

## **Inter Pipeline Acknowledges Brookfield's Intention to Revise its Unsolicited Offer; Board Reconfirms Support for Strategic Combination with Pembina**

### ***Inter Pipeline Asks Alberta Securities Commission to Address Inadequate Brookfield Disclosure***

**CALGARY, ALBERTA, June 21, 2021:** Inter Pipeline Ltd. ("Inter Pipeline" or the "Company") (TSX: IPL) is responding to the news release issued June 18, 2021 (the "Brookfield Release") by Brookfield Infrastructure Partners L.P. together with its institutional partners (collectively, "Brookfield") announcing its intention to file another variation to its offer (the "Proposed June 18 Brookfield Offer") to acquire Inter Pipeline.

Inter Pipeline's board of directors (the "Inter Pipeline Board"), following the receipt of the unanimous recommendation of the Special Committee of independent directors and financial and legal advice, reconfirms its unanimous recommendation that shareholders **REJECT** the Proposed June 18 Brookfield Offer and **SUPPORT** the strategic share-exchange transaction with Pembina Pipeline Corporation ("Pembina").

The proposed strategic combination with Pembina (the "Pembina Arrangement") is subject to approval by a vote of shareholders at a meeting scheduled for July 29, 2021. Inter Pipeline will provide shareholders with voting instructions and supporting documentation for the Pembina Arrangement prior to the meeting. The Pembina Arrangement is currently expected to close late in the third quarter or early in the fourth quarter of 2021.

"The Board continues to believe that the Pembina Arrangement provides greater value to Inter Pipeline shareholders underpinned by the combined business' synergies, strong dividend profile and future investment opportunities," said Margaret McKenzie, Chair of the Board. "Brookfield's latest bid variation, the removal of its cash proration condition, does not change our view that the Pembina Arrangement remains the superior proposal and is in the best interests of Inter Pipeline and its shareholders."

Inter Pipeline reminds shareholders that Brookfield has not yet made a formal variation for the Proposed June 18 Brookfield Offer. If Brookfield does make a formal variation, there is no need for shareholders to take any action if they intend to **REJECT** it.

### **Brookfield's Inadequate Disclosure**

Inter Pipeline has applied to the Alberta Securities Commission (the "ASC") for, among other relief, an order that Brookfield address its inadequate disclosure of material issues related to its takeover bid. The ASC hearing is scheduled for July 7, 2021.

Inter Pipeline believes Brookfield's disclosure is incomplete regarding the substance of the total return swaps under which Brookfield obtained an additional 9.9% economic interest in the Company. The total return swaps, combined with Brookfield's beneficial ownership of 9.75% of Inter Pipeline's shares, provides Brookfield with a purported 19.65% economic interest in the Company.

Inter Pipeline's application to the ASC alleges that Brookfield used the total return swaps to avoid required early warning reporting obligations. Furthermore, Inter Pipeline is concerned that Brookfield may use the total return swaps in an effort to frustrate shareholder approval of the superior Pembina Arrangement.

Inter Pipeline alleges that Brookfield's actions with regard to the total return swaps are detrimental to Inter Pipeline shareholders and the capital markets more generally. The Company is asking the ASC to address this matter to ensure the preservation and protection of the rights of Inter Pipeline's other shareholders.

### **Inter Pipeline to Defend its Shareholder Rights Plans and the Terms of the Pembina Arrangement**

At the July 7 ASC hearing, Inter Pipeline also intends to defend the necessity of its shareholder rights plans and the inclusion of a reasonable termination fee that forms part of the Pembina Arrangement. The hearing was requested by Brookfield, which has applied to the ASC for an order to reduce the termination fee and nullify the Company's rights plans. Inter Pipeline believes the Brookfield application is without merit.

### **REJECT the Brookfield Unsolicited Offer**

To **REJECT** the Brookfield Offer, as may be revised by the Proposed June 18 Brookfield Offer, simply take **NO ACTION**. If you have tendered your Common Shares in error and wish to withdraw, simply ask your broker or contact Kingsdale Advisors for assistance. You can reach Kingsdale Advisors at 1-877-659-1820 (416-867-2272 for collect calls outside North America) or by e-mail at [contactus@kingsdaleadvisors.com](mailto:contactus@kingsdaleadvisors.com). For more information, please go to [www.interpipeline.com](http://www.interpipeline.com).

### **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](http://www.interpipeline.com)

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## Disclaimer

*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 Pembina Arrangement, including the benefits to the Inter Pipeline shareholders and the anticipated timing for completion, the concerns of Inter Pipeline relating to Brookfield's use of its total return swaps and the impact they may have to the Inter Pipeline shareholders and capital markets and the nature of Inter Pipeline's defence of Brookfield's application to the ASC and the merits of such application. 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, the ability of the parties to satisfy the conditions to closing of the Pembina Arrangement in a timely manner; risks and assumptions associated with operations, 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 including the Pembina Arrangement; 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 Notice of Change 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](http://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.*