

Inter Pipeline Announces Capital Expenditure Program for 2019

CALGARY, Dec. 3, 2018 /CNW/ - Inter Pipeline Ltd. ("Inter Pipeline") (TSX: IPL) announced today a \$1.46 billion capital expenditure program for 2019. Approximately \$1.34 billion, or 92 percent, of total capital expenditures will be for organic growth initiatives with the remaining invested in sustaining capital projects.

"Our 2019 capital program will largely be focused on construction activities related to the \$3.5 billion Heartland Petrochemical Complex," stated Christian Bayle, Inter Pipeline's President and CEO. "This transformational investment is proceeding according to plan with an expected completion date of late 2021. Rounding out our capital program will be investments in various smaller scale infrastructure projects to enhance service offerings within our pipeline, NGL processing and storage business units."



Capital Expenditure Summary 2019 Forecast (millions)

Growth Capital	
NGL Processing*	\$1,130
Conventional Oil Pipelines	100
Oil Sands Transportation	90
Bulk Liquid Storage	20
Total Growth Capital	\$1,340
Sustaining Capital	120
Total Capital	\$1,460

* Includes proportionate costs for 50 percent interest in the Empress V NGL straddle facility

NGL Processing

Within this business segment, approximately \$1.1 billion is expected to be committed to advance the development of the Heartland Petrochemical Complex. In 2019, detailed design work and procurement of major equipment will be completed. Mechanical construction of the propane dehydrogenation plant will continue including the installation of major pressure vessels and other critical equipment modules. Site construction of the integrated polypropylene plant will also advance including the installation of the polypropylene reactor and other core mechanical components. The project continues to be on schedule and budget.

Additionally, approximately \$20 million will be directed toward various projects to increase processing capacity, as well as enhance product storage and delivery systems at the Redwater Olefinic Fractionator. The remaining \$10 million of capital will be invested in smaller organic growth projects at Inter Pipeline's NGL extraction plants.

Conventional Oil Pipelines

In 2019, Inter Pipeline is planning to invest approximately \$100 million in its conventional oil gathering business. This capital will develop several projects to serve emerging light oil plays in Alberta's East Duvernay and Viking regions.

The investments include \$60 million to advance the previously announced Stettler Crude Oil Terminal Expansion on the Central Alberta pipeline system. This \$82 million project includes the construction of two 130,000 barrel crude oil storage tanks and additional truck unloading capacity which are expected to enter service in phases between mid-2019 and mid-2020. The remaining \$40 million will be spent developing several smaller projects, including new midstream marketing facilities on the Bow River pipeline system.

Oil Sands Transportation

Approximately \$90 million is targeted for investment in Inter Pipeline's oil sands transportation business over the next year. Approximately \$50 million will support the completion of a connection from the Cold Lake pipeline system to Canadian Natural's Kirby North oil sands project. Construction of the dual 23 km pipeline and pump station is scheduled to be completed in early 2019, with an in-service date of mid-2019.

The remaining \$40 million of capital will be invested in various organic growth projects on the Cold Lake, Polaris and Corridor pipeline systems.

Bulk Liquid Storage

Inter Pipeline is planning to spend approximately \$20 million in 2019 to meet increased demand for storage at certain facilities located in the United Kingdom, Sweden and Germany, as well as the recently acquired terminal in the Port of Amsterdam.

Sustaining Capital

Inter Pipeline expects to invest approximately \$120 million in sustaining capital expenditures in 2019. Approximately \$30 million will be allocated to the replacement of processing equipment and the improvement of site infrastructure within our NGL processing business segment. A further \$30 million will be directed towards corporate infrastructure including enhancements to information technology systems.

Approximately \$40 million will be devoted to improvements to the bulk liquid storage assets, with the remaining \$20 million spent on a range of projects across Inter Pipeline's pipeline transportation businesses.

Financing

Inter Pipeline continues to maintain a strong balance sheet with significant liquidity available on its committed revolving credit facility. Funding for Inter Pipeline's 2019 capital program is expected to be provided through a combination of undistributed cash flow from operations, capacity available under its existing \$1.5 billion revolving credit facility, the periodic issuance of new term or hybrid debt securities and proceeds from existing dividend re-investment programs.

About Inter Pipeline Ltd.

Inter Pipeline is a major petroleum transportation, natural gas liquids processing, and bulk liquid storage business based in Calgary, Alberta, Canada. Inter Pipeline owns and operates energy infrastructure assets in western Canada and Europe. Inter Pipeline is a member of the S&P/TSX 60 Index and its common shares trade on the Toronto Stock Exchange under the symbol IPL. www.interpipeline.com

Contact Information

Investor Relations:

Jeremy Roberge
Vice President, Finance and Investor Relations
Email: investorrelations@interpipeline.com
Tel: 403-290-6015 or 1-866-716-7473

Media Relations:

Steven Noble
Senior Communications Advisor
Email: mediarelations@interpipeline.com
Tel: 403-717-5725

Disclaimer

Certain information contained herein may constitute forward-looking statements that involve known and unknown risks, assumptions, uncertainties and other factors. Readers are cautioned not to place undue reliance on forward-looking statements, including, but not limited to, statements regarding: (i) the forecasted amounts and allocations of the capital expenditure program for 2019 among various growth and sustaining capital expenditures and the potential benefits to be derived from such expenditures; (ii) the planned design, equipment procurement, construction and other activities relating the development of the Heartland Petrochemical Complex; (iii) the ability to increase processing capacity and enhance product storage and delivery systems at the Redwater Olefinic Fractionator; (iv) the anticipated development of projects to serve emerging light oil plays; (v) the anticipated timing of the construction of additional oil storage tanks, truck unloading capacity, pipeline connections and pump stations; (vi) the ability to fund Inter Pipeline's 2019 capital expenditure program by way of a combination of undistributed cash flow from operations, credit facility capacity, the periodic issuance of new term or hybrid debt securities and proceeds from existing dividend re-investment programs. 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 information 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 Inter Pipeline's ability to make capital investments and the amount of capital investments, including those described herein which may be subject to change. Such information, although considered reasonable by 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 debt or equity 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.

SOURCE Inter Pipeline Ltd.

<https://interpipeline.mediaroom.com/2018-12-03-Inter-Pipeline-Announces-Capital-Expenditure-Program-for-2019>