Financial Strategy Optimization

April 2015

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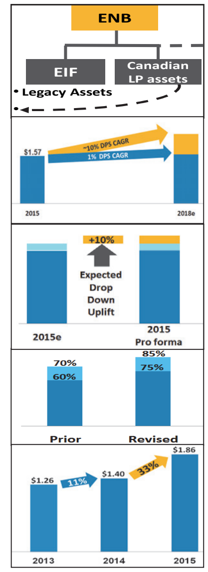
You should be cautioned that there is no assurance that the planned restructuring will be completed in the manner contemplated, or at all, or that the current market conditions and Enbridge's assumptions and forecasts based on such market conditions will not materially change.

This presentation will make reference to non-GAAP measures including adjusted earnings, adjusted funds from operations and free cash flow, together with respective per share amounts. These measures are not measures that have a standardized meaning prescribed by U.S. GAAP and may not be comparable with similar measures presented by other issuers. Additional information on the Company's use of non-GAAP measures can be found in Management's Discussion and Analysis available on the Company's website and www.SEDAR.com.

Table of Contents

A. Overview - Financial Strategy Optimization

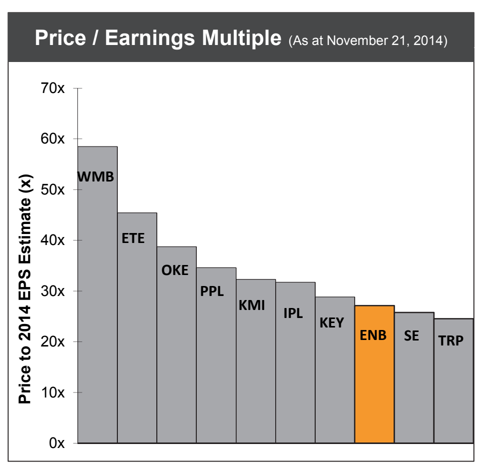
- Large scale drop down to EIF
- ENF transformed into high growth, premier Canadian infrastructure company, 10% DPS CAGR
- 10% ENB EPS Uplift
- Revised payout range
- 33% 2015 ENB dividend increase, 14-16% 2015-2018 CAGR



A. Optimization Rationale

Superior transparent growth, low risk model, yet valuation and funding competitiveness slipping

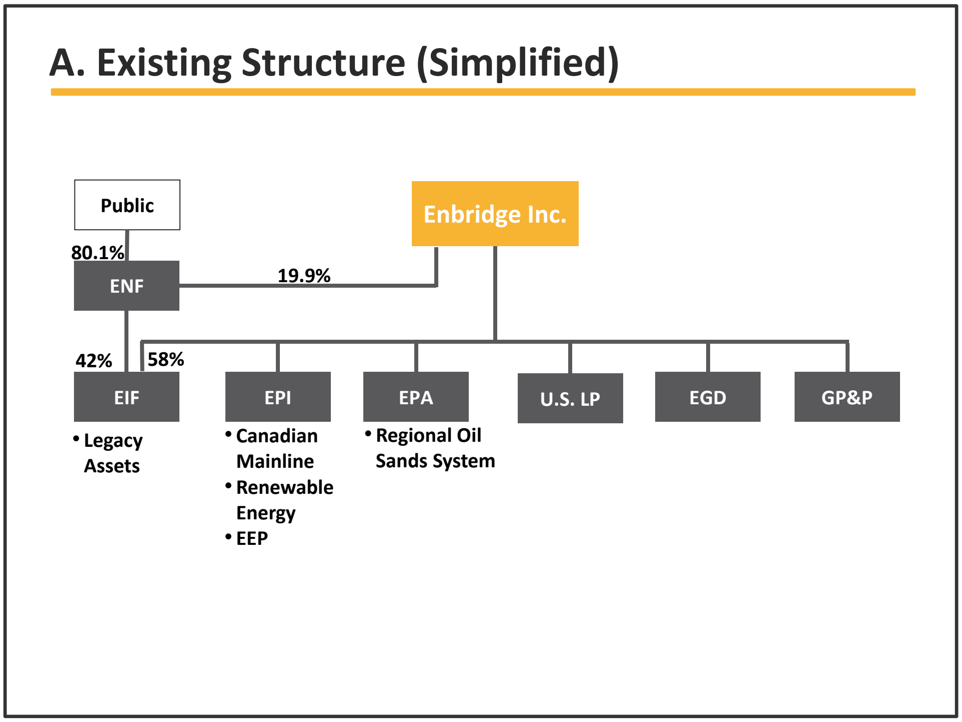
Industry Leading Organic Growth	✓
World Class Major Project Expertise	✓
Low Risk Commercial Model	✓
Valuation & Cost of Funding	X



A. Drop Down Plan Overview

Large scale drop down to EIF enhances shareholder value for both ENB and ENF

Assets	Canadian Liquids Pipelines & Renewable Energy
Book Value	~$17 billion
Secured Growth Capital	~$15 billion
EBITDA Multiple	13x – 15x
Enbridge Incentive Share	25%
Accretive to ENB	✓
Accretive to ENF	✓
ENB Economic Interest in EIF (post transaction)	90%
Estimated Closing	Mid 2015



ENF – Enbridge Income Fund Holdings (ticker ENF)

EIF – Enbridge Income Fund

EPI – Enbridge Pipelines Inc.

