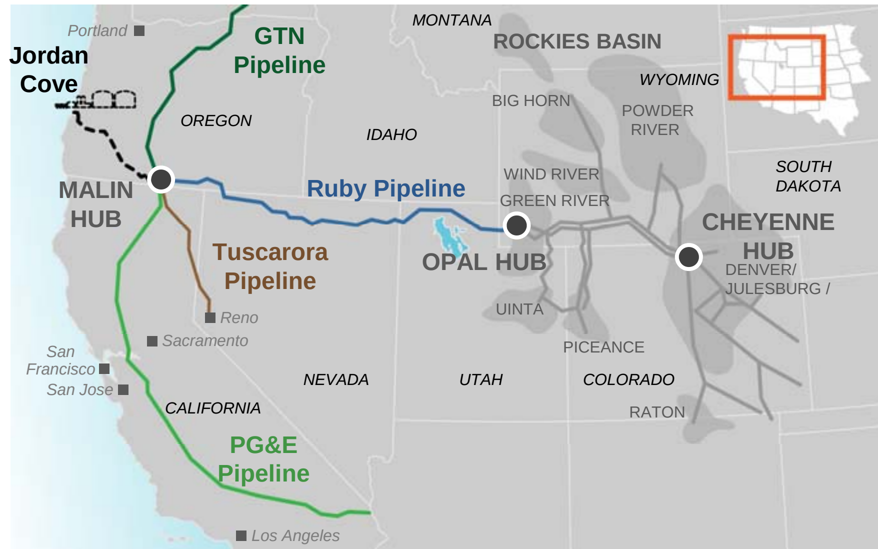
Stable preferred distribution secured by investment grade shippers

Volumes by Shipper Credit Rating



Illustrative Cost Structure Over Time





Asset Overview

- 1,100 km natural gas pipeline from Opal Hub, WY to Malin Hub, OR
- 42” pipeline with capacity of ~1.5 Bcf/d; expandable to 2.0 Bcf/d through additional compression
- Operated by Kinder Morgan
- In-service for over 6 years since 2011

Contract Structure

- Preferred distribution of US$91MM
- ~1.1 Bcf/d in take-or-pay contracts
- First tranche of contracts expire in 2021
- ~90% of volumes contracted by investment grade entities; supports full preferred distribution

Veresen Interest & Considerations

- 50/50 joint control with equal governance
- Veresen holds option to convert to 50% common ownership with no expiry
- Debt amortization continues to reduce volumes required to support the preferred distribution

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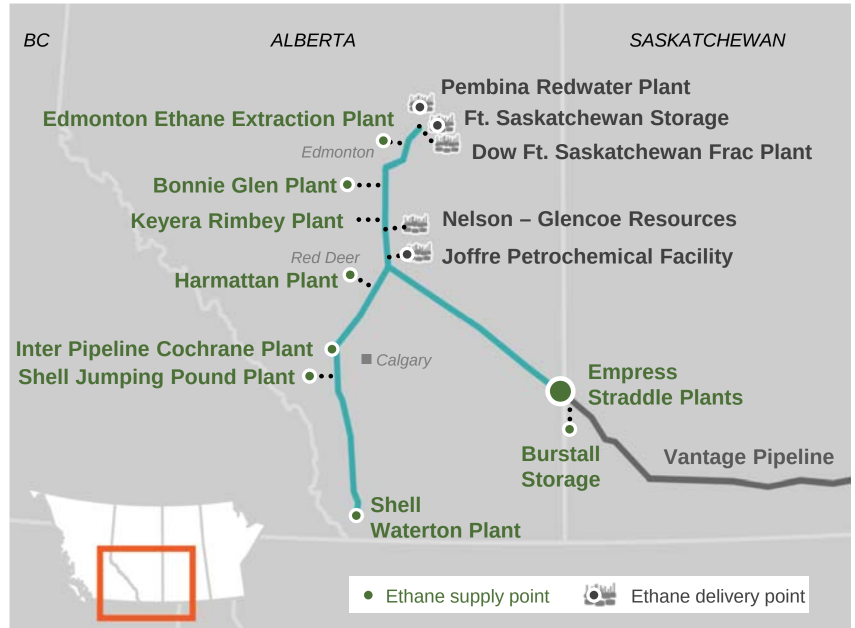
AEGS

