

HEARTLAND PETROCHEMICAL COMPLEX



October 2018 – Strathcona County Council Meeting

FORWARD-LOOKING INFORMATION

This Corporate Presentation contains certain forward-looking statements or information (collectively referred to as “forward-looking statements”) within the meaning of applicable securities legislation. All statements, other than statements of historical fact included in this Corporate Presentation, which address activities, events or developments that Inter Pipeline expects or anticipates to occur in the future, are forward-looking statements. Forward-looking statements often contain terms such as “may”, “will”, “should”, “anticipate”, “expect”, “continue”, “estimate”, “believe”, “project”, “forecast”, “plan”, “intend”, “target”, “outlook”, “focus”, “could” and similar words suggesting future outcomes or statements regarding an outlook. Forward-looking statements in this Corporate Presentation include, but are not limited to, statements regarding: 1) Inter Pipeline’s belief that it is well positioned to maintain its current level of dividends to its shareholders; 2) Inter Pipeline being well positioned to operate and grow in the future including anticipated benefits of acquisitions and growth opportunities associated with acquisitions; 3) financial forecasts or anticipated financial performance; 4) timing and cost of capital projects, and forward EBITDA (as defined herein) estimates in respect of these projects; and 5) capital expenditure forecasts.

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By their nature, forward-looking statements are subject to various known and unknown risks, uncertainties and other factors, which are beyond Inter Pipeline’s control, including, but not limited to: the status, credit risk and continued existence of customers having contracts with Inter Pipeline and its affiliates; competitive factors, pricing pressures and supply and demand in the oil and gas transportation, natural gas liquids (NGL) extraction and storage industries; fluctuations in currency and interest rates; risks of war, hostilities, civil insurrection, instability and terrorist actions, as well as political and economic conditions, in or affecting countries in which Inter Pipeline and its affiliates operate; public opinion regarding the production, transportation and use of oil and gas; severe weather and environmental conditions; risks associated with technology; Inter Pipeline’s ability to access external sources of debt and equity capital; the potential delays of, and costs of overruns on, construction projects in all of Inter Pipeline’s business segments; 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 or threatened future lawsuits and regulatory actions against Inter Pipeline and its affiliates; increases in maintenance, operating or financing costs; difficulty in obtaining necessary regulatory approvals or land access rights and maintenance of support of such approvals and rights; the realization of the anticipated benefits of acquisitions; 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.

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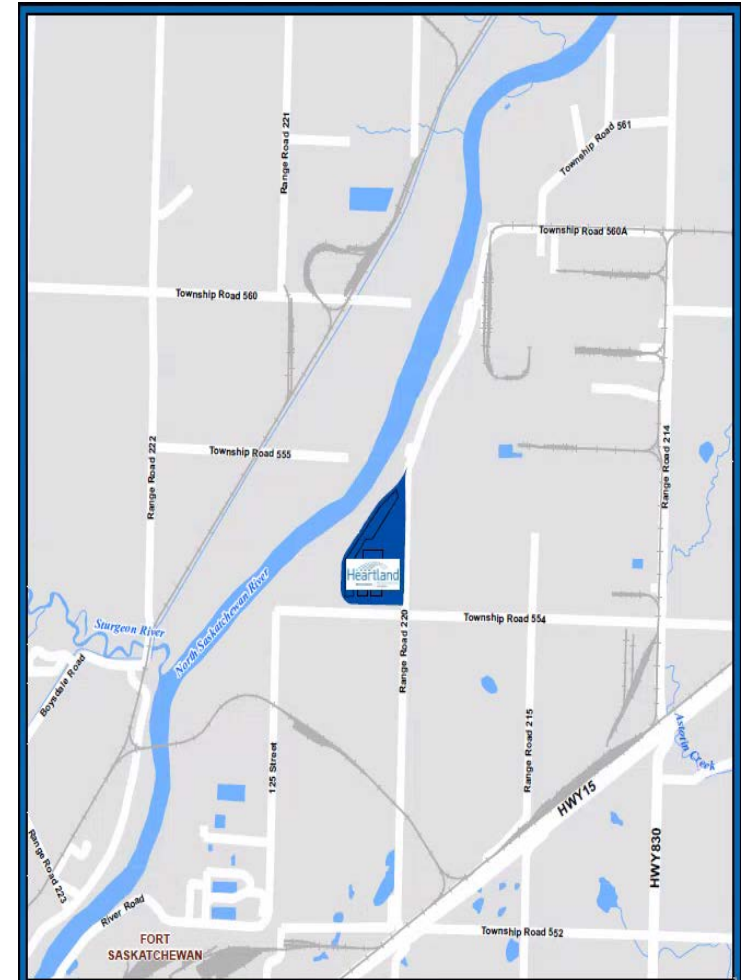
HEARTLAND PETROCHEMICAL COMPLEX

