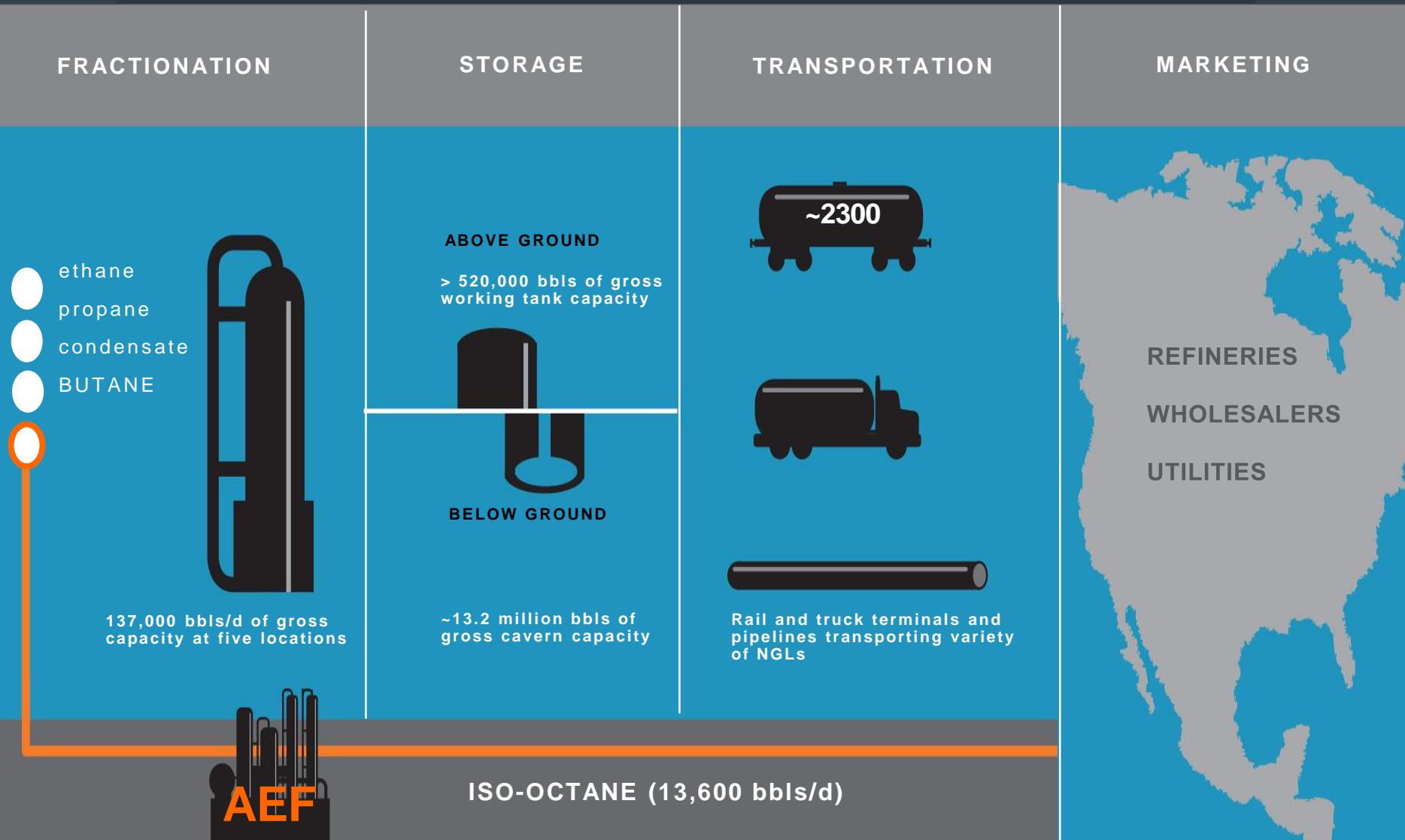


# KEYERA

Life in the Heartland:  
Community Information Evening

April 12, 2017

# Keyera - Liquids Business Unit



Unmatched Infrastructure for NGL and Oil Sands Customers



# Growth Projects Currently Under Development

Approved Projects	Capital Cost (Net, in \$ Millions) <sup>1</sup>	2017	2018	2019
Edmonton Terminal Condensate Tanks	60	→		
Norlite Pipeline (JV with Enbridge)	390	→		
Fort Saskatchewan Condensate System Pipeline Expansion & Manifold	30	→		
South Grand Rapids Pipeline & Pump Station (JV with TCPL & Brion) <sup>2</sup>	148	→		
Hull Terminal Pipeline System Connection Project <sup>3</sup>	34	→		
NWR North Condensate Connector & South NGL Connector	50	→		
Base Line Terminal Crude Oil Storage Project (JV with Kinder Morgan)	330	→	→	
Alder Flats New Gas Plant Construction (Phase II) <sup>4</sup>	78	→	→	
Keylink NGL Gathering Pipeline System	147	→	→	
Simonette Liquids Handling Expansion Project	100	→	→	
Storage Cavern Development Program at Keyera Fort Saskatchewan	90	→	→	→
Other Projects (Connections, De-Bottlenecking, Land Development, etc.)	≥100			
<b>TOTAL</b>	<b>&gt;\$1.5 Billion</b>			