Largest transporter of ethane to Alberta petrochemical facilities

- 1,334 km integrated system connecting ethane sources to storage and petrochemical facilities in Alberta
- 100% Veresen owned
- Primarily serving NOVA Chemicals and Dow Chemicals
- Aggregate capacity of 330,000 bbl/d
- Expect favourable re-contracting of existing take-or-pay agreements expiring at end of 2018



Asset Overview	Contract Structure	Veresen Interest & Considerations
• 1,334 km length ethane transport pipeline • Aggregate design capacity of 320+ mbbl/d • Exclusive major ethane transport pipeline to Alberta petrochemical facilities	• Take-or-pay contracts expire in end of 2018 with recontracting being an opportunity • Largest shippers are NOVA Chemicals and DOW	• Burstall Ethane storage project is being developed near the Empress terminus of the system

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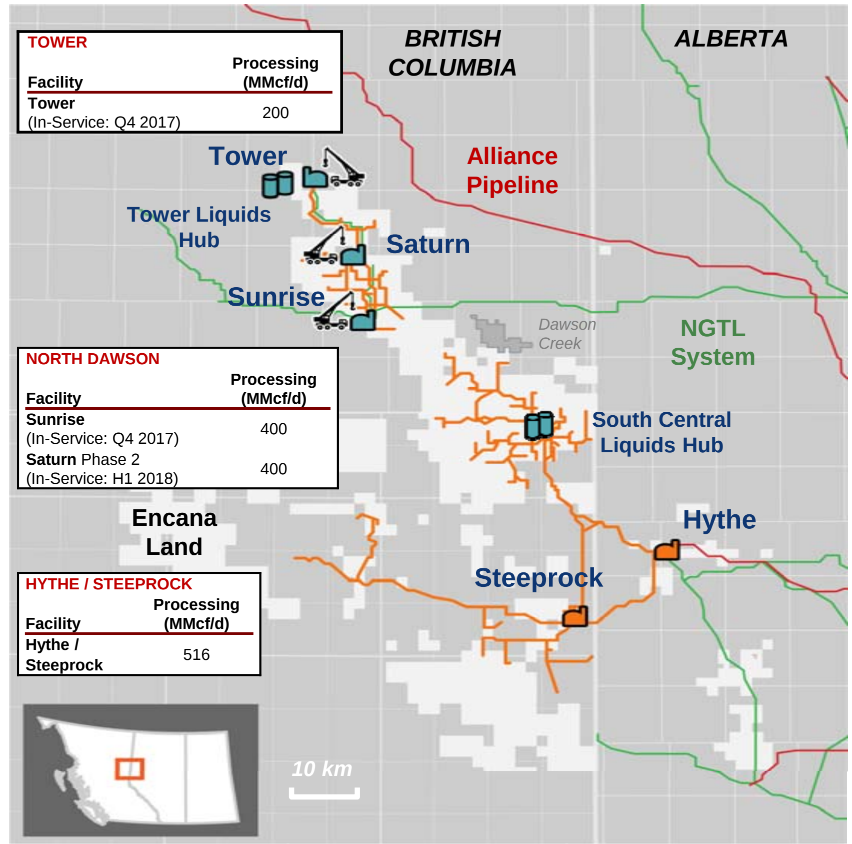
Veresen Midstream

A leading independent natural gas gathering and processing business

- Expect to be the largest independent gatherer and processor of Montney gas in 2018
  - Focused on the most economic areas of the B.C. Montney
  - Significant third-party activity in the region
- 0.5 Bcf/d of existing processing capacity with 1.5 Bcf/d to be in operation by 2018
- Reliable operator
  - >99% average reliability since acquisition of Hythe/Steeprock in 2012
- Platform for future growth
  - Area is the most prolific and actively developed gas play in Canada, with producers in the region having ambitious growth plans
  - Development in region is infrastructure constrained
- Strong capitalization and aligned partners
  - Jointly-owned and controlled by Veresen and Kohlberg Kravis Roberts ("KKR")



