



For the quarter ended March 31, 1999-

Enbridge first quarter 1999 earnings 12% higher than first quarter 1998, dividend increased by 5%

Highlights

- **Three month Earnings Attributable to Common Shareholders increase to \$69.8 million, with earnings per share of \$0.93.**
- **Common Share dividend increased to \$0.605 per share.**
- **Linefill under way on Terrace and Athabasca liquids pipeline projects.**
- **Alliance Pipeline begins right-of-way clearing; construction to start in the second quarter.**
- **Vector gas pipeline project receives two key regulatory approvals.**

On April 29, 1999, Enbridge Inc. announced Earnings Attributable to Common Shareholders for the first quarter of 1999 of \$69.8 million, or \$0.93 per share, up from \$62.2 million, or \$0.86 per share, for the same period in 1998. The 12% increase is the result of continued growth in earnings from the Energy Transportation segment, offset in part by the impact of warmer weather on Energy Distribution earnings.

The Company also announced a 5% increase in its Common Share dividend. The Board of Directors declared quarterly dividends of \$0.605 per Common Share on a pre-split basis and \$0.34375 per Series A Preferred Share. Both dividends are payable on June 1, 1999, to shareholders of record on May 14, 1999.

According to Brian F. MacNeill, President & Chief Executive Officer, "These results reflect Enbridge's ongoing commitment to provide superior returns to our shareholders. We have continued to deliver on the commitment to add value, despite warmer than normal weather in our key gas distribution franchise area again this year, and despite the impact and uncertainty that lower oil prices created for our customers earlier this year."

Financial Results

Energy Transportation

Energy Transportation first quarter contributions were \$59.0 million, an increase of \$25.9 million, or 78%, from the first quarter of 1998. The increase reflects higher returns generated from the additional capacity provided by the second phase of the System Expansion Program, improved cost performance earnings as well as larger allowances for funds used during construction (AFUDC) of system expansions and the Athabasca crude oil pipeline. Results also include greater returns from the investment in the Alliance natural gas pipeline project, primarily relating to AFUDC, and from the Company's consulting and advisory contract with PEMEX Refining, a subsidiary of the national oil company of Mexico. Income from the Company's 16.6% investment in Lakehead Pipeline Partners, L.P. in the United States was consistent with 1998. Earnings generated by feeder pipelines were comparable to last year as lower returns caused by the impact of low crude oil price on throughput were substantially offset by income from the investment in the Chicap Pipe Line Company acquired in the third quarter of 1998.

During the quarter, lower crude oil prices resulted in reduced throughput on the pipeline system. However, Enbridge's earnings were not materially affected due to throughput protections in pipeline tolling agreements in Canada, the level of ownership in the U.S. portion of the system, and the expected short term nature of these pricing conditions in the market.

Energy Distribution

Earnings from the Energy Distribution segment decreased \$18.4 million to \$17.2 million. The segment's results include contributions from Enbridge Consumers Gas for the three month period October 1998 through December 1998 and income from the Company's 32% investment in Noverco. Due to the seasonal nature of these gas distribution operations, three month earnings are not indicative of full year results.

Enbridge Consumers Gas net income before amortization of purchase price discrepancy declined to \$12.3 million from \$30.9 million last year, mainly a result of the significantly warmer weather than in the corresponding period in 1998. Weather was 11% warmer than last year and 15% warmer than normal. In response, Enbridge is evaluating mitigation strategies across the Enbridge group of companies.

Enbridge's second quarter results will include earnings from Enbridge Consumers Gas for the January 1 to March 31 period of \$111.9 million before amortization of purchase price discrepancy compared with \$93 million in 1998. The effect of warmer than normal weather on second quarter earnings will not be as adverse as last year. Consequently, the impact of weather on first half 1999 earnings will be substantially the same as 1998.

Also during the quarter, the Energy Distribution segment recorded increased earnings from its investment in Noverco due to expansions and lower financing costs, which offset costs associated with start up of the Energy Services Division.

Corporate and Other

Higher interest costs associated with increased debt levels related to the financing of non regulated operations were more than offset by lower corporate provisions, resulting in net costs of \$4.7 million in the first quarter of 1999 compared with \$6.5 million in 1998.

