

Inter Pipeline Issues Notice of Change Recommending Brookfield Offer and Provides Update on Heartland Petrochemical Complex

CALGARY, ALBERTA, August 3, 2021: Inter Pipeline Ltd. ("Inter Pipeline" or the "Company") (TSX: IPL) today announced that it is filing its second notice of change to its Directors' Circular (the "Notice of Change") concerning the recommendation of the Inter Pipeline Board of Directors (the "Board") that shareholders accept the revised takeover offer filed on July 19, 2021 (the "Revised Brookfield Offer") from an affiliate of Brookfield Infrastructure Partners L.P. ("Brookfield").

Additionally, Inter Pipeline is providing an update on its Heartland Petrochemical Complex ("HPC") related to additional contracting, expected start-up timing, capital costs, EBITDA guidance and the current state of commodity markets.

Notice of Change Details

Shareholders are advised to carefully read the Notice of Change, which provides the background and other details to the decision by the Inter Pipeline special committee of independent directors (the "Special Committee") and the Board to recommend that shareholders **TENDER** their common shares to the Revised Brookfield Offer.

The Notice of Change is available on the Company's website at www.interpipeline.com, and when filed will be available at www.sedar.com. The Notice of Change is also being mailed to all persons required to receive a copy under applicable securities laws.

Under the Revised Brookfield Offer, each Inter Pipeline shareholder has the ability to elect to receive, per Inter Pipeline share, \$20.00 in cash or 0.25 of a Brookfield Infrastructure Corporation class A exchangeable subordinate voting share ("BIPC Share"), or, solely in the case of eligible Canadian Inter Pipeline shareholders seeking a rollover for tax purposes, 0.25 of an exchangeable security (each an "Exchangeable Unit") to be issued by an indirect subsidiary of Brookfield ("Exchange LP"), subject to pro-rata in respect of the BIPC Shares and Exchangeable Units.

The Notice of Change provides no recommendation regarding the election between the cash offered or the Brookfield share consideration offered in the form of BIPC Shares or Exchangeable Units. Inter Pipeline shareholders should consider whether the BIPC Shares or the Exchangeable Units are a suitable investment considering their own circumstances and consult their own independent financial, tax and other professional advisors. Shareholders should also carefully review the Amended Brookfield Circular (as defined below).

Among other things, the Notice of Change describes the robust strategic review that preceded the Revised Brookfield Offer recommendation. Based on the results of the strategic review, the Revised Brookfield Offer is the best alternative currently available. The non-prorated \$20.00 per share cash offer is approximately 21 percent higher than Brookfield's original \$16.50 per share prorated cash offer.

The Notice of Change also describes various attributes of the Revised Brookfield Offer, including the flexibility of the consideration offered, the expected speed to close and the tax-deferred roll over available for eligible Canadian shareholders.

For information as to the steps necessary to accept the Revised Brookfield Offer, shareholders should refer to Brookfield's Offer to Purchase and Bid Circular originally dated February 22, 2021, as amended by notices of variation dated June 4, 2021, June 21, 2021, July 13, 2021, and July 19, 2021 (collectively, the "Amended Brookfield Circular").

Inter Pipeline shareholders who have questions or require assistance in depositing their shares to the Revised Brookfield Offer should contact Brookfield's Information Agent and Depositary, Laurel Hill Advisory Group, by telephone at 1-877-452-7184 (North American Toll-Free Number) or 416-304-0211 (outside North America) or by email at assistance@laurelhill.com. **The Revised Brookfield Offer is open for acceptance until 5:00 p.m. (MT) on August 6, 2021.**

Heartland Petrochemical Complex Update

HPC represents Inter Pipeline's largest growth project and is expected to create a step change in cash flow generation once fully in-service. 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. Despite the prolonged impact of COVID-19, with Inter Pipeline's strong adherence to rigorous health and safety procedures, HPC has exceeded a world-class 14 million work hours without a lost time incident on-site.

