



ENBRIDGE INC.

MANAGEMENT'S DISCUSSION & ANALYSIS

June 30, 2009

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For the Three and Six Months Ended June 30, 2009

This Management's Discussion and Analysis (MD&A) should be read in conjunction with the unaudited consolidated financial statements of Enbridge Inc. (Enbridge or the Company) as at and for the three and six months ended June 30, 2009. It should also be read in conjunction with the audited consolidated financial statements and MD&A contained in the Company's Annual Report for the year ended December 31, 2008. All financial measures presented in this MD&A are expressed in Canadian dollars unless otherwise indicated. Additional information related to the Company, including its Annual Information Form, is available on SEDAR at www.sedar.com.

CONSOLIDATED EARNINGS

	Three months ended June 30,		Six months ended June 30,	
<i>(millions of Canadian dollars, except per share amounts)</i>	2009	2008	2009	2008
Liquids Pipelines	96.9	76.3	187.9	152.4
Gas Pipelines	18.8	8.9	35.0	27.1
Sponsored Investments	42.9	22.0	74.3	53.1
Gas Distribution and Services	20.5	(15.7)	154.5	138.1
International	(1.8)	577.9	332.8	594.2
Corporate	215.7	(11.7)	166.6	(55.9)
Earnings Applicable to Common Shareholders	393.0	657.7	951.1	909.0
Earnings per Common Share	1.08	1.83	2.62	2.53
Diluted Earnings per Common Share	1.08	1.81	2.61	2.51

Earnings applicable to common shareholders were \$393.0 million for the three months ended June 30, 2009, or \$1.08 per common share, compared with \$657.7 million, or \$1.83 per common share for the three months ended June 30, 2008. In the second quarter of 2008, the Company recorded a \$556.1 million after-tax gain on the sale of the Company's interest in Compañía Logística de Hidrocarburos CLH, S.A. (CLH). Net of this gain, earnings for the three months ended June 30, 2009 were \$291.4 million higher than the comparable prior year period. This increase reflected a higher contribution from Enbridge Energy Partners (EEP), allowance for equity funds used during construction (AEDC) in Liquids Pipelines as well as unrealized fair value gains on derivative financial instruments used to risk manage commodity, foreign exchange and interest rate variability.

Earnings applicable to common shareholders were \$951.1 million for the six months ended June 30, 2009, or \$2.62 per common share, compared with \$909.0 million, or \$2.53 per common share for the same period in 2008. Included in earnings for the six months ended June 30, 2009 was \$329.0 million related to the sale of the Company's investment in Oleoducto Central S.A. (OCENSA) and \$24.9 million related to the sale of NetThruPut (NTP). Earnings for the six months ended June 30, 2008 included \$556.1 million related to the sale of the Company's investment in CLH. Excluding the impact of these dispositions, earnings for the six months ended June 30, 2009 were \$244.3 million higher than for the six months ended June 30, 2008. The increase in earnings resulted from similar factors as for the three months results.

FORWARD-LOOKING INFORMATION

Forward looking information, or forward looking statements, have been included in this MD&A to provide Enbridge Inc. shareholders and potential investors with information about the Company and its subsidiaries, including management's assessment of Enbridge's and its subsidiaries' future plans and operations. This information may not be appropriate for other purposes. Forward-looking statements are typically identified by words such as "anticipate", "expect", "project", "estimate", "forecast", "plan", "intend", "target", "believe" and similar words suggesting future outcomes or statements regarding an outlook. Although Enbridge believes that these forward-looking statements are reasonable based on the information available on the date such statements are made and processes used to prepare the information, such statements are not guarantees of future performance and readers are cautioned against placing undue reliance on forward-looking statements. By their nature, these statements involve a variety of assumptions, known and unknown risks and uncertainties and other factors, which may cause actual results, levels of activity and achievements to differ materially from those expressed or implied by such statements. Material assumptions include assumptions about:

the expected supply and demand for crude oil, natural gas and natural gas liquids; prices of crude oil, natural gas and natural gas liquids; expected exchange rates; inflation; interest rates; the availability and price of labour and pipeline construction materials; operational reliability; customer project approvals; anticipated in-service dates and weather.

Enbridge's forward-looking statements are subject to risks and uncertainties pertaining to operating performance, regulatory parameters, weather, economic conditions, exchange rates, interest rates and commodity prices, including but not limited to those risks and uncertainties discussed in this MD&A and in the Company's other filings with Canadian and United States securities regulators. The impact of any one risk, uncertainty or factor on a particular forward-looking statement is not determinable with certainty as these are interdependent and Enbridge's future course of action depends on management's assessment of all information available at the relevant time. Except to the extent required by law, Enbridge assumes no obligation to publicly update or revise any forward-looking statements made in this MD&A or otherwise, whether as a result of new information, future events or otherwise. All subsequent forward-looking statements, whether written or oral, attributable to Enbridge or persons acting on the Company's behalf, are expressly qualified in their entirety by these cautionary statements.

NON-GAAP MEASURES

This MD&A contains references to adjusted earnings/(loss), which represent earnings or loss applicable to common shareholders adjusted for non-recurring or non-operating factors on both a consolidated and segmented basis. These factors are reconciled and discussed in the Financial Results sections for the affected business segments. Management believes that the presentation of adjusted earnings/(loss) provides useful information to investors and shareholders as it provides increased transparency and predictive value. Management uses adjusted earnings/(loss) to set targets, assess performance of the Company and set the Company's dividend payout target. Adjusted earnings/(loss) and adjusted earnings/(loss) for each of the segments are not measures that have a standardized meaning prescribed by Canadian generally accepted accounting principles (GAAP) and are not considered GAAP measures; therefore, these measures may not be comparable with similar measures presented by other issuers. See Non-GAAP Reconciliations section for a reconciliation of the GAAP and non-GAAP measures.

ADJUSTED EARNINGS

	Three months ended June 30,		Six months ended June 30,	
	2009	2008	2009	2008
<i>(millions of Canadian dollars, except per share amounts)</i>				
Liquids Pipelines	96.9	76.3	193.9	152.4
Gas Pipelines	17.3	11.2	33.5	26.6
Sponsored Investments	39.2	26.1	71.1	50.1
Gas Distribution and Services	35.6	28.6	165.8	149.8
International	(1.8)	19.0	3.8	38.1
Corporate	7.3	(11.7)	(4.2)	(28.6)
Adjusted Earnings	194.5	149.5	463.9	388.4
Adjusted Earnings per Common Share	0.54	0.42	1.28	1.08

Adjusted earnings were \$194.5 million, or \$0.54 per common share, for the three months ended June 30, 2009, compared with \$149.5 million, or \$0.42 per common share, for the three months ended June 30, 2008. Adjusted earnings were \$463.9 million, or \$1.28 per common share, for the six months ended June 30, 2009, compared with \$388.4 million, or \$1.08 per common share, for the six months ended June 30, 2008.

The following factors increased adjusted earnings in both the three and six month periods:

- AEDC on Southern Lights Pipeline and, within Enbridge System, on Alberta Clipper as well as Line 4, until April 2009 when Line 4 was placed into service.
- An increased contribution from EEP resulting from higher gas and crude oil delivery volumes, tariff surcharges for recent expansions, the Company's increased ownership interest and favourable exchange rate.
- Increased adjusted earnings from Energy Services due to higher volumes and the impact of realizing favourable and, in some cases, previously "locked in" storage and transportation margins.
- Lower interest rates and resulting favourable interest expense within the Corporate segment.

