

Inter Pipeline Announces Completion of First Phase of Polaris Pipeline Expansion

CALGARY, ALBERTA, JULY 18 2014: Inter Pipeline Ltd. ("Inter Pipeline") (TSX: IPL) is pleased to announce that a major component of the \$1.4 billion Polaris pipeline system expansion has been successfully completed and placed into commercial service. Accordingly, Inter Pipeline has begun generating cash flow under its 20-year diluent transportation agreement with the FCCL Partnership ("FCCL"), a business venture between Cenovus Energy and ConocoPhillips Canada Resources Corp.

Diluent shipments are expected to commence shortly from Inter Pipeline's Lamont pump station to FCCL's Foster Creek and Christina Lake oil sands production facilities utilizing a new 290 kilometre, 30-inch diameter mainline and associated pipeline laterals. In aggregate, FCCL has contracted for 350,000 barrels per day of firm ship-or-pay capacity on the new mainline, which will generate approximately \$90 million in annual EBITDA for Inter Pipeline. These shipping arrangements represent approximately 50% of the newly installed expansion capacity. Inter Pipeline is aggressively pursuing opportunities to attract additional third party shippers to the system.

The newly installed mainline and accompanying laterals account for approximately \$1.1 billion of the estimated \$1.4 billion total cost of the Polaris expansion. The remaining segments of the Polaris expansion, including a diluent connection to FCCL's Narrows Lake oil sands facility are on schedule and are expected to be completed in phases between late 2014 and mid 2017. In total, Inter Pipeline expects to earn approximately \$130 million in annual EBITDA under the Polaris FCCL contract, when the full expansion is in commercial service.

"This major expansion was completed on-schedule and with world-class safety performance during a period of heightened industry activity," stated Christian Bayle, President and Chief Executive Officer of Inter Pipeline. "I would like to thank our dedicated team of employees, contractors and suppliers for their contributions towards achieving this important milestone for Inter Pipeline."

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's common shares trade on the Toronto Stock Exchange under the symbol IPL.

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