

OPERATIONS REVIEW

ENBRIDGE INCOME FUND'S
THREE SOLID BUSINESSES
**NATURAL GAS TRANSPORTATION,
CRUDE OIL AND LIQUIDS
TRANSPORTATION AND GREEN
POWER GENERATION**

PROVIDE A PREDICTABLE, LOW-RISK
INCOME STREAM, AS WELL
AS NEAR- AND LONG-TERM
GROWTH OPPORTUNITIES.



*Owned by Enbridge Inc. and others.



Management is focused on sustaining the productive capacity of the Fund's energy infrastructure. In 2008, as part of its long-term pipeline integrity strategy, Alliance commenced the second round of in-line inspection tool runs on its pipeline system.

NATURAL GAS TRANSPORTATION

Enbridge Income Fund has a 50% interest in the Canadian portion of the Alliance System, which transports natural gas from supply areas in northwestern Alberta and northeastern British Columbia and other areas along the system to delivery points near Chicago, Illinois.

ALLIANCE CANADA

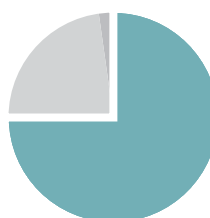
The Alliance Canada Pipeline consists of:

- 1,560 kilometres of the Alliance System's mainline, beginning near Gordondale, Alberta, and connecting to Alliance US at the Canada/U.S. border near Carnduff, Saskatchewan; and
- lateral pipelines, which connect the mainline to a number of upstream receipt points, primarily at natural gas processing facilities in northwestern Alberta and northeastern British Columbia, and related infrastructure.

Almost all (98.5%) of the Alliance System's capacity is contracted under firm service transportation agreements, which provide Alliance Canada with steady and predictable cash flow through 2015. The remainder (1.5%) is contracted until November 2010. Shippers have the right to extend these agreements beyond the initial term.

Growing for tomorrow

- BCX expansion completed in December 2008, increasing capacity for natural gas receipts originating in northeastern British Columbia.
- The large Montney and Horn River natural gas plays in northeastern British Columbia as well as Northern gas developments have the potential to provide future growth opportunities.



Natural Gas
Transportation
2008 Revenue

75%
\$222.1 M

SYSTEM CAPACITIES (BARRELS PER DAY)

Saskatchewan Gathering: 255,000
Westspur: 255,000
Weyburn: 47,000
Virden: 37,000

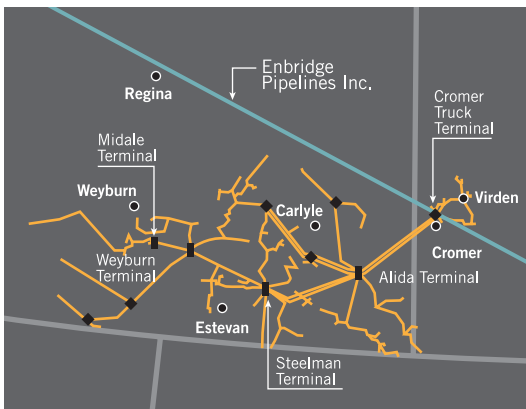


CRUDE OIL AND LIQUIDS TRANSPORTATION

Enbridge Income Fund has a 100% interest in the Saskatchewan System, which consists of crude oil and liquids pipelines that connect producing fields in southern Saskatchewan and southwestern Manitoba with Enbridge Inc.'s mainline pipeline to the U.S.

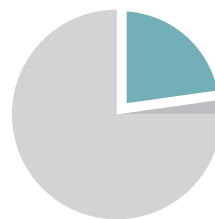
SASKATCHEWAN SYSTEM

The Saskatchewan System comprises the Saskatchewan Gathering, Westspur, Weyburn and Virden pipeline systems that, combined, have approximately 356 kilometres of trunk lines, 1,900 kilometres of gathering pipeline and related terminals and storage facilities.



Growing for tomorrow

- Completed the Westspur System expansion in 2008, increasing its capacity by 34%.
- Announced plans for a \$100-million expansion of the Weyburn, Westspur and Saskatchewan systems would add a further 129,000 barrels per day capacity when completed by late 2010.
- The Bakken Formation in southeastern Saskatchewan has an estimated 2.5 billion barrels of recoverable oil, providing further potential growth opportunities.



Crude Oil and
Liquids Transportation
2008 Revenue
23%
\$68.0 M



In 2008, the Loreburn, Estlin and Alameda waste heat recovery facilities began operations, each adding approximately 5 megawatts of environmentally low-impact generation that produces no greenhouse gas emissions.

GREEN POWER GENERATION

Enbridge Income Fund has interests in several environmentally friendly power generation projects—three wind power projects in western Canada and NRGreen, which generates electricity using waste heat from four of Alliance Canada’s compressor stations.

ELECTRICITY GENERATION

Wind Power

- SunBridge Project (50% interest), 11 megawatts (MW) capacity.
- Magrath and Chin Chute projects (33% interest in each), 30 MW capacity each.
- All have long-term power purchase agreements with investment-grade counterparties.

NRGreen

(50% interest)

- Four waste heat recovery facilities in Saskatchewan (at Kerrobert, Loreburn, Estlin and Alameda) generating approximately 20 MW under long-term power purchase agreements with SaskPower.

Growing for tomorrow

- Enbridge Income Fund is examining on an ongoing basis additional opportunities to produce electricity using alternative energy sources.

