



LIFE IN THE HEARTLAND COMMUNITY INFORMATION ONLINE PRESENTATION

TSX | **IPL**

June 2020

 **inter**pipeline

ADVISORIES AND CAUTIONARY STATEMENT

Certain information contained herein may constitute forward-looking statements and information (collectively, "forward-looking statements") within the meaning of applicable securities legislation that involve known and unknown risks, assumptions, uncertainties and other factors. Forward-looking statements may be identified by words like "anticipates", "estimates", "expects", "indicates", "intends", "may", "could", "should", "would", "plans", "scheduled", "projects", "outlook", "proposed", "potential", "will", and similar expressions. 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The impact of any one assumption, risk, uncertainty or other factor on a 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.

In particular and without limitation of the foregoing, the recent outbreak of COVID-19 has had a negative impact on global financial conditions. Inter Pipeline cannot accurately predict the impact COVID-19 will have on its ability to execute its business plans in response to government public health efforts to contain COVID-19 and to obtain financing or third parties' ability to meet their contractual obligations with Inter Pipeline, including due to uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected jurisdictions; and future demand for Inter Pipeline's services. In the event that the prevalence of COVID-19 continues to increase (or fears in respect of COVID-19 continue to increase), governments may increase regulations and restrictions regarding the flow of labour or products, and travel bans, and Inter Pipeline's operations, suppliers and customers, and ability to advance its projects or carry out its ongoing business plan, could be adversely affected. In particular, should any employees or consultants of Inter Pipeline become infected with COVID-19 or similar pathogens, it could have a material negative impact on Inter Pipeline's operations, prospects, business, financial condition and results of operations. Further, without limitation of the foregoing, future dividend payments, if any, and the level thereof is uncertain, as Inter Pipeline's dividend policy and the funds available for the payment of dividends from time to time is dependent upon, among other things, available funds from operations, financial requirements for Inter Pipeline's operations and the execution of its growth strategy, fluctuations in working capital and the timing and amount of capital expenditures, debt service requirements and other factors beyond Inter Pipeline's control. The ability of Inter Pipeline to pay dividends is subject to applicable laws (including the satisfaction of the solvency test contained in applicable corporate legislation) and contractual restrictions contained in the instruments governing its indebtedness, including its credit facilities. The estimates of 2020 EBITDA in this investor presentation may be considered to be future-oriented financial information or a financial outlook under applicable securities laws and are based on the assumptions and factors set out above. The future-oriented financial information and financial outlook contained in this investor presentation have been approved by management as of the date of this investor presentation. Readers are cautioned that any such financial outlook and future oriented financial information contained herein should not be used for purposes other than those for which it is disclosed herein. Many of the risk factors and other assumptions related to the forward-looking information are discussed further in Inter Pipeline's most recent MD&A and Annual Information Form, and other documents it files from time to time. You can find these documents by referring to Inter Pipeline's profile on SEDAR (www.sedar.com). As actual results could vary significantly from the forward-looking statements, you should not put undue reliance on forward-looking statements. Except as required by applicable law, Inter Pipeline assumes no obligation to update or revise any forward-looking statements. The forward-looking statements contained in this document and all subsequent forward-looking statements, whether written or oral, attributable to Inter Pipeline or persons acting on Inter Pipeline's behalf are expressly qualified in their entirety by these cautionary statements.

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CURRENCY: All dollar values are expressed in Canadian dollars unless otherwise noted.

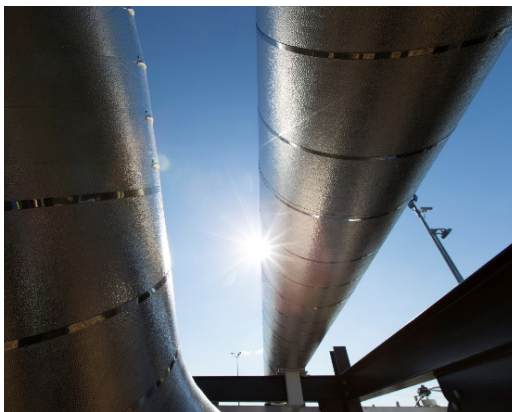
INTER PIPELINE



- **Top tier energy infrastructure business that has significant growth potential**
- **Reliable operations, with stable cash flow and a self-funded equity model**
- **Significant liquidity available on \$2.5 billion of committed credit facilities**
- **High-quality counterparties, with ~80% of revenue sourced from investment grade entities**
- **Investment grade credit ratings from DBRS and S&P**

