

An aerial photograph of an industrial facility, likely a liquefied natural gas (LNG) processing plant. The image shows a dense network of silver-colored metal pipes, some insulated with white material, and various valves and machinery. Two workers in blue protective suits and hard hats are visible on the ground, which is covered with gravel. The scene is brightly lit, suggesting a sunny day. A red arrow-shaped graphic is positioned on the left side of the image, pointing towards the text.

# Pembina Pipeline Corporation

## Jordan Cove LNG – project update

LNG Producer-Consumer Conference 2017

Ministry of Economy, Trade and Industry

Tokyo • October 18, 2017



# Forward looking statements and information

– This presentation contains certain forward-looking statements and information that are based on Pembina's expectations, estimates, projections and assumptions in light of its experience and its perception of historical trends as well as current market conditions and perceived business opportunities. In some cases, forward-looking information can be identified by terminology such as "expects", "will", "would", "anticipates", "plans", "estimates", "develop", "intends", "potential", "continue", "could", "create", "keep", and similar expressions suggesting future events or future performance.

– In particular, this presentation contains forward-looking statements, including certain financial outlooks, pertaining to, without limitation: the proposed acquisition of Veresen Inc. (the "Transaction"), including the expected closing date and the anticipated benefits of the Transaction to Pembina's and Veresen's securityholders, the expected size and processing capabilities of the combined company, as well as anticipated synergies (including strategic integration and diversification opportunities, tax benefits and the accretion to cash flow of Pembina), financial results and financial ratios related to and growth opportunities associated with the assets acquired pursuant to the Transaction and the combined entity including: EBITDA expectations, future capital program, integrity expenditure, capital expenditures, anticipated capacity and in-service dates for growth projects, enterprise value, counterparty exposure, fee-for-service cash flows, future dividends which may be declared on Pembina's common shares and any future dividend payment date; the ongoing utilization and expansions of and additions to Pembina's business and asset base, expectations regarding future commodity market supply, demand and pricing and supply and demand for hydrocarbon and derivatives services.

– Undue reliance should not be placed on these forward-looking statements and information as they are based on assumptions made by Pembina as of the date hereof regarding, among other things, the ability of the parties to satisfy the conditions to closing of the Transaction in a timely manner, that favourable growth

parameters continue to exist in respect of current and future growth projects (including the ability to finance such projects on favorable terms), future levels of oil and natural gas development, potential revenue and cash flow enhancement; future cash flows, with respect to Pembina's dividends: prevailing commodity prices, margins and exchange rates, that Pembina's businesses will continue to achieve sustainable financial results and that the combined company's future results of operations will be consistent with past performance of Pembina and Veresen and management expectations in relation thereto, the availability and sources of capital, operating costs, ongoing utilization and future expansion for the combined company, the ability to reach required commercial agreements, and the ability to obtain required regulatory approvals.

– While Pembina believes the expectations and assumptions reflected in these forward-looking statements are reasonable as of the date hereof, there can be no assurance that they will prove to be correct. Forward-looking statements are subject to known and unknown risks and uncertainties which may cause actual performance and financial results to differ materially from the results expressed or implied, including but not limited to: the ability of the parties to receive, in a timely manner, the necessary regulatory, court, securityholder, stock exchange and any other third-party approvals, including but not limited to the receipt of applicable competition approvals; the ability of the parties to satisfy, in a timely manner, the other conditions to the closing of the Transaction; the failure to realize the anticipated benefits or synergies of the Transaction following closing due to integration issues or otherwise and expectations and assumptions concerning, among other things: customer demand for the combined company's services, commodity prices and interest and foreign exchange rates, planned synergies, capital efficiencies and cost-savings, applicable tax laws, future production rates, the sufficiency of budgeted capital expenditures in carrying out planned activities, the impact of competitive entities and pricing; reliance on key industry partners, alliances and agreements; the strength and operations of the oil and natural gas

industry and related commodity prices; the regulatory environment and the ability to obtain regulatory approvals; fluctuations in operating results; the availability and cost of labour and other materials; the ability to finance projects on advantageous terms; and tax laws and tax treatment. In addition, the closing of the Transaction may not be completed, or may be delayed if the parties' respective conditions to the closing of the Transaction, including the timely receipt of all necessary regulatory approvals, are not satisfied on the anticipated timelines or at all. Accordingly, there is a risk that the Transaction will not be completed within the anticipated time, on the terms currently proposed or at all.