Since the April 22, 2021 HPC update, Inter Pipeline has successfully negotiated an eighth take-or-pay agreement for HPC's production capacity. The new contract is with an investment grade, multinational integrated energy producer.

Inter Pipeline has now secured 68 percent of HPC's production capacity under long-term take-or-pay agreements, which is very near our stated objective to contract a minimum 70 percent of capacity in advance of the facility becoming operational. Negotiations are continuing with several additional counterparties. These contracts 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. The weighted average term of the executed contracts remains approximately nine years.

If no other contracts are secured, the remaining 32 percent of HPC production capacity would be tied to merchant sales of polypropylene production. Merchant sales are exposed to the spread between North American posted polypropylene and Edmonton propane prices. The current June 2021 spread is US\$2,600 per tonne and is at a record high since the Cochin pipeline discontinued Alberta propane export service in 2014. The current spread is also approximately 80 percent higher than the average spread of US\$1,450 per tonne over the same time period. The current strong pricing spread provides the opportunity for additional upside to Inter Pipeline should this pricing dynamic continue post HPC start-up and is indicative of the strong competitive positioning that HPC enjoys with its abundant, low-cost Canadian propane feedstock.

Inter Pipeline is planning a staggered start-up of HPC with the commencement of polypropylene facility operations expected early in the second quarter of 2022. The propane dehydrogenation facility (PDH), which is substantially mechanically complete, is expected to be operational several months later, with definitive timing subject to the completion of final commissioning plans later this year. The estimated cost of the complex is expected to be approximately \$4.3 billion subject to any final cost adjustments related to the potential capitalization of certain additional PDH commissioning expenses and interest during construction for the commissioning period.

Due to the highly integrated nature of Inter Pipeline's NGL operations, HPC can produce polypropylene before the start-up of the PDH plant utilizing polymer grade propylene ("PGP") feedstock production from Inter Pipeline's adjacent Redwater Olefinic Fractionator ("ROF"). A 600,000 barrel PGP storage cavern at ROF and pipeline connectivity between ROF and HPC provide the necessary infrastructure to support a stable supply of feedstock and operational flexibility.

Inter Pipeline continues to expect that 2023 will be the first full year of HPC's polypropylene production and reconfirms its previous guidance of annual adjusted EBITDA between \$400 to \$450 million for that year. However, as the definitive timing for commissioning of the full complex has not yet been finalized, the Company considers it prudent to withdraw its 2022 financial guidance for HPC. The long-term average annual adjusted EBITDA for HPC remains approximately \$450 million to \$500 million, based on the seven-year historical average North American posted polypropylene to Edmonton propane price spread of approximately US\$1,450 per tonne.

Advisors

Inter Pipeline has retained TD Securities Inc. and the Special Committee has retained J.P. Morgan Securities Canada Inc. as financial advisors. Burnet, Duckworth & Palmer LLP and Dentons Canada LLP are acting as legal advisors to Inter Pipeline and its Board of Directors. Kingsdale Advisors has been retained as Inter Pipeline's strategic shareholder advisor.

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

Contact Information

Investor Relations:

Jeremy Roberge
Vice President, Finance and Investor Relations
Email: investorrelations@interpipeline.com
Tel: 403-290-6015 or 1-866-716-7473

Media Relations:

Breanne Oliver

Corporate Spokesperson
Email: mediarelations@interpipeline.com
Tel: 587-475-1118 or 1-866-716-7473

Disclaimers

Cautionary Note Regarding Forward-Looking Information

Certain statements contained in this news release including in particular, but not limited to, statements relating to the Revised Brookfield Offer and the intentions, plans and future actions of Brookfield and Inter Pipeline, contain forward-looking statements and forward looking information (collectively, "forward-looking information") within the meaning of applicable Canadian securities laws. All statements other than statements of historical fact may be forward-looking information. Forward-looking information is frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate", "target", "scheduled", "potential", "guidance", or other similar words, or statements that certain events or conditions "may", "should", "might" or "could" occur.

