

For the six months ended June 30, 2006

Enbridge Income Fund Announces Quarterly Results

On July 31, 2006, Enbridge Income Fund (the Fund) announced earnings of \$26.3 million, or \$0.76 per unit, for the six months ended June 30, 2006 compared with \$7.7 million, or \$0.22 per unit, during the same period in the prior year. The increase in earnings of \$18.6 million is due primarily to future tax recoveries in Alliance Canada and the Saskatchewan System as a result of a reduction in future tax rates substantively enacted during the period. Earnings for the three months ended June 30, 2006 of \$21.0 million are higher than the prior year comparative period by \$17.3 million due to the same factor as for the six-month results.

Stephen J. Wuori, President of Enbridge Management Services Inc., the Administrator of the Fund, commented, "Solid operating results for Alliance Canada and the Saskatchewan System reinforce the ability of the Fund to fulfill its objective of providing stable and sustainable distributions to unitholders. Opportunities for organic growth have been fueled by continuing strong production in Western Canada culminating with plans for a capacity expansion on the Saskatchewan System. In addition, the increasing demand for environmental sustainability has resulted in negotiations for three new waste heat projects within NRGreen."

Based on current operations, the Fund estimates that approximately 80% of cash to be distributed during 2006 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.

Enbridge Income Fund Management's Discussion & Analysis For the three and six months ended June 30, 2006

This management's discussion and analysis (MD&A), dated July 31, 2006, is a review of the results of operations and the liquidity and capital resources of Enbridge Income Fund (the Fund) for the three and six months ended June 30, 2006. The MD&A should be read in conjunction with the unaudited interim consolidated financial statements of the Fund as at and for the three and six months ended June 30, 2006 and the audited financial statements and MD&A contained in the Fund's Annual Report for the year ended December 31, 2005. The unaudited interim consolidated financial statements have been prepared in accordance with Canadian Generally Accepted Accounting Principles. Unless otherwise noted, all financial information is in Canadian dollars and financial information pertaining to Alliance Canada reflects the Fund's proportionate share. Additional information related to the Fund, including the Fund's Annual Information Form, is filed on SEDAR at www.sedar.com.

CONSOLIDATED EARNINGS

<i>(millions of dollars)</i>	Three months ended June 30,		Six months ended June 30,	
	2006	2005	2006	2005
Alliance Canada	16.9	13.3	30.6	27.1
Saskatchewan System	16.9	2.9	20.0	5.5
Corporate	(12.8)	(12.5)	(24.3)	(24.9)
Earnings	21.0	3.7	26.3	7.7

Earnings for the six months ended June 30, 2006 are \$26.3 million, an increase of \$18.6 million over the same period in 2005. The primary reason for the increase is due to a reduction in future tax rates substantively enacted during the second quarter. Future tax balances within the Fund are primarily a result of temporary differences between the accounting and tax basis of assets and liabilities purchased by the Fund upon inception. Over time, as these assets or liabilities are amortized, the temporary differences reverse. The rate used to calculate future taxes is the rate enacted when the temporary differences reverse. A reduction in future income tax rates causes a revaluation of future tax balances which results in future income tax recoveries within the Fund. Future tax rates were reduced by approximately 7% for the Saskatchewan System resulting in future tax recoveries of \$14.0 million. The reduction in future tax rates for Alliance Canada was approximately 5% resulting in future tax recoveries of \$2.7 million.

The increase in earnings for the three months ended June 30, 2006 of \$17.3 million is due to similar factors as those for the six-month results.

FORWARD-LOOKING STATEMENTS

Certain information provided in this document constitutes forward-looking statements. The words "anticipate", "expect", "project", "estimate", "forecast" and similar expressions are intended to identify such forward-looking statements. Although the 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 the 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. Except to the extent required by applicable securities law and regulations, the 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.

