



INTER PIPELINE FUND

Distribution Reinvestment and Optional Unit Purchase Plan

Features of the Plan include the following:

- holders ("**Unitholders**") of Class A limited partnership units ("**Units**") of Inter Pipeline Fund (the "**Partnership**") who are Eligible Investors (as defined below) may elect to reinvest their cash distributions in Units acquired through the facilities of the Toronto Stock Exchange (the "**TSX**") or, at the discretion of the Partnership, in new Units.
- Units will be acquired or issued at prevailing market rates and will be credited to the participant's account.
- Participants in the Plan may make optional payments of up to a maximum of \$100,000 per calendar year and a minimum of \$500 per cash distribution date to purchase new Units.
- Participants do not pay any costs associated with the Plan (as defined below) including the payment of brokerage commissions.
- Full investment of all funds is possible since fractional Units are also credited to the participant's account.
- Statements of account will be mailed to each participant following each investment.
- Reinvestment of cash distributions does not affect tax liability.
- If Unitholders do not participate, cash distributions will continue to be paid in the usual manner.

Purpose

The Distribution Reinvestment and Optional Unit Purchase Plan (the "**Plan**") allows eligible holders of Units to conveniently purchase additional Units by re-investing their cash distributions.

Participation

Except as described below, a registered holder of Units is eligible to join the Plan at any time by completing an authorization form and sending it to Computershare Trust Company of Canada (the "**Plan Agent**"). Beneficial owners of Units whose Units are registered in the name of another person such as a broker, investment dealer, financial institution or other nominee, may participate in the Plan after having their Units transferred into their own names or by directing the registered holder to enrol their account in the Plan. Beneficial owners of Units should contact their broker, investment dealer, financial institution or other nominee who holds their Units to provide instructions on how they would like to participate in the Plan.

Once a holder of Units has enrolled in the Plan, participation continues automatically unless terminated in accordance with the terms of the Plan. Beneficial owners of Units which are registered through a nominee in the name of CDS & Co. may need to elect to participate monthly.

A registered holder shall become a participant in the Plan in regard to the investment of distributions as of the first distribution record date (a "**Record Date**") following receipt by the Plan Agent of a duly completed authorization form no later than five business days prior to the Record Date. Beneficial owners of Units which are registered through a nominee in the name of CDS & Co., or its nominee, must deliver such Authorization Form to CDS & Co. no later than six business days prior to such Record Date and also prior to such other deadline as may be set by CDS & Co. from time to time. If an authorization form is received by the Plan Agent later than five business days prior to the Record Date for a particular cash distribution, the cash distribution will be paid to the holder of Units in the usual manner and participation in the Plan with regard to cash distributions will commence with the next Record Date.

Further payments may be made by any participant in the Plan by forwarding a certified cheque or money order to the Plan Agent in Canadian dollars payable to Computershare Trust Company of Canada together with an optional cash payment form. Optional cash payments may be made at any time but only those payments received five or more business days before a Record Date, will be applied to the purchase of Units on the cash distribution payment date ("**Cash Distribution Date**") for that Record Date. Payments received four or less business days before, or on or after, a Record Date, will be held by the Plan Agent for investment on the Cash Distribution Date following the next Record Date. Neither the Plan Agent nor the Partnership has any obligation to or will pay interest on these funds.

There is no obligation to make an optional cash payment and the amount (subject to the limit stipulated above) may vary from time to time. Applicable securities laws restrict the number of Units which may be issued each fiscal year pursuant to optional cash payment to not more than 2% of the number of issued and outstanding Units. Once that limit is reached, optional cash payments will not be accepted until the next fiscal year and cash payments received for the current Cash Distribution Date will be invested pro rata. Any excess funds will be returned to Unitholders.

Like investment in the Units, the Plan is not available to persons who are not Eligible Investors. An "Eligible Investor" is a person other than a person who is, or who acts on behalf of a person who will have a beneficial interest in Units who is, in either case, (i) a "non-resident" within the meaning of the *Income Tax Act* (Canada) and the regulations thereunder, as amended (the "**Tax Act**") or a partnership that is not a "Canadian partnership" under the Tax Act, or (ii) a person an interest in which would be a "tax shelter investment" as defined in the Tax Act.

