UNDERWRITING AGREEMENT

March 25, 2015

Veresen Inc.
Suite 900, Livingston Place, South Tower
222 – 3rd Avenue SW
Calgary, Alberta
T2P 0B4

Attention: Theresa Jang, Senior Vice President Finance and Chief Financial Officer

Dear Sirs/Mesdames:

Scotia Capital Inc., TD Securities Inc., RBC Dominion Securities Inc., CIBC World Markets Inc., BMO Nesbitt Burns Inc., National Bank Financial Inc. and HSBC Securities (Canada) Inc. (collectively, the "**Underwriters**" and, individually, an "**Underwriter**") understand that Veresen Inc. (the "**Corporation**") proposes to (i) create, authorize, issue and sell in the Offering Jurisdictions (as hereinafter defined) 8,000,000 Series E Preferred Shares (as hereinafter defined); (ii) create and authorize the Series F Preferred Shares (as hereinafter defined); and (iii) issue the Series E Preferred Shares on the conversion from time to time of the Series F Preferred Shares and issue the Series F Preferred Shares on the conversion from time to time of the Series E Preferred Shares, in each case, as described in Schedule "A" hereto. Upon and subject to the terms and conditions contained herein, the Underwriters hereby severally, and not jointly nor jointly and severally, offer to purchase from the Corporation, in the respective percentages set forth in Section 17 hereof and, by its acceptance hereof, the Corporation agrees to sell to the Underwriters, an aggregate of 8,000,000 Series E Preferred Shares at a price of $25.00 per Series E Preferred Share (the "**Offering Price**"). The aggregate purchase price for the 8,000,000 Series E Preferred Shares is referred to herein as the "**Purchase Price**".

The Underwriters understand that the Corporation has prepared and filed under and as required by Applicable Securities Laws (as hereinafter defined) with the Canadian Securities Commissions (as hereinafter defined) in each of the Offering Jurisdictions the Base Shelf Prospectus (as hereinafter defined) and obtained a Passport Receipt (as hereinafter defined) therefor. The Corporation shall prepare and promptly after the execution of this Agreement and, in any event, not later than 5:00 p.m. (Calgary time) on the date of this Agreement, file a shelf prospectus supplement, on a basis reasonably acceptable to the Underwriters, under and as required by Applicable Securities Laws with each of the Canadian Securities Commissions in both the English and French languages (such shelf prospectus supplement, including the Documents Incorporated by Reference, the "**Prospectus Supplement**" and, together with the Base Shelf Prospectus, the "**Prospectus**"), and all other documents required to be filed with the Prospectus pursuant to Applicable Securities Laws.

In consideration of the agreement of the Underwriters to purchase the Offered Shares (as hereinafter defined) and to offer them to the public pursuant to the Offering Documents (as hereinafter defined) and as otherwise contemplated herein, the Corporation agrees to pay to the

Underwriters the Underwriting Fee (as hereinafter defined) in respect of the Offered Shares in accordance with Section 12.

The Underwriters may offer the Offered Shares at a price less than the Offering Price in compliance with Applicable Securities Laws.

The following are additional terms and conditions of this Agreement:

Section 1 Terms and Conditions

(1) Definitions

Where used in this Agreement or in any amendment hereto, the following terms shall have the following meanings, respectively:

(a) "**ABCA**" means the *Busin*ess Corporations Act (Alberta), R.S.A. 2000, c. B-9, together with any and all regulations promulgated thereunder, as amended from time to time;

(b) "**Acquired Business**" means the acquisition of certain natural gas gathering and compression assets supporting Montney development in the Dawson area of northeastern British Columbia from the Vendors by the Purchaser;

(c) "**affiliate**" has the meaning given to it in the *Securities Act* (Alberta);

(d) "**Agreement**" means the agreement resulting from the acceptance by the Corporation of the offer made by the Underwriters by this letter;

(e) "**Alliance**" means, collectively, (i) Alliance Canada, and (ii) Alliance US;

(f) "**Alliance Canada**" means, collectively, Alliance Pipeline Limited Partnership and its general partner, Alliance Pipeline Ltd.;

(g) "**Alliance Canada Pipeline**" means the portion of the Alliance Pipeline that is located in Canada;

(h) "**Alliance Financial Statements**" means, collectively, the most recent audited comparative financial statements of each of Alliance Pipeline Limited Partnership and Alliance Pipeline L.P., together with the notes thereto and the report of the auditors thereon, and the most recent unaudited interim comparative financial statements of each such entity for a period subsequent to the end of the period for which the most recently filed audited comparative financial statements of each such entity pertain to, if any, together with the notes thereto;

(i) "**Alliance Pipeline**" means the natural gas transmission pipeline that runs from northwestern Alberta and northeastern British Columbia to a point near Channahon, Illinois;

(j) "**Alliance US**" means, collectively, Alliance Pipeline L.P. and its managing general partner, Alliance Pipeline Inc.;

(k) "**Alliance US Pipeline**" means that portion of the Alliance Pipeline that is located in the United States;

(l) "**Applicable Securities Laws**" means, collectively, all applicable securities laws of all of the Offering Jurisdictions and the respective rules and regulations under such laws together with applicable published instruments, notices, policy statements and orders of all of the Canadian Securities Commissions;

(m) "**Aux Sable**" means, collectively, (i) Aux Sable Liquid Products LP and its managing general partner, Aux Sable Liquid Products Inc., (ii) Aux Sable Canada Limited Partnership and its general partner, Aux Sable Canada Ltd.; (iii) Alliance Canada Marketing L.P. and its general partner, Alliance Canada Marketing Ltd.; (iv) Sable NGL Canada LP and its managing general partner, Sable NGL Canada Ltd.; (v) Sable NGL Services LP and its general partner, Sable NGL Services Ltd.; and (vi) Aux Sable Midstream LLC;

(n) "**Aux Sable Financial Statements**" means, collectively, the most recent audited comparative financial statements of each of Aux Sable Liquid Products LP, Aux Sable Canada Limited Partnership, Alliance Canada Marketing LP and Aux Sable Midstream LLC, together with the notes thereto and the report of the auditors thereon, and the most recent unaudited interim comparative financial statements of each such entity for a period subsequent to the end of the period for which the most recently filed audited comparative financial statements of each entity pertain to, if any, together with the notes thereto;

(o) "**Base Shelf Prospectus**" means the short form base shelf prospectus of the Corporation dated September 20, 2013 relating to the distribution from time to time by the Corporation of certain securities in an aggregate initial offering price of up to $3,000,000,000 (or the equivalent thereof in other currencies based on the applicable exchange rate at the time of the offering) during the 25 month period that such short form prospectus remains in effect, in both the English and French languages, including for greater certainty the documents incorporated by reference therein;

(p) "**Bookrunners**" means Scotia Capital Inc. TD Securities Inc. and RBC Dominion Securities Inc.;

(q) "**business day**" means a day, other than a Saturday, a Sunday or any other day on which chartered banks are not open for business in Calgary, Alberta or Toronto, Ontario;

(r) "**Canadian Alliance and Aux Sable Entities**" means Alliance Pipeline Limited Partnership, Aux Sable Canada Limited Partnership, Alliance Canada Marketing LP, Sable NGL Canada LP and Sable NGL Services LP;

(s) "**Canadian Securities Commissions**" means, collectively, the securities regulatory authorities in all of the Offering Jurisdictions;

(t) "**CDS**" has the meaning ascribed thereto in Section 11(2);

(u) "**Closing Date**" means the date on which the issuance and sale of the Offered Shares is to be completed, being April 1, 2015 or such later date as may be agreed to in writing by the Corporation and the Underwriters;

(v) "**Closing Time**" means 6:30 a.m. (Calgary time) or such other time as may be agreed to by the Corporation and the Underwriters on the Closing Date;

(w) "**Common Shares**" means the common shares in the capital of the Corporation;

(x) "**comparables**" has the meaning ascribed to such term in NI 41-101;

(y) "**Contaminants**" means substances, pollutants and wastes which (a) pollute or are otherwise harmful to the Environment, (b) are defined as contaminants, pollutants, radioactive waste, hazardous substances, hazardous waste, hazardous or toxic under any applicable Environmental Law, or (c) are construed as having an "adverse effect", through impairment of or damage to the Environment, human health or safety or property under any applicable Environmental Law;

(z) "**Corporation**" has the meaning ascribed thereto in the first paragraph of this Agreement;

(aa) "**Corporation Financial Statements**" means, collectively, the audited comparative consolidated financial statements of the Corporation as at and for the years ended December 31, 2014 and 2013, together with the notes thereto and the report of the auditors thereon, which are incorporated by reference into the Prospectus;

(bb) "**Development**" has the meaning ascribed thereto in Section 7;

(cc) "**distribution**" has the meaning given to it in the *Securities Act* (Alberta);

(dd) "**Documents Incorporated by Reference**" means all interim and annual financial statements, management's discussion and analysis, business acquisition reports, management information circulars, annual information forms, material change reports (other than confidential material change reports), marketing materials or other documents filed by the Corporation, whether before or after the date of this Agreement, that are, are deemed to be, or are required to be, incorporated by reference into the Prospectus;

(ee) "**Due Diligence Session**" shall have the meaning set forth in Section 5 hereof;

(ff) "**Environment**" means all components of the earth, including all layers of the atmosphere, air, land and water, and all personal and real property (including all improvements and appurtenances within, upon, under or over such real property) within, upon, under or over the foregoing;

(gg) "**Environmental Law**" means any applicable law relating, in whole or in part, to the protection or enhancement of the Environment or imposing liability as a result of adverse effects to the Environment, including occupational safety, product liability, public health and public safety;

(hh) "**Exchange**" means the Toronto Stock Exchange;

(ii) "**Financial Information**" means (i) the Corporation Financial Statements; (ii) the Ruby Pipeline Financial Statements; (iii) management's discussion and analysis of financial condition and results of operations of the Corporation as at and for the year ended December 31, 2014; (iv) the Ruby Pipeline Pro Forma Financial Statements; (v) the information in the Base Shelf Prospectus under the headings "Consolidated Capitalization" and "Earnings Coverage"; and (vi) any other financial or accounting information, in each case, included or incorporated by reference in the Prospectus, Supplementary Material or marketing materials, as applicable;

(jj) "**Financial Statements**" means, collectively, the Corporation Financial Statements, the Ruby Pipeline Financial Statements, the Alliance Financial Statements, the Aux Sable Financial Statements and the NRGreen Financial Statements;

(kk) "**Governmental Authority**" means any government, regulatory authority, governmental department, agency, commission, bureau, official, minister, Crown corporation, court, body, board, tribunal or dispute settlement panel or other law, rule or regulation-making organization or entity:

(i) having or purporting to have jurisdiction on behalf of any nation, province, territory or state or any other geographic or political subdivision of any of them; or

(ii) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power; and any corporation or other entity owned or controlled (through share ownership or otherwise) by any of the foregoing;

(ll) "**Indemnified Person**" has the meaning ascribed thereto in Section 13(2);

(mm) "**Jointly Controlled Entities**" means, collectively, Alliance, Aux Sable, NRGreen, York Energy Centre L.P., York Energy Centre Inc., Grand Valley 1 Limited Partnership, Grand Valley 2 Limited Partnership and Ruby Pipeline Holding Company, L.L.C. , and "**Jointly Controlled Entity**" means any one of them;

(nn) "**limited-use version**" has the meaning ascribed to such term in NI 41-101;

(oo) "**Lien**" means, with respect to any property, any mortgage, lien, pledge, assignment by way of security, charge, security interest, trust arrangement in the nature of a security interest, conditional sale or other title retention agreement, equipment trusts, lease financings including by way of sale and lease-back, hypothec, levy, execution, seizure, attachment, garnishment, any option, preferential right or adverse claim constituting an interest in such property, or any other encumbrance in respect of such property;

(pp) "**Marketing Documents**" means, collectively, all (i) standard term sheets, and (ii) marketing materials (including any template version, revised template version or limited use version thereof), in both the English and French languages, as applicable, and in either case provided to a potential investor in connection with the distribution of Offered Shares;

(qq) "**marketing materials**" has the meaning ascribed to such term in NI 41-101;

(rr) "**material**" or "**materially**", when used in relation to the Corporation, means material in relation to the Corporation and its Subsidiaries taken as a whole;

(ss) "**material change**", "**material fact**" and "**misrepresentation**" have the meanings attributed thereto under Applicable Securities Laws;

(tt) "**Money Laundering Laws**" has the meaning ascribed thereto in Section 8(2)(ww);

(uu) "**NI 41-101**" means National Instrument 41-101 – General Prospectus Requirements;

(vv) "**NI 44-101**" means National Instrument 44-101 – Short Form Prospectus Distributions;

(ww) "**NI 44-102**" means National Instrument 44-102 – Shelf Distributions;

(xx) "**NI 52-109**" means National Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings;

(yy) "**NRGreen**" means, collectively, NRGreen Power Limited Partnership and its general partner NRGreen Power Ltd.;

(zz) "**NRGreen Financial Statements**" means, collectively, the most recent audited comparative financial statements of NRGreen Power Limited Partnership, together with the notes thereto and the report of the auditors thereon, and the most recent unaudited interim comparative financial statements of such entity for a period subsequent to the end of the period for which the most recently filed audited comparative financial statements of such entity pertain to, if any, together with the notes thereto;

(aaa) "**Offered Shares**" means the Series E Preferred Shares to be offered by the Corporation and purchased by the Underwriters pursuant to this Agreement;

(bbb) "**Offering**" means the sale of the Offered Shares pursuant to this Agreement;

(ccc) "**Offering Documents**" means, collectively, the Prospectus and any Supplementary Material;

(ddd) "**Offering Jurisdictions**" means, collectively, all of the provinces of Canada;

(eee) "**Offering Price**" has the meaning ascribed thereto in the first paragraph of this Agreement;

(fff) "**Passport Receipt**" means the receipt issued by the Principal Regulator for the Base Shelf Prospectus, which also evidences that the Ontario Securities Commission has issued a receipt for the Base Shelf Prospectus, and also indicates that a receipt for the Base Shelf Prospectus is deemed to be issued by the other Canadian Securities Commissions other than the Principal Regulator and the Ontario Securities Commission pursuant to Multilateral Instrument 11-102 – Passport System;

(ggg) "**Principal Regulator**" means the Alberta Securities Commission;

(hhh) "**Prospectus**" has the meaning ascribed thereto in the second paragraph of this Agreement;

(iii) "**Prospectus Amendment**" means any amendment to the Base Shelf Prospectus or the Prospectus Supplement;

(jjj) "**Prospectus Supplement**" has the meaning ascribed thereto in the second paragraph of this Agreement;

(kkk) "**provide**", in the context of sending or making available Marketing Documents to a potential investor in Offered Shares, has the meaning given to such term under Applicable Securities Laws, whether in the context of a "road show" (as defined in NI 41-101) or otherwise;