These increases were partially offset by decreased earnings from International as a result of the sale of OCENSA in the first quarter of 2009 and CLH in the second quarter of 2008.

DISRUPTION TO FUNCTIONING OF CAPITAL MARKETS

The global credit crisis disrupted the capital debt and equity markets in the fall of 2008, adversely impacting credit availability and pricing. These markets have all improved to varying degrees and, while not functioning on the same basis as pre-2008, there has been reasonable demand in the capital markets for opportunities with investment grade corporations and pricing has stabilized. The Company has selectively accessed the markets in the first half of 2009 and anticipates continued access, given its expected future growth and related funding requirements. It is possible that future market events or conditions may pose potential changes. The Company's strong, predictable, internally generated cash flows, common share issuances under the Company Dividend Reinvestment and Share Purchase Plan, and access to adequate committed credit facilities from diversified sources assist in mitigating these challenges. The Company's investment grade credit rating is also expected to support continued access to capital markets and debt refinancing at reasonable terms, if required.

DECLINE IN COMMODITY PRICES

As an energy transportation company, Enbridge has limited direct exposure to commodity price changes and the Company employs comprehensive risk management practices to mitigate residual commercial exposures. Most significantly, the Company's assets and operations are largely secured by high quality shipper volume commitments. Similarly, liquids pipelines growth projects under construction are commercially secured with limited volume sensitivity and are therefore not expected to be significantly impacted by commodity price declines. Low commodity prices are resulting in the delays or cancellation of some crude oil and natural gas development and expansion projects. Should current trends continue long term, opportunities for future growth projects may be adversely affected.

RECENT DEVELOPMENTS

Liquids Pipelines

The Liquids Pipelines strategy is driven by shippers' need for adequate export capacity and market alternatives, economic sources of diluent and United States refiners' need to maintain diversified sources of supply. Second quarter progress on growth projects within the key components of the Liquids Pipelines strategy are discussed below.

Southern Access Mainline Expansion Project

The Southern Access Mainline Expansion Project has added a total of 400,000 barrels per day (bpd) incremental capacity to the mainline system. Construction of the final stage of the United States expansion project, which consists of a new 224-kilometre (139-mile) 42-inch pipeline from Delavan, Wisconsin to Flanagan, Illinois, was completed on schedule in the first quarter of 2009. The pipeline was placed into service and the associated toll surcharge took effect on April 1, 2009. Linefill for the second stage of construction commenced during April 2009, with the first deliveries to Flanagan in early May.

Alberta Clipper Project

The Alberta Clipper Project involves the construction of a new 36-inch diameter pipeline from Hardisty, Alberta to Superior, Wisconsin generally within or alongside Enbridge's existing right-of-way. The Alberta Clipper Project will interconnect with the existing mainline system in Superior where it will provide access to Enbridge's full range of delivery points and storage options, including Chicago, Toledo, Sarnia, Patoka and Cushing. The project will have an initial capacity of 450,000 bpd, is expandable to 800,000 bpd and will form part of the existing Enbridge System in Canada and the EEP Lakehead System in the United States.

Construction on the Canadian segment of the line remains on schedule for an expected in-service date of mid-2010. This segment has an expected cost of \$2.4 billion, including allowance for funds used during construction (AFUDC), with expenditures to date totaling \$1.2 billion. Construction on the United States segment, to be undertaken by EEP, also remains on schedule to be in service in mid-2010. The cost of the United States segment is estimated at US\$1.2 billion, with expenditures to date totaling \$0.3 billion. As announced on July 20, 2009, Enbridge has committed to fund two-thirds of the United States segment of the Alberta Clipper project. Enbridge and EEP will share in cost overruns or savings against estimates, for costs deemed to be controllable costs. Controllable costs comprise approximately 70% of the total cost estimate.

Line 4 Extension Project

The \$0.3 billion Line 4 Extension Project was substantially complete and ready to receive linefill at the end of March 2009, and associated tolls were collected starting April 1, 2009. Final restoration work will be completed in the summer of 2009.

Spearhead Pipeline Expansion

This US\$0.1 billion expansion includes additional pumping stations to increase capacity from Flanagan, Illinois to Cushing, Oklahoma by 68,300 bpd to 193,300 bpd. The expansion began in September 2008, was completed at the end of March 2009 and was placed in service on May 1, 2009.

Sale of Spearhead Pipeline

On May 1, 2009, the Company sold a section of the Spearhead Pipeline to EEP for proceeds of US\$75 million. The section of the crude oil pipeline system sold, known as Spearhead North, includes approximately seven storage tanks and 121 kilometres (75 miles) of pipeline that was reversed to provide northbound service from Flanagan, Illinois to Griffith, Indiana. Spearhead North complements EEP's existing Lakehead System interconnectivity at Flanagan.

Southern Lights Pipeline

When completed, the 180,000 bpd Southern Lights pipeline will transport diluent from Chicago, Illinois to Edmonton, Alberta. The project involves reversing the flow of a portion of Enbridge's Line 13, an existing crude oil pipeline which runs from Edmonton to Clearbrook, Minnesota. In order to replace the light crude capacity that would be lost through the reversal of Line 13, the Southern Lights Project also includes the construction of a new 20-inch diameter light sour crude oil pipeline (LSr Pipeline) from Cromer, Manitoba to Clearbrook, and modifications to existing Line 2. These changes to the existing crude oil system increased southbound light crude system capacity by approximately 45,000 bpd. The capacity replacement will permit Line 13 to be taken out of service and reversed for diluent service. The LSr Pipeline and Line 2 modifications, which allow Line 2 to operate at higher design rates, were completed and placed in service in the first quarter of 2009.

In the United States, construction of the LSr Pipeline and Line 2 modifications as well as diluent pipeline construction between Superior, Wisconsin and Streator, Illinois are complete. Remaining mainline construction includes a 72-kilometre (45-mile) diluent pipeline between Streator and Manhattan, Illinois and a 306-kilometre (190-mile) diluent segment, in conjunction with construction of the Alberta Clipper Project, between Clearbrook, Minnesota and Superior, Wisconsin. Construction of these remaining United States line segments are expected to commence in the third quarter of 2009. In addition, construction has commenced on diluent receipt tankage at Manhattan as well as pump station facilities along the newly constructed diluent line in the United States. The diluent line is expected to be in service in 2010.

The total expected project cost is US\$1.7 billion (including AFUDC) for the United States segment and is \$0.5 billion (including AFUDC) for the Canadian segment. Expenditures to date are US\$1.0 billion and \$0.5 billion for the United States and Canadian segments, respectively.

Line 13 Exchange

In February 2009, the Company transferred the United States section of the newly constructed LSr Pipeline to EEP at book value in exchange for the United States portion of Line 13. The exchange was made on a basis considered to be fair to both parties and the tolls and earnings on the LSr Pipeline and Line 13 within EEP are expected to be substantially unchanged.

Hardisty Terminal

Enbridge is expanding its crude oil terminal at Hardisty, Alberta adding tankage capacity of 7.5 million barrels. Overall project construction was approximately 92% complete at the end of the second quarter of 2009. Thirteen of the 19 tanks have been placed into service and the remaining six tanks are expected to enter into service in September 2009. Once completed, the \$0.6 billion Hardisty Terminal will be one of the largest crude oil terminals in North America. At the end of the second quarter of 2009, expenditures to date were \$0.5 billion.

