

Veresen Midstream Sanctions \$95 Million of Capital Projects

Calgary, Alberta – February 28, 2017 – Veresen Midstream has sanctioned \$95 million of incremental capital projects to support development by Cutbank Ridge Partnership ("CRP") and Encana. To provide greater capacity at the existing Hythe processing facility for the significant increase in regional liquids production, Encana has sanctioned the Hythe Liquids Phase II project for \$62 million. The Hythe Liquids Phase II project is expected to be in service by the end of 2017 and is governed by a take-or-pay agreement. CRP also requires upgrades at two existing compressor stations for an aggregate \$33 million that are expected to be sanctioned imminently and in service by the end of 2018. The projects with the CRP are governed by the Dawson Midstream Service Agreement, which is in place for the next 28 years.

There continues to be a need for significant additional investment in pipelines, natural gas processing and liquids handling facilities to support the development expected by CRP, Encana and third-party Montney producers surrounding Veresen Midstream's existing infrastructure. In addition to the opportunity of bringing third party volumes into Veresen Midstream's facilities currently under construction at Dawson, Veresen expects growth in the region will translate into an additional \$200 million to \$400 million per year of incremental capital projects for Veresen Midstream over the next several years.

Investment and Construction Progress Update

In 2016, a total of \$1,150 million in capital was invested by Veresen Midstream, including \$325 million in the fourth quarter. Capital expenditures for the Sunrise, Tower and Saturn Phase II processing facilities amounted to \$1,030 million in 2016, with \$270 million in the fourth quarter.

Construction of the three processing facilities continues to track below budget and on schedule, with more than 55% of capital incurred to date. Veresen Midstream expects the combined cost of the processing facilities currently under construction to be approximately \$2.5 billion, with the Sunrise and Tower plants expected to be in-service by the end of 2017 and the Saturn Phase II plant in-service by mid-2018.

When all three of these facilities are operational, Veresen Midstream will have 1.5 bcf/d of processing capacity in operation and will be a dominant player in the core of the Montney, one of North America's most prolific and competitive resource plays. Once commissioned, these facilities are expected to generate incremental run-rate EBITDA of between \$250 million to \$300 million based on target volumes.

Since Veresen Midstream was formed in early 2015, a total of \$3.6 billion in capital projects has been sanctioned under the agreement with CRP and Encana to fund up to \$5 billion of new infrastructure. At the end of 2016, approximately \$680 million of these capital projects were in service.

About Veresen Midstream

Veresen Midstream is a leading natural gas midstream business located in western Canada. We are focused on providing flexible and innovative natural gas and natural gas liquids, processing, transportation and NGL service solutions to the producer community. We take a long-term, relationship based approach to our business to develop solutions which balance the sharing of risk and reward with our partners.

Veresen Midstream was formed in late 2014 through a transaction by Veresen Inc. and Kohlberg Kravis Roberts & Co. L.P.