

Inter Pipeline Fund Announces Increase to Monthly Distributions

CALGARY, ALBERTA, November 8, 2012: Inter Pipeline Fund (“Inter Pipeline”) (TSX: IPL.UN) announced today a 5.7% increase to its monthly cash distributions to unitholders from \$0.0875 to \$0.0925 per unit commencing with its December 2012 distribution payable in January 2013. On an annualized basis, cash distributions will increase from \$1.05 to \$1.11 per unit.

Unitholders of record as of December 21st, 2012 will be eligible for Inter Pipeline's new monthly cash distribution rate of \$0.0925 per unit, with initial payment expected on or about January 15th, 2013.

Inter Pipeline's latest distribution increase is supported by continued strong financial performance and large scale organic growth projects currently under development. Inter Pipeline is presently advancing a multi-billion dollar integrated expansion of its Cold Lake and Polaris pipeline systems to accommodate growing oil sands production. This major expansion program is expected to significantly increase cash flow over the next 2-4 years, while enhancing contributions from highly stable long-term contracts.

"We are very pleased to extend our record of increasing cash distributions to unitholders," commented David Fesyk, President and Chief Executive Officer. "This represents our 9th consecutive increase, highlighting the strength and stability of our business."

"We are proud of Inter Pipeline's performance despite a challenging economic environment in recent years. Our business model is sound, and we remain confident in our ability to grow and sustain cash distributions going forward."

Since inception in 1997, Inter Pipeline has distributed \$11.69 per unit, or over \$2 billion in cash payments to unitholders.

Inter Pipeline Fund

Inter Pipeline is a major petroleum transportation, natural gas liquids extraction, and bulk liquid storage 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, Denmark, 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

Pursuant to Inter Pipeline's limited partnership agreement dated October 9, 1997, as amended, all unitholders are required to be residents of Canada. A copy of the limited partnership agreement can be found at www.interpipelinefund.com by selecting "Corporate Governance". If a unitholder is a non-resident of Canada ("Non-Eligible Unitholder"), he will not be considered to be a member of the partnership effective the date the Class A Units were acquired. Inter Pipeline requires all Non-Eligible Unitholders to dispose of their Class A Units in accordance with the limited partnership agreement.

In most cases, a unitholder with an address outside of Canada will be a Non-Eligible Unitholder.

Contact Information

Investor Relations:

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

Media Relations:

Tony Mate
Director, Corporate and Investor Communications
Email: tmate@interpipelinefund.com
Tel: 403-290-6166

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 cost schedules of Polaris and Cold Lake capital projects, forward EBITDA estimates, and the

expectation that binding Transportation Service Agreements will be executed in respect of such capital projects. Readers are cautioned not to place undue reliance on forward-looking statements, including, but not limited to, statements regarding the sustainability of future distributions. 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 Polaris and Cold Lake 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. 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.