Method of Purchase

Cash distributions payable on the Units registered in the Plan, will be applied automatically on each Cash Distribution Date to the purchase of Units either through the facilities of the TSX following the Cash Distribution Date or, at the discretion of the Partnership, from treasury.

Optional cash payments to the Plan will be applied to the purchase of additional new Units on the Cash Distribution Date following Record Dates where completed authorization forms have been received. A participant's account will be credited with the number of new Units, including fractions computed to six decimal places, which is equal to the amounts to be invested for such participant divided by the applicable purchase price. Full investment of funds under the Plan is possible because fractions of Units as well as whole Units are credited to a participant's account. The rounding of any fractional interest is determined by the Plan Agent using such method as it deems appropriate in the circumstances.

Units issued or purchased pursuant to the Plan will initially be registered in the name of Computershare Trust Company of Canada, in its capacity as administrative agent for the participants. If Computershare Trust Company of Canada ceases to act as the administrative agent under the Plan, another administrative agent will be designated by the Partnership.

Price of New Units

The price at which the participants purchase new Units under the Distribution Reinvestment Plan will be based upon the weighted average price at which Units are acquired through the facilities of the TSX for the purposes of the Plan within 10 trading days following the Cash Distribution Date. In the event that the Partnership elects not to purchase any Units through the facilities of the TSX in respect to any Cash Distribution Date, but to issue new Units from treasury, the price at which the new Units shall be issued will be 95% of the weighted average price of all Units traded on the TSX on the 10 trading days preceding the Cash Distribution Date. The price of new Units purchased with the optional cash payments will be 100% of the weighted average price of all Units traded on the TSX on the 10 trading days preceding the Cash Distribution Date.

Costs

There is no charge to participants for reinvesting distributions. The Plan Agent's fees for handling the reinvestment of distributions will be paid by the Partnership. There will be no brokerage charges with respect to Units either issued directly from treasury or open market purchases.

Statement of Account

The Plan Agent will maintain an account for each participant in the Plan. A statement of account will be mailed by the Plan Agent to each participant approximately three weeks after each purchase of Units for a participant's account. This statement will set out the amount of the cash distributions paid on the participant's Units for the relevant period, the total amount of any optional cash payments received from the participant during the period, the number of new Units purchased through the Plan for the period, the dates of these purchases, the applicable purchase price per Unit and the updated total number of Units being held for the participant in the Plan. These statements are a participant's continuing record of the cost of purchases and should be kept for tax purposes. In addition, each participant will receive the appropriate information annually for reporting distributions for tax purposes.

Unit Certificates

Certificates for new Units purchased through the Plan will be held by the Plan Agent for participants and reported on the statement of account. This service protects against loss, theft or destruction of Unit certificates. However, participants who require a Unit certificate but who do not wish to terminate participation in the Plan, may obtain a certificate for any number of whole Units held in their account by duly completing a withdrawal request form and delivering it to the Plan Agent no later than five business days prior to the Record Date. A certificate will not be issued for a fraction of a Unit.

Plan accounts are maintained in the names in which certificates were registered with the Partnership at the time the participant enrolled in the Plan. Consequently, certificates for whole Units withdrawn from the Plan will be registered in exactly the same manner when issued.

Units being held for a participant in the Plan may not be pledged, sold or otherwise disposed of by a participant. The participant who wishes to do so must request that a certificate for the required number of Units be issued before such action may be taken. Certificates will generally be issued to participants within two weeks of receipt by the Plan Agent of a participant's written request. Both the new

certificated Units and the Units remaining in a participant's account will continue to receive cash distribution reinvestment.

Termination of Participation

Participation in the Plan may be terminated by duly completing a termination request form and delivering it to the Plan Agent, signed by the registered holder or his or her agent. If such notice is not signed by the registered holder, sufficient evidence of another's authority to act on behalf of the registered holder must be supplied. The termination request form must be received by the Plan Agent at least five business days before the Record Date, otherwise settlement of the participant's account will not commence until after the investment has been completed and statements generated.

