

Pembina Pipeline Corporation

Q4 2018
Unaudited Supplementary
Information

UNAUDITED SUPPLEMENTARY INFORMATION

Three Months ending December 31, 2018

Financial results reported for all 2017 periods have been restated to reflect the Corporate Reorganization and the adoption of IFRS 15.

Pipelines Division

3 Months Ended December 31 (unaudited)	Conventional Pipelines		Transmission Pipelines		Oil Sands Pipelines		Total	
<i>(\$ millions, except where noted)</i>	2018	2017 ⁽⁴⁾	2018	2017 ⁽⁴⁾	2018	2017 ⁽⁴⁾	2018	2017 ⁽⁴⁾
Financial Overview								
Revenue ⁽¹⁾	303	250	34	39	66	61	403	350
Operating expenses ⁽¹⁾	83	64	12	12	25	22	120	98
Share of profit from equity accounted investees	—	—	74	72	—	—	74	72
Depreciation and amortization included in operations	38	48	10	15	8	6	56	69
Gross profit	182	138	86	84	33	33	301	255
Proportionately Consolidated Financial Overview⁽²⁾								
Volumes (mboe/d) ⁽³⁾	897	796	566	567	1,066	1,087	2,529	2,450
Operating Margin ⁽¹⁾⁽²⁾	220	186	176	170	41	39	437	395

⁽¹⁾ Includes Inter-Divisional transactions. See note 20 to the Consolidated Financial Statements.

⁽²⁾ Refer to "Non-GAAP Measures".

⁽³⁾ Volumes are revenue volumes, which are physical volumes plus volumes recognized from take-or-pay commitments. Volumes for 2017 have been restated to reflect the Corporate Reorganization.

⁽⁴⁾ Financial results reported for all 2017 periods have been restated to reflect the Corporate Reorganization and the adoption of IFRS 15 (as defined in Pembina Pipeline Corporation's ("Pembina" or the "Company")) of the management's discussion and analysis of the financial and operating results of Pembina for the year ended December 31, 2018 ("MD&A").

Facilities Division

3 Months Ended December 31 (unaudited)	Gas Services		NGL Services		Total	
<i>(\$ millions, except where noted)</i>	2018	2017 ⁽⁴⁾	2018	2017 ⁽⁴⁾	2018	2017 ⁽⁴⁾
Financial Overview						
Revenue ⁽¹⁾	140	119	262	174	402	293
Net revenue ⁽²⁾	138	117	127	96	265	213
Operating expenses ⁽¹⁾	48	39	39	23	87	62
Share of profit from equity accounted investees	16	22	—	—	16	22
Depreciation and amortization included in operations	23	20	16	17	39	37
Gross profit	83	80	72	56	155	136
Proportionately Consolidated Financial Overview⁽²⁾						
Volumes (mboe/d) ⁽³⁾	683	606	241	194	924	800
Operating Margin ⁽¹⁾⁽²⁾	146	108	92	78	238	186

⁽¹⁾ Includes Inter-Divisional transactions. See note 20 to the Consolidated Financial Statements.

⁽²⁾ Refer to "Non-GAAP Measures".

⁽³⁾ Volumes are revenue volumes, which are physical volumes plus volumes recognized from take-or-pay commitments. Volumes are stated in mboe/d, with natural gas volumes converted to mboe/d from MMcf/d at a 6:1 ratio. Volumes for 2017 have been restated to reflect the Corporate Reorganization.

⁽⁴⁾ Financial results reported for all 2017 periods have been restated to reflect the Corporate Reorganization and the adoption of IFRS 15.

Marketing & New Ventures Division

3 Months Ended December 31						
(unaudited)	Marketing		New Ventures ⁽⁵⁾		Total	
(\$ millions, except where noted)	2018	2017 ⁽³⁾	2018	2017 ⁽³⁾	2018	2017 ⁽³⁾
Financial Overview						
Revenue ⁽¹⁾	1,028	1,133	—	—	1,028	1,133
Cost of goods sold ⁽¹⁾	952	959	—	—	952	959
Net revenue ⁽²⁾	76	174	—	—	76	174
Share of profit from equity accounted investees	39	22	—	—	39	22
Realized (gain)loss on commodity-related derivative financial instruments	(5)	42	—	—	(5)	42
Unrealized gain on commodity-related derivative financial instruments	(89)	(14)	—	—	(89)	(14)
Depreciation and amortization included in operations	6	6	—	—	6	6
Gross profit	203	162	—	—	203	162
Proportionately Consolidated Financial Overview⁽²⁾						
Volumes (mboe/d) ⁽⁴⁾	201	197	—	—	201	197
Operating Margin ⁽¹⁾⁽²⁾	121	166	—	—	121	166

⁽¹⁾ Includes Inter-Divisional transactions. See note 20 to the Consolidated Financial Statements.

⁽²⁾ Refer to "Non-GAAP Measures".