– Additional information on these factors as well as other risks that could impact Pembina's operational and financial results are contained in Pembina's Annual Information Form and Management's Discussion and Analysis for the year ended December 31, 2016, and described in our public filings available in Canada at [www.sedar.com](http://www.sedar.com) and in the United States at [www.sec.gov](http://www.sec.gov). Readers are cautioned that this list of risk factors should not be construed as exhaustive.

– The forward-looking statements contained in this document speak only as of the date of this document. Except as expressly required by applicable securities laws, Pembina and its subsidiaries assume no obligation to update forward-looking statements and information should circumstances or management's expectations, estimates, projections or assumptions change. The forward-looking statements contained in this document are expressly qualified by this cautionary statement. Readers are cautioned that management of Pembina approved the financial outlooks contained herein as of the date of this presentation. The purpose of the financial outlooks contained herein is to give the reader an indication of the value of Pembina's current and anticipated growth projects, including with respect to the acquisition of assets pursuant to the Transaction. Readers should be cautioned that the information contained in the financial outlooks contained herein may not be appropriate for other purposes.

# Jordan Cove LNG – project components



## Jordan Cove Energy Project (JCEP)

- 7.8 mtpa greenfield facility
- 240 acre site
- 7-mile transit to site – Port of Coos Bay

## Pacific Connector Gas Pipeline (PCGP)

- 229 mile; 36" diameter, pipeline
- 1.2 bcf/d design capacity
- Receipt interconnects with GTN and Ruby pipelines at Malin, Oregon



