

For the nine months ended September 30, 2004

**Enbridge Income Fund Announces Quarterly Results
and 6% Distribution Increase**

On November 2, 2004, Enbridge Income Fund announced earnings of \$8.0 million for the nine months ended September 30, 2004 or \$0.23 per trust unit. Earnings for the three months ended September 30, 2004 were \$1.7 million or \$0.05 per trust unit compared with \$3.6 million or \$0.10 per trust unit for the same period in 2003. The decrease in earnings of \$1.9 million is primarily due to business development expenditures of approximately \$1.0 million in the period, as well as a non-recurring gain of \$1.4 million in the prior year period. The Fund also announced a 6% increase in the annual distribution rate from \$0.8585 per unit to \$0.91 per unit on an annualized basis.

Mr. J. Richard Bird, President of the Fund, commented, "Despite the atypically high level of business development expenditures during the quarter, the Fund has generated strong cash flows consistent with the same period in the prior year. Both Alliance Canada and the Saskatchewan System are generating increased cash flow relative to the prior year and initial expectations. As a result of this performance, and based on an updated five year financial plan, the Board approved a further upward adjustment in the unit distribution level. This increase reflects the Fund's policy of targeting to distribute 95% of available cash on average over a five-year period. We continue to expect further distribution growth of 1% per year as a result of built-in growth in the Fund's cash flow profile, with the potential for a further 1% to 2% per year from acquisitions. The timing of the regular annual review of the distribution rate will move from mid-year to year-end to better align with the Fund's budget and reporting cycles."

Since inception, in mid 2003, the Fund's annual distribution rate has been increased by 10.3% from \$0.825 per unit to \$0.91 per unit. The latest increase reflects a combination of higher cash flow from both Alliance Canada and the Saskatchewan System. Higher Alliance Canada cash flow primarily reflects an earlier date at which an income tax allowance is collected in tolls. Higher Saskatchewan System cash flow primarily reflects lower maintenance capital expenditures.

Consequently, the Fund announced today that a monthly cash distribution, in the amount of \$0.0758333 per ordinary trust unit, will be paid on December 15, 2004, to unitholders of record on November 30, 2004. A cash distribution of \$0.0758333 per unit was also declared on the subordinated trust units of the Fund and the preferred units of Enbridge Commercial Trust.

Based on current operations, the Fund estimates that approximately 80% of cash to be distributed during 2004 will be included in the income of unitholders for tax purposes.

On June 21, 2004, the Fund announced the commencement of a Distribution Reinvestment and Unit Purchase Plan (the "Plan"). Participants may elect, without brokerage fees, to automatically reinvest monthly distributions in additional units of the Fund, and may make optional cash payments of up to \$1,000 per month (subject to a minimum of \$100 per month) to purchase additional units of the Fund. Details of the Plan are available on the Fund's website. Investors should contact their respective investment dealer to enroll.

Management's Discussion & Analysis For the Nine Months Ended September 30, 2004

Dated November 2, 2004

This discussion should be read in conjunction with the unaudited consolidated financial statements of Enbridge Income Fund as at and for the three and nine months ended September 30, 2004.

Selected Financial and Operating Highlights

<i>(millions of Canadian dollars except where otherwise noted)</i>	Three months ended		Nine months ended
	September 30, 2004	2003	September 30, 2004¹
Average Daily Throughput Volume			
Alliance Canada (millions of cubic feet per day)	1,529.0	1,514.0	1,575.0
Saskatchewan System ² (thousands of barrels per day)			
Westspur	141.5	140.9	142.3
Saskatchewan	98.3	99.3	98.5
Weyburn	30.1	28.5	30.6
Virden	17.7	18.0	18.1
Transportation Revenue	58.4	60.8	179.9
Earnings	1.7	3.6	8.0
Per Trust Unit	0.05	0.10	0.23
Cash Available for Distribution Before Change in Fund Working Capital	15.8	15.7	50.1
Cash Distributions Declared Per Unit (Canadian dollars)			
Ordinary Trust Units	0.2146	0.2063	0.6375
Subordinate Trust Units	0.2146	0.2063	0.6375
ECT Preferred Units	0.2146	0.2063	0.6375
Total Long-Term Liabilities	1,339.6	1,564.3	1,339.6
Total Assets	1,928.6	1,993.1	1,928.6
Enbridge Commercial Trust (ECT) Preferred Units	38,023,750	38,023,750	38,023,750
Ordinary Trust Units	20,125,000	20,125,000	20,125,000
Subordinated Trust Units	14,500,000	14,500,000	14,500,000
Total Trust Units	34,625,000	34,625,000	34,625,000

¹ Enbridge Income Fund commenced operations on June 30, 2003. Therefore, results from inception to September 30, 2003 are the same as those for the three months ended September 30, 2003.

