



**FOR IMMEDIATE RELEASE**

**Veresen Announces Approval of the \$860 Million Sunrise Gas Plant**

**CALGARY, ALBERTA October 6, 2015** – Veresen Inc. (“Veresen” or the “Company”) (TSX: VSN) is pleased to announce that the Cutbank Ridge Partnership (“CRP”), a partnership between Encana Corporation (“Encana”) and Cutbank Dawson Gas Resources Ltd., a subsidiary of Mitsubishi Corporation, has sanctioned the 400 million cubic feet per day (“mmcf/d”) Sunrise gas plant, to be located in the Montney region near Dawson Creek in northeastern British Columbia. In late 2014, Veresen Midstream Limited Partnership (“Veresen Midstream”), owned 50% by Veresen and 50% by affiliates of Kohlberg Kravis Roberts & Co. L.P. (“KKR”), entered into a fee-for-service arrangement with Encana and CRP to undertake up to \$5 billion of new midstream expansion for those parties in the Montney region, with the Sunrise gas plant being the first newly sanctioned project under the agreement. The estimated capital cost for the project (plant and ancillary facilities) is \$860 million.

Veresen Midstream will fund approximately 60% of the Sunrise gas plant’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. Encana will oversee the project management and construction of the facility on behalf of Veresen Midstream.

Construction of the Sunrise gas plant has commenced, with the facility expected to be in-service in late 2017. Veresen Midstream has invested approximately \$130 million in the facility to date.

“This is the largest gas plant to be commissioned in western Canada in the last 30 years and we are excited to partner with CRP on this facility,” said David Fitzpatrick, President and CEO of Veresen Midstream. “Upon start-up of the Sunrise plant, Veresen Midstream’s footprint in the Montney will grow substantially, and we look forward to continuing to work with Encana and CRP, as well as other producers in the region, to unlock the value of this important resource play.”

“Within Veresen Midstream’s footprint in the Dawson Creek area, development activity continues to be strong, driven by very low supply costs for Montney gas production in the region,” added Don Althoff, President and CEO of Veresen. “I’m excited about the growth potential of Veresen Midstream and the contribution of this business to Veresen’s earnings profile.”

Veresen Midstream anticipates that CRP will proceed to a final investment decision for the 200 mmcf/d Tower gas plant in late 2015. 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, effectively converting this site into a 400 mmcf/d gas plant. A final investment decision for this project could also be made in late 2015 or early 2016. These projects, along with assets acquired on March 31, 2015, will be part of Veresen Midstream’s commitment to provide up to \$5 billion of new gas gathering and processing infrastructure to Encana and CRP in the Montney area.

## **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 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 partnership interest in Veresen Midstream which owns midstream assets in western Canada; 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 Pacific Connector Gas Pipeline. In the normal course of business, Veresen regularly evaluates and pursues acquisition and development opportunities.

Veresen's Common Shares, Cumulative Redeemable Preferred Shares, Series A, Series C, 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](http://www.vereseninc.com).

## **About Veresen Midstream Limited Partnership**

Veresen Midstream is a limited partnership between affiliates of Veresen and KKR. 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](http://www.veresenmidstream.com).

### *Forward-looking Information*

*Certain information contained herein relating to, but not limited to, Veresen and its businesses and the offering of the notes, 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 "may", "estimate", "anticipate", "believe", "expect", "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, the estimated capital cost, source of financing and in-service date of the Sunrise gas plant, and the projected timing of a final investment decision for each of the Tower gas plant and the expansion of the Saturn compressor site. 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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