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## Inter Pipeline Announces Closing of Canadian NGL Midstream Acquisition

**CALGARY, ALBERTA, September 23, 2016:** Inter Pipeline Ltd. ("Inter Pipeline") (TSX: IPL) announced today the successful closing of its acquisition of the shares of The Williams Companies Inc.'s and Williams Partners L.P.'s Canadian natural gas liquids ("NGL") midstream businesses ("Williams Canada") for cash consideration of \$1.35 billion, subject to closing adjustments.

This strategic acquisition, announced on August 8, 2016, includes two NGL and olefinic liquids extraction plants located near Fort McMurray, Alberta, a fractionator near Redwater, Alberta and a 420 kilometre pipeline system that connects these facilities. Inter Pipeline also assumes responsibility for the potential construction of a \$1.85 billion propane dehydrogenation facility located near the Redwater fractionator. This facility would convert low-cost, locally sourced propane into higher value polymer grade propylene, a petrochemical product primarily used in plastics manufacturing.

The Williams Canada acquisition was financed by the net proceeds from a \$600 million subscription receipt offering which have now been released from escrow, \$350 million of new term debt and the balance drawn under Inter Pipeline's recently expanded \$1,500 million committed revolving credit facility. In addition, Inter Pipeline intends to reinstate the premium dividend component of its Premium Dividend<sup>TM</sup> and Dividend Reinvestment Plan effective with the October 2016 dividend.

With the closing of the acquisition and in accordance with the terms of the subscription receipts, each outstanding subscription receipt of Inter Pipeline has been automatically exchanged, without payment of additional consideration, for one common share of Inter Pipeline and a dividend equivalent payment of \$0.26 per subscription receipt in respect of the dividends declared by Inter Pipeline for August and September 2016. Holders of the subscription receipts are not required to take any action in order to receive the common shares and the dividend equivalent payment to which they are entitled. Inter Pipeline has been advised by the Toronto Stock Exchange (the "TSX") that the subscription receipts will be de-listed from the TSX after close of trading on September 23, 2016.

TM denotes trademark of Canaccord Genuity Corp.

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### 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 Europe. Inter Pipeline is a member of the S&P/TSX 60 Index and its common shares trade on the Toronto Stock Exchange under the symbol IPL. [www.interpipeline.com](http://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, including, but not limited to, statements regarding the anticipated benefits of the Williams Canada

acquisition and plans to reinstate the premium dividend component of its Premium Dividend<sup>™</sup> and Dividend Reinvestment Plan effective with the October 2016 dividend. Such statements reflect the current views of Inter Pipeline with respect to future events and are subject to certain risks, uncertainties and assumptions that could cause the results of Inter Pipeline to differ materially from those expressed in the forward-looking statements. Factors that could cause actual results to vary from forward-looking information or may affect the operations, performance, development and results of Inter Pipeline's businesses include, among other things, risks relating to the impact of the Williams Canada acquisition on Inter Pipeline. 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 debt or equity 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](http://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.