



# LIFE IN THE HEARTLAND COMMUNITY INFORMATION ONLINE PRESENTATION

TSX | **IPL**

November 2020

# 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. Forward-looking statements in this investor presentation include statements relating to Inter Pipeline's business strategy, plans, objectives, priorities and desired investment profile characteristics which include, without limitation: (i) Inter Pipeline's growth potential, operational reliability, cash flow stability, available liquidity, counterparty quality, financial flexibility, capital structure, investment grade credit rating, dividend, dividend policy or philosophy and EH&S performance and governance initiatives; (ii) benefits, proceeds and expected closing of the exchange of the Empress II & V straddles plants for the Milk River pipeline system, including the improved strategic position and provision of better access for customers into the Montana refining region and expected annual EBITDA of ~\$25 million (iii) benefits and proceeds to be derived from divesting a major portion of the European bulk storage business including the value of ~10x EBITDA; (iv) benefits or proceeds that may be derived from securing a strategic partner in the Heartland Petrochemical Complex (HPC) and as a result of the suspension of the DRIP; (v) the anticipated future EBITDA contribution from the cost-of-service and fee-based cash flow derived from various business segments or otherwise; (vi) the capital expenditure amounts required, financing plans and anticipated in-service dates, for the completion of various projects and opportunities including the potential benefits to be derived therefrom (including the HPC, Stettler Station and Viking Connector); (vii) the contracting process to secure cost-of-service contracts for the HPC or other NGL processing opportunities; (viii) Inter Pipeline's advantages and benefits in the polypropylene market including demand growth, the propane supply and cost advantages in Canada, the expected delivered cash costs for Alberta produced PP, all potential benefits to propane producers and polypropylene buyers including the commercial framework, propane producer netback and uplift and polypropylene buyer costs; and (ix) the financial forecasts and anticipated financial performance of Inter Pipeline. Such statements reflect the current views of Inter Pipeline with respect to future events and are subject to certain risks, uncertainties and assumptions that could cause the results of Inter Pipeline to differ materially from those expressed in the forward-looking statements. Factors that could cause actual results to vary from forward-looking statements or may affect the operations, performance, development and results of Inter Pipeline's businesses include, among other things: risks and assumptions associated with operations, such as Inter Pipeline's ability to successfully implement its strategic initiatives and achieve expected benefits, including the further development of its pipeline systems and other facilities or projects including the construction of the HPC; assumptions concerning operational reliability; Inter Pipeline's ability to maintain its investment grade credit ratings; risks and uncertainties associated with Inter Pipeline's ability to maintain its current level of cash dividends to its shareholders; assumptions based upon Inter Pipeline's current guidance including projected future EBITDA levels; the ability to access sufficient capital from internal and external sources including debt and equity capital; risks inherent in Inter Pipeline's Canadian and foreign operations; Inter Pipeline's ability to generate sufficient cash flow from operations to meet its current and future obligations; the potential delays of and costs of overruns on construction projects, including, but not limited to Inter Pipeline's current and future projects; risks associated with the failure to finalize formal agreements with counterparties in circumstances; Inter Pipeline's ability to make capital investments and the amounts of capital investments; increases in maintenance, operating or financing costs; the realization of the anticipated benefits of acquisitions; the availability and price of labour, equipment and construction materials; the status, credit risk and continued existence of customers having contracts with Inter Pipeline and its affiliates; availability of energy commodities; volatility of and assumptions regarding prices of energy commodities; competitive factors, including competition from third parties in the areas in which Inter Pipeline operates or intends to operate, pricing pressures and supply and demand in the natural gas, propane and oil transportation, natural gas liquids extraction and storage industries; fluctuations in currency and interest rates; inflation; risks of war, hostilities, civil insurrection, pandemics (including COVID-19), instability and political and economic conditions in or affecting countries in which Inter Pipeline and its affiliates operate; severe weather conditions and risks related to climate change; terrorist threats; risks associated with technology; 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; availability of adequate levels of insurance; difficulty in obtaining necessary regulatory approvals or land access rights and maintenance of support of such approvals and rights; the effects and impacts of the COVID-19 pandemic as further described below and supply conflict between the Organization of Petroleum Exporting Countries over production restrictions which have also severely impacted crude oil prices, resulting in increased global supply, the extent and duration of which are uncertain at this time, on Inter Pipeline's business and general economic and business conditions and markets, 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 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 at [www.sedar.com](http://www.sedar.com).

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. 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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Certain financial measures referred to in this investor presentation are not measures recognized by GAAP. These non-GAAP financial measures do not have standardized meanings prescribed by GAAP and therefore may not be comparable to similar measures presented by other entities. Investors are cautioned that these non-GAAP financial measures should not be construed as alternatives to other measures of financial performance calculated in accordance with GAAP such as net income. In particular, EBITDA is not a measure recognized by GAAP. EBITDA is expressed as net income before financing charges, income taxes, depreciation and amortization. See Inter Pipeline's most recent MD&A for an example of the reconciliation of EBITDA to net income.

