Market Access - The Strategic Imperative Continues
Al Monaco, President & CEO

TD Securities - Calgary Energy Conference
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Agenda

1. The global energy context
2. North American crude oil fundamentals
3. Market access imperative
4. Executing infrastructure investment programs
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This presentation will make reference to certain financial measures, such as adjusted net income, which are not recognized under GAAP. Reconciliations to the most closely related GAAP measures are included in the earnings release and also in the Management Discussion and Analysis posted to the website.
Global Energy Outlook

- Energy demand growing
- Energy growth decoupled from GDP
- Shifting supply mix
- All sources of supply required to meet global demand
Global Crude Oil Demand Outlook

- Oil consumption grows by 17 MMBpd (2030)
- Growth driven by non-OECD countries
  - China +6 MMBpd
- OECD demand growth flat
Global Supply Growth

+ 14 MMbpd by 2025

- Other
- OPEC
- Canada & U.S.

Enbridge’s systems are accessible to 2/3rd of incremental supply growth

Sources: EIA, CAPP, Enbridge Internal Forecasts
North American Crude Supply Growth

+ 7 MMbpd by 2025

Sources: Enbridge Internal Forecast and External Forecasts
U.S. Crude Demand and Sources of Supply

U.S. production displaces waterborne imports

Sources: EIA
North American Refinery Markets

Source: StatsCan, EIA, Enbridge Internal Forecasts

Light Markets
- East Coast
- Eastern PADD II
- PADD III

Heavy Markets
- PADD II
- PADD III

PADD II
3.5MMbpd Refining Capacity

PADD III
8 MMbpd Refining Capacity

Light Markets
Foreign
Canadian
US

Heavy
Light

Source: StatsCan, EIA, Enbridge Internal Forecasts
Challenge # 1 – Historic Crude Flow Pattern

Reconfiguration of pipeline grid underway
North American Regional Pricing Disparities

Pricing Based on 52 week average ended June 30, 2014
(Crude Prices: USD/bbl, Natural Gas Prices: USD/MMBtu)

Peak Heavy Differentials
1 Year ended June 30, 2014

<table>
<thead>
<tr>
<th>Differential</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>WCS - Maya</td>
<td>($34.41)</td>
</tr>
<tr>
<td>WCS - WTI</td>
<td>($41.20)</td>
</tr>
<tr>
<td>WCS - Brent</td>
<td>($51.94)</td>
</tr>
<tr>
<td>WCS - Pacific</td>
<td>($52.38)</td>
</tr>
</tbody>
</table>

- **Pacific**
  - Alberta Light
    - WCS: $92
    - Bakken Light: $95
  - LLS: $105

- **Brent**
  - $112

- **WCS**
  - $78
  - WCS: $93
  - AECO: $3.77

- **Henry**
  - $101

- **Maya**
  - $92
  - Maya: $93
Challenge #2 – The Cost of Adding NA Production

Global price signals required to induce investment

Source: Rystad Energy, Morgan Stanley Commodity Research estimates, Internal, CITI Research
Challenge #3 – Opposition to Energy Development

Opposition to energy development

- GHGs and climate change
- Well-organized opposition
- National Debate
- High profile incidents

Stakeholders require more of energy companies
Market Access Priorities

- **Regional Infrastructure**
- **Inland to Coastal Markets**
- **Coastal to Global**

- Asia
- Brent
- LLS
- Maya
Liquids Pipelines - Regional Infrastructure

Alberta
- Wood Buffalo Pipeline
- Waupisoo Pipeline
- Athabasca Pipeline
- Woodland Pipeline
- Norealis Pipeline
- Athabasca Twin Pipeline
- Woodland Pipeline Extension
- Wood Buffalo Extension
- Norlite Diluent Pipeline

Bakken
- Enbridge Mainline
- Saskatchewan System (ENF)
- North Dakota System
- Bakken Expansion Project
- Bakken Access Program
- Berthold Rail
- Sandpiper

Locations:
- Edmonton
- Hardisty
- Athabasca Terminal
- Cheecham Terminal
- Kirby Lake Terminal
- Norealis Terminal
- Wood Buffalo Extension
- Wood Buffalo Pipeline
- Waupisoo Pipeline
- Woodland Pipeline
- Athabasca Twin Pipeline
- Enbridge Mainline
- North Dakota System
- Bakken Expansion Project
- Saskatchewan System (ENF)
- Bakken Access Program
- Berthold Rail
- Sandpiper
Producers placing high value on market access and optionality

- Keystone XL
- ENB Northern Gateway
- TransMountain Expansion
- Energy East

Sources: Enbridge Internal Forecast

*Includes Bakken entering ENB Mainline*
Enbridge Providing New Market Access

**Light Oil Market Access**

**Eastern Access**

**Western USGC Access**

Incremental Market Access: +~1.0MMbpd of Heavy; +0.7MMbpd of Light
Northern Gateway

Northern Gateway to connect Canada to global markets

- Approved in June 2014

Priorities:

- Meet 209 conditions
- Continue to engage with communities
- Work with the Gov’t of BC on 5 conditions
Narrowing Regional Pricing Disparities

- PADD II demand (BP Whiting)
- Enhancements and optimization
  - Drag reducing agent
  - Improved scheduling
  - Quality pooling
  - Line allocations
Inland prices increase relative to global prices

2020 IHS Prices
- Light Crude
- Heavy Crude

Source: IHS June 27, 2014 Long Range Forecast
Executing the Capital Program

• Major projects capability
  - Supply chain management
  - Skills and processes
  - On time, on budget, safely

• Financing
  - Ample liquidity
  - Strong credit rating
  - Good access to capital markets

Projects In-Service 2008 – Q1 2014

Completed at 3% under budget

Consolidated Credit Facilities & Cash*

- $18B
- Available Liquidity: $12.0 Billion
- Unutilized Capacity
- Facility Usage

* Includes Enbridge Inc., Enbridge Energy Partners LP, Enbridge Income Fund
Earning Public Trust

- Putting safety and environment first
- Exceeding regulatory requirements
- Engaging stakeholders
- Investing in world class performance

*Gain the benefits of economic development in a sustainable way*
Industry Leading EPS & DPS Outlook

$42 Billion Enterprise Wide Capital Program

An Industry Leading EPS* Growth Outlook (but lumpy)

- 10-12% EPS CAGR
- Tilted Return Projects
  - $7.5B Line 3 Replacement
- New Growth Platforms
- Sponsored Vehicle Drop Downs

An Industry Leading DPS Growth Outlook (smoother)

- 10-12% DPS CAGR
- EPS Growth
- Surplus Cash Flow

2012 2017

* Adjusted earnings are non-GAAP measures. For more information on non-GAAP measures please refer to disclosure in news release.
Key Takeaways

- Global energy consumption rising
- North America well-positioned
- Good progress, but market access still challenging
- Energy development critical to Canadian economic development
- More balanced discussion on the importance of energy
Question & Answer Period