

Inter Pipeline Announces Completion of Corporate Conversion

CALGARY, ALBERTA, SEPTEMBER 3, 2013: Inter Pipeline Fund (TSX: IPL.UN) announced today that it has successfully converted to a dividend paying corporation, Inter Pipeline Ltd. ("Inter Pipeline"). The conversion occurred pursuant to an arrangement under the *Business Corporations Act* (Alberta) (the "Arrangement") that was voted upon by unitholders at a special meeting held on August 22, 2013.

It is anticipated that Inter Pipeline's common shares will commence trading on the Toronto Stock Exchange within three to four business days under the symbol "IPL". Inter Pipeline Fund's Class A limited partnership units will be delisted concurrent with the commencement of trading of the common shares.

Pursuant to the Arrangement, among other things, unitholders received one common share of Inter Pipeline in exchange for each Class A unit held. Former unitholders may elect to exchange Class A units for common shares, from a Canadian federal income tax perspective, on a tax-deferred rollover basis. A tax election form must be properly completed and submitted to Inter Pipeline on or before December 1, 2013 in order to realize the tax-deferred rollover.

Additional information regarding the tax election form and other potential tax consequences of the exchange is available on our website at www.interpipeline.com by selecting "Investor Relations – Corporate Conversion Information". Shareholders are advised to consult with their own tax advisors as to their own particular income tax situation.

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, the United Kingdom, Denmark, Germany and Ireland. Additional information about Inter Pipeline can be found at www.interpipeline.com.

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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. 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.