(lll) "**Public Record**" means the information filed by or on behalf of the Corporation with the Canadian Securities Commissions since December 31, 2013, including without limitation, the Documents Incorporated by Reference and any other information filed with any Canadian Securities Commission in compliance, or intended compliance, with any Applicable Securities Laws;

(mmm) "**Purchaser**" means Veresen Midstream Limited Partnership;

(nnn) "**Ruby Pipeline Business**" means the Corporation's indirect ownership of a 50% convertible preferred equity interest in Ruby Pipeline Holding Company, L.L.C., which indirectly owns the physical asset known as the "Ruby Pipeline";

(ooo) "**Ruby Pipeline Financial Statements**" means, collectively, the audited consolidated financial statements as at and for the period from February 11, 2013 (commencement of operations) through December 31, 2013 of each of Ruby Western Pipeline Holdings, LLC and Ruby Western Pipeline Holdings B, LLC, together with the notes thereto and the report of the auditors thereon, and the interim consolidated financial statements as at and for the six month period ended June 30, 2014 of each of Ruby Western Pipeline Holdings, LLC and Ruby Western Pipeline Holdings B, LLC, together with the notes thereto, in each case as contained in the business acquisition report of the Corporation dated and filed November 21, 2014;

(ppp) "**Ruby Pipeline Pro Forma Financial Statements**" means the unaudited pro forma consolidated financial statements of the Corporation, consisting of: (i) the pro forma consolidated statement of financial position of the Corporation as at June 30, 2014; and (ii) the pro forma consolidated statement of income and cumulative income of the Corporation for the six month period ended June 30, 2014 and the year ended December 31, 2013, together with the notes thereto, as contained in the business acquisition report of the Corporation dated and filed November 21, 2014;

(qqq) "**SEDAR**" means the computer system for the transmission, receipt, acceptance, review and dissemination of documents filed in electronic format known as the System for Electronic Document Analysis and Retrieval;

(rrr) "**Selling Firm**" has the meaning ascribed thereto in Section 4(1);

(sss) "**Series A Preferred Shares**" means the Cumulative Redeemable Preferred Shares, Series A in the capital of the Corporation;

(ttt) "**Series B Preferred Shares**" means the Cumulative Redeemable Preferred Shares, Series B in the capital of the Corporation;

(uuu) "**Series C Preferred Shares**" means the Cumulative Redeemable Preferred Shares, Series C in the capital of the Corporation;

(vvv) "**Series D Preferred Shares**" means the Cumulative Redeemable Preferred Shares, Series D in the capital of the Corporation;

(www) "**Series E Preferred Shares**" means the Cumulative Redeemable Preferred Shares, Series E in the capital of the Corporation;

(xxx) "**Series F Preferred Shares**" means the Cumulative Redeemable Preferred Shares, Series F in the capital of the Corporation;

(yyy) "**Shelf Information**" means the information included in the Prospectus Supplement that is permitted under the Shelf Procedures to be omitted from the Base Shelf Prospectus for which the Passport Receipt has been obtained but that is deemed under the Shelf Procedures to be incorporated by reference into the Base Shelf Prospectus as of the date of and by virtue of the Prospectus Supplement;

(zzz) "**Shelf Procedures**" has the meaning ascribed thereto in Section 3(1);

(aaaa) "**standard term sheet**" has the meaning ascribed to such term in NI 41-101;

(bbbb) "**Subsequent Disclosure Documents**" means any financial statements (including exhibits to financial statements which contain updated interest or earnings coverage calculations), management's discussion and analysis, annual information forms, material change reports (other than confidential material change reports), business acquisition reports, information circulars or other documents issued by the Corporation after the date of this Agreement which are incorporated or deemed to be incorporated by reference into the Prospectus or Supplementary Material, as the case may be;

(cccc) "**Subsidiary**" has the meaning ascribed to the term "subsidiary" by Section 1.1 of National Instrument 45-106 – Prospectus and Registration Exemptions of the Canadian Securities Administrators, as constituted at the date of this Agreement, and, for greater clarity, excludes each of the Jointly Controlled Entities;

(dddd) "**Supplementary Material**" means, collectively, any Prospectus Amendment or any ancillary material, information, evidence, return, report, application, statement or document which may be filed by or on behalf of the Corporation under Applicable Securities Laws;

(eeee) "**Swaps**" means any transaction which is a rate swap transaction, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option, forward sale, exchange traded futures contract or any other similar transaction (including any option with respect to any of these transactions or any combination of these transactions);

(ffff) "**Tax Act**" means the *Income Tax Act* (Canada), together with any and all regulations promulgated thereunder, as amended from time to time;

(gggg) "**template version**" has the meaning ascribed to such term in NI 41-101 and includes any revised template version of marketing materials as contemplated by NI 41-101;

(hhhh) "**to the knowledge of the Corporation**" means the actual knowledge of any of (i) the President and Chief Executive Officer, (ii) the Senior Vice President, Finance and Chief Financial Officer, and (iii) the Senior Vice President, General Counsel, of the Corporation;

(iiii) "**Transaction Agreements**" means the definitive agreements between the Corporation, its Subsidiaries and/or the Purchaser and each of the Vendors providing for the acquisition of the Acquired Business by the Purchaser and providing for the formation and funding of the Purchaser, all as described in the Prospectus Supplement;

(jjjj) "**Underwriter Information**" means the information and statements relating solely to the Underwriters and furnished by them in writing specifically for use in an Offering Document;

(kkkk) "**Underwriting Fee**" has the meaning ascribed thereto in Section 12(1);

(llll) "**Underwriters**" has the meaning ascribed thereto in the first paragraph of this Agreement;

(mmmm) "**United States**" or "**U.S**." means the United States of America, its territories and possessions, any state of the United States and the District of Columbia;

(nnnn) "**U.S. Alliance and Aux Sable Entities**" means, collectively, Alliance Pipeline L.P., Aux Sable Liquid Products LP and Aux Sable Midstream LLC; and

(oooo) "**U.S. Securities Act**" means the U.S. *Securities Act of 1933*, as amended from time to time;

(pppp) "**Vendors**" means Encana Corporation and the Cutbank Ridge Partnership and "**Vendor**" means any one of them; and

(qqqq) "**Veresen Midstream Transaction**" has the meaning ascribed thereto in the Prospectus Supplement.

(2) Capitalized terms used but not defined herein have the meanings ascribed to them in the Prospectus.

(3) Any reference in this Agreement to a paragraph, clause, Section or Subsection shall refer to a paragraph, clause, Section or Subsection of this Agreement.

(4) Unless otherwise expressly provided in this Agreement, words importing only the singular number include the plural and vice versa and words importing gender include all genders.

(5) Any reference in this Agreement to $ or to "dollars" shall refer to the lawful currency of Canada, unless otherwise specified.

(6) The following are the schedules to this Agreement, which schedules are deemed to be a part of this Agreement and are hereby incorporated by reference in this Agreement:

Schedule "A" – Details of the Securities

Schedule "B" – Matters to be Addressed in the Opinion of the Corporation's Canadian Counsel

Section 2 The Offering

The Offered Shares will be duly and validly created, authorized and issued by the Corporation at the Closing Time, and will have attributes and characteristics which conform to the attributes and characteristics contemplated by Schedule "A" hereto, and when issued and delivered pursuant to this Agreement, upon payment for the Offered Shares by the Underwriters to the Corporation, will be validly issued as fully paid and non-assessable shares of the Corporation. The Series F Preferred Shares will be duly and validly created and authorized at the Closing Time and the Series F Preferred Shares will have attributes and characteristics which conform to the attributes and characteristics contemplated by Schedule "A" hereto. The documentation establishing the attributes of the Series E Preferred Shares and Series F Preferred Shares shall be satisfactory in all material respects to the Underwriters and to the Underwriters' Counsel, acting reasonably.

Section 3 Filing of Prospectus

(1) The Corporation: (a) is relying upon the rules and procedures established pursuant to NI 44-102 (the "**Shelf Procedures**"); (b) has prepared and filed the Base Shelf Prospectus with the Canadian Securities Commissions and received the Passport Receipt, which Base Shelf Prospectus omits the Shelf Information, and has prepared and filed other documents relating to the proposed Offering; and (c) will prepare and file, promptly after the execution of this Agreement and, in any event, not later than 5:00 p.m. (Calgary time) on the date of this Agreement with the Canadian Securities Commissions, in accordance with the Shelf Procedures, the Prospectus Supplement which will include the Shelf Information and will advise the Underwriters promptly when such filing has been made. The Corporation will not file the Prospectus Supplement without prior notice, and a reasonable amount of time to comment given, to the Underwriters.

(2) The Corporation shall fulfil, to the reasonable satisfaction of the Underwriters' counsel, all legal requirements to be fulfilled by the Corporation to enable the Offered Shares to be offered for sale and sold to the public in each of the Offering Jurisdictions by the Underwriters who comply with the Applicable Securities Laws. All legal requirements to enable the Offering of the Offered Shares shall be fulfilled as soon as possible but in any event in each Offering Jurisdiction not later than 5:00 p.m. (Calgary time) on the date of this Agreement. Such fulfilment shall include, without limitation, compliance with all Applicable Securities Laws with respect to the preparation and filing of the English and French language versions of the Prospectus in each of the Offering Jurisdictions.

Section 4 Distribution and Certain Obligations of Underwriters

(1) Each Underwriter shall be permitted to appoint additional investment dealers or brokers (each, a "**Selling Firm**") as its agents in the Offering and each such Underwriter may determine the remuneration payable to such Selling Firm. The Underwriters shall offer the Offered Shares, directly and through Selling Firms or any affiliate of an Underwriter,

in the Offering Jurisdictions for sale to the public in accordance with Applicable Securities Laws and in any jurisdiction outside of the Offering Jurisdictions (other than the United States) to purchasers permitted to purchase the Offered Shares in accordance with Applicable Securities Laws in such jurisdiction, and upon the terms and conditions set forth in the Offering Documents and in this Agreement and in accordance with Applicable Securities Laws in the Offering Jurisdictions and any such other jurisdiction, provided that the Underwriters will not solicit offers to purchase or sell the Offered Shares in any jurisdiction other than the Offering Jurisdictions so as to require registration thereof or filing of a prospectus or any other document with respect thereto under the laws of such jurisdiction or which could subject the Corporation to reporting obligations, taxation or general service of process in such jurisdiction or result in the listing of the Corporation's securities on any exchange other than the Exchange. Each Underwriter acknowledges that the Series E Preferred Shares and Series F Preferred Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws. Neither the Underwriters nor any Selling Firm, nor any person acting on their behalf, (i) has engaged or will engage in any "directed selling efforts" within the meaning of Regulation S adopted by the United States Securities and Exchange Commission under the U.S. Securities Act ("**Regulation S**") or (ii) has offered or sold or will offer or sell the Offered Shares except in "offshore transactions" to non "U.S. persons", in each case within the meaning of Regulation S. Each Underwriter shall require any Selling Firm appointed by such Underwriter to agree to the foregoing and such Underwriter shall be severally responsible for the compliance by such Selling Firm with the provisions of this Agreement.

(2) For the purposes of this Section 4, the Underwriters shall be entitled to assume that the Offered Shares are qualified for distribution in any Offering Jurisdiction referred to in the Passport Receipt unless otherwise notified in writing by the Corporation.

(3) Notwithstanding the foregoing provisions of this Section 4, an Underwriter will not be liable to the Corporation with respect to a default under this Agreement by another Underwriter or another Underwriter's duly registered broker-dealer affiliate or any Selling Firm (that is not an affiliate of such Underwriter), as the case may be, or by the Corporation.

(4) The Underwriters shall use reasonable commercial efforts to complete and to cause the Selling Firms to complete the distribution of the Offered Shares as soon as possible after the Closing Time.

(5) The Bookrunners shall notify the Corporation promptly when, in their opinion, the distribution of the Offered Shares has terminated and will provide to the Corporation, as soon as practicable after the distribution of the Offered Shares has terminated, and in any event not later than 30 days after the Closing Date, a breakdown of the number of Offered Shares distributed in each of the Offering Jurisdictions where such breakdown is required for the purpose of calculating fees payable to the Canadian Securities Commissions.

(6) The Underwriters acknowledge that the Corporation is not taking any steps to qualify the Offered Shares for distribution outside of the Offering Jurisdictions.

Section 5 Preparation of Documents

(1) During the period of distribution of the Offered Shares, the Corporation shall co-operate in all commercially reasonable respects with the Underwriters to allow and assist the Underwriters to participate fully in the preparation of, and agree to the form and content of, the Prospectus Supplement, any Supplementary Material and any marketing materials and shall allow the Underwriters to conduct all "due diligence" investigations which the Underwriters may reasonably require to fulfil the Underwriters' obligations under Applicable Securities Laws and to enable the Underwriters to responsibly execute any certificate required to be executed by the Underwriters in such documentation. Without limiting the generality of the foregoing, the Corporation shall make available its directors and senior management, and shall use its commercially reasonable efforts to cause the auditors of the Financial Statements and the Corporation's legal counsel to be available to answer any questions which the Underwriters may have and to participate in one or more due diligence sessions to be held prior to the Closing Time (collectively, the "**Due Diligence Session**"). The Underwriters shall distribute a list of written questions to be answered in advance of such Due Diligence Session and the Corporation shall provide written responses to such questions and shall use its commercially reasonable efforts to have the auditors of the Financial Statements and the Corporation's legal counsel provide written responses to such questions in advance of the Due Diligence Session.

(2) During the distribution of the Offered Shares:

(a) the Corporation shall prepare, in consultation with the Bookrunners, and approve in writing, prior to such time any marketing materials are provided to potential investors in Offered Shares, a template version of any marketing materials reasonably requested to be provided by the Underwriters to any such potential investor, such marketing materials to comply with Applicable Securities Laws and to be acceptable in form and substance to the Underwriters and their counsel, acting reasonably;

(b) the Bookrunners shall, on behalf of the Underwriters, approve a template version of any such marketing materials in writing prior to such time marketing materials are provided to potential investors in Offered Shares;

(c) the Corporation shall file a template version of the English version of any such marketing materials on SEDAR as soon as reasonably practical after such marketing materials are so approved in writing by the Corporation and the Bookrunners and in any event on or before the day the marketing materials are first provided to any potential investor in Offered Shares, and any comparables shall be removed from the template version in accordance with NI 44-101 prior to filing such on SEDAR (provided that if any such comparables are removed, the Corporation shall deliver a complete template version of any such marketing materials to the Canadian Securities Commissions), and the Corporation shall provide a copy of such filed template version to the Underwriters as soon as practicable following such filing. The French language version of any such marketing materials shall be SEDAR filed prior to or concurrently with the filing of the Prospectus Supplement as contemplated herein and a copy thereof shall be delivered to the Underwriters as soon as practicable following such filing; and

(d) following the approvals set forth in Sections 5(2)(a) to (c), the Underwriters may provide a limited use version of such marketing materials to potential investors in Offered Shares in accordance with Applicable Securities Laws.

