



# Inter Pipeline Fund

Investor Relations Presentation

February 2012



# Forward-Looking Information

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<b>TSX Ticker Symbol</b>	<b>IPL.UN</b>
<b>52-week Price Range</b>	<b>\$13.40-\$19.08</b>
<b>Market Capitalization</b>	<b>\$5.0 billion</b>
<b>Enterprise Value*</b>	<b>\$8.2 billion</b>
<b>Annual Distribution Rate per Unit</b>	<b>\$1.05</b>
<b>Yield</b>	<b>5.5%</b>
<b>Structure</b>	<b>Limited Partnership</b>

*Information as at close of markets on February 16, 2012*

\* Includes \$459 million of debt from the January 2012 acquisition of the petroleum storage business in Denmark

# World Scale Energy Infrastructure Assets

## Oil Sands Transportation



Gather 35% of Canadian oil sands production

## Conventional Oil Pipelines



Transport 15% of Western Canadian conventional crude oil volumes

## NGL Extraction



Process 40% of natural gas exported from Alberta

## Bulk Liquid Storage

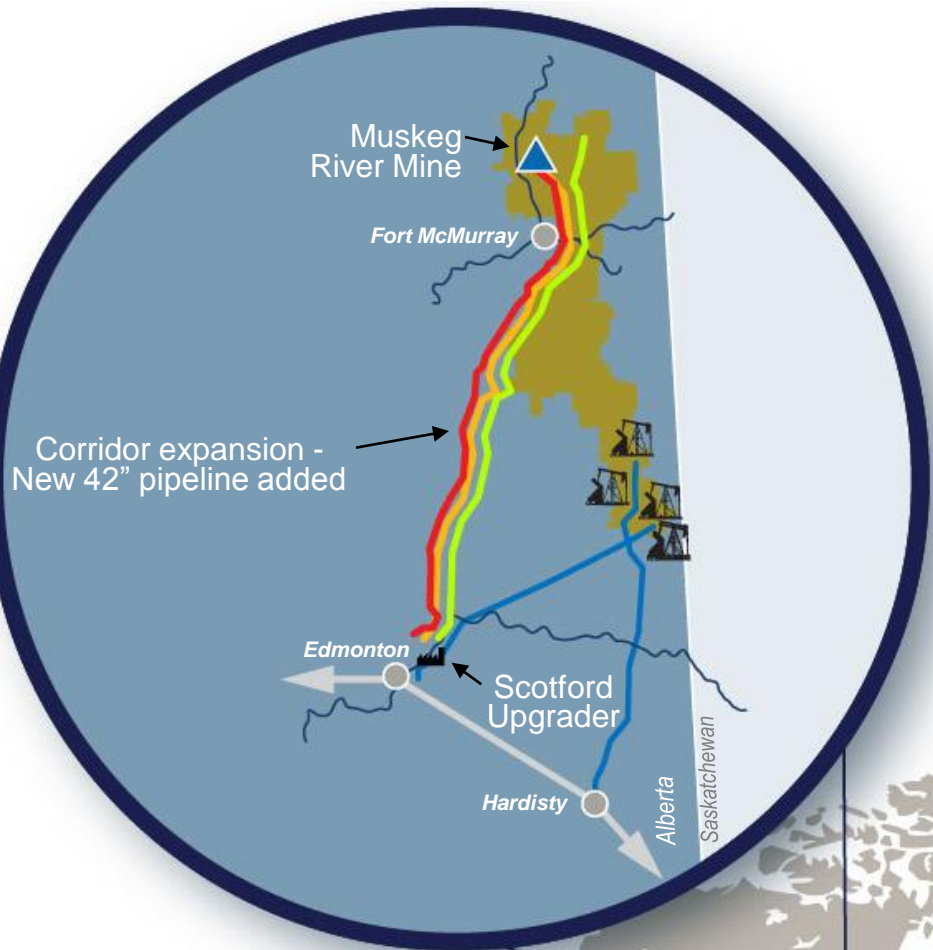


4<sup>th</sup> largest independent tank storage business in Europe

# Recent Developments

- **Monthly distribution increased to 8.75 cents/unit effective December 2011, an increase of 9.4%**
- **Identified up to \$3 billion of potential expansion opportunities on the Cold Lake and Polaris Pipeline Systems**
- **Phased development of the Polaris diluent pipeline system**
- **Cold Lake West Leg expansion expected to be complete mid 2013**
- **Closed \$459 million acquisition of four petroleum storage terminals in Denmark in January 2012**
- **Successfully completed the renewal of two fully committed revolving credit facilities totaling \$2.3 billion in December 2011**

# Oil Sands Transportation



- Corridor pipeline
- Corridor Expansion pipeline
- Cold Lake pipeline
- Polaris pipeline

- **Three major oil sands pipeline systems**
  - ✓ **Corridor**
  - ✓ **Cold Lake (85% ownership)**
  - ✓ **Polaris**
- **Connected to Athabasca and Cold Lake oil sands regions**
- **Combined ultimate capacity of 2.3 million b/d**

# Oil Sands Pipeline Systems

System	Cold Lake	Corridor	Polaris
Throughput (b/d)*	490,400	295,800	-
Ultimate Capacity (b/d)	700,000	1,400,000	150,000
Contract Type	Modified Cost of Service	Cost of Service	Cost of Service
Term	25+ Years	25+ Years	20+ Years

