

NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES

Inter Pipeline Fund Announces \$500 million Medium-Term Note Offering

CALGARY, ALBERTA, JULY 16, 2013: Inter Pipeline Fund (“Inter Pipeline”) (TSX: IPL.UN) announced today that it has agreed to issue \$500 million of senior unsecured medium-term notes in the Canadian public debt market. The notes will have a fixed interest rate of 3.448% per annum, payable semi-annually and will mature on July 20, 2020.

The offering is expected to close on or about July 19, 2013, subject to customary closing conditions. Net proceeds of the offering will be used to repay a portion of Inter Pipeline’s existing bank indebtedness. Following completion of this note offering, Inter Pipeline will have over \$850 million of available capacity on its \$1.25 billion revolving credit facility.

Standard & Poor’s Ratings Services and DBRS Limited have assigned preliminary credit ratings of BBB+ and BBB (high), respectively, to the notes.

The notes are being offered through a syndicate of agents co-led by CIBC World Markets Inc., RBC Capital Markets and TD Securities Inc. under Inter Pipeline’s short form base shelf prospectus dated November 30, 2012, a related prospectus supplement dated July 16, 2013 and a related pricing supplement to be dated July 16, 2013.

This news release does not constitute an offer to sell or the solicitation of an offer to buy the notes in any jurisdiction, in which such an offer, solicitation or sale would be unlawful. The notes being offered have not been approved or disapproved by any regulatory authority. The notes have not been and will not be registered under the United States *Securities Act of 1933*, as amended (the “U.S. Securities Act”), or any state securities laws, and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons unless an exemption from the registration requirements of the U.S. Securities Act is available.

Inter Pipeline Fund

Inter Pipeline is a major petroleum transportation, bulk liquid storage and natural gas liquids extraction business based in Calgary, Alberta, Canada. Structured as a publicly traded limited partnership, 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.interpipelinefund.com.

Inter Pipeline is a member of the S&P/TSX Composite Index. Class A units trade on the Toronto Stock Exchange under the symbol IPL.UN.

Eligible Investors

Pursuant to Inter Pipeline’s limited partnership agreement dated October 9, 1997, as amended, all unitholders are required to be residents of Canada. A copy of the limited partnership agreement can be found at www.interpipelinefund.com by selecting “Corporate Governance”. If a unitholder is a non-resident of Canada (“Non-Eligible Unitholder”), he will not be considered to be a member of the partnership effective the date the Class A Units were acquired. Inter Pipeline requires all Non-Eligible Unitholders to dispose of their Class A Units in accordance with the limited partnership agreement.

In most cases, a unitholder with an address outside of Canada will be a Non-Eligible Unitholder.

**Contact
Information****Investor Relations:**

Jeremy Roberge
Vice President, Capital Markets
Email: jroberge@interpipelinefund.com
Tel: 403-290-6015 or 1-866-716-7473

Media Relations:

Tony Mate
Director, Corporate and Investor Communications
Email: tmate@interpipelinefund.com
Tel: 403-290-6166

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, without limitation, statements regarding the anticipated closing date of the offering and the anticipated use of the net proceeds of the offering. Such information, although considered reasonable by the General Partner of 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.