(3) The Corporation and each Underwriter, on a several basis, covenants and agrees not to provide any potential investor of Offered Shares with any marketing materials except for marketing materials which have been approved as contemplated in Section 5(2).

Section 6 Deliveries on Filing and Related Matters

(1) The Corporation shall cause to be delivered to the Underwriters:

(a) forthwith when available, copies of the Prospectus (in both the English and French languages) and any Supplementary Material (in both the English and French languages) signed as required by the Applicable Securities Laws of the Offering Jurisdictions, including (to the extent requested by the Underwriters) copies of any documents or information incorporated by reference therein and copies of any other documents filed as required by the Applicable Securities Laws which will be identical in content to the electronic versions filed in the Offering Jurisdictions on SEDAR;

(b) at or prior to the time of filing on SEDAR of the Prospectus Supplement, any Supplementary Material and any marketing materials pursuant to Section 5(2):

(i) an opinion of the Corporation's Quebec counsel, dated the date of the Prospectus Supplement, Supplementary Material or marketing materials, as applicable, and acceptable in form and substance to the Underwriters' Counsel, acting reasonably, that, except for the Financial Information, the French language version of the Prospectus, Supplementary Material or marketing materials, as applicable, is in all material respects a complete and proper translation of the English language version thereof;

(ii) an opinion from the Corporation's auditors, PricewaterhouseCoopers LLP, dated the date of the Prospectus Supplement, Supplementary Material or marketing materials, as applicable, and acceptable in form and substance to the Underwriters' Counsel, acting reasonably, that the Financial Information contained or incorporated by reference in the French language version of the Prospectus, Supplementary Material or marketing materials, as applicable, is in all material respects a complete and proper translation of the English language version thereof; and

(iii) an opinion from KPMG LLP, dated the date of the Prospectus Supplement, Supplementary Material or marketing materials, as applicable, and acceptable in form and substance to the Underwriters' Counsel, acting reasonably, that the Ruby Pipeline Financial Statements contained or incorporated by reference in the French language version of the Prospectus, Supplementary Material or marketing materials, as applicable, is in all material respects a complete and proper translation of the English language version thereof.

(c) at or prior to the time of filing on SEDAR of the Prospectus Supplement, any Supplementary Material or any marketing materials, a comfort letter from PricewaterhouseCoopers LLP, dated the date of the Prospectus Supplement, Supplementary Material or marketing materials, as applicable, and reasonably acceptable in form and substance to the Underwriters, with respect to:

(i) the Corporation Financial Statements or other financial information relating to the Corporation;

(ii) the Alliance Financial Statements or other financial information related to Alliance; and

(iii) the Aux Sable Financial Statements and other financial information relating to Aux Sable,

contained or incorporated in the Prospectus, Supplementary Material or marketing materials, as applicable, which comfort letter shall be in addition to any comfort letter required by and addressed to securities regulatory authorities and shall be based on a review by such auditors having a cut-off date not more than two business days prior to the date of the comfort letter.

(2) The Corporation shall cause commercial copies of the Prospectus to be delivered to the Underwriters without charge, in such quantities and in such cities as the Underwriters may reasonably request by written instructions to the printer. Such delivery of such documents shall be effected as soon as possible after filing thereof with the Canadian Securities Commissions, but, in any event on or before 9:00 a.m. (Toronto time) on March 27, 2015. The Corporation shall similarly cause to be delivered commercial copies of any Supplementary Material and marketing materials to be delivered to potential investors in Offered Shares. The Corporation shall cause to be provided to the Underwriters, without cost, such number of copies of any Documents Incorporated by Reference as the Underwriters may reasonably request for use in connection with the distribution of the Offered Shares. Such deliveries shall constitute the consent of the Corporation to the Underwriters' use of the Prospectus, any Supplementary Material or any marketing materials for the distribution of the Offered Shares in the Offering Jurisdictions in compliance with the provisions of this Agreement and Applicable Securities Laws.

(3) Subject to compliance with Applicable Securities Laws, during the period commencing on the date hereof and until the Closing Date, the Corporation will promptly provide to the Underwriters a reasonable opportunity to review and comment on drafts of any press releases of the Corporation relating to matters which are, or may be, material to the Corporation prior to issuance, provided that such review shall be completed in a timely manner.

Section 7 Material Change

(1) At any time from the date hereof until the completion of the distribution of the Offered Shares, the Corporation will promptly notify the Underwriters in writing of the full particulars of any of the following (each, a "**Development**"):

(a) any material change (actual, anticipated, contemplated or threatened) in the business, affairs, operations, assets, liabilities (contingent or otherwise), capital or ownership of the Corporation;

(b) any material change (actual, anticipated, contemplated or threatened) in the terms of the Veresen Midstream Transaction or in the business, affairs, operations, assets, liabilities (contingent or otherwise), capital or ownership of the Acquired Business;

(c) any change in a material fact contained or referred to in the Prospectus or any Supplementary Material, as they exist immediately prior to such change; or

(d) the occurrence or discovery of any fact or event which, in any such case, is, or may be, of such a nature as to:

(i) render the Prospectus or any Supplementary Material untrue, false or misleading in any material respect;

(ii) result in a misrepresentation in the Prospectus or any Supplementary Material;

(iii) result in the Prospectus, any Supplementary Material or any marketing materials not complying in any material respect with the Applicable Securities Laws; or

(iv) reasonably be expected to have a significant effect on the market price or value of the Series E Preferred Shares,

provided that if the Corporation is uncertain as to whether a change, occurrence, development or event of the nature referred to in this Section has occurred, the Corporation shall promptly inform the Underwriters of the full particulars of the occurrence giving rise to the uncertainty and shall consult with the Underwriters as to whether the occurrence is of such a nature.

(2) At any time from the date hereof until the completion of the distribution of the Offered Shares, the Corporation will promptly notify the Underwriters in writing of the full particulars of any of the following:

(a) any request of any Canadian Securities Commission for any amendment to the Prospectus or any other part of the Public Record or for any additional information;

(b) the issuance by any Canadian Securities Commission or similar regulatory authority, the Exchange or any other competent authority of any order to cease or suspend trading of any securities of the Corporation or the institution or threat of institution of any proceedings for that purpose; and

(c) the receipt by the Corporation of any communication from any Canadian Securities Commission or similar regulatory authority, the Exchange or any other competent authority relating to the Prospectus, any other part of the Public Record or the distribution of the Offered Shares;

(d) the termination of, or any proposed material amendment to, the Transaction Agreements.

(3) The Corporation will promptly comply to the reasonable satisfaction of the Underwriters and the Underwriters' counsel with Applicable Securities Laws with respect to any material change, change, occurrence or event of the nature referred to in Section 7(1) or Section 7(2) above and the Corporation will prepare and file promptly at the Underwriters' reasonable request any amendment to the Prospectus, Supplementary Material or marketing materials as may be required under Applicable Securities Laws; provided that the Corporation shall have allowed the Underwriters and the Underwriters' counsel to participate fully in the preparation of any Supplementary Material, to have reviewed any other documents incorporated by reference therein and conduct all due diligence investigations which the Underwriters may reasonably require in order to fulfill their obligations as underwriters and in order to enable the Underwriters responsibly to execute the certificate required to be executed by them in, or in connection with, any Supplementary Material, such approval not to be unreasonably withheld and to be provided in a timely manner. The Corporation shall further promptly deliver to each of the Underwriters and the Underwriters' counsel a copy of each Supplementary Material and marketing materials in the English and French languages as filed with the Canadian Securities Commissions, and of letters with respect to each such Supplementary Material and marketing materials substantially similar to those referred to in Section 6(1)(c).

(4) During the period of distribution of the Offered Shares, the Corporation will promptly provide to the Underwriters, for review by the Underwriters and the Underwriters' counsel, prior to filing or issuance:

(a) any financial statement of the Corporation;

(b) any proposed document, which may be incorporated, or deemed to be incorporated, by reference in the Prospectus; and

(c) any amendment to the Prospectus.

(5) The Underwriters agree, and will require each Selling Firm to agree, to cease the distribution of the Offered Shares, including any solicitations to sell the Offered Shares, upon the Underwriters receiving written notification of any material change or material fact with respect to any Offering Document contemplated by this Section 7 and to not recommence the distribution of the Offered Shares in any Offering Jurisdiction until Supplementary Material disclosing such change is filed in such Offering Jurisdiction.

Section 8 Representations and Warranties of the Corporation

(1) The delivery of each of the Offering Documents to the Underwriters by the Corporation in accordance with Section 6 will constitute the representation and warranty of the Corporation to the Underwriters that (except for Underwriter Information), at the respective times of delivery:

(a) the information and statements contained in such Offering Documents:

(i) are, at their respective dates, true and correct in all material respects and contain no misrepresentation, and

(ii) constitute full, true and plain disclosure of all material facts relating to the Corporation and the Offered Shares as required by Applicable Securities Laws;

(b) no material fact has been omitted from any of those documents which is required to be stated in the document or is necessary to make the statements therein not misleading in the light of the circumstances in which they were made;

(c) each of those documents complies with Applicable Securities Laws other than as to non-material matters of form or similar non-material matters; and

(d) except as is disclosed in the Public Record, there has been no intervening material change (actual, proposed or prospective), from the date of the Prospectus Supplement and any Supplementary Material to the time of delivery thereof, in the business, affairs, operations, assets, liabilities (contingent or otherwise), capital or ownership of the Corporation and its Subsidiaries (taken as a whole) or their assets (taken as a whole).

(2) In addition to the representations and warranties contained in Section 8(1) hereof, the Corporation represents and warrants to the Underwriters, and acknowledges that the Underwriters are relying upon such representations and warranties in entering into this Agreement, that:

(a) the Documents Incorporated by Reference in the Prospectus, when they were filed with the applicable Canadian Securities Commissions, complied in all material respects with the requirements of Applicable Securities Laws, and none of such documents contained any misrepresentation; and any further documents so filed and incorporated by reference in the Prospectus, when such documents are filed with the applicable Canadian Securities Commissions, will comply in all material respects with the requirements of Applicable Securities Laws and will not contain any misrepresentation;

(b) the Corporation was qualified to file a short form shelf prospectus that is a base shelf prospectus under NI 44-101 and NI 44-102 at the time the Base Shelf Prospectus was filed and continues to be qualified to file a short form prospectus that is a base shelf prospectus under NI 44-101 and NI 44-102 and, at the time of filing of the Prospectus Supplement, there will be no documents required to have been filed under the Applicable Securities Laws in connection with the distribution of the Offered Shares at or prior to such time that will not have been filed as required;

(c) except as disclosed in the Prospectus, there has been no material adverse change, financial or otherwise, in the business, affairs, operations, assets, liabilities (contingent or otherwise) of the Corporation and its Subsidiaries, taken as a whole, since December 31, 2014;

(d) the Prospectus was prepared and filed in each of the Offering Jurisdictions in compliance with Applicable Securities Laws, including the Shelf Procedures, and a Passport Receipt has been issued in respect thereof;

(e) the Corporation, directly or indirectly holds an approximate 50% interest in Alliance Canada (and the Alliance Canada Pipeline), an approximate 50% interest in Alliance US (and the Alliance US Pipeline), an approximate 50% interest in Aux Sable Canada Limited Partnership, Sable NGL Canada LP and Sable NGL Services LP, an approximate 42.7% interest in Alliance Canada Marketing L.P., Aux Sable Liquid Products LP and Aux Sable Midstream LLC and a 50% convertible preferred equity interest in Ruby Pipeline Holding Company, L.L.C.;

(f) the Corporation has been duly incorporated and is validly existing under the ABCA and has all requisite corporate authority and power to carry on its business, as now conducted and as presently proposed to be conducted by it, and to own and operate its assets;

(g) the Corporation, directly or indirectly holds an approximate 50% interest in the Purchaser and the Purchaser is validly existing under the laws of its jurisdiction of formation and has all requisite authority and power to carry on its business, as now conducted and as presently proposed to be conducted by it, and to own and operate its assets;

(h) each of the Corporation's Subsidiaries has been duly incorporated or established and organized or is otherwise duly formed, and is validly existing under the laws of the jurisdiction in which it was incorporated, continued or organized except where the failure of any such entity to be validly existing would not individually or in the aggregate reasonably be expected to materially adversely affect the business, operations, capital or condition (financial or otherwise) of the Corporation and its Subsidiaries (taken as a whole) or their assets (taken as a whole), and has all requisite corporate or partnership authority and power to carry on its business, as now conducted and as presently proposed to be conducted by it, and to own and operate its assets;

(i) the execution and delivery of, and the performance of and compliance with the terms of this Agreement by the Corporation, or any of the transactions contemplated hereby or thereby, including without limitation the authorization, issuance and sale of the Series E Preferred Shares,

(i) do not and will not require, the consent, approval, authorization, registration or qualification of or with any governmental authority, stock exchange, Canadian Securities Commission or other regulatory authority or other similar third party (except (x) those which have been obtained or (y) those as may be required (and will be obtained by the Corporation prior to the Closing Time) under the ABCA and Applicable Securities Laws);

(ii) subject to the filing of articles of amendment to create the Series E Preferred Shares and Series F Preferred Shares prior to the Closing Time do not and will not result in any breach of, or constitute a default under, and do not and will not create a state of facts which, after notice or lapse of time or both, would result in a breach of or constitute a default under, any term or provision of the articles, by-laws, constating documents or resolutions of the Corporation or any of its Subsidiaries or any indenture, mortgage, note, contract, agreement (written or oral), instrument, lease or other document to which the Corporation or any of its Subsidiaries is a party or by which it is bound, or any judgment, decree, order, statute, rule or regulation applicable to the Corporation or any of its Subsidiaries, which default or breach might reasonably be expected to materially adversely affect the business, operations, capital or condition (financial or otherwise) of the Corporation and its Subsidiaries (taken as a whole) or their assets (taken as a whole);

(iii) do not and will not give rise to any Lien on or with respect to the properties or assets now owned or hereafter acquired by the Corporation or any of its Subsidiaries or the acceleration of or the maturity of any indebtedness or other liabilities or obligations under any indenture, mortgage, lease, agreement or instrument binding or affecting the Corporation or any of its Subsidiaries or any of their properties;

(j) the Corporation has full corporate power and authority to enter into this Agreement and to perform its obligations set out herein, and this Agreement has been duly authorized, executed and delivered by the Corporation and this Agreement is a legal, valid and binding obligation of the Corporation enforceable against it in accordance with its terms subject to the general qualifications that:

(i) enforceability may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally; and

(ii) equitable remedies, including the remedies of specific performance and injunctive relief, are available only in the discretion of the applicable court;

(k) The Series E Preferred Shares are provisionally rated Pfd-3 by DBRS Limited and P-3 (High) by Standard & Poor's Ratings Services;

(l) Computershare Trust Company of Canada at its offices in the city of Calgary, Alberta will be, on or prior to the Closing Time, duly appointed as registrar and transfer agent for the Series E Preferred Shares and Series F Preferred Shares;