# Project update and timeline

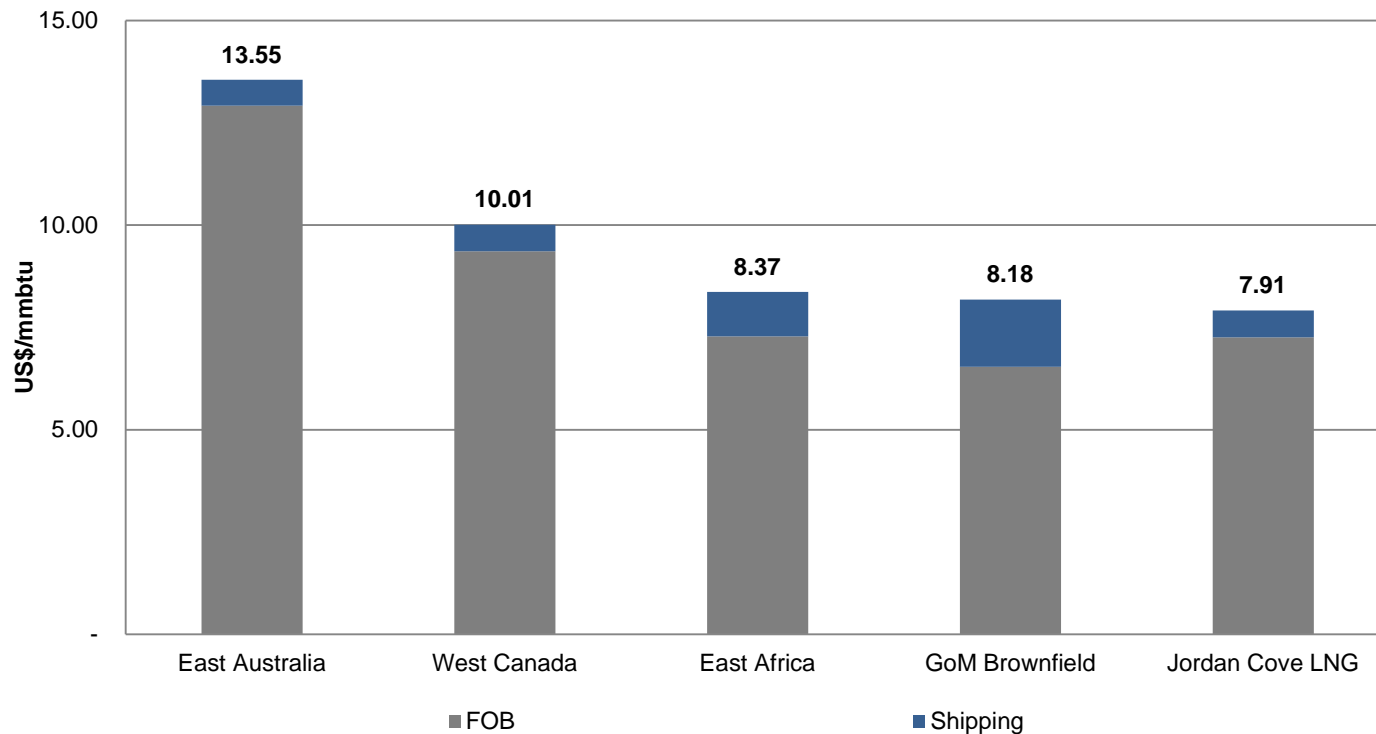


- Executed lump-sum turnkey EPC contract on July 5, 2017
  - EPC awarded to KBJ consortium, comprised of Kiewit, Black & Veatch and JGC
- Filed final FERC applications (Sections 3 and 7) on September 21, 2017
- Draft environmental impact statement (EIS) expected in Q2 2018
- Project has requested a final EIS by August 2018; certificate and order granting authorizations by end-2018
  - Given extensive environmental review to date (two complete EIS), Jordan Cove is seeking an expedited FERC schedule
- Why will this time be different?
- West Coast US location delivers reduced shipping and feedstock gas costs
- Sustained market support from JERA and ITOCHU, with meaningful interest from other Asian buyers
- Four of five FERC commissioners will be new to project; three will be Republicans
- Sustained stakeholder support in Southern Oregon

Construction targeted to commence mid-2019; first LNG mid-2023; COD end-2023

# Opportunities/challenges for growing Asia's gas market

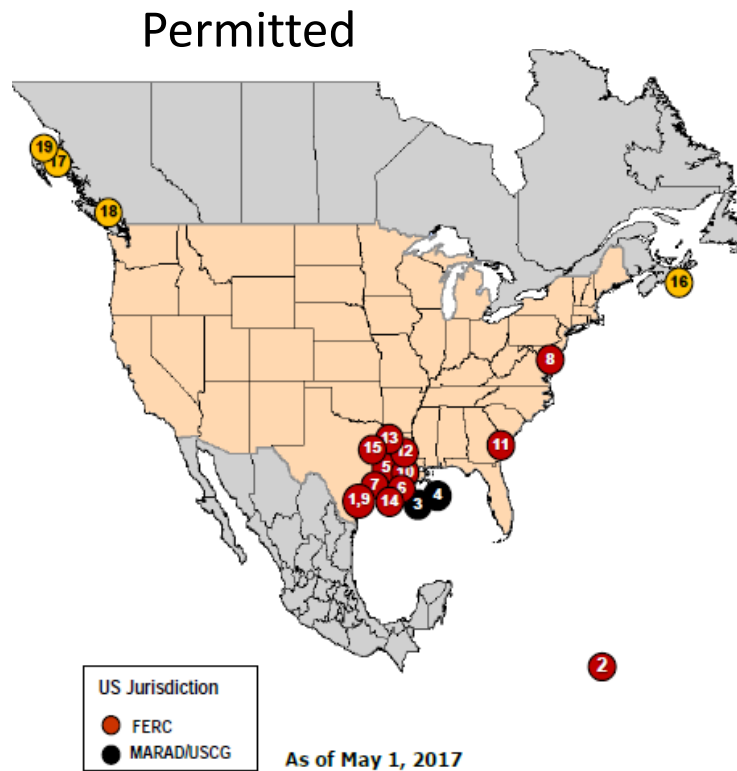
- Access to low cost LNG is key to growing the market
- The US, with its large and low cost resource base, is competitively advantaged on cost; low oil prices distort this reality



JCLNG interpretation of Wood Mackenzie as of Q1 2017; US prices assume a Henry Hub price of \$3.00/mmbtu

# US exports – the challenge

- US LNG export propositions are highly concentrated in the US Gulf of Mexico
- Projects need to be developed in locations other than the Gulf Coast for US LNG exports to reach their full potential



Source: US FERC

A photograph of a large pipeline in a snowy field. The pipeline is the central focus, stretching from the foreground into the distance. It is surrounded by snow, and there are shadows cast across it. In the background, there is a dense forest of tall, thin trees. The sky is clear and blue. The overall scene is a winter landscape.

# Pembina Pipeline Corporation

## Thank-you