FUND OBJECTIVE AND BUSINESS STRATEGY

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. (EMSI), a wholly owned subsidiary of Enbridge Inc. The Fund owns the Saskatchewan System, a 50% interest in Alliance Pipeline Limited Partnership (Alliance Canada) and a 50% interest in NRGreen Power Limited Partnership (NRGreen).

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, EMSI utilizes 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 the acquisition of energy infrastructure and other related businesses.

FINANCIAL RESULTS BY SEGMENT

ALLIANCE CANADA				
<i>(millions of dollars)</i>	Three months ended		Six months ended	
	June 30,		June 30,	
	2006	2005	2006	2005
Transportation revenue	50.9	50.8	101.5	100.8
Operating and maintenance	(9.7)	(8.3)	(18.2)	(15.5)
Capital taxes	(0.2)	(0.3)	(0.5)	(0.7)
Depreciation and amortization	(15.3)	(15.5)	(30.7)	(30.8)
Other income and expense	0.4	0.3	0.5	0.4
Interest expense	(12.3)	(12.9)	(24.7)	(25.7)
Current and future taxes	3.1	(0.8)	2.7	(1.4)
Earnings	16.9	13.3	30.6	27.1

Alliance Canada earnings are \$30.6 million for the six months ended June 30, 2006, an increase of \$3.5 million over the prior year comparable period. Earnings increased primarily due to the reduction in future tax rates resulting in future tax recoveries in the period of \$2.7 million. Future taxes in Alliance Canada result from temporary differences between the accounting values of the transportation contracts, included in intangibles, and long-term debt, versus their tax basis. The remaining increase in earnings is due to the recovery of notional taxes in tolls for the full six months of 2006, the elimination of large corporation tax (LCT) to the extent not recovered through tolls in the prior year, partially offset by the reduction in the equity return as a result of a depreciating investment base and a reduction in the recovery of notional taxes due to

tax rate changes substantively enacted during the second quarter. Earnings for the three months ended June 30, 2006 reflect the same factors as for the six-month results.

Earnings reflect a return on equity applied to investment base accounts, as well as an allowance to calculate the equity return is not expected to change; however, related annual earnings will decline over time as the investment base is depreciated.

Transportation revenue for the three and six months ended June 30, 2006 is consistent with the prior year comparable periods. Higher operating and maintenance costs in the current period were offset by lower financing costs due to semi-annual debt repayments and lower equity return due to the depreciating investment base. Operating and maintenance costs were higher due to higher personnel costs, property taxes and compressor maintenance expenditures.

Alliance Canada's transportation service agreements are designed to provide toll revenues sufficient to recover prudently incurred costs of service, including operating and maintenance, depreciation, an allowance for income, large corporation and provincial capital taxes, costs of indebtedness and an allowed return on equity of 11.3% after tax, based on a deemed 70/30 debt/equity ratio.

SASKATCHEWAN SYSTEM

<i>(millions of dollars)</i>	Three months ended		Six months ended	
	June 30, 2006	2005	June 30, 2006	2005
Transportation revenue	12.6	10.9	23.9	21.2
Operating and maintenance	(6.4)	(5.0)	(11.2)	(9.4)
Capital taxes	(0.2)	(0.1)	(0.3)	(0.3)
Depreciation and amortization	(3.9)	(3.8)	(8.0)	(7.6)
Accretion on asset retirement obligations	(0.1)	(0.1)	(0.2)	(0.2)
Current and future taxes	14.9	1.0	15.8	1.8
Earnings	16.9	2.9	20.0	5.5

Saskatchewan System earnings are \$20.0 million for the six months ended June 30, 2006, an increase of \$14.5 million over the same period in 2005. Earnings are higher primarily due to the reduction in future tax rates substantively enacted during the quarter resulting in an increase to earnings of \$14.0 million. Future taxes in the Saskatchewan System result from temporary differences between the accounting value of the property, plant and equipment versus the tax basis. Earnings are \$14.0 million higher than the prior year quarter ended June 30, 2006, for the same reason.

