

Inter Pipeline Board of Directors Unanimously Recommends Shareholders Reject Brookfield's Hostile Bid

Do Not Tender Your Shares

CALGARY, ALBERTA, March 9, 2021: Inter Pipeline Ltd. ("Inter Pipeline" or the "Company") (TSX:IPL) today announced that the Board of Directors (the "Board") has unanimously determined that Brookfield's hostile takeover bid (the "Hostile Bid") is not in the best interests of the Company or its shareholders ("Shareholders").

The Board's determination followed careful consideration, including advice from its financial and legal advisors, and the recommendation of a Special Committee of independent directors. The Board believes the Hostile Bid significantly undervalues Inter Pipeline's standalone plan and unanimously recommends that Shareholders **REJECT** the Hostile Bid and **NOT TENDER** their Common Shares.

To reject the Hostile Bid, simply take **NO ACTION**. If you have tendered your Shares in error and wish to withdraw, simply ask your broker or contact Kingsdale Advisors (see contact information below) to assist you with this process.

"Our business continues to perform strongly and we continue to expect that our nearly completed Heartland Petrochemical Complex, the largest growth project in our history, will deliver a step change in cash flow starting next year," said Margaret McKenzie, Chair of the Special Committee. "We have launched a comprehensive strategic review process focused on maximizing value for Shareholders and we believe superior offers or other alternatives may emerge."

A Directors' Circular (the "Circular") providing the full details concerning the Board's recommendation, including the reasons to **REJECT** and background to the Hostile Bid, is available on the Company's website at www.interpipeline.com, and at www.sedar.com. The Circular is also being mailed to all persons required to receive a copy under applicable securities laws.

The Circular also includes a Letter to Shareholders from the Board summarizing the reasons why Shareholders should **REJECT** the Hostile Bid. The full text of the Letter to Shareholders is provided here:

Dear Fellow Shareholder,

An affiliate of Brookfield Infrastructure Partners L.P. ("**Brookfield**") has commenced a hostile takeover bid (the "Hostile Bid") to acquire all the common shares (the "**Common Shares**") of Inter Pipeline Ltd. ("**Inter Pipeline**" or "**we**" or "**our**").

After careful consideration, and with the advice of external financial and legal advisors, and having received the recommendation of the Special Committee (the "**Special Committee**") of the Board of Directors (the "**Board**"), the Board and management of Inter Pipeline deem the Hostile Bid inadequate and unanimously recommend that you **REJECT** the Hostile Bid and **NOT TENDER** your Common Shares.

To reject the Hostile Bid, simply take **NO ACTION**.

A strategic review is underway – wait and see

We have initiated a comprehensive review of strategic alternatives to maximize shareholder value (the "**Strategic Review**"). The Board has established the Special Committee, chaired by Margaret McKenzie and made up of its independent directors, to oversee the process. The primary focus of this process is to seek opportunities which maximize shareholder value. We believe that superior offers or alternatives may emerge prior to the scheduled expiry of the Hostile Bid, which is not until June 7, 2021.