EEP – Enbridge Energy Partners L.P, the U.S. MLP which holds the bulk of the Enbridge U.S. Liquids Pipelines assets

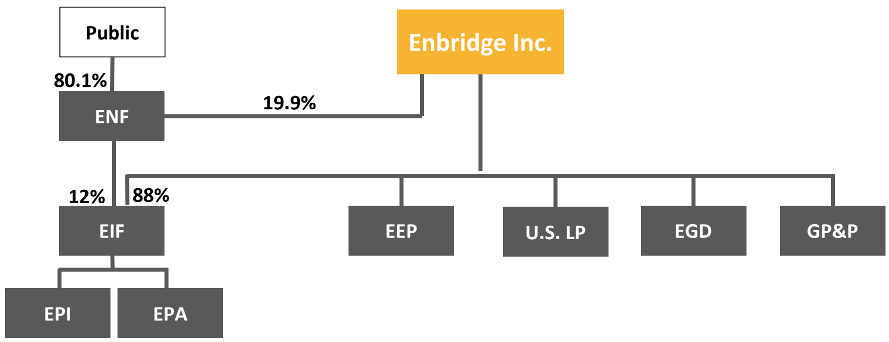
EPA – Enbridge Pipelines (Athabasca) Inc.

U.S. LP – U.S. Liquids Pipelines assets held outside of EEP

EGD – Enbridge Gas Distribution

GP&P – Enbridge's gas pipelines and processing assets (other than Alliance Pipeline which is within EIF)

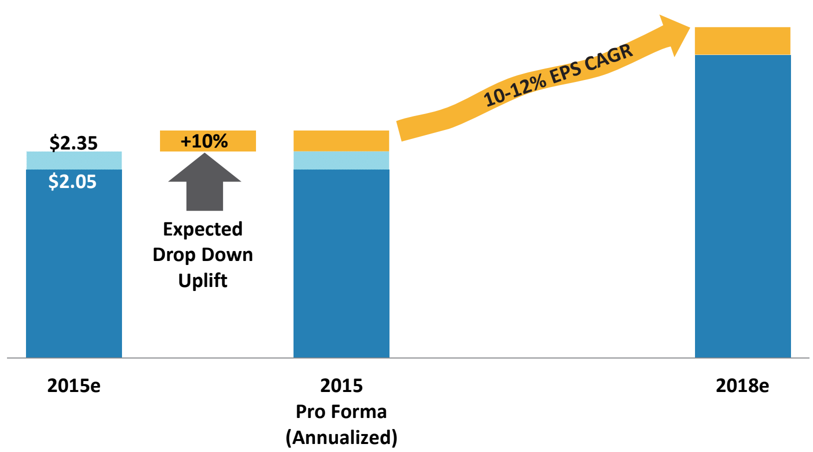
A. New Structure (Simplified) - 2015



A. ENB Expected EPS Accretion

Drop down plan expected to contribute an approximate 10% uplift in EPS for each full year from closing to 2018

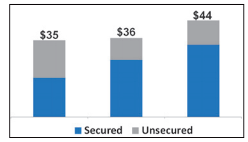
Adjusted EPS*



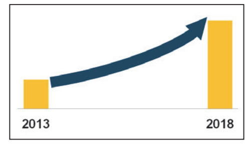
*Adjusted earnings are non-GAAP measures. For more information on non-GAAP measures please refer to disclosure in MD&A.

A. Dividend Payout Considerations

1. **Record organic growth capital program**



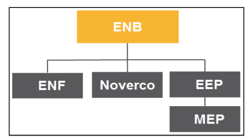
2. **Rising internal free cash flow**



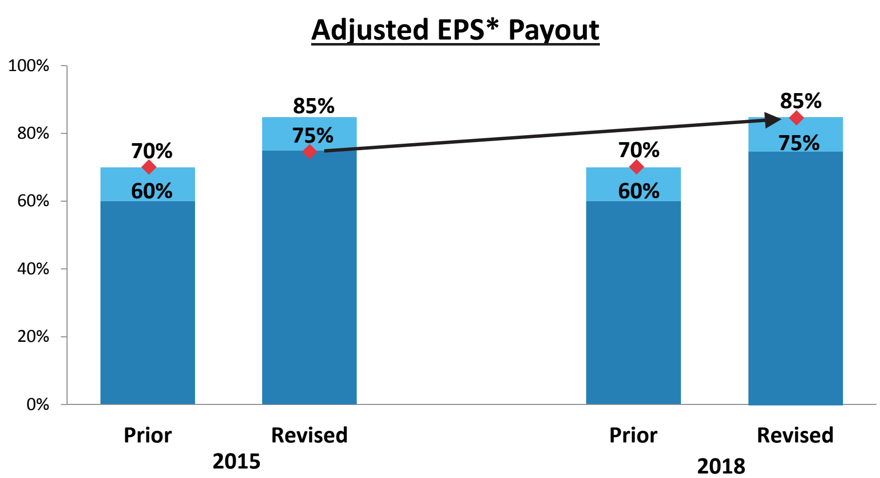
3. **Progress in 2014 on equity prefunding**

2014-2018 Equity Requirement	
Gross	$6.2 billion
DRIP	(2.8)
Net	3.4
Complete	(1.5)
Remaining	$1.9 billion

