

## **Inter Pipeline to Provide Diluent Transportation for JACOS-Nexen Hangingstone Project**

**CALGARY, ALBERTA, June 16, 2014:** Inter Pipeline Ltd. ("Inter Pipeline") (TSX: IPL) announced today that it has entered into a binding agreement with Japan Canada Oil Sands Limited ("JACOS") and Nexen Energy ULC, a wholly owned subsidiary of CNOOC Limited ("Nexen"), to provide diluent transportation services for their jointly owned Hangingstone oil sands project. Under the initial term of the 20-year ship-or-pay agreement, Inter Pipeline will provide 7,000 barrels per day ("b/d") of committed capacity on its Polaris pipeline system.

The Hangingstone project is located approximately 50 kilometres southwest of Fort McMurray and in close proximity to the Polaris pipeline system. JACOS holds a 75% interest in the Hangingstone project and acts as the project operator with Nexen holding a 25% interest. JACOS has stated that their initial stage of bitumen production is expected to reach 20,000 b/d, with the potential for future expansion.

Diluent transportation services will be provided through the existing Polaris 12-inch diameter diluent mainline. A new \$25 million, 2 kilometre pipeline lateral with associated metering facilities will connect Polaris to the Hangingstone oil sands facility. Construction is expected to begin in 2015, with the new connection entering commercial service in mid 2016. A map of the Polaris pipeline system including the new Hangingstone connection is available on our website at [www.interpipeline.com](http://www.interpipeline.com).

"We are very pleased to announce another highly capital efficient, long-term ship-or-pay connection on our Polaris pipeline system," stated Christian Bayle, President and Chief Executive Officer of Inter Pipeline. "This agreement marks the ninth oil sands production facility to have its diluent delivery requirements met by Polaris, further solidifying its position as the leading diluent transportation system to Alberta's oil sands."

### **Inter Pipeline Ltd.**

Inter Pipeline is a major petroleum transportation, natural gas liquids extraction, and bulk liquid storage business based in Calgary, Alberta, Canada. Inter Pipeline owns and operates energy infrastructure assets in western Canada and northern Europe. Additional information about Inter Pipeline can be found at [www.interpipeline.com](http://www.interpipeline.com).

Inter Pipeline shares trade on the Toronto Stock Exchange under the symbol IPL.

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### **Disclaimer**

Certain information contained herein may constitute forward-looking statements that involve risks and uncertainties. Forward-looking statements in this news release include, but are not limited to, timing and completion cost estimates for the Polaris expansion. Readers are cautioned not to place undue reliance on forward-looking statements. 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 may be deemed to be forward-looking statements. Forward-looking statements often contain terms such as "may", "will", "should", "anticipate", "expects" and similar expressions. Such risks and uncertainties include, but are not limited to, risks associated with operations, such as loss of markets, regulatory matters, environmental risks, industry competition,

potential delays and cost overruns of construction projects, and the ability to access sufficient capital from internal and external sources. You can find a discussion of those risks and uncertainties in Inter Pipeline's securities filings at [www.sedar.com](http://www.sedar.com). The forward-looking statements contained in this news release are made as of the date of this document, and, except to the extent required by applicable securities laws and regulations, 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 document are expressly qualified by this cautionary note.

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