

Inter Pipeline Announces Acquisition of a Bulk Liquid Storage Business in Sweden

CALGARY, ALBERTA, June 10, 2015: Inter Pipeline Ltd. (“Inter Pipeline”) (TSX: IPL) announced today that it has completed the acquisition of four petroleum and petrochemical storage terminals in Sweden from a subsidiary of Koninklijke Vopak N.V. (“Vopak”). The transaction involved consideration of SEK 865 million, or approximately \$131 million Canadian excluding customary closing adjustments, and was funded by capacity available under Inter Pipeline’s revolving credit facility.

“This is an immediately accretive transaction that will further diversify and strengthen our European bulk liquid storage business. The acquisition increases our storage capacity in Europe by approximately 40%, while complementing Inter Pipeline’s existing storage operations in the United Kingdom, Denmark, Germany, and Ireland,” commented Christian Bayle, President and Chief Executive Officer.

The acquisition increases Inter Pipeline’s total storage capacity in Europe to approximately 27 million barrels. It strengthens Inter Pipeline’s position as a leading storage business in Europe and establishes Inter Pipeline as the largest independent bulk liquid storage provider in Scandinavia.

Transaction Overview

Inter Pipeline has acquired 100% of the shares of Vopak Sweden AB in an all cash transaction. The Swedish business, which will be renamed Inter Terminals Sweden, consists of four coastal terminals located at Gothenburg, Malmö, Södertälje and Gävle.

Key investment highlights related to the acquisition are described below:

- All four terminals are strategically located along the Baltic Sea and Danish Straits, a major petroleum trade route for marine transport vessels;
- The Gothenburg terminal is the largest independent storage facility in Scandinavia’s largest port. It is pipeline connected to three local refineries, providing strategic infrastructure in support of import and export activities;
- Combined storage capacity of 7.4 million barrels across 144 well maintained tanks and five underground caverns;
- Highly complementary to Inter Pipeline’s existing terminals in Denmark, resulting in enhanced product storage and custom blending solutions for customers;
- Deep water loading and unloading access for large marine vessels including Aframax class tankers;
- Historically high utilization rates, averaging 87% over the past four years;
- High quality assets serving a diversified customer base including integrated oil companies, chemical companies and major petroleum traders;
- Approximately 93% of revenue is fixed under term storage contracts with the remaining 7% being generated from ancillary services such as throughput fees; and
- This acquisition is immediately accretive to Inter Pipeline’s funds from operations.

Business Fundamentals

The Swedish terminals function as a strategic storage and blending hub for the trans-shipment of refined products as well as the inland distribution of retail petroleum and petrochemical products. Significant trade imbalances exist in Europe between refinery supply and end-user demand locations, particularly with respect to fuel oil. These structural imbalances are expected to continue into the future. Coastal terminals in Sweden are well positioned to facilitate the regional movement of petroleum products from Russia, the Baltic Rim and Europe to worldwide destinations.

The acquisition establishes Inter Pipeline as the largest independent bulk liquid storage provider in Scandinavia with combined capacity of approximately 19 million barrels in Denmark and Sweden. Existing and future customers will be offered an integrated suite of storage, custom blending and product handling services at strategic locations. Deep water drafts also provide flexibility with respect to build-bulk and break-bulk operations and ship-to-ship transfers.

The 5.7 million barrel terminal at Gothenburg provides gasoline storage and blending services to supply retail fuel markets in both Sweden and Finland. In addition, the Gothenburg terminal is capable of creating custom petroleum feedstock blends for export to refineries in Europe, the United States and other international locations.

The smaller terminals at Malmo, Sodertalje and Gavle primarily support the distribution of petrochemicals to local industries, provide bitumen storage services and supply jet fuel to the Arlanda international airport near Stockholm.

Cash flow in the Swedish business is supported by contracts with major integrated oil companies, petrochemical companies and oil traders with remaining terms typically ranging from one to five years. Historically, the business has experienced a very high renewal rate on contracts with its customers. Storage utilization rates averaged 94% during the first quarter of 2015.

