

Inter Pipeline Enters Agreement to Sell Majority of its European Storage Business

CALGARY, ALBERTA, September 22, 2020: Inter Pipeline Ltd. (“Inter Pipeline”) (TSX: IPL) announced today that it has entered into a definitive agreement to divest a major portion of its European bulk liquid storage business to the CLH Group, the leading bulk liquid product logistics company in Europe. Proceeds from the transaction will be £420 million, or approximately \$715 million at current exchange rates, before customary closing adjustments. The transaction is expected to be completed in the fourth quarter of 2020, subject to the satisfaction of closing conditions and regulatory approvals typical for the industry.

The divestiture includes all Inter Pipeline’s bulk liquid storage and handling assets in the United Kingdom, Ireland, Netherlands and Germany, totalling 15 storage terminals and approximately 18 million barrels of storage capacity. In 2019, these terminals generated approximately £42 million of EBITDA representing about two thirds of Inter Pipeline’s cashflow from its European operations.

“This is a very positive transaction for Inter Pipeline,” stated Christian Bayle President and Chief Executive Officer. “Monetizing a significant portion of our European asset base enables us to focus resources on developing our higher growth Canadian businesses. As such, proceeds from the sale will be used to reduce debt, strengthen our balance sheet and assist with financing our large capital expenditure program, including the Heartland Petrochemical Complex.”

Inter Pipeline will retain its 8 terminals in Sweden and Denmark comprising approximately 19 million barrels of aggregate storage capacity. Over the 3-year period from 2017 through 2019, these assets generated average annual EBITDA of approximately \$40 million at an average utilization rate of 82 percent. In the first half of 2020, utilization rates have averaged 98 percent.

Morgan Stanley acted as financial advisor to Inter Pipeline for this transaction.

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

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Reader Advisories and Cautionary Statements**Forward-Looking Statements**

Certain information contained herein may constitute forward-looking statements that involve known and unknown risks, assumptions, uncertainties and other factors. Forward-looking statements may be identified by words like “anticipates”, “estimates”, “expects”, “indicates”, “intends”, “may”, “could”, “should”, “would”, “plans”, “scheduled”, “projects”, “outlook”, “proposed”, “potential”, “will”, and similar expressions. Forward-looking information in this news release include information about the following but are not limited to: (i) the value of the proceeds from transaction and the expected use to reduce debt, strengthen Inter Pipeline’s balance sheet and assist with financing our large capital expenditure program, including the Heartland Petrochemical Complex; and (ii) the expected timing for the completion of the transaction and expected benefits including enabling Inter Pipeline to focus resources on developing our higher growth Canadian businesses. 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 the results of Inter Pipeline to differ materially from those expressed in the forward-looking statements. Factors that 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 relating to closing of the transaction; the potential for undisclosed liabilities associated with the transaction and realizing the expected benefits from transaction; risks and assumptions associated with operations, such as Inter Pipeline's ability to successfully implement its strategic initiatives and achieve expected benefits. 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 may be deemed to be forward-looking statements. Such risks and uncertainties include, but are not limited to, risks associated with operations, such as loss of markets, regulatory matters, environmental risks, industry competition, results of litigation and decisions by regulatory authorities, potential delays and cost overruns of construction projects, the ability to access sufficient debt or equity capital from internal and external sources, and the future impact on our business due to COVID-19. 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. Except as required by applicable law, IPL assumes no obligation to update or revise any forward-looking information.

Non-GAAP Financial Measures

EBITDA is not a measure recognized by GAAP. This non-GAAP financial measures does not have standardized meanings prescribed by GAAP and therefore may not be comparable to similar measures presented by other entities. Investors are cautioned that this 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; adjusted EBITDA also includes additional adjustments for loss (gain) on disposal of assets, non-cash expense (recovery), and non-cash financing charges. These additional adjustments are made to exclude various non-cash items, or items of an unusual nature that are not

reflective of ongoing operations. These adjustments are also made to better reflect the historical measurement of EBITDA used in the investment community as an approximate measure of an entity's operating cash flow based on data from its income statement. See our most recent MD&A for an example of the reconciliation of EBITDA from net income.

Currency

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