

# Western Canadian Midstream Business

ACQUISITION BY BROOKFIELD INFRASTRUCTURE

JULY 2018

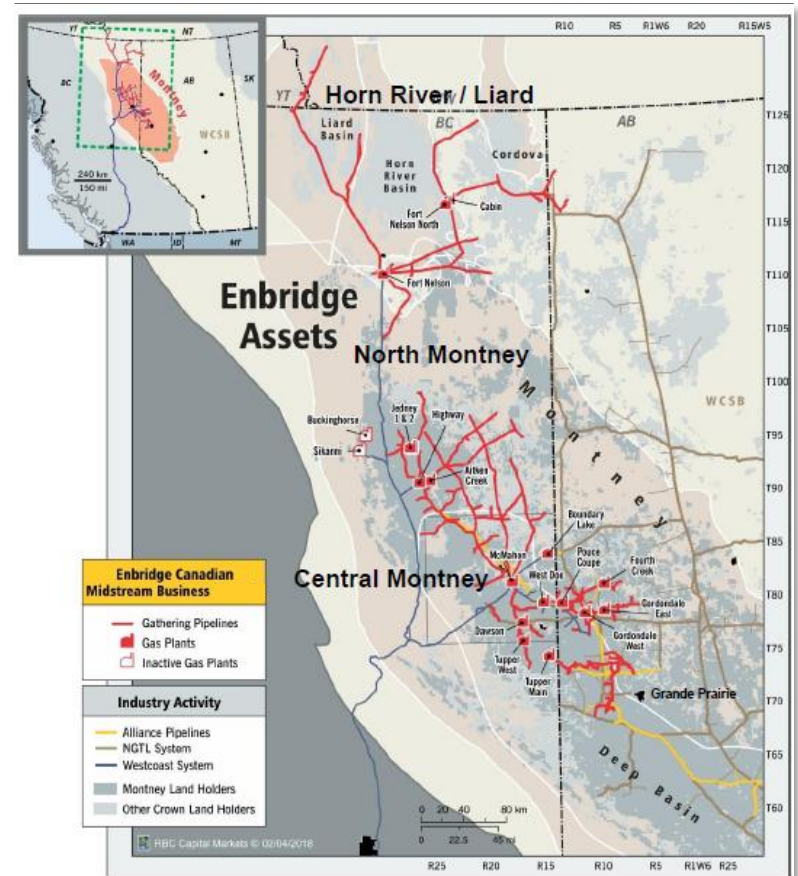
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Brookfield Infrastructure has entered into a binding agreement to acquire Enbridge's Western Canadian natural gas gathering and processing business for C\$4.3 billion (US\$3.3 billion)

- Largest independent gathering and processing operation in Canada
  - Backbone of Northeast British Columbia production hub
- 19 processing facilities, 3.3 Bcf/d of gross capacity, and 3,550 kms of long-haul gathering pipelines
  - Supports Montney basin production
- Customer base comprised of 70 diverse E&P counterparties
- Connected to major demand markets including the U.S. Pacific Northwest, U.S. Midwest, and Western Canada

## GEOGRAPHIC FOOTPRINT





**High Quality, Long-Life  
Asset Portfolio**



**Take-or-Pay Contracts with  
Captive Cash Flows**



**Competitively Positioned on  
Highly Economic Acreage**



**Potential for Significant Growth  
Opportunities**

## Stability of cash flows underpinned by take-or-pay contracts

- Take-or-pay contracts comprise 85% of 2018E revenue
  - 10-year weighted average remaining contract life
  - 70% of current run-rate revenue contracted over next eight years (2018 – 2025)
- Going in 2019E AFFO<sup>(1)</sup> yield estimate of ~10%
- Integrated customer base, including some major producers, operating on highly economic acreage, focused on the Montney region
- Extensive gathering system covers the dry gas and liquids rich regions of the Montney, including the ultra-rich Pipestone area which has among the best economics in North American resource plays

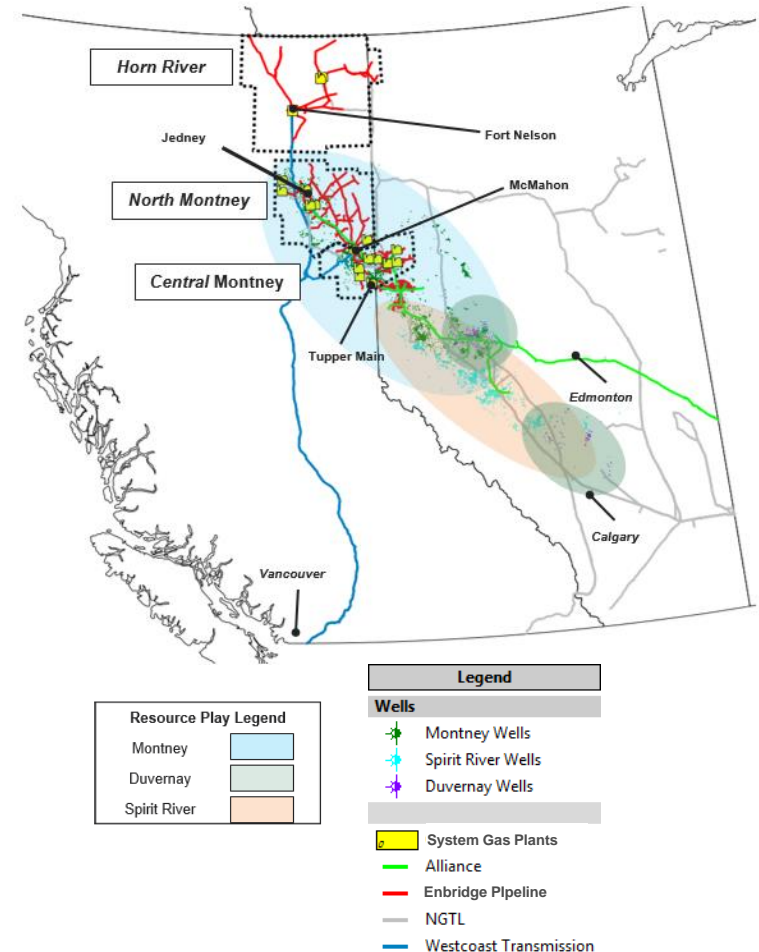
(1) See Notice to Readers on page 7 for definition of AFFO



