

NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES

Inter Pipeline Announces \$450 million Medium-Term Note Offering

CALGARY, ALBERTA, DECEMBER 13, 2016: Inter Pipeline Ltd. ("Inter Pipeline") (TSX: IPL) announced today that it has agreed to issue \$450 million of senior unsecured medium-term notes in the Canadian public debt market. The notes will have a fixed interest rate of 3.484% per annum, payable semi-annually, and will mature on December 16, 2026.

The offering is expected to close on or about December 16, 2016, subject to customary closing conditions. Inter Pipeline will use the net proceeds of the offering to partially fund the acquisition of Canadian Natural Resources Limited's 15 percent interest in the Cold Lake pipeline system and to repay existing bank indebtedness. The acquisition is expected to close before the end of the year and is subject to customary closing conditions.

Standard & Poor's Ratings Services and DBRS Limited have assigned preliminary credit ratings of BBB+ and BBB (high), respectively, to the notes.

The notes are being offered through a syndicate of agents co-led by CIBC Capital Markets, RBC Capital Markets and TD Securities Inc. under Inter Pipeline's short form base shelf prospectus dated December 11, 2015, a related prospectus supplement dated September 8, 2016 and a pricing supplement to be dated December 13, 2016.

This news release does not constitute an offer to sell or the solicitation of an offer to buy the notes in any jurisdiction, in which such an offer, solicitation or sale would be unlawful. The notes being offered have not been approved or disapproved by any regulatory authority. The notes have not been and will not be registered under the United States *Securities Act of 1933*, as amended (the "U.S. Securities Act"), or any state securities laws, and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons unless an exemption from the registration requirements of the U.S. Securities Act is available.

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

Contact Information

Investor Relations:

Jeremy Roberge
Vice President, Capital Markets
Email: investorrelations@interpipeline.com
Tel: 403-290-6015 or 1-866-716-7473

Media Relations:

Breanne Oliver
Manager Corporate Communications
Email: mediarelations@interpipeline.com
Tel: 587-475-1118

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 anticipated closing date of the offering and the acquisition and use of proceeds of the offering. 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 debt or equity 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. 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.