## Customers:



\*Full year 2011 volume  
Cold Lake volumes on 100% basis

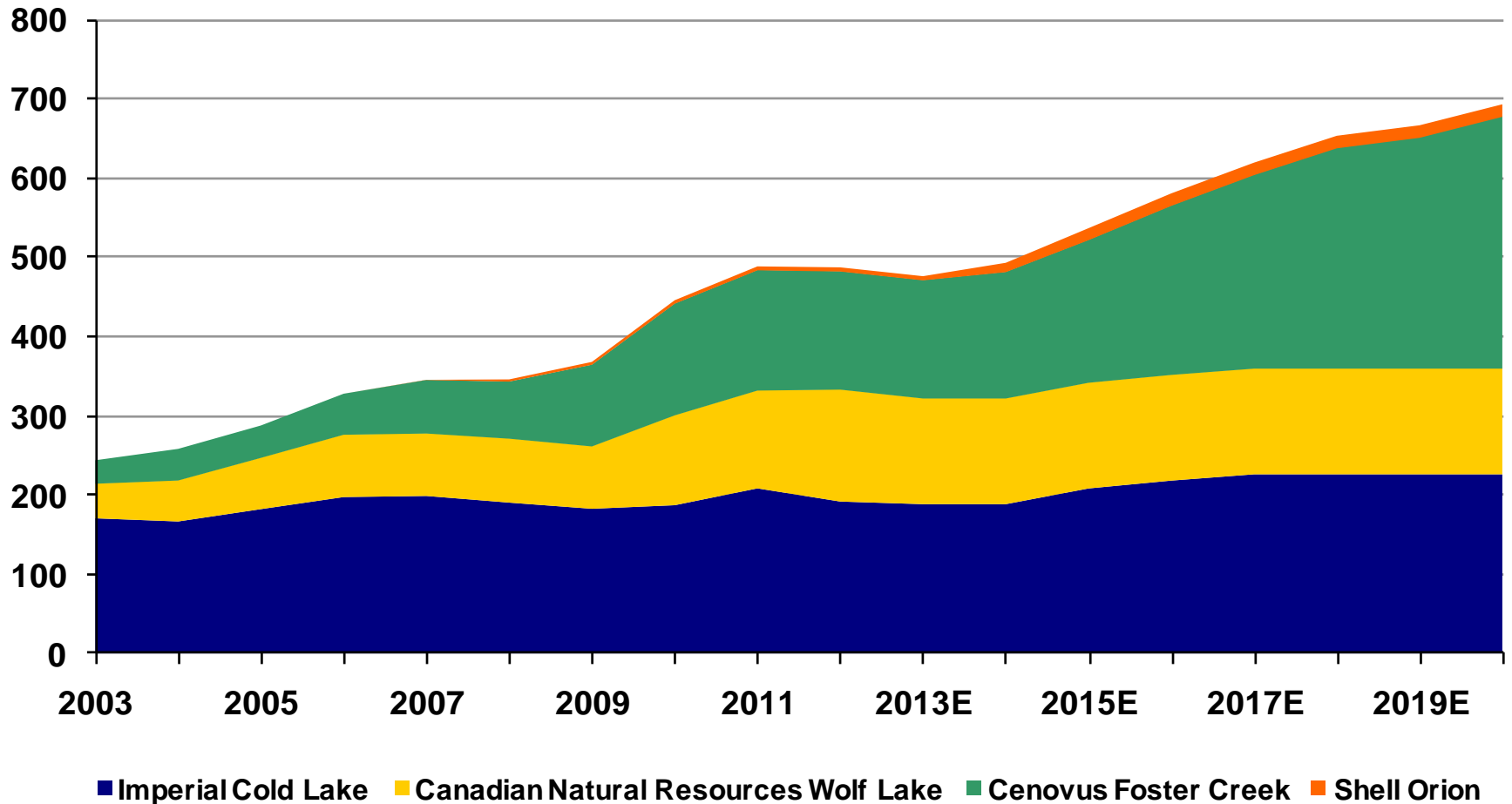
# Polaris Pipeline



- Diluent transportation for:
  - ✓ \$8 billion Kearl oil sands project
  - ✓ \$2.5 billion Sunrise oil sands project
- 20+ year cost of service contracts
- 90,000 b/d firm shipping commitments
- Expected to generate \$63 million of EBITDA annually
- 120,000 b/d minimum planned capacity