Consolidated Results of Operations

On a consolidated basis, total operating revenue decreased to \$588.4 from \$628.1 last year, mainly as a result of lower Energy Distribution revenues where warmer weather caused reduced distribution volumes and also a corresponding reduction in total gas costs. Operating and administrative expense increased \$14.8 million to \$174.2 million due to costs associated with an increased customer base and growth of ancillary programs in the Energy Distribution segment. These costs were partially offset by increased operational efficiencies in the Energy Transportation segment. The larger balance of property, plant and equipment gave rise to increased depreciation expense in the quarter. Investment and other income grew to \$53.9 million from \$32.3 million in 1998, caused by higher AFUDC related to the Enbridge Athabasca Pipeline and system expansions as well as higher investment income from the Alliance Pipeline project. The decline in the effective income tax rate is primarily due to increased earnings from non taxable items and timing differences related to regulated activities, which are accounted for on a taxes payable basis.

Year 2000

As of the reporting date, the Company's Year 2000 readiness project was approximately 75% complete with no significant compliance issues identified to date. Enbridge expects that all critical systems will be Year 2000 ready by June 30, 1999, and is currently developing ongoing business continuity plans. Additionally, Enbridge's confidence in the readiness status of critical third party suppliers, such as electrical and telecommunication companies, continues to increase. As at March 31, 1999, the Company had incurred \$20.0 million in project costs.

Two-for-one stock split

Enbridge Inc.'s shareholders have approved a proposal to divide the common shares of the Company on a two-for-one basis. The split was approved by special resolution requiring approval by two-thirds of votes cast at the April 29, 1999, Enbridge Inc. Annual and Special Meeting in Toronto. Common Shares will commence trading on a split basis on Thursday, May 6, 1999. The division of the shares will take effect on May 10, 1999, and registered shareholders of record at the close of business on May 10, 1999, will be mailed share certificates representing one additional Enbridge share for each Enbridge share held. For shareholders who hold their shares in an account with their investment dealer or other intermediary, their account will be updated to reflect the stock split. Registered shareholders should retain their present Enbridge share certificates which will continue to represent the number of Enbridge shares indicated on the certificates. Enbridge anticipates that the stock split will increase the availability of its common shares for purchase by the public, and enhance the liquidity and trading of the shares.

Operating Highlights

Energy Transportation

Terrace Phase 1 Nears Completion

Pipeline construction on Phase I of the Terrace Expansion project is on schedule and complete except for one major river crossing. Linefill is expected to be completed in May. Upon completion of station facilities later this year, the project will increase mainline pipeline capacity by 170,000 barrels per day, and link increasing Western Canadian heavy and synthetic crude oil supply with U.S. Midwest markets.

Athabasca Pipeline Completed

Construction of the Athabasca Pipeline, which will carry oil from the Athabasca and Cold Lake regions of Alberta south to the Hardisty hub, was completed as scheduled on March 31. Initial capacity is approximately 100,000 barrels per day, and first oil flowed into the pipeline on April 1. The pipeline is designed to meet growing production from the Athabasca region and has a maximum capacity of 570,000 barrels per day.

Line 9 Ready for Reversed Flow Service

As a result of upstream constraints on another pipeline system, which won't be resolved until October, an interim agreement has been reached with shippers for partial reversal of Line 9. Line 9 will be in service with reversed flow from Montreal to Westover effective May 1, and will continue to flow west to east from Sarnia to Westover until full reversal in October.

Enbridge Acquiring Venezuelan Crude Oil Terminal

In January, Enbridge announced that a consortium in which the Company has a 45% interest had negotiated the acquisition of the Jose Terminal on the coast of Venezuela for US\$385 million. The terminal is a new crude oil and shipping facility with capacity of 800,000 barrels per day. Commissioning of the facility began in the first quarter and the acquisition is expected to close later this year.

Alliance Pipeline Begins Right-of-Way Work

The Alliance Pipeline began clearing right-of-way in February, and is on schedule to begin mainline construction on May 15 in the United States and on June 1 in Canada. The Alliance Pipeline is scheduled to be in service during the fourth quarter of 2000 with capacity to transport 1.3 billion cubic feet per day of natural gas from Western Canada to the Chicago area. Enbridge is a founding partner in Alliance and has a 21% interest.

Vector Close to Final Approval

The Vector Pipeline project, which plans to be in service by October 2000 and deliver 1 billion cubic feet per day of natural gas from Chicago to Dawn, Ontario, has received further key approvals. Vector received final approval from the National Energy Board in Canada on March 31, and the Final Environmental Impact Statement from the U.S. Federal Energy Regulatory Commission a day later. Final FERC approval is expected in the second quarter. Enbridge is the lead sponsor for Vector.

Energy Distribution

Enbridge Consumers Gas Welcomes PBR Decision.

