inter pipeline **News Release**

Inter Pipeline Provides Update on Heartland Petrochemical Complex

CALGARY, ALBERTA, April 22, 2021: Inter Pipeline Ltd. (“Inter Pipeline”) (TSX: IPL) today announced the following update on production capacity contracting, adjusted EBITDA guidance, environmental advantages and other matters relating to its Heartland Petrochemical Complex (“HPC”).

HPC, which is in the final stages of completion in Strathcona County, Alberta, will be an industry-leading petrochemical facility converting locally sourced, low-cost propane, into high-value polypropylene. Polypropylene is an easily transported and fully recyclable plastic used in the manufacturing of an extensive range of essential finished products and consumer goods such as healthcare products, medical supplies, textiles and lightweight automotive components.

The construction of HPC continues to advance, with the propane dehydrogenation plant expected to be substantially mechanically complete in May 2021 and the polypropylene facility by the end of the year. Polypropylene production is expected to commence in early 2022.

HPC Capacity Contracting

As previously disclosed, Inter Pipeline’s objective is to secure a minimum of 70 percent of HPC’s polypropylene production capacity under long-term, take-or-pay agreements; a commercial framework that will make HPC unique in the world for an integrated polypropylene facility. These agreements are structured to include a stable return on capital payment to Inter Pipeline plus fixed and variable operating fees, with no exposure to commodity price fluctuations.

Inter Pipeline’s contracting efforts to date have yielded significant results. Currently, approximately 60 percent of HPC’s production capacity is held under executed take-or-pay agreements with seven counterparties, including Canadian and multinational energy producers and North American polypropylene consumers. One of the executed agreements is subject to conditions expected to be satisfied this quarter. The weighted-average contract term of the seven agreements is approximately nine years.

“Our commercial teams have made great progress in securing high-quality, long-term contracts for HPC’s production capacity,” stated Christian Bayle, Inter Pipeline’s President and Chief Executive Officer. “Our systematic approach to contracting this unique facility over the past several years has been key to creating a diverse customer base and has resulted in a stable cash flow profile consistent with our energy infrastructure business model.

“We are over 85 percent of the way to our minimum contracting objective and advanced negotiations are proceeding with a number of additional counterparties. Should these negotiations be successfully concluded as anticipated, Inter Pipeline will be in a position to exceed its 70 percent minimum target for production capacity under long-term contracts, in advance of the facility becoming operational in early 2022.”

HPC EBITDA Guidance

In 2023, the first full year of operations, Inter Pipeline expects HPC to generate annual adjusted EBITDA in the range of $400 to $450 million. Approximately 70 percent of this adjusted EBITDA range is expected to be generated by a combination of stable take-or-pay cash flow from existing capacity contracts with the seven counterparties as outlined above, and fixed cash grant received through the Alberta Petrochemical Incentive Program* ("APIP"). Furthermore, approximately 85 percent of this take-or-pay cash flow and APIP grant will be from investment grade counterparties or private firms with investment grade owners.

The remaining 30 percent of forecast 2023 annual adjusted EBITDA is anticipated to be generated through merchant sales of polypropylene production currently not under take-or-pay contracts. In estimating the merchant sales, Inter Pipeline assumes, among other things, a US$1,200 per tonne spread between North American posted polypropylene and Edmonton propane prices. This is a conservative assumption when compared to the current spread of US$2,300 per tonne and the seven-year historical average of US$1,400 per tonne. As additional take-or-pay capacity contracts are executed, stable adjusted EBITDA from those agreements will grow, and merchant product sales will decline.

In 2022, HPC adjusted EBITDA is expected to be approximately two thirds of the 2023 guidance range, as the facility's production begins partway through 2022 and capacity ramps up over the course of this two-year period. Long term, Inter Pipeline continues to expect HPC to generate approximately $450 to $500 million of average annual adjusted EBITDA. This represents a strong return on invested capital and is a substantial increase when compared to Inter Pipeline's consolidated 2020 adjusted EBITDA of $969 million.

An Environmental Leader

Inter Pipeline is committed to building a sustainable future through its business practices and HPC has been designed to deliver to shareholders the benefit of sustainability as a commercial opportunity. Through the use of advanced technology and on-site hydrogen-augmented power and utilities generation, the polypropylene produced at HPC is anticipated to have a greenhouse gas ("GHG") emissions footprint 65 percent lower than the global average.

In fact, HPC is expected to have among the lowest GHG emissions profiles of any comparable integrated facility in the world, making its production desirable by sustainability-minded global polypropylene consumers.

HPC Partnership Opportunity

In February 2021, Inter Pipeline initiated a comprehensive review of strategic alternatives to maximize shareholder value. The process to secure a partner to purchase a material interest in the Heartland Petrochemical Complex remains an integral component of this ongoing strategic review. The partnering process remains active and is expected to conclude in the first half of 2021. There can be no assurance that a definitive agreement will be reached or, if a transaction is undertaken, as to the terms or timing of such a transaction. Inter Pipeline will provide updates to this process as appropriate.

Join Us: Virtual Tour of HPC

On May 12, 2021, Inter Pipeline will host a virtual tour to highlight current construction and operational readiness at the Heartland Petrochemical Complex. Presenters for this virtual event will include: Senior Vice President of Petrochemical Development, David Chappell, and Project Director, Neil Montgomery. The virtual tour will be followed by a question period.

Date: May 12, 2021
Time: 2:00 p.m. MT (4:00 p.m. ET)

Registration: To register in advance for this virtual update event, please click HERE or visit www.interpipeline.com.

*On April 5, 2021, Inter Pipeline announced that it will receive $408 million under the Alberta Petrochemicals Incentive Program ("APIP") in support of HPC. APIP is an incentive program introduced by the Government of Alberta to attract investment into the development of petrochemical facilities in Alberta. The program is aimed at taking advantage of the growing global petrochemical sector, utilizing Alberta's abundant natural gas reserves to diversify its economy and creating a competitive, investor-friendly business environment.

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 world-scale 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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Disclaimers

Cautionary Note Regarding Forward Looking Statements

Certain information contained herein may constitute forward-looking statements that involve risks and uncertainties. Readers are cautioned not to place undue reliance on forward-looking statements, including, but not limited to, statements regarding the timing for the completion of the propane dehydrogenation plant and the polypropylene facility and commencement of production; the anticipated level of capacity contracting for HPC's production and the timing for achieving the Corporation's minimum contracting objective; the benefits to be derived from long-term, take-or-pay agreements, and the anticipated timing for satisfying the conditions of a take-or-pay agreement; the guidance contained under the heading "HPC EBITDA Guidance", including annual adjusted EBITDA for 2022 and 2023 and beyond, capacity contracting expectations and the quality of HPC's counterparties; the sustainability and consumer benefits of HPC and use of advanced technology to have a lower GHG emissions footprint than the global average and *among the lowest of any comparable integrated facility in the world; and the timing for the conclusion of the HPC partnering process and the intention to provide updates on this process. 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 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, 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; risks associated with counterparties failing to satisfy conditions in agreements; 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 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 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

This news release contains references to EBITDA and adjusted EBITDA which are not measures recognized by generally accepted accounting principles ("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 alternatives to other measures of financial performance calculated in accordance with GAAP such as net income. EBITDA and adjusted EBITDA are reconciled from the components of gross profit as noted below. EBITDA is expressed as gross profit less general and administrative costs; adjusted EBITDA also includes additional adjustments for unrealized gains (losses). These additional adjustments are made to exclude various 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.

Currency

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