

Inter Pipeline Fund Announces Increase to Monthly Distributions

CALGARY, ALBERTA, NOVEMBER 3, 2011: Inter Pipeline Fund (“Inter Pipeline”) (TSX: IPL.UN) announced today that the board of directors has approved a 9.4% increase to its monthly cash distributions to unitholders from \$0.08 to \$0.0875 per unit commencing with its December 2011 distribution payable in January 2012. On an annualized basis, cash distributions will increase from \$0.96 to \$1.05 per unit.

Unitholders of record as of December 22nd, 2011 will be eligible for Inter Pipeline’s new monthly cash distribution rate of \$0.0875 per unit, with initial payment expected on or about January 16th, 2012.

“The distribution increase announced today is the largest since Inter Pipeline became a public business 14 years ago, and our third increase in the past three years,” commented David Fesyk, President and Chief Executive Officer. “We are particularly proud of the fact that Inter Pipeline has consistently increased distributions during a period of high market volatility and uncertainty. That speaks to the strength and stability of Inter Pipeline as a long-life energy infrastructure business.”

“Our latest distribution increase is a clear reflection of the value that has been built in our business through accretive acquisitions, the development of oil sands pipeline opportunities and the pursuit of operational efficiency projects. It also reflects the confidence we have in Inter Pipeline’s future performance given our large inventory of organic growth projects under development.”

Since inception in 1997, Inter Pipeline has distributed \$10.65 per unit, or over \$1.7 billion in cash payments to unitholders. The currently announced distribution increase represents Inter Pipeline’s 8th consecutive increase in cash distributions.

Inter Pipeline Fund

Inter Pipeline is a major petroleum transportation, natural gas liquids extraction, and bulk liquid storage 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, 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.

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Disclaimer

Certain information contained herein may constitute forward-looking statements that involve risks and uncertainties. Forward-looking statements in this news release include, but are not limited to, statements regarding Inter Pipeline’s belief that it is well positioned to maintain its current level of cash distributions to unitholders through 2011 and beyond. Readers are cautioned not to place undue reliance on forward-looking statements. 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, including the Corridor pipeline system expansion project, 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.