On April 23, the Ontario Energy Board (OEB) released its decision on the Enbridge Consumers Gas application for Performance Based Regulation (PBR). The OEB accepted the concept of a targeted PBR mechanism as a transitional step towards development and implementation of

a comprehensive PBR plan. PBR will apply to Operation and Maintenance costs which represent approximately 40% of the Company's cost of delivering gas. The OEB also accepted the three year term of the plan covering the fiscal years 2000 to 2002. By the end of the plan, the Company is committed to develop, in consultation with stakeholders, a comprehensive PBR plan encompassing the full extent of its cost base. The decision means that Enbridge Consumers Gas will be the first Ontario utility to operate under PBR. Implementation of PBR will benefit ratepayers through guaranteed productivity benefits and continued delivery of high quality service. At the same time, the Company will operate under a simplified regulatory process, where shareholders can be rewarded for achieving cost reductions and productivity gains.

Enbridge Pursues Natural Gas Distribution Rights in New Brunswick.

On March 31, Gas New Brunswick submitted a proposal to establish a natural gas distribution utility in New Brunswick. The provincial government is expected to select its preferred proponent by June, and award a franchise by July 30. Enbridge has a 63% interest in Gas New Brunswick.

Ontario Energy Board Releases Unbundling Decision.

On March 31, the Ontario Energy Board (OEB) released its decision with respect to terms under which certain businesses and activities of Enbridge Consumers Gas would be undertaken by the gas utility or be transferred to another Enbridge affiliate. In its decision, the OEB allowed the Company's request to maintain its Rental Program within Enbridge Consumers Gas at the Company's discretion, but required that the program be treated as a non utility activity. In conjunction with the foregoing, the Company requested recovery from utility customers of the \$168 million projected deferred tax liability at September 30, 1999, as the benefits of these deferred taxes were enjoyed by these customers through lower rates in prior years. The OEB allowed only the recovery of \$92 million of this amount with the remaining \$76 million to be recovered over time in Rental Program rates or paid by the Company. The decision, while less favourable than hoped for, provides a basis for finalizing plans for the unbundling of Enbridge Consumers Gas retail energy services businesses. The Company is disappointed with the decision and is reviewing options to reverse the ruling.

When used in this interim report, the words "anticipate", "expect", "project" and similar expressions are intended to identify forward looking statements, which include statements relating to pending and proposed projects. Such statements are subject to certain risks, uncertainties and assumptions pertaining to operating performance, regulatory parameters, weather and economic conditions and, in the case of pending and proposed projects, risks relating to design and construction, regulatory processes, obtaining financing and performance of other parties, including partners, contractors and suppliers.

April 30, 1999

Annual and Special Meeting on the web

For shareholders who were unable to attend the April 29, 1999, Annual and Special Meeting in Toronto, proceedings of the meeting can be viewed on the Enbridge web site during the months of May and June, 1999. The web site address is www.enbridge.com.

Enbridge Inc.
Highlights¹

	Three months ended March 31,	
<i>(unaudited; Canadian dollars in millions, except per share amounts)</i>	1999	1998
Financial		
Earning Attributable to Common Shareholders		
Energy Transportation	59.0	33.1
Energy Distribution	17.2	35.6
Corporate	(4.7)	(6.5)
Preferred Share Dividends	(1.7)	-
	69.8	62.2
Operating Revenue		
Energy Transportation	130.6	126.6
Energy Distribution	457.8	501.5
	588.4	628.1
Cash Provided By (Used In) Operating Activities²		
Earnings plus charges (credits) not affecting cash	125.9	134.6
Changes in working capital	(49.3)	(228.9)
	76.6	(94.3)
Dividends		
	46.5	40.4
Per Common Share Amounts		
Earnings	0.93	0.86
Dividends	0.575	0.545
Weighted Average Common Shares Outstanding (millions)	75.4	72.2
Operating		
Energy Transportation³		
Deliveries (thousands of barrels per day)	1,926	2,169
Barrel miles (billions)	173	193
Average haul (miles)	999	991
Energy Distribution		
Gas distribution volumes (billion cubic feet)	96	112
Number of active customers (thousands)	1,439	1,389
Degree day deficiency⁴		
Actual	1,157	1,306
Forecast based on normal weather	1,362	1,408

1. Highlights of Energy Distribution reflect the results of Enbridge Consumers Gas (The Consumers' Gas Company Ltd.) and other gas distribution assets on a quarter lag basis of consolidation for the three months ended December 31, 1999 and 1998.

