VERESEN

FOR IMMEDIATE RELEASE

Veresen Announces Approval of the $715 Million Tower Rich Gas Processing Complex and 2016 Guidance

CALGARY, Alberta, December 7, 2015 – Veresen Inc. ("Veresen" or the "Company") (TSX: VSN) today announced that the Cutbank Ridge Partnership ("CRP") has sanctioned the $715 million Tower rich gas processing complex ("Tower"), which is the second major new gas plant now under construction as part of the Veresen Midstream Limited Partnership ("Veresen Midstream") infrastructure development. Veresen now has $1 billion net of growth projects under construction, including Tower and the previously announced Sunrise gas plant, the Burstall ethane storage facility and the Aux Sable fractionation expansion. Additionally, construction of the 40-MW Grand Valley Wind Farm Phase III has been completed ahead of schedule and under budget, and was placed into operation on December 3, 2015.

Tower Gas Plant Sanctioned

The Tower rich gas processing complex will have capacity for 200 million cubic feet per day ("mmcf/d") of rich gas and up to 20,000 barrels per day of condensate and NGL. Tower will be located south of Fort St. John in northeastern British Columbia and will process rich gas from the prolific Montney resource play. The Montney remains western Canada's most actively developed gas resource play and continues to deliver strong results even against a challenging macro environment. The estimated capital cost for the Tower gas processing plant, liquids recovery, storage and other ancillary facilities is $715 million, with the plant expected to be in service in late 2017.

Veresen Midstream will fund 55% to 60% of Tower's construction costs with its existing $1.275 billion credit facility, which is largely undrawn, with the balance to be contributed over time by Veresen and KKR. Veresen intends to fund its share of future contributions to Veresen Midstream with ongoing proceeds received from equity issued in connection with Veresen's Premium Dividend™ and Dividend Reinvestment Plan.

2016 Guidance and 2015 Guidance Reaffirmed

For 2016, Veresen is forecasting distributable cash in the range of $0.94 to $1.08 per common share. Based on an annualized dividend of $1.00 per common share for 2016, the corresponding payout ratio would range from 93% to 106%.

"Our business is supported almost entirely with long-term take-or-pay or fee-for-service contracts with no direct commodity exposure," said Don Althoff, President and CEO of Veresen. "Through the successful re-contracting of the Alliance Pipeline and the addition of other fee-based infrastructure over the last year, we expect to support our current dividend payout in 2016 without relying on any contribution from NGL margins."

Mr. Althoff added, "The strategic initiatives Veresen executed in 2014 and 2015 have established a growth platform that is the largest in the Company's history. Our $1 billion of growth projects under construction are fully funded with existing sources and our dividend reinvestment program, and will provide meaningful per-share cash flow growth in the 2018 timeframe."

"As we look beyond 2018, Veresen has a number of additional material growth projects under development, including Jordan Cove LNG and the Pacific Connector Gas Pipeline, which will extend our growth profile, further transform the Company, and create significant shareholder value."

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For 2015, Veresen maintains its previously announced distributable cash guidance of $0.99 to $1.07 per Common Share. Further details regarding Veresen's 2015 and 2016 guidance can be found at www.vereseninc.com.

2015 Key Achievements

Alliance Pipeline successfully re-contracted

On December 1, 2015, the Alliance Pipeline's new services and related tolls and tariffs came into effect. The Alliance Pipeline, which intersects the liquids-rich window of the Montney and Duvernay in northeastern British Columbia and Alberta, and the Bakken in North Dakota, has fully contracted all available firm capacity with a 5-year weighed average term for new receipt and full-path contracts.

Veresen Midstream to triple processing capacity by 2018

In October 2015, CRP sanctioned the 400 mmcf/d Sunrise gas plant. Sunrise will be the largest gas plant commissioned in western Canada in the last 30 years and the facility is expected to be in-service in late 2017. Beyond the newly sanctioned Tower rich gas processing complex, CRP has also proposed to add an incremental 200 mmcf/d of compression and 400 mmcf/d of refrigeration capacity to the Saturn compressor site, converting this site into a 400 mmcf/d gas plant. A final investment decision for this project is expected in early 2016.

"Veresen Midstream is the second largest independent gatherer and processor of Montney gas," said Mr. Althoff. "With the addition of the Sunrise, Tower and Saturn gas plants, Veresen Midstream's processing capacity will triple by the end of 2018, providing strong cash flow and earnings growth for Veresen."

Significant milestones mark advancement of Jordan Cove LNG

On September 30, 2015, the Federal Energy Regulatory Commission ("FERC") issued a final Environmental Impact Statement for Jordan Cove LNG and the Pacific Connector Gas Pipeline marking a significant regulatory milestone for the project. FERC's Notice of Schedule provides for the issuance of a final order and certificates for Jordan Cove LNG and Pacific Connector on or before December 29, 2015.

