inter pipeline **News Release**

Inter Pipeline Fund Announces Increase to Monthly Distributions

CALGARY, ALBERTA, November 4, 2010: Inter Pipeline Fund ("Inter Pipeline") (TSX: IPL.UN) announced today that the board of directors has approved an increase to its monthly cash distributions to unitholders from $0.075 to $0.08 per unit commencing with its December 2010 distribution payable in January 2011. On an annualized basis, cash distributions will increase by 6.7% from $0.90 to $0.96 per unit.

Unitholders of record as of December 22, 2010 will be eligible for Inter Pipeline's new monthly cash distribution rate of $0.08 per unit, with initial payment expected on or about January 14, 2011.

"The distribution increase announced today is evidence of our extremely positive outlook for the business," commented David Fesyk, President and Chief Executive Officer. "We continue to generate strong financial results and Inter Pipeline's payout ratio is currently among the lowest of our energy infrastructure peers. Furthermore, we are positioned for significant growth in cash flow in the coming years due to the completion of a major capacity expansion project on the Corridor pipeline system and the development of several recently announced capital investments within our oil sands transportation business segment."

Commencing on January 1, 2011, Inter Pipeline will begin generating revenue from its $1.85 billion investment to expand capacity on the Corridor system. This high profile expansion project, completed on time and on budget, will add 165,000 barrels per day of bitumen blend capacity and result in long-term incremental EBITDA of approximately $145 million annually. For perspective, Inter Pipeline generated EBITDA of $342 million in 2009.

The long term sustainability of Inter Pipeline's distributions is further supported by several recently announced projects to increase deliveries on the Cold Lake and Polaris pipeline systems. Inter Pipeline is currently constructing a $40 million expansion on the Cold Lake system to increase oil gathering capacity from the Cenovus Foster Creek project. Inter Pipeline is also investing approximately $150 million to connect the Kearl and Sunrise oil sands projects to the Polaris pipeline system under long-term cost of service contracts. Combined, these new investments are expected to generate incremental long-term EBITDA of over $70 million per year. All three projects are expected to be in commercial service by late 2013.

"All publicly traded income funds, royalty trusts and limited partnerships will become taxable next year under the government's SIFT legislation," stated David Fesyk. "Despite becoming a taxable entity, we are pleased to be increasing our cash distributions to unitholders. In my opinion, that speaks volumes to the strength of our business and the confidence we have in Inter Pipeline's prospects for cash flow growth."

Since inception in 1997, Inter Pipeline has distributed $9.78 per unit, or nearly $1.5 billion in cash payments to its unitholders. The currently announced distribution increase represents Inter Pipeline's 7th consecutive increase in cash distributions.

Inter Pipeline Fund

Inter Pipeline is a major petroleum transportation, bulk liquid storage and natural gas liquids extraction business based in Calgary, Alberta, Canada. Structured as a publicly traded limited partnership, Inter Pipeline owns and operates energy infrastructure assets in western Canada, the United Kingdom, Germany and Ireland. Additional information about Inter Pipeline can be found at www.interpipelinefund.com

Inter Pipeline is a member of the S&P/TSX Composite Index. Class A Units trade on the Toronto Stock Exchange under the symbol IPL.UN.

Eligible Investors

Only persons who are residents of Canada, or if partnerships are Canadian partnerships, in each case for purposes of the Income Tax Act (Canada) are entitled to purchase and own Class A Units of Inter Pipeline.

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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, statements regarding Inter Pipeline's belief that it is well positioned to maintain its increased level of cash distributions to unitholders through 2011 and beyond. Readers are cautioned not to place undue reliance on forward-looking statements. Such information, although considered reasonable by the General Partner of 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, including the Corridor pipeline system expansion project, 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. 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.

Non-GAAP Financial Measures

Certain financial measures referred to in this news release are not measures recognized by 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.