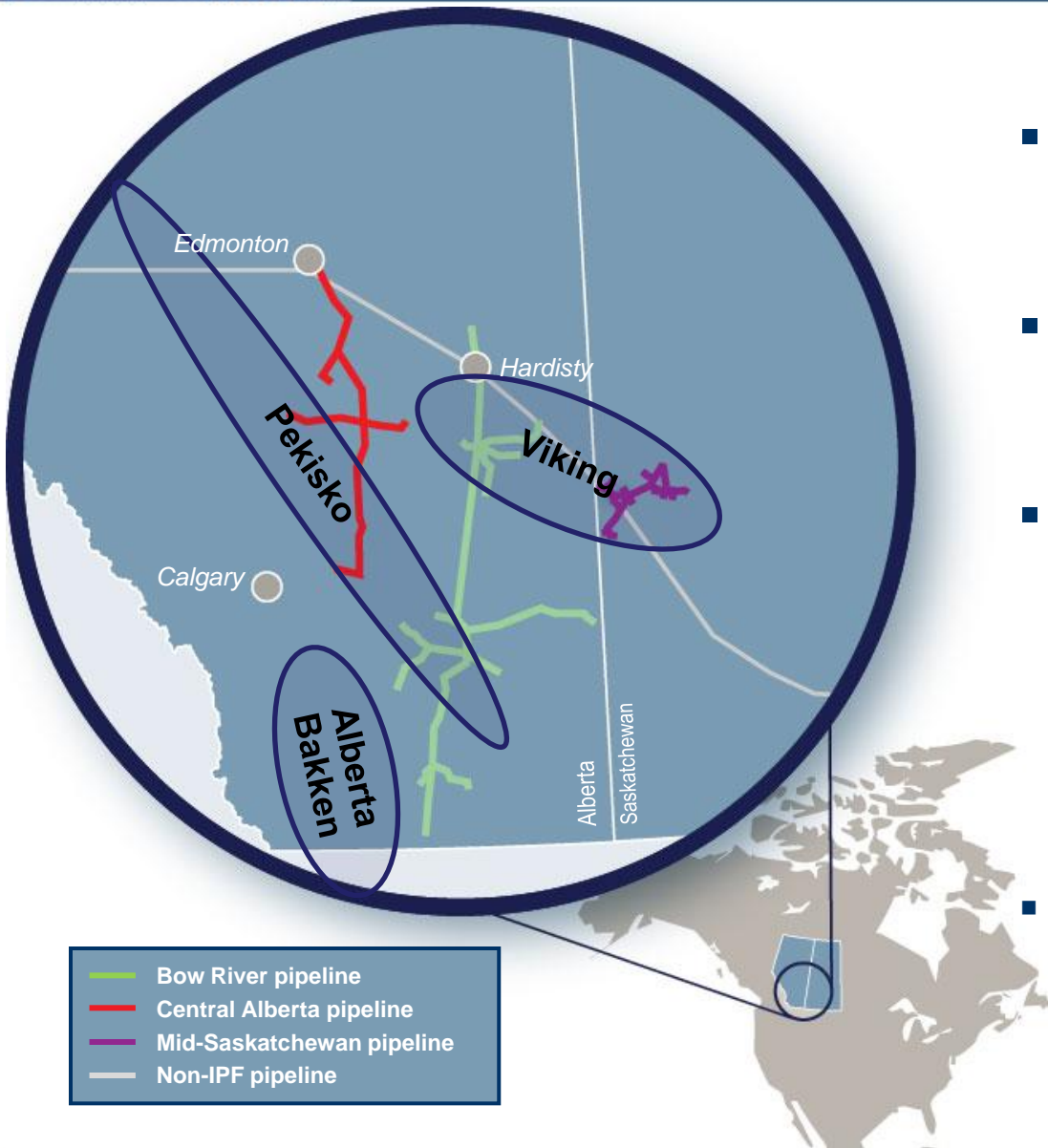
# Cold Lake Blend Volumes

(000's b/d)