4. **Robustness of equity funding options (sponsored investments)**



A. Revised Payout Policy

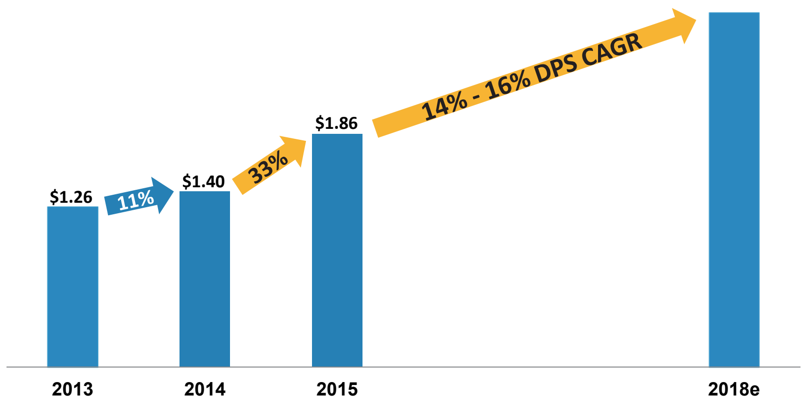


*Adjusted earnings is a non-GAAP measure. For more information on non-GAAP measures please refer to disclosure in MD&A.

A. Expected DPS Growth – Drop Down and Revised Payout Policy

33% DPS increase in 2015, 14% - 16% CAGR from 2015 to 2018

Dividends Per Share



A. Financial Strategy Optimization Summary of Potential Benefits to Shareholders

ENB	ENF
• Core business remains unchanged • Accretive to EPS (10%) • Significant initial dividend increase (33%) • Higher future dividend growth through 2018 (14% - 16%) • Reduced ENB equity needs • Positioned for post 2018 balance sheet optimization	• Transformational, creating "best-in-class" Canadian liquids infrastructure entity • Highly reliable commercial model/high quality asset base • Highly visible secured organic growth, high growth rate • Future dividend growth accelerated to about 10% through 2018

B. Sponsored Vehicle Enhancement of Enbridge Shareholder Value

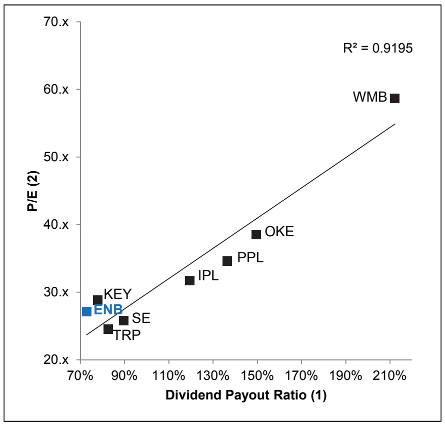
- Premium valuation for and lower funding cost of assets with suitable cash flows
- Retention of strategic, development and operational control
- Conservation of capital for incubation of longer term, higher total return opportunities

Notes:

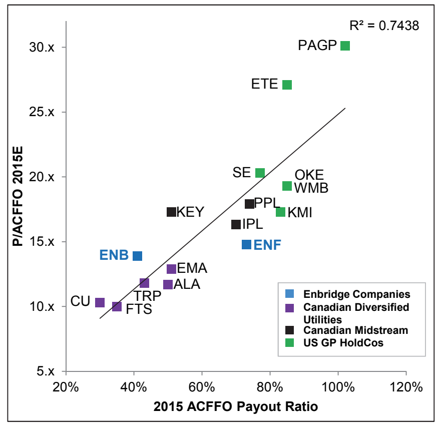
- For many years Enbridge shareholders have been benefitting from enhanced returns resulting from the utilization of the sponsored vehicles, EIF and EEP, to hold and fund selected assets within the enterprise group. The drop down of the Canadian Liquids Pipelines assets to EIF involves applying the same principles on a larger scale.
- The fundamental source of the value enhancement for Enbridge shareholders is the premium valuation which the sponsored vehicles can ascribe to suitable cash flow streams, and hence the advantageous cost of funding which the vehicle can supply for assets which generate suitable cash flows.
- The cash flow characteristics which are favoured by the investors in the sponsored vehicle include sufficient initial cash flow to support a high front end cash payout, with a high degree of assurance around the future growth. Future growth which may be high, but has a wide range of uncertainty is not favoured as much.
- The driver of the premium valuation can be, in part, the existence of tax benefits associated with the structural design of the vehicle. That has been the case for EEP as an MLP. It was the case initially for EIF as a trust, though is no longer.
- The one enduring driver of the premium valuation for both EEP and EIF is the equity market premium ascribed by the income oriented segment of the equity market to high front-end cash payout.
- The drop down of a suitable asset to a sponsored vehicle enables Enbridge to capture the premium valuation for the asset while still retaining control of the asset for strategic, development and operational purposes.
- Drop downs enable Enbridge to conserve a portion of its capital for incubating longer term, higher total return opportunities which may not be suitable for a high payout vehicle, while reducing the overall cost of funding the growth program.