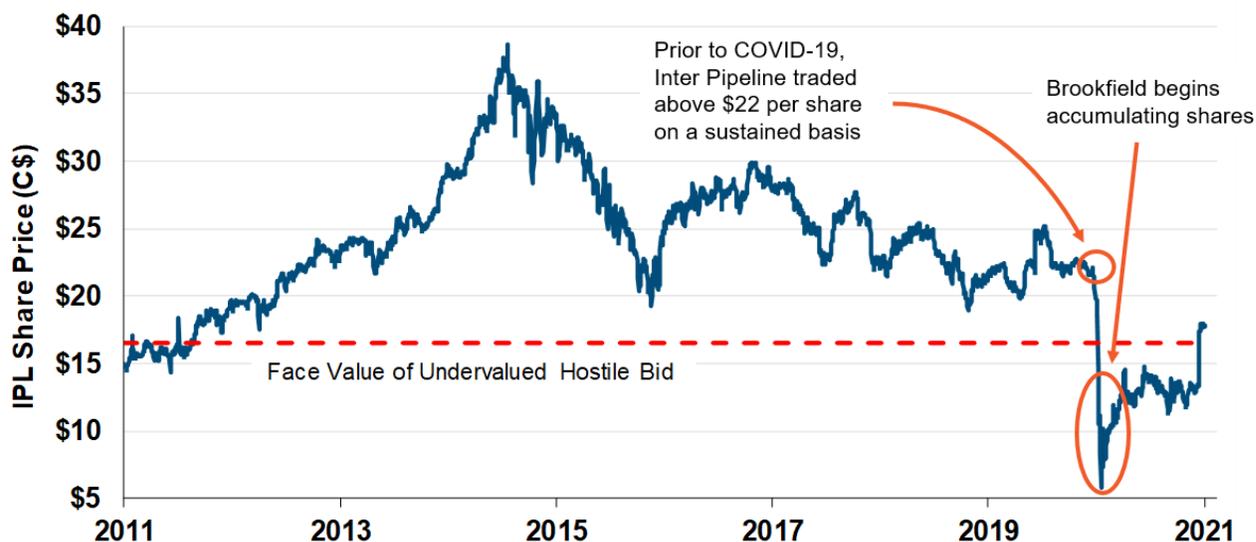
Inter Pipeline is worth more than the consideration offered under the Hostile Bid in all circumstances. We urge you to carefully read the attached Directors' Circular, which provides the complete background to the Hostile Bid and outlines the full list of compelling reasons to **REJECT** it.

Meanwhile, here in summary form are some of the factors we considered in reaching our recommendation:

1. The Hostile Bid significantly undervalues Inter Pipeline's business

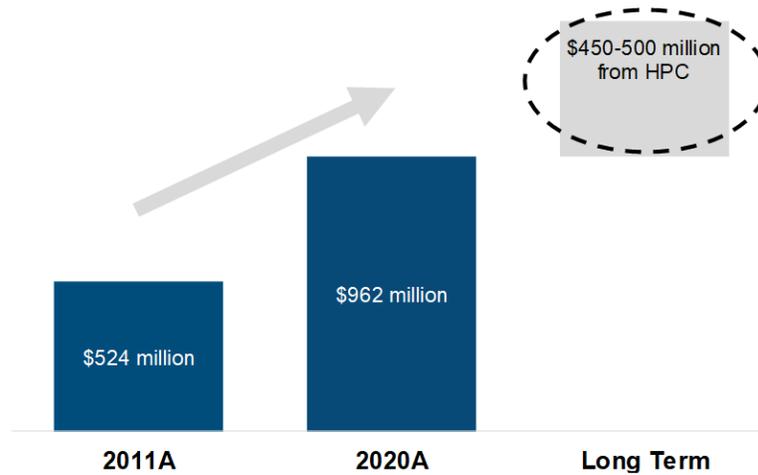
- The Hostile Bid does not reflect Inter Pipeline's high-quality assets and sector leading per-share cash flow growth profile; in fact, it represents an approximate 18% valuation discount to Inter Pipeline's closest peers.
- For illustrative purposes, a bid would have to be approximately \$20 per Common Share just to approximate the closest peers' median trading multiple to 2023 cash flow. Beyond that, Shareholders deserve additional value for a change of control and growth opportunities. Brookfield's Hostile Bid of \$16.50 per share does not come close to reflecting these important valuation considerations.
- In fact, the actual value of the Hostile Bid is likely lower than the face value promoted by Brookfield. (For more information see item 4 below.)
- The Hostile Bid does not reflect dramatically improving energy and petrochemical industry fundamentals.