The Saskatchewan Gathering System and the Westspur System tolling agreements are designed to provide toll revenues sufficient to recover operating costs, depreciation, deemed interest expense, deemed income tax and to provide an administrative expense allowance as well as a return on rate base. The rate used to calculate the equity return is not expected to change. However, the rate base upon which the equity return is calculated will change over time due to depreciation as well as maintenance and enhancement capital additions. Earnings from both the Weyburn System and the Virden System reflect toll revenues less costs incurred.

CORPORATE

<i>(millions of dollars)</i>	Three months ended		Six months ended	
	June 30, 2006	2005	June 30, 2006	2005
Management and administrative	(1.2)	(0.9)	(2.1)	(1.9)
Interest expense	(2.7)	(2.9)	(5.3)	(5.6)
ECT preferred unit distributions	(8.8)	(8.6)	(17.5)	(17.3)
Other	(0.1)	(0.1)	0.6	(0.1)
Total costs	(12.8)	(12.5)	(24.3)	(24.9)

Corporate costs are \$24.3 million for the six months ended June 30, 2006, a decrease of \$0.6 million over the same period in 2005. 'Other' includes tax recoveries in the period due to tax losses from interest deductions on inter-corporate debt. These losses will be carried back to offset taxes paid in 2005. Corporate costs for the three months ended June 30, 2006 are slightly higher than the prior year comparative due to a 1% increase in unitholder distributions beginning in January 2006 resulting in higher incentive fees, included in management and administrative costs, as well as higher Enbridge Commercial Trust (ECT) preferred unit distributions.

NRGREEN

NRGreen is proceeding with a non-regulated project to construct a waste heat recovery and electrical power generation system. Electricity will be produced by harnessing the waste heat produced by Alliance Canada's gas turbine at the Kerrobert compressor station and converting this waste heat to electrical energy. The power generated from the 5.0 megawatt Kerrobert facility will be purchased by Saskatchewan Power Corporation, pursuant to a ten year Power Purchase Agreement (PPA), commencing upon the in-service date. NRGreen may elect to issue two successive renewal notices, each extending the PPA for an additional five-year period. The Fund's 50% share of the cost of the project is estimated at \$8.5 million and it is expected that construction will be completed in the first quarter of 2007. For the six months ended June 30, 2006, \$0.2 million, representing the Fund's 50% interest, was spent on the project.

LIQUIDITY AND CAPITAL RESOURCES

At June 30, 2006, the Fund had \$92.0 million in an undrawn credit facility for liquidity requirements. This facility, combined with cash generated by operating activities, is expected to be sufficient to meet the forecast liquidity and capital resource requirements of the Fund. Forecasted liquidity requirements include monthly cash distributions to unitholders, including ordinary and subordinated unitholders of the Fund as well as preferred unitholders of ECT. Anticipated capital resource requirements include the budgeted maintenance and enhancement capital expenditures described in the Fund's 2005 Annual Report.

The Fund's cash balance at June 30, 2006 of \$18.4 million includes \$9.5 million held in trust by Alliance Canada, pursuant to finance agreements within Alliance Canada.

Operating Activities

Cash provided by operating activities is \$40.2 million for the six months ended June 30, 2006, which is comparable with \$41.6 million in the prior year period, despite an increase in current year earnings, as the increase was primarily due to non-cash future tax recoveries.

Investing Activities

Cash used for investing activities for the six months ended June 30, 2006 is \$4.1 million, which is comparable with \$3.1 million during the prior year period. Maintenance capital expenditures for both Alliance Canada and the Saskatchewan System are funded through cash from operations and debt; significant enhancement capital expenditures would be funded through the issuance of debt and equity. NRGreen capital expenditures are funded through the use of the general-purpose credit facility.

Financing Activities

Financing activities for the six months ended June 30, 2006 primarily relate to monthly distributions to ordinary and subordinated unitholders, changes in credit facilities and semi-annual debt repayments of Alliance Canada.