⁽³⁾ Financial results reported for all 2017 periods have been restated to reflect the Corporate Reorganization and the adoption of IFRS 15.

⁽⁴⁾ Volumes are marketed NGL volumes and are stated in mboe/d. Volumes for 2017 have been restated to reflect the Corporate Reorganization.

⁽⁵⁾ All New Ventures projects have not yet commenced operations and therefore have no results of operations.

INVESTMENTS IN EQUITY ACCOUNTED INVESTEEES

Investments in Equity Accounted Investees include:

Pipelines Division

- 50 percent interest in the Alliance Pipeline ("Alliance");
- 50 percent convertible preferred interest in the Ruby Pipeline ("Ruby") which entitles Pembina to a US\$91 million distribution per year; and
- 75 percent jointly controlled interest in Grand Valley 1 Limited Partnership wind farm ("Grand Valley").

Facilities Division

- 45 percent interest (as of December 31, 2018) in Veresen Midstream Limited Partnership ("Veresen Midstream"), which owns assets in western Canada serving the Montney geological play in northwestern Alberta and northeastern B.C. including gas processing plants and gas gathering pipelines and compression; and
- 50 percent interest in Fort Saskatchewan Ethylene Storage Limited Partnership and Fort Saskatchewan Ethylene Corporation ("Fort Corp").

Marketing & New Ventures Division

- An ownership interest in Aux Sable (approximately 42.7 percent in Aux Sable U.S. and 50 percent in Aux Sable Canada) (combined, "Aux Sable"), which includes a natural gas liquids ("NGL") fractionation facility and gas processing capacity near Chicago, Illinois and other natural gas and NGL processing facilities, logistics and distribution assets in the U.S. and Canada, as well as transportation contracts on Alliance; and
- 50 percent interest in Canadian Kuwait Petrochemical Corporation ("CKPC").

Share of Profit and Proportionately Consolidated Operating Margin and Adjusted EBITDA

3 Months Ended December 31, 2018 (unaudited)	Pipelines Division	Facilities Division	Marketing & New Ventures			
<i>(\$ millions, except where noted)</i>	Alliance	Ruby	Veresen Midstream	Aux Sable ⁽³⁾	Other ⁽⁴⁾	Total
Volumes (mboe/d) ⁽¹⁾	146	89	97	28	—	360
Operating Margin ⁽²⁾	100	53	56	40	5	254
General and administrative	12	1	2	6	—	21
Adjusted EBITDA ⁽²⁾	88	52	54	34	5	233
Finance costs and other	7	12	18	(9)	2	30
Depreciation and amortization	37	18	20	4	3	82
Share of earnings in excess of equity interest	—	8	—	—	—	8
Share of profit of Investments in Equity Accounted Investees	44	30	16	39	—	129

⁽¹⁾ Total revenue volumes. Revenue volumes are physical volumes plus volumes recognized from take-or-pay commitments. Volumes are stated in mboe/d, with natural gas volumes converted to mboe/d from MMcf/d at a 6:1 ratio.

⁽²⁾ Refer to "Non-GAAP Measures".

⁽³⁾ Aux Sable volumes include marketed NGL volumes.

⁽⁴⁾ Includes interest in Fort Corp (Facilities Division), Grand Valley (Pipelines Division) and CKPC (Marketing & New Ventures Division).

Distributions by Investments in Equity Accounted Investees to Pembina

3 Months Ended December 31, 2018 (unaudited)(\$ millions)	
Alliance	56
Ruby	31
Veresen Midstream	38
Aux Sable	31
Other ⁽¹⁾	2
Total Distributions from Investments in Equity Accounted Investees (per Pembina's Consolidated Statement of Cash Flows)	158

⁽¹⁾ Distributions from Fort Corp and Grand Valley.

Loans and Borrowings Amortization Schedule of Investments in Equity Accounted Investees

<i>(unaudited)</i> (\$ millions) ⁽¹⁾	12 Months Ended December 31, 2018 ⁽²⁾	2019 ⁽³⁾	2020 ⁽³⁾	2021 ⁽³⁾	2022 ⁽³⁾	2023+ ⁽³⁾	Total ⁽³⁾
Fixed Maturity							
Alliance	66	127	67	66	67	204	531
Ruby ⁽⁴⁾	102	154	60	30	324	—	568
Veresen Midstream	19	36	36	36	1,037	—	1,145
Aux Sable	1	1	—	—	—	—	1
Other	2	24	2	2	2	23	53
	190	342	165	134	1,430	227	2,298
Revolving							
Alliance	—	—	—	108	—	—	108
Veresen Midstream ⁽⁴⁾	—	—	—	—	60	—	60
Other	2	12	—	—	—	—	12
	2	12	—	108	60	—	180
Total	192	354	165	242	1,490	227	2,478

⁽¹⁾ Balances reflect Pembina's ownership percentage of the reported balance.

⁽²⁾ Balances reflect payments that occurred during the twelve month period ended December 31, 2018.

