

Inter Pipeline Announces Capital Expenditure Program for 2021

CALGARY, ALBERTA, DECEMBER 10, 2020: Inter Pipeline Ltd. ("Inter Pipeline") (TSX: IPL) announced today a \$1 billion capital expenditure program for 2021. Approximately \$930 million, or 93 percent, of total capital expenditures will be for organic growth initiatives, with the remainder invested in sustaining capital projects.

Capital Expenditure Summary 2021 Forecast

(millions)

Growth Capital

NGL Processing	\$860
Conventional Oil Pipelines	20
Oil Sands Transportation	25
Bulk Liquid Storage	10
Corporate	15
Total Growth Capital	<u>\$930</u>
Sustaining Capital	<u>70</u>
Total Capital	<u><u>\$1,000</u></u>

NGL Processing & the Heartland Petrochemical Complex

Within the NGL processing business segment, capital investment is primarily focused on the final stages of construction of the Heartland Petrochemical Complex (HPC). In 2021, approximately \$800 million is expected to be invested in this project, with final installation of equipment and processing systems at the propane dehydrogenation (PDH) and polypropylene (PP) facilities scheduled for completion by year end. Specifically, the PDH facility is expected to be substantially mechanically complete by May 2021 with commissioning and operational readiness work planned for the remainder of the year. The PP plant is expected to be mechanically complete by the end of 2021. Start-up for the integrated complex is planned for early 2022.

An additional \$60 million will be invested to support the development of other small capital growth projects in the NGL processing segment, including the completion of storage cavern work at the Redwater Olefinic Fractionator and certain control systems upgrades.

Oil Sands Transportation & Conventional Oil Pipelines

For 2021, approximately \$45 million is planned for overall investment across the pipeline transportation systems. Inter Pipeline's oil sands transportation business will receive approximately \$25 million in 2021 with a focus on improving operating efficiencies for the Cold Lake, Polaris and Corridor pipeline systems.

Approximately \$20 million will be directed to Inter Pipeline's conventional oil pipeline business, which will support optimization of Hardisty South on the Bow River system and includes additional enhancement measures on the Viking Connector and Stettler expansion projects. The Viking Connector was placed into

service on April 1, 2020 and is a 75km pipeline connecting Inter Pipeline's Throne Station on the Bow River pipeline system to the Central Alberta pipeline system in the Stettler area.

Bulk Liquid Storage

Inter Pipeline is planning to spend approximately \$10 million in 2021 at our storage facilities in Sweden and Denmark on several small efficiency projects.

Sustaining Capital

Inter Pipeline expects to invest approximately \$70 million in sustaining capital expenditures in 2021. Approximately \$45 million is allocated to NGL processing and includes scheduled maintenance and turnaround activities at the Redwater Olefinic Fractionator, Pioneer I and II offgas plants, which are expected to occur during the second quarter of 2021. The remaining \$25 million will be allocated to a variety of smaller enhancement projects across our pipeline transportation businesses and bulk liquid storage assets.

Financing

In the current challenging market environment, it is important to continue to maintain financial flexibility and liquidity to fund our business plan. As at November 30, 2020, Inter Pipeline's \$2.5 billion of committed revolving credit facilities were undrawn. Funding for Inter Pipeline's 2021 capital program is expected to be provided through a combination of undistributed cash flow from operations and available credit capacity.

About Inter Pipeline Ltd.

Inter Pipeline is a major petroleum transportation and natural gas liquids processing business based in Calgary, Alberta, Canada. Inter Pipeline owns and operates energy infrastructure assets in western Canada and is building the Heartland Petrochemical Complex — Canada's first integrated propane dehydrogenation and polypropylene facility. 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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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: (i) the forecasted amounts and allocations of the capital expenditure program for 2021 among various growth and sustaining capital expenditures and the potential benefits to be derived from such expenditures; (ii) the timing, cost and anticipated benefits of capital expenditures (including the HPC and the expectations for: (a) final installation of equipment and processing systems at the PDH and PP facilities to be complete by the end of 2021; (b) the PDH facility to be mechanically complete by May 2021 with commissioning and operational readiness work planned in for the remainder of 2021; (c) the PP to be mechanically complete before nearby the end of 2021; and (d) start up for the integrated complex to be in the first quarter of 2022); and (iii) the expectation to fund Inter Pipeline's 2021 capital program through a combination of undistributed cash flow from operations and available credit capacity. 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 statements 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 (including HPC) 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 COVID-19 pandemic as further described in Inter Pipeline's reports and filings, 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 risk factors, assumptions and uncertainties described from time to time in Inter Pipeline's reports and filings with the Canadian securities authorities including 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). 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.

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