(m) the Corporation has elected or will elect, in the manner and within the time provided under section 191.2 of the Tax Act, to pay tax at a rate, and take all other necessary action under the Tax Act, such that no holder of the Series E Preferred Shares or Series F Preferred Shares shall be required to pay Part IV.1 tax on dividends received (or deemed to be received) on the Series E Preferred Shares or Series F Preferred Shares under section 187.2 of the Tax Act;

(n) neither the Corporation nor any of its Subsidiaries is in breach or violation of:

(i) any term or provision of its articles, by-laws, constating documents or resolutions; or

(ii) any permits, licenses, consents and approvals issued to it or any indenture, mortgage, note, contract, agreement (written or oral), instrument, lease or other document to which it is a party or by which it is bound, or any judgment, decree, order, statute, rule or regulation applicable to it,

which default or breach might reasonably be expected to materially adversely affect the business, operations, capital or condition (financial or otherwise) of the Corporation and its Subsidiaries (taken as a whole) or their assets (taken as a whole);

(o) to the knowledge of the Corporation, the Corporation and its Subsidiaries have good and marketable title to or the right to use of the property and assets material to the operation of their businesses, free and clear of all Liens except Liens disclosed in the Prospectus and Liens that would not reasonably be expected to materially adversely affect the business, operations, capital or condition (financial or otherwise) of the Corporation and its Subsidiaries (taken as a whole) or their assets (taken as a whole), and no person has any agreement or right to acquire any of such properties;

(p) to the knowledge of the Corporation, neither the Corporation nor any of its Subsidiaries:

(i) is in violation of, and does not have any liability under, any Environmental Law applicable to the Corporation or any of its Subsidiaries;

(ii) is subject to any litigation, investigation, order or proceeding in connection with any Contaminant or other hazardous substance or Environmental Law; or

(iii) is subject to any environmental, health or safety condition,

which individually or in the aggregate would reasonably be expected to materially adversely affect the business, operations, capital or condition (financial or otherwise) of the Corporation and its Subsidiaries (taken as a whole) or their assets (taken as a whole);

(q) to the knowledge of the Corporation, there is no presence, release or disposal of any Contaminant or other hazardous substances that would be in breach of any Environmental Laws at any of the prior or currently owned or operated properties of the Corporation or any of its Subsidiaries which individually or in the aggregate would reasonably be expected to materially adversely affect the businesses, operations, capital or condition (financial or otherwise) of the Corporation and its Subsidiaries (taken as a whole) or their assets (taken as a whole);

(r) there are no actions, suits, proceedings or inquiries pending or, to the knowledge of the Corporation, threatened against or affecting the Corporation or any of its Subsidiaries, at law or in equity or before or by any federal, provincial, municipal or other governmental department, commission, board, bureau, agency or instrumentality which in any way materially adversely affects, or may in any way materially adversely affect, the business, operations or condition (financial or otherwise) of the Corporation and its Subsidiaries (taken as a whole) or their assets (taken as a whole) or which affect or may affect the distribution of the Series E Preferred Shares;

(s) excepting out those things and matters which are not material to the Corporation and its Subsidiaries (taken as a whole) or their assets (taken as a whole), each of the Corporation and its Subsidiaries has duly and on a timely basis filed all tax returns required to be filed by it, has paid all taxes due and payable by it and has paid all assessments and re-assessments and all other taxes, governmental charges, penalties, interest and other fines due and payable by it and which are claimed by any governmental authority to be due and owing (other than those which are being contested in good faith and for which adequate provision has been made) and adequate provision has been made for taxes payable for any completed fiscal period for which tax returns are not yet required and there are no agreements, waivers, or other arrangements providing for an extension of time with respect to the filing of any tax return or payment of any tax, governmental charge or deficiency by the Corporation or any of its Subsidiaries and there are no actions, suits, proceedings, investigations or claims in existence or, to the knowledge of the Corporation, threatened or pending against the Corporation or any of its Subsidiaries in respect of taxes, governmental charges or assessments or any matters under discussion with any governmental authority relating to taxes, governmental charges or assessments asserted by any such authority;

(t) neither the Corporation nor any of its Subsidiaries is a party to or bound by any agreement of guarantee or indemnification which, taken together, are material to the Corporation and its Subsidiaries (taken as a whole) or their assets (taken as a whole) except for (i) the limited guaranty provided by the Corporation in favor of the Vendors in respect of certain obligations of the Purchaser under the Transaction Agreements and (ii) a limited guarantee provided by Veresen Energy Infrastructure Inc. in favour of HSBC Bank Canada in respect of certain obligations of the Purchaser under currency exchange swaps entered into before closing of the Veresen Midstream Transaction;

(u) other than as disclosed in the Prospectus, neither the Corporation nor any of its Subsidiaries is currently contractually prohibited, directly or indirectly, from paying any dividends or distributions, from making any other distribution on its share capital or its other securities, or from paying any interest or repaying any loans, advances or other indebtedness;

(v) the Corporation Financial Statements fairly present, in all material respects, in accordance with generally accepted accounting principles in Canada or the United States, as applicable, consistently applied, the consolidated financial position of the Corporation and its Subsidiaries as at the dates thereof and consolidated results of the operations of the Corporation and its Subsidiaries for the periods then ended and reflect, on a consolidated basis, all assets, liabilities or obligations (absolute, accrued, contingent or otherwise) of the Corporation and its Subsidiaries (taken as a whole) for the periods and as at the dates thereof;

(w) PricewaterhouseCoopers LLP are independent with respect to the Corporation in accordance with Applicable Securities Laws and there has not been any reportable disagreement (within the meaning of section 4.11 of National Instrument 51-102 of the Canadian Securities Administrators) with the auditors of the Corporation;

(x) the Corporation maintains "disclosure controls and procedures" and "internal controls over financial reporting" consistent with the meaning of such terms in NI 52-109;

(y) each of the Corporation and its Subsidiaries is conducting its business in all material respects in compliance with all applicable laws, rules and regulations of each jurisdiction in which it carries on business and holds all material licences, registrations and qualifications in all jurisdictions in which it carries on business necessary or, in the opinion of the Corporation, desirable to carry on its business as now conducted;

(z) except as disclosed in the Prospectus, there has been no material change in the amounts, interest rates, sinking funds, instalment payments or maturities of any indebtedness of the Corporation. None of the Corporation or any of its Subsidiaries is in default and no waiver of default is currently in effect, in the payment of any principal or interest on any indebtedness of the Corporation or any of its Subsidiaries, and no material event or condition exists with respect to any indebtedness of the Corporation or any of its Subsidiaries that would permit (or that with notice or the lapse of time, or both, would permit) one or more persons to cause such indebtedness to become due and payable before its stated maturity or before its regularly scheduled dates of payment (as applicable);

(aa) the Corporation is a "reporting issuer" or has equivalent status in each of the Offering Jurisdictions within the meaning of Applicable Securities Laws in such provinces;

(bb) none of any Canadian Securities Commission, the Exchange or any similar regulatory authority has any order which is currently outstanding preventing or suspending trading in any securities of the Corporation and the Corporation is not in default of any material requirement of Applicable Securities Laws;

(cc) the Corporation has not completed any "significant acquisition" (as such term is defined in National Instrument 51-102 of the Canadian Securities Administrators) nor is it proposing any "proposed acquisition" (as such term is used in Item 10 of Form 44-101F1 to NI 44-101) other than the acquisition of the Ruby Pipeline Business, that in any such case would require the inclusion of any additional financial statements or pro forma financial statements in the Prospectus. Without limiting the generality of the foregoing, the Veresen Midstream Transaction is not a "significant acquisition" for the Corporation;

(dd) except as disclosed in the Prospectus, each of the Corporation and its Subsidiaries owns or leases or is entitled to own or lease all such properties as are necessary to the conduct of its operations as presently conducted, except such as would not, individually or in the aggregate would reasonably be expected to materially adversely affect the businesses, operations, capital or condition (financial or otherwise) of the Corporation and its Subsidiaries (taken as a whole) or their assets (taken as a whole);

(ee) the Corporation is not in default of any material requirement of any Applicable Securities Laws and has not filed any confidential material change reports which continue to be confidential;

(ff) the minute books of the Corporation are true and correct in all material respects and contain the minutes of all meetings and all resolutions of the directors and shareholders of the Corporation;

(gg) the authorized capital of the Corporation consists of an unlimited number of Common Shares and a number of preferred shares, issuable in series (of which

Series A Preferred Shares, Series B Preferred Shares, Series C Preferred Shares and Series D Preferred Shares have been designated to date), limited in number to an amount equal to not more than one-half of the Common Shares issued and outstanding at the time of issuance of such preferred shares, of which as at the date of this Agreement, 288,210,474 Common Shares, 8,000,000 Series A Preferred Shares, no Series B Preferred Shares, 6,000,000 Series C Preferred Shares and no Series D Preferred Shares are issued and outstanding as fully paid and non-assessable shares in the capital of the Corporation, and no other preferred shares are presently outstanding;

(hh) no person holds any securities convertible or exchangeable into securities of the Corporation or has any agreement, warrant, option, right or privilege being or capable of becoming an agreement, warrant, option or right for the purchase of any unissued securities of the Corporation, except: (i) rights issued under the Corporation's shareholder rights plan; (ii) Common Shares issuable pursuant to the Corporation's Premium Dividend™ and Dividend Reinvestment Plan; (iii) the Series B Preferred Shares issuable upon the conversion of the Series A Preferred Shares; (iv) the Series D Preferred Shares issuable upon conversion of the Series C Preferred Shares; and (v) Common Shares issuable pursuant to any employee Common Share purchase plan of the Corporation on the date hereof;

(ii) the issued and outstanding Common Shares, Series A Preferred Shares, Series C Preferred Shares are listed and posted for trading on the Exchange and the Series B Preferred Shares and Series D Preferred Shares, if, as and when issued, are approved for listing on the Exchange and the Corporation is in material compliance with the by-laws, rules and regulations of the Exchange;

(jj) neither the Corporation nor any of its Subsidiaries currently have any Swaps outstanding other than as described in the Corporation Financial Statements and other than exchange rate hedging by the Purchaser with respect to the Veresen Midstream Transaction;

(kk) to the knowledge of the Corporation, the Corporation does not have any undisclosed tax liabilities, contingent or otherwise;

(ll) the attributes and characteristics of the Series C Preferred Shares and Series D Preferred Shares conform in all material respects to the attributes and characteristics thereof described in the Prospectus;

(mm) the Corporation has the necessary power and authority to execute and deliver the Prospectus, where applicable, and all requisite action has been taken by the Corporation to authorize the execution and delivery by it of the Prospectus on behalf of the Corporation;

(nn) to the knowledge of the Corporation, none of the Jointly Controlled Entities is in breach or violation of or default under:

(i) any term or provision of the articles, by-laws, constating documents or resolutions of any such entity; or

(ii) any permits, licenses, consents and approvals issued to such entity or any indenture, mortgage, note, contract, agreement (written or oral), instrument, lease or other document to which any such entity is a party or by which it is bound, or any judgment, decree, order, statute, rule or regulation applicable to any such entity,

which breaches, violations or defaults either individually or taken as a whole could be expected to have a material adverse effect on the Corporation and its Subsidiaries (taken as a whole);

(oo) to the knowledge of the Corporation, the Alliance Financial Statements, the Aux Sable Financial Statements and the NRGreen Financial Statements, fairly present, in all material respects, in accordance with generally accepted accounting principles in Canada or the United States, as applicable, consistently applied, in the case of the Canadian Alliance and Aux Sable Entities, the U.S. Alliance and Aux Sable Entities and NRGreen Power Limited Partnership, the financial position of each such entity as at the dates thereof and results of the operations of each such entity for the periods then ended and reflect all assets, liabilities or obligations (absolute, accrued, contingent or otherwise) of each such entity (taken as a whole) as at the dates thereof;

(pp) to the knowledge of the Corporation, each of the legal entities comprising the Jointly Controlled Entities has been duly incorporated or established and organized and is validly existing under the laws of the jurisdiction in which it was incorporated, continued or organized, except where the failure of any such entity to be validly existing would not individually or in the aggregate reasonably be expected to materially adversely affect the business, operations, capital or condition (financial or otherwise) of the Corporation and its Subsidiaries (taken as a whole) or their assets (taken as a whole), and has all requisite corporate or partnership authority and power to carry on its business, as now conducted and as presently proposed to be conducted by it, and to own and operate its assets;

(qq) to the knowledge of the Corporation, since December 31, 2014, there has not been any material change in the capital, assets, liabilities or obligations (absolute, accrued, contingent or otherwise) of any of the Jointly Controlled Entities that either individually or taken as a whole could be expected to have a material adverse effect on the Corporation and its Subsidiaries (taken as a whole) except as disclosed in the Prospectus;

(rr) to the knowledge of the Corporation, there are no actions, suits, proceedings or inquiries pending or threatened against or affecting any of the legal entities comprising the Jointly Controlled Entities, at law or in equity or before or by any federal, provincial, municipal or other governmental department, commission, board, bureau, agency or instrumentality which either individually or taken as a whole could be expected to have a material adverse effect on the Corporation and its Subsidiaries (taken as a whole);

(ss) to the knowledge of the Corporation, each of the legal entities comprising the Jointly Controlled Entities is conducting its business in all material respects in compliance with all applicable laws, rules and regulations of each jurisdiction in which it carries on business and holds all material licences, registrations and qualifications in all jurisdictions in which it carries on business necessary or, in the opinion of the Corporation, desirable to carry on its business as now conducted;

(tt) to the knowledge of the Corporation, the Ruby Pipeline Financial Statements fairly present, in all material respects, in accordance with U.S. generally accepted accounting principles as at and for the period ended December 31, 2013, and as at and for the six months ended June 30, 2014, the financial position of the Ruby Pipeline Business as at the dates thereof and consolidated results of the operations of the Acquired Business for the periods then ended and reflect, on a consolidated basis, all assets, liabilities or obligations (absolute, accrued, contingent or otherwise) of the Ruby Pipeline Business for the periods and as at the dates thereof;

(uu) the Ruby Pipeline Pro Forma Financial Statements have been prepared in accordance with U.S. generally accepted accounting principles, consistently applied, have been prepared and presented in all material respects in accordance with Applicable Securities Laws, and include all adjustments necessary for a fair presentation; the assumptions contained in the Ruby Pipeline Pro Forma Financial Statements are suitably supported and consistent with the financial position and financial results of the Corporation, and such statements provide a reasonable basis for the compilation of the Ruby Pipeline Pro Forma Financial Statements and the Ruby Pipeline Pro Forma Financial Statements accurately reflect such assumptions in all material respects;

(vv) to the knowledge of the Corporation, no event has occurred or condition exists which is reasonably likely to prevent the Veresen Midstream Transaction from being completed prior to the date contemplated by the Transaction Agreements; and

(ww) the operations of the Corporation and its Subsidiaries are and have been conducted at all times in material compliance with applicable financial recordkeeping and reporting requirements and the money laundering statutes and the rules and regulations thereunder issued, administered or enforced by any governmental agency in jurisdictions where the Corporation and its Subsidiaries conduct business (collectively, the "**Money Laundering Laws**") and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Corporation or any of its Subsidiaries with respect to the Money Laundering Laws is pending or, to the best knowledge of the Corporation, threatened.