2. Prior years' amounts have been restated to conform to the new Statement of Cash Flows standard adopted December 31, 1998.

3. Energy Transportation operating highlights include the statistics of the 16.6% owned portion of the mainline system located in the United States.

4. Degree day deficiency is a measure of coldness, which is indicative of volumetric requirements of natural gas utilized for heating purposes in all markets. It is calculated by accumulating from October 1 the total number of degrees each day by which the daily mean temperature falls below 18 degrees Celsius. The figures given are those accumulated in the Toronto area.

Enbridge Inc.
Consolidated Statement of Earnings

	Three months ended March 31,	
<i>(unaudited; Canadian dollars in millions, except per share amounts)</i>	1999	1998
Operating Revenue		
Gas sales	328.0	413.5
Transportation revenue	169.3	148.0
Other	91.1	66.6
	588.4	628.1
Expenses		
Gas costs	209.8	255.0
Operating and administrative	174.2	159.4
Depreciation	82.7	74.2
	466.7	488.6
Operating Income	121.7	139.5
Investment and Other Income	53.9	32.3
Interest Expense	(92.8)	(75.9)
Earnings Before Income Taxes	82.8	95.9
Income Taxes	(11.3)	(33.7)
Earnings	71.5	62.2
Preferred Share Dividends	(1.7)	-
Earnings Attributable to Common Shareholders	69.8	62.2
Earnings Per Share	0.93	0.86
Weighted Average Common Shares Outstanding <i>(millions)</i>	75.4	72.2

Enbridge Inc.
Consolidated Statement of Cash Flows

	Three months ended	
	March 31,	
<i>(unaudited; Canadian dollars in millions)</i>	1999	1998
		(restated)
Cash Provided By (Used In) Operating Activities		
Earnings	71.5	62.2
Charges (credits) not affecting cash		
Depreciation	82.7	74.2
Other	(28.3)	(1.8)
Changes in non cash working capital	(49.3)	(228.9)
	76.6	(94.3)
Investing Activities		
Additions to property, plant and equipment	(264.0)	(191.1)
Long term investments	(58.4)	(22.6)
Changes in non cash working capital	(14.4)	4.6
Other	(44.9)	(8.5)
	(381.7)	(217.6)
Financing Activities		
Variable rate financing, net	283.7	123.1
Fixed rate financing, net	11.2	214.1
Capital stock	2.5	2.6
Dividends	(46.5)	(40.4)
	250.9	299.4
Decrease in Cash and Cash Equivalents	(54.2)	(12.5)
Cash and Cash Equivalents at Beginning of Period	124.9	51.3
Cash and Cash Equivalents at End of Period	70.7	38.8

Prior year amounts have been restated to conform to the new Statement of Cash Flows standard adopted December 31, 1998.

Enbridge Inc.
Consolidated Condensed Statement of Financial Position

	March 31, 1999	December 31, 1998
<i>(unaudited; except for December 31, 1998; Canadian dollars in millions)</i>		
Assets		
Cash and cash equivalents	70.7	124.9
Accounts receivable and other current assets	765.8	611.3
Gas in storage	311.2	357.8
Long term investments	743.5	676.9
Deferred charges and other assets	262.7	212.1
Property, plant and equipment, net	6,549.3	6,364.2
	8,703.2	8,347.2
Liabilities and Shareholders' Equity		
Short term borrowings	441.9	400.4
Accounts payable and other current liabilities	673.0	628.8
Current portion of long term liabilities	255.5	257.5
Long term debt	4,756.2	4,502.3
Deferred liabilities	488.6	496.8
Shareholders' equity	2,088.0	2,061.4
	8,703.2	8,347.2

Shareholder Information

Dividend Reinvestment and Share Purchase Plan

Enbridge Inc. offers a Dividend Reinvestment and Share Purchase Plan that enables shareholders to reinvest their cash dividends in common shares, or to make optional cash payments to purchase additional shares, in either case free of brokerage or other charges.

The share purchase cut-off date for the 1999 second quarter optional cash payment to purchase additional shares is May 24, 1999.

Registrar and Transfer Agent in Canada

Inquiries regarding the Dividend Reinvestment and Share Purchase Plan, change of address, share transfer, lost certificates, dividends, and duplicate mailings should be directed to:

CIBC Mellon Trust Company
320 Bay Street
3rd floor
Toronto, Ontario
M5H 4A6
Telephone: (416) 643-5000
Toll free: (800) 387-0825

Investor Relations

Shareholder inquiries regarding the Corporation's financial and operating performance should be directed to:

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