The Hostile Bid is Based Off a 10-Year Low in Inter Pipeline's Common Share Price



Source: Bloomberg

Significant Adjusted EBITDA Growth Since the Common Shares Last Traded at \$16.50, With More to Come

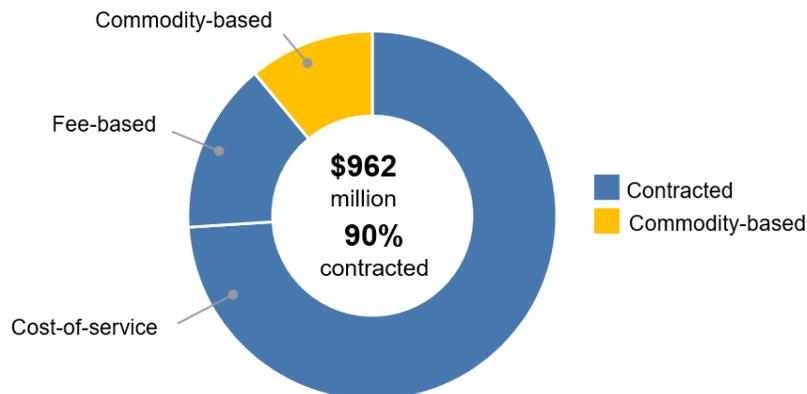


Source: Company Disclosure

2. Our future is bright; Inter Pipeline's stand-alone plan is worth substantially more than the Hostile Bid

- Inter Pipeline has a world-scale energy infrastructure business that generates long-term, predictable cash flows. In 2020, approximately 90% of Inter Pipeline's \$962 million Adjusted EBITDA was generated from cost-of-service and fee-based contracts with approximately 75% of revenues coming from investment grade counterparties.
- Inter Pipeline has a strong balance sheet with ample liquidity and a fully funded business plan.

Inter Pipeline's Adjusted EBITDA is Underpinned by Contracts for Cost-of-Service and Fee-Based Cash Flow