On June 28, 2006, Alliance Canada closed a new credit facility arrangement in the amount of \$200.0 million with an expansion provision to facilitate an increase to \$300.0 million, if required. Interest is based upon bankers' acceptance rates, plus applicable margins and the initial term of the facility is five years with a provision for additional one year terms on each anniversary of the closing. This facility replaces the former \$190.0 million facility that expired during the quarter ended June 30, 2006.

On June 30, 2006, the Fund amended the existing three-year credit facility to increase in size from \$70.0 million to \$105.0 million and to reduce the applicable margin on bankers acceptance advances.

Cash flow activities for the three-month period ended June 30, 2006 reflect similar factors as those described for the six-month results.

There has not been a significant change in the Fund's financial position from December 31, 2005.

OUTLOOK

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

In addition, continuing strong commodity prices have provided the Fund with additional opportunities for profitable organic investment. Future throughputs at three main points along the Weyburn and Westspur Systems, within the Saskatchewan System, are estimated to exceed current capacity. Therefore, on May 1, 2006, the Board of Trustees approved a capacity expansion that is expected to cost approximately \$17.4 million, increase capacity by approximately 83,000 barrels per day in combination between the two systems and be in service by the end of 2007.

During the first quarter of 2006, Alliance Canada increased their 2006 budget for enhancement capital expenditures by \$3.7 million, representing the Fund's 50% interest, for a number of optimization projects expected to provide fuel efficiency, increase power availability and lengthen component life. The projects include plans to upgrade four gas turbines, to be

completed by the first quarter of 2007, in order to extend the maintenance interval as well as to yield fuel savings.

On May 24, 2006, NRGreen was selected to enter into detailed negotiations in order to develop and sign PPAs with Saskatchewan Power Corporation for power generated by the construction of three 5.1 megawatt waste heat recovery facilities at Alliance Canada's Alameda, Estlin and Loreburn compressor stations. If negotiations are successful, these facilities could be completed by the end of 2007 or early 2008.

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. Based on current operations, the Fund estimates that approximately 80% of cash to be distributed during 2006 will be included in the income of unitholders for tax purposes.

CASH AVAILABLE FOR DISTRIBUTION¹

<i>(millions of dollars)</i>	Three months ended		Six months ended	
	June 30, 2006	2005	June 30, 2006	2005
Cash Provided by Operating Activities	5.0	5.2	37.6	41.6
Add/(Deduct):				
ECT preferred unit distributions	8.8	8.6	17.5	17.3
Alliance Canada cash retained	(11.2)	(10.0)	(17.9)	(20.0)
NRGreen cash retained	-	-	(4.0)	-
Saskatchewan System maintenance capital expenditures	(0.2)	(0.3)	(0.4)	(0.4)
Change in operating assets and liabilities in the period	16.9	16.3	7.3	1.1
Cash Available for Distribution	19.3	19.8	40.1	39.6
Cash Available for Distribution is comprised of the following:				
Alliance Canada distributions	16.9	18.7	35.0	37.7
Alliance Canada capital tax	(0.2)	(0.3)	(0.5)	(0.7)
Alliance Canada large corporations tax	0.4	(0.7)	-	(1.3)
Saskatchewan System operating income before depreciation, amortization and accretion	6.0	5.8	12.4	11.5
Saskatchewan System maintenance capital expenditures	(0.2)	(0.3)	(0.4)	(0.4)
Saskatchewan System large corporations tax	-	-	-	(0.1)
Corporate management and administrative expense	(1.2)	(0.9)	(2.1)	(1.9)
Corporate other income	(0.1)	-	-	-
Corporate interest expense	(2.4)	(2.4)	(4.7)	(4.9)
Corporate current taxes	0.1	(0.1)	0.4	(0.3)
Cash Available for Distribution	19.3	19.8	40.1	39.6
Cash Distributions Declared	16.7	16.5	33.4	33.0

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.