² Totals are not presented as the same volumes can be transported through a combination of the pipelines comprising the Saskatchewan System.

Fund Objective and Business Strategy

Enbridge Income Fund (the Fund) is an unincorporated open-ended trust established by a trust indenture under the laws of the Province of Alberta and commenced operations on June 30, 2003. The Fund is managed by Enbridge Management Services Inc., a wholly owned subsidiary of Enbridge Inc. The Fund owns the Saskatchewan System and a 50% interest in Alliance Pipeline Limited Partnership (Alliance Canada).

The Fund's objectives are to provide a stable and sustainable flow of distributable cash and to increase, where prudent, distributions of distributable cash on a per trust unit basis. To achieve the Fund's objectives, the manager pursues a business strategy that involves maximizing the efficiency and profitability of its pipeline interests and pursues growth and expansion opportunities through organic growth, as well as through acquisitions of pipeline assets.

Overall Financial Results

Consolidated Earnings

	Three months ended,		Nine months	Inception
	September 30,		ended	to
	2004	2003	September 30,	2003
			2004	
<i>(millions of Canadian dollars)</i>				
Alliance Canada	11.0	10.9	33.1	10.9
Saskatchewan System	2.0	1.3	6.9	1.3
Corporate	(11.3)	(8.6)	(32.0)	(8.6)
	1.7	3.6	8.0	3.6

Earnings for the three months ended September 30, 2004 are \$1.7 million, or \$0.05 per unit compared with \$3.6 million, or \$0.10 per unit, for the three months ended September 30, 2003. The key driver for the earnings variance is higher corporate costs in the period due to higher business development expenditures and higher ECT preferred unit distributions as a result of increases in the annualized distribution made in both February and July of 2004. In addition, earnings are lower due to a non-recurring gain on redemption of ECT preferred units in the comparable period in the prior year. Offsetting this decrease slightly is increased earnings in Saskatchewan System primarily due to the timing of certain operating and maintenance expenditures.

Earnings applicable to ordinary and subordinate unitholders are \$8.0 million for the nine months ended September 30, 2004, or \$0.23 per unit. There is no comparable nine-month period in the prior year as the Fund commenced operations on June 30, 2003. Therefore, inception to September 30, 2003 represents the same results as the three months ended September 30, 2003.

Segmented Financial Results**Alliance Canada**

<i>(millions of Canadian dollars)</i>	Nine months			
	Three months ended, September 30,		ended	Inception to
	2004	2003	September 30, 2004	2003
Revenue	49.0	51.4	149.9	51.4
Operating and maintenance	(8.2)	(9.9)	(27.5)	(9.9)
Capital taxes	(0.5)	(0.2)	(1.4)	(0.2)
Depreciation and amortization	(15.5)	(15.9)	(46.5)	(15.9)
Other income and expense	0.2	0.1	0.5	0.1
Interest expense	(13.1)	(13.6)	(39.8)	(13.6)
Current and future taxes	(0.9)	(1.0)	(2.1)	(1.0)
Earnings	11.0	10.9	33.1	10.9

Alliance Canada earnings are \$11.0 million for the three months ended September 30, 2004, which is comparable to earnings of \$10.9 million in the same period in 2003.

Alliance Canada delivered its contracted 1,325 mmcf/d of firm service shipping capacity throughout the third quarter of 2004. Actual transportation deliveries, including utilized Authorized Overrun Service, averaged 1,529 mmcf/d (15% in excess of firm capacity) for the three months ended September 30, 2004. This is comparable to the same period in the prior year of 1,514 mmcf/d (14% in excess of firm capacity).

Transportation revenues are \$49.0 million for the three months ended September 30, 2004, which is a decrease of \$2.4 million from the same period in the prior year. Alliance Canada's transportation contracts are designed to provide toll revenues sufficient to recover prudently incurred costs of service including operating and maintenance, depreciation, an allowance for income, large corporations and provincial capital taxes, costs of indebtedness and an allowed return on equity based on a deemed 70/30 debt-to-equity ratio. Transportation revenue varies between periods as it is dependent on actual costs of service incurred.

Net income reflects a return on equity applied to investment base accounts, as well as an allowance for income, large corporations and provincial capital taxes on regulated activities. The rate used to calculate the equity return is not expected to change; however, annual earnings will decline over time as the investment base is depreciated. For the three months ended September 30, 2004, the decline in the investment base resulting from depreciation was mostly offset by an increase in the investment base in the fourth quarter of 2003.

Alliance Canada earnings are \$33.1 million for the nine months ended September 30, 2004. As the fund commenced operations June 30, 2003, there is no comparable nine-month period.