Section 9 Covenants of the Corporation

The Corporation covenants and agrees with the Underwriters that:

(1) the Corporation will make all necessary filings and will use commercially reasonable efforts to obtain all necessary consents and approvals (if any) and pay all filing fees required to be paid in connection with the transactions contemplated by this Agreement. The Corporation will cooperate with the Underwriters in connection with the qualification of the Offered Shares for offering and sale under the Applicable Securities Laws of the Offering Jurisdictions.

(2) the Corporation will file promptly all reports and other documents required to be filed or furnished by the Corporation with applicable Canadian Securities Commissions pursuant to Applicable Securities Laws subsequent to the date of the Prospectus and for so long as the delivery of a prospectus is required in connection with the offer or sale of the Offered Shares and Offered Shares in the Offering remain unsold;

(3) the Corporation will use its reasonable commercial efforts to have the Series E Preferred Shares and Series F Preferred Shares conditionally approved for listing on the Exchange, subject only to the satisfaction by the Corporation of customary post-closing conditions, by the Closing Time on the Closing Date;

(4) the Corporation will use the net proceeds from the Offering as described in the Prospectus Supplement; and

(5) during the period from the date of this Agreement to the later of the Closing Date and the date of completion of the distribution of the Offered Shares under the Offering Documents, the Corporation shall promptly notify the Underwriters in writing of any material filing made by the Corporation of information relating to the offering of the Offered Shares with any securities exchange or Governmental Authority in Canada or the United States or any other jurisdiction.

Section 10 Conditions of Closing

The obligations of the Underwriters under this Agreement shall be subject to the accuracy of the representations and warranties on the part of the Corporation set forth in Section 8 hereof as of the date hereof and as of the Closing Date as though then made, to the timely performance by the Corporation of its covenants and other obligations hereunder and to the following additional conditions:

(1) the Underwriters receiving, at the Closing Time:

(a) a favourable legal opinion, dated the Closing Date, from Bennett Jones LLP, the Corporation's Canadian counsel, in form and substance satisfactory to the Underwriters, acting reasonably, as to matters of Canadian federal law and the laws of the provinces of Alberta and Ontario (Bennett Jones LLP may rely, to the extent appropriate in the circumstances, as to matters of fact on certificates of officers of the Corporation and others), addressed to the Underwriters and, if necessary for opinion purposes, the Underwriters' counsel with respect to the matters set out in Schedule "B";

(b) a favourable legal opinion, dated the Closing Date, from the Corporation's counsel in each of the Offering Jurisdictions other than Alberta and Ontario, in form and substance satisfactory to the Underwriters, acting reasonably, addressed to the Underwriters and, if necessary for opinion purposes, the Underwriters' counsel, as to matters of the laws of such other Offering Jurisdictions;

(c) a legal opinion of the Corporation's Quebec counsel, dated the Closing Date, addressed to the Underwriters, in form and substance reasonably satisfactory to the Underwriters, acting reasonably, to the effect that all laws of the Province of Quebec relating to the use of the French language (other than those relating to oral communications) will have been complied with in connection with the sale of the Offered Shares to purchasers in the Province of Quebec if such purchasers receive copies of the Prospectus and of all documents which constitute the contract of sale, including forms of order and confirmation, invoices and receipts, in the French and English language or the French language only, provided that the Prospectus in the English language and all documents which constitute the contract of sale, including forms of order and confirmation, invoices and receipts in the English language may be delivered, without delivery of the French language version thereof, to physical persons in the Province of Quebec who have expressly requested in writing such documents in the English language;

(d) legal opinions from Blake, Cassels & Graydon LLP, dated the Closing Date, with respect to such legal matters as the Underwriters may reasonably request;

(e) a letter, dated the Closing Date, in form and substance satisfactory to the Underwriters, acting reasonably, addressed to the Underwriters and the directors of the Corporation from PricewaterhouseCoopers LLP confirming the continued accuracy of the comfort letter to be delivered to the Underwriters pursuant to Section 6(1)(c) with such changes as may be necessary to bring the information in such letter forward to a date not more than two business days prior to the Closing Date, provided such changes are acceptable to the Underwriters, acting reasonably;

(f) a certificate, dated the Closing Date, addressed to the Underwriters and, if necessary for opinion purposes, the Underwriters' counsel, and signed by officers of the Corporation acceptable to the Underwriters, acting reasonably, with respect to the constating documents of the Corporation, the fact that no acts have been taken to wind up the Corporation, all resolutions of the board of directors of the Corporation relating to this Agreement and the incumbency and specimen signatures of signing officers of the Corporation and such other matters as the Underwriters may reasonably request;

(g) a certificate, dated the Closing Date and signed by the Chief Executive Officer and the Chief Financial Officer of the Corporation or other officers of the

Corporation acceptable to the Underwriters, acting reasonably, certifying for and on behalf of the Corporation and not in their personal capacity, after having made reasonable enquiries, that: (i) the representations and warranties of the Corporation set forth in Section 8 of this Agreement are true and correct in all material respects (except for such representations and warranties of the Corporation qualified by materiality or which refer to a material adverse effect, which shall be true and correct in all respects) with the same force and effect as though expressly made on and as of the Closing Time after giving effect to the transactions contemplated by this Agreement; (ii) no order, ruling or determination having the effect of suspending the sale or ceasing or suspending trading in the Series E Preferred Shares or the Series F Preferred Shares or other securities of the Corporation has been issued and is continuing and no proceedings for such purpose have been instituted or, to the knowledge of such officers, are pending, contemplated or threatened; (iii) there has been no material change (actual, anticipated, contemplated or threatened) in relation to the Corporation; and (iv) the Corporation has complied in all material respects with all the covenants and obligations hereunder and satisfied in all material respects all the conditions on its part to be performed or satisfied hereunder at or prior to the Closing Date;

(h) evidence that the Series E Preferred Shares and Series F Preferred Shares have been conditionally approved for listing on the Exchange, subject only to the satisfaction by the Corporation of customary post-closing conditions imposed by the Exchange in similar circumstances;

(i) a letter from each of Standard & Poor's Ratings Services and DBRS Limited dated the day before the Closing Date, confirming that the Series E Preferred Shares, are then rated P-3(High) by Standard & Poor's Ratings Services and Pfd-3 by DBRS Limited, respectively;

(j) certified copies of the Transaction Agreements; and

(k) such other certificates and other documentation as the Underwriters may reasonably request;

(2) the Underwriters shall be satisfied that no event contemplated by Section 7(1) shall have occurred, other than as disclosed in the Prospectus; and

(3) no order, ruling or determination having the effect of ceasing or suspending trading in the Series E Preferred Shares or other securities of the Corporation shall have been issued and no proceedings for such purpose shall have been instituted or threatened.

Section 11 Closing

(1) The purchase and sale of the Offered Shares shall be completed at the Closing Time on the Closing Date at the offices of the Corporation's counsel in Calgary, Alberta or at such other place as the Corporation and the Underwriters may agree.

(2) The Underwriters will provide a direction to The Canadian Depository for Securities Limited ("**CDS**") and the Corporation with respect to the crediting of the Offered Shares to the accounts of the participants of CDS as shall be designated by the Underwriters in writing at least 24 hours prior to the Closing Time to permit such crediting, and the Corporation shall cause Computershare Trust Company of Canada, as registrar and transfer agent of the Offered Shares, to deliver to CDS, on behalf of the Underwriters, one or more fully registered global certificates for the Offered Shares to be purchased hereunder, registered in the name of "**CDS & Co.**" as the nominee of CDS to be held by CDS as a book-entry only security in accordance with the rules and procedures of CDS.

(3) Delivery by the Corporation of the Offered Shares shall be made against payment by the Underwriters to the Corporation of the aggregate Purchase Price for the Offered Shares by wire transfer (to a bank account designated by the Corporation to the Underwriters at least 24 hours prior to the Closing Time) or as otherwise agreed to by the Corporation and the Underwriters, in the City of Calgary, together with a receipt signed by the Bookrunners, on behalf of the Underwriters, for such certificate(s). The parties agree that the Underwriters shall deduct from the aggregate Purchase Price payable to the Corporation for the Offered Shares an amount equal to the Underwriting Fee in respect of the Offered Shares in satisfaction of the Corporation's obligation to pay the Underwriting Fee in respect of such Offered Shares.

(4) If a material change as is contemplated in Section 7(1) hereof occurs after the Prospectus Supplement is filed and prior to the Closing Time in respect of which a Prospectus Amendment has been filed in the Offering Jurisdictions, then, subject to Section 15 hereof, the Closing Time shall be at 8:30 a.m. (Toronto time) on the third business day following the later of: (i) the date on which all applicable filing or other requirements with respect to such material change have been fulfilled in all of the Offering Jurisdictions and any appropriate receipts obtained therefor; and (ii) the date on which commercial copies of any Prospectus Amendment have been delivered in accordance with Section 6(2) hereof; however, in no event shall the Closing Date be later than April 17, 2015.

Section 12 Underwriting Fee

(1) In consideration for their services in underwriting the distribution of and purchasing the Offered Shares, the Corporation agrees to pay the Underwriters a fee (the "**Underwriting Fee**") in an amount equal to the sum of the following amounts: (a) 1.00% of the aggregate gross proceeds to the Corporation of the Offered Shares purchased by the Underwriters hereunder (being $0.25 per Offered Share) and sold by the Underwriters to certain institutions as determined by mutual agreement of the Corporation and the Bookrunners and (b) 3.00% of the aggregate gross proceeds to the Corporation of the Offered Shares purchased by the Underwriters hereunder (being $0.75 per Offered Share) other than the Offered Shares referred to in clause (a).

(2) For greater certainty, the services provided by the Underwriters in connection herewith will not be subject to the Goods and Services Tax provided for in the *Excise Tax Act* (Canada) and taxable supplies provided will be incidental to the exempt financial services

provided. However, in the event that the Canada Revenue Agency determines that Goods and Services Tax provided for in the *Excise Tax Act* (Canada) is exigible on the Underwriting Fee, the Corporation agrees to pay the amount of Goods and Services Tax forthwith upon the request of the Underwriters.

Section 13 Indemnification

(1) The Corporation shall indemnify and save the Underwriters, and the Underwriters' respective agents, directors, officers, employees and affiliates harmless against and from all liabilities, claims, demands, losses (other than losses of profit in connection with the distribution of the Offered Securities), costs, damages and expenses to which the Underwriters, or any of the Underwriters' respective agents, directors, officers, employees or affiliates may be subject or which the Underwriters, or any of the Underwriters' respective agents, directors, officers, employees or affiliates may suffer or incur, whether under the provisions of any statute or otherwise, in any way caused by, or arising directly or indirectly from or in consequence of:

(a) any information or statement contained in (i) the Offering Documents or in any other document or material filed or delivered pursuant hereto (other than any Underwriter Information) which is or is alleged to be a misrepresentation or (ii) the Offering Documents contains an untrue statement of a material fact or omits to state a material fact necessary to make any statement not misleading in the light of the circumstances under which it was made;

(b) any prohibition or restriction of trading in the securities of the Corporation or any prohibition or restriction affecting the distribution of the Offered Shares imposed by any competent authority if such prohibition or restriction is based on any misrepresentation or alleged misrepresentation of a kind referred to in Section 13(1)(a);

(c) any order made or any inquiry, investigation (whether formal or informal) or other proceeding commenced or threatened by any one or more competent authorities (not based upon the activities or the alleged activities of the Underwriters or a Selling Firm, if any) relating to or materially affecting the trading or distribution of the Offered Shares;

(d) any breach of, default under or non-compliance by the Corporation with any representation, warranty, term or condition of this Agreement; or

(e) the Corporation not complying with any requirement of Applicable Securities Laws in connection with the transactions contemplated herein;

provided that this indemnity shall cease to be available to an Underwriter if and to the extent that a court of competent jurisdiction determines, in a final judgment in a proceeding to which such Underwriter is named as a party, that such liabilities, claims, demands, losses, costs, damages and expenses are caused or arise by reason of the breach by any such Underwriter of any of its covenants herein provided or of Applicable Securities Laws or other laws in connection with the transactions contemplated herein;

and in such event, such Underwriter shall promptly reimburse the Corporation for any amounts received from the Corporation pursuant to this indemnity in respect of such liabilities, claims, demands, losses, costs, damages and expenses. The Underwriters shall be entitled, as trustee, to enforce the obligations contained herein on behalf of any other party entitled to indemnity or contribution hereunder.

(2) If any claim contemplated by Section 13(1) shall be asserted against any of the persons or corporations in respect of which indemnification is or might reasonably be considered to be provided for in such section, such person or corporation (the "**Indemnified Person**") shall notify the Corporation in writing as soon as possible of the nature of such claim and the Corporation shall be entitled (but not required) to assume the defence of any suit brought to enforce such claim, provided however, that the defence shall be through legal counsel selected by the Corporation and acceptable to the Indemnified Person acting reasonably and that no settlement may be made by a Indemnitor or the Indemnified Person without the prior written consent of the other, such consent not to be unreasonably withheld. The Indemnified Person shall have the right to retain separate counsel in any proceeding relating to a claim contemplated by Section 13(1) but the fees and expenses of such counsel shall be at the expense of the Indemnified Person, unless:

(a) the Indemnified Person has been advised by counsel in writing that there may be a reasonable legal defence available to the Indemnified Person which is different from or additional to a defence available to a Indemnitor (in which case the Indemnitor shall not have the right to assume the defence of such proceedings on the Indemnified Person's behalf);

(b) the Corporation shall not have taken the defence of such proceedings and employed counsel within 10 days after notice of commencement of such proceedings; or

(c) the employment of such counsel has been authorized in writing by the Corporation in connection with the defence of such proceeding;

and, in any such circumstance described in (a), (b) or (c) immediately above, the reasonable fees and expenses of such Indemnified Person's counsel (on a solicitor and his client basis) shall be paid by the Corporation, provided that the Corporation shall not, in connection with any one such action or separate but substantially similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the fees and expenses of more than one separate law firm (in addition to any local counsel) for all such Indemnified Persons.

(3) The Corporation hereby waives its rights to recover contribution from the Underwriters with respect to any liability of the Corporation by reason of or arising out of any misrepresentation in the Prospectus or any Supplementary Material, provided, however, that such waiver shall not apply in respect of liability caused or incurred by reason of any misrepresentation which is based upon Underwriter Information.