1. Keyera's share of estimated capital cost. See Keyera's 2016 Year End MD&A for capital investment risks and assumptions. 2. Pipeline portion of net capital cost will be paid upon completion of construction and is categorized as acquisition capital. 3. Project cost is currently estimated to be US\$20-25 million. 4. \$27 million was pre-paid in August 2016. The capital budget and construction schedule for Phase II is being managed by Bellatrix Exploration Ltd.

## Strong Growth Opportunities in the Heartland



# Expanding Keyera Fort Saskatchewan

## **Added 35,000 bbls/d of C3+ fractionation**

- Backstopped by long-term customer commitments
- On stream in 2Q16

## **Added 30,000 bbls/d de-ethanizer**

- Backstopped by long-term customer commitments
- On stream in 1Q15

## **Underground storage caverns**

- Cavern 14 recently put into service; currently washing caverns 15 and 16 and expected in-service in 2018 & 2019
- 17<sup>th</sup> cavern to begin washing in 2017

## **New office complex**

- Moved in March 10. Office, control room, shop and warehouse all in one.



# Norlite Pipeline

**Diluent pipeline from Ft. Saskatchewan to Athabasca oil sands**

**Enbridge is constructing and will operate Norlite once in service**

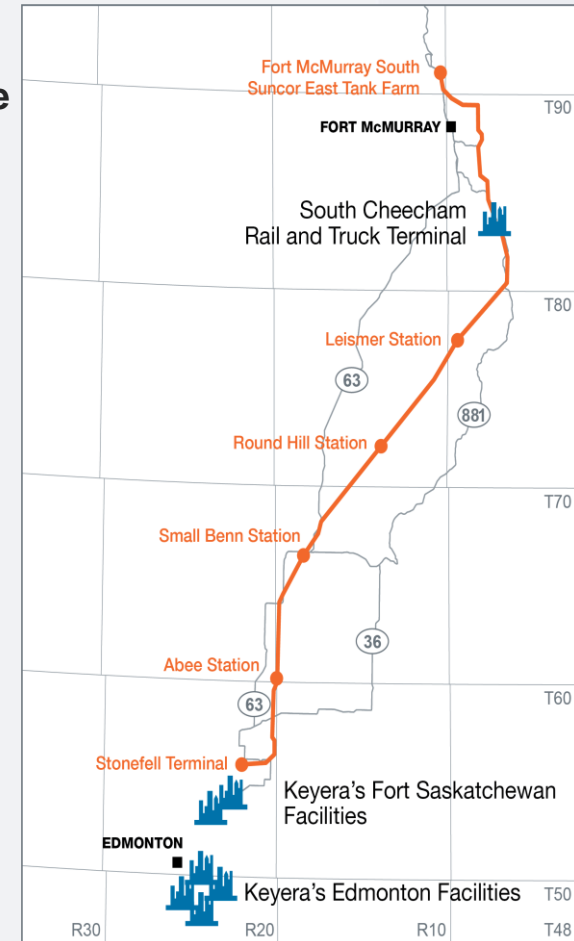
**Keyera is a 30% owner**

**Long-term take-or-pay agreement with owners of Fort Hills project – Suncor, Total and Teck – with the project's first oil production expected in 4Q17**

**Norlite shippers will have access to Keyera's condensate infrastructure in Edmonton/Fort Saskatchewan, including storage and rail**

**Initial capacity of approximately 218,000 bbls/d with potential to expand to 465,000 bbls/d<sup>1</sup>**

**Enbridge expects a mid-2017 completion date at gross cost of \$1.3 billion (\$390 million net to Keyera)<sup>2</sup>**



<sup>1</sup> Pipeline capacities are estimated based on certain assumptions.

<sup>2</sup> Cost and timing subject to construction schedule and cost variables.