Imperial/ExxonMobil Oil Sands Pipeline

In June 2009, Enbridge entered into an agreement with Imperial Oil Resources Ventures Limited and ExxonMobil Canada Properties to provide for the transportation of blended bitumen from the Kearl oil sands mine to crude oil hubs in the Edmonton, Alberta area. The pipeline will be phased with the mine expansion, with the first phase involving new pipe build from the mine to the Cheecham Terminal, and service on Enbridge's existing Waupisoo Pipeline from Cheecham to the Edmonton area. Enbridge plans to file regulatory applications for Phase I facilities by the end of 2009 with an expected in-service date of late 2012. The estimated cost of the pipelines and related facilities is subject to finalization of scope, detailed engineering and regulatory approvals.

Fort Hills Pipeline System

In November 2007, Enbridge was selected by Fort Hills Energy L.P. (FHELP) as its pipeline and terminaling services provider for the initial phase of the Fort Hills project and all subsequent expansions. In late 2008, FHELP announced that its final investment decision for the mining portion of the project was being deferred until costs could be reduced, and commodity prices and financial markets strengthened. It also announced that the Fort Hills upgrader was put on hold and that a decision to proceed with the upgrader would be made at a later date. Accordingly, the scope of the Fort Hills Pipeline System is being reevaluated by FHELP and the planned in-service date for the project has been deferred beyond the original planned date of mid-2011. Expenditures to date are approximately \$0.1 billion and are commercially recoverable from FHELP.

New Market Access

In addition to the planned construction of the Southern Access Extension which is expected to provide access to the Patoka market and the recently completed expansion of the Spearhead Pipeline, Enbridge will continue to pursue new opportunities to provide broader market access for Canadian bitumen and synthetic crudes. Key opportunities being pursued include: Eastern PADD II access into the Michigan and Ohio markets; access to United States Gulf Coast refining centers through a combination of smaller incremental opportunities and large volume solutions; PADD I access into the East Coast market near Philadelphia; and the Northern Gateway pipeline to the Pacific Coast.

Northern Gateway Project

The Northern Gateway Project involves constructing a twin pipeline system running from near Edmonton, Alberta, to a new marine terminal in Kitimat, British Columbia. One pipeline will transport crude oil for export from the Edmonton area to Kitimat, and is expected to be a 36-inch diameter line with an initial capacity of 525,000 bpd. The other pipeline will be used to import condensate and is expected to be a 20-inch diameter line with an initial capacity of 193,000 bpd.

The Company has secured funding from Western Canada oil sands producers and Pacific Rim refiners to seek regulatory approval of the project. The Company continues to hold consultation meetings and open houses with communities and First Nations along the pipeline route to receive input, create opportunities for economic partnerships and incorporate traditional aboriginal knowledge into the planning and operations of the proposed project. Enbridge expects to file its regulatory application with the NEB in 2009. Subject to continued commercial support and regulatory and other approvals, the Company estimates that the earliest Northern Gateway could be in service is the 2015 time frame.

Gas Pipelines

The Gas Pipelines strategy is based on the Company's forecast supply and demand for natural gas. Progress made on major projects which support this strategy is set out below.

Walker Ridge Gathering System

On July 29, 2009, Enbridge announced it had entered into Letters of Intent (LOI) with Chevron Corp. that could result in the expansion of its central Gulf of Mexico offshore pipeline system. Under the terms of the LOI, Enbridge proposes to construct, own and operate the WRGS to provide natural gas gathering services to the potential Jack, St. Malo and Big Foot ultra deepwater developments. The WRGS is expected to include approximately 306 kilometres (190 miles) of 8-inch, 10-inch and/or 12-inch diameter pipeline at depths of up to 7,000 feet and will have a capacity of 100 million cubic feet per day. The estimated cost of the WRGS is approximately US\$500 million, subject to finalization of scope and definitive cost estimates.

LaCrosse Pipeline

In May 2009, the Company successfully completed a non-binding open season for the proposed LaCrosse Pipeline. This project includes an interstate pipeline to transport natural gas from EEP's Carthage Hub in Panola County, Texas, to Washington Parish in Southeastern Louisiana. The 483-kilometre (300-mile) pipeline would have at least 1.0 bcf/d capacity and would provide an outlet for increasing supplies of natural gas originating in the East Texas and Fort Worth producing basins and the growing Haynesville Shale play.

Rockies Alliance Pipeline

Alliance Pipeline US (Alliance), Questar Overthrust Pipeline Company (Questar) and Spectra Energy Transmission LLC are jointly proposing a natural gas pipeline connecting the United States Rocky Mountain region to the Chicago market hub. The proposed Rockies Alliance Pipeline (RAP) project is being developed in response to rapidly increasing supply from the United States Rocky Mountain region. RAP will enable producers, marketers and end-users to connect new gas supplies in the Greater Green River, Piceance, Uinta and Powder River basins with one of the largest and fastest growing markets in North America. The RAP project will take advantage of existing infrastructure with both Alliance and Questar to provide competitive transportation to key market areas.

RAP will initially provide 1.3 billion cubic feet per day (bcf/d) of transportation capacity which is expandable to 1.7 bcf/d with additional compression. Provided that a sufficient level of capacity subscription is achieved in 2010, the pipeline is expected to be in service in 2013.

Shenzi Project

Enbridge has completed construction of a natural gas lateral to connect the new deepwater Shenzi field to existing Gulf of Mexico pipelines. The US\$0.1 billion 11-mile (18-kilometre), 12-inch diameter gas pipeline has capacity of 0.1 bcf/d. The Shenzi lateral, which delivers natural gas through the Company's 22%-owned Cleopatra Pipeline, the 50%-owned Manta Ray Pipeline and the 50%-owned Nautilus Pipeline, was placed into service in April 2009 concurrent with producer first volumes.

Sponsored Investments

Enbridge Energy Partners

The objective of Enbridge's affiliate, EEP, is to increase its distributions primarily through the optimization of existing assets, including increased throughput, and the expansion of existing liquids and natural gas midstream businesses. Progress made on the Southern Access Mainline Expansion and Alberta Clipper projects being undertaken in partnership with EEP has been described in the Liquids Pipelines section above. In addition to the projects described under Liquids Pipelines, EEP is undertaking the following project:

North Dakota System Expansion

In addition to recent expansions, EEP is undertaking a further expansion of the North Dakota Pipeline System at an approximate cost of US\$0.1 billion. The expansion is expected to increase system capacity from 110,000 bpd to 161,000 bpd and will consist of upgrades to existing pump stations, additional tankage as well as extensive use of drag reducing agents that are injected into the pipeline. The commercial structure for this expansion is a cost-of-service based surcharge that will be added to the existing transportation rates. Approval was received from the Federal Energy Regulatory Commission (FERC) in October 2008. The expansion is expected to be in service in early 2010.

Enbridge Income Fund

Enbridge Income Fund's (EIF) strategy is to maximize the efficiency and profitability of its existing assets, pursue organic growth and expansion opportunities. The following project is being undertaken by EIF:

Saskatchewan System Capacity Expansion

The scope of Phase II of the Saskatchewan System Capacity Expansion has been finalized to include three separate projects that will reduce capacity constraints at a variety of locations. Collectively, the projects will increase capacity across the system by approximately 125,000 bpd at an estimated cost of approximately \$0.1 billion. Construction will begin in the third quarter of 2009 and all three projects comprising the Phase II Saskatchewan System Capacity Expansion are expected to be complete in the fourth quarter of 2010.

