

Liquids Pipelines

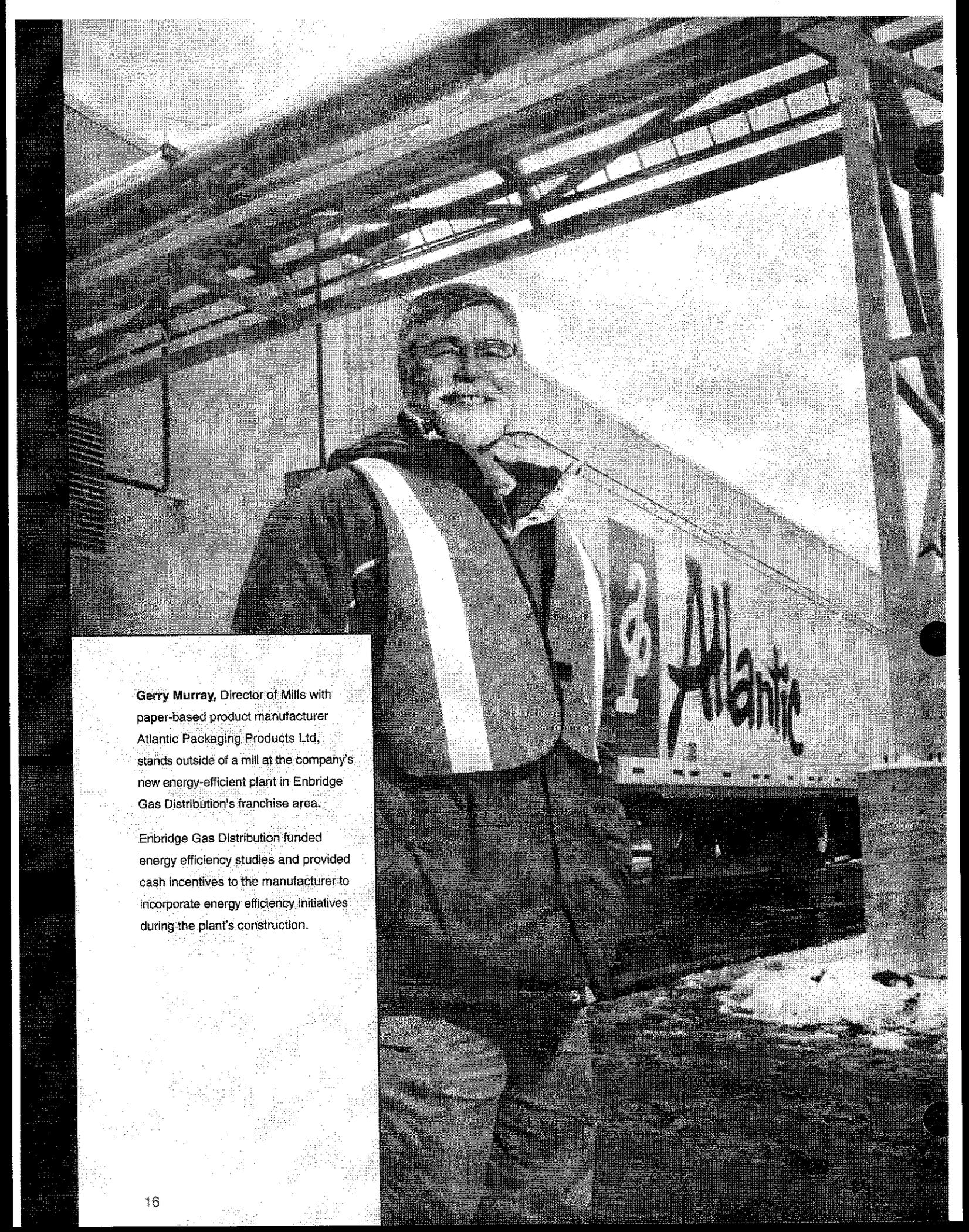
barrels per day of additional oil sands
production forecast by 2010

of liquids pipelines projects
currently in progress

Enbridge has an extensive North American network of liquids pipelines systems, and is well positioned with assets that connect areas of growing supply with areas of growing demand. That is particularly true with respect to Canadian oil sands development, where the rapid growth in oil sands projects is projected to add in the order of 1 million barrels per day of new production by 2010, and another 1 million barrels per day by 2015.