Source: Peter's & Co. Limited, 100% Volume

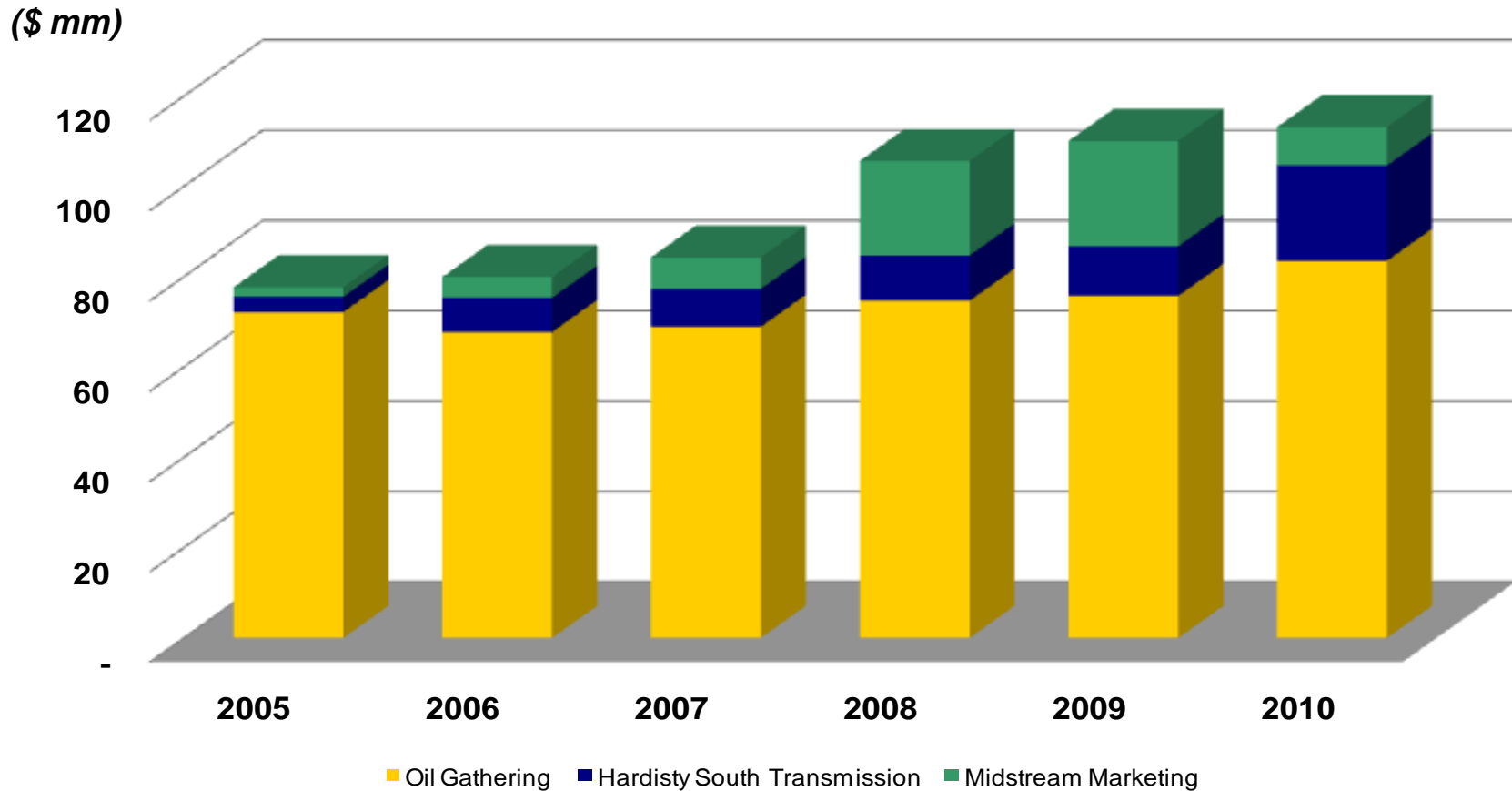
# Conventional Oil Pipelines



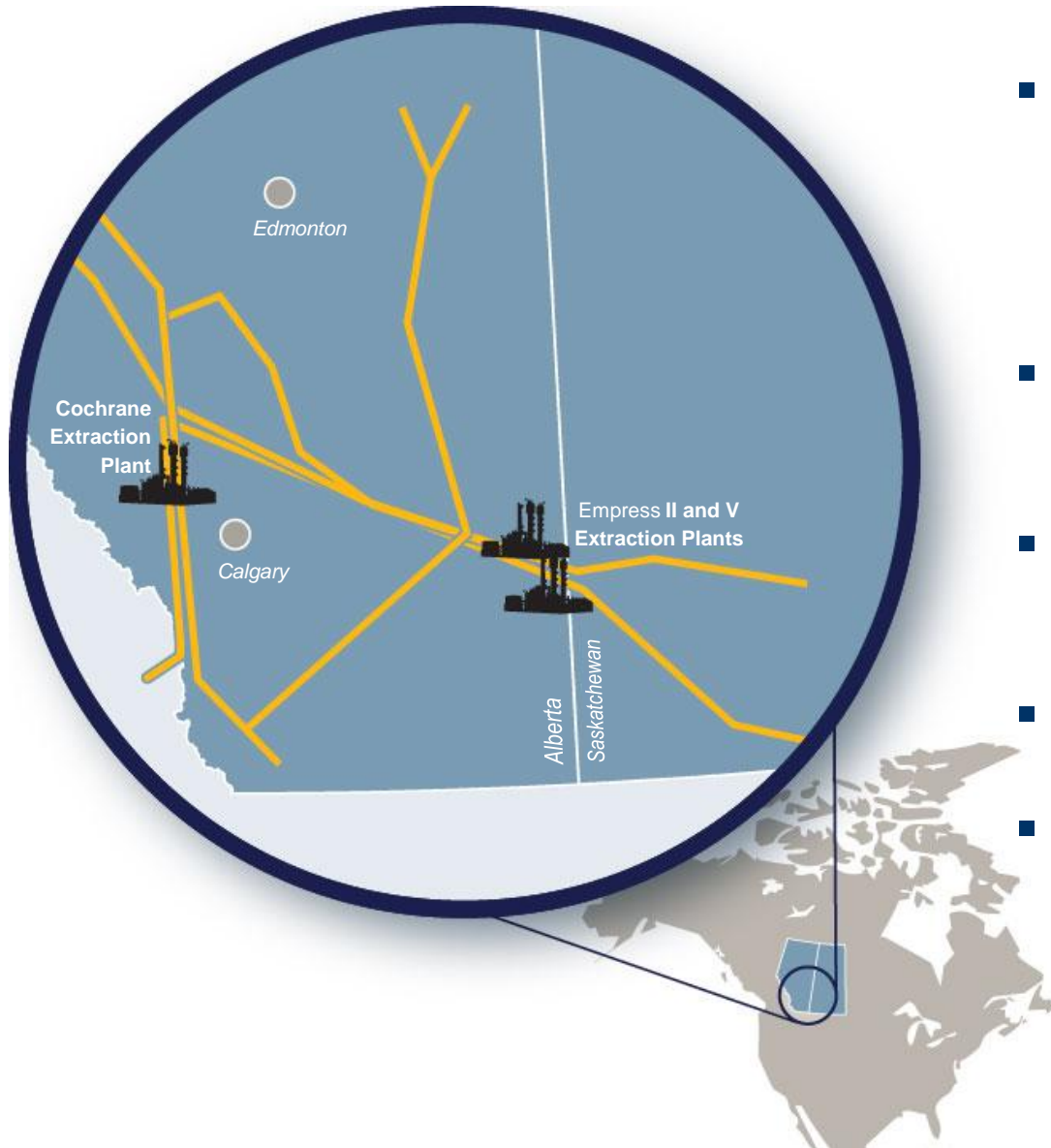
- 3,700 km of gathering and transmission pipelines
- Connected to 143 producer owned facilities
- 3 key business components:
  - ✓ Oil Gathering
  - ✓ Hardisty South Transmission
  - ✓ Midstream Marketing
- Transported 170,000 b/d in 2011

# Conventional Oil Pipelines

## Cash Flow Components



# NGL Extraction



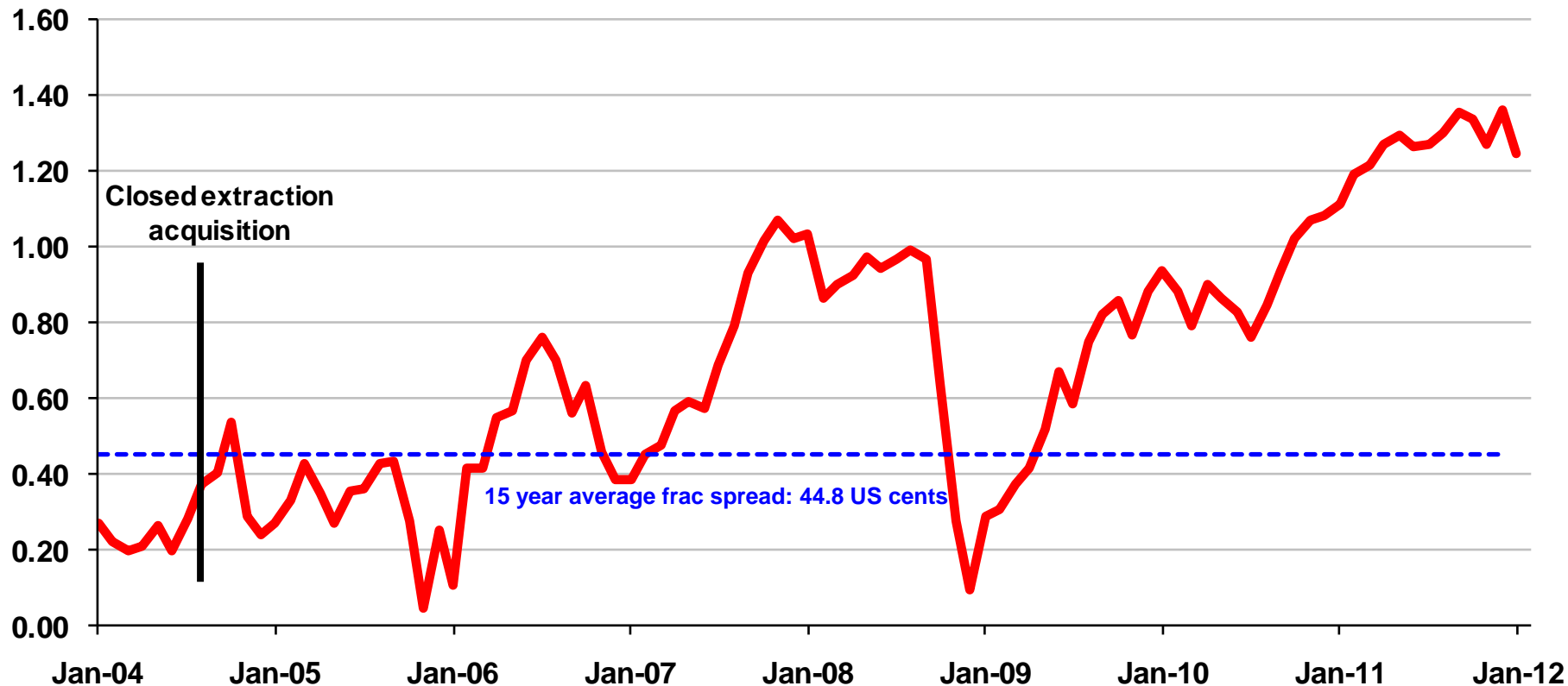
- Three large scale extraction plants produced 107,000 b/d of ethane and propane plus in 2011
- Largest ethane producer in Canada
- Strategically located on the TransCanada Alberta system
- 6.2 bcf/d capacity
- Customers:



# Historical Frac Spread

## Frac Spread: Mont Belvieu NGL less AECO Natural Gas

US \$ / US Gal



*Only applicable to propane plus sales from the Cochrane NGL Extraction facility*

# Bulk Liquid Storage

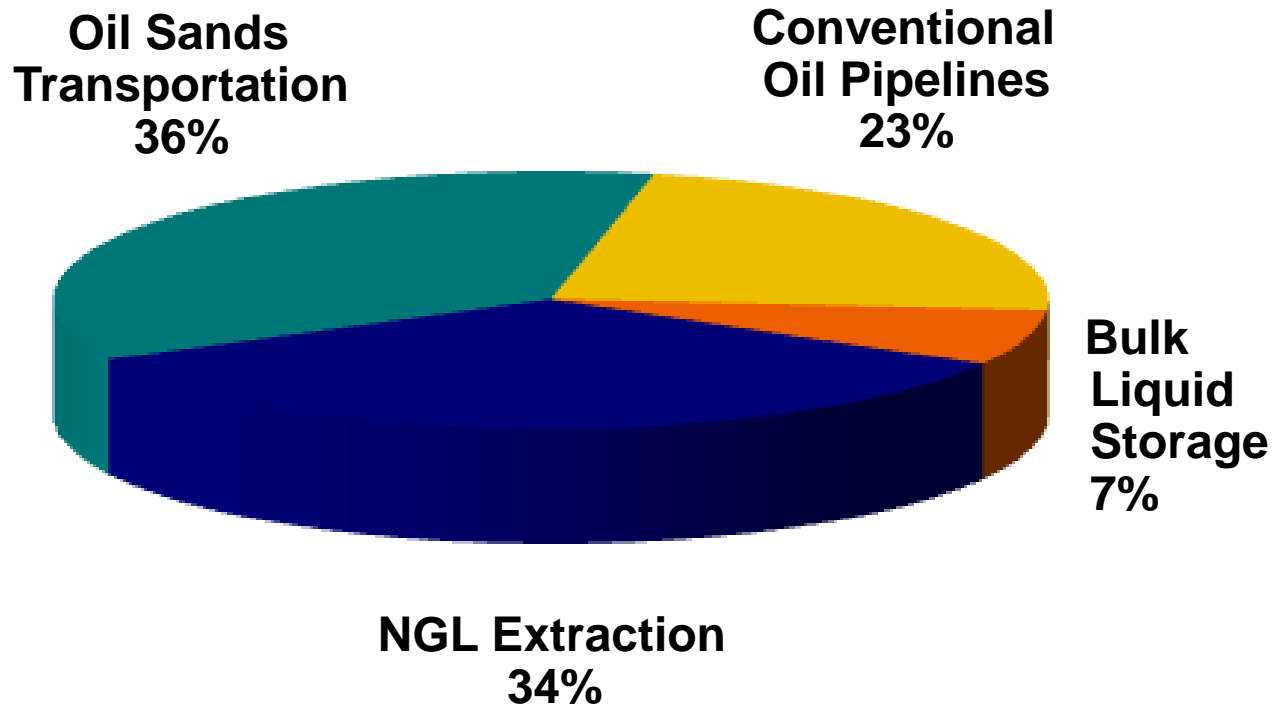


- Petroleum and petrochemical storage facilities
- Approximately 19 million barrels of storage capacity
- 12 multi-product terminals
- >97% average capacity utilization rate
- Fee based revenue structure

# Inter Terminals Acquisition Summary

- **Inter Pipeline has acquired Dong Energy Oil Terminals (DEOT); rebranded as Inter Terminals**
- **Four large scale coastal terminals with approximately 11 million barrels of storage capacity strategically located in the Danish Straits**
- **90% of revenue is fixed under fee based storage contracts**
- **Cash flow accretion of approximately \$0.10 per unit**
- **Purchase price of \$459 million**
- **Potential for material organic growth**