Generally, a termination will be processed within three weeks of receipt by the Plan Agent of a termination request form or within two weeks after the investment has been completed.

When a participant terminates participation in the Plan or when the Plan is terminated by the Partnership, the participant will receive a certificate for the whole Units held in the participant's account, a cash payment for any fraction of a Unit and the return of any uninvested optional cash payments. The cash payment for any fraction of a Unit will be based on the sale price of the Units as confirmed by the Plan Agent less commission costs or the sale price as at the date of termination of the Plan by the Partnership, as the case may be. Participation in the Plan will be terminated upon receipt by the Plan Agent of evidence of the death of a participant and written instructions to terminate from the person acting in a representative or fiduciary capacity. Such request must be accompanied by satisfactory evidence of their proof of appointment and authority to act. In such case, a certificate for the whole Units in the participant's account will be issued in the name of the estate of the deceased participant along with cash payments for any fractional Units. Requests for issuance of a certificate and a cash payment for any fractional Units in the name of an estate must be accompanied by appropriate documentation.

After termination of participation in the Plan, all cash distributions will be paid to the holder of the Units in cash.

Disposition of Units Held in Certificate Form

If a participant sells or transfers all of his or her Units held in certificate form that are enrolled in the Plan, the Plan Agent will continue to invest the cash distribution of the remaining Units being held for the participant in the Plan until a notice of termination is received by the Plan Agent.

Offerings

If the Partnership makes available to its registered holders of Units any rights to subscribe for additional Units or other securities, rights and certificates will be forwarded to participants in the Plan in proportion to the number of whole Units being held for them. Such rights will not be made available for any fraction of a Unit held for a participant.

Unit Distributions and Unit Splits

Any Unit distribution (other than a Unit distribution paid as a result of participation in the Plan) and any Units resulting from a Unit split, will be credited to the participant's account based on the whole and fractional Units being held for the participant in the Plan. Certificates for whole Units resulting from such a Unit distribution or Unit split on Units held in certificate form by a Plan participant will be mailed directly to the participant in the same manner as to holders of Units who are not participating the Plan.

Unit Voting

Units held for a participant's account under the Plan are voted in the same manner as Units held in certificate form, either by proxy or by the participation in person. Units for which instructions are not received, will not be voted.

Responsibility of the Partnership and the Plan Agent

Neither the Partnership nor the Plan Agent shall be liable for any act undertaken or omitted in good faith, or have any duties, responsibilities or liabilities except as are expressly set forth in the Plan or are required by law. In particular, the Partnership and the Plan Agent must comply with all applicable laws now or hereafter in force which may impose a duty to permit any properly authorized party to have access to and examine and make copies of any records relating to the Plan.

The Plan Agent shall only purchase Units once it has confirmation of receipt of sufficient funds to acquire the Plan Units. Additionally, without limiting the generality of the foregoing, neither the Partnership nor the Plan Agent shall have any liability with respect to the prices at which Plan Units are purchased for the participants' accounts, the times at which such purchases are made and the sale of any Units or arising out of failure to terminate a participant's account.

Participants should recognize that neither the Partnership nor the Plan Agent can assure a profit or protect against a loss on Units purchased under the Plan.

Amendment, Suspension or Termination of the Plan

The Partnership reserves the right to amend, suspend or terminate the Plan at any time, but such action shall have no retroactive effect which should prejudice the interests of the participants. Participants will be sent written notice of any such amendment, modification, suspension or termination. If the Plan is terminated by the Partnership, participants will receive a certificate for whole Units being held for them, a cash payment for any fraction of a Unit and the return of any uninvested cash payments as soon as practicable.

Any amendment to the Plan will be subject to the receipt of all necessary regulatory approvals including, without limitation, the approval of the TSX if the Units are listed on such exchange on the date of the amendment.

Notices

All notices required to be given to a participant in the Plan will be mailed to the participant at the most recent address shown on the records of the Partnership.

