



Patron Capital Limited

PRESS RELEASE

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Patron Capital and Fortress Investment Group agree to sell Simon Storage To Inter Pipeline Fund

London, 29 September 2005, Patron Capital Partners (“Patron”) together with its partner in the investment Fortress Investment Group LLC (“Fortress”), has reached agreement to sell its investment in Simon Storage (“Simon”), the UK’s largest independent multi-site bulk liquid and gas storage operator to Inter Pipeline Fund (“Inter Pipeline”) (TSX: IPL.UN), a major Canadian petroleum transportation and natural gas liquids extraction business based in Calgary, Alberta, Canada.

The transaction will involve Inter Pipeline purchasing all the outstanding share capital in Simon Storage Holdings Ltd., the privately held parent of Simon, for a cash consideration of £120 million, or approximately \$260 million Canadian, subject to closing adjustments. The acquisition is expected to close on or about October 4, 2005 subject to certain closing conditions.

Simon Storage is the leading UK independent supplier and multi-site operator of bulk liquid and gas storage and handling facilities servicing the international chemical, oil and edibles industries. Patron acquired Simon Storage in December 2002, followed by a 50% co-investment by Fortress in October 2003, backing the Simon management team to take advantage of the strong future growth potential of Simon. In its approximate 3 years of ownership, Simon has with its owners’ support, enhanced its operations in the UK. For example, Simon is now the leading independent storage operator in the alternative fuels market and is a partner to Biofuels Corporation in its biodiesel operations at Seal Sands in Teesside and in addition Simon is also actively exploring opportunities across Europe. Inter Pipeline was introduced to Patron by CIBC World Markets.

Keith M. Breslauer, Managing Director of Patron Capital Limited (investment advisor to Patron Capital Partners) commented, “We are very pleased with the sale of Simon Storage to Inter Pipeline as it provides Simon with an excellent partner to achieve further strong growth. The Simon management team has done an excellent job in building value for the business. This investment has demonstrated Patron’s ability and key strategic goal of investing in asset-backed private equity investments, supporting management teams and growing operating businesses.”

“We view Simon Storage as an extremely attractive acquisition opportunity for Inter Pipeline Fund”, commented **David Fesyk, President and Chief Executive Officer**. “This is a very well-managed and competitively positioned business with a proven track record of generating stable and sustainable cash flow.”

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Notes to Editors

Overview of Patron Capital

Patron Capital Partners actively invests in Western and Central Europe and assists local partners in growing their respective businesses.

Transactions range from private equity oriented investments like Simon Storage and Igroup (one of the UK's leading non-conforming mortgage lenders), to portfolios, such as a €500 million portfolio of French property assets, to direct investments such as the Bratislava Carlton hotel in Slovakia. Through its large network of partners and advisors, Patron Capital Partners is unparalleled as an originator or financial and operating investor and partner.

Patron Capital Partners represents over €700 million of capital across several funds, investing in property, asset based companies and financial institutions. Patron Capital Partners has investments throughout Western and Central Europe and acts for leading European and US institutions and high net worth families. Patron Capital Limited acts as investment advisor to Patron. Further information about Patron's activities can be found at www.patroncapital.com.

Overview of Simon Storage Ltd.

Simon wholly owns and operates seven deep water storage terminals located on the coasts of the United Kingdom and the Republic of Ireland with a combined liquid storage capacity of approximately 1,000,000 cubic metres, including approximately 480 tanks. The business is highly integrated with the operations of major regional oil refining and petrochemical complexes. Simon's liquid storage terminals have the flexibility to receive and distribute products via ship, rail, truck and pipeline.

In addition, Simon offers a broad range of complementary services through its bulk liquid trucking, engineering, training and facilities management divisions. Simon currently operates ten fuel distribution terminals in England, Wales and Ireland on behalf of Shell, ConocoPhillips, Total and ChevronTexaco. The company also provides employee training, automation and engineering services to several of the world's largest integrated energy companies.

Simon has approximately 440 employees and is based in Redhill, Surrey.

Inter Pipeline Fund

Inter Pipeline is a major Canadian petroleum transportation and natural gas liquids extraction business based in Calgary, Alberta, Canada. Inter Pipeline operates approximately 4,900 kilometres of petroleum pipelines and 1.3 million barrels of storage in western Canada. These systems transport approximately 470,000 barrels per day of oil sands bitumen, conventional crude oil and gas plant condensate.

In addition, Inter Pipeline is one of North America's largest natural gas liquids extraction businesses with ownership in three major extraction facilities located in southern Alberta. These facilities are capable of processing in excess of 6 billion cubic feet of natural gas per day.

Inter Pipeline's Class A Units and convertible debentures trade on the Toronto Stock

Exchange under the symbols IPL.UN and IPL.DB, respectively.