# Cash Flow by Business Segment

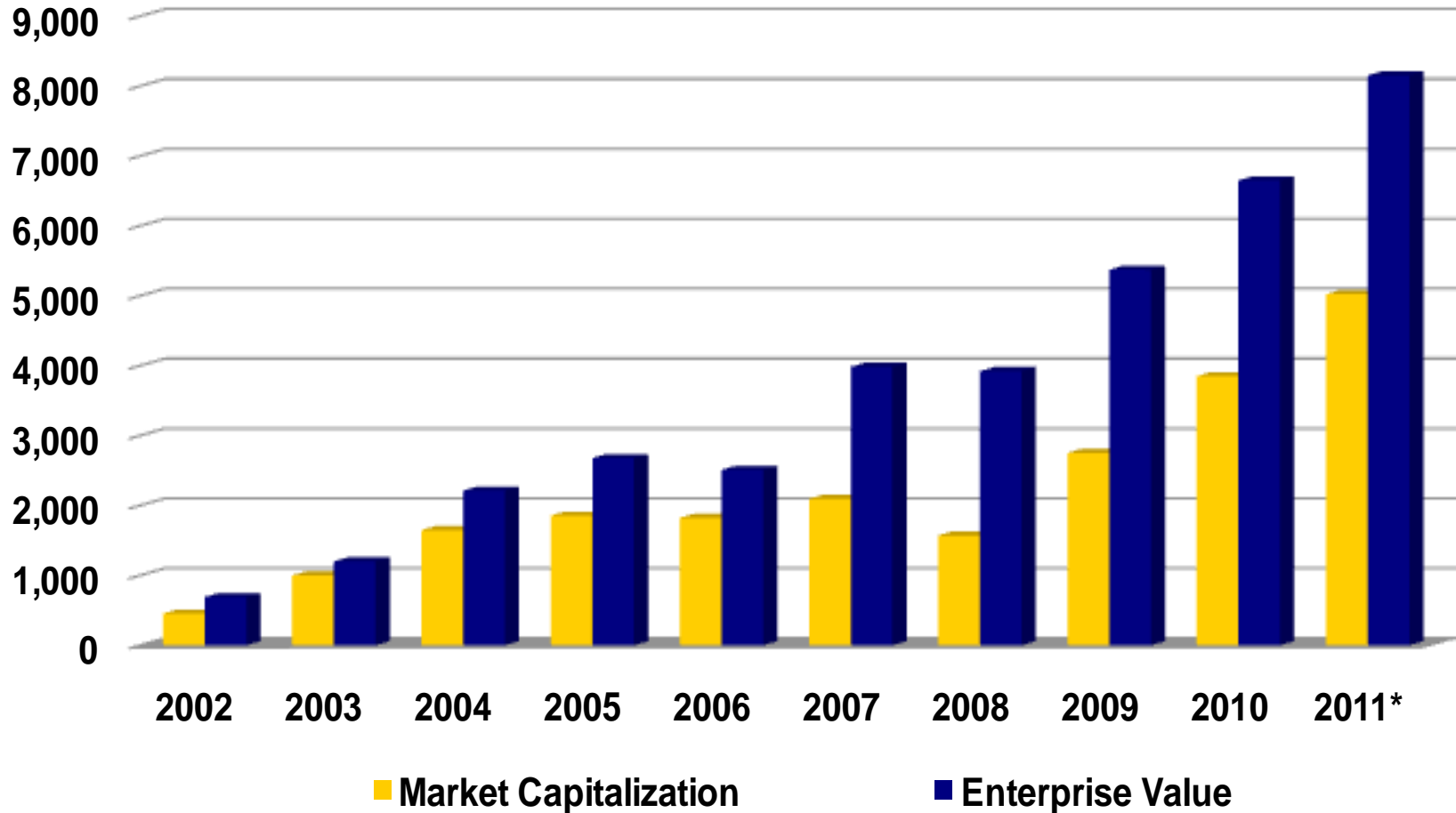


Total 2011 EBITDA was \$524.2MM

- **As at December 31, 2011:**
  - ✓ **Strong balance sheet and excellent access to capital markets**
  - ✓ **Low annual payout ratio of 63.9% before sustaining capital**
  - ✓ **Investment grade credit rating of BBB (high) by DBRS and BBB+ by S&P**
  - ✓ **Issued \$525 million of 7 year and 10 year unsecured medium term notes in the Canadian public debt market in 2011**
- **Successfully closed \$2.3 billion of committed long-term credit facilities in December 2011**