All communications to the Plan Agent regarding the Plan and requests for forms or information regarding the Plan, should be directed to:

COMPUTERSHARE TRUST COMPANY OF CANADA

100 University Avenue, 9th Floor

Toronto, Ontario M5J 2Y1

Attention: Dividend Reinvestment Department

Phone: 1-800-564-6253

Facsimile: 1-888-453-0330

Email: service@computershare.com

Website: www.computershare.com

Use of Proceeds

Proceeds received by the Partnership from the issuance of new Units under the Plan will be used for general purposes.

Effective Date

The effective date of this Plan is May 20, 2003.

INTER PIPELINE FUND
DISTRIBUTION REINVESTMENT AND OPTIONAL UNIT PURCHASE PLAN

AUTHORIZATION FORM
(please detach)

To: **COMPUTERSHARE TRUST COMPANY OF CANADA**
100 University Avenue, 9th Floor
Toronto, ON M5J 2Y1
Attention: Dividend Reinvestment Department

To be completed by the REGISTERED HOLDER of Units of Inter Pipeline Fund.

If you are a beneficial owner of Units of Inter Pipeline Fund and wish to participate in the Plan, contact your broker, investment dealer, financial institution or other nominee who holds your Units to provide instructions on how you would like to participate in the Plan.

I hereby apply to participate in the Distribution Reinvestment and Optional Unit Purchase Plan of Inter Pipeline Fund (the "Partnership") and hereby authorize the Partnership to forward all cash distributions paid on all Units registered in my name now or in future to Computershare Trust Company of Canada to be dealt with in accordance with terms and conditions of the Plan.

I am an Eligible Investor and the Units held in my name are not held for the benefit of any person who is not an Eligible Investor (Note 1).

Date

Name of Unitholder
(Note 2) (Please print)

Address of Unitholder
(Please print)

Signature of Unitholder
(Notes 3 and 4)

Notes:

1. An "Eligible Investor" is a person other than a person who is, or who acts on behalf of a person who will have a beneficial interest in Units who is, in either case, (i) a "non-resident" within the meaning of the *Income Tax Act* (Canada) and the regulations thereunder, as amended (the "Tax Act") or a partnership that is not a "Canadian partnership" under the Tax Act, or (ii) a person an interest in which would be a "tax shelter investment" as defined in the Tax Act.
2. If you have Units held in more than one account, a separate authorization form must be completed for each account in respect of which you wish to participate in the Plan.
3. Signatures must correspond exactly to the name(s) in which the Units are registered.
4. Where an authorization form is executed on behalf of a corporation, partnership, association, agency, estate, trust, etc., Computershare Trust Company of Canada may require submission of satisfactory evidence of authority of the person executing the form.

INTER PIPELINE FUND
DISTRIBUTION REINVESTMENT AND OPTIONAL UNIT PURCHASE PLAN

OPTIONAL CASH PAYMENT FORM
(please detach)

To: **COMPUTERSHARE TRUST COMPANY OF CANADA**
100 University Avenue, 9th Floor
Toronto, ON M5J 2Y1
Attention: Dividend Reinvestment Department

To be completed by the REGISTERED HOLDER of Units of Inter Pipeline Fund.

Please complete, sign below and return this form no later than five business days prior to the Record Date to Computershare Trust Company of Canada at the address set forth above, together with a certified cheque, bank draft or money order made payable to "Computershare Trust Company of Canada", if you wish to make an optional cash payment in accordance with the Plan.

Enclosed is an optional cash payment in the amount of \$ ----- in immediately available Canadian funds payable to "Computershare Trust Company of Canada" (which payment must be at least \$500 and not more than \$100,000). I hereby direct Computershare Trust Company of Canada, as Plan Agent under the Plan, to invest the enclosed payment in additional Units of Inter Pipeline Fund (the "Partnership") in accordance with the terms and conditions of the Plan. I hereby confirm my understanding that any distributions received on Units of the Partnership held for my account under the Plan will automatically be reinvested in additional Units of the Partnership in accordance with the Plan.

I am an Eligible Investor and the Units held in my name are not held for the benefit of any person who is not an Eligible Investor (Note 1).

If you are a broker, investment dealer, financial institution or other nominee holding Units on behalf of one or more beneficial owners of the Units, you hereby make the following declaration.