WORLD-SCALE ENERGY INFRASTRUCTURE

Oil Sands Transportation



NGL Processing



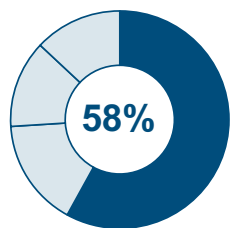
Conventional Oil Pipelines



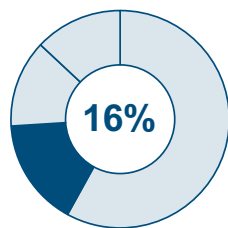
Bulk Liquid Storage



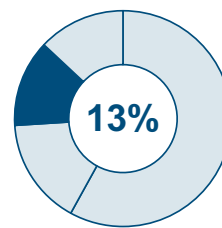
2020 March YTD EBITDA (\$255 million)



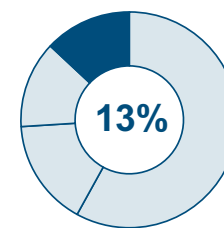
**2.3 million b/d
of contracted
capacity**



**Over 240,000 b/d
of production
capacity**



**3,900 km pipeline
network in
Western Canada**



**37 million barrels
of storage capacity
in Europe**



HEARTLAND PETROCHEMICAL COMPLEX

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HEARTLAND PETROCHEMICAL COMPLEX (HPC)



- **Transformational growth opportunity**

- ✓ Capacity to consume ~22,000 b/d of propane to produce ~525 kilotonnes per annum (KTA) of polypropylene (PP)
- ✓ Expected to add approximately \$450-500 million of long-term average annual EBITDA
- ✓ Target 70-85% of processing capacity to be underpinned by cost-of-service contracts

- **Alberta-produced PP expected to have one of the lowest cash costs in North America**

- ✓ Oversupplied propane market in Western Canada drives a long-term, low-cost feedstock advantage
- ✓ Average Mont Belvieu to Edmonton propane price differential of \$0.27 USD per USG*

*Average from April 2014 to March 2020, representing the period since the Cochin pipeline discontinued Alberta propane export service

PROJECT STATUS



- **Despite COVID-19 pandemic, project site remains active**
 - ✓ No reported cases, with robust controls implemented to ensure worker safety
 - ✓ Precautionary measures have impacted near-term productivity
 - ✓ Revised in-service date of early 2022, subject to mitigation plans
- **Exploring partnership for a material interest in HPC**
 - ✓ Financial advisors engaged and the process is ongoing
 - ✓ Would be credit positive by reducing future funding requirements and improving ratios

OPERATIONAL EXPERTISE & READINESS



- **Extensive NGL operating experience**

- ✓ Full operational responsibility for the Cochrane straddle plant, as well as the Pioneer 1 & 2 offgas plants
- ✓ Management oversight of the Redwater Olefinic Fractionator, as well as the Empress II & V straddle plants

- **De-risking facility start-up**

- ✓ Utilizing commercially-proven PDH and PP process technologies
- ✓ Ability to leverage technology licensors for training and support
- ✓ Over 180 personnel hired, including the GM and senior members of the team

HPC SITE



Site photo taken Q1 2020

HPC UPDATE Q1 2020 VIDEO



0:02 / 2:54

Heartland Petrochemical Complex Update- Q1 2020

636 views • May 22, 2020

LIKE DISLIKE SHARE SAVE ...

