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## **Inter Pipeline Fund Announces Closing of \$173 Million Offering of Class A Limited Partnership Units**

**CALGARY, ALBERTA, JUNE 18, 2009:** Inter Pipeline Fund (Inter Pipeline) (TSX: IPL.UN) announced today that it has closed its previously announced equity offering (the "Offering") of 20,930,000 Class A limited partnership units ("Class A Units") at a price of \$8.25 per Class A Unit for gross proceeds of \$172,672,500. The Offering includes 2,730,000 Class A units issued pursuant to the full exercise of an over-allotment option granted to the underwriters. The offering was made on a bought deal basis through a syndicate of underwriters led by CIBC, as sole bookrunner, co-led by TD Securities Inc., and including BMO Capital Markets, RBC Capital Markets, Scotia Capital Inc., National Bank Financial Inc., HSBC Securities (Canada) Inc., Canaccord Capital Corp., Clarus Securities Inc., FirstEnergy Capital Corp., and Peters & Co. Limited.

The net proceeds of the Offering will initially be used by Inter Pipeline to reduce indebtedness under its credit facilities. Funds will be redrawn over the next several years to provide funding for certain previously announced organic investment opportunities. These attractive investments include providing diluent service to the Kearl oil sands project, oil segregation on the Bow River pipeline system and a required equity contribution relating to the Corridor pipeline system expansion project.

Inter Pipeline also expects to generate approximately \$130 million of equity capital annually under its new Premium Distribution<sup>TM</sup> and Distribution Reinvestment Plan. Accordingly, management believes that Inter Pipeline's balance sheet is now very well positioned to accommodate all currently planned organic growth projects.

The Offering of Class A Units is being made only in Canada by means of a short-form prospectus. The securities offered have not been and will not be registered under the United States Securities Act of 1933, as amended, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons.

<sup>TM</sup> denotes trademark of Canaccord Capital Corporation

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### **Inter Pipeline Fund**

Inter Pipeline is a major petroleum transportation, bulk liquid storage and natural gas liquids extraction business based in Calgary, Alberta, Canada. Structured as a publicly traded limited partnership, Inter Pipeline owns and operates energy infrastructure assets in western Canada, the United Kingdom, Germany and Ireland. Additional information about Inter Pipeline can be found at [www.interpipelinefund.com](http://www.interpipelinefund.com)

Inter Pipeline is a member of the S&P/TSX Composite Index. Class A Units trade on the Toronto Stock Exchange under the symbol IPL.UN.

### **Eligible Investors**

Only persons who are residents of Canada, or if partnerships are Canadian partnerships, in each case for purposes of the Income Tax Act (Canada) are entitled to purchase and own Class A Units of Inter Pipeline.

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**Disclaimer**

Certain information set forth above may contain forward-looking statements that involve risks and uncertainties. Readers are cautioned not to place undue reliance on forward-looking statements, including the anticipated use of the net proceeds of the Offering, and on statements regarding how much capital a Premium Distribution™ plan might raise. Such information, although considered reasonable by the General Partner of 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 and the ability to access sufficient 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](http://www.sedar.com). The intended use of proceeds of the Offering by Inter Pipeline might change if the Board of Directors of the General Partner determines it would be in the best interests of Inter Pipeline to deploy the net proceeds for other purposes. Except to the extent expressly 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.