FORM 51-102F3
MATERIAL CHANGE REPORT

1. **Name and Address of Company:**

Veresen Inc.
Livingston Place
Suite 440, 222 – 3rd Avenue S.W.
Calgary, AB T2P 0B4

2. **Date of Material Change:**

January 1, 2011.

3. **News Release:**

A joint news release was issued by Veresen Inc. and Fort Chicago Energy Partners L.P. ("**Fort Chicago**") on January 4, 2011 through the facilities of Canada Newswire and would have been received by the securities commissions where Veresen Inc. is a "reporting issuer" in the normal course of its dissemination.

4. **Summary of Material Change:**

On January 1, 2011, Fort Chicago and Veresen Inc. completed the previously announced plan of arrangement (the "**Arrangement**") involving Fort Chicago, Fort Chicago Energy Management Ltd., Veresen Inc. and the holders ("**Unitholders**") of Class A limited partnership units of Fort Chicago ("**Class A Units**"), providing for the conversion of Fort Chicago from a limited partnership to a Canadian corporation, named Veresen Inc.

5. **Full Description of Material Change:**

On January 1, 2011, Fort Chicago and Veresen Inc. completed the previously announced Arrangement providing for the conversion of Fort Chicago from a limited partnership to a Canadian corporation, named Veresen Inc. The Arrangement became effective at 12:01 a.m. on January 1, 2011 (the "**Effective Time**").

Pursuant to the Arrangement, Unitholders received one common share of Veresen Inc. (each, a "**Common Share**") in exchange for each Class A Unit held at the Effective Time. In addition, all of the rights, covenants, obligations and liabilities of Fort Chicago under the 5.75% convertible unsecured subordinated debentures, Series C due July 31, 2017 (the "**Series C Debentures**") and the 5.60% senior unsecured notes due June 28, 2014 were assumed by Veresen Inc. at the Effective Time. Holders of Series C Debentures will be entitled to receive Common Shares, rather than Class A Units, on the basis of one Common Share in lieu of each Class A Unit which they were previously entitled to receive, on conversion, redemption or maturity. The exchange of Class A Units for Common Shares pursuant to the Arrangement occurred, from a Canadian federal income tax perspective, on a tax-deferred rollover basis for holders of Class A Units.

The Common Shares and Series C Debentures commenced trading on the Toronto Stock Exchange on January 6, 2011 under the symbols "VSN" and "VSN.DB.C", respectively. The Class A Units were delisted concurrently with the commencement of trading of the Common Shares.

Pursuant to the Arrangement, Fort Chicago's Premium Distribution™ and Distribution Reinvestment Plan (the "**DRIP**") was amended and restated so that, among other things, shareholders of Veresen Inc. may participate in the amended and restated DRIP with respect to cash dividends declared and paid by Veresen Inc. on the Common Shares and all participants in the DRIP were deemed to be participants in the amended and restated DRIP without any further action on their part. In addition to the amendment and restatement of the DRIP, Fort Chicago assigned all associated agreements to Veresen Inc. and certain subsidiaries of Veresen Inc. and all such agreements were amended and restated effective January 1, 2011.

Additional information in respect of the Arrangement is set out in the Information Circular of Fort Chicago dated October 19, 2010, which was filed on Fort Chicago's SEDAR profile on October 25, 2010 (www.sedar.com).

6. **Reliance on Subsection 7.1(2) of National Instrument 51-102:**

Not applicable.

7. **Omitted Information:**

None.

8. **Executive Officer:**

For further information, please contact Stephen H. White, President and Chief Executive Officer or Richard Weech, Vice President, Finance and Chief Financial Officer of Veresen Inc., at (403) 296-0140.

9. **Date of Report:**

January 10, 2011.