YouTube Channel: <https://youtu.be/LFeL6ulsJ0k>



ENVIRONMENT, SOCIAL AND GOVERNANCE

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GOVERNANCE



- **Commitment to sustainable practices and operational excellence**
 - ✓ Issued second sustainability report in accordance with SASB, GRI and TCFD frameworks
 - ✓ Sustainability Steering Committee comprised of CEO and senior management
- **Strong corporate governance**
 - ✓ All directors independent, excluding CEO
 - ✓ Over 35% female representation on the board of directors
 - ✓ Five new directors appointed since 2018, adding a mix of new perspective and petrochemical experience

ENVIRONMENT



- **Offgas facilities process waste gas from oil sands upgraders**
 - ✓ Extracting a valuable liquids stream and removing ~336,000 tonnes of GHG per year
- **HPC-produced PP is expected to have a low GHG emissions profile**
 - ✓ PP is a fully recyclable plastic
 - ✓ GHG footprint ~65% lower than the global average and ~35% lower than the North American average*
 - ✓ Bi-product hydrogen produced at HPC can be used as fuel gas, reducing CO₂e emissions by ~130,000 tonnes per year
- **Safety is a top priority**
 - ✓ 99.99% pipeline delivery rate
 - ✓ Achieved six million hours worked without an employee lost time accident**

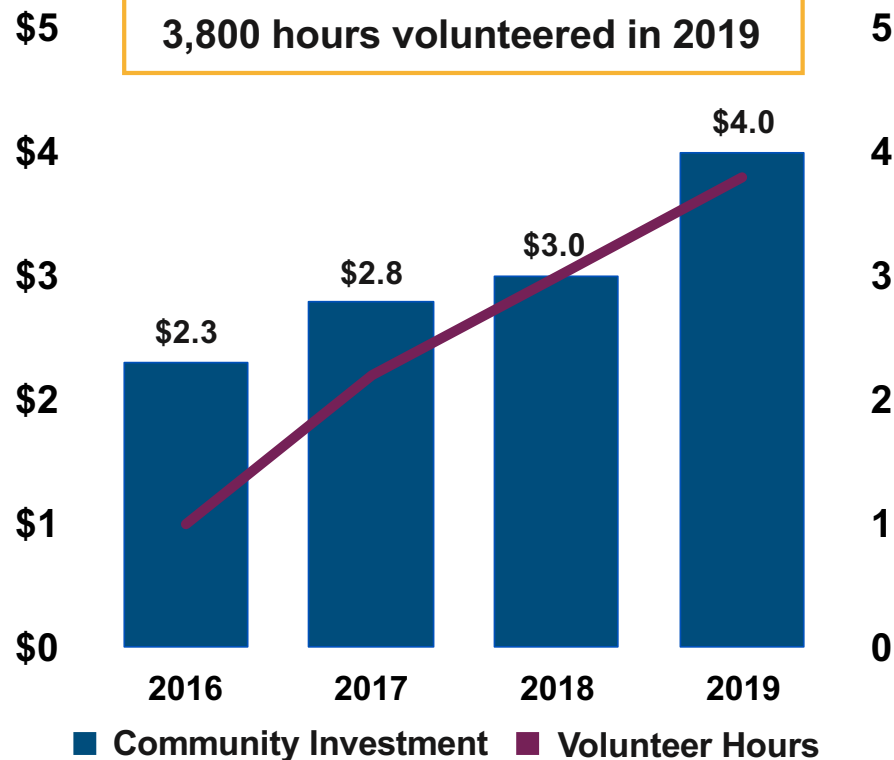
*Source: IHS Markit Materials

**For Canadian operations as at December 2019

SOCIAL

\$ Million

Hours (000's)



- **Meaningful engagement with community members and indigenous peoples**

- ✓ Fort McKay First Nation Joint Venture

- **Mental health recognized as part of safety culture**

- ✓ Industry leader providing awareness training and extended benefits programs to all employees
 - ✓ 2018 CEPA Foundation Award for Safety, recognizing commitment to mental health

- **During HPC construction ~\$2.75 billion to be invested in the Alberta economy**

- ✓ Approximately 13,000 direct and indirect jobs during construction and ~200 full-time jobs once HPC is fully operational



Ten-year, \$10 million partnership with NAIT* to research plastic waste reduction and support the reuse and recycling of plastic



RECRUITING



www.iplheartland.com/careers

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