B. High Payout Vehicle Valuation Premium

P/E Relationship to EPS Payout*



P/ACFFO Relationship to ACFFO Payout**

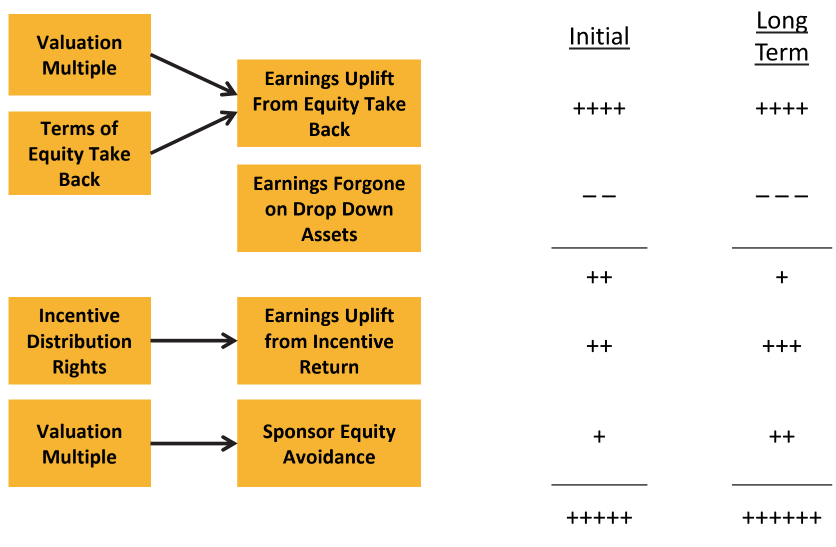


* Based on FactSet data as of November 21, 2014.
** Estimates per RBC and consensus research, as at November 21, 2014.

Notes:

- Whether measured on an earnings basis or a cash basis, payout stands out as one of the leading factors contributing to a premium valuation.
- Research also confirms that the lower cost of funding of high payout energy infrastructure companies has persisted for more than a decade, through rising and falling interest rate environments and varying market conditions with certain short lived exceptions. Demographic trends will likely continue to support this relationship for the foreseeable future, although it is not necessarily sustainable at very high payouts or when applied to assets that lack a high degree of cash flow reliability.

B. Sponsor Accretion Components



Notes:

- The most readily evident way in which the value created for Enbridge shareholders by a drop down is manifested is in Enbridge's resulting earnings and cash flow accretion both initially and over time – which can differ.
- There are three main components of the accretion. The first is the net earnings uplift from the equity interest which the sponsor takes back, after netting off the earnings from the transferred assets which the sponsor will no longer receive directly. This component will vary depending on the valuation multiple and equity take back terms. Although it may be a sizeable source of initial accretion it will tend to tail off over time if a high growth asset is being dropped down because Enbridge is forgoing direct participation in that growth.
- The incentive distribution rights (IDRs) held by most parent companies of sponsored vehicles work in tandem with the valuation multiple. The IDRs allocate a share of the growth in distributable cash flow to the sponsor over and above its funding interest in the vehicle, 25% in the case of EIF. This acts as a compelling incentive to the sponsor to expand distributable cash flow. This IDR component may also be sizeable initially and will tend to grow over time if a high growth asset is being dropped down.
- The third component arises because in addition to taking back a portion of the value of the assets in equity securities Enbridge typically takes back a portion in cash (though Enbridge did not do so with its 2014 drop down of its 2/3 interest in the U.S. segment of Alberta Clipper to EEP). The cash taken back displaces equity which Enbridge would otherwise have to issue to fund its growth program. The resulting fewer shares outstanding has a modest initial accretion benefit which grows over time as a larger and larger earnings base is spread over the reduced number of shares.

B. ENB Incentive Distribution Right

ENB's incentive distribution is initially expected to increase significantly as a result of the substantial expansion in EIF distributable cash flow; and is expected to continue to grow rapidly as cash flow continues to build from the Liquids Pipelines organic growth.

Simplified Incentive Formula	Annual Incentive at Current Rate
EIF Distribution per unit	$1.89
Less: Threshold	1.295
Per Unit Excess	0.595
Times: Units Outstanding (millions)	168
Aggregate Excess ($ millions)	100
Times: Incentive Share of Excess	0.25
	25
Plus: Base Incentive	8
Pre-Tax Incentive	33
After Tax Incentive at 25% Tax Rate	25

Note:

- The proposed drop down is anticipated to result in a significant and growing increase in EIF's distributable cash flow sufficient both to cover the distribution on the increased number of units issued by EIF to fund the acquisition of the assets, and to fund the subsequent organic growth of the assets, as well as to provide significant and growing accretion to distributions per unit.

B. Reduced ENB Equity Issuance Needs – Illustrative*

	$ millions
Proceeds to ENB of ENF public offering	600*
Less: Increased equity requirement due to higher dividend	(255)
Net equity reduction	345

	Shares millions
Reduction in shares issued due to lower equity requirement	~6.5*
Reduction in DRIP shares issued due to higher share price	~1.5*
	~8.0

*Illustrative only

Notes:

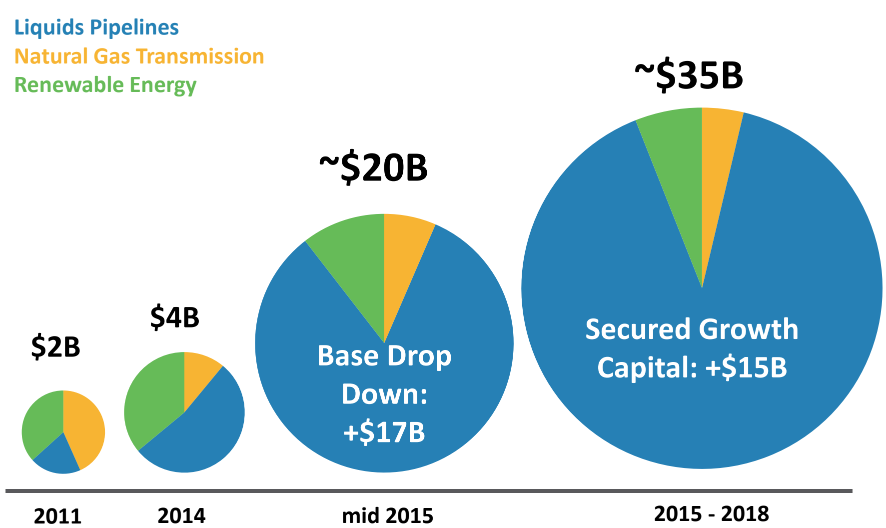
- Enbridge's standing equity funding strategy has been to rely on preferred share issuances and drop downs to its sponsored vehicles to supplement retained earnings and Dividend Reinvestment Plan (DRIP) equity to the greatest possible extent, in preference to public common equity offerings. The proposed drop down of the Canadian Liquids Pipelines assets is aligned with this strategy with respect to Enbridge's 2015 equity funding requirements, though is anticipated to have more extensive impacts than just the 2015 funding aspect. In total, the net reduction in Enbridge common share issuance over 2015 to 2018 is expected to be approximately $0.8 billion inclusive of the reduced DRIP issuances.
- Enbridge's 2015 funding plan, and its $2.05 to $2.35 adjusted EPS guidance range, carries a base case assumption that ENB common shares are issued to meet its residual equity funding requirement. The drop down is anticipated to displace a certain amount of the planned equity, which in general could be either less or more than the residual requirement for the year, with a corresponding reduction to the common shares which would otherwise be outstanding.
- Based on $600 million of initial year public equity issuance by ENF, in one or two tranches, Enbridge's gross equity requirement would be reduced by the same amount. However, the increased dividend payout adopted as a part of the Financial Strategy Optimization results in a $255 million increase in the 2015 equity requirement, for a net equity reduction of $345 million.
- The reduction in shares issued due to the lower net equity requirement would amount to about 6.5 million shares. A smaller share issuance reduction of about 1.5 million would result from issuing fewer DRIP shares because of the assumed higher Enbridge share price.

C. Value Drivers for ENF

Prior to the proposed drop down of the Canadian Liquids Pipelines assets ENF has not checked all the boxes to attract a premium valuation comparable to the best of its Canadian midstream energy infrastructure peers

	ENF Value Driver Positioning Versus Peers Status Quo
High Payout	✓
Asset Scale	X
Asset Quality / Cash Flow Reliability	✓
High DPS Growth	~
Visible Sources of Growth	X
Equity Market Liquidity	X

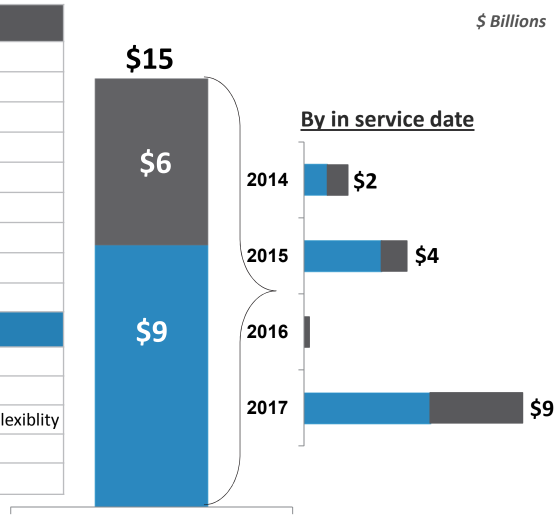
C. ENF Transformation – Asset Scale



C. ENF Transformation – Visible Growth

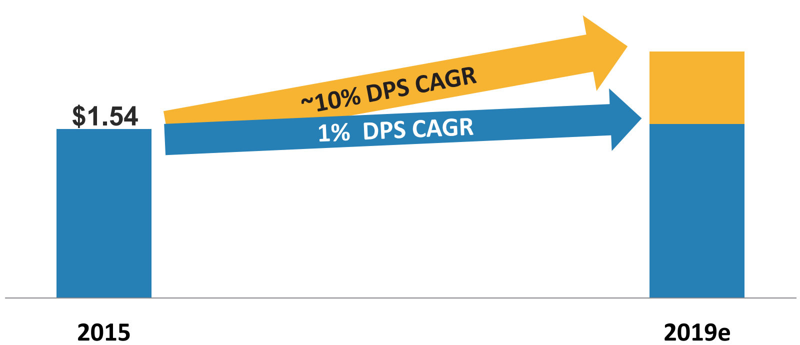
Transparent, reliable and low-risk embedded growth capital plan

Alberta Regional
Norealis Pipeline
Surmont Phase 2 Expansion
Woodland Pipeline Extension
AOC Hangingstone Lateral
Sunday Creek Terminal
JACOS Hangingstone Lateral
Athabasca Pipeline Twin
Wood Buffalo Extension
Norlite
Canadian Mainline
Line 9 Reversal & Expansion
Mainline Expansion (ABC Phase I & II)
Canadian Mainline System Terminal Flexiblity
Edmonton to Hardisty Expansion
Canadian Line 3 Replacement