**Will Provide Additional Long-Term Stable Cash Flows**



# South Grand Rapids Pipeline

50/50 joint venture between Keyera and Grand Rapids Pipeline LP (TransCanada PipeLines and Brion Energy)

45-kilometre 20-inch diluent pipeline from Edmonton to Fort Saskatchewan

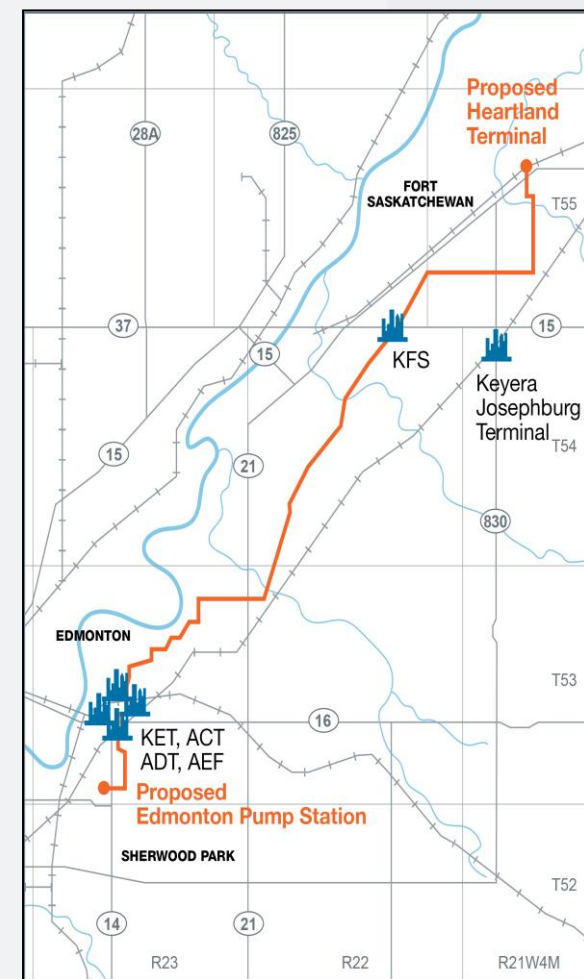
Will provide Keyera with  $\geq 225,000$  bbls/d of net capacity<sup>1</sup> for diluent transportation, a portion of which will be used to meet commitments under existing customer agreements

Remaining capacity available for Keyera to pursue new diluent transportation business

Net capital cost to Keyera expected to be \$148 million<sup>2</sup>

Expected in service 2H17<sup>3</sup>

Keyera will operate the pipeline once complete



<sup>1</sup> Pipeline capacities are estimated based on certain assumptions.

<sup>2</sup> Pipeline portion of net capital cost will be paid upon completion of construction and is categorized as acquisition capital.

<sup>3</sup> Cost and timing subject to construction and schedule variables.





# Base Line Terminal – a Crude Oil Storage Solution

50/50 joint venture operated by Kinder Morgan

12 crude oil storage tanks with 4.8 million bbls of capacity under construction at Keyera's Alberta EnviroFuels site

Connected to Kinder Morgan's Edmonton terminal

Backstopped by 8 customers with take-or-pay contracts up to 10 years in length

Expected net capital cost to Keyera of \$330 million<sup>1</sup>

Potential to add additional tanks for total storage capacity of up to 6.6 million bbls, subject to customer demand

Phased commissioning of tanks starting in 1Q18<sup>1</sup>



<sup>1</sup> Cost and timing subject to construction and schedule variables.



# Keyera Josephburg Terminal

**Provides customers with new rail infrastructure to handle growing propane supply from liquids-rich production**

**Improves propane egress to North American demand centers and export markets**

**Commenced operations in July 2015, expanded rail yard and connectivity in 2016**

**Flexibility to also handle butane**

**Land acquired nearby for future opportunities**





# Recent Land Purchase

## Premium land position in AIH

- ~1,290 acres in northern Strathcona County
- Purchase from Sasol agreed to in Dec. 2016
- Land title transfers completed in Jan. 2017

## Adjacent to/connected to other Keyera sites

- Significant future growth potential



# Community Investment in the Heartland

## **Ft. Saskatchewan Families First Society**

- \$50K sponsorship of Toy & Parent Resource Lending Library in 2016

## **Habitat For Humanity**

- Staff volunteering to build area homes

## **Mustard Seed**

- Funding, preparing, and serving meals



## **United Way**

- Company wide participation

## **Care From The Heart Radiothon**

- Donation to Ft. Sask Community Hospital Foundation and sponsorship of air time

## **STARS (Shock Trauma Air Rescue Society)**

- Long term commitment renewed through 2019



**\$850,000 in Community Investment Contributions in 2016**



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