Gas Distribution and Services

Enbridge Gas Distribution

In September 2008, the Company filed an application with the Ontario Energy Board (OEB) to adjust rates for 2009 pursuant to the 2008 approved incentive regulation (IR) formula and to seek approval for specific changes to the Rate Handbook. A settlement containing all applied for aspects of the formulaic component of the IR rate setting process was approved in December 2008. The Company received a fiscal 2009 final rate order in February 2009 approving the implementation of a rate change effective April 1, 2009. This change will enable the Company to recover the approved revenues retroactively to January 1, 2009.

Corporate

Ontario Wind Project

The 190-megawatt wind power project, located in the Municipality of Kincardine on the Eastern shore of Lake Huron in Ontario, was completed in the fourth quarter of 2008, and 65 of the 115 wind turbines were operating and delivering power to the grid by the end of 2008. During the first quarter of 2009, the remaining 50 turbines were phased into service and the wind project attained full commercial operation. The final capital cost of the project is \$0.5 billion.

Alberta Saline Aquifer Project

The 38-member Alberta Saline Aquifer Project (ASAP) completed Phase I of the three-phase carbon dioxide storage project in March 2009, which focused primarily on identifying deep saline aquifer locations in Alberta that would be suitable for a carbon dioxide storage pilot project. The costs associated with Phase I were covered by ASAP participants and a grant from the Alberta Energy Research Institute.

The Federal Government of Canada will contribute funding for Phase II, constructing the pilot project, under its \$0.2 billion ecoENERGY Technology initiative. In addition, the Government of Alberta announced that the EPCOR/Enbridge proposal for an integrated gasification combined-cycle (IGCC) carbon capture power generation facility at Genesee is one of three projects selected for the negotiation of letters of intent under the province's \$2 billion program for large-scale carbon capture and storage (CCS) projects. The Genesee IGCC CCS project would be North America's first project combining an IGCC commercial-scale near-zero-emission thermal power plant with carbon capture, compression and storage. It has the potential to capture more than 3,300 tonnes per day or 1.2 million tonnes of carbon dioxide emissions a year. Enbridge would be responsible for transporting captured CO₂ from the Genesee site for use in enhanced oil recovery or permanent storage in deep saline aquifers, and ASAP would be responsible for saline aquifer sequestration.

FINANCIAL RESULTS

Liquids Pipelines

<i>(millions of Canadian dollars)</i>	Three months ended		Six months ended	
	June 30,		June 30,	
	2009	2008	2009	2008
Enbridge System	65.5	49.8	124.0	101.5
Athabasca System	16.6	15.4	33.3	28.8
Spearhead Pipeline	2.4	2.2	5.7	5.4
Olympic Pipeline	1.9	2.4	4.2	4.8
Southern Lights Pipeline	12.2	4.2	27.5	8.9
Feeder Pipelines and Other	(1.7)	2.3	(0.8)	3.0
Adjusted Earnings	96.9	76.3	193.9	152.4
Athabasca System – leak remediation costs	-	-	(6.0)	-
Earnings	96.9	76.3	187.9	152.4

Liquids Pipelines adjusted earnings for the three months ended June 30, 2009 were \$96.9 million, an increase of \$20.6 million compared with adjusted earnings of \$76.3 million for the three months ended June 30, 2008. Adjusted earnings for the six months ended June 30, 2009 were \$193.9 million, an increase of \$41.5 million compared with adjusted earnings of \$152.4 million in the prior year comparable period. The adjusted earnings increase for both the three and six month periods ended June 30, 2009, compared with the corresponding periods of 2008, was largely due to higher earnings from Enbridge System and Southern Lights Pipeline, including the impact of AEDC.

While under construction, certain regulated pipelines are entitled to recognize AEDC in earnings. These amounts will contribute to earnings throughout the Company's significant growth period and will be collected in tolls once the pipelines are in service. The earnings impact of AEDC for the Enbridge System was \$15.3 million (2008 - \$4.0 million) for the three months ended June 30, 2009 and \$30.4 million (2008 - \$6.2 million) for the six months ended June 30, 2009. The earnings impact of AEDC for the Southern Lights Pipeline was \$8.7 million (2008 - \$4.2 million) for the three months ended June 30, 2009 and \$19.7 million (2008 - \$8.9 million) for the six months ended June 30, 2009.

Enbridge System earnings included AEDC on Alberta Clipper as well as Line 4, until April 2009 when Line 4 was placed into service. These positive impacts were partially offset by higher labour costs and higher pipeline integrity costs. Earnings for the three months ended June 30, 2009 also included increased tolls resulting from a higher rate base due to the Line 4 Extension Project.

The increase in Athabasca System adjusted earnings for the first six months of 2009, compared with the first half of 2008, reflected contributions from the Waupisoo Pipeline that went in service in June 2008 and the positive impact of terminal infrastructure additions.

Higher Southern Lights Pipeline earnings reflected AEDC recognized on a growing capital base while the project continued to be under construction as well as earnings from the LSr Pipeline which became operational during the first quarter of 2009.

The decrease in earnings in Feeder Pipelines and Other is primarily due to increased business development costs.

Liquids Pipelines earnings were impacted by a \$6.0 million after-tax expense resulting from clean up and remediation costs related to a valve leak within the Enbridge Cheecham Terminal in January 2009.

Gas Pipelines

<i>(millions of Canadian dollars)</i>	Three months ended June 30,		Six months ended June 30,	
	2009	2008	2009	2008
Alliance Pipeline US	6.6	5.9	13.1	11.9
Vector Pipeline	3.6	3.0	9.3	7.0
Enbridge Offshore Pipelines (Offshore)	7.1	2.3	11.1	7.7
Adjusted Earnings	17.3	11.2	33.5	26.6
Alliance Pipeline US – shipper claim settlement	-	-	-	2.8
Offshore – property insurance recovery from 2008 hurricanes	1.5	-	1.5	-
Offshore – repair costs from 2005 hurricanes	-	(2.3)	-	(2.3)
Earnings	18.8	8.9	35.0	27.1

Gas Pipelines adjusted earnings for the three and six months ended June 30, 2009 were \$17.3 million and \$33.5 million, respectively, compared with \$11.2 million and \$26.6 million for the three and six months ended June 30, 2008. Adjusted earnings for Vector Pipeline for 2009 were strengthened as a result of an increase in market demand and the impact of a stronger United States dollar. Offshore adjusted earnings for the three and six months ended June 30, 2009 included \$3.8 million in insurance proceeds, which was an interim reimbursement for business interruption lost revenues and operating expenses associated with Hurricane Ike in 2008. Second quarter 2009 earnings also included contributions from Shenzi volumes since its in-service date of April 2009.

Gas Pipelines earnings were impacted by the following non-recurring or non-operating adjusting items:

- Earnings for the six months ended June 30, 2008 were impacted by \$2.8 million in proceeds received by Alliance Pipeline US from the settlement of a claim against a former shipper which repudiated its capacity commitment.
- Earnings for the three and six months ended June 30, 2009 included insurance proceeds of \$1.5 million related to the replacement of damaged infrastructure as a result of the 2008 hurricanes.
- In the second quarter of 2008, Offshore incurred \$2.3 million in additional costs related to 2005 hurricanes.