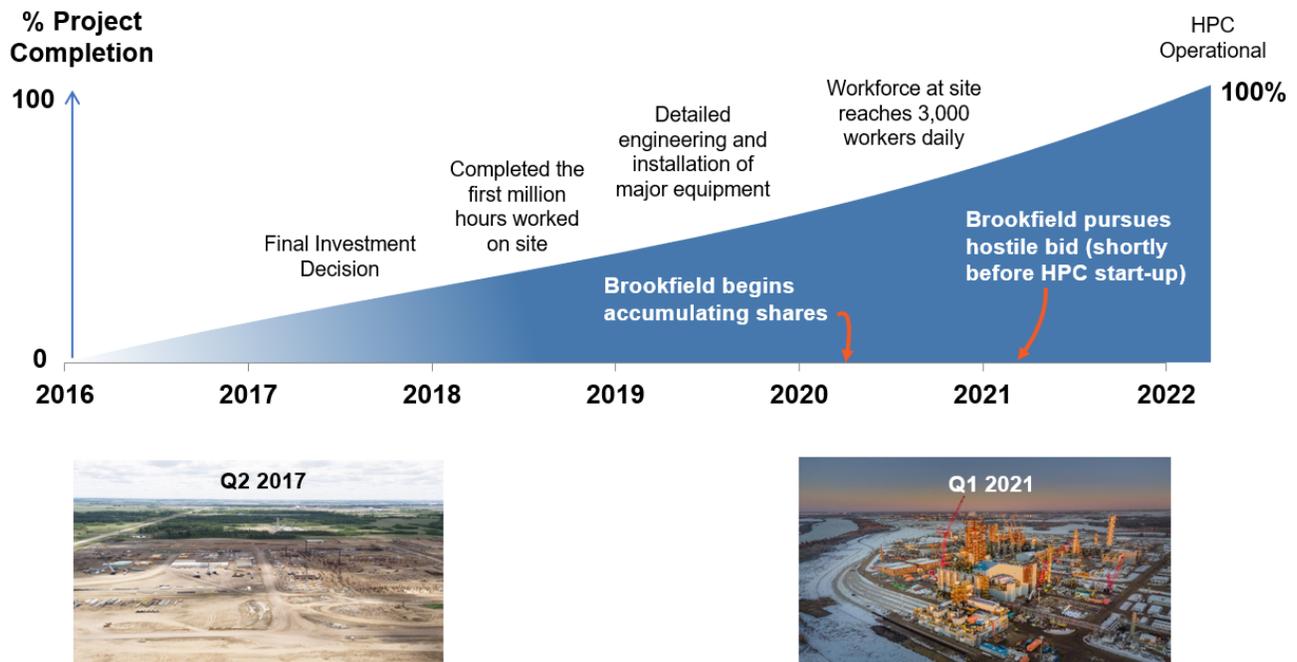


2020 Adjusted EBITDA Generation by Cash Flow Type

- Inter Pipeline is nearing completion of its largest growth project, the Heartland Petrochemical Complex. We expect it will materially increase EBITDA and create long-term value for all Shareholders. This value is not reflected in the Hostile Bid.

- This monumental task has proceeded with careful planning and with an unrelenting focus on workforce safety given the COVID-19 pandemic.

Advancing the Heartland Petrochemical Complex



3. The Strategic Review of alternatives is already underway guided by the Special Committee and the Inter Pipeline Board

- Tendering Common Shares to the Hostile Bid before Inter Pipeline and its financial advisors have had an opportunity to fully explore all available alternatives may preclude the possibility of financially superior alternatives emerging.
- Our Directors' Circular also explains why Brookfield's proposed "go-shop" arrangement is not a proven tool for maximizing shareholder value. Go-shop conditions typically include a short time frame, substantial break fees and "right to match" provisions. These provisions would have favoured Brookfield and discouraged others from investing time and resources into due diligence.

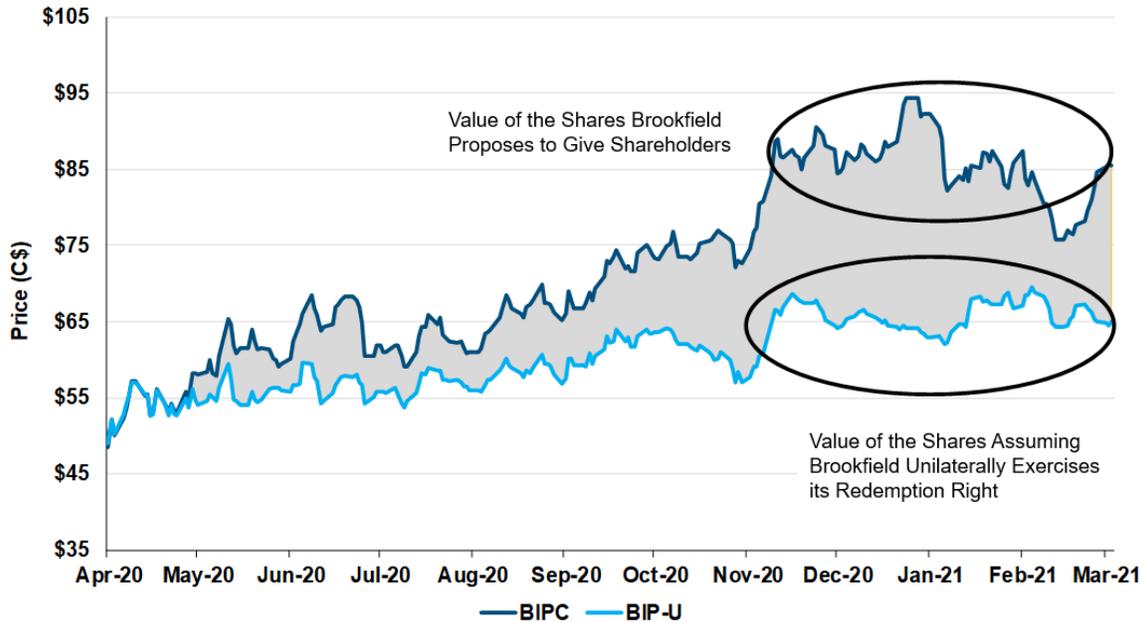
4. There are significant risks to the value of the share consideration being offered by Brookfield

- The share consideration offered in the Hostile Bid is redeemable, at Brookfield's sole discretion, into a security that trades at a significantly lower price. Based on the February 10, 2021 trading prices, the redemption value offered may be only \$15.85 per Common Share compared with Brookfield's face value of \$16.50 per share.