Asset Overview	Contract Structure	Veresen Interest & Considerations
• Agreement with Cutbank Ridge Partnership • Encana 60%, Mitsubishi 40% • 0.5 Bcf/d of existing processing capacity at Hythe / Steeprock • 1.0 Bcf/d of facilities under development at Sunrise, Tower and Saturn	• Hythe / Steeprock under take-or-pay structure with 15 years remaining • Development at Dawson governed by 28–year fee-for-service agreement • New infrastructure dedicated within an area of mutual interest (AMI)	• Veresen currently owns ~47% • 50 / 50 joint governance with Veresen and KKR • Partnership debt facilities are non-recourse to Veresen

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Growth Platform With Significant Scale

$2.8B of gross projects under construction expected to triple EBITDA

Operating Segment	Gross Invested Capital ($MM)		Investment Multiple (x)	Gross Annualized EBITDA ($MM)	
Hythe / Steeprock	Hythe / Steeprock [1]	$920	12x	$80	Assets Contributed at Inception
	Hythe Liquids Recovery [2]	$20	8x - 10x	$2 - $3	Growth to Date
	Additional Liquids Handling	*$72*	*8x - 10x*	*$7 - $9*	Under Construction
Dawson	Dawson [2]	$755	8x - 10x	$75 - $95	Growth to Date
	Sunrise	*$860*	*8x - 10x*	*$85 - $110*	Under Construction
	Tower	*$715*	*8x - 10x*	*$70 - $90*	Under Construction
	Saturn Phase II	*$930*	*8x - 10x*	*$95 - $115*	Under Construction
	Compressor Station Modifications	*$45*	*8x - 10x*	*$5 - $5*	Under Construction
	South Central (Phase II) & Tower Liquids Hubs	*$150*	*8x - 10x*	*$15 - $20*	Under Construction
	Total Existing	**$1,695**	**9x - 11x**	**$157 - $178**	
	Total Under Construction	**$2,772**	**8x - 10x**	**$277 - $349**	
Total Including Existing and Under Construction		**$4,467**	**8x - 10x**	**$434 - $527**	

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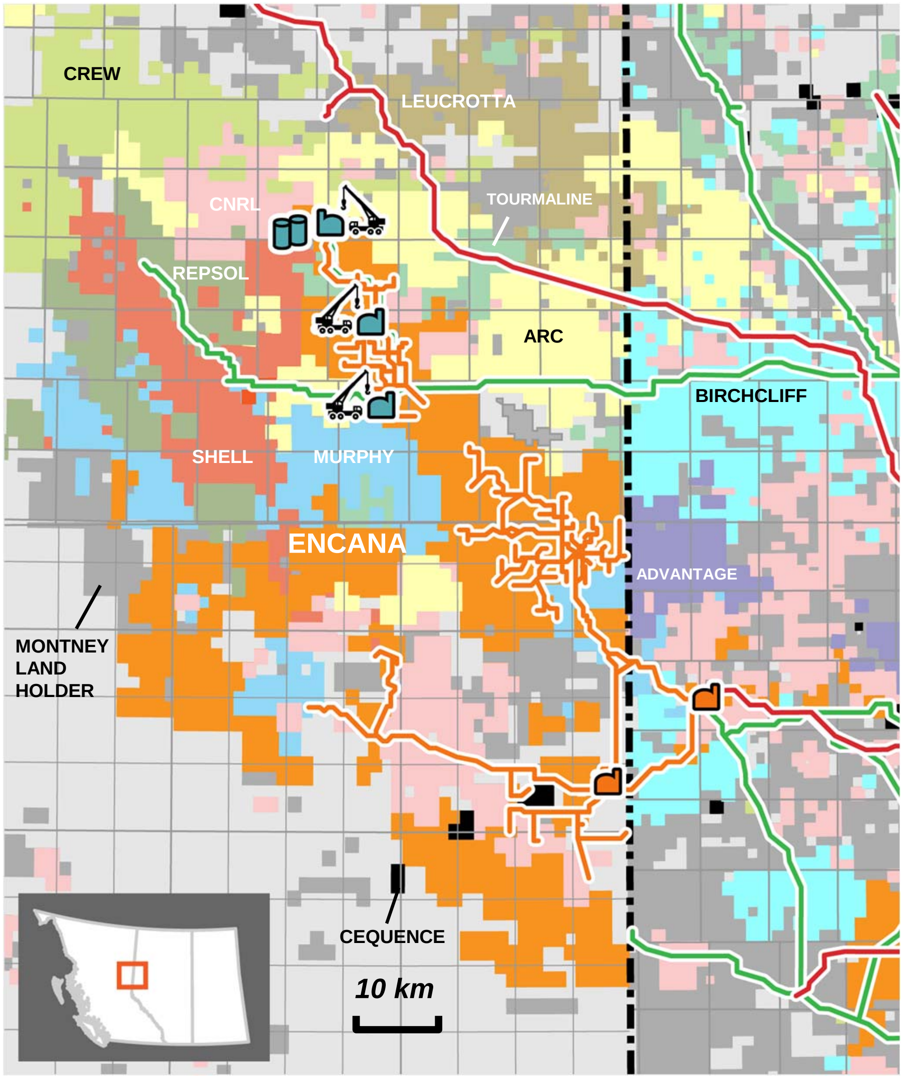
(1) Gross acquisition price for Hythe / Steeprock
(2) Invested capital in operating infrastructure as at Jun 30, 2017