Effective June 1, 2009, Offshore's insurance policy no longer includes coverage related to named windstorms, such as hurricanes. The decision to exclude this coverage from the policy was a result of significant increases in insurance premiums and deductibles. As a result of the change in coverage, damage caused by future hurricanes will impact Offshore's financial performance. Financial impacts may result from damage to Offshore facilities resulting in decreased revenues from lower throughput as well as inspection and repair costs. Partially offsetting this exposure, the Stingray Pipeline system implemented, as part of a recent FERC rate case settlement, an event surcharge mechanism to allow recovery from shippers for hurricane damage.

Sponsored Investments

	Three months ended June 30,		Six months ended June 30,	
<i>(millions of Canadian dollars)</i>	2009	2008	2009	2008
Enbridge Energy Partners	27.3	15.0	48.1	28.7
Enbridge Income Fund	11.9	11.1	23.0	21.4
Adjusted Earnings	39.2	26.1	71.1	50.1
EEP – unrealized derivative fair value gains/(losses)	3.7	(4.1)	0.1	(2.8)
EEP – Lakehead System billing correction	-	-	3.1	-
EEP – dilution gain on Class A unit issuance	-	-	-	4.5
EIF – Alliance Canada shipper claim settlement	-	-	-	1.3
Earnings	42.9	22.0	74.3	53.1

Sponsored Investments' adjusted earnings were \$39.2 million for the three months ended June 30, 2009, compared with \$26.1 million for the three months ended June 30, 2008. For the six months ended June 30, 2009, adjusted earnings were \$71.1 million, compared to \$50.1 million in the comparable prior year period. EEP adjusted earnings increased due to the Company's higher ownership interest in EEP resulting from the December 2008 Class A unit subscription; an increased contribution due to higher gas and crude oil delivery volumes and tariff surcharges for recent expansions; higher incentive income; and the stronger United States dollar.

Sponsored Investment earnings for the three and six months ended June 30, 2009 and June 30, 2008 were impacted by the following non-recurring or non-operating adjusting items:

- Earnings from EEP included a change in the unrealized fair value on derivative financial instruments in each period.
- Earnings from EEP included a Lakehead System billing correction of \$3.1 million (net to Enbridge) related to services provided in prior periods.
- EEP earnings for the six months ended June 30, 2008 include dilution gains because Enbridge did not fully participate in EEP Class A unit offerings. Enbridge's ownership interest in EEP decreased from 15.1% to 14.6% as a result of the offering in the first quarter of 2008. In December 2008, Enbridge purchased 16.3 million Class A common units of EEP, resulting in an ownership increase to 27.0%.
- Earnings from EIF for the six months ended June 30, 2008 included proceeds of \$1.3 million from the settlement of a claim against a former shipper on Alliance Canada which repudiated its capacity commitment.

Gas Distribution and Services

<i>(millions of Canadian dollars)</i>	Three months ended June 30,		Six months ended June 30,	
	2009	2008	2009	2008
Enbridge Gas Distribution (EGD)	16.1	10.9	93.4	95.6
Noverco	0.7	0.2	15.2	16.0
Enbridge Gas New Brunswick	4.3	3.5	8.5	6.7
Other Gas Distribution	0.8	0.5	7.4	6.2
Energy Services	7.2	4.1	30.4	13.5
Aux Sable	7.9	10.0	13.5	13.4
Other	(1.4)	(0.6)	(2.6)	(1.6)
Adjusted Earnings	35.6	28.6	165.8	149.8
EGD – colder/(warmer) than normal weather	(0.5)	(3.8)	14.0	9.9
EGD – interest income on GST refund	-	-	6.7	-
Energy Services – unrealized fair value losses, net	(3.3)	(35.2)	(11.2)	(35.2)
Aux Sable – unrealized derivative fair value gains/(losses)	(11.3)	(5.3)	(18.1)	13.6
Other – adoption of new accounting standard	-	-	(2.7)	-
Earnings/(Loss)	20.5	(15.7)	154.5	138.1

Gas Distribution and Services adjusted earnings for the three months ended June 30, 2009 were \$35.6 million, an increase of \$7.0 million compared with \$28.6 million for the three months ended June 30, 2008. Adjusted earnings for the six months ended June 30, 2009 were \$165.8 million, an increase of \$16.0 million compared with adjusted earnings of \$149.8 million in the prior year comparable period. This increase in the six months adjusted earnings was primarily due to increased adjusted earnings at Energy Services, partially offset by a decrease in adjusted earnings at EGD.

EGD had adjusted earnings of \$16.1 million (2008 - \$10.9 million) for the three months ended June 30, 2009. EGD's adjusted earnings for the six months ended June 30, 2009 were \$93.4 million compared with adjusted earnings of \$95.6 million for the six months ended June 30, 2008. The increase in EGD's adjusted earnings in the second quarter of 2009 compared with the second quarter of 2008 was primarily due to customer growth and lower interest expense, partially offset by higher operating costs and estimated accrued earnings sharing with customers under the current incentive regulation term. The decrease in EGD's year-to-date adjusted earnings was primarily due to timing differences related to monthly fixed charges on customers' bills, partially offset by lower interest expense. As initially reflected in the results for the first quarter of 2008, and in line with scheduled progressive changes contained in the five year Incentive Regulation terms, EGD's fixed charge billing per customer increased with a corresponding decrease in the per unit volumetric charge. These changes modify EGD's quarterly earnings profile relative to the prior year, but do not affect full year earnings as revenues are shifted from the colder winter quarters to the warmer summer quarters.

Energy Services adjusted earnings increased from \$4.1 million for the three months ended June 30, 2008 to \$7.2 million for the three months ended June 30, 2009. Energy Services adjusted earnings increased from \$13.5 million for the six months ended June 30, 2008 to \$30.4 million for the six months ended June 30, 2009. The increase was due to higher volumes and the impact of realizing favourable and, in some cases, previously "locked in" storage and transportation margins.

Aux Sable adjusted earnings decreased from \$10.0 million for the three months ended June 30, 2008 to \$7.9 million for the three months ended June 30, 2009. For the six months ended June 30, 2009, Aux Sable's adjusted earnings were \$13.5 million compared to \$13.4 million for the six months ended June 30, 2008. Adjusted earnings for the three and six months ended June 30, 2009 reflect favourable risk management of fractionation margins and earnings from the upside sharing mechanism as a result of strong fractionation margins, albeit at levels below those recognized in the prior year quarter.

Gas Distribution and Services earnings were impacted by the following non-recurring or non-operating adjusting items:

- Earnings from EGD for each period are adjusted to reflect the impact of weather.
- Earnings from EGD for the six months ended June 30, 2009 included interest income of \$6.7 million related to the recovery of excess GST remitted to Canada Revenue Agency (CRA).

- Energy Services earnings for 2009 and 2008 reflected unrealized fair value losses resulting from the revaluation of inventory and the revaluation of largely offsetting financial derivatives used to “lock-in” the profitability of forward transportation and storage transactions. During the first quarter of 2009, the Company adopted fair value accounting for inventory held at its commodity marketing businesses.
- Aux Sable earnings reflected unrealized fair value changes on derivative financial instruments used to risk manage fractionation margin upside on natural gas processing volumes. Similar to Energy Services, these non-cash losses arose due to the revaluation of financial derivatives used to “lock in” the profitability of forward contracted prices.
- Other reflected the write-off of \$2.7 million in deferred development costs as a result of adopting a change in accounting standards, effective January 1, 2009.