Saskatchewan System

<i>(millions of Canadian dollars)</i>	Nine months			
	Three months ended,		ended	Inception to
	September 30,		September 30,	
	2004	2003	2004	2003
Revenue	9.4	9.4	30.0	9.4
Operating and maintenance	(4.2)	(5.0)	(13.8)	(5.0)
Capital taxes	(0.2)	(0.1)	(0.7)	(0.1)
Depreciation and amortization	(3.7)	(3.2)	(10.9)	(3.2)
Accretion on asset retirement obligation	(0.1)	(0.1)	(0.3)	(0.1)
Current and future taxes	0.8	0.3	2.6	0.3
Earnings	2.0	1.3	6.9	1.3

Saskatchewan System earnings are \$2.0 million for the three months ended September 30, 2004, an increase of \$0.7 million over the same period in 2003. The primary reasons for the increase are lower operating and maintenance costs and higher tax recoveries in the period.

Operating and maintenance costs have decreased primarily due to the timing of certain expenditures.

The increase in tax recoveries is due to an estimate to actual adjustment for large corporations tax in 2004.

Saskatchewan System earnings are \$6.9 million for the nine months ended September 30, 2004. As the Fund commenced operations June 30, 2003, there is no comparable nine-month period.

Corporate

<i>(millions of Canadian dollars)</i>	Nine months			
	Three months ended,		ended	Inception to
	September 30,		September 30,	
	2004	2003	2004	2003
Management and administrative	(1.4)	(0.3)	(2.2)	(0.3)
Interest expense	(1.9)	(2.1)	(5.4)	(2.1)
ECT preferred unit distributions	(8.1)	(7.8)	(24.2)	(7.8)
Other	0.1	1.6	(0.2)	1.6
Total costs	(11.3)	(8.6)	(32.0)	(8.6)

Corporate costs are \$11.3 million for the three months ended September 30, 2004, an increase of \$2.7 million over the same period in 2003. The key drivers for the increase in cost are higher business development expenses, an increase in the annualized distribution for ECT preferred units and a non-recurring gain on redemption of ECT preferred units in the comparable period in the prior year offset slightly by lower interest rates on credit facilities.

Management and administrative costs include business development expenditures of approximately \$1.0 million not incurred in the same period in 2003. Consistent with the stated business strategy, the Fund pursued an acquisition of pipeline assets. Although the project was well advanced, it did not proceed.

Interest expense is lower due to lower interest rates on the Fund's Acquisition and Liquidity credit facilities.

ECT preferred unit distributions are higher due to the approval of a 3% increase in distributions effective in February, 2004 and an additional 1% increase in distributions in July, 2004.

Other includes other income and expense, as well as current and future income taxes. The decrease is primarily due to a non-recurring gain of \$1.4 million in the prior year related to the redemption of ECT preferred units for cancellation. The redemption was funded with the cash received from the exercise of the over-allotment option in connection with the initial public offering.

Corporate costs are \$32.0 million for the nine months ended September 30, 2004. As the Fund commenced operations June 30, 2003, there is no comparable nine-month period.

Liquidity and Capital Resources

For the three and nine months ended September 30, 2004, cash provided by operating activities was \$33.4 million (2003 - \$35.3 million) and \$71.1 million, respectively. As of September 30, 2004, the Fund had \$13.0 million in undrawn credit facilities for liquidity requirements, and \$50.0 million in undrawn credit facilities for new acquisitions. These facilities combined with cash generated by operating activities are expected to be sufficient to meet current liquidity and capital resource requirements of the Fund.

Investing activities during the three and nine months ended September 30, 2004 include maintenance capital expenditures by Alliance Canada of \$3.9 million (2003 - \$1.8 million) and \$5.8 million, respectively, which reflects the Fund's proportionate share. Maintenance and enhancement capital expenditures by the Saskatchewan System are \$1.1 million (2003 - \$1.3 million) and \$0.2 million (2003 - nil), respectively for the three months ended September 30, 2004 and \$2.0 million and \$0.6 million for the nine months ended September 30, 2004. Investing activities in the prior year also included cash flow activity upon the initial formation of the Fund. Projected total capital expenditures for 2004 are expected to approximate \$8.5 million for Alliance Canada (which represents the Fund's proportionate share) and \$6.1 million for Saskatchewan System. Maintenance capital expenditures for both Alliance Canada and the Saskatchewan System are funded through cash from operations and debt; and enhancement capital expenditures are funded through issuance of debt and equity.