Montney Regional Landscape

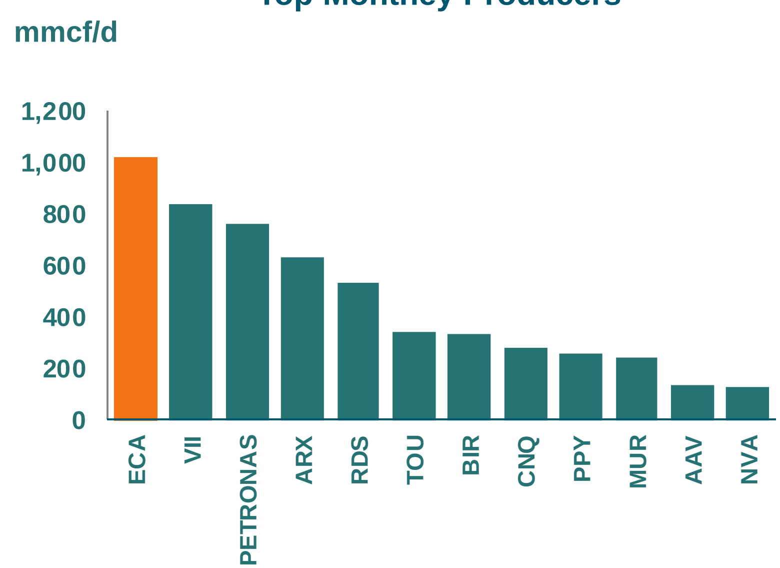
Well positioned to secure 3rd party growth around existing footprint



Veresen Midstream Montney Infrastructure

- Veresen Midstream Pipelines
- New Dawson Projects
- Hythe/Steeprock Gas Plants

Top Montney Producers(1)



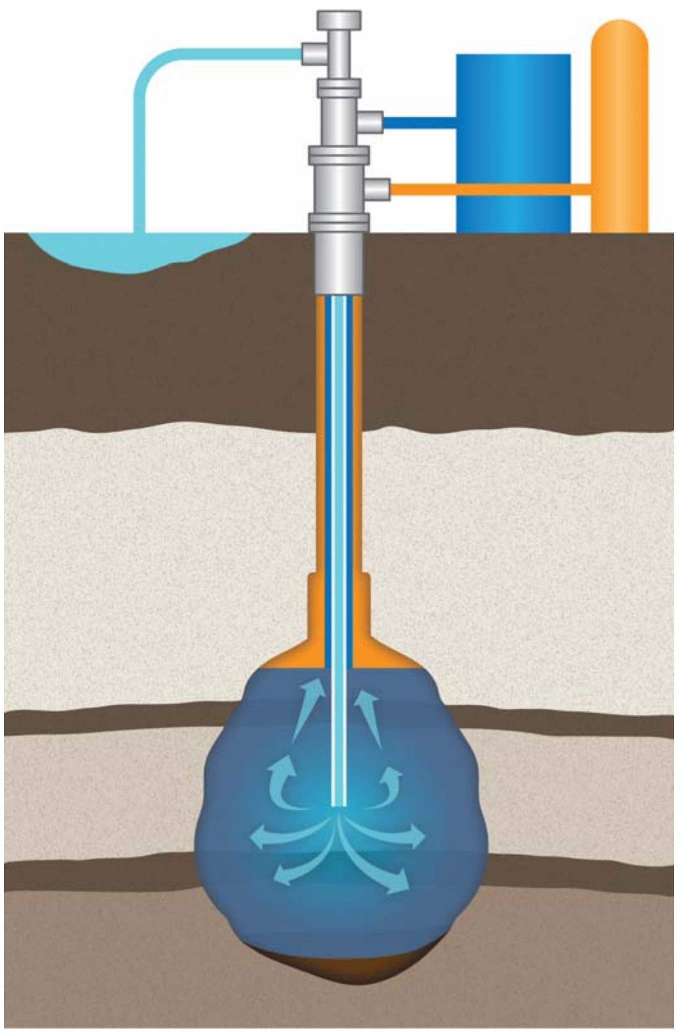
Encana land position based on public data, where not all land would be part of the AMI, under the agreement. Source: Scotiabank GBM