# Enterprise Value

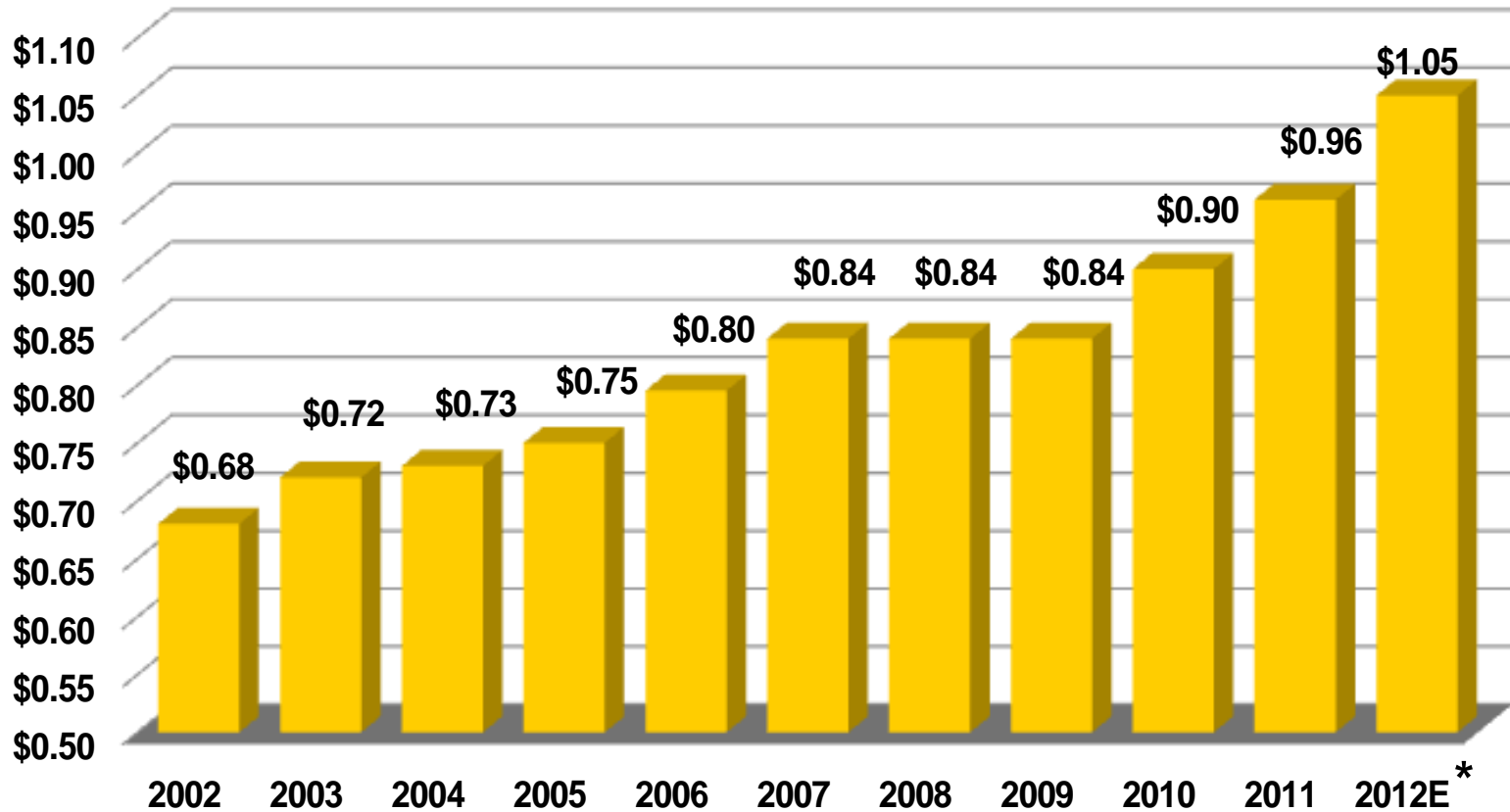
(\$ millions)



\* Includes \$459 million of debt from the January 2012 acquisition of the petroleum storage business in Denmark

# Cash Distribution Growth

\$/unit



*\*Based on distributions of \$0.0875/unit per month effective December 2011*

# Oil Sands Growth Opportunities

- **Cold Lake**

- ✓ **Future throughput growth from existing shippers**
- ✓ **Numerous expansion opportunities to attract third party volumes**



- **Corridor**

- ✓ **Multi-phase AOSP development**
- ✓ **Ultimate throughput capacity of 1,400,000 b/d**
- ✓ **Potential to attract third party volumes**



- **Polaris**

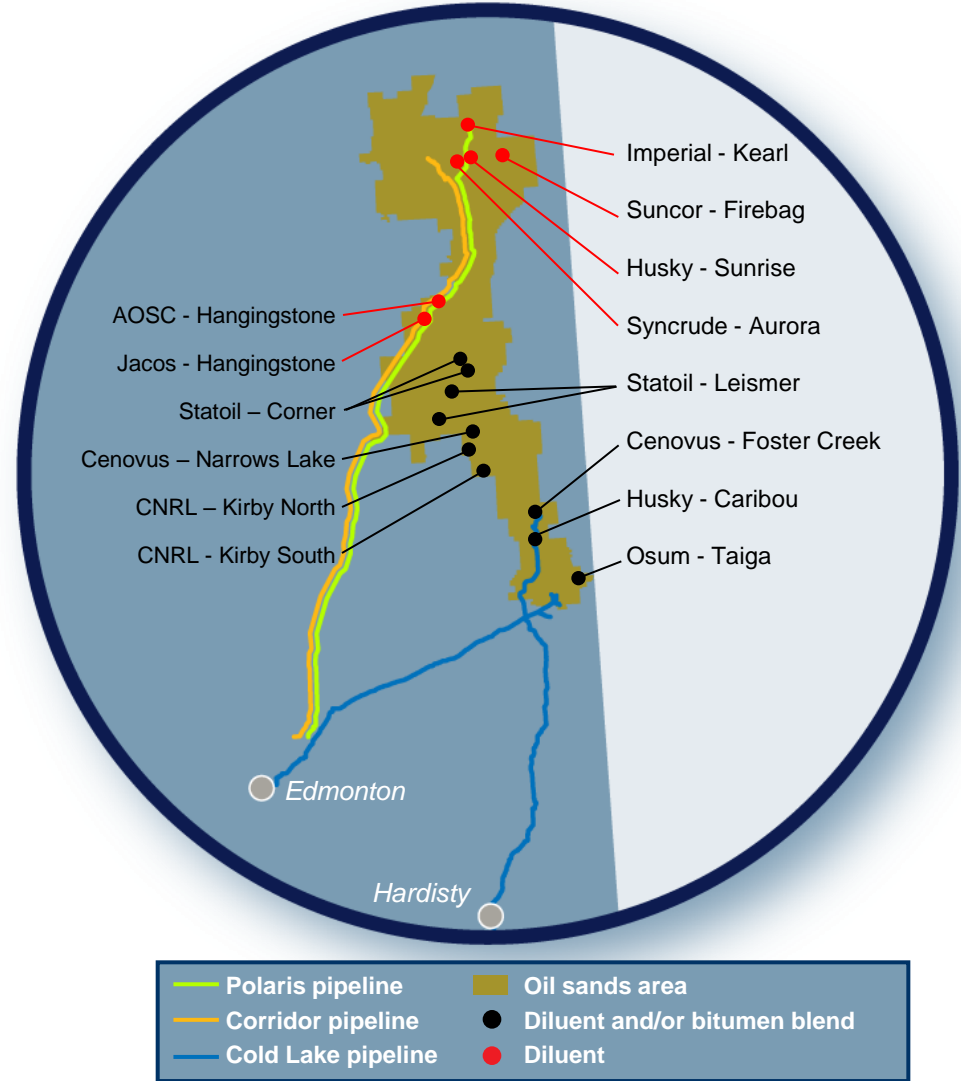
- ✓ **Strong demand for diluent by established and new oil sands producers**
- ✓ **Only diluent transportation system to the Athabasca oil sands region**



