

Inter Pipeline Reiterates Confidence in Underlying Business

CALGARY, ALBERTA, March 19, 2020: In response to the unprecedented decline in global energy prices and the COVID-19 pandemic, Inter Pipeline Ltd. (“Inter Pipeline”) (TSX: IPL), is providing the following update to our stakeholders.

“Inter Pipeline’s top priorities remain the health and safety of our workforce, while ensuring the safe and reliable operations of our facilities and pipeline infrastructure”, commented Christian Bayle, Inter Pipeline’s President and Chief Executive Officer. “Despite a very challenging environment, I am confident in our underlying businesses and high-quality customer base.”

“The financial bedrocks of our company are our assets which produce substantial cost-of-service and fee-based cash flow. These assets remain fully operational and continue to generate stable and predictable returns.”

Financial Resilience

Inter Pipeline’s financial resilience is underpinned by the long-term, stable cash flow that is generated by our oil sands transportation business. This segment is supported by 20+ year cost-of-service contracts that are not materially impacted by throughput volume or commodity price fluctuations. Furthermore, the majority of cash flow from our conventional oil pipeline business is supported by fee-based contracts with more than 100 producers and shippers within our broad service capture areas. Our well contracted bulk liquid storage business is currently exceeding expectations as demand for storage infrastructure continues to improve in Europe.

In 2019, these three business segments generated cost-of-service and fee-based EBITDA of over \$800 million, or approximately 80 percent of Inter Pipeline’s total EBITDA of \$1,050 million. For 2020, Inter Pipeline expects these segments to contribute contracted EBITDA between \$780 and \$810 million, assuming normal operations.

Results from Inter Pipeline’s NGL processing business remain under pressure in this lower commodity price environment. However, operationally, our Cochrane extraction facility continues to operate at near full capacity with approximately 2.5 bcf/d flowing through the plant. Sales volumes at the Redwater Olefinic Fractionator also remain strong averaging about 35,000 barrels per day year to date in 2020.

High-Quality Counterparties

Inter Pipeline’s customer base is diverse and supported by creditworthy counterparties. Approximately 80 percent of our revenue is underpinned by investment grade counterparties and we maintain the ability to call for letters of credit, parental guarantees, prepayments or other types of security. Inter Pipeline has a robust credit review process and has successfully prevented any material credit losses during all previous market cycles.

Heartland Petrochemical Complex

Construction at the Heartland Petrochemical Complex remains active with a full contingent of trades continuing to execute planned construction work packages. Inter Pipeline is committed to

making the site as safe as possible for its workforce. Additional safety measures to address potential COVID-19 transmission concerns at the site have been implemented and Inter Pipeline remains in close contact with the Government of Alberta on these efforts.

At this time, we continue to operate without impact at the Heartland Complex and across the rest of the organization. In addition, robust continuity plans have been implemented in alignment with recommendations from government agencies and public health authorities.

Bulk Liquid Storage Sale Process

Inter Pipeline's process to explore the sale of the bulk liquid storage business remains active and we expect to provide a more detailed market update on the status of the sales process within the next few weeks.

Should a definitive transaction be concluded, the process is expected to be completed by mid 2020 with proceeds from the full or partial sale used to reduce debt and finance our capital expenditure program.

2020 Capital Expenditure Program

Inter Pipeline's 2020 capital program will continue to focus primarily on the construction of the Heartland Petrochemical Complex. However, in these volatile conditions, it is prudent to scale back certain discretionary expenditures to further protect the balance sheet. As a result, Inter Pipeline expects to reduce its previously announced 2020 capital program by between \$60 million and \$120 million.

The multi-phase expansion of Inter Pipeline's Central Alberta pipeline system will continue to advance on time and budget. The construction of a new 75-kilometer Viking Connector pipeline is expected to be completed in April 2020 and two 130,000-barrel storage tanks at Stettler Terminal are planned to enter service mid 2020.

Financial Measures

Inter Pipeline continues to maintain a strong balance sheet with significant liquidity available on its committed revolving credit facility. Over \$1.2 billion of available capacity remains on Inter Pipeline's 5-year, \$1.5 billion revolving credit facility. Subject to lender approval, Inter Pipeline also has access to \$500 million of additional capacity through an accordion feature within the credit agreement.

As at December 31, 2019, Inter Pipeline's consolidated net debt to total capitalization ratio was 41.3 percent, significantly below the maximum level of 65 percent. Inter Pipeline also has a \$3 billion base shelf prospectus that provides quick and efficient access to capital markets that could be utilized to term out additional debt.

About Inter Pipeline Ltd.

Inter Pipeline is a major petroleum transportation, natural gas liquids processing, and bulk liquid storage business based in Calgary, Alberta, Canada. Inter Pipeline owns and operates energy infrastructure assets in western Canada and Europe. Inter Pipeline is a member of the S&P/TSX 60 Index and its common shares trade on the Toronto Stock Exchange under the symbol IPL. www.interpipeline.com

Contact Information

Investor Relations:

Jeremy Roberge
Vice President, Finance and Investor Relations
Email: investorrelations@interpipeline.com
Tel: 403-290-6015 or 1-866-716-7473

Media Relations:

Breanne Oliver
Director, Corporate Communications
Email: mediarelations@interpipeline.com
Tel: 587-475-1118