Declaration by Nominee Holder: I am a broker, investment dealer, financial institution or other nominee holding Units on behalf of one or more beneficial owners of the Units. I hereby certify and declare that: (i) I am making this optional cash payment on behalf of one or more beneficial owners of Units that are registered in my name; (ii) I have applied to participate in the distribution reinvestment component of the Plan on behalf of each such beneficial owner; and (iii) at least \$500 and not more than \$100,000 per calendar year is being paid on behalf of each beneficial holder.

Date, FINS Number, Broker Number

Name of Unitholder
(Note 2) (Please print)

Address of Unitholder
(Please print)

Signature of Unitholder
(Notes 3 and 4)

Telephone Number of Unitholder

Notes:

5. An "Eligible Investor" is a person other than a person who is, or who acts on behalf of a person who will have a beneficial interest in Units who is, in either case, (i) a "non-resident" within the meaning of the *Income Tax Act* (Canada) and the regulations thereunder, as amended (the "Tax Act") or a partnership that is not a "Canadian partnership" under the Tax Act, or (ii) a person an interest in which would be a "tax shelter investment" as defined in the Tax Act.
6. Signatures must correspond exactly to the name(s) in which the Units are registered.
7. Where an authorization form is executed on behalf of a corporation, partnership, association, agency, estate, trust, etc., Computershare Trust Company of Canada may require submission of satisfactory evidence of authority of the person executing the form.

INTER PIPELINE FUND
DISTRIBUTION REINVESTMENT AND OPTIONAL UNIT PURCHASE PLAN

TERMINATION REQUEST FORM

(please detach)

To: **COMPUTERSHARE TRUST COMPANY OF CANADA**
100 University Avenue, 9th Floor
Toronto, ON M5J 2Y1
Attention: Dividend Reinvestment Department

To be completed by the REGISTERED HOLDER of Units of Inter Pipeline Fund.

The undersigned Unitholder hereby gives notice to, and directs, Computershare Trust Company of Canada (the "Plan Agent") to cancel the undersigned's enrolment in the Distribution Reinvestment and Optional Unit Purchase Plan (the "**Plan**") of Inter Pipeline Fund..

The undersigned hereby directs the Plan Agent to forward the assets in my account to which I am entitled pursuant to the terms of the Plan as follows:

◆ Please forward a Unit certificate to me, registered in my name as set forth below, for all of the whole Units in my account. I understand that any fractional Units in my account will be converted to cash and forwarded to me, with any cash in my account, by cheque.

Please note: No termination will be processed between the Record Date and the completion of the investment period.

Date

Name of Unitholder
(Please print)

Address of Unitholder
(Please print)

Signature of Unitholder
(Notes 1 and 2)

Notes:

1. Signatures must correspond exactly to the name(s) in which the Units are registered.
2. Where an authorization form is executed on behalf of a corporation, partnership, association, agency, estate, trust, etc., Computershare Trust Company of Canada may require submission of satisfactory evidence of authority of the person executing the form.

INTER PIPELINE FUND
DISTRIBUTION REINVESTMENT AND OPTIONAL UNIT PURCHASE PLAN

WITHDRAWAL REQUEST FORM

(please detach)

To: **COMPUTERSHARE TRUST COMPANY OF CANADA**
100 University Avenue, 9th Floor
Toronto, ON M5J 2Y1
Attention: Dividend Reinvestment Department

To be completed by the REGISTERED HOLDER of Units of Inter Pipeline Fund.

The undersigned Unitholder hereby gives notice to, and directs, Computershare Trust Company of Canada to withdraw the undersigned's whole Units in the Distribution Reinvestment and Optional Unit Purchase Plan (the "**Plan**") of Inter Pipeline Fund.

The Units shall be registered and delivered to the undersigned's name and address.

Date

Name of Unitholder
(Please print)

Address of Unitholder
(Please print)

Signature of Unitholder
(Notes 1 and 2)

Notes:

1. Signatures must correspond exactly to the name(s) in which the Units are registered.
2. Where an authorization form is executed on behalf of a corporation, partnership, association, agency, estate, trust, etc., Computershare Trust Company of Canada may require submission of satisfactory evidence of authority of the person executing the form.