Commercial negotiations underway with potential customers are advancing as expected and will extend into early 2016.

Credit Ratings Reaffirmed

Standard & Poor's Rating Services LLC and DBRS Limited have both recently reaffirmed Veresen's BBB Stable corporate credit ratings. These ratings are supported by Veresen's prudent capital structure and stable, contracted earnings profile.

Conference Call and Webcast Advisory

Veresen will hold a conference call today at 7 am Mountain Time (9 am Eastern Time) to discuss the Company's 2016 guidance and outlook. A presentation will be posted to Veresen's web site prior to the call. Analysts and other interested parties can access the call at:

- Dial-in #: (877) 291-4570 / (647) 788-4919
- Conference ID: 92479156

A live audio webcast of the conference call will be available on Veresen's website at www.vereseninc.com.

A replay of the call will be available at approximately 10 am MT (12 pm ET) on December 7, 2015, using the following dial-in numbers:

- (800) 585-8367 / (416) 621-4642
- Access code: 92479156 followed by the pound sign

The replay will expire at midnight (MT) on December 21, 2015.

About Veresen Inc.

Veresen is a publicly-traded dividend paying corporation based in Calgary, Alberta that owns and operates energy infrastructure assets across North America. Veresen is engaged in three principal businesses: a pipeline transportation business comprised of interests in the Alliance Pipeline, the Ruby Pipeline and the Alberta Ethane Gathering System; a midstream business which includes a partnership interest in Veresen Midstream Limited Partnership which owns assets in western Canada, an ownership interest in Aux Sable, a world-class natural gas liquids (NGL) extraction facility near Chicago, and other natural gas and NGL processing energy infrastructure; and a power business comprised of a portfolio of assets in Canada. Veresen is also developing Jordan Cove LNG, a six million tonne per annum natural gas liquefaction facility proposed to be constructed in Coos Bay, Oregon, and the associated Pacific Connector Gas Pipeline. In the normal course of business, Veresen regularly evaluates and pursues acquisition and development opportunities.

Veresen's Common Shares and Cumulative Redeemable Preferred Shares, Series A, Series C and Series E trade on the Toronto Stock Exchange under the symbols "VSN", "VSN.PR.A", "VSN.PR.C" and "VSN.PR.E", respectively. For further information, please visit www.vereseninc.com.

About Veresen Midstream Limited Partnership

Veresen Midstream is a limited partnership, owned 49% by Veresen and 51% by affiliates of Kohlberg Kravis Roberts & Co. L.P. (“KKR”). In early 2015, Veresen Midstream entered into an arrangement with the Cutbank Ridge Partnership, a partnership between Encana Corporation and Cutbank Dawson Gas Resources Ltd., a subsidiary of Mitsubishi Corporation to undertake up to $5 billion of new midstream expansion.

Veresen Midstream owns an extensive natural gas gathering and processing network in Alberta and British Columbia. Veresen Midstream is focused on being the preferred service provider to natural gas, condensate and NGL producers through cost leadership, commercial creativity, operational excellence and superior customer service. Veresen Midstream draws upon Veresen’s operating and construction expertise and the combined financial strength of Veresen and KKR. For further information, please visit www.veresenmidstream.com

Forward-Looking Information

Certain information contained herein relating to, but not limited to, Veresen and its businesses, constitutes forward-looking information under applicable securities laws. All statements, other than statements of historical fact, which address activities, events or developments that Veresen expects or anticipates may or will occur in the future, are forward-looking information. Forward-looking information typically contains statements with words such as "will", "may", "estimate", "anticipate", "believe", "expect", "potential", "plan", "intend", "target", "project", "forecast" or similar words suggesting future outcomes or outlook. Forward-looking statements in this news release include, but are not limited to, statements with respect to the forecasted distributable cash ranges for 2016 and 2015; capital cost of the Tower gas plant and the expected in-service dates of the Tower and Sunrise plants; timing for final investment decision and capacities of the Saturn gas plant; the ability of our businesses to grow cash flow in the future, the timing of and our ability to obtain regulatory approvals and commercial agreements for Jordan Cove LNG and Pacific Connector. Readers are also cautioned that such additional information is not exhaustive. The impact of any one risk, uncertainty or factor on a particular forward-looking statement is not determinable with certainty as these factors are independent and management's future course of action would depend on its assessment of all information at that time. Although Veresen believes that the expectations conveyed by the forward-looking information are reasonable based on information available on the date of preparation, no assurances can be given as to future results, levels of activity and achievements. Undue reliance should not be placed on the information contained herein, as actual results achieved will vary from the information provided herein and the variations may be material. Veresen makes 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 Veresen does 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, except as required by applicable laws. Any forward-looking information contained herein is expressly qualified by this cautionary statement.

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