Financing activities during the nine months ended September 30, 2004 relate primarily to repayment of long-term debt by Alliance Canada of \$20.0 million. In addition, the net change in credit facilities for Alliance Canada and Corporate was \$7.5 million and \$4.9 million, respectively, resulting in a reduction in the draw on these facilities. On June 29, 2004, the Fund amended its existing credit agreement in order to extend the term of its Liquidity and New Acquisition credit facilities to June 2006. Financing activities also include distributions to ordinary and subordinated unitholders of \$22.1 million. Financing activities in the period from inception to September 30, 2003 also included cash flow activity upon the initial formation of the Fund, as well as those cash flow activities described below for the three months ended September 30, 2004.

Financing activities during the three months ended September 30, 2004 related primarily to distributions to ordinary and subordinated unitholders of \$7.5 million (2003 - \$7.1 million). In addition, the net change in credit facilities for Alliance Canada and Corporate was \$3.4 million (2003 - \$1.0 million) and \$0.9 million (2003 - \$13.0 million), respectively, resulting in an increased draw on Alliance Canada facilities and a reduction in the draw on Corporate facilities. The distribution payable at September 30, 2004 of \$2.5 million was paid on October 15, 2004.

There has not been a significant change in the Fund's financial position from the year ended December 31, 2003 except for the reclassification of \$190.0 million drawn on the acquisition facility from long-term debt to short-term debt as the maturity date is June 2005. The Fund expects to file a shelf prospectus prior to the maturity date in order to facilitate refinancing of the \$190.0 million.

Financial Instruments

Interest Rate Management Activity

The acquisition facility of \$190.0 million will mature in June 2005. The Fund has entered into bond forward transactions to effectively remove a significant portion of the interest rate risk prior to the debt refinancing date. A five-year Government of Canada (GOC) bond is hedged at an average forward rate of 4.2075% and a 10-year GOC bond is hedged at an average forward rate of 4.7635%. Notional principals for the bonds are \$100 million and \$90 million, respectively. At September 30, 2004, the mark to market value of these hedges is a payable of approximately \$1.0 million.

Cash Available for Distribution¹

<i>(millions of Canadian dollars)</i>	Three months ended		Nine months ended
	September 30, 2004	2003	September 30, 2004 ²
Cash Provided by Operating Activities	33.4	35.3	71.1
Add/(Deduct):			
ECT preferred unit distributions	8.1	7.8	24.2
Alliance Canada cash retained	(22.1)	(21.7)	(42.6)
Saskatchewan System maintenance capital expenditures	(1.1)	(1.3)	(2.0)
Cash Available for Distribution	18.3	20.1	50.7
Cash Available for Distribution is comprised of the following:			
Alliance Canada distributions	16.8	16.4	49.4
Alliance Canada capital tax	(0.5)	(0.2)	(1.4)
Saskatchewan System operating income before depreciation, amortization and accretion	5.0	4.3	15.5
Saskatchewan System maintenance capital expenditures	(1.1)	(1.3)	(2.0)
Corporate management and administrative expense	(1.4)	(0.3)	(2.2)
Corporate other income	0.1	-	0.1
Corporate interest expense	(1.9)	(2.1)	(5.4)
Total large corporation tax and income tax	(1.2)	(1.1)	(3.0)
Cash Available for Distribution Before	15.8	15.7	51.0
Change in Fund Working Capital			
Change in Fund Working Capital in the Period	2.5	4.4	(0.3)
Cash Available for Distribution	18.3	20.1	50.7
Cash Distributions Declared	15.6	15.0	46.3

¹ Cash available for distribution is not a standardized measure under Canadian Generally Accepted Accounting Principles; therefore, it may not be comparable to similarly titled measures used by other issuers.

² As Enbridge Income Fund commenced operations on June 30, 2003, cash available for distribution from inception to September 30, 2003 are the same as those for the three months ended September 30, 2003.

The above calculations of cash available for distribution represent cash available to fund distributions on ordinary trust units, subordinated trust units and ECT preferred units, as well as for debt repayments and reserves. This measure is important to unitholders as the Fund's objective is to provide a stable and sustainable flow of distributable cash to unitholders.

The cash retained by Alliance Canada reflects the cash from operations of Alliance Canada that has not been distributed to the Fund. While the cash from operations is proportionately consolidated and is included in the results of the Fund, it is not available for distribution by the Fund until it has been received from Alliance Canada. The cash available for distribution from Alliance Canada is reduced to reflect debt service reserves, capital expenditures and other cash that is needed to fund working capital or other requirements at Alliance Canada. Distributions from Alliance Canada, which are subject to the approval of the board of directors of the general partner of Alliance Canada, are made on a quarterly basis and paid in the month subsequent to the quarter end.

The Saskatchewan System maintenance capital expenditures are determined based on the capital requirements necessary to maintain the service capability of the existing assets and include the replacement of system components and equipment which are worn, obsolete or completing their useful life.

