

Inter Pipeline Announces Capital Expenditure Program for 2019

CALGARY, ALBERTA, December 3, 2018: Inter Pipeline Ltd. (“Inter Pipeline”) (TSX: IPL) announced today a \$1.46 billion capital expenditure program for 2019. Approximately \$1.34 billion, or 92 percent, of total capital expenditures will be for organic growth initiatives with the remaining invested in sustaining capital projects.

“Our 2019 capital program will largely be focused on construction activities related to the \$3.5 billion Heartland Petrochemical Complex,” stated Christian Bayle, Inter Pipeline’s President and CEO. “This transformational investment is proceeding according to plan with an expected completion date of late 2021. Rounding out our capital program will be investments in various smaller scale infrastructure projects to enhance service offerings within our pipeline, NGL processing and storage business units.”

Capital Expenditure Summary (millions)

2019 Forecast

Growth Capital	
NGL Processing*	\$1,130
Conventional Oil Pipelines	100
Oil Sands Transportation	90
Bulk Liquid Storage	<u>20</u>
Total Growth Capital	\$1,340
Sustaining Capital	<u>120</u>
Total Capital	<u>\$1,460</u>

* Includes proportionate costs for 50 percent interest in the Empress V NGL straddle facility

NGL Processing

Within this business segment, approximately \$1.1 billion is expected to be committed to advance the development of the Heartland Petrochemical Complex. In 2019, detailed design work and procurement of major equipment will be completed. Mechanical construction of the propane dehydrogenation plant will continue including the installation of major pressure vessels and other critical equipment modules. Site construction of the integrated polypropylene plant will also advance including the installation of the polypropylene reactor and other core mechanical components. The project continues to be on schedule and budget.

Additionally, approximately \$20 million will be directed toward various projects to increase processing capacity, as well as enhance product storage and delivery systems at the Redwater Olefinic Fractionator. The remaining \$10 million of capital will be invested in smaller organic growth projects at Inter Pipeline’s NGL extraction plants.

Conventional Oil Pipelines

In 2019, Inter Pipeline is planning to invest approximately \$100 million in its conventional oil gathering business. This capital will develop several projects to serve emerging light oil plays in Alberta’s East Duvernay and Viking regions.

The investments include \$60 million to advance the previously announced Stettler Crude Oil Terminal Expansion on the Central Alberta pipeline system. This \$82 million project includes the construction of two 130,000 barrel crude oil storage tanks and additional truck unloading capacity which are expected to enter service in phases between mid-2019 and mid-2020. The remaining \$40 million will be spent developing several smaller projects, including new midstream marketing facilities on the Bow River pipeline system.

Oil Sands Transportation

Approximately \$90 million is targeted for investment in Inter Pipeline's oil sands transportation business over the next year. Approximately \$50 million will support the completion of a connection from the Cold Lake pipeline system to Canadian Natural's Kirby North oil sands project. Construction of the dual 23 km pipeline and pump station is scheduled to be completed in early 2019, with an in-service date of mid-2019.

The remaining \$40 million of capital will be invested in various organic growth projects on the Cold Lake, Polaris and Corridor pipeline systems.

Bulk Liquid Storage

Inter Pipeline is planning to spend approximately \$20 million in 2019 to meet increased demand for storage at certain facilities located in the United Kingdom, Sweden and Germany, as well as the recently acquired terminal in the Port of Amsterdam.

Sustaining Capital

Inter Pipeline expects to invest approximately \$120 million in sustaining capital expenditures in 2019. Approximately \$30 million will be allocated to the replacement of processing equipment and the improvement of site infrastructure within our NGL processing business segment. A further \$30 million will be directed towards corporate infrastructure including enhancements to information technology systems.

Approximately \$40 million will be devoted to improvements to the bulk liquid storage assets, with the remaining \$20 million spent on a range of projects across Inter Pipeline's pipeline transportation businesses.

Financing

Inter Pipeline continues to maintain a strong balance sheet with significant liquidity available on its committed revolving credit facility. Funding for Inter Pipeline's 2019 capital program is expected to be provided through a combination of undistributed cash flow from operations, capacity available under its existing \$1.5 billion revolving credit facility, the periodic issuance of new term or hybrid debt securities and proceeds from existing dividend re-investment programs.

About Inter Pipeline Ltd.

Inter Pipeline is a major petroleum transportation, natural gas liquids processing, and bulk liquid storage business based in Calgary, Alberta, Canada. Inter Pipeline owns and operates energy infrastructure assets in western Canada and Europe. 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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All dollar values are expressed in Canadian dollars unless otherwise noted.