

HOUSTON, Feb. 4, 2016 /PRNewswire/ -- [Spectra Energy Corp.](#) (NYSE: SE) and Spectra Energy Partners (NYSE: SEP) today announced their 2016-2018 business and financial plan.

Key highlights for Spectra Energy include:

- 2016 distributable cash flow (DCF) of almost \$1.4 billion, up 6% from 2015
- Dividend increase of 14 cents per share annually through 2018; dividend coverage of 1.2x in 2016, 1.3x in 2017, and 1.1x in 2018 which substantially exceeds the coverage expected in the prior year's financial plan
- 2016 enterprise-wide EBITDA of more than \$2.8 billion, with a CAGR of 8% through 2018

Key highlights for Spectra Energy Partners include:

- 2016 DCF of \$1.3 billion, up 8.7% from 2015 with a CAGR of 15.6% through 2018
- Distribution increases of 1.25 cents per unit each quarter through 2018; distribution coverage of 1.2x in each of the three forecast years – higher than prior year's financial plan

"Our execution backlog of about \$8 billion in secured projects is primarily driven by natural gas demand and will grow our cash flows during and beyond the plan period. The strength of our projects in execution gives us confidence in our ongoing ability to deliver an annual 14-cent per share dividend increase at Spectra Energy and our quarterly penny-and-a-quarter per unit distribution increase at Spectra Energy Partners through 2018," said Greg Ebel, chief executive officer, Spectra Energy. "Despite commodity prices and the Canadian dollar being significantly lower than a year ago, our 2016 and 2017 DCF forecasts and dividend and distribution coverage ratios are stronger than those we presented to investors a year ago.

"The fundamentals of a company matter – and in today's business environment, they matter even more. Our existing infrastructure assets go to where the lights are – from key supply basins to the fastest growing North American energy markets. The competitive advantage of our existing assets, with our expansion projects in execution, provides an outlook that is more robust than even a year ago and provides investors with stable and reliable returns," added Ebel.

Key assumptions underlying the three-year financial plan include:

- For all three years, natural gas liquids prices of 42 cents per gallon; natural gas prices of \$2.50 per thousand cubic feet (Mcf); and crude oil prices of \$45 per barrel
- A Canadian-to-U.S. dollar exchange rate of 1.40 for each of the three years forecast
- Maintenance CapEx of \$615 million in 2016, \$625 million in 2017, and \$640 million in 2018
- Cash tax rates of 1.8% in 2016, 4.2% in 2017, and 14.8% in 2018
- Investment of approximately \$6 billion in expansion capital over the plan period, with \$3.0 billion invested in 2016, \$1.9 billion in 2017 and \$1.2 billion in 2018; SEP's share of CapEx is about 61% in 2016, 68% in 2017, and 81% in 2018

Spectra Energy and Spectra Energy Partners will discuss their business outlook and three-year financial plan in greater detail during an analyst/investor meeting today.

The presentation is scheduled to begin at 8:30 a.m. ET and will be webcast via the Investors sections of the Spectra Energy and Spectra Energy Partners websites. The conference call can be accessed by dialing (888) 252-3715 in the U.S. or Canada, or (706) 634-8942 internationally. The conference ID is 7888893 or "Spectra Energy 2016 Plan."

A replay of the call will be available until 5 p.m. CT on Tuesday, May 3, 2016, by dialing (800) 585-8367 in the U.S. or Canada, or (404) 537-3406 internationally, and using the above conference ID. A replay and transcript also will be available via the Investors sections of the Spectra Energy and Spectra Energy Partners websites.

Forward-Looking Statements

This release includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are based on our beliefs and assumptions. These forward-looking statements are identified by terms and phrases such as: anticipate, believe, intend, estimate, expect, continue, should, could, may, plan, project, predict, will, potential, forecast, and similar expressions. Forward-looking statements involve risks and uncertainties that may cause actual results to be materially different from the results predicted. Factors that could cause actual results to differ materially from those indicated in any forward-looking statement include, but are not limited to: the success of a completed drop-down; state, federal and foreign legislative and regulatory initiatives that affect cost and investment recovery, have an effect on rate structure, and affect the speed at and degree to which competition enters the natural gas and oil industries; outcomes of litigation and regulatory investigations, proceedings or inquiries; weather and other natural phenomena, including the economic, operational and other effects of hurricanes and storms; the timing and extent of changes in commodity prices, interest rates and foreign currency exchange rates; general economic conditions, including the

risk of a prolonged economic slowdown or decline, or the risk of delay in a recovery, which can affect the long-term demand for natural gas and oil and related services; potential effects arising from terrorist attacks and any consequential or other hostilities; changes in environmental, safety and other laws and regulations; the development of alternative energy resources; results and costs of financing efforts, including the ability to obtain financing on favorable terms, which can be affected by various factors, including credit ratings and general market and economic conditions; increases in the cost of goods and services required to complete capital projects; declines in the market prices of equity and debt securities and resulting funding requirements for defined benefit pension plans; growth in opportunities, including the timing and success of efforts to develop U.S. and Canadian pipeline, storage, gathering, processing and other related infrastructure projects and the effects of competition; the performance of natural gas and oil transmission and storage, distribution, and gathering and processing facilities; the extent of success in connecting natural gas and oil supplies to gathering, processing and transmission systems and in connecting to expanding gas and oil markets; the effects of accounting pronouncements issued periodically by accounting standard-setting bodies; conditions of the capital markets during the periods covered by forward-looking statements; and the ability to successfully complete merger, acquisition or divestiture plans; regulatory or other limitations imposed as a result of a merger, acquisition or divestiture; and the success of the business following a merger, acquisition or divestiture. These factors, as well as additional factors that could affect our forward-looking statements, are described in our filings that we make with the SEC, which are available via the SEC's website at www.sec.gov. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements might not occur or might occur to a different extent or at a different time than we have described. All forward-looking statements in this release are made as of the date hereof and we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

About Spectra Energy and Spectra Energy Partners

[Spectra Energy Corp.](http://www.spectraenergy.com) (NYSE: SE), a FORTUNE 500 company, is one of North America's leading pipeline and midstream companies. Based in Houston, Texas, the company's operations in the United States and Canada include more than 21,000 miles of natural gas, natural gas liquids, and crude oil pipelines; approximately 300 billion cubic feet (Bcf) of natural gas storage; 4.8 million barrels of crude oil storage; as well as natural gas gathering, processing, and local distribution operations. Spectra Energy is the general partner of Spectra Energy Partners (NYSE: SEP), one of the largest pipeline master limited partnerships in the United States and owner of the natural gas and crude oil assets in Spectra Energy's U.S. portfolio. Spectra Energy also has a 50 percent ownership in DCP Midstream, the largest producer of natural gas liquids and the largest natural gas processor in the United States. Spectra Energy has served North American customers and communities for more than a century. For more information, visit www.spectraenergy.com and www.spectraenergypartners.com.

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SOURCE [Spectra Energy Corp.](http://www.spectraenergy.com); Spectra Energy Partners, LP

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