Enbridge continues to work with its customers to ensure the right pipeline capacity is in place at the right time for the right markets. At present we have over \$8 billion of liquids pipelines projects in progress. These include the Waupisoo, Southern Access Expansion, Southern Access Extension, Alberta Clipper, Southern Lights and Athabasca Expansion projects as well as investments in contract terminalling. Many other projects are currently in development to further expand markets for Canadian producers. These include the Gateway Project which would provide access to new markets in California and Asia-Pacific, as well as our initiatives to provide additional pipeline capacity to the U.S. Gulf Coast.

Successful completion of these projects will produce a classic win-win result. Oil sands producers will have timely and cost-effective access to markets for their growing production, and expanded markets will help maximize netbacks. North American consumers will benefit from having access to new, secure sources of supply that will continue to produce petroleum for many decades to come.



Gerry Murray, Director of Mills with paper-based product manufacturer Atlantic Packaging Products Ltd, stands outside of a mill at the company's new energy-efficient plant in Enbridge Gas Distribution's franchise area.

Enbridge Gas Distribution funded energy efficiency studies and provided cash incentives to the manufacturer to incorporate energy efficiency initiatives during the plant's construction.

Natural Gas Distribution and Services

40,000
2008-2010

**new customers per year forecast
for Enbridge Gas Distribution**

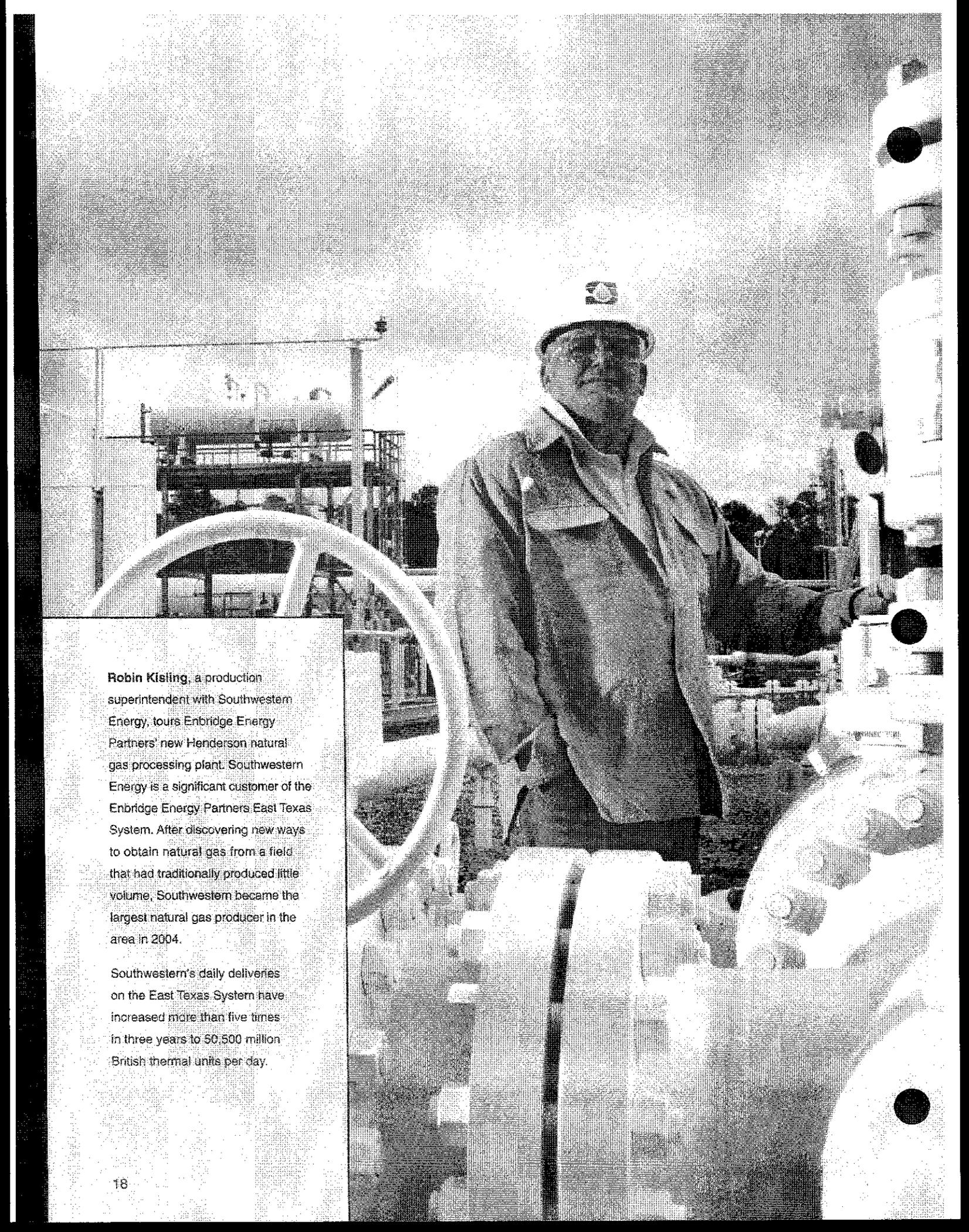