The above calculations of cash available for distribution represent cash available to fund distributions on ordinary units, subordinated 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. Cash retained by Alliance Canada is included above under 'Alliance Canada cash retained' except for cash needed to fund working capital which is included in 'Change in operating assets and liabilities in the period'. 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.

In the first quarter of 2006, \$4.0 million, representing the Fund's 50% interest of contributed surplus related to life to date funding for the Kerrobert waste heat project, was returned by Alliance Canada to the Fund. Alliance Canada returned these funds as a result of the sale of the project at carrying value to NRGreen. 'NRGreen cash retained' reflects this return from Alliance Canada and its retention for expenditures related to the Kerrobert waste heat project.

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 that are worn, obsolete or completing their useful life.

For the three months ended June 30, 2006, cash distributions declared of \$16.7 million (2005 - \$16.5 million) represent 86.5% (2005 - 83.3%) of cash available for distribution, whereas for the six months ended June 30, 2006, cash distributions declared of \$33.4 million (2005 - \$33.0 million) represent 83.3% (2005 - 83.3%) of cash available for distribution. The Fund's policy is to distribute, on average, approximately 95% of cash available for distribution over a five-year period.

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 six months ended June 30, 2006, the Fund declared monthly cash distributions of \$0.0765916 per ordinary unit (2005 - \$0.0758333). Cash distributions of the same amount per unit were also declared on the subordinated units and the ECT preferred units.

The Board of Trustees approves distributions periodically based on cash flow to meet the Fund's distribution policy. The timing of the regular annual review of the distribution rate is during the fourth quarter to align with the Fund's budgeting and reporting cycles.

On June 19, 2006, the Fund declared a monthly cash distribution in the amount of \$0.0765916 per ordinary unit to unitholders of record on June 30, 2006. Cash distributions of \$0.0765916 per unit were also declared on the same date on the subordinated units and the ECT preferred units. These distributions were paid on July 14, 2006.

On July 18, 2006, the Fund declared a monthly cash distribution in the amount of \$0.0765916 per ordinary unit payable to unitholders of record on July 31, 2006. Cash distributions of \$0.0765916 per unit were also declared on the same date on the subordinated units and the ECT preferred units. These distributions are payable on August 15, 2006.

SELECTED QUARTERLY FINANCIAL INFORMATION

(millions of dollars, except per unit amounts)

	2006		2005				2004	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Transportation Revenue	63.5	61.9	63.7	63.3	61.7	60.3	59.9	58.4
Earnings	21.0	5.3	2.5	5.0	3.7	4.0	2.4	1.7
Earnings Per Unit (basic and diluted)	0.61	0.15	0.07	0.15	0.10	0.12	0.07	0.05
Cash Distributions Declared ¹	16.7	16.7	16.5	16.6	16.5	16.5	16.2	15.6

¹ Cash distributions declared on ordinary, subordinated and ECT preferred units.

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

- Second quarter earnings in 2006 reflect future income tax recoveries of \$16.7 million due to the substantive enactment of reductions in future tax rates during the quarter.
- Quarterly revenue and earnings in 2005 and 2006 have increased relative to prior quarters due to the collection of an income tax allowance in the tolls of Alliance Canada.
- Third quarter earnings in 2004 reflect increased management and administrative costs of approximately \$1.0 million due to business development expenditures incurred.
- Increases in distributions of 1%, 6% and 1% on the Fund's ordinary and subordinated units and the ECT preferred units were approved by the Board of Trustees effective with the distributions payable to holders of record on July 30, 2004, November 30, 2004 and January 31, 2006, respectively.

SUPPLEMENTARY INFORMATION

Outstanding Unit Data

Number of Units Outstanding

Ordinary Units	20,125,000
Subordinated Units	14,500,000
ECT Preferred Units	38,023,750

Outstanding unit data information is provided as at July 31, 2006.