(1) Trailing three month daily average as of August 1, 2017
Source: Scotiabank GBM

Burstall Ethane Storage

1 million barrel ethane storage project supporting Alberta petrochemical industry

- Salt cavern ethane storage facility with a capacity of ~1 million bbls
- 100% Veresen owned project, with an expected in-service date of Q4 2018
- Pipeline connected to AEGS, near the terminus of its east leg with access from Vantage
- Underpinned by a 20-year firm lease with NOVA Chemicals
  - Provides valuable operational storage, mitigating potential supply disruptions to Alberta petrochemical facilities



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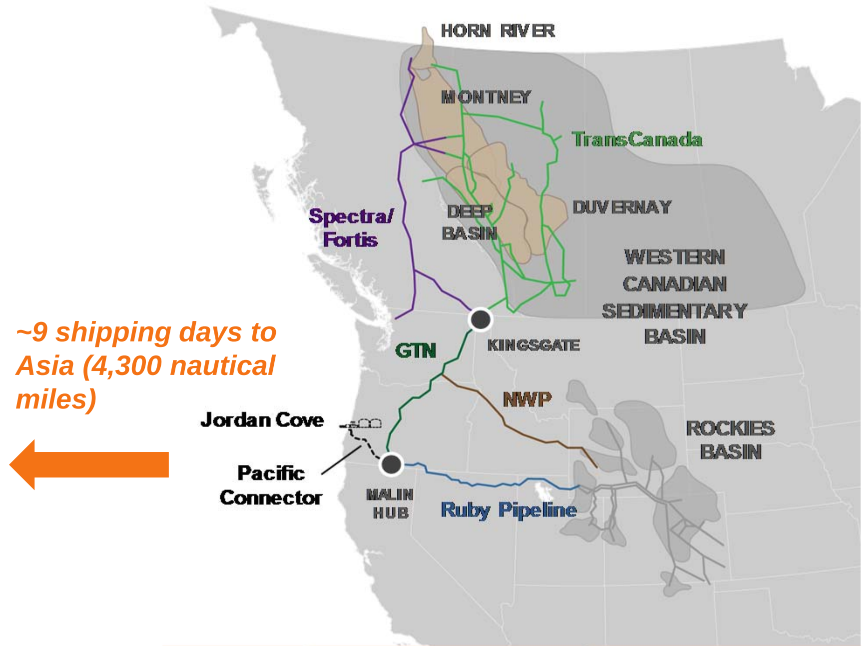
Jordan Cove

Leading West Coast LNG Project

- Jordan Cove is one of the lowest cost sources of LNG supply in the world
  - Shortest shipping distance to Asia, with no Panama Canal or hurricane risk, provides cost advantage
  - Price-competitive with brownfield Gulf of Mexico projects on a delivered to Tokyo basis
- Finalized the key commercial terms for at least 3 MMTPA of liquefaction capacity
  - Includes world's largest LNG buyer
  - Focus in 2017 on finalizing agreements with existing buyers and securing additional off-takers
- Addressing permitting requirements
  - Granted pre-filing approval from the FERC on February 10, 2017
  - Communicating with the FERC in order to advance the process in a timely fashion, with the expectation of reaching a final investment decision in 2019