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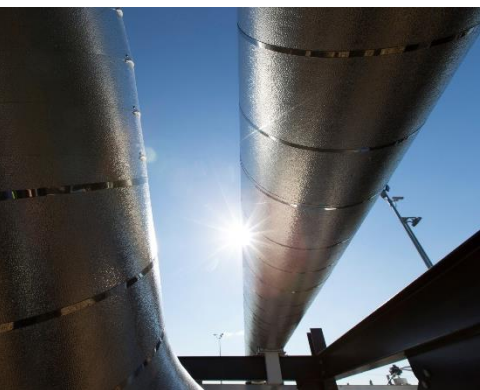
**THIRD PARTY INFORMATION:** This investor presentation includes market, industry and economic data which was obtained from various publicly available sources and other sources believed by Inter Pipeline to be true. Although Inter Pipeline believes it to be reliable, it has not independently verified any of the data from third party sources referred to in this investor presentation, or analyzed or verified the underlying reports relied upon or referred to by such sources, or ascertained the underlying economic and other assumptions relied upon by such sources. Inter Pipeline believes that its market, industry and economic data is accurate and that its estimates and assumptions are reasonable, but there can be no assurance as to the accuracy or completeness thereof. The accuracy and completeness of the market, industry and economic data used throughout this investor presentation are not guaranteed and Inter Pipeline makes no representation as to the accuracy of such information.

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

# WORLD-SCALE ENERGY INFRASTRUCTURE

## Oil Sands Transportation



## NGL Processing



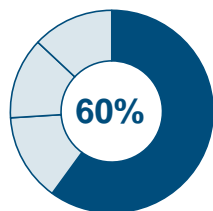
## Conventional Oil Pipelines



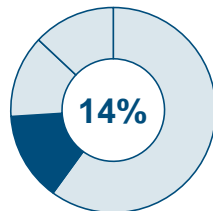
## Bulk Liquid Storage



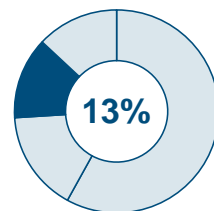
**2020 June YTD EBITDA (\$488 million)**



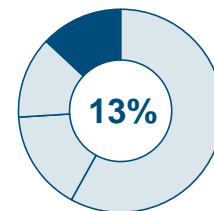
**2.3 million b/d  
of contracted  
capacity**



**140,000 b/d of  
production  
capacity\***



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



**19 million barrels  
of storage capacity  
in Europe\*\***

\*Updated for the Empress II & V straddle plants and Milk River pipeline system asset exchange, which was announced on September 28, 2020 and is expected to close in early 2021

\*\*Remaining assets following divestiture, which was announced September 22, 2020 and is expected to close in Q4 2020



# RECENT DEVELOPMENTS



- Pursuing a strategic partner for a material interest in the Heartland Petrochemical Complex
- Announced divestiture of a major portion of the European bulk liquid storage business for ~\$715 million
- Announced exchange of the Empress II & V straddle plants for the Milk River pipeline system and \$35 million
- Closed \$1.0 billion committed credit facility and \$700 million MTN offering
- Successfully completed CAPL expansion phases one and two on time and within budget



# HEARTLAND PETROCHEMICAL COMPLEX

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# PROJECT STATUS



- **Approximately 70% of the ~\$4.0 billion project cost de-risked**
  - ✓ Based on lump-sum contracts, firm purchase orders, and substantially completed design and construction activities
- **Project site remains active**
  - ✓ Increased productivity, with a workforce of ~2,600 workers on-site daily
  - ✓ Revised in-service date of early 2022, subject to mitigation plans
- **Operational Expertise and Readiness**
  - ✓ Utilizing commercially-proven PDH and PP process technologies
  - ✓ Ability to leverage technology licensors for training and support
  - ✓ Over 225 personnel hired, including the GM and senior members of the team

# HPC UPDATE: RAIL OPERATIONS OVERVIEW



An aerial photograph of a large-scale industrial construction project, likely a power plant or refinery. The site is filled with various structures, including tall chimneys, storage tanks, and complex piping. Numerous yellow and red cranes are positioned around the site, indicating active construction. The background shows a flat landscape with some distant industrial facilities and a line of trees. The image is overlaid with a semi-transparent geometric pattern of white lines and shapes. The bottom of the image features a dark blue and yellow geometric design.

# ENVIRONMENT, SOCIAL AND GOVERNANCE

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# SUSTAINABILITY

## ▪ Environment

- ✓ Offgas: Extracting a valuable liquids stream and removing ~336,000 tonnes of GHG per year
- ✓ PP is a fully recyclable plastic
- ✓ 99.99% pipeline delivery rate
- ✓ Achieved six million hours worked without an employee lost time accident\*\*

## ▪ Social

- ✓ During HPC construction ~\$3.3 billion to be invested in the Alberta economy
- ✓ Indigenous Affairs, Code of Ethics, and Stakeholder Relations policies

## ▪ Governance

- ✓ Commitment to sustainable practices and operational excellence
- ✓ Strong corporate governance

 Inter pipeline



# CONTACT INFORMATION

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