The business is competitively positioned for growth with the high economic and prolific acreage of the Montney play providing over 40 years of anticipated economic drilling inventory at current price levels<sup>(1)</sup>

- The Montney is one of several major resource plays **under active development** within the Western Canadian Sedimentary Basin (WCSB) with over 445 TCF of gas resources<sup>(2)</sup>
  - The Montney has by far the majority of locations in the WCSB with ~45% of undeveloped Canadian gas resource<sup>(1)</sup>
- The **massive scale** and **low breakeven costs** of the region we believe ensure that it will continue to be a focal point for development by top tier producers
  - Montney production is expected to grow ~20+% from 2017-2024<sup>(2)</sup>
  - We believe the catchment area of the business overlies more than ~35,000 potential future wells, representing ~60% of the Montney gas resources<sup>(1)</sup>
- The business is **competitively positioned** within the region and connects to all major egress options, including Enbridge’s Westcoast System, TransCanada’s Nova system, and the Alliance pipeline
  - The North & Central Montney region has 5.6 Bcf/d of takeaway capacity with 4.6 Bcf/d of planned expansions<sup>(3)</sup>
  - Well-positioned to serve emerging western Canadian LNG opportunities

## WCSB RESOURCE OVERVIEW



(1) Source: Brookfield analysis based on areal extent of the Montney play and average well properties

(2) Source: NEB study, 2017

(3) Source: Brookfield analysis based on 2013 GPMI study

Transaction expected to close in two stages due to separate regulatory approval processes

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Advance customary closing requirements

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Close on provincially-regulated business expected in Q4 2018

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Close on federally-regulated business expected in mid-2019

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Fully integrate the federal and provincial businesses

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Initiate our business plan

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## Notice to Readers

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## FORWARD-LOOKING STATEMENTS

This presentation contains forward-looking information within the meaning of Canadian provincial securities laws and other “forward looking statements” within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, Section 21E of the U.S. Securities Exchange Act of 1934, as amended, “safe harbor” provisions of the United States Private Securities Litigation Reform Act of 1995 and applicable Canadian securities regulations. The words “growing”, “target”, “growth”, “plan”, “objective”, “expect”, “will”, “may”, “potential”, “believe”, “increase”, “intend”, derivations thereof and other expressions which are predictions of or indicate future events, trends or prospects and which do not relate to historical matters identify the above mentioned and other forward-looking statements. Forward-looking statements in this presentation include statements regarding acquisition of strong and growing assets, expected demand and revenues, adjusted funds flow from operations yields, our ability to identify, acquire and integrate new acquisitions, the planned completion of transactions, estimated source and future rates of growth, or expectations regarding economic developments and our ability to benefit from completion and performance of new investments, return objectives, potential demand for additional capacity at our operations, further investment in our existing operations, volume increases in the businesses in which we operate, economic developments in the jurisdictions and markets in which we operate and the effects of such developments on our businesses, increasing demand for commodities and global movement of goods, upside potential from development projects, the expected timing for completing the transactions described herein and our business plans and strategies with regards to the assets to be acquired, and other statements with respect to our beliefs, outlooks, plans, expectations and intentions and general business and economic conditions. Although Brookfield Infrastructure believes that these forward-looking statements and information are based upon reasonable assumptions and expectations, the reader should not place undue reliance on them, or any other forward looking statements or information in this presentation. The future performance and prospects of Brookfield Infrastructure are subject to a number of assumptions and known and unknown risks and uncertainties. Factors that could cause actual results of Brookfield Infrastructure to differ materially from those contemplated or implied by the statements in this presentation include general economic and market conditions in the jurisdictions in which we operate (including that management’s expectations may differ from actual economic and market trends), regulatory developments and changes in inflation rates in the U.S. and elsewhere, the fact that success of Brookfield Infrastructure is dependent on market demand for an infrastructure company, which is unknown and may change if market conditions for our expected customers change, the availability of and our ability to obtain equity and debt financing, foreign currency risk, the outcome and timing of various regulatory, legal and contractual issues, global credit and financial markets, the competitive business environment in the industries in which we operate, the competitive market for acquisitions and other growth opportunities, our ability to satisfy conditions precedent required to complete, our ability to integrate acquisitions into existing operations and the future performance of those acquisitions, our ability to close planned transactions, our ability to complete large capital expansion projects on time and within budget, favourable commodity prices, our ability to achieve the milestones necessary to deliver the targeted returns to our unitholders, weakening demand for products and services in the markets for the commodities that underpin demand for our infrastructure, ability to negotiate favourable take-or-pay contractual terms, the continued operation of large capital projects by customers of our businesses which themselves rely on access to capital and continued favourable commodity prices, changes in technology which have the potential to disrupt business and industries in which we invest, uncertainty with respect to future sources of investment opportunities and other risks and factors described in the documents filed by Brookfield Infrastructure Partners L.P. with the securities regulators in Canada and the United States including under “Risk Factors” in its most recent Annual Report on Form 20-F. Except as required by law, Brookfield Infrastructure Partners undertakes no obligation to publicly update or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise.

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