For the three months ended September 30, 2004, cash distributions declared of \$15.6 million (2003 - \$15.0 million) represent 98.7% (2003 - 95.5%) of cash available for distribution before changes in Fund working capital. For the nine months ended September 30, 2004, cash distributions declared of \$46.3 million represent 90.8% of cash available for distribution before changes in Fund working capital. If cash available for distribution is adjusted for the atypical level of business development expenditures incurred in the third quarter, cash distributed constitutes 92.8% of the adjusted cash available for distribution for the current quarter, and 89.0% for the nine months ended September 30, 2004. The Fund's policy is to distribute 95% of cash available on average over a five-year period, although, initially the percentage was expected to be above the average.

The Fund pays cash distributions on a monthly basis to unitholders of record on the last business day of each month. Distributions are payable on or about the 15th day of the month following the declaration. During the nine months ended September 30, 2004, the Fund declared cash distributions totaling \$0.06875 per ordinary trust unit for the month of January, \$0.0708333 per ordinary trust unit for the months February through June and \$0.0715417 per ordinary trust unit for the months July through September. Cash distributions of the same amount per unit were also declared on the subordinated trust units and the ECT preferred units during the nine months ended September 30, 2004.

The Board of Trustees approved a 3% increase in distributions on the Fund's ordinary and subordinated trust units and the ECT preferred units, effective with the distribution payable to holders of record on February 27, 2004. Further, on July 19, 2004, the Fund announced a 1% increase in the monthly distributions to \$0.0715417 on the Fund's ordinary and subordinated trust units and the ECT preferred units for unitholders of record on July 30, 2004. This increase was based on the built-in growth in cash flow expected from the Fund's assets and confirmed at an annual review of cash flow available for distribution. As a result of these adjustments, the annual distribution rate was increased from \$0.825 to \$0.8585 per trust unit.

On September 17, 2004, the Fund declared a monthly cash distribution in the amount of \$0.0715417 per ordinary trust unit payable to unitholders of record on September 30, 2004. Cash distributions of \$0.0715417 per unit were also declared on the same date on the subordinated trust units and the ECT preferred units. These distributions were paid on October 15, 2004.

On October 18, 2004, the Fund declared a monthly cash distribution in the amount of \$0.0715417 per ordinary trust unit to unitholders of record on October 29, 2004. Cash distributions of \$0.0715417 per unit were also declared on the same date on the subordinated trust units and the ECT preferred units. These distributions are payable on November 15, 2004.

On November 2, 2004, the Board of Trustees approved a 6% increase in the annual distribution rate as a result of a combination of higher cash flow than expected from both Alliance Canada and the Saskatchewan System for the nine months ended September 30, 2004 as well as an updated five-year financial plan. This increase reflects the Fund's policy of targeting to distribute 95% of available cash on average over a five-year period. As a result of this adjustment, the annual distribution rate is increased from \$0.8585 to \$0.91 per trust unit. The timing of the regular annual review of the distribution rate will move from mid-year to year-end to better align with the Fund's budget and reporting cycles.

Outlook

Alliance Canada and the Saskatchewan System will continue to focus on managing system assets and infrastructure, as well as further developing their operational procedures and processes with a view to maximizing available transportation capacity and the competitiveness of their respective tolls.

The Fund remains confident that it will generate built-in, predictable growth in cash flow from its assets in order to provide modest but regular on-going distribution increases, supplemented with some acquisition-based growth. Based on current operations, the Fund estimates that approximately 80% of cash to be distributed during 2004 will be included in the income of unitholders for tax purposes.

Selected Quarterly Financial Information ¹

(millions of Canadian dollars, except per unit amounts)	For the three months ended,				
	September 30, 2004	June 30, 2004	March 31, 2004	December 31, 2003	September 30, 2003
Transportation Revenue	58.4	62.1	59.4	65.2	60.8
Earnings	1.7	3.6	2.7	7.1	3.6
Earnings per Trust Unit (basic and diluted)	0.05	0.10	0.08	0.21	0.10
Cash Distributed or Declared	15.6	15.4	15.3	15.0	15.0

¹Quarterly Financial Information has been prepared in accordance with Canadian Generally Accepted Accounting Principles. Results for the three months ended September 30, 2003 and December 31, 2003 have been restated retroactively as a result of the adoption on January 1, 2004 of the new accounting standard for asset retirement obligations.

Significant items that have impacted quarterly financial information are as follows:

- For the three months ended September 30, 2004, earnings include an increase to management and administrative costs of approximately \$1.0 million due to business development expenditures incurred.
- For the three months ended December 31, 2003, earnings include an increase in transportation revenue of approximately \$4.0 million, due to a higher investment base in Alliance Canada, recorded in the last three months of 2003.