Financial Performance and Accretion

Despite a challenging environment in Europe in recent years, the former Vopak Sweden storage business has delivered stable financial results. Average EBITDA recorded for the five-year period from 2010 to 2014 was approximately SEK 130 million, or \$20 million Canadian. EBITDA in the first quarter of 2015 was approximately \$5 million Canadian which, on an annualized basis, is in line with historical performance.

Inter Pipeline acquired the business at an attractive purchase price multiple of approximately 6.7 times average historical EBITDA. The transaction is expected to be immediately accretive to Inter Pipeline's annual funds from operations by approximately \$0.04 per share.

For further information on the Swedish business acquisition, please refer to Inter Pipeline's website at www.interpipeline.com.

Inter Pipeline Ltd.

Inter Pipeline is a major petroleum transportation, bulk liquid storage and natural gas liquids extraction 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 is a member of the S&P/TSX 60 Index and its shares trade on the Toronto Stock Exchange under the symbol IPL.

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Disclaimer

Certain information contained herein may constitute forward-looking statements that involve known and unknown risks, assumptions, uncertainties and other factors. Forward-looking statements in this news release include, but are not limited to, anticipated benefits to be derived from the Inter Terminals Sweden acquisition, statements regarding forward EBITDA, accretion and revenues that Inter Pipeline expects to generate from the Inter Terminals Sweden acquisition, possible growth opportunities related to Inter Terminals Sweden, and future market conditions that may impact Inter Terminals Sweden. Readers are cautioned not to place undue reliance on forward-looking statements, as such statements are not guarantees of future performance. Inter Pipeline in no manner represents that actual results, levels of activity and achievements will be the same or in part as those set out in the forward-looking statements herein. 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 assumptions, risks, uncertainties and other factors include, but are not limited to, risks and assumptions associated with operations, such as Inter Pipeline's ability to successfully implement its strategic initiatives and achieve expected benefits, including the further development of its bulk liquid storage business; assumptions concerning operational reliability; the availability and price of labour and construction materials; the status, credit risk and continued existence of customers having contracts with Inter Pipeline and its affiliates; availability of energy commodities; volatility of and assumptions regarding prices of energy commodities; competitive factors, pricing pressures and supply and demand in the natural gas and oil transportation, ethane transportation and natural gas liquids (NGL) extraction and storage industries; assumptions based upon Inter Pipeline's current guidance; fluctuations in currency and interest rates; inflation; the ability to access sufficient capital from internal and external sources; risks and uncertainties associated with Inter Pipeline's ability to maintain its current level of cash dividends to its shareholders; risks inherent in Inter Pipeline's Canadian and foreign operations; risks of war, hostilities, civil insurrection, instability and political and economic conditions in or affecting countries in which Inter Pipeline and its affiliates operate; severe weather conditions; terrorist threats; risks associated with technology; Inter Pipeline's ability to generate sufficient cash flow from operations to meet its current and future obligations; Inter Pipeline's ability to access external sources of debt and equity capital; general economic and business conditions; the potential delays of and costs of overruns on construction projects; risks associated with the failure to finalize formal agreements with counterparties in circumstances where letters of intent or similar agreements have been executed and announced by Inter Pipeline; Inter Pipeline's ability to make capital investments and the amounts of capital investments; changes in laws and regulations, including environmental, regulatory and taxation laws, and the interpretation of such changes to Inter Pipeline's business; the risks associated with existing and potential future lawsuits and regulatory actions against Inter Pipeline and its affiliates; increases in maintenance, operating or financing costs; availability of adequate levels of insurance; difficulty in obtaining necessary regulatory approvals and maintenance of support of such approvals; and such other risks and uncertainties described from time to time in Inter Pipeline's reports and filings with the Canadian securities authorities. The impact of any one assumption, risk, uncertainty or other factor on a particular forward-looking statement cannot be determined with certainty, as these are interdependent and Inter Pipeline's future course of action depends on management's assessment of all information available at the relevant time. 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.

Non-GAAP and Additional GAAP Financial Measures

Certain financial measures referred to in this news release are not measures recognized by GAAP. These non-GAAP and additional GAAP financial measures do not have standardized meanings prescribed by GAAP and therefore may not be comparable to similar measures presented by other entities. Investors are cautioned that these non-GAAP and additional GAAP financial measures should not be construed as alternatives to other measures of financial performance calculated in accordance with GAAP.