

Inter Pipeline Announces Major Expansion of Mid-Saskatchewan Pipeline System

CALGARY, ALBERTA, July 10, 2014: Inter Pipeline Ltd. (“Inter Pipeline”) (TSX: IPL) announced today the execution of binding commercial agreements supporting a \$100 million expansion of its Mid-Saskatchewan pipeline system. In aggregate, the new agreements are expected to generate approximately \$25 million to \$30 million in incremental EBITDA on an annual basis. Five oil producers have entered into ship or pay contracts to backstop the project with terms ranging from 4 to 10 years. Inter Pipeline expects the expansion to enter commercial service in phases beginning in late 2014 with the project fully completed by the second quarter of 2015.

With increased drilling activity and the application of new well completion technologies, oil production in the area serviced by the Mid-Saskatchewan pipeline has grown rapidly. Throughput volumes have doubled to over 70,000 barrels per day (b/d) over the last two years with much of the Mid-Saskatchewan system operating at or near full capacity.

The \$100 million expansion program will involve the construction of over 50 kilometres (km) of new mainline pipe, 40 km of new pipeline laterals and associated pumping and metering facilities. Once the new pipelines are in service, approximately 95,000 b/d of new capacity will be added to the system to handle oil volumes from the new battery connections and provide capacity for future third party connections. Inter Pipeline expects the new mainlines in aggregate to initially operate at less than 50% capacity, with utilization rising over time as area production increases. A map of the Mid-Saskatchewan pipeline system including the new expansion is available on our website at www.interpipeline.com.

“This high return investment is the largest expansion of a conventional oil pipeline system in our company’s history,” stated Christian Bayle, President and Chief Executive Officer of Inter Pipeline. “It provides a capital-efficient transportation solution for our current customers as well as operational flexibility to accommodate significant future growth.”

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.

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

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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 pipeline expansion projects. 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. 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.