7.1%
2008-2010

**organic growth rate for natural gas
utilities in North America**

Enbridge Gas Distribution, Enbridge's natural gas distribution franchise in Ontario, is the second fastest growing gas utility in North America. In recent years Enbridge Gas Distribution has added more than 40,000 new customers per year, and expects to continue to grow at a similar pace, forecasting a customer base of 2 million by 2010.

Enbridge Gas Distribution is also working to capitalize on its changing regulatory environment with the anticipated introduction in 2008 of comprehensive incentive regulation, and the development of high-deliverability contract storage capacity.

Other Natural Gas Distribution and Services opportunities for Enbridge include development of liquefied natural gas (LNG) projects; renewable energy investments; building on its investment in Noverco Inc., which holds a majority interest in Gaz Métro Limited Partnership, the company that distributes natural gas in Quebec; and continuing to develop a natural gas distribution system in the province of New Brunswick.



Robin Kising, a production superintendent with Southwestern Energy, tours Enbridge Energy Partners' new Henderson natural gas processing plant. Southwestern Energy is a significant customer of the Enbridge Energy Partners East Texas System. After discovering new ways to obtain natural gas from a field that had traditionally produced little volume, Southwestern became the largest natural gas producer in the area in 2004.

Southwestern's daily deliveries on the East Texas System have increased more than five times in three years to 50.500 million British thermal units per day.