The Hostile Bid: Less Than It Seems

Face value	\$16.50 per share
Redemption value	\$15.85 per share

The Downside Risk of Redemption



- Even if not redeemed, the shares that Brookfield is offering may be subject to meaningful selling pressure if the Hostile Bid is successfully completed which could negatively impact the trading price of those shares, as they are thinly traded and their float will increase by approximately 40% as a result of the Hostile Bid.

5. Inter Pipeline has already taken a leadership role in Environmental, Social and Governance Practices

- Inter Pipeline is committed to building a sustainable future through its business practices.
- HPC was designed to deliver to Shareholders the benefit of sustainability as a commercial opportunity, including a greenhouse gas (GHG) emissions footprint that is approximately 65% lower than the global average.

Take No Action

For the reasons fully described in our Directors' Circular, we recommend that you **REJECT** the Hostile Bid. To reject, you don't need to do anything. If you have tendered your Common Shares in error and wish to withdraw, simply ask your broker or Kingsdale (by phone at 1-877-659-1820 toll-free in North America or 416-867-2272 for collect calls outside North America, or by email at contactus@kingsdaleadvisors.com) to assist you with this process. For more information, please go to www.interpipeline.com.

On behalf of the Board, the Special Committee and management of Inter Pipeline, we would like to thank you for your consideration and your support.

Signed

Richard Shaw
Chair of the Board

Margaret McKenzie
Chair of the Special Committee

Christian Bayle
President and Chief Executive
Officer

Advisors

TD Securities has been retained by Inter Pipeline and J.P. Morgan has been retained by the Special Committee to assist in the Strategic Review. Burnet, Duckworth & Palmer LLP and Dentons Canada LLP are acting as legal advisors to Inter Pipeline, its Board of Directors and the Special Committee. Kingsdale Advisors is engaged as strategic shareholder advisor and Longview Communications as communications advisor to the Company.

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 — North America'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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Cautionary Note Regarding Forward Looking Statements

Certain information contained herein constitutes 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. 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. In particular, but without limiting the foregoing, this news release contains forward-looking statements pertaining to, and the Company has made certain assumptions regarding, among other things: the strategic alternatives to maximize shareholder value that may be available to the Company and the Company's ability to identify and consummate such alternatives; the completion of HPC and the anticipated cash flow step change in 2022 and long-term EBITDA generation from HPC; that the continued execution of the Company's stand-alone strategy will provide shareholders with the opportunity to benefit from material value creation and the forwarding-looking statements and financial outlooks contained in the Letter to Shareholders and the Circular under the heading "Cautionary Statement on Forward-Looking Statements" and "Financial Outlooks". 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 expected benefits therefrom, including: the further development of its projects and facilities; assumptions concerning operational reliability; the potential delays of and increased costs of construction projects (including Heartland Petrochemical Complex) and future expansions of Inter Pipeline's assets; the possibility that Inter Pipeline is unable to identify or consummate any acceptable strategic alternatives; the realization of the anticipated benefits of acquisitions and other projects Inter Pipeline is developing; the timing, financing and completion of acquisitions, transactions or other projects Inter Pipeline is pursuing; 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 bulk liquid 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 and cyber security; 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 regulatory authorities including in the Circular and 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 news release, 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 news release are expressly qualified by this cautionary note.

Non-GAAP Financial Measures

The Letter to Shareholders contains references to EBITDA which is not a measure recognized by GAAP. This non-GAAP financial measure does not have a standardized meaning prescribed by GAAP and therefore may not be comparable to similar measures presented by other entities. Investors are cautioned that this non-GAAP financial measure 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 net income. See also "Non-GAAP Financial Measures" in the Circular.

Currency

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