- For the three months ended September 30, 2003, earnings include a non-recurring gain of \$1.4 million related to the redemption of ECT preferred units for cancellation. The redemption was funded with the cash received from the exercise of the over-allotment option in connection with the initial public offering.
- A 1% increase in distributions on the Fund's ordinary and subordinated trust units and the ECT preferred units was approved by the Board of Trustees effective with the distribution payable to holders of record on July 30, 2004.
- A 3% increase in distributions on the Fund's ordinary and subordinated trust units and the ECT preferred units was approved by the Board of Trustees effective with the distribution payable to holders of record on February 27, 2004.

Supplementary Information

Outstanding Share Data

	<u>Number of Units Outstanding</u>
Ordinary Trust Units	20,125,000
Subordinated Trust Units	14,500,000
ECT Preferred Units	38,023,750

Outstanding share data information is provided as at November 2, 2004.

Additional information relating to the Fund is available on www.sedar.com.

Certain information provided in Management's Discussion and Analysis (MD&A) constitutes forward-looking statements. The words "anticipate", "expect", "project", "estimate", "forecast" and similar expressions are intended to identify such forward looking statements. Although Enbridge Income Fund believes that these statements are based on information and assumptions which are current, reasonable and complete, these statements are necessarily subject to a variety of risks and uncertainties pertaining to operating performance, regulatory parameters, economic conditions and commodity prices. You can find a discussion of those risks and uncertainties in our Canadian securities filings. While Enbridge Income Fund makes these forward-looking statements in good faith, should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary significantly from those expected. Enbridge Income Fund assumes no obligation to publicly update or revise any forward looking statements made herein or otherwise, whether as a result of new information, future events or otherwise.

ENBRIDGE INCOME FUND
CONSOLIDATED STATEMENTS OF EARNINGS

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2004	2003	2004	2003
	Restated (Note 1)		Restated (Note 1)	
<i>(unaudited; millions of Canadian dollars, except per unit amounts)</i>				
Transportation Revenue	58.4	60.8	179.9	60.8
Expenses				
Operating and maintenance	12.4	14.9	41.3	14.9
Management and administrative	1.4	0.3	2.2	0.3
Capital taxes	0.7	0.3	2.1	0.3
Depreciation and amortization	19.2	19.1	57.4	19.1
Accretion on asset retirement obligation	0.1	0.1	0.3	0.1
	33.8	34.7	103.3	34.7
Operating Income	24.6	26.1	76.6	26.1
Other Income and Expense	0.3	1.5	0.6	1.5
Interest Expense	(15.0)	(15.7)	(45.2)	(15.7)
ECT Preferred Unit Distributions	(8.1)	(7.8)	(24.2)	(7.8)
	1.8	4.1	7.8	4.1
Taxes				
Current	(1.2)	(1.1)	(3.0)	(1.1)
Future	1.1	0.6	3.2	0.6
	(0.1)	(0.5)	0.2	(0.5)
Earnings	1.7	3.6	8.0	3.6
Earnings per Trust Unit				
Basic and Diluted	0.05	0.10	0.23	0.10

See accompanying notes to the unaudited consolidated financial statements.

ENBRIDGE INCOME FUND
CONSOLIDATED STATEMENTS OF UNITHOLDERS' EQUITY

	Nine months ended	
	September 30,	
	2004	2003
<i>(unaudited; millions of Canadian dollars)</i>		
Opening Unitholders' Equity	329.8	-
Ordinary Trust Units Issued	-	333.4
Earnings Applicable to Unitholders	8.0	3.6
Distributions to Unitholders	(22.1)	(7.2)
Ending Unitholders' Equity	315.7	329.8

See accompanying notes to the unaudited consolidated financial statements.

ENBRIDGE INCOME FUND
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three months ended		Nine months ended	
	September 30,		September 30,	
<i>(unaudited; millions of Canadian dollars)</i>	2004	2003	2004	2003
Cash Provided by Operating Activities				
Earnings	1.7	3.6	8.0	3.6
Charges/(credits) not affecting cash				
Depreciation and amortization	19.2	19.1	57.4	19.1
Accretion on asset retirement obligation	0.1	0.1	0.3	0.1
Amortization of fair value increment on debt	(1.6)	(1.5)	(4.4)	(1.5)
Future income taxes	(1.1)	(0.6)	(3.2)	(0.6)
Gain on redemption of ECT preferred units	-	(1.4)	-	(1.4)
Changes in operating assets and liabilities				
Change in accounts receivable and other	(0.4)	5.6	(0.2)	5.6
Change in accounts payable and accrued liabilities	15.8	14.3	13.7	14.3
Change in deferred amounts and other assets	(0.3)	(3.9)	(0.5)	(3.9)
	33.4	35.3	71.1	35.3
Investing Activities				
Acquisitions	-	(20.6)	-	(348.3)
Additions to property, plant and equipment	(5.2)	(3.1)	(8.4)	(3.1)
	(5.2)	(23.7)	(8.4)	(351.4)
Financing Activities				
Net change in acquisition credit facility	-	-	-	190.0
Net change in liquidity credit facility	(0.9)	13.0	(4.9)	13.0
Net change in non-recourse credit facility	3.4	1.0	(7.5)	1.0
Non-recourse long-term debt repayments	-	-	(20.0)	-
Ordinary trust units issued	-	24.9	-	188.4
Ordinary and subordinated trust unit distributions	(7.5)	(7.1)	(22.1)	(7.1)
Redemption of ECT preferred units	-	(24.9)	-	(24.9)
Change in distributions payable	-	-	0.1	-
Other	-	(0.2)	-	(0.2)
	(5.0)	6.7	(54.4)	360.2
Change in Cash	23.2	18.3	8.3	44.1
Cash at Beginning of Period	12.7	25.8	27.6	-
Cash at End of Period	35.9	44.1	35.9	44.1
			2.0	3.5
Cash			33.9	40.6
Cash in trust			35.9	44.1

