

Inter Pipeline Fund Announces Closing of Danish Oil Terminals Acquisition

CALGARY, ALBERTA, January 11, 2012: Inter Pipeline Fund (“Inter Pipeline”) (TSX: IPL.UN) announced today the successful closing of its acquisition of four petroleum storage terminals in Denmark from a subsidiary of DONG Energy A/S. This accretive acquisition, valued at \$459 million plus closing adjustments and the assumption of surplus cash, was first announced on June 20, 2011. The acquisition adds 10.7 million barrels of petroleum storage to Inter Pipeline’s European storage operations. Inter Pipeline is now the fourth largest provider of independent bulk liquid storage services in Europe with total capacity of approximately 19 million barrels.

Funding for the DEOT acquisition was provided by Inter Pipeline’s recently renewed bank credit facility. The four Danish terminals will carry on business as Inter Terminals and will be operated by a wholly owned subsidiary of Inter Pipeline.

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, 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: Todd James Assistant Treasurer Email: tjames@interpipelinefund.com Tel: 403-290-2689 or 1-866-716-7473	Media Relations: Bill van Yzerloo Chief Financial Officer Email: bvanyzerloo@interpipelinefund.com Tel: 403-290-6046
---	--

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 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.