International

<i>(millions of Canadian dollars)</i>	Three months ended June 30,		Six months ended June 30,	
	2009	2008	2009	2008
OCENSA	-	7.7	6.6	15.4
CLH	-	12.7	-	24.7
Other	(1.8)	(1.4)	(2.8)	(2.0)
Adjusted Earnings/(Loss)	(1.8)	19.0	3.8	38.1
OCENSA – gain on sale of investment	-	-	329.0	-
CLH – gain on sale of investment	-	556.1	-	556.1
CLH – unrealized derivative fair value gains	-	2.8	-	-
Earnings/(Loss)	(1.8)	577.9	332.8	594.2

International adjusted loss was \$1.8 million for the three months ended June 30, 2009 and adjusted earnings were \$3.8 million for the six months ended June 30, 2009 compared with adjusted earnings of \$19.0 million and \$38.1 million for the three and six months ended June 30, 2008. The decrease in adjusted earnings/(loss) for both the three and six months ended June 30, 2009, compared with the same periods of 2008, was a result of the sale of CLH in June 2008 and OCENSA in March 2009.

International earnings were impacted by the following non-recurring or non-operating adjusting items:

- On March 17, 2009, the Company sold its investment in OCENSA, a crude oil export pipeline in Colombia, for proceeds of \$511.8 million (US\$402.4 million) resulting in a gain of \$329.0 million.
- On June 17, 2008, the Company closed the sale of its investment in CLH, resulting in an after-tax gain of \$556.1 million.
- Earnings for the second quarter of 2008 from CLH included a gain on the unrealized fair value on risk-managed foreign currency derivative financial instruments.

Corporate

<i>(millions of Canadian dollars)</i>	Three months ended June 30,		Six months ended June 30,	
	2009	2008	2009	2008
Adjusted Earnings/(Loss)	7.3	(11.7)	(4.2)	(28.6)
Unrealized derivative fair value gains	115.0	-	71.5	-
Unrealized foreign exchange gains on translation of intercompany loans	68.5	-	68.5	-
Gain on sale of investment in NTP	24.9	-	24.9	-
Impact of SIFT legislated tax changes	-	-	5.9	-
Gain on sale of corporate aircraft	-	-	-	4.9
U.S. pipeline tax decision	-	-	-	(32.2)
Earnings/(Loss)	215.7	(11.7)	166.6	(55.9)

Adjusted earnings from Corporate were \$7.3 million for the three months ended June 30, 2009, compared with an adjusted loss of \$11.7 million for the comparable prior year period. Corporate adjusted loss was \$4.2 million for the six months ended June 30, 2009, compared with \$28.6 million for the six months ended June 30, 2008. This increase in Corporate adjusted earnings results from lower effective interest rates in 2009 compared with

2008. To a lesser degree, a number of other factors contributed to the increase including foreign exchange gains realized on residual United States dollar cash balances as the result of a stronger United States dollar.

Corporate costs were impacted by the following non-recurring or non-operating adjusting items:

- Earnings for both the three and six months ended June 30, 2009 included unrealized fair value gains on the revaluation of derivative financial instruments resulting from forward risk management positions. The Company entered into foreign exchange derivative contracts in late 2008 and early 2009 to minimize the volatility of future United States dollar earnings. Additional derivative contracts used to mitigate cash flow volatility due to future interest rate fluctuations were entered into in the second quarter of 2009.
- Earnings for 2009 included net unrealized foreign exchange gains on the translation of foreign-denominated intercompany loans.
- On May 1, 2009, the Company sold its investment in NTP an internet-based crude oil trading and clearing platform, for proceeds of \$32.1 million, resulting in a gain of \$24.9 million.
- Earnings for the six months ended June 30, 2009 included a \$5.9 million benefit related to legislated Specified Investment Flow-Through Entity (SIFT) tax changes.
- A \$4.9 million gain on the sale of a corporate aircraft is included in earnings for the six months ended June 30, 2008.
- An unfavourable court decision related to the tax basis of previously owned United States pipeline assets resulted in the recognition of a \$32.2 million income tax expense in the six months ended June 30, 2008.

LIQUIDITY AND CAPITAL RESOURCES

The Company expects to utilize cash from operations, the issuance of commercial paper and credit facility draws to fund liabilities as they become due, finance capital expenditures and pay common share dividends through the remainder of 2009. At June 30, 2009, excluding the Southern Lights project financing, the Company had \$6,690.0 million of committed credit facilities of which \$2,570.9 million was drawn or allocated to backstop commercial paper. Though undrawn at June 30, 2009, the Company has provided its affiliates EEP and EIF, with liquidity support of US\$650 million and \$100 million, respectively, under revolving credit agreements. As a result, the Company had net available liquidity at June 30, 2009 of \$3,544.2 million, inclusive of unrestricted cash and cash equivalents of \$280.6 million. The net available liquidity is expected to be sufficient to finance all currently secured capital projects, including the investment in the United States portion of the Alberta Clipper project, and to provide flexibility for new investment opportunities.

In June 2009, EIF secured additional credit facilities of \$150 million of which the Company committed \$100 million on the same terms as a third party bank lender. This additional credit supplements EIF's liquidity to finance its capital program and upcoming debt maturity.

In April 2009, EEP secured additional credit facilities of US\$350 million of which the Company committed US\$150 million on the same terms as the third party bank lenders. This additional liquidity will help EEP manage its 2009 capital program. Enbridge, as EEP's General Partner, is supportive of EEP in executing its extensive capital expenditure program which, in certain cases, is integrated with Enbridge's operational asset base. On July 20, 2009, Enbridge announced that it will fund two-thirds of the US\$1.2 billion United States segment of the Alberta Clipper project. As a result of this investment, it is expected that EEP will not require all of the liquidity support provided by the Company.

The following table provides details of the Company's credit facilities at June 30, 2009.

<i>(millions of Canadian dollars)</i>	Expiry Dates	Total Facilities	Credit Facility Draws ²	Available
Liquids Pipelines	2011	1,300.0	740.5	559.5
Gas Distribution and Services	2010	1,014.0	8.3	1,005.7
Corporate	2010 - 2013	4,376.0	1,822.1	2,553.9
		6,690.0	2,570.9	4,119.1
Southern Lights project financing ¹		1,947.1	1,496.4	450.7
Credit facilities		8,637.1	4,067.3	4,569.8

1. Total facilities inclusive of \$134.6 million which is available if certain conditions related to the project are met.

2. Includes facility draws and commercial paper issuances, net of discount, that are backstopped by the credit facility and letters of credit.

During the quarter, Enbridge economically hedged a significant amount of its exposure to rising interest rates by "locking-in" or capping the rate on short-term borrowings (commercial paper and bank facilities) and future term debt issuances. Short-term floating rate borrowings of \$3,008.5 million (2009), \$3,394.5 million (2010), \$3,046.0 million (2011), \$3,046.0 million (2012) and \$2,246.0 million (2013) have been hedged at a weighted average interest rate of 2.4%. Anticipated term debt issuances through 2013 of \$1,900 million have been hedged at a weighted average interest rate for the underlying government bond benchmark of 4.2%.

Operating Activities

Cash from operating activities was \$697.5 million and \$1,579.7 million for the three and six months ended June 30, 2009, compared with \$326.4 million and \$1,082.3 million for the three and six months ended June 30, 2008. This increase resulted primarily from increased earnings, higher gas price variance payable to customers and a lower valued gas inventory balance at EGD compared with prior periods.