Without limitation of the foregoing, this news release contains forward-looking information pertaining to, without limitation, the following: the Revised Brookfield Offer; the discussion of the reasons for the recommendations of the Special Committee and the Board that Shareholders accept the Revised Brookfield Offer; satisfaction of the conditions to the Revised Brookfield Offer; and the expected timing of take-up and payment for Common Shares under the Revised Brookfield Offer; the intentions, plans and future actions of Brookfield or Inter Pipeline, including, but not limited to, in the case of Inter Pipeline statements regarding the step change in cash flow generation expected to be created by HPC once fully in-service, the outcome of negotiations with additional counterparties to potential take-or-pay agreement for HPC's production capacity, the future spread between North American posted polypropylene and Edmonton propane prices and the potential for additional upside therefrom, the timing of commencement of polypropylene facility operations and the propane dehydrogenation facility (PDH) and commencement of production therefrom, the estimated cost of HPC, the timing of and adjusted EBITDA guidance for the first full year of HPC's polypropylene production and guidance for long-term average annual adjusted EBITDA for HPC.

Forward looking information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information, including risks associated with the ability of Brookfield to receive, in a timely manner, the necessary regulatory and other third-party approvals to satisfy the conditions to the Revised Brookfield Offer; the satisfaction, in a timely manner, of the other conditions to the completion of the Revised Brookfield Offer including the Modified Statutory Minimum Condition (as such term is defined in the Notice of Change); the impact of general economic conditions, industry conditions, governmental regulation, volatility of commodity prices, currency fluctuations, uncertainties related to commodity price, interest rate and foreign exchange rate swap contracts and/or derivative financial instruments that Inter Pipeline may enter into from time to time to manage its risk related to such prices and rates, environmental risks, competition from other industry participants, the lack of availability of qualified personnel or management, stock market volatility and Inter Pipeline's ability to access sufficient capital from internal and external sources, the risks discussed in the section entitled "Risk Factors" in Inter Pipeline's management's discussion and analysis dated February 18, 2021 for the year ended December 31, 2020 (the "Inter Pipeline MD&A"), filed with the securities commission or similar regulatory authority in each of the provinces and territories of Canada and Inter Pipeline's other public disclosure documents; the risks discussed in the Revised Brookfield Offer including the documents incorporated by reference therein; and other factors, many of which are beyond Inter Pipeline's control. Inter Pipeline believes the expectations reflected in this forward-looking information are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking information included in this news release should not be unduly relied upon.

The forward-looking information contained in this news release is based on reasonable expectations and beliefs as at the date of this news release and involve numerous assumptions, known and unknown risks and uncertainties, both general and specific to Inter Pipeline and the industry in which it operates and Brookfield. Such assumptions, risks and uncertainties include, but are not limited to: the ability of Brookfield to satisfy the conditions to completion of the Revised Brookfield Offer in a timely manner and on terms acceptable to Brookfield; that favourable circumstances continue to exist in respect of current operations and current and future growth projects; the availability of capital to fund future capital requirements relating to existing assets and projects; that Inter Pipeline's future results of operations will be consistent with past performance and management expectations in relation thereto; that HPC will be placed in-service on the time and on budget in accordance with current expectations; oil and gas industry exploration and development activity levels and the geographic region of such activity; prevailing regulatory, tax and environmental laws and regulations; the ability of Inter Pipeline to maintain favourable credit ratings; future cash flows; prevailing commodity prices, interest rates, carbon prices, tax rates and exchange rates; future operating costs; geotechnical and integrity costs; that any required commercial agreements can be reached; that any third-party projects relating to Inter Pipeline's growth projects will be sanctioned and completed as expected; that all required regulatory and environmental approvals can be obtained on the necessary terms in a timely manner; that counterparties will comply with contracts in a timely manner; that there are no unforeseen events preventing the performance of contracts or the completion of the relevant facilities; that there are no unforeseen material costs relating to the relevant facilities which are not recoverable from customers; maintenance of operating margins; the amount of future liabilities relating to lawsuits and environmental incidents; the inability to obtain regulatory approval for any operational activities; the risks of the oil and gas and petrochemical market demand and unpredictable shortages of equipment and/or labour; potential delays or changes in plans with respect to growth projects or capital expenditures including HPC; fluctuations in oil and gas prices, foreign currency exchange rates and interest rates; reliance on industry partners; changes to the definitive timing for commissioning of HPC and associated costs; many of which are beyond the control of Inter Pipeline. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results, performance or achievements of Inter Pipeline, or industry results, may vary materially from those described in this news release. You can find additional discussions of those assumptions, risks and uncertainties in Inter Pipeline's securities filings on SEDAR at www.sedar.com.