See accompanying notes to the unaudited consolidated financial statements

ENBRIDGE INCOME FUND
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

<i>(millions of Canadian dollars)</i>	September 30, 2004 (unaudited)	December 31, 2003 Restated (Note 1)
Assets		
Current Assets		
Cash	35.9	27.6
Accounts receivable and other	28.2	28.0
	64.1	55.6
Property, Plant and Equipment	1,414.8	1,460.8
Intangible Assets	109.6	113.4
Goodwill	308.1	308.1
Deferred Amounts and Other Assets	32.0	31.5
	1,928.6	1,969.4
Liabilities and Equity		
Current Liabilities		
Accounts payable and accrued liabilities	40.1	27.2
Distributions payable	2.5	2.4
Current portion of long-term debt (Note 2)	190.0	-
Current portion of non-recourse long-term debt	40.7	40.0
	273.3	69.6
Long-Term Debt (Note 2)	7.0	201.9
Non-Recourse Long-Term Debt	852.9	885.4
ECT Preferred Units	380.2	380.2
Asset Retirement Obligations (Note 1)	6.8	6.5
Future Income Taxes	92.7	96.0
	1,612.9	1,639.6
Unitholders' Equity		
Trust units	333.4	333.4
Cumulative earnings	18.7	10.7
Cumulative distributions	(36.4)	(14.3)
	315.7	329.8
	1,928.6	1,969.4

See accompanying notes to the unaudited consolidated financial statements.

ENBRIDGE INCOME FUND
NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

The accompanying unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles and should be read in conjunction with the consolidated financial statements and notes thereto included in Enbridge Income Fund's 2003 Annual Report. These interim financial statements follow the same accounting policies and methods of application as those included in the 2003 Annual Report except for a change in policy of accounting for asset retirement obligations. Enbridge Income Fund commenced operations on June 30, 2003 and, therefore, comparative figures in the Statement of Earnings from inception to September 30, 2003 are equal to those for the three months ended September 30, 2003.

1. CHANGE IN ACCOUNTING POLICY

Effective January 1, 2004, the Fund adopted the new CICA standard for asset retirement obligations. This new standard requires that legal asset retirement obligations associated with the retirement of long-lived tangible assets be initially measured at a fair value, which approximates the cost a third party would incur in performing the tasks necessary to retire such assets. The fair value is recognized in the financial statements at the present value of expected future cash flows. Subsequent to initial measurement, accretion expense related to the liability for the asset retirement obligation and amortization of the asset retirement cost are recognized in the results of operations. For Alliance Canada, a legal obligation exists for costs associated with retirement of the pipeline. However, the fair value of the asset retirement obligation cannot be reasonably estimated, as the life of the pipeline is indeterminable. For the Saskatchewan System, a legal obligation exists for the retirement of the Westspur, Saskatchewan, Weyburn and Virden pipeline systems. The undiscounted amount of expected cash flows required to settle the asset retirement obligations is estimated at \$41.0 million to be settled beginning in the year 2033. The liability for the expected cash flows, as reflected in the financial statements, has been discounted at 6.58%. Implementation of this policy, which requires retroactive restatement of prior periods, has resulted in a charge to opening retained earnings of \$0.3 million for accretion and amortization expense and an increase of \$6.3 million to both property, plant and equipment, and asset retirement obligations. During the three and nine months ended September 30, 2004, amortization expense is \$0.05 million (2003 - \$0.05 million) and \$0.15 million, respectively, whereas accretion expense is \$0.1 million (2003 - \$0.1 million) and \$0.3 million, respectively.