Natural Gas Pipelines

15%

**of all Texas natural gas transported
by Enbridge Energy Partners**

50%

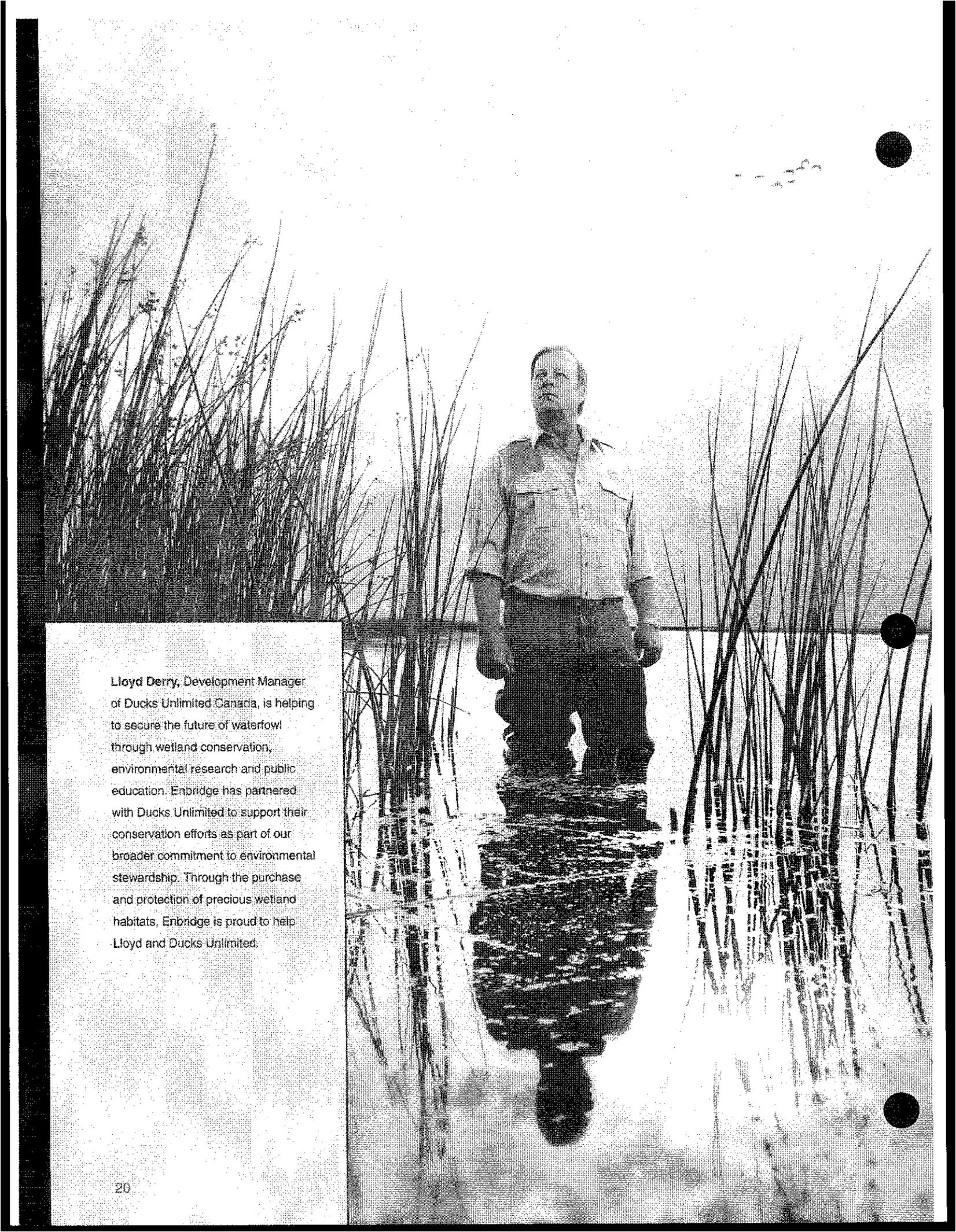
**of deepwater Gulf of Mexico
natural gas transported by Enbridge**

Enbridge continues to expand its interests in natural gas pipelines in North America.

Through Enbridge Energy Partners, the Company is involved in a variety of natural gas transmission and gathering pipeline systems in the Gulf Coast and Mid-Continent regions of the United States. The Company is a major player in the fast-growing Anadarko Basin, Barnett Shale and Bossier Sands gas plays in Texas, and transports approximately 15% of all Texas gas production. In 2006, Enbridge Energy Partners announced plans to invest US\$0.6 billion to expand and extend its East Texas natural gas system to handle growing production from that area.

In addition, Enbridge Offshore Pipelines transports approximately half of the deepwater offshore natural gas production in the Gulf of Mexico, and is well positioned there to take advantage of forecast growth from proposed new deepwater projects. Work is currently under-way to construct natural gas and oil laterals to tie in new volumes, and in 2006 another seven deepwater discoveries were announced, reinforcing the Gulf's potential for being a key source for long-term continental supply growth.

Enbridge also has major interests in the Alliance and Vector transmission systems that transport Western Canadian natural gas to markets in the U.S. Midwest and Ontario. Both pipelines announced growth plans in 2006 – Alliance is pursuing a pipeline extension to the east, and Vector is expanding capacity from its approximately 1 billion cubic feet per day to 1.2 billion cubic feet per day. Both pipelines are well positioned to transport northern natural gas, should the Alaska and Mackenzie pipeline projects proceed.



Lloyd Derry, Development Manager of Ducks Unlimited Canada, is helping to secure the future of waterfowl through wetland conservation, environmental research and public education. Enbridge has partnered with Ducks Unlimited to support their conservation efforts as part of our broader commitment to environmental stewardship. Through the purchase and protection of precious wetland habitats, Enbridge is proud to help Lloyd and Ducks Unlimited.