

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ See Attachment

18 Can any resulting loss be recognized? ▶ See Attachment

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ See Attachment

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ▶ Signature on file Date ▶ March 24, 2017

Print your name ▶ Paul Haralson Title ▶ Assistant Treasurer

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶				Firm's EIN ▶
	Firm's address ▶				Phone no.

Spectra Energy Corp

Attachment to Form 8937

Date of Organizational Action: February 27, 2017

Part II – Question 14

Spectra Energy Corp (“Spectra”) (FEIN: 20-5413139) was a party to a merger with Enbridge Inc. (“Enbridge”) (FEIN: 98-0377957) which occurred on February 27, 2017. This merger is intended to be (should be) treated as a reorganization for U.S. federal income tax purposes within the meaning of Internal Revenue Code (“IRC”) Section 368(a)(2)(E).

Sand Merger Sub, Inc., a Delaware corporation wholly-owned by Enbridge, merged with and into Spectra with Spectra being the surviving corporation and becoming a wholly-owned subsidiary of Enbridge. The effect of this merger is such that Spectra was acquired by Enbridge and shares of Spectra common stock are no longer publicly traded.

Each holder of Spectra common stock issued and outstanding immediately prior to the effective time of the merger received Enbridge common stock in exchange for each share of Spectra stock surrendered, with cash received for any fractional shares.

The merger is described in the Registration Statement of Enbridge dated as of September 23, 2016, as amended, which is available at <https://www.sec.gov/Archives/edgar/data/895728/000119312516746498/d407725df4a.htm>.

A general summary of certain tax considerations applicable to U.S. shareholders of Spectra Energy is set forth in the section of the Registration Statement titled "The Merger Proposal—Certain U.S. Federal Income Tax Consequences".

Part II, Question 15

Each share of Spectra was exchanged for 0.984 of a share in Enbridge common stock. The holder’s basis in Spectra shares is carried over to the Enbridge common shares received. No gain or loss is recognized by the holder of Spectra common stock where the basis of the Spectra shares is allocable to Enbridge shares received.

Enbridge did not issue any fractional shares of Enbridge common stock in this merger. Cash instead of a fractional share of Enbridge common stock may have been issued to the holder. A U.S. holder of Spectra Energy common stock who receives cash in lieu of a fractional Enbridge common share pursuant to the

merger generally will be treated as having received such fractional share in the merger and then as having received cash in redemption of such fractional share. Gain or loss generally will be recognized based on the difference between the amount of cash received in lieu of the fractional share and the portion of the U.S. holder's aggregate tax basis in the Spectra Energy common stock surrendered which is allocable to the fractional share.

Shareholders should review the Registration Statement and consult with their own tax advisors regarding the tax consequences of the Merger.

Part II, Question 16

Enbridge's equity valuation was based on the closing price of Enbridge common stock on the last day of trading immediately prior to the Closing date, which for February 27, 2017 was \$41.34.

Generally, a U.S. holder will have an aggregate adjusted tax basis in the shares of Enbridge common stock received in the merger equal to the holder's adjusted tax basis in the Spectra shares surrendered less the basis attributable to fractional shares deemed sold for cash.

Shareholders should consult with their own tax advisors to determine whether they are required to recognize any gain and what measure of fair market value is appropriate.

Part II, Question 17

The merger is intended to be (should be) treated as a "reorganization" for U.S. federal income tax purposes within the meaning of IRC Section 368(a)(2)(E). Additionally, the merger should not result in gain being recognized pursuant to IRC Section 367(a)(1) by persons who are stockholders of Spectra immediately prior to the effective time of the merger.

Effect on Shareholders –

- A. IRC Section 354(a)(1) – Exchanges of stock and securities in certain reorganizations
- B. IRC Section 302 – Distributions in redemption of stock (See also Revenue Ruling 66-365)
- C. IRC Section 358 – Basis to distributees
- D. IRC Section 1001 – Determination of amount of and recognition of gain or loss
- E. IRC Section 1221 – Capital asset defined
- F. IRC Section 1222 – Other terms relating to capital gains and losses
- G. IRC Section 1223 - Holding period of property

Effect on Corporations –

- A. IRC Section 361(a) – Nonrecognition of gain or loss to corporations

Part II, Question 18

If the Merger is respected as a "reorganization" within the meaning of Section 368(a) of the Code, a U.S. holder should not recognize any gain or loss as a result of the receipt of shares of Enbridge common stock in the merger except for any gain or loss recognized with respect to cash received in lieu of a fractional share of Enbridge stock. The receipt of cash (if any) in lieu of a fractional share of Enbridge common stock will be treated as having received the fractional share of Enbridge common stock pursuant to the transaction and then as having sold that fractional share of Enbridge common stock for cash. A U.S. holder will recognize gain or loss on any cash received in lieu of a fractional share of Enbridge common stock equal to the difference between the amount of cash received and the portion of the U.S. holder's adjusted tax basis of the Spectra shares surrendered that is allocable to the fractional share of Enbridge common stock. Such gain or loss generally will be long-term capital gain or loss if the holding period in the Spectra shares is more than twelve months as of the closing date of the merger. The deductibility of capital losses is subject to limitations.

A U.S. holder's holding period for the shares of Enbridge common stock received in the merger will include the U.S. holder's holding period for the Spectra shares surrendered therefor.

Part II, Question 19

The stock basis adjustment and any gain or loss will be taken into account in the tax year of the shareholder during which the exchange occurred. This will be 2017 for calendar year taxpayers.

Individual taxpayers may be required to file Form 8949, *Sales and Other Dispositions of Capital Assets*, with their tax return.

For additional information please refer to the full text of the Merger Agreement, which is included as Annex A in the Form F-4 Registration Statement filed by Enbridge with the Securities and Exchange Commission ("SEC") on September 23, 2016.

This information does not constitute tax advice, nor does it purport to be complete or to describe the consequences that may apply to particular categories of shareholders. Shareholders are urged to consult their own legal, financial or tax advisor with respect to their individual tax consequences relating to this organizational action.