Disclaimer

Certain information contained herein may constitute forward-looking statements and information (collectively, "forward-looking statements") within the meaning of applicable securities legislation that involve known and unknown risks, assumptions, uncertainties and other factors. Forward-looking statements often contain terms such as "may", "will", "should", "anticipate", "expects" and similar expressions. Readers are cautioned not to place undue reliance on forward-looking statements, including, but not limited to, statements regarding: our business strategy and plans; top priorities; financial position and cash flows, including substantial cost of service and fee-based cash flows; the ability to generate stable and predictable returns; expected EBITDA for 2020 from our oil sands transportation, conventional oil gathering and bulk liquid storage businesses; the level of construction activity at the Heartland Petrochemical Complex; the outcome of our bulk liquid storage sale process and the use of proceeds, if any, therefrom and the timing for providing an update on this process and anticipated completion date; the amount, timing and allocation of our 2020 capital expenditure program and the budgets for and timing of completion of various capital projects; the potential use of proceeds of and the potential benefits to be derived from the \$1.5 billion 5-year term credit facility and the related \$500 million accordion feature; and the potential use of the base shelf prospectus and ability to access market financing. Such statements reflect the current views of Inter Pipeline with respect to future events and are subject to certain risks, uncertainties and assumptions that could cause Inter Pipeline's results to differ materially from those expressed in the forward-looking statements. Factors that could cause actual results to vary from forward-looking information or may affect the operations, performance, development and results of Inter Pipeline's businesses include, among other things, risks and assumptions associated with operations, such as Inter Pipeline's ability to successfully implement its strategic initiatives and achieve the expected benefits therefrom, including the further development of its projects and facilities; assumptions concerning operational reliability; the potential delays of and costs of overruns on construction projects and future expansions of Inter Pipeline's assets; the realization of the anticipated benefits of acquisitions and other projects Inter Pipeline is developing; the timing, financing and completion of acquisitions and other projects Inter Pipeline is developing; risks inherent in Inter Pipeline's Canadian and foreign operations; risks associated with the failure to finalize formal agreements with counterparties in circumstances where letters of intent or similar agreements have been executed and announced by Inter Pipeline; Inter Pipeline's ability to generate sufficient cash flow from operations to meet its current and future obligations; Inter Pipeline's ability to maintain its current level of cash dividends to its shareholders; Inter Pipeline's ability to access sources of debt and equity capital; Inter Pipeline's ability to make capital investments and the amounts of capital investments; Inter Pipeline's ability to maintain its credit ratings; the availability and price of labour, equipment and construction materials; the status, credit risk and continued existence of counterparties having contracts with Inter Pipeline and its affiliates and their performance of such contracts; competitive factors, pricing pressures and supply and demand in the oil and gas transportation, natural gas liquids processing and storage industries; increases in maintenance, operating or financing costs; availability of adequate levels of insurance; difficulty in obtaining necessary regulatory approvals or land access rights

and maintenance of support of such approvals and rights; risks of war, hostilities, civil insurrection, instability and political and economic conditions in or affecting countries in which Inter Pipeline and its affiliates operate; severe weather conditions and risks related to climate change; terrorist threats; risks associated with technology; availability of energy commodities; volatility of and assumptions regarding prices of energy commodities; fluctuations in currency and interest rates; changes in laws and regulations, including environmental, regulatory and taxation laws, and the interpretation of such changes to Inter Pipeline's business; the risks associated with existing and potential or threatened future lawsuits and regulatory actions against Inter Pipeline and its affiliates; general economic and business conditions; the effects and impacts of the coronavirus disease (COVID-19) pandemic, the extent and duration of which are uncertain at this time, on Inter Pipeline's business and general economic and business conditions and markets, and such other risks and uncertainties described from time to time in Inter Pipeline's reports and filings with the Canadian securities authorities. The estimates of 2020 EBITDA in this news release may be considered to be future-oriented financial information or a financial outlook under applicable securities laws and are based on the assumptions and factors set out above. The future-oriented financial information and financial outlook contained in this news release have been approved by management as of the date of this news release. Readers are cautioned that any such financial outlook and future oriented financial information contained herein should not be used for purposes other than those for which it is disclosed herein. Many of the risk factors and other assumptions related to the forward-looking information are discussed further in Inter Pipeline's most recent MD&A and Annual Information Form, and other documents it files from time to time. You can find these documents by referring to Inter Pipeline's profile on SEDAR (www.sedar.com). As actual results could vary significantly from the forward-looking information, you should not put undue reliance on forward-looking information. Such information, although considered reasonable by Inter Pipeline at the time of preparation, may later prove to be incorrect and actual results may differ materially from those anticipated in the statements made. For this purpose, any statements that are not statements of historical fact are deemed to be forward-looking statements. The forward-looking statements contained in this news release are made as of the date of this document, and, except to the extent required by applicable law, Inter Pipeline assumes no obligation to update or revise forward-looking statements made herein or otherwise, whether as a result of new information, future events, or otherwise. The forward-looking statements contained in this document are expressly qualified by this cautionary note.

Non-GAAP Financial Measures

EBITDA and consolidated net debt to total capitalization are not measures recognized by GAAP. These non-GAAP financial measures do not have standardized meanings prescribed by GAAP and therefore may not be comparable to similar measures presented by other entities. Investors are cautioned that these non-GAAP financial measures should not be construed as an alternative to other measures of financial performance calculated in accordance with GAAP such as net income. EBITDA is expressed as net income before financing charges, income taxes, depreciation and amortization. See our most recent MD&A for an example of the reconciliation of EBITDA net income. Consolidated net debt to total capitalization is disclosed and discussed in the Financial Covenant table of the "Liquidity and Capital Resources" section of our most recent MD&A. This measure in combination with other measures, is used by the investment community to assess the financial strength of the business.

Currency

All dollar values are expressed in Canadian dollars unless otherwise noted.