Asset Overview	Contract Structure	Veresen Interest & Considerations
• 7.8 MMTPA (~1.3 Bcf/d) liquefaction design capacity • Existing infrastructure provides access to both Canadian and U.S. Rockies supply at Malin Hub	• Finalized key commercial terms for at least 3 MMTPA of the terminal's initial design capacity	• Continue to progress both regulatory and commercial processes

Supplementary Information

Scheduled Debt Amortization

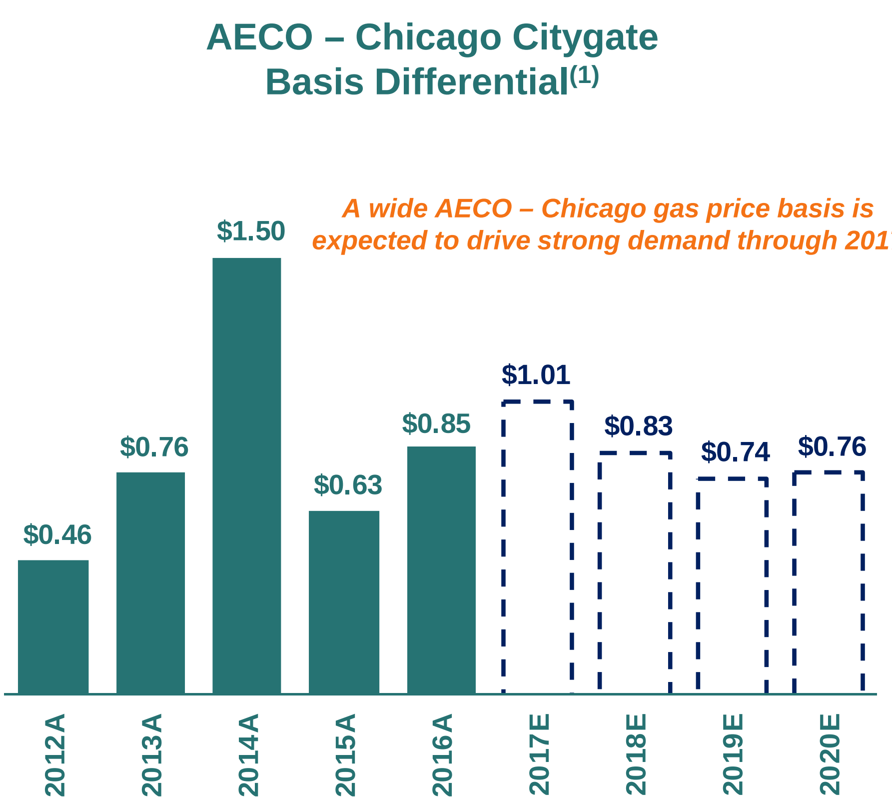
Proportionately consolidated basis as at Jun 30, 2017[1,2]