(4) If any legal proceedings shall be instituted against the Corporation in respect of the Prospectus, any Supplementary Material or any other part of the Public Record or the Offered Shares or if any regulatory authority or stock exchange shall carry out an investigation of the Corporation in respect of the Prospectus, any Supplementary Material or any other part of the Public Record or the Offered Shares and, in either case, any Indemnified Person is required to testify, or respond to procedures designed to discover information, in connection with or by reason of the services performed by the Underwriters hereunder, the Indemnified Persons may employ their own legal counsel and, provided such proceeding is not brought as a result of any negligence, fraud, willful misconduct or any actions or inactions of the Indemnified Person (as determined by a court of competent jurisdiction in a final judgment or a Governmental Authority in a final ruling), the Corporation shall pay and reimburse the Indemnified Persons for the reasonable fees, charges and disbursements (on a full indemnity basis) of such legal counsel, the other expenses reasonably incurred by the Indemnified Persons in connection with such proceedings or investigation and a fee at the normal per diem rate for any director, officer or employee of the Underwriters involved in the preparation for or attendance at such proceedings or investigation.

(5) The rights and remedies of the Indemnified Persons set forth in Section 13 and Section 14 (in the case of the Underwriters) hereof are to the fullest extent possible in law cumulative and not alternative and the election by any Underwriter or other Indemnified Person to exercise any such right or remedy shall not be, and shall not be deemed to be, a waiver of any other rights and remedies.

(6) The Corporation waives any right it may have of first requiring an Indemnified Person to proceed against or enforce any other right, power, remedy or security or claim or to claim payment from any other person before claiming under this indemnity. It is not necessary for an Indemnified Person to incur expense or make payment before enforcing such indemnity.

(7) The rights of indemnity contained in this Section 13 shall not apply if the Corporation has complied with the provisions of Section 3, Section 6 and Section 7 and the person asserting any claim contemplated by this Section 13 was not provided with a copy of the Prospectus, the Supplementary Material or other document which corrects any misrepresentation or alleged misrepresentation which is the basis of such claim and which was required, under Applicable Securities Laws, to be delivered to such person by the Underwriters.

Section 14 Contribution

In order to provide for just and equitable contribution in circumstances in which the indemnification provided for in this Agreement is due in accordance with its terms but is, for any reason, held by a court to be unavailable from the Corporation on grounds of public policy or otherwise, the Corporation and the party or parties seeking indemnification shall jointly and severally contribute to the aggregate liabilities, claims, demands, losses (other than losses of profit in connection with the distribution of the Offered Shares), costs, damages and expenses (including legal or other expenses reasonably incurred in connection with investigation or defence of the same) to which they may be subject or which they may suffer or incur:

(1) in such proportion as is appropriate to reflect the relative benefit received by the Indemnitors, on the one hand, and by the party or parties seeking indemnity, on the other hand, from the offering of the Offered Shares; or

(2) if the allocation provided by Section 14(1) is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in Section 14(1) but also to reflect the relative fault of the party or parties seeking indemnity, on the one hand, and the parties from whom indemnity is sought, on the other hand, in connection with the statements, commissions or omissions or other matters which resulted in such liabilities, claims, demands, losses, costs, damages or expenses as well as any other relevant equitable considerations.

The relative benefits received by the Corporation, on the one hand, and the Underwriters, on the other hand, shall be deemed to be in the same proportion that the total proceeds of the offering of the Offered Shares received by the Corporation (net of fees but before deducting expenses) bear to the fees received by the Underwriters. In the case of liability arising out of the Prospectus, the relative fault of the Corporation, on the one hand, and of the Underwriters, on the other hand, shall be determined by reference, among other things, to whether the misrepresentation or alleged misrepresentation, order, inquiry, investigation or other matter or thing referred to in Section 13 relates to information supplied or which ought to have been supplied by, or steps or actions taken or done on behalf of or which ought to have been taken or done on behalf of, the Corporation or the Underwriters and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such misrepresentation or alleged misrepresentation, order, inquiry, investigation or other matter or thing referred to in Section 13.

The Corporation and the Underwriters agree that it would not be just and equitable if contributions pursuant to this Agreement were determined by pro rata allocation or by any other method of allocation which does not take into account the equitable considerations referred to in the immediately preceding paragraphs. The rights to contribution provided in this Section 14 shall be in addition to, and without prejudice to, any other right to contribution which the parties hereto may have.

Any liability of the Underwriters under this Section 14 shall be limited to the lesser of the amount of fees payable to the Underwriters under Section 12 and any portion thereof actually received by the Underwriters.

The Corporation waives all right of contribution by statute or common law which it may have against an Underwriter in respect of losses, demands, claims, costs, damages, expenses or liabilities which it may sustain as a direct or indirect consequence of the Prospectus, any Supplementary Material, including the documents incorporated therein by reference, or in any other document or material filed or delivered pursuant hereto, or any other document containing or being alleged to contain a misrepresentation, provided that such right against any Underwriter is not waived in respect of losses, claims, demands, costs, damages, expenses or liabilities sustained as a direct or indirect consequence of there being a misrepresentation or omission in any Underwriter Information.

Section 15 Expenses

The Corporation agrees to pay all costs, fees and expenses incurred in connection with the performance of its obligations hereunder and in connection with the transactions contemplated hereby, including without limitation: (i) all expenses incidental to the issuance, delivery and listing of the Offered Shares (including all Exchange listing fees and all transfer agent costs and expenses); (ii) all necessary issue, transfer and other stamp taxes in connection with the issuance and sale of the Offered Shares to the Underwriters; (iii) all fees and expenses of the Corporation's counsel, independent public accountants and other advisors to the Corporation; (iv) all costs and expenses incurred in connection with the preparation, filing with the Canadian Securities Commissions, printing, translation, shipping and distribution, of the Prospectus, any Supplementary Material, any marketing materials and this Agreement; (v) all out-of-pocket expenses of the Corporation in connection with the marketing and offering of the Offered Shares; and (vi) all costs of making the Offered Shares eligible for clearance and settlement through the facilities of CDS. Notwithstanding the foregoing, the fees and disbursements of the Underwriters' counsel and the Underwriters' out-of-pocket expenses shall be borne by the Underwriters, except that the Underwriters shall be reimbursed by the Corporation for all such fees, disbursements and expenses, to the extent they are reasonable, if the sale of the Offered Shares is not completed due to any failure of the Corporation to comply with the terms and conditions of this Agreement.

Section 16 Termination by Underwriters in Certain Events

(1) Any Underwriter shall have the right to terminate its obligations hereunder, without any liability on such Underwriter's part, by written notice to the Corporation and the Bookrunners in the event that after the date hereof and at or prior to the Closing Time:

(a) any order to cease or suspend trading in any securities of the Corporation (other than rights issued pursuant to the Corporation's shareholder rights plan) or prohibiting or restricting the distribution of any of the Offered Shares is made, or proceedings are announced, commenced or threatened for the making of any such order, by any securities commission or similar regulatory authority, the Exchange or any other competent authority, and has not been rescinded, revoked or withdrawn;

(b) any inquiry, investigation (whether formal or informal) or other proceeding in relation to the Corporation or any of its Subsidiaries or any of the directors or senior officers of the Corporation is announced, commenced or threatened by any securities commission or similar regulatory authority, the Exchange or any other competent authority or there is a change in law, regulation or policy or the interpretation or administration thereof, if, in the reasonable opinion of the Underwriters or any one of them, the change, announcement, commencement or threatening thereof materially adversely affects the trading or distribution of the Offered Shares or any other securities of the Corporation;

(c) there shall have occurred any material adverse change, as determined by the Underwriters or any one of them in their sole discretion, acting reasonably, in the business, operations, capital or condition (financial or otherwise) of the Corporation or any of its Subsidiaries (taken as a whole) or the respective properties, assets, liabilities or obligations (absolute, accrued, contingent or otherwise) of the Corporation or any of its Subsidiaries (taken as a whole) which in the Underwriter's opinion, acting reasonably, could reasonably be expected to have a significant adverse effect on the market price or value of the Offered Shares or any other securities of the Corporation or the marketability of the Offered Shares;

(d) there should develop, occur or come into effect or existence, or be announced, any event, action, state, condition or occurrence of national or international consequence, or any law, action, regulation or other occurrence of any nature whatsoever, which, in the sole opinion of the Underwriters or any one of them, acting reasonably, seriously adversely affects or involves, or will seriously adversely affect or involve, the financial markets generally or the business, operations or affairs of the Corporation or its Subsidiaries on a consolidated basis;

(e) there is announced after the date hereof any change or proposed change in the income tax laws of Canada or the interpretation or administration thereof and such change would, in the Underwriter’s opinion, acting reasonably, be expected to have a significant adverse effect on the market price or value of the Offered Shares;

(f) the Underwriters or any one of them shall become aware of any material information with respect to the Corporation or any of its Subsidiaries (taken as a whole) which had not been publicly disclosed or disclosed in writing to the Underwriters at or prior to the date hereof and which in the sole opinion of the Underwriters or any one of them, acting reasonably, could be expected to have a material adverse effect on the market price or value of the Offered Shares or any other securities of the Corporation or the marketability of the Offered Shares;

(g) the Corporation shall be in breach or default under or non-compliance with any representation, warranty, term or condition of this Agreement in any material respect; or

(h) there shall be any adverse change in the assigned ratings on the Offered Shares by DBRS Limited or Standard & Poor's Ratings Services or the assigned ratings or the Corporation shall have become subject to a "credit watch" by DBRS Limited or Standard & Poor's Ratings Services.

(2) The Corporation agrees that all terms and conditions of this Agreement shall be construed as conditions and complied with insofar as the same relate to acts to be performed or caused to be performed by the Corporation, and the Corporation will use its commercially reasonable efforts to cause all such conditions to be complied with. Any breach or failure by the Corporation to comply with any of such material conditions shall entitle each of

the Underwriters to terminate its obligation to purchase the Offered Shares, by written notice to that effect given to the Corporation at or prior to the Closing Time. It is understood that each of the Underwriters may waive, in whole or in part, or extend the time for compliance with, any terms and conditions without prejudice to its rights in respect of any other of such terms and conditions or any other or subsequent breach or noncompliance, provided that to be binding on an Underwriter any such waiver or extension must be in writing and signed by such Underwriter.

(3) The rights of termination contained in this Section 16 may be exercised by each Underwriter and are in addition to any other rights or remedies such Underwriter may have in respect of any default, act or failure to act or non-compliance by the Corporation in respect of any of the matters contemplated by this Agreement or otherwise. In the event of any such termination, there shall be no further liability on the part of such Underwriter to the Corporation or on the part of the Corporation to such Underwriter except in respect of any liability under Section 13, Section 14 and Section 15. A notice of termination given by an Underwriter under this Section 16 shall not be binding on any other Underwriter.

Section 17 Obligations of the Underwriters to be Several

Subject to the terms and conditions hereof, the obligation of the Underwriters to purchase the Offered Shares shall be several, and not joint nor joint and several. The percentage of the Offered Shares to be severally purchased and paid for by each of the Underwriters shall be as follows:

Scotia Capital Inc.	24.0%
TD Securities Inc.	22.0%
RBC Dominion Securities Inc.	18.0%
CIBC World Markets Inc.	16.0%
BMO Nesbitt Burns Inc.	9.0%
National Bank Financial Inc.	9.0%
HSBC Securities (Canada) Inc.	2.0%
Total	100.0%

If, on the Closing Date any one or more of the Underwriters shall fail or refuse to purchase Offered Shares that it has or they have agreed to purchase hereunder on such date, and the aggregate number of Offered Shares which such defaulting Underwriter or Underwriters agreed but failed or refused to purchase is not more than 9.0% of the aggregate number of the Offered Shares to be purchased on such date, the other Underwriters shall be obligated severally on a pro rata basis according to the percentage of Offered Shares set forth opposite their respective names in this Section 17, or in such other proportion as the Bookrunners may specify, to purchase the Offered Shares which such defaulting Underwriter or Underwriters agreed but failed or refused to purchase on such date; provided, however, that in no event shall the aggregate number of Offered Shares that any Underwriter has agreed to purchase pursuant to this Agreement be increased pursuant to this Section 17 by an amount in excess of 9.0% of such number of Offered Shares without the written consent of such Underwriter. If, at the Closing

Time on the Closing Date any one or more of the Underwriters shall fail or refuse to purchase Offered Shares and the aggregate number of Offered Shares with respect to which such default occurs is more than 9.0% of the aggregate number of Offered Shares to be purchased on such date, the other Underwriters shall have the right, but shall not be obligated, to purchase all of the Offered Shares, which would otherwise have been purchased by such defaulting Underwriter or Underwriters, and if such non-defaulting Underwriters do not purchase all such Offered Shares, this Agreement will terminate without liability on the part of any non-defaulting Underwriter or the Corporation. In the event of a default by any Underwriter as set forth in this Section 17, the Closing Date shall be postponed for such period, not exceeding three business days, in order that the required changes, if any, in the Offering Documents or in any other documents or arrangements may be effected. Nothing contained in this Agreement shall relieve any defaulting Underwriter of its liability, if any, to the Corporation and any non-defaulting Underwriter for damages occasioned by its default hereunder, and nothing contained in this Agreement shall relieve the Corporation of any liability which may have arisen or may arise under Section 13, Section 14 or Section 15.

Section 18 Restrictions on Further Offering

The Corporation shall not from the date hereof until 90 days after the Closing Date, directly or indirectly, sell, agree or offer to sell, grant any option for the sale of, or otherwise dispose of any preferred shares or any other securities with provisions or characteristics similar to the Series E Preferred Shares or the Series F Preferred Shares, without the prior written consent of the Bookrunners on behalf of the Underwriters, such consent not to be unreasonably withheld.

Section 19 Notices

Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be delivered,

<u>If to the Corporation</u>

Veresen Inc.
Suite 900, Livingston Place, South Tower
222 – 3rd Avenue SW
Calgary, AB T2P 0B4

Attention: Theresa Jang
Senior Vice President, Finance and Chief Financial Officer
Facsimile: (403) 213-3649

<u>In case of any notice to the Corporation, with a copy to</u>:

Bennett Jones LLP
4500, 855 – 2nd Street SW
Calgary, AB T2P 4K7

Attention: Renee M. Ratke
Facsimile: (403) 265-7219

<u>If to Scotia Capital Inc.</u>

Scotia Capital Inc.
Suite 1800, 700 – 2nd Street SW
Calgary, AB T2P 2W1

Attention: David Baboneau
Facsimile: (403) 298-4099

<u>If to TD Securities Inc.</u>

TD Securities Inc.
Suite 3600, TD Canada Trust Tower
421 - 7th Avenue SW
Calgary, AB T2P 4K9

Attention: Alec W.G. Clark
Facsimile: (403) 292-2776

<u>If to RBC Dominion Securities Inc.</u>

RBC Dominion Securities Inc.
Suite 3900, 888 - 3rd Street SW
Calgary, AB T2P 5C5

Attention: Douglas Pearce
Facsimile: (403) 299-7111

<u>If to CIBC World Markets Inc.</u>

CIBC World Markets Inc.
855 - 2nd Street SW
9th Floor, Bankers Hall East Tower
Calgary, AB T2P 4J7

Attention: Kelsen Vallee
Facsimile: (403) 260-0524

If to BMO Nesbitt Burns Inc.