➤ Project Overview

- Designed to convert locally sourced propane into polypropylene, a high value, easy to transport plastic used in the manufacturing of a wide range finished products
- Consists of an integrated propane dehydrogenation (PDH) and polypropylene (PP) facility, a cogeneration (CUB) plant and a rail loading and storage facility
- Inter Pipeline Propylene Ltd will operate the petrochemical complex
- Located in the Alberta Industrial Heartland, Strathcona County

➤ Project Milestones

- 2015 – site preparation civil work begins
- 2016 – Inter Pipeline is awarded \$200 million in royalty credits under the Alberta Petrochemical Diversification Program
- 2017 – Inter Pipeline sanctions the construction of the Heartland Petrochemical Complex
- 2021 – expected in-service date



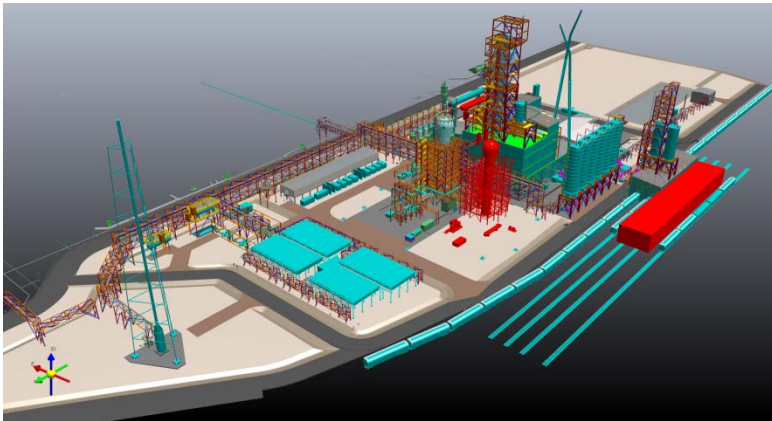
PROPANE DEHYDROGENATION FACILITY (PDH)

- Designed to convert approximately 22,000 b/d propane into 525,000 tonnes/year of polymer grade propylene
- Propane feedstock sourced from Inter Pipeline's Redwater Olefinic Fractionator and other third party fractionators in the region
- Uses licensed and trademarked Oleflex technology from UOP LLC – reliable and proven technology in commercial use since 1990



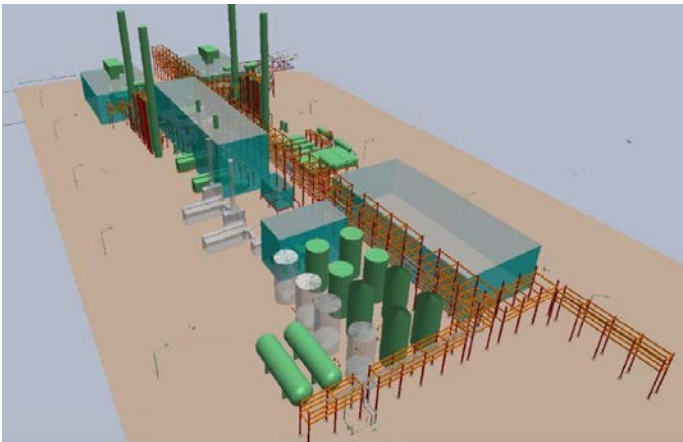
POLYPROPYLENE FACILITY (PP)

- Designed to convert the propylene from the PDH plant to produce 525,000 tonnes/year of polypropylene
- Polypropylene is a high-value, easy to transport plastic used in the manufacturing of reusable containers, laboratory equipment, medical devices, automobile components, textiles, etc.
- Uses licensed and trademarked UNIPOL technology from Grace Technologies Inc. – state-of-the-art technology, mechanically simple and reliable process and easy to operate



COGENERATION PLANT (CUB)

- Designed to provide high pressure steam, electricity and other utilities to support the operations of the PDH and PP complex
- Capacity to produce 102 MW of power and up to 260,000 kg/hour of steam for use at the Heartland Petrochemical Complex
- Owned by Fengate Capital Management; Inter Pipeline to manage the construction and day-to-day operations of the facility once in service.
- Excess electricity will be marketed to the Alberta Interconnected Electricity System



RAIL LOADING AND STORAGE FACILITY

- Infrastructure designed to transport the polypropylene pellets to markets
- The rail yard will consist of approximately 9 km of tracks and will include facilities such as a locomotive shop, operations building, locomotive fuelling station and rail car cleaning building
- The rail storage area will be able to load up to 24 cars per day, and store over 200 railcars of loaded and empty cars
- Designated sidings will exchange empty and loaded cars between potential rail service providers



PROJECT SCHEDULE AND EMPLOYMENT

Task	Target Schedule
PDH Construction	Q1 2018 – Q4 2021
PP Construction	Q2 2018 – Q4 2021
Rail Yard Construction	Q2 2020 – Q2 2021
CUB Construction	Q3 2018 – Q4 2021
CUB Commissioning and power generation	Q1 2021
PDH/PP Commissioning	Q3 2021
Complex In-service date	Q4 2021
Project Phase	Employment
Currently – October 2018	553 onsite workers daily
Peak Construction - 2019	2,300 onsite workers daily
Direct and indirect jobs over four year construction	13,000 jobs
Full-time operation jobs	180 staff
Indirect operations jobs	1,000 position

As of June 30, 2018, \$695 million has been spent to date on this project

As of August 10, 2018, more than 150 Alberta-based companies worked directly on this project's development

Currently the bussing and shuttle program services 10 busses daily (289 workers) with pickup locations in Fort Saskatchewan, Sherwood Park, Josephburg Airport, Edmonton, Leduc, Spruce Grove, St. Albert

CONSTRUCTION PROGRESS

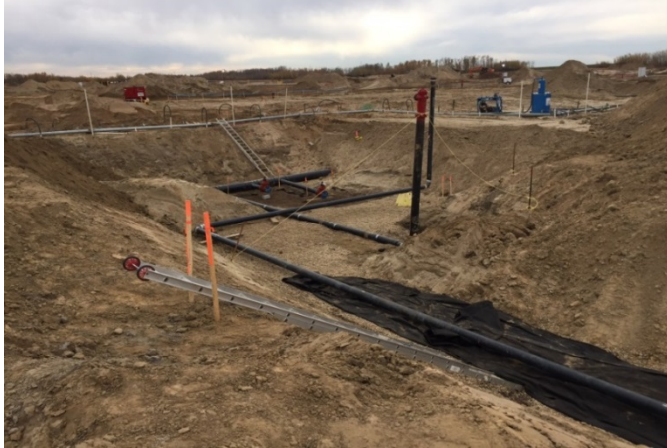


Pre-development – May 2015



Construction – October 2018

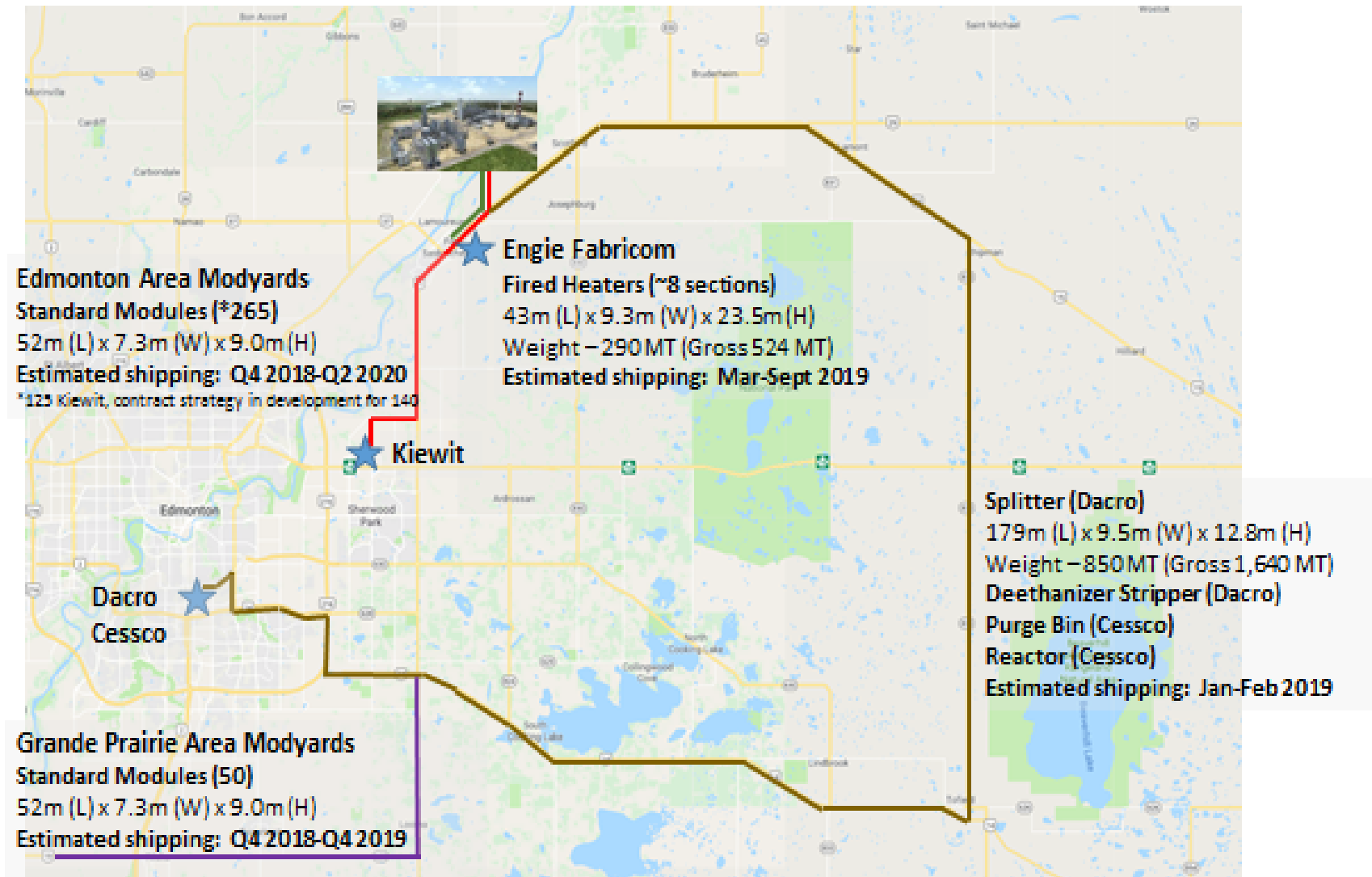
CONSTRUCTION PROGRESS



MODULES TRANSPORTATION

- Currently, all the modules are being fabricated in Alberta at modyards in Edmonton, Grand Prairie and Fort Saskatchewan
- Transportation of modules and over-dimensional loads on Alberta highways and other public roads require approvals from Alberta Transportation and local municipalities
- Inter Pipeline and its consultants – Mammoet Canada Western Ltd., Kiewit Energy Canada, and WSP Opus – developed a transportation strategy plan in consultation with Alberta Transportation, Strathcona County, City of Fort Saskatchewan and other jurisdictions involved with permitting the modules moves on public roads
- Road infrastructure upgrades are required in several areas to accommodate the module moves; majority have been completed with the other in progress
- Two major transportation corridors were identified to date:
 - From modyards in Grand Prairie and Edmonton through Hwy 14 – Hwy 834 – Hwy 15 – RR 220
 - From Kiewit modyard in Edmonton through Twp Rd 534 – Hwy 21 - Hwy 15 – RR 220
- Module moves expected from Q4 2018 – Q2 2020 with the largest units in Q1 2019
- Most moves will occur overnight to reduce impact on local traffic

TRANSPORTATION CORRIDORS



COMMUNITY ENGAGEMENT

- Inter Pipeline is committed to engaging and communicating with all communities along the transportation routes that could be impacted by our activities
- Inter Pipeline developed a stakeholder engagement strategy to engage the local communities that will include:
 - IPL Heartland Petrochemical Complex website with up to date local information www.iplheartland.com
 - Radio and paper ads
 - Notification and schedule update letters to all residents directly impacted along the transportation routes
 - Information sessions in all impacted communities: Town of Tofield, Josephburg, City of Fort Saskatchewan, Grand Prairie
 - Live updates on the Heartland Petrochemical Complex website to keep communities informed and allow for feedback

IMAGES OF SIMILAR VESSELS



Splitter

PDH Splitter under
fabrication at Dacro



IMAGES OF SIMILAR VESSELS



Fired Heater

Deethanizer



IMAGES OF SIMILAR VESSELS



Purge Bin



Reactor