SELECTED OPERATING AND FINANCIAL HIGHLIGHTS

<i>(millions of dollars except where otherwise noted)</i>	Three months ended June 30,		Six months ended June 30,	
	2006	2005	2006	2005
Average Daily Throughput Volume				
Alliance Canada (millions of cubic feet per day)	1,592.0	1,561.0	1,636.0	1,622.0
Saskatchewan System ¹ (thousands of barrels per day)				
Westspur System	150.5	142.3	153.8	143.4
Saskatchewan Gathering System	100.7	101.6	103.1	102.7
Weyburn System	37.4	33.7	37.6	33.3
Virden System	17.2	19.1	22.0	20.8
Transportation Revenues	63.5	61.7	125.4	122.0
Earnings	21.0	3.7	26.3	7.7
Per Unit (dollars per unit)	0.61	0.10	0.76	0.22
Cash Available for Distribution	19.3	19.8	40.1	39.6
Cash Distributions Declared	16.7	16.5	33.4	33.0
Cash Distributions Declared Per Unit (dollars per unit)				
Ordinary Units	0.2298	0.2275	0.4595	0.4550
Subordinated Units	0.2298	0.2275	0.4595	0.4550
ECT Preferred Units	0.2298	0.2275	0.4595	0.4550
Total Long-Term Liabilities			1,456.2	1,500.8
Total Assets			1,811.4	1,863.1
ECT Preferred Units (number of units)			38,023,750	38,023,750
Ordinary Units (number of units)			20,125,000	20,125,000
Subordinated Units (number of units)			14,500,000	14,500,000
Total Number of Units			34,625,000	34,625,000

¹Totals are not presented as the same volumes can be transported through a combination of the pipelines comprising the Saskatchewan System.

ENBRIDGE INCOME FUND CONSOLIDATED STATEMENTS OF EARNINGS

<i>(unaudited; millions of dollars, except per unit amounts)</i>	Three months ended		Six months ended	
	June 30,		June 30,	
	2006	2005	2006	2005
Transportation Revenue	63.5	61.7	125.4	122.0
Expenses				
Operating and maintenance	16.1	13.3	29.4	24.9
Management and administrative	1.2	0.9	2.1	1.9
Capital taxes	0.4	0.4	0.8	1.0
Depreciation and amortization	19.2	19.3	38.7	38.4
Accretion on asset retirement obligations	0.1	0.1	0.2	0.2
	37.0	34.0	71.2	66.4
Operating Income	26.5	27.7	54.2	55.6
Other Income and Expense	0.3	0.3	0.5	0.4
Interest Expense and Amortization of Deferred				
Financing Charges	(15.0)	(15.8)	(30.0)	(31.3)
ECT Preferred Unit Distributions	(8.8)	(8.6)	(17.5)	(17.3)
	3.0	3.6	7.2	7.4
Tax Recovery/(Expense)				
Current	0.5	(0.8)	0.4	(1.7)
Future	17.5	0.9	18.7	2.0
	18.0	0.1	19.1	0.3
Earnings	21.0	3.7	26.3	7.7
Earnings per Trust Unit				
Basic and Diluted	0.61	0.10	0.76	0.22

See accompanying notes to the unaudited consolidated financial statements.

ENBRIDGE INCOME FUND CONSOLIDATED STATEMENTS OF UNITHOLDERS' EQUITY

<i>(unaudited; millions of dollars)</i>	Six months ended	
	June 30,	
	2006	2005
Opening Unitholders' Equity	294.1	310.4
Earnings	26.3	7.7
Distributions to Unitholders	(15.9)	(15.8)
Ending Unitholders' Equity	304.5	302.3

See accompanying notes to the unaudited consolidated financial statements.

ENBRIDGE INCOME FUND CONSOLIDATED STATEMENTS OF CASH FLOWS

<i>(unaudited; millions