2. DEBT

On June 30, 2003, Enbridge Income Partners LP entered into an agreement with a syndicate of commercial banks establishing credit facilities consisting of a \$190 million acquisition tranche (Acquisition Facility), a \$20 million liquidity tranche (Liquidity Facility) and a \$50 million new acquisition tranche (New Acquisition Facility). On June 29, 2004, the agreement was amended and resulted in an extension of the stated maturity date for both the Liquidity Facility and the New Acquisition Facility to June 2006 from June 2005. The stated maturity date of the Acquisition Facility remains June 2005. As at September 30, 2004, \$190.0 million (December 31, 2003 - \$190.0) is drawn on the Acquisition Facility, \$7.0 million (December 31, 2003 - \$11.9 million) is drawn on the Liquidity Facility and no amounts have been drawn on the New Acquisition Facility (December 31, 2003 - nil).

3. SEGMENTED INFORMATION

Three months ended September 30, 2004

<i>(millions of Canadian dollars)</i>	Alliance Canada	Saskatchewan System	Corporate	Consolidated
Transportation revenue	49.0	9.4	-	58.4
Operating and maintenance	(8.2)	(4.2)	-	(12.4)
Management and administrative	-	-	(1.4)	(1.4)
Capital taxes	(0.5)	(0.2)	-	(0.7)
Depreciation and amortization	(15.5)	(3.7)	-	(19.2)
Accretion on asset retirement obligation	-	(0.1)	-	(0.1)
Operating income/(loss)	24.8	1.2	(1.4)	24.6
Other income and expense	0.2	-	0.1	0.3
Interest expense	(13.1)	-	(1.9)	(15.0)
ECT preferred unit distributions	-	-	(8.1)	(8.1)
Current taxes	(0.8)	-	(0.4)	(1.2)
Future taxes	(0.1)	0.8	0.4	1.1
Earnings	11.0	2.0	(11.3)	1.7
Capital expenditures	3.9	1.3	-	5.2

Three months ended September 30, 2003

<i>(millions of Canadian dollars)</i>	Alliance Canada	Saskatchewan System	Corporate	Consolidated
Transportation revenue	51.4	9.4	-	60.8
Operating and maintenance	(9.9)	(5.0)	-	(14.9)
Management and administrative	-	-	(0.3)	(0.3)
Capital taxes	(0.2)	(0.1)	-	(0.3)
Depreciation and amortization	(15.9)	(3.2)	-	(19.1)
Accretion on asset retirement obligation	-	(0.1)	-	(0.1)
Operating income/(loss)	25.4	1.0	(0.3)	26.1
Other income and expense	0.1	-	1.4	1.5
Interest expense	(13.6)	-	(2.1)	(15.7)
ECT preferred unit distributions	-	-	(7.8)	(7.8)
Current taxes	(0.9)	(0.4)	0.2	(1.1)
Future taxes	(0.1)	0.7	-	0.6
Earnings	10.9	1.3	(8.6)	3.6
Capital expenditures	1.8	1.3	-	3.1

Nine months ended September 30, 2004

	Alliance Canada	Saskatchewan System	Corporate	Consolidated
<i>(millions of Canadian dollars)</i>				
Transportation revenue	149.9	30.0	-	179.9
Operating and maintenance	(27.5)	(13.8)	-	(41.3)
Management and administrative	-	-	(2.2)	(2.2)
Capital taxes	(1.4)	(0.7)	-	(2.1)
Depreciation and amortization	(46.5)	(10.9)	-	(57.4)
Accretion on asset retirement obligation	-	(0.3)	-	(0.3)
Operating income/(loss)	74.5	4.3	(2.2)	76.6
Other income and expense	0.5	-	0.1	0.6
Interest expense	(39.8)	-	(5.4)	(45.2)
ECT preferred unit distributions	-	-	(24.2)	(24.2)
Current taxes	(2.3)	(0.1)	(0.6)	(3.0)
Future taxes	0.2	2.7	0.3	3.2
Earnings	33.1	6.9	(32.0)	8.0
Capital expenditures	5.8	2.6	-	8.4

4. SUBSEQUENT EVENTS***Distribution by the Fund***

On October 15, 2004, the Fund made a monthly cash distribution in the amount of \$0.0715417 per ordinary trust unit. A cash distribution of \$0.0715417 per unit was also paid on the same date on the subordinated trust units and the ECT preferred units.

On October 18, 2004, the Fund declared a monthly cash distribution in the amount of \$0.0715417 per ordinary trust unit to unitholders of record on October 29, 2004, which is payable on November 15, 2004. The Fund also declared a distribution of \$0.0715417 per unit on the same date on the subordinated trust units and the ECT preferred units.

5. COMPARATIVE FIGURES

Certain of the comparative figures have been reclassified to conform with the current period presentation.

November 3, 2004