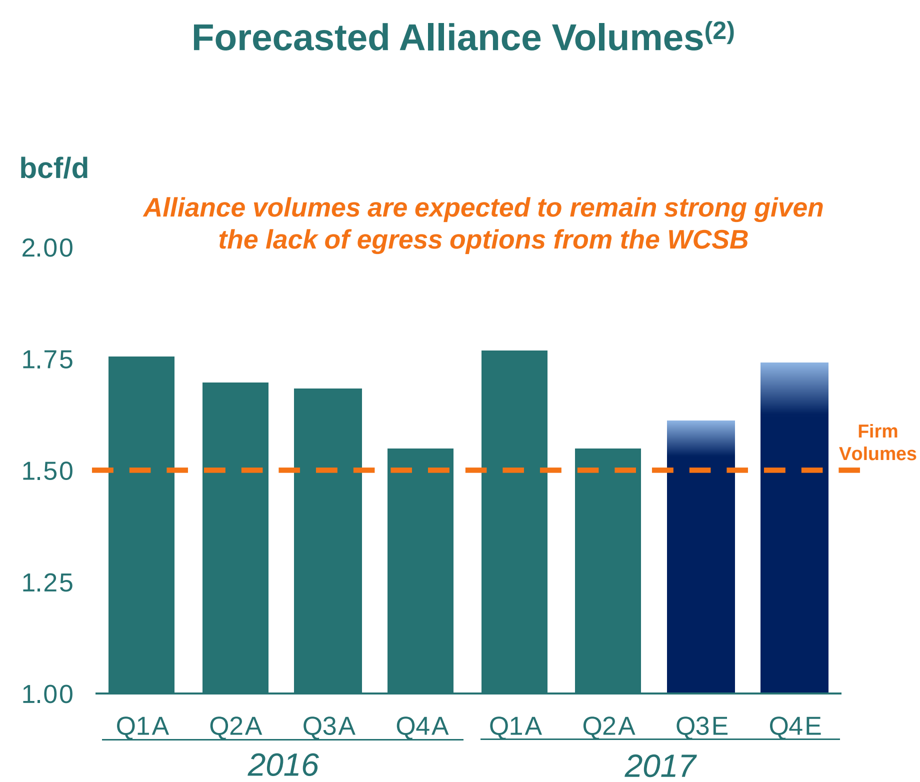
($mm)	H2 2017	2018	2019	2020	2021	2022+	Total
Long-term Debt - Amortizing Maturities (included in Distributable Cash calculation)							
Alliance [3]	32	64	65	65	64	254	**544**
Ruby [4]	48	58	57	57	28	-	**248**
AEGS	2	4	4	-	-	-	**10**
Aux Sable	-	2	-	-	-	-	**2**
Veresen Midstream [5]	2	42	59	4	4	-	**111**
Total Amortizing Maturities	**84**	**170**	**185**	**126**	**96**	**254**	**915**
Long-term Debt - Lump Sum Maturities							
Alliance [3]	-	-	74	68	-	8	**150**
Ruby	-	132	-	-	-	308	**440**
AEGS	-	-	-	65	-	-	**65**
Veresen Midstream [5]	-	-	-	423	-	397	**820**
Corporate	-	150	200	261	350	50	**1,011**
Total Lump Sum Maturities	**-**	**282**	**274**	**817**	**350**	**763**	**2,486**
Total - Continuing Operations	**84**	**452**	**459**	**943**	**446**	**1,017**	**3,401**
Power (Discontinued Operations)	1	3	3	3	3	27	**40**
Total Long-term Debt at June 30, 2017	**85**	**455**	**462**	**946**	**449**	**1,044**	**3,441**

(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 and deferred financing fees, meaning that the values in this table may not be indicative of the face value of debt outstanding.
(2) Schedule assumes an exchange rate of C$1.30/US$.
(3) Includes NRGreen.
(4) Ruby preferred distribution of US$91mm per year is not impacted by maturities included in this table.
(5) 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.