BMO Nesbitt Burns Inc.
9th Floor, 525 - 8th Avenue SW
Calgary, AB T2P 1G1

Attention: Aaron M. Engen
Facsimile: (403) 515-1535

If to National Bank Financial Inc.

National Bank Financial Inc.
Suite 1800, 311 - 6th Avenue SW
Calgary, AB T2P 3H2

Attention: Iain Watson
Facsimile: (403) 265-0543

If to HSBC Securities (Canada) Inc.

HSBC Securities (Canada) Inc.
8th Floor, 407 - 8th Avenue SW
Calgary, AB T2P 1E5

Attention: Greg Gannett
Facsimile: (403) 693-8616

In case of any notice to an Underwriter, with a copy to:

Blake, Cassels & Graydon LLP
3500, 855 - 2nd Street SW
Calgary, AB T2P 4J8

Attention: Dan McLeod
Facsimile: (403) 260-9700

Or to such other address as any of the persons may designate by notice given to the others in accordance with this Section 19.

The Corporation and the Underwriters may change their respective addresses for notices by notice given in the manner aforesaid. Any such notice or other communication shall be in writing, and unless delivered personally to the addressee or to a responsible officer of the addressee, as applicable, shall be given by facsimile and shall be deemed to have been given when: (i) in the case of a notice delivered personally to a responsible officer of the addressee, when so delivered; and (ii) in the case of a notice delivered by facsimile, if delivered prior to

5:00 p.m. (Calgary time) on a business day, on that business day and, in any other case, on the next business day following the day on which it is sent.

Section 20 Authority of the Bookrunners

The Bookrunners are hereby authorized by the other Underwriters to act on their behalf and the Corporation shall be entitled to and shall act on any communication given or agreement entered into by or on behalf of the Underwriters, which hereby represent and warrant that the Bookrunners have irrevocable authority to bind the Underwriters, except in respect of any consent to a settlement pursuant to Section 13 and Section 14, which consent shall be given by the Indemnified Party, a notice of termination or waiver pursuant to Section 16, which notice may be given by any of the Underwriters, or any amendment to this Agreement which must be signed by all of the Underwriters. The Bookrunners shall consult fully with the other Underwriters concerning any matter in respect of which they act as representatives of the Underwriters.

Section 21 No Advisory or Fiduciary Relationship

The Corporation acknowledges and agrees that (a) the purchase and sale of the Offered Shares pursuant to this Agreement, including the determination of the Offering Price of the Offered Shares and any related fees, is an arm's-length commercial transaction between the Corporation, on the one hand, and the several Underwriters, on the other hand, (b) in connection with the Offering contemplated hereby and the process leading to such transaction, each Underwriter is and has been acting solely as a principal and is not the agent or fiduciary of the Corporation or its shareholders, creditors, employees or any other party, (c) no Underwriter has assumed or will assume an advisory or fiduciary responsibility in favour of the Corporation with respect to the Offering contemplated hereby or the process leading thereto (irrespective of whether such Underwriter or its affiliate has advised or is currently advising the Corporation on other matters) and no Underwriter has any obligation to the Corporation with respect to the Offering contemplated hereby except the obligations expressly set forth in this Agreement, (d) the Underwriters and their respective affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Corporation, and (e) the Underwriters have not provided any legal, accounting, regulatory or tax advice with respect to the Offering contemplated hereby and the Corporation has consulted its own respective legal, accounting, regulatory and tax advisors to the extent it deemed appropriate.

Section 22 Stock Exchange

Each of Scotia Capital Inc., CIBC World Markets Inc., TD Securities Inc. and National Bank Financial Inc. or an affiliate thereof, owns or controls any equity interest in TMX Group Limited ("**TMX Group**") and may have a nominee director serving on the TMX Group's board of directors. As such, each such investment dealer may be considered to have an economic interest in the listing of securities on any exchange owned or operated by TMX Group, including the Exchange, the TSX Venture Exchange and the Alpha Exchange (each, an "**Exchange**"). No person or company is required to obtain products or services from TMX Group or its affiliates as a condition of any such dealer supplying or continuing to supply a product or service. None of Scotia Capital Inc., CIBC World Markets Inc., TD Securities Inc. or National Bank Financial

Inc. requires the Corporation to list securities on any of the Exchanges as a condition of supplying or continuing to supply underwriting and/or any other services, including any services provided pursuant to the terms hereof.

Section 23 Miscellaneous

(a) This Agreement shall enure to the benefit of, and shall be binding upon, the Underwriters and the Corporation and their respective successors and legal representatives.

(b) This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable in the Province of Alberta and the courts of such province shall have exclusive jurisdiction over any dispute hereunder.

(c) Time shall be of the essence of this Agreement.

(d) The words, "**hereunder**", "**hereof**" and similar phrases mean and refer to the Agreement formed as a result of the acceptance by the Corporation of this offer by the Underwriters to purchase the Offered Shares.

(e) All representations, warranties, covenants and agreements of the Corporation and/or the Underwriters herein contained or contained in documents submitted pursuant to this Agreement shall survive the purchase and sale of the Offered Shares and the termination of this Agreement and shall continue in full force and effect for the benefit of the Underwriters or the Corporation, as the case may be, regardless of any subsequent disposition of the Offered Shares or any investigation by or on behalf of the Underwriters with respect thereto. The Underwriters and the Corporation shall be entitled to rely on the representations and warranties of the Corporation or the Underwriters, as the case may be, contained herein or delivered pursuant hereto notwithstanding any investigation which the Underwriters or the Corporation may undertake or which may be undertaken on their behalf.

(f) This Agreement may be executed in counterparts and delivered by facsimile or email in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument.

(g) In performing their respective obligations under this Agreement, the Underwriters shall be acting severally, and not jointly nor jointly and severally. Nothing in this Agreement is intended to create any relationship in the nature of a partnership, or joint venture between the Underwriters.

(h) In connection with the distribution of the Offered Shares, the Underwriters (or any of them) at their sole discretion may effect transactions which stabilize or maintain the market price of the Offered Shares at levels other than those which might otherwise prevail in the open market, but in each case as permitted by

Applicable Securities Laws. Such stabilizing transactions, if any, may be discontinued by the Underwriters at any time.

(i) The provisions contained herein constitute the entire agreement among the parties and supersede all previous communications, representations, understandings and agreements among the parties with respect to the subject matter hereof, whether verbal or written (except in respect of the allocation of any work fee payable to an Underwriter).

(j) If any provision of this Agreement is determined to be void or unenforceable in whole or in part, it shall be deemed not to affect or impair the validity of any other provision of this Agreement, and such void or unenforceable provision shall be severable from this Agreement.

The remainder of this page is left blank intentionally; signature pages follow.

If this letter accurately reflects the terms of the transactions which we are to enter into and are agreed to by you, please communicate your acceptance by executing the enclosed copies of this letter where indicated and returning them to us.

Yours very truly,

SCOTIA CAPITAL INC.

Per: (signed) "*David Baboneau*"
Name: David Baboneau
Title: Director

TD SECURITIES INC.

Per: (signed) "*Alec W. G. Clark*"
Name: Alec W. G. Clark
Title: Managing Director, Head of Calgary Investment Banking

RBC DOMINION SECURITIES INC.

Per: (signed) "*Doug Pearce*"
Name: Doug Pearce
Title: Director

CIBC WORLD MARKETS INC.

Per: (signed) "*David Williams*"
Name: David Williams
Title: Managing Director

BMO NESBITT BURNS INC.

Per: (signed) "*Aaron M. Engen*"
Name: Aaron M. Engen
Title: Managing Director

NATIONAL BANK FINANCIAL INC.

Per: (signed) "*Iain Watson*"
Name: Iain Watson
Title: Managing Director

HSBC SECURITIES (CANADA) INC.

Per: (signed) "*Jay Lewis*"
Name: Jay Lewis
Title: Managing Director, ECM (Toronto)

Signatures continued on next page.

Accepted and agreed to by the undersigned as of the date of this letter first written above.

VERESEN INC.

Per: (signed) "*Theresa Jang*"
Theresa Jang
Senior Vice President, Finance
and Chief Financial Officer

SCHEDULE "A"
DETAILS OF THE SECURITIES

All capitalized terms used and not otherwise defined herein shall have the meanings ascribed thereto in the Underwriting Agreement.

SERIES E PREFERRED SHARES

Issue: Treasury Offering of Cumulative Redeemable Preferred Shares, Series E.

Amount: $200,000,000 (8,000,000 Series E Preferred Shares)

Issue Price: $25.00 per Series E Preferred Share.

Initial Dividend Rate: 5.00% per annum, payable quarterly for the Initial Fixed Rate Period (as defined herein).

Dividends: *Initial Fixed Rate Period:*

- Fixed, cumulative, preferential cash dividends, as and when declared, payable quarterly on the last day of each of March, June, September and December at an annual rate of $1.25 per Series E Preferred Share, for the initial period ending up to but excluding June 30, 2020 (the “Initial Fixed Rate Period”). Should any last day not be a business day, the dividend will be paid on the next succeeding business day. The first of such dividends, if declared, will be payable on June 30, 2015 and shall be $0.3082 per Series E Preferred Share, based on the anticipated closing of the Issue on April 1, 2015.

Subsequent Fixed Rate Periods:

- For every five-year period after the Initial Fixed Rate Period (a “Subsequent Fixed Rate Period”) the Corporation will determine on the 30th day prior to the first day of a Subsequent Fixed Rate Period, the annual fixed dividend rate applicable to that Subsequent Fixed Rate Period (the “Annual Fixed Dividend Rate”).
- The Annual Fixed Dividend Rate will be equal to the 5-Year Government of Canada Bond Yield (“GCAN5YR”) as quoted on Bloomberg (see quote for “GCAN5YR <INDEX>”) or comparable sources at 10:00 a.m. (Toronto time) on the 30th day prior to the first day of a Subsequent Fixed Rate Period plus 4.27%.
- Fixed, cumulative, preferential cash dividends as and when declared, payable quarterly on the last day of each of March, June, September and December based on the Annual Fixed Dividend Rate. Should any last day not be a business day, the

dividend will be paid on the next succeeding business day.

Conversion:

Election to Convert:

- On June 30, 2020 and on June 30 every five years thereafter (each a "Series E Conversion Date"), the holders of Series E Preferred Shares will have the right to elect to convert (subject to the Automatic Conversion provision described below) any or all of their Series E Preferred Shares into an equal number of Cumulative Redeemable Preferred Shares Series F (the "Series F Preferred Shares"). Should any such June 30 not be a business day, the Series E Conversion Date will be the next succeeding business day.

Election Notice:

- Holders of Series E Preferred Shares who elect to convert their Series E Preferred Shares into Series F Preferred Shares on the Series E Conversion Date are required to provide the registrar and transfer agent ("Transfer Agent") with written notice (an "Election Notice") on a date not earlier than the 30th day and not later than 5:00 p.m. (Toronto time) on the 15th day preceding the applicable Series E Conversion Date. Once received by the Transfer Agent, an Election Notice is irrevocable.

Automatic Conversion:

- If the Corporation determines that after giving effect to any Election Notices received by the Corporation during the time fixed therefor there would be less than 1,000,000 Series E Preferred Shares issued and outstanding on the applicable Series E Conversion Date, then all of the issued and outstanding Series E Preferred Shares will automatically be converted on such Series E Conversion Date into an equal number of Series F Preferred Shares ("Automatic Conversion").
- Holders of Series E Preferred Shares will not be entitled to convert their shares into Series F Preferred Shares if there would remain outstanding on a Series E Conversion Date less than 1,000,000 Series F Preferred Shares, after having taken into account all Series E Preferred Shares tendered for conversion into Series F Preferred Shares and all Series F Preferred Shares tendered for conversion into Series E Preferred Shares.

Notice of Series E Conversion Date and next Annual Fixed Dividend Rate:

- Notice of a Series E Conversion Date and a form of Election Notice will be provided by the Corporation at least 30 days and not more than 60 days prior to the Series E Conversion Date.

- Notice of the Annual Fixed Dividend Rate for the upcoming Subsequent Fixed Rate Period will be provided by the Corporation on the 30th day prior to each Series E Conversion Date.

Not electing to convert and continuing to hold Series E Preferred Shares:

- If the Corporation does not receive an Election Notice from a holder of Series E Preferred Shares during the time fixed therefor, then the Series E Preferred Shares of that holder shall be deemed not to have been converted (except in the case of an Automatic Conversion).

Redemption for Cash: The Series E Preferred Shares will not be redeemable prior to June 30, 2020. Subject to the provisions described in "Restrictions on Payments and Reductions of Capital", on June 30, 2020 and on June 30 every five years thereafter, on not more than 60 nor less than 30 days' notice, the Corporation may, at its option, redeem all or any number of the then outstanding Series E Preferred Shares upon payment in cash for each Series E Preferred Share so redeemed of an amount equal to $25.00 per Series E Preferred Share together with all accrued and unpaid dividends to the date fixed for redemption. Should any such June 30 not be a business day, the redemption date in that year will be the next succeeding business day.

Purchase for Cancellation: The Corporation may at any time or from time to time purchase for cancellation all or any number of the Series E Preferred Shares at any price by tender to all holders of Series E Preferred Shares or through the facilities of any stock exchange on which the Series E Preferred Shares are listed, or in any other manner, provided that in the case of a purchase in any other manner the price for such Series E Preferred Shares so purchased for cancellation shall not exceed the highest price offered for a board lot of the Series E Preferred Shares on any stock exchange on which such shares are listed on the date of purchase for cancellation, plus the costs of purchase.

Rights on Liquidation: In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs, the holders of the Series E Preferred Shares will be entitled to receive $25.00 per Series E Preferred Share together with all accrued and unpaid cumulative preferential dividends thereon before any amount shall be paid to the holders of any other shares ranking junior to the Series E Preferred Shares.

Restrictions on Payments and Reductions of Capital:

So long as any Series E Preferred Shares are outstanding, the Corporation shall not:

- Call for redemption, purchase, reduce or otherwise pay off less than all the Series E Preferred Shares and all other preferred shares then outstanding ranking prior to or on a parity with the Series E Preferred Shares with respect to payment of dividends,
- Declare, pay or set apart for payment any dividends (other than stock dividends in shares of the Corporation ranking junior to the Series E Preferred Shares) on the Common Shares or any other shares of the Corporation ranking junior to the Series E Preferred Shares with respect to payment of dividends, or
- Call for redemption, purchase, reduce or otherwise pay off any shares of the Corporation ranking junior to the Series E Preferred Shares with respect to repayment of capital or with respect to payment of dividends,

unless all dividends up to and including the dividends payable on the last preceding dividend payment dates on the Series E Preferred Shares and on all other preferred shares then outstanding ranking prior to or on a parity with the Series E Preferred Shares with respect to payment of dividends shall have been declared and paid or set apart for payment at the date of any such action.