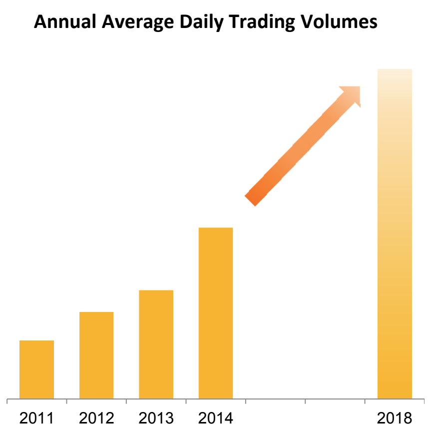
C. ENF Transformation – High Expected DPS Growth

- Currently 1% annual growth, supplemented with ad hoc drop downs
- Expect approximately 10% 2015 – 2018 CAGR
  - Sequential investments in EIF
  - Participation in Canadian LP asset cash flow growth



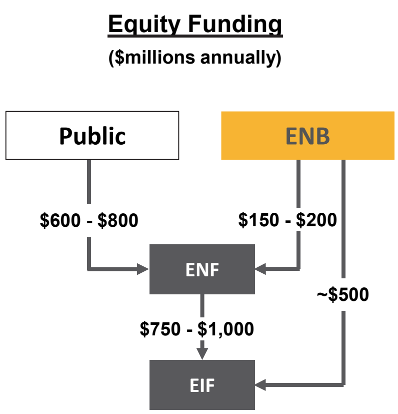
C. ENF Transformation – Market Liquidity

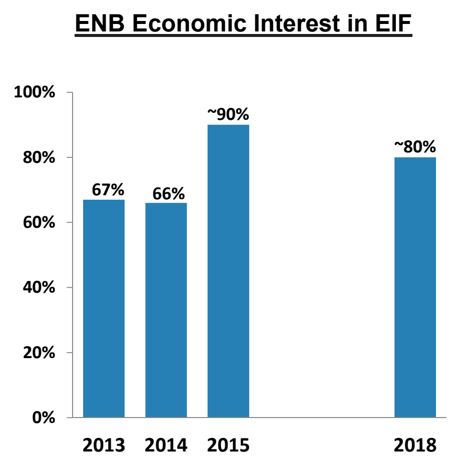
Enhanced Market Liquidity



- Increasing presence in the Canadian equity market
- Growing public float providing increased trading liquidity
- Recent sizeable Canadian equity issuances by peers well received in the market

C. Expected EIF Equity Funding and Ownership





C. Transformational Impact of Drop Down on ENF Value Drivers

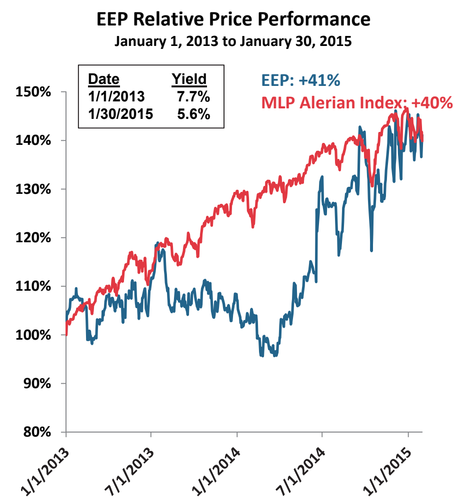
The drop down of the Canadian Liquids Pipelines assets will transform ENF to the premium Canadian energy infrastructure investment vehicle, surpassing its peers on every value driver except market liquidity which is expected to continue to expand over time

	ENF Value Driver Positioning Versus Peers	
	Status Quo	Proforma
High Payout	✓	✓✓
Asset Scale	X	✓✓
Asset Quality / Cash Flow Reliability	✓	✓✓
High DPS Growth	~	✓✓
Visible Sources of Growth	X	✓✓
Equity Market Liquidity	X	~

D. Enbridge Energy Partners

Parallel U.S. restructuring plan under review

- **Potential restructuring would involve transfer of U.S. Liquids Pipelines assets, with embedded growth capital**
- **$10B in potential drop downs**
- **Review targeted for completion in first half of 2015**



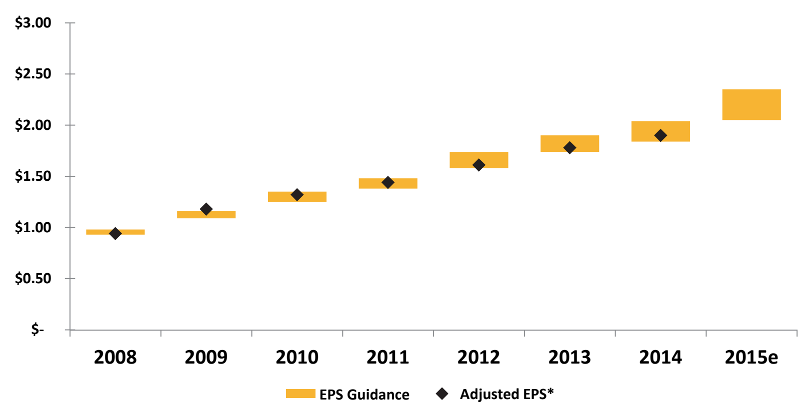
E. Enbridge Inc. Creditworthiness Maintenance

Enbridge Inc., the parent company of the Enbridge group will remain as an attractive, low risk, creditworthy fixed income investment opportunity