There are no material restrictions on the Company's cash with the exception of proportionately consolidated joint venture cash of \$67.5 million, which cannot be accessed until distributed to the Company, and cash in trust of \$6.3 million for specific shipper commitments.

Investing Activities

Cash used in investing activities for the three and six months ended June 30, 2009 was \$487.9 million and \$851.2 million, respectively, compared with cash provided by investing activities of \$674.8 million and \$62.9 million for the three and six months ended June 30, 2008. Capital expenditures on growth projects increased compared with the prior year; however, during the three and six months ended June 30, 2008, proceeds from the sale of CLH increased cash provided by investing activities.

Financing Activities

Cash used in financing activities was \$190.3 million for the three months ended June 30, 2009, compared with \$932.7 million for the three months ended June 30, 2008. The variance in cash used in financing activities primarily resulted from commercial paper and credit facility draws in the second quarter of 2009, compared with repayments in the second quarter of 2008 largely afforded by the 2008 CLH sale. Also, during the three months ended June 30, 2009 the Company issued a \$400 million seven-year term note. Repayments of short-term borrowings and long-term debt and net drawings on the Southern Lights project financing also impacted cash used in financing activities in 2009. For the six months ended June 30, 2009, cash used in financing activities was \$915.8 million compared with \$1,004.1 million for the same period of 2008. The decreased use of cash primarily resulted from the same factors as those affecting the three month period.

Effective March 1, 2008 onward, participants in the Company's Dividend Reinvestment and Share Purchase Plan received a 2% discount on the purchase of common shares with reinvested dividends. For the six months ended June 30, 2009, dividends declared were \$276.6 million, of which \$210.3 million were paid in cash and reflected in financing activities. The remaining \$66.3 million of dividends declared were reinvested pursuant to the plan and resulted in the issuance of common shares rather than a cash payment. During the second quarter, 24% of total dividends declared were reinvested.

On July 28, 2009, the Enbridge Board of Directors declared quarterly dividends of \$0.37 per common share and \$0.34375 per Series A Preferred Share. Both dividends are payable on September 1, 2009 to shareholders of record on August 17, 2009.

Capital Expenditure Commitments

The Company has signed contracts for the purchase of services, pipe and other materials totaling \$1,299.2 million. Of this amount, \$988.1 million is to be used in the construction of several Liquids Pipelines projects including Southern Lights Pipeline, the Canadian segment of the Alberta Clipper Project and Hardisty Terminal.

On July 20, 2009, the Company committed to fund two-thirds of the United States segment of the Alberta Clipper Project.

CRITICAL ACCOUNTING ESTIMATES

Asset Retirement Obligations

In May 2009, the NEB released a report on the financial issues associated with pipeline abandonment. The NEB will require all companies to formally assess the timeline and cost of future abandonment and, if necessary, set aside funds to cover future abandonment costs. All pipelines regulated under the NEB Act will be required to comply with the report's framework and action plan. The NEB is hosting technical meetings beginning in September 2009 to evaluate how abandonment estimates will be calculated and submitted as well as proposals for how funds will be collected and set aside. The NEB's goal is to have companies, as required, begin setting aside funds for abandonment no later than the end of May 2014. Currently, for certain of the Company's assets, it is not practical to make a reasonable estimate of asset retirement obligations for accounting purposes due to the indeterminate timing and the scope of asset retirements. However, should the NEB action plan result in a reasonable estimate of asset retirement obligations for accounting purposes, financial statement recognition of those obligations may be made in future periods. As a result, regulatory assets and liabilities may be recognized to the extent the timing of recovery from shippers differs from the recognition of abandonment costs for accounting purposes.

CHANGES IN ACCOUNTING POLICIES

Information about the Company's changes in accounting policies is included in Note 1 to the June 30, 2009 Consolidated Financial Statements.

FUTURE ACCOUNTING POLICY CHANGES

International Financial Reporting Standards (IFRS)

The Canadian Accounting Standards Board (AcSB) confirmed in February 2008 that publicly accountable entities will be required to adopt IFRS for interim and annual financial statements beginning on January 1, 2011, including comparative financial statements for 2010.

Enbridge has developed a Project Charter which includes an IFRS governance structure to monitor the progress of the transition. The Audit, Finance and Risk Committee of the Board of Directors receives regular reports on the advancement of the conversion to IFRS. In addition, the Company has trained internal IFRS team members and has hired a public accounting firm to assist with project management and to provide technical accounting advice on the interpretation and application of IFRS.

The Company has a multiyear transition plan which includes four phases - diagnostic, project planning, policy design and implementation. In 2008, the Company completed the diagnostic phase and has identified the relevant differences between Canadian GAAP and IFRS. In the first quarter of 2009, the Company completed a detailed project plan for 2009 and 2010 which identifies and plans for activities needed to complete the conversion. Progress against the project plan for each work stream is discussed below.

Accounting and Reporting

During the first quarter of 2009, key accounting decisions were made that will impact how Enbridge will reflect IFRS initially in the January 1, 2010 opening balance sheet and high level decisions on how the Company

expects to apply IFRS to significant balances such as property, plant and equipment. In the second quarter of 2009, the Company prepared IFRS-compliant accounting policies for high impact areas, primarily property, plant and equipment.

During the remainder of 2009, the Company expects to finalize accounting policy decisions, develop processes to derive the opening balance sheet under IFRS and create model financial statement disclosures that will identify the type of information and the level of detail the Company will disclose under IFRS.

Also, the Company actively monitors the activities of the AcSB and the International Accounting Standards Board (IASB) which may issue new accounting standards during the period leading up to conversion. The Company will modify its project plan to incorporate new accounting requirements as they are issued.

Other Impacts of IFRS:

- **Information Systems:** During the first two quarters of 2009, the Company completed a high-level assessment of the impacts of IFRS conversion on its information systems and defined key business requirements for its comparative year and long-term system solution. Over the remaining two quarters of 2009, the Company expects to complete the design and implementation phases of its comparative year information systems solution and prepare for the conversion of its 2010 opening balance sheet.
- **Accounting and Business Processes:** As accounting policy decisions are made, the impact of accounting changes on accounting and business processes will be identified and documented. New processes or changes to existing processes needed to adopt IFRS are expected to be designed during 2009.
- **Controls:** As process changes are designed, the impact on disclosure controls and procedures and internal control over financial reporting will be identified and documented.
- **Tax:** The tax impact of accounting policy changes will be considered as accounting policy decisions are being developed.
- **Change Management:** During the remainder of 2009, the Company will develop and deploy a detailed internal and external communications plan. As accounting, information systems and process changes are identified the Company will develop a detailed training plan to provide training during 2010 to all staff impacted by IFRS.

The detailed project plan and the expected timing of key activities identified above may change prior to the IFRS conversion date due to the issuance of new accounting standards or amendments to existing accounting standards, changes in regulation or economic conditions or other factors.

SELECTED QUARTERLY FINANCIAL INFORMATION¹

<i>(millions of Canadian dollars, except per share amounts)</i>	2009		2008				2007	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Revenues	2,867.6	3,782.6	3,923.5	4,368.5	3,871.5	3,967.8	3,198.5	2,634.0
Earnings applicable to common shareholders	393.0	558.1	263.4	148.4	657.7	251.3	248.6	78.1
Earnings per common share	1.08	1.54	0.72	0.41	1.83	0.70	0.70	0.22
Diluted earnings per common share	1.08	1.53	0.71	0.41	1.81	0.70	0.69	0.22
Dividends per common share	0.3700	0.3700	0.3300	0.3300	0.3300	0.3300	0.3075	0.3075

1. Quarterly financial information has been extracted from financial statements prepared in accordance with Canadian GAAP.