Alliance Outlook

Supportive fundamentals to drive continued strong performance





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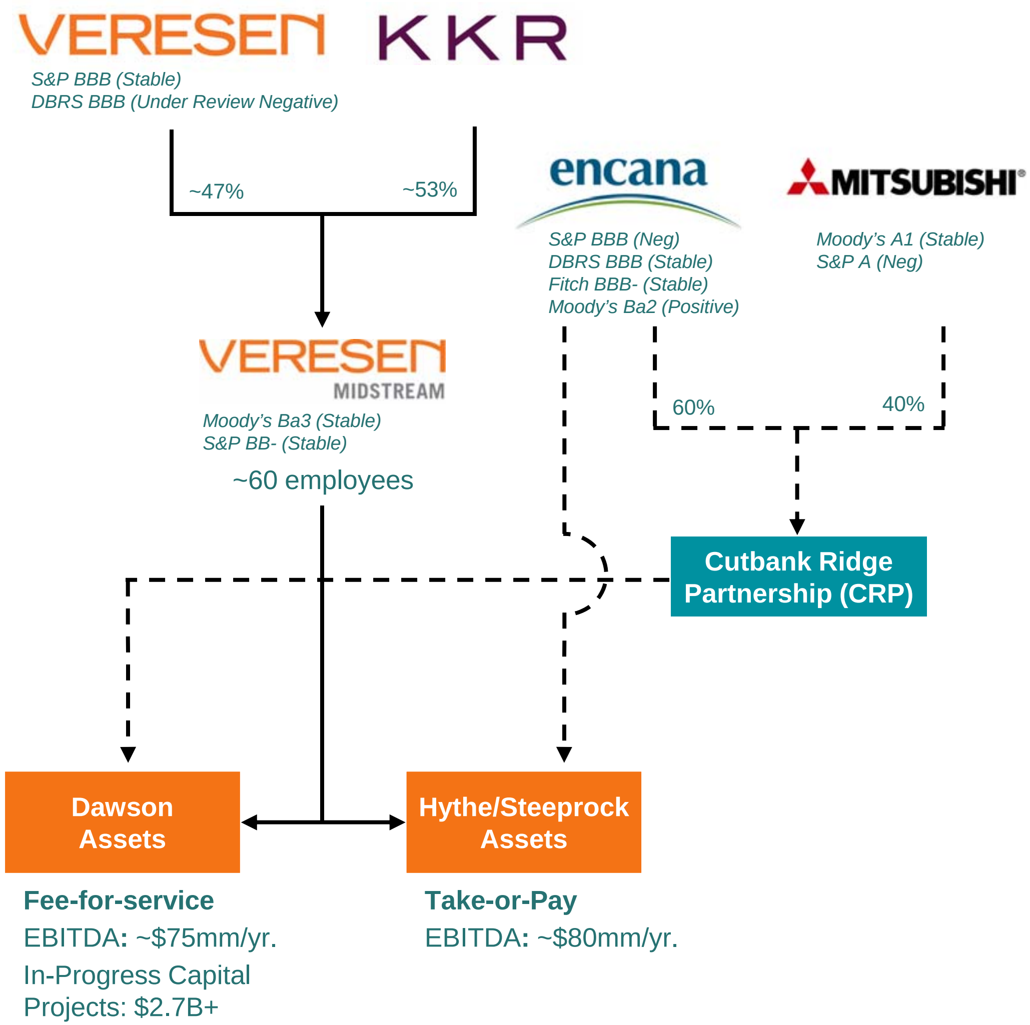
(1) AECO – Chicago Citygate Basis Differential (US$/mmbtu) as at May 3, 2017. Source: Bloomberg
(2) Q4 2016 volumes include the impact of a planned eight day shut-down to perform certain pipe replacement work to accommodate the construction of a highway near Regina, Saskatchewan.

Veresen Midstream Structure

Veresen Midstream to provide up to $5B for CRP midstream projects



Veresen Midstream Partnership Structure

- Private limited partnership jointly owned and jointly controlled by Veresen Inc. (47%) and KKR (53%)
- 50% of KKR's initial investment receives payment-in-kind ("PIK") distributions, convertible into Class A shares
- Beginning March 31, 2019, either partner can trigger conversion of PIK units to cash paying Class A shares
- Veresen retains the option to equalize ownership in the partnership at conversion

Cutbank Ridge Partnership

- Encana and Mitsubishi have a joint CRP venture, with Mitsubishi committing to fund $1.45B of Encana's development costs
- Remaining capital carry expected to run through 2019, past plant on-stream dates

Veresen Midstream Organization

- Full operating and commercial team comprised of field & technical operating staff

Veresen Midstream Commercial Structure

Significant protections above simple fee-for-service on new Dawson construction

	Hythe/Steeprock	Dawson

Fee Model	• Take-or-pay through 2031	• Fee-for-service through 2044
		• Fee set based on target rate of return within agreement
		• Rate mechanisms ensure fees are set at actual capital cost expenditures
		    • For plants, fees are finalized one year after in-service date ensuring all costs accounted for
		    • Postage stamp rate for pipeline system fee is adjusted, up or down, as total pipeline system capital reaches predetermined trigger points.
		• Return of capital within eight years

Counterparty	• Encana	• Cutbank Ridge Partnership & Encana
Capital Commitment	• None	• Up to $5 billion to fund new infrastructure
Operatorship	• Veresen Midstream operates processing facilities	• Veresen Midstream may elect to assume operatorship of processing facilities after an interim operating period
Volume Risk	• None	• Return of capital provision
Operating Cost Risk	• Minimum reliability commitment • Flow-through – subject to a reasonable performance 50/50 sharing of controllable costs thereafter	• Flow-through while Encana operates • Upon Veresen Midstream assuming operatorship, operating costs convert to a fee basis with annual escalators • Uncontrollables (e.g., property taxes, electricity) are flow-through
Capital Cost/Construction Risk	• Veresen Midstream constructs all expansions • Maintenance / improvement capital funded under take-or-pay structure, subject to Encana approval	• Fees adjusted to reflect actual costs

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