



## **Veresen Provides Notice of Series A Preferred Share Conversion Right and Announces Reset Dividend Rates**

**CALGARY, Alberta, August 31, 2017** – Veresen Inc. (“Veresen”) (TSX: VSN) announced today that it does not intend to exercise its right to redeem all or any part of the currently outstanding Cumulative Redeemable Rate Reset Preferred Shares, Series A (“Series A Shares”) (TSX: VSN.PR.A) on September 30, 2017 (the “Conversion Date”).

As a result, and subject to certain conditions set out in the prospectus supplement dated February 7, 2012 relating to the issuance of the Series A Shares, the holders of the Series A Shares will have the right to elect to convert all or any of their Series A Shares into Cumulative Redeemable Preferred Shares, Series B of Veresen (“Series B Shares”) on the basis of one Series B Share for each Series A Share on the Conversion Date.

With respect to any Series A Shares that remain outstanding after September 30, 2017, holders thereof will be entitled to receive quarterly fixed cumulative preferential cash dividends, if, as and when declared by the Board of Directors of Veresen. The annual dividend rate for the Series A Shares for the five-year period from and including September 30, 2017 to but excluding September 30, 2022, will be 4.4640%, being equal to the five-year Government of Canada bond yield of 1.5440% determined as of today, plus 2.92%, in accordance with the terms of the Series A Shares.

With respect to any Series B Shares that may be issued on September 30, 2017, holders thereof will be entitled to receive quarterly floating rate cumulative preferential cash dividends, if, as and when declared by the Board of Directors of Veresen. The annual dividend rate for the 3-month floating rate period from and including September 30, 2017 but excluding December 31, 2017 will be 3.6620%, being equal to the annual rate of interest for the most recent auction of 90-day Government of Canada Treasury Bills of 0.742% plus 2.92%, in accordance with the terms of the Series A Shares (the “Floating Quarterly Dividend Rate”). The Floating Quarterly Dividend Rate will be reset every quarter.

As provided in the share conditions of the Series A Shares: (i) if Veresen determines that there would remain outstanding immediately following the conversion, less than 1,000,000 Series A Shares, all remaining Series A Shares shall be converted automatically into Series B Shares on a one-for-one basis effective September 30, 2017; or (ii) if Veresen determines that there would remain outstanding immediately following the conversion, less than 1,000,000 Series B Shares, holders of Series A Shares shall not be entitled to convert their shares into Series B Shares on the Conversion Date. There are currently 8,000,000 Series A Shares outstanding.

The Series A Shares are issued in “book entry only” form and must be purchased or transferred through a participant in the CDS depository service (“CDS Participant”). All rights of holders of Series A Shares must be exercised through CDS or the CDS Participant through which the Series A Shares are held. The deadline for the registered shareholders to provide notice of exercise of the right to convert Series A Shares into Series B Shares is 3:00 p.m. (MST) / 5:00 p.m. (EST) on September 15, 2017. Any notices received after this deadline will not be valid. As such, holders of Series A Shares who wish to exercise their right to convert their shares should contact their broker or other intermediary for more information and it is recommended that this be done well in advance of the deadline in order to provide the broker or other intermediary with the time to complete the necessary steps.

If Veresen does not receive an election notice from the holder of Series A Shares during the time fixed therefor, then the Series A Shares shall be deemed not to have been converted (except in the case of an automatic conversion). Holders of Series A Shares and Series B Shares will have an opportunity to convert their shares again on September 30, 2022, and every five years thereafter as long as the shares remain outstanding.

Pursuant to the previously announced plan of arrangement between Veresen and Pembina Pipeline Corporation (“Pembina”), all of the outstanding preferred shares of Veresen, including any Series A Shares

or Series B Shares then outstanding, will be exchanged for Pembina preferred shares with the same terms and conditions as the outstanding Veresen preferred shares. Closing of the plan of arrangement transaction remains subject to approval under the Competition Act (Canada). Pembina and Veresen currently expect the transaction will close late in the third quarter to early in the fourth quarter of 2017. A detailed description of the transaction is set forth in the Management Information Circular of Veresen dated June 5, 2017, which has been filed on SEDAR at [www.sedar.com](http://www.sedar.com).

### **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 two principal businesses: a pipeline transportation business comprised of interests in the Alliance Pipeline, the Ruby Pipeline and the Alberta Ethane Gathering System, and a midstream business which includes a partnership interest in Veresen Midstream Limited Partnership which owns assets in western Canada, and an ownership interest in Aux Sable, which owns a world-class natural gas liquids (NGL) extraction facility near Chicago, and other natural gas and NGL processing energy infrastructure. Veresen is also developing Jordan Cove LNG, a 7.8 million tonne per annum natural gas liquefaction facility proposed to be constructed in Coos Bay, Oregon, and the associated Pacific Connector Gas Pipeline.

Veresen's Common Shares, Cumulative Redeemable Preferred Shares, Series A, Cumulative Redeemable Preferred Shares, Series C, and Cumulative Redeemable Preferred Shares, 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).

### **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, future conversions, redemptions and dividends; and the anticipated receipt of regulatory approvals in respect of, and the timing of closing of, the arrangement agreement with Pembina. 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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