Revenues includes amounts billed to customers of EGD for natural gas, which varies with fluctuations in the commodity price. Higher natural gas commodity prices increase revenues, but would not similarly impact earnings, given the cost of natural gas flows through to customers. Fluctuations in commodity prices impact revenues and earnings from Energy Services businesses.

Significant items that impacted the quarterly earnings and revenues were as follows:

- Second quarter 2009 earnings reflect a higher contribution from EEP, AEDC in Liquids Pipelines as well as unrealized fair value gains on derivative financial instruments used to risk manage commodity, foreign exchange and interest rate variability.

- First quarter 2009 earnings reflect a gain of \$329 million on the disposition of the Company's investment in OCENSA.
- Fourth quarter earnings in 2008 reflect AEDC in Liquids Pipelines, a higher contribution from EGD and unrealized fair value gains on derivative financial instruments in Aux Sable and Energy Services.
- Third quarter earnings in 2008 reflect increased earnings from Athabasca System, EGD, Aux Sable and Energy Services. Revenues increased due to higher average commodity prices in 2008.
- Second quarter 2008 earnings included a gain on the sale of the Company's investment in CLH as well as increased earnings from EEP, Aux Sable and Energy Services. Revenues are higher than the comparable 2007 period due to higher commodity prices reflected in Energy Services.
- First quarter 2008 earnings included higher contributions from EGD as well as improved results in Aux Sable and Energy Services, partially offset by the recognition of an income tax charge related to previously owned United States pipeline assets.
- Fourth quarter earnings in 2007 included the impact of tax changes, which increased consolidated earnings.
- Third quarter 2007 included a derivative revaluation loss from Aux Sable.

NON-GAAP RECONCILIATIONS

<i>(millions of Canadian dollars)</i>	Three months ended		Six months ended	
	2009	2008	2009	2008
GAAP earnings as reported	393.0	657.7	951.1	909.0
Significant after-tax non-recurring or non-operating factors and variances:				
Liquids Pipelines				
Athabasca System – leak remediation costs	-	-	6.0	-
Gas Pipelines				
Alliance Pipeline US – shipper claim settlement	-	-	-	(2.8)
Offshore – property insurance recovery from 2008 hurricanes	(1.5)	-	(1.5)	-
Offshore – repair costs from 2005 hurricanes	-	2.3	-	2.3
Sponsored Investments				
EEP – unrealized derivative fair value (gains)/losses	(3.7)	4.1	(0.1)	2.8
EEP – Lakehead System billing correction	-	-	(3.1)	-
EEP – dilution gain on Class A unit issuance	-	-	-	(4.5)
EIF – Alliance Canada shipper claim settlement	-	-	-	(1.3)
Gas Distribution and Services				
EGD – warmer/(colder) than normal weather	0.5	3.8	(14.0)	(9.9)
EGD – interest income on GST refund	-	-	(6.7)	-
Energy Services – unrealized fair value losses, net	3.3	35.2	11.2	35.2
Aux Sable – unrealized derivative fair value (gains)/losses	11.3	5.3	18.1	(13.6)
Other – adoption of new accounting standard	-	-	2.7	-
International				
OCENSA – gain on sale of investment	-	-	(329.0)	-
CLH – gain on sale of investment	-	(556.1)	-	(556.1)
CLH – unrealized derivative fair value gains	-	(2.8)	-	-
Corporate				
Unrealized derivative fair value gains	(115.0)	-	(71.5)	-
Unrealized foreign exchange gains on translation of intercompany loans	(68.5)	-	(68.5)	-
Gain on sale of investment in NTP	(24.9)	-	(24.9)	-
Impact of SIFT legislated tax changes	-	-	(5.9)	-
Gain on sale of corporate aircraft	-	-	-	(4.9)
U.S. pipeline tax decision	-	-	-	32.2
Adjusted Earnings	194.5	149.5	463.9	388.4

OUTSTANDING SHARE DATA

	Number
Preferred Shares, Series A (non-voting equity shares)	5,000,000
Common Shares – issued and outstanding (voting equity shares)	375,496,307
Stock Options – issued and outstanding (8,262,128 vested)	16,774,701

Outstanding share data information is provided as at July 20, 2009.

Dated July 29, 2009

**ENBRIDGE INC.
HIGHLIGHTS**

	Three months ended June 30,		Six months ended June 30,	
<i>(unaudited; millions of Canadian dollars, except per share amounts)</i>	2009	2008	2009	2008
Earnings Applicable to Common Shareholders				
Liquids Pipelines	96.9	76.3	187.9	152.4
Gas Pipelines	18.8	8.9	35.0	27.1
Sponsored Investments	42.9	22.0	74.3	53.1
Gas Distribution and Services	20.5	(15.7)	154.5	138.1
International	(1.8)	577.9	332.8	594.2
Corporate	215.7	(11.7)	166.6	(55.9)
	393.0	657.7	951.1	909.0
Cash Flow Data				
Cash provided by operating activities before changes in operating assets and liabilities	389.4	247.9	863.7	705.9
Cash provided by operating activities	697.5	326.4	1,579.7	1,082.3
Additions to property, plant and equipment	539.8	636.5	1,350.4	1,232.5
Total Common Share Dividends	138.5	122.1	276.6	243.9
Per Common Share Information				
Earnings per Common Share	1.08	1.83	2.62	2.53
Diluted Earnings per Common Share	1.08	1.81	2.61	2.51
Dividends per Common Share	0.37	0.33	0.74	0.66
Shares Outstanding				
Weighted Average Common Shares Outstanding <i>(millions)</i>	363.5	359.4	362.9	358.6
Diluted Weighted Average Common Shares Outstanding <i>(millions)</i>	365.5	362.8	364.5	361.5
Operating Data				
Liquids Pipelines - Average Deliveries <i>(thousands of barrels per day)</i>				
Enbridge System ¹	1,993	1,954	2,010	2,018
Athabasca System ²	253	173	252	177
Spearhead Pipeline	108	109	107	107
Olympic Pipeline	280	302	273	292
Gas Pipelines - Average Throughput Volume <i>(millions of cubic feet per day)</i>				
Alliance Pipeline US	1,587	1,623	1,638	1,654
Vector Pipeline	1,291	1,260	1,438	1,344
Enbridge Offshore Pipelines	1,990	1,856	1,979	1,847
Gas Distribution and Services ³				
Volumes <i>(billion cubic feet per period)</i>	68	71	253	263
Number of active customers <i>(thousands)</i>	1,957	1,921	1,957	1,921
Degree day deficiency ⁴				
Actual	505	463	2,430	2,351
Forecast based on normal weather	488	489	2,233	2,245

1. Enbridge System includes Canadian mainline deliveries in Western Canada and to the Lakehead System at the U.S. border as well as Line 8 and Line 9 in Eastern Canada.
2. Volumes are for the Athabasca mainline and the Waupisoo Pipeline and do not include laterals on the Athabasca System.
3. Gas Distribution and Services volumes and the number of active customers are derived from the aggregate system supply and direct purchase gas supply arrangements.
4. Degree day deficiency is a measure of coldness which is indicative of volumetric requirements of natural gas utilized for heating purposes. It is calculated by accumulating for each day in the period 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 Greater Toronto Area.