

# 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 2018 we transported 201,100 b/d of crude oil and serviced over 100 producers in Western Canada.

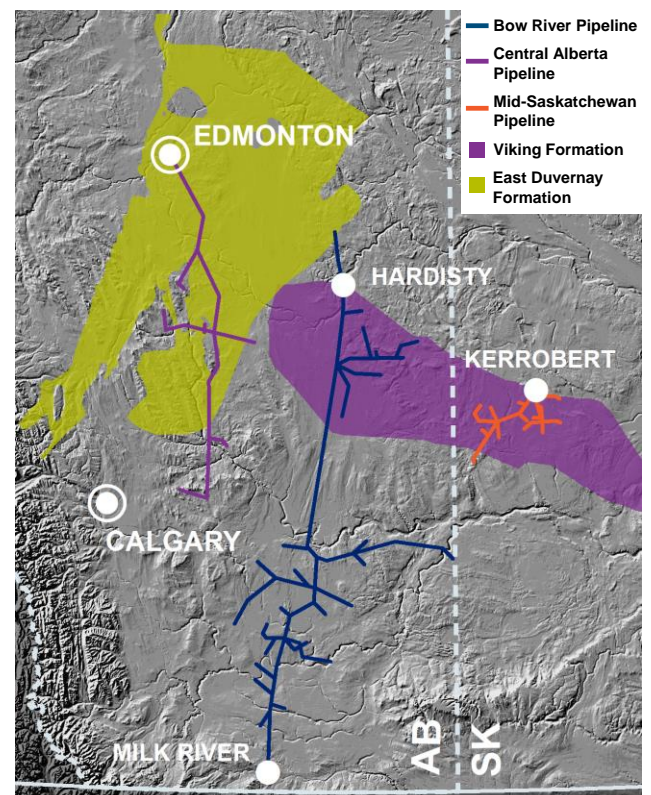
## PIPELINE SYSTEMS

(000's b/d)	Product	2018 Throughput
Bow River	Crude Oil	90
Mid-Sask	Heavy Blend & Light Sweet Crude Oil	82
Central Alberta	Light Sour & Light Sweet Crude Oil	29
<b>Total</b>		<b>201</b>

## MILESTONES

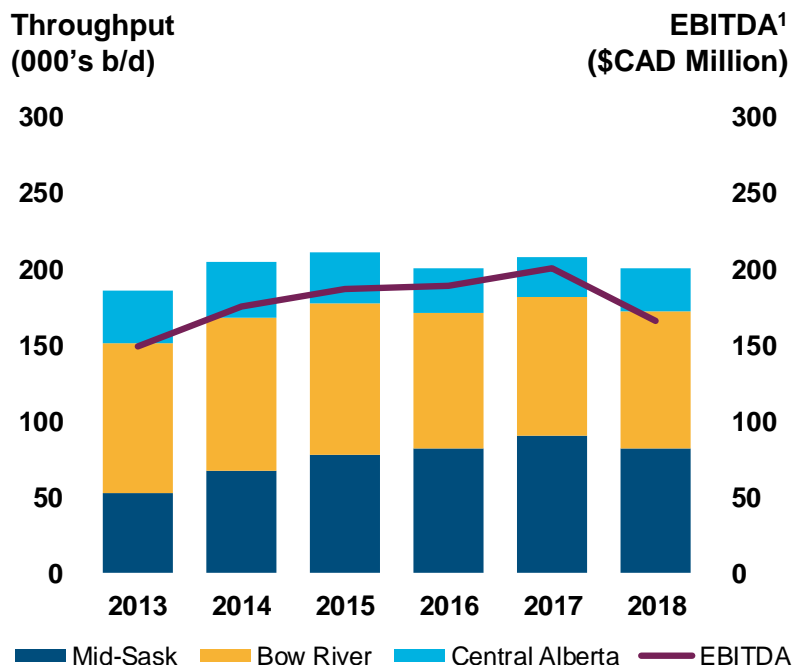
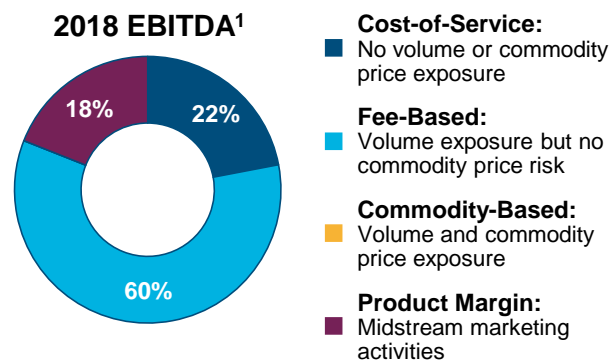
- 2010** Completed a \$72 million expansion of the Bow River pipeline to enhance delivery capabilities to Milk River, Alberta
- 2012** Internalized midstream marketing activities to fully optimize assets and generate increased revenue
- 2015** Completed a \$112 million expansion of the Mid-Saskatchewan pipeline 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 with CHS Inc.
- 2018** Approved a \$82 million expansion of the Central Alberta system, including 260,000 barrels of storage and additional truck unloading capacity

## AREA OF OPERATIONS



## CONTRACTUAL FRAMEWORK AND EBITDA GENERATION

Conventional oil pipeline transportation services are generally provided through short-term fee-based contracts, with a fixed tolling arrangement. Inter Pipeline also generates EBITDA through cost-of-service transportation agreements, as well as midstream marketing activities that capitalize on crude pricing differentials. Such activities are managed to capture incremental value without taking a speculative view on commodity pricing.



### 2018 Contract Summary

Length	Typically short-term
Counterparties	100+ producers

### 2018 Significant Customers



## CONVENTIONAL OIL PIPELINES FINANCIAL HIGHLIGHTS

(\$CAD Million)	2013	2014	2015	2016	2017	2018
Revenue	\$302	\$364	\$322	\$365	\$517	\$697
EBITDA <sup>1</sup>	\$149	\$176	\$188	\$189	\$201	\$167
<b>% of Total Consolidated EBITDA</b>	24%	25%	19%	18%	17%	13%
Capital expenditures <sup>2</sup>	\$17	\$53	\$131	\$57	\$33	\$43

<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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