*Disclaimer: Information depicted does not represent opportunities Inter Pipeline is necessarily undertaking, nor does it imply that these opportunities will materialize. The intent of the slide is to depict possible development opportunities in the oil sands region based on management's current expectations, estimates, and projections about the future. Refer to slide "Forward-Looking Information".*

# Oil Sands Growth Opportunities

- Identified up to \$3 billion of potential development opportunities in the next 3 to 5 years
- Potential requirements for up to 1.7 million b/d of bitumen blend transportation capacity over the next ~10 years
- Total possible diluent requirements of up to 900,000 b/d



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# Other Growth Opportunities

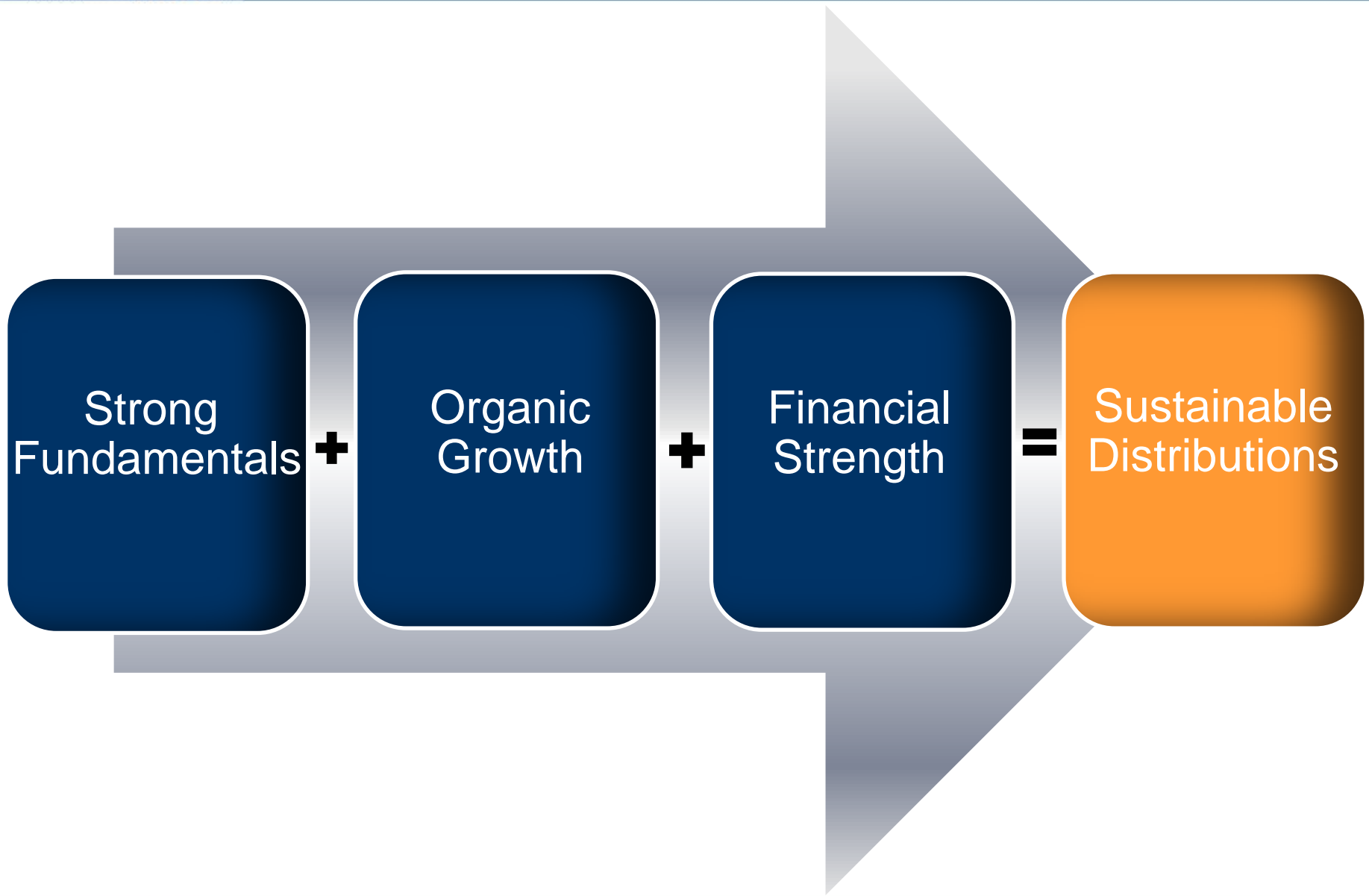
- **Conventional Oil Pipelines**
  - ✓ Horizontal drilling technology reviving mature oil fields such as Viking and Pekisko unconventional oil plays
  - ✓ CO<sub>2</sub> Enhanced Oil Recovery projects are in development in areas serviced by Inter Pipeline infrastructure
  - ✓ Future development of Bow River South transmission capability
- **NGL Extraction**
  - ✓ New technology-driven natural gas production growth, e.g. Horn River and Montney developments
  - ✓ Positioned to capture volume from northern natural gas developments
- **Bulk Liquid Storage**
  - ✓ Continuous organic development opportunities driven by high utilization rates
  - ✓ Potential expansion opportunities



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- **Continued focus on capturing major oil sands growth opportunities**
- **Oil sands transportation business expected to generate approximately 50% of consolidated EBITDA over the next few years**
- **Cash flows from fee-based and cost-of-service contracts alone should support future distributions to unitholders**
- **Well positioned to extend track record of distribution growth**

# Sustainable Performance



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