Voting Rights:

The holders of the Series E Preferred Shares will not have any voting rights, nor will they be entitled to receive notice of or to attend shareholders' meetings unless dividends on the Series E Preferred Shares are in arrears to the extent of eight quarterly dividends, whether or not consecutive, whereupon, until all arrears of dividends have been paid, such holders will be entitled to receive notice of and to attend all shareholders' meetings at which directors are to be elected (other than separate meetings of holders of another class or series of shares) and to one vote in respect of each Series E Preferred Share held with respect to resolutions to elect directors.

Priority:

The Preferred Shares of each series shall rank on parity with the Preferred Shares of every other series with respect to priority in the payment of dividends and with respect to priority in the repayment of capital or any other distribution of assets of the Corporation, in the event of the liquidation, dissolution or winding-up of the Corporation. Preferred Shares shall be entitled to preferences in such respects over the common shares of the Corporation and any other shares of the Corporation ranking junior to the Preferred Shares.

Issue Type:

Bought underwritten public issue, eligible for sale in all provinces of Canada pursuant to a supplement to the short form base shelf prospectus dated September 20, 2013.

Conditions: Subject to standard bought deal terms and conditions for transactions of this type.

Tax on Series E Preferred Shares: The Corporation will elect to pay tax under Part VI.1 of the *Income Tax Act* (Canada) at such a rate that no tax under Part IV.1 of such *Act* will be payable by holders of the Series E Preferred Shares.

Required Ratings: S&P: P-3 (High). DBRS: Pfd-3.

Use of Proceeds: The net proceeds from the offering will be used to repay amounts outstanding under the credit facility that Veresen entered into for purposes of financing its acquisition of a 50% convertible preferred interest in Ruby Pipeline Holding Company, L.L.C., the entity which indirectly owns the Ruby pipeline system.

Eligibility: Eligible under the usual Canadian statutes and for RRSPs, RESPs, RRIFs, DPSPs, RDSPs and TFSAs.

Listing: An application will be made to list the Series E Preferred Shares on the Toronto Stock Exchange.

<u>SERIES F PREFERRED SHARES</u>

Issue: Cumulative Redeemable Preferred Shares, Series F.

Dividends: *Quarterly Dividend Payments:*

- Cumulative, preferential cash dividends, as and when declared, payable quarterly on the last day of each of March, June, September and December (the "Quarterly Dividend Payment Date") at the Floating Quarterly Dividend Rate (as defined herein) on an actual/365 or 366 (as applicable) day count basis times $25.00. Should any last day not be a business day, the dividend will be paid on the next succeeding business day.

Floating Quarterly Dividend Rate:

- The Floating Quarterly Dividend Rate for a quarter will be equal to the 90-day Canadian Treasury Bill Rate ("T-Bill Rate") plus 4.27%. The T-Bill Rate will be calculated using the 3-month average yield results, as reported by the Bank of Canada, for the most recent auction of 3 months Government of Canada Treasury Bills preceding the date on which the Floating Quarterly Dividend Rate for such quarter is determined. Auction results are posted on Bloomberg (see quote for "CA3MAY <INDEX>").
- The Floating Quarterly Dividend Rate for such quarter will be

determined 30 days prior to the first day of the Quarterly Floating Rate Period.

Conversion:

Election to Convert:

- On June 30, 2025 and on June 30 every five years thereafter (each a "Series F Conversion Date"), the holders of Series F Preferred Shares will have the right to elect to convert (subject to the Automatic Conversion provision described below) any or all of their Series F Preferred Shares into an equal number of Cumulative Redeemable Preferred Shares Series E (the "Series E Preferred Shares"). Should any such June 30 not be a business day, the Series F Conversion Date will be the next succeeding business day.

Election Notice:

- Holders of Series F Preferred Shares who elect to convert their Series F Preferred Shares into Series E Preferred Shares on the Series F Conversion Date are required to provide the registrar and transfer agent (the "Transfer Agent") with written notice (an "Election Notice") on a date not earlier than the 30^{th} day and not later than 5:00 p.m. (Toronto time) on the 15^{th} day preceding the applicable Series F Conversion Date. Once received by the Transfer Agent, an Election Notice is irrevocable.

Automatic Conversion:

- If the Corporation determines that after giving effect to any Election Notices received by the Corporation during the time fixed therefor there would be less than 1,000,000 Series F Preferred Shares issued and outstanding on the applicable Series F Conversion Date, then all of the issued and outstanding Series F Preferred Shares will automatically be converted on such Series F Conversion Date into an equal number of Series E Preferred Shares ("Automatic Conversion").
- Holders of Series F Preferred Shares will not be entitled to convert their shares into Series E Preferred Shares if there would remain outstanding on a Series F Conversion Date less than 1,000,000 Series E Preferred Shares, after having taken into account all Series F Preferred Shares tendered for conversion into Series E Preferred Shares and all Series E Preferred Shares tendered for conversion into Series F Preferred Shares.

Notice of Series F Conversion Date and next Annual Fixed Dividend Rate:

- Notice of a Series F Conversion Date and a form of Election Notice will be given by the Corporation at least 30 days and not more than 60 days prior to the Series F Conversion Date.

- Notice of the annual fixed dividend rate on the Series E Preferred Shares (the "Annual Fixed Dividend Rate") for the upcoming five-year period, after the initial five-year period ending on June 30, 2020, (a "Subsequent Fixed Rate Reset Period") will be provided by the Corporation on the 30th day prior to each Series F Conversion Date.

Not electing to convert and continuing to hold Series F Preferred Shares:

- If the Corporation does not receive an Election Notice from a holder of Series F Preferred Shares during the time fixed therefor, then the Series F Preferred Shares shall be deemed not to have been converted (except in the case of an Automatic Conversion).

Redemption for Cash: Subject to the provisions described under "Restrictions on Payments and Reductions of Capital", on June 30, 2025, and on June 30 every five years thereafter, on not more than 60 nor less than 30 days' notice, the Corporation may, at its option, redeem all or any number of the then outstanding Series F Preferred Shares upon payment in cash for each Series F Preferred Share so redeemed of an amount equal to $25.00 per Series F Preferred Share together with all accrued and unpaid dividends to the date fixed for redemption. Should any such June 30 not be a business day, the redemption date in that year will be the next succeeding business day. On any other date after June 30, 2025 that is not a Series F Conversion Date, on not more than 60 nor less than 30 days' notice, the Corporation may, at its option, redeem all or any part of the then outstanding Series F Preferred Shares upon payment in cash for each Series F Preferred Share so redeemed of an amount equal to $25.50 per Series F Preferred Share together with all accrued and unpaid dividends to the date fixed for redemption.

Purchase for Cancellation: The Corporation may at any time or from time to time purchase for cancellation all or any number of the Series F Preferred Shares at any price by tender to all holders of Series F Preferred Shares or through the facilities of any stock exchange on which the Series F Preferred Shares are listed, or in any other manner, provided that in the case of a purchase in any other manner the price for such Series F Preferred Shares so purchased for cancellation shall not exceed the highest price offered for a board lot of the Series F Preferred Shares on any stock exchange on which such shares are listed on the date of purchase for cancellation, plus the costs of purchase.

Rights on Liquidation: In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs, the holders of the Series F Preferred Shares will be entitled to receive $25.00 per Series F Preferred Share together with all accrued and unpaid cumulative preferential dividends thereon before any amount shall be paid to the holders of any other shares ranking junior to the Series F Preferred Shares.

Restrictions on Payments and Reductions of Capital:

So long as any Series F Preferred Shares are outstanding, the Corporation shall not:

- Call for redemption, purchase, reduce or otherwise pay off less than all the Series F Preferred Shares and all other preferred shares then outstanding ranking prior to or on a parity with the Series F Preferred Shares with respect to payment of dividends,
- Declare, pay or set apart for payment any dividends (other than stock dividends in shares of the Corporation ranking junior to the Series F Preferred Shares) on the Common Shares or any other shares of the Corporation ranking junior to the Series F Preferred Shares with respect to payment of dividends, or
- Call for redemption, purchase, reduce or otherwise pay off any shares of the Corporation ranking junior to the Series F Preferred Shares with respect to repayment of capital or with respect to payment of dividends,

unless all dividends up to and including the dividends payable on the last preceding dividend payment dates on the Series F Preferred Shares and on all other preferred shares then outstanding ranking prior to or on a parity with the Series F Preferred Shares with respect to payment of dividends shall have been declared and paid or set apart for payment at the date of any such action.

Voting Rights:

The holders of the Series F Preferred Shares will not have any voting rights, nor will they be entitled to receive notice of or to attend shareholders' meetings unless dividends on the Series F Preferred Shares are in arrears to the extent of eight quarterly dividends, whether or not consecutive, whereupon, until all arrears of dividends have been paid, such holders will be entitled to receive notice of and to attend all shareholders' meetings at which directors are to be elected (other than separate meetings of holders of another class or series of shares) and to one vote in respect of each Series F Preferred Share held with respect to resolutions to elect directors.

Priority:	The Preferred Shares of each series shall rank on parity with the Preferred Shares of every other series with respect to priority in the payment of dividends and with respect to priority on the repayment of capital or any other distribution of assets of the Corporation, in the event of the liquidation, dissolution or winding-up of the Corporation. Preferred Shares shall be entitled to preferences in such respects over the common shares of the Corporation and any other shares of the Corporation ranking junior to the Preferred Shares.
Tax on Series F Preferred Shares:	The Corporation will elect to pay tax under Part VI.1 of the *Income Tax Act* (Canada) at such a rate that no tax under Part IV.1 of such *Act* will be payable by holders of the Series F Preferred Shares.
Eligibility:	Eligible under the usual Canadian statutes and for RRSPs, RRIFs, RESPs, DPSPs, RDSPs and TFSAs.
Listing:	Application will be made to list the Series F Preferred Shares on the Toronto Stock Exchange.

SCHEDULE "B"

MATTERS TO BE ADDRESSED IN THE OPINION OF THE CORPORATION'S CANADIAN COUNSEL

(a) The Corporation is a valid and subsisting corporation under the ABCA.

(b) The Corporation has the corporate capacity and power to carry on its business and to own its assets as described in the Prospectus.

(c) All necessary corporate action has been taken by the Corporation to authorize the execution and delivery by the Corporation of the Underwriting Agreement and the performance by the Corporation of its obligations thereunder.

(d) The Corporation has the corporate power and capacity to create, issue and sell the Offered Shares, to enter into the Underwriting Agreement and to perform its obligations set out therein, and the Underwriting Agreement has been duly authorized, executed and delivered by the Corporation and constitutes a legal, valid and binding obligation of the Corporation enforceable against the Corporation in accordance with its terms (subject to customary qualifications).

(e) The execution and delivery of the Underwriting Agreement by the Corporation, and the performance by the Corporation of its obligations set out therein, does not and will not breach or violate: (i) the articles or by-laws of the Corporation; (ii) any law of Alberta or federal law of Canada applicable therein; or (iii) to counsel's knowledge, any resolutions of the directors (or any committees thereof) or shareholders, as the case may be, of the Corporation.

(f) As to the Corporation's authorized share capitalization.

(g) The attributes of the Series E Preferred Shares and Series F Preferred Shares conform in all material respects to the descriptions thereof contained in the Prospectus.

(h) The form and terms of the certificates representing the Series E Preferred Shares and Series F Preferred Shares have been approved and adopted by the Corporation and comply with all legal requirements relating thereto and the policies of the Exchange relating thereto.

(i) Subject to the assumptions, qualifications, limitations and restrictions set out therein, the summaries under the headings "Certain Canadian Federal Income Tax Considerations" and "Eligibility for Investment" in the Prospectus Supplement are accurate summaries of the principal Canadian federal income tax considerations applicable to a purchaser of the Series E Preferred Shares who is described therein.

(j) Each of the preliminary Base Shelf Prospectus, the Base Shelf Prospectus and the Prospectus Supplement, in both the English and French languages, and their respective execution, as applicable, on behalf of the Corporation, and the filing of each of the preliminary Base Shelf Prospectus, the Base Shelf Prospectus and the Prospectus Supplement, in both the English and French languages in the Offering Jurisdictions have been approved and authorized by all necessary corporate action by the Corporation, and each of the preliminary Base Shelf Prospectus and the Base Shelf Prospectus, in both the English and French languages, has been duly executed by the Corporation.

(k) No consent, approval, authorization, order, registration or qualification of or with any court or governmental agency or body in the Province of Alberta or the federal laws of Canada applicable therein is required in connection with the execution and delivery by the Corporation of, and performance by the Corporation under, the Underwriting Agreement, except such consents, approvals, authorizations, registrations or qualifications as have been obtained.

(l) Upon receipt of payment for the Series E Preferred Shares to be delivered at the Closing Time in accordance with the terms of the Underwriting Agreement, the Series E Preferred Shares will be validly issued and outstanding as fully-paid and non-assessable Series E Preferred Shares of the Corporation.

(m) The Series F Preferred Shares issuable upon conversion of the Series E Preferred Shares will, upon conversion of the Series E Preferred Shares in accordance with their terms, be validly issued as fully paid and non-assessable Series F Preferred Shares of the Corporation.

(n) All necessary documents have been filed, all necessary proceedings have been taken and all other legal requirements have been fulfilled by the Corporation that are required under Applicable Securities Laws to qualify the distribution of the Series E Preferred Shares in the provinces of Alberta and Ontario through or to persons or companies who are duly registered in an appropriate category of dealer registration under the Applicable Securities Laws and who have complied with the relevant provisions of the Applicable Securities Laws and the terms of their registration.

(o) The issuance and delivery by the Corporation of the Series F Preferred Shares upon conversion of the Series F Preferred Shares will be exempt from the prospectus requirements of Applicable Securities Laws in the provinces of Alberta and Ontario and no prospectus or other document will be required to be filed, proceeding taken, or approval, permit, consent or authorization obtained by the Corporation under the prospectus requirements of Applicable Securities Laws in the provinces of Alberta and Ontario to permit such issuance and delivery by the Corporation of the Series F Preferred Shares in accordance with the terms thereof, based on an assumption that there will be no changes to Applicable Securities Laws in the provinces of Alberta and Ontario after the Closing Date.

(p) The first trade by a holder of Series F Preferred Shares will not be subject to the prospectus requirements of Applicable Securities Laws and no filing, proceeding, approval, consent or authorization under Applicable Securities Laws will be required to be made, taken or obtained by the Corporation to permit the first trade of such Series F Preferred Shares in the Provinces of Alberta and Ontario, provided that the trade is not a "control distribution" as such term is defined in National Instrument 45-102 ("**NI 45-102**") and the Corporation is a "reporting issuer" for the purposes of NI 45-102 at the time of such trade in the jurisdiction where such trade occurs.

(q) Computershare Trust Company of Canada has been duly appointed as the transfer agent and registrar for the Series E Preferred Shares and the Series F Preferred Shares.