Although Inter Pipeline has attempted to identify important factors that could cause actual actions, events, results, performance or achievements to differ materially from those described in the forward-looking information contained in this news release, there may be other factors that cause actions, events, results, performance or achievements not to be as anticipated, estimated or intended. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Such forward-looking statements and information are made or given as at the date of this news release and Inter Pipeline disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required under applicable securities law. The reader is cautioned not to place undue reliance on forward-looking statements or information.

The foregoing list of risks, uncertainties and factors is not intended to be exhaustive. The effect of any one risk, uncertainty or factor on particular forward-looking information is uncertain because these factors are independent, and Inter Pipeline's future course of action would depend on an assessment of all available information at that time. However, based on information available to Inter Pipeline on the date of this news release, management believes that the expectations in the forward-looking information are reasonable, Inter Pipeline gives no assurances as to future results, levels of activity or achievements.

Although the forward-looking information is based on assumptions which Inter Pipeline believes to be reasonable, neither Inter Pipeline nor the Board makes any assurance that actual results will be consistent with such forward looking information. Such forward looking information is made as of the date of this news release unless otherwise stated, and neither Inter Pipeline nor the Board assumes any obligation to update or revise such information to reflect new events or circumstances, except as required by applicable

Canadian securities laws. Due to the risks, uncertainties and assumptions inherent in forward looking information, readers should not place undue reliance on this forward-looking information.

Certain statements in this news release are forward-looking information with respect to Brookfield and Brookfield's expectations and intentions with respect to the Revised Brookfield Offer and Inter Pipeline. The information was derived from publicly available documents and is subject to the cautionary statements provided by Brookfield in such documents. See "General Information - Information Regarding Brookfield" in the Notice of Change. The information assumes that the Revised Brookfield Offer and any Compulsory Acquisition or Subsequent Acquisition Transaction (as such terms are defined in the Notice of Change) will occur on the terms, conditions and timing contemplated in the Revised Brookfield Offer. Inter Pipeline and Brookfield have not entered into a support or similar agreement with respect to the Revised Brookfield Offer and the Revised Brookfield Offer and any Compulsory Acquisition or Subsequent Acquisition Transaction could be modified, restructured, terminated or not proceeded with unilaterally by Brookfield.

This cautionary statement qualifies all forward-looking information contained in this news release.

Financial Outlooks

This news release contains financial outlooks about Inter Pipeline's prospective results of operations including, without limitation, "EBITDA" and "adjusted EBITDA" and various components thereof, all of which are subject to the same assumptions, risk factors, limitations, and qualifications as set forth under "Cautionary Statement on Forward-Looking Information" above. Readers are cautioned that the assumptions used in the preparation of such financial outlooks, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on financial outlooks. Actual results, performance or achievement of Inter Pipeline that will result from the Revised Brookfield Offer could differ materially from those expressed in, or implied by, these financial outlooks. Inter Pipeline has included the financial outlooks in order to provide readers with a more complete perspective on the future operations of Inter Pipeline and such information may not be appropriate for other purposes. Inter Pipeline and the Board disclaim any intention or obligation to update or revise any financial outlooks, whether as a result of new information, future events or otherwise, except as required by law.

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.