⁽³⁾ Balances presented at face value remaining at December 31, 2018.

⁽⁴⁾ Reflects recent changes as described further under "Financing Activity" in the December 31, 2018 MD&A.

About Pembina

Calgary-based Pembina Pipeline Corporation is a leading transportation and midstream service provider that has been serving North America's energy industry for over 60 years. Pembina owns an integrated system of pipelines that transport various hydrocarbon liquids and natural gas products produced primarily in western Canada. The Company also owns gas gathering and processing facilities and an oil and natural gas liquids infrastructure and logistics business. Pembina's integrated assets and commercial operations along the majority of the hydrocarbon value chain allow it to offer a full spectrum of midstream and marketing services to the energy sector. Pembina is committed to identifying additional opportunities to connect hydrocarbon production to new demand locations through the development of infrastructure that would extend Pembina's service offering even further along the hydrocarbon value chain. These new developments will contribute to ensuring that hydrocarbons produced in the Western Canadian Sedimentary Basin and the other basins where Pembina operates can reach the highest value markets throughout the world.

Purpose of Pembina:

To be the leader in delivering integrated infrastructure solutions connecting global markets;

- **Customers** choose us first for reliable and value-added services;
- **Investors** receive sustainable industry-leading total returns;
- **Employees** say we are the 'employer of choice' and value our safe, respectful, collaborative and fair work culture; and
- **Communities** welcome us and recognize the net positive impact of our social and environmental commitment.

Pembina's strategy is to:

- **Preserve Value** by providing safe, environmentally conscious, cost-effective and reliable services;
- **Diversify** by providing integrated solutions which enhance profitability and customer service;
- **Implement Growth** by pursuing projects or assets that are expected to generate cash flow per share accretion and capture long-life, economic hydrocarbon reserves; and
- **Secure Global Markets** by understanding what the world needs, where they need it, and delivering it.

Pembina is structured into three Divisions: Pipelines Division, Facilities Division and Marketing & New Ventures Division.

Pembina's common shares trade on the Toronto and New York stock exchanges under PPL and PBA, respectively. For more information, visit www.pembina.com.

Non-GAAP Measures

In this document, Pembina has used the terms net revenue, operating margin, adjusted earnings before interest, taxes, depreciation and amortization (Adjusted EBITDA), Adjusted EBITDA per common share, cash flow from operating activities per common share, adjusted cash flow from operating activities per common share, which do not have any standardized meaning under IFRS ("Non-GAAP Measures"). Since Non-GAAP financial measures do not have a standardized meaning prescribed by GAAP and are therefore unlikely to be comparable to similar measures presented by other companies, securities regulations require that Non-GAAP financial measures are clearly defined, qualified and reconciled to their nearest GAAP measure. These Non-GAAP measures are calculated and disclosed on a consistent basis from period to period. Specific adjusting items may only be relevant in certain periods. The intent of Non-GAAP measures is to provide additional useful information respecting Pembina's financial and operational performance to investors and analysts and the measures do not have any standardized meaning under IFRS. The measures should not, therefore, be considered in isolation or used in substitute for measures of performance prepared in accordance with IFRS.

Non-GAAP Proportionate Consolidation of Investments in Equity Accounted Investees Results

In accordance with IFRS, Pembina's jointly controlled investments are accounted for using equity accounting. Under equity accounting, the assets and liabilities of the investment are net into a single line item in the Consolidated Statement of Financial Position, Investments in Equity Accounted Investees. Net earnings from Investments in Equity Accounted Investees are recognized in a single line item in the Consolidated Statement of Earnings and Comprehensive Earnings, share of profit from equity accounted investees. Cash contributions and distributions from Investments in Equity Accounted Investees represent Pembina's proportionate share paid and received in the period to and from the equity accounted investment.

To assist the readers' understanding and evaluation of the performance of these investments, Pembina is supplementing the IFRS disclosure with Non-GAAP disclosure of Pembina's proportionately consolidated interest in the Investments in Equity Accounted Investees. Pembina's proportionate interest in Investments in Equity Accounted Investees has been included in operating margin, Adjusted EBITDA and other reconciling line items to IFRS. A reconciliation of operating margin and Adjusted EBITDA to share of

profit from equity accounted investees can be found under the heading "Proportionately Consolidated Results by Investments in Equity Accounted Investees" in the MD&A.

Other issuers may calculate these Non-GAAP measures differently. Investors should be cautioned that these measures should not be construed as alternatives to revenue, earnings, cash flow from operating activities, gross profit or other measures of financial results determined in accordance with GAAP as an indicator of Pembina's performance. For additional information regarding Non-GAAP measures, including reconciliations to measures recognized by GAAP, please refer to Pembina's management's discussion and analysis for the period ended December 31, 2018, which is available online at www.sedar.com, www.sec.gov and through Pembina's website at www.pembina.com.

Pembina Pipeline Corporation
www.pembina.com