- Reliable business model ensures stable, predictable cash flows from underlying asset base, all the way through to Enbridge fixed income investors and even to common shareholders
- Enbridge Inc. fixed income investors continue to benefit from a diversified array of low risk cash flow sources relative to operating company investors, further reinforcing cash flow stability
- No incremental debt is added through the financial strategy optimization, consolidated leverage metrics are unchanged and the Enbridge Inc. stand-alone legal entity debt is expected to be reduced and credit metrics enhanced
- The Enbridge Inc. dividend payout remains conservative relative to most peers, particularly in the context of Enbridge's low business risk

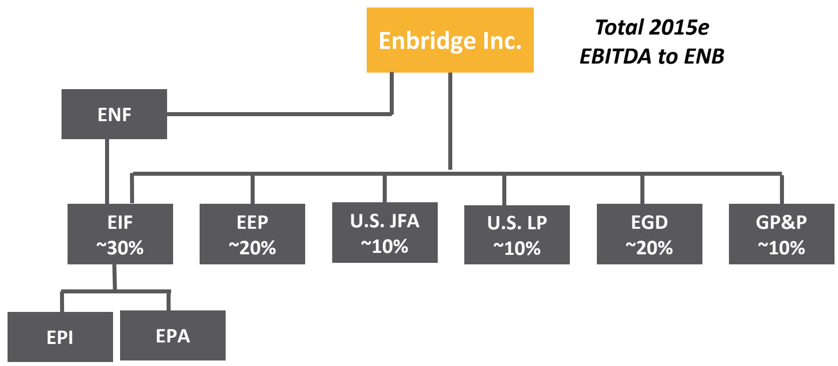
E. Predictability of Cash Flows

Reliable business model ensures stable, predictable cash flows all the way through to Enbridge Inc. fixed income investors as reflected in Enbridge's tight EPS guidance range and historical track record of achieving that range



E. Diversified Sources of Cash Flows

Enbridge Inc. fixed income investors continue to benefit from greater diversity in cash flow sources than operating company investors



E. Consolidated External Debt Map

No incremental debt is added;
Enbridge Inc. stand-alone legal entity debt is reduced

CAD $ Billions	ENB		EPI		EIF	
	Short Term	Long Term	Short Term	Long Term	Short Term	Long Term
Current	$4.7	$9.5	$0.3	$3.0	–	$2.5
Migration of CP from ENB to EPI	($2.0)	–	$2.0	–	–	–
Potential ENB Debt Exchange with EIF	–	($4.0)	–	–	–	$4.0
Revised Debt	**$2.7**	**$5.5**	**$2.3**	**$3.0**	–	**$6.5**

- $2 billion ENB CP inclusive of back stop credit facilities proposed to be migrated to EPI, with largest construction spend
  - ENB's remaining Canadian CP program $0.5B
- Potential exchange of ENB Canadian term debt for identical term EIF notes assumed to be approximately $4 billion based on outstanding intercompany debt

E. Illustrative EIF Funding Composition

Premium financed with equity; Funding requirements manageable

Illustrative Total Value of Transaction =	~$28 Billion*	~$10 Billion**

Equity:

	Transaction Day	On-going (2016-2018)
Preferred Units to ENB	~$16 billion	~$2 billion
ENF Common Shares to ENB	~$0.2 billion	~$0.6 billion
ENF Common Shares to Public (~$0.6B - $0.8B per year)	~$0.7 billion	~$2.1 billion
Potential Equity Component	**~$17 billion**	**~$5 billion**

Debt:

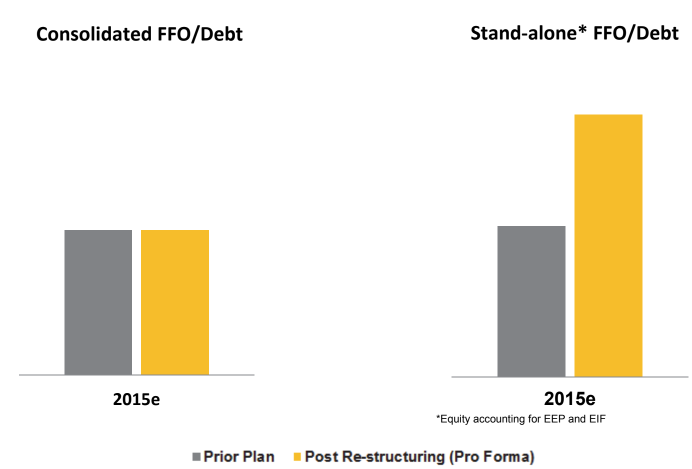
	Transaction Day	On-going (2015-2018)
Assumed Existing Debt at EPI	~$5 billion	–
Assumed Commercial Paper Program from ENB to EPI	~$2 billion	–
Potential Debt Exchange from ENB to EIF	~$4 billion	–
Anticipated Term Debt Issuance at EIF and EPI	–	~$5 billion
Potential Debt Component	**~ $11 billion**	**~ $5 billion**

* Assumed 2015e EBITDA of ~$2 billion and EBITDA multiple mid-point of 14x (EBITDA multiple range = 13x to 15x) – final approval subject to ENB's Board and independent committee of the Boards of EIF and ENF, and other necessary shareholder, regulatory, and stakeholder approvals.

** Secured growth capital as spent from 2015 - 2018

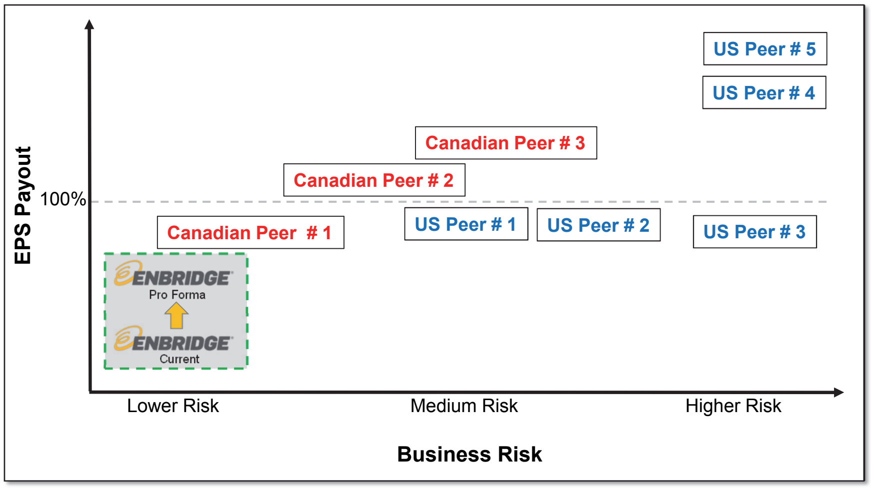
E. ENB Leverage Metrics

ENB consolidated metrics unchanged; stand-alone substantially improved



E. Conservative Payout Policy

Higher payout remains conservative compared to peers, particularly in view of Enbridge's business risk position



Source: RBC

E. Creditworthiness Maintenance: Key Takeaways

- Enhances long-term competitiveness and sustainability of Enbridge
- No incremental debt; leverage unchanged on a consolidated basis
  - Transaction premium funded with equity
  - Conservative dividend payout increase funded with equity
- Enbridge's cash flow characteristics retain diversified, low risk profile
  - Provides highly predictable cash flows to service debt
- Enbridge's stand-alone credit metrics expected to benefit from reduced leverage

F. Post Transaction Investor Value Proposition

Enbridge Inc.

Total Shareholder Return Oriented

Dividend Growth: 14-16%
Yield: ~2.5%
25% IDR (ENF & EEP)
Payout: 75-85% (AEPS)

ENF

High Income Oriented (CDN)

Dividend Growth: ~10%
Yield: ~4%
Payout: High

EEP*

High Income Oriented (US)

Dividend Growth: ~4%
Yield: ~6%
Payout: High

* Status quo, pending potential further actions

F. Post Transaction Investor Value Proposition

Enbridge Inc.

Total Shareholder Return Oriented

- Diversified: scale in crude, gas and power
- Major Projects core competency
- Financial Flexibility with Sponsored vehicles
- Enhanced currency for growth opportunities
- New Platforms
- Incentive Distributions

ENF

High Income Oriented (CDN)

- Canadian Liquids Pipelines
- Transparent, low risk, organic growth
- Low risk commercial structures
- Enhanced currency for growth opportunities

EEP

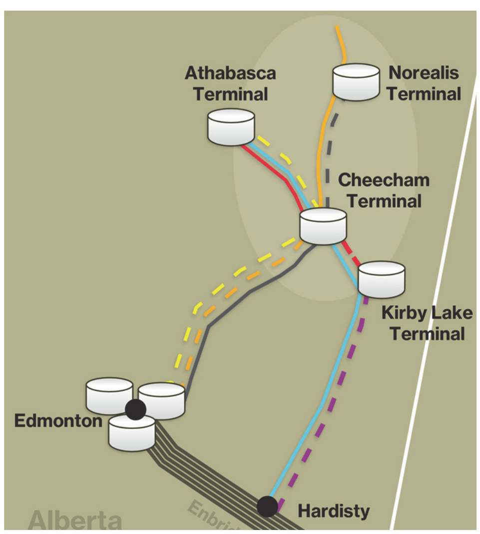
High Income Oriented (US)

- U.S. Liquids Pipelines
- Tax advantaged MLP structure
- Transparent, low risk, organic growth
- Low risk commercial structures

G. Canadian Drop Down Assets: Renewable Power

Asset description	• Blackspring Ridge: 50% ownership in 300 MW • Lac Alfred: 67.5% ownership in 308 MW • Massif du Sud: 80% ownership in 153 MW • St. Robert Bellarmin: 50% ownership in 82 MW
Total assets	**$1 billion**

G. Canadian Drop Down Assets: Liquids Pipelines – Regional



Asset description

- Wood Buffalo Pipeline
- Waupisoo Pipeline
- Athabasca Pipeline
- Woodland Pipeline
- Norealis Pipeline
- Athabasca Pipeline Twin & Expansion
- Woodland Pipeline Extension
- Wood Buffalo Extension
- Norlite Diluent Pipeline
- Other

Total assets	**$6 billion**
2013 adjusted earnings	**$170 million**
Secured growth capital	**$6 billion**

G. Canadian Drop Down Assets: Liquids Pipelines – Mainline

Asset description	Green line	Six adjacent pipelines originating in western Canada that deliver into the US system
	Blue line	Lines 7, 8, 9, 10, and 11 that deliver into eastern Canada and the Northwestern U.S.
	Orange line	Residual interest in Canadian portion of Southern Lights diluent line
Total assets		**$10 billion**
2013 adjusted earnings		**$460 million**
Secured growth capital		**$9 billion**