

CRUDE OIL

17%  
2017 Annual  
EBITDA

# CONVENTIONAL OIL PIPELINES



## SEGMENT OVERVIEW

Inter Pipeline's Conventional Oil Pipelines business involves the transportation of petroleum products, and related blending and handling services in both Alberta and Saskatchewan. It is comprised of the 100% owned Mid-Saskatchewan, Bow River and Central Alberta pipeline systems, which in total have 3,900 kms of pipeline and over 1.3 million barrels of storage capacity. Inter Pipeline also carries out midstream marketing activities related to the optimization of crude streams on each of our three pipeline systems. During 2017 we transported approximately 208,000 b/d of crude oil and serviced over 100 producers in Western Canada.

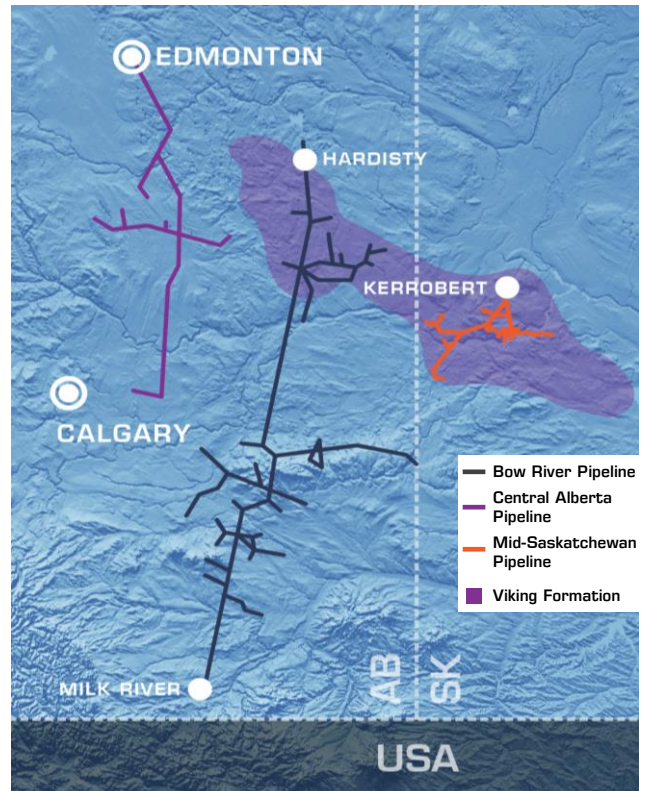
## MILESTONES

- 2010** Completed a \$72 million expansion of the Bow River pipeline system to enhance delivery capabilities to Milk River, Alberta
- 2012** Internalized midstream marketing activities to fully optimize assets and generate increased revenue
- 2015** Completed a \$112 million expansion of the Mid-Saskatchewan pipeline system that added 95,000 b/d of new transportation capacity
- 2016** Completed a \$59 million 400,000 barrel crude oil storage expansion project at the Kerrobert terminal in Saskatchewan
- 2016** Executed a 10-year 32,500 b/d take-or-pay agreement on the Bow River pipeline system with CHS Inc.

## PIPELINE SYSTEMS

(000's b/d)	Product	2017 Throughput
Bow River	Crude Oil	91
Mid-Saskatchewan	Heavy Blend & Light Sweet Crude Oil	91
Central Alberta	Light Sour Crude Oil	26
<b>Total</b>		<b>208</b>

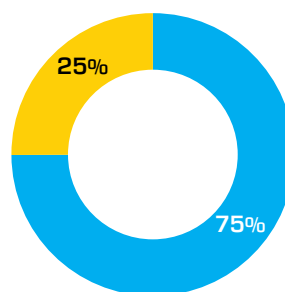
## AREA OF OPERATIONS



# CONTRACTUAL FRAMEWORK AND EBITDA GENERATION

Conventional oil pipeline services are generally provided through short-term fee based transportation contracts with a fixed tolling arrangement. Inter Pipeline also engages in midstream marketing activities that capitalize on crude pricing differentials. Midstream marketing EBITDA is classified as commodity based, however such activities are managed to capture incremental value without taking a speculative view on commodity pricing.

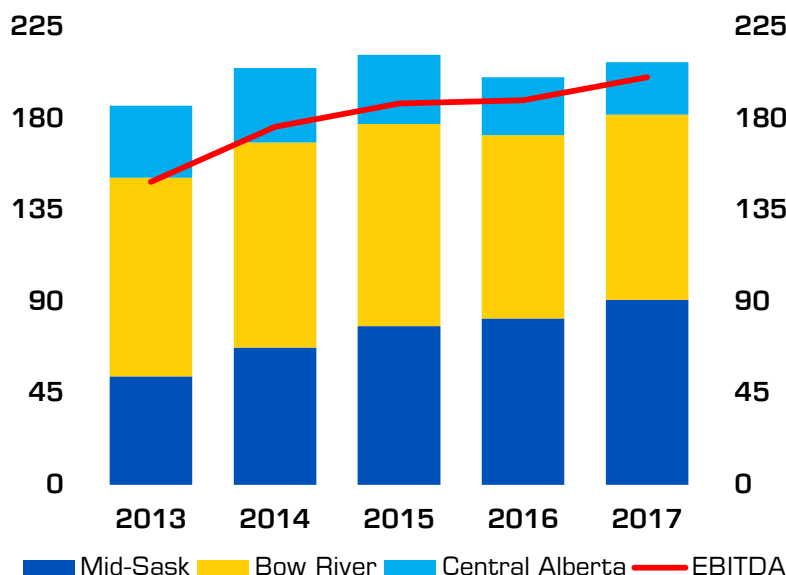
## 2017 EBITDA<sup>1</sup>



- Cost of Service:**
  - No volume or commodity price exposure
- Fee Based:**
  - Volume exposure but no commodity price risk
- Commodity Based:**
  - Volume and commodity price exposure

## Throughput (000's b/d)

## EBITDA<sup>1</sup> (\$CAD Million)



## 2017 Contract Summary

Length	Typically short-term
Counterparties	100+ producers

## 2017 Significant Customers



# CONVENTIONAL OIL PIPELINES FINANCIAL HIGHLIGHTS

(\$CAD Million)	2013	2014	2015	2016	2017
Revenue	\$302	\$364	\$322	\$365	\$517
EBITDA <sup>1</sup>	\$149	\$176	\$188	\$189	\$201
% of Total Consolidated EBITDA	24%	25%	19%	18%	17%
Capital expenditures <sup>2</sup>	\$17	\$53	\$131	\$57	\$33

<sup>1</sup> See Non-GAAP Financial Measures section of Inter Pipeline's most recent Management's Discussion and Analysis

<sup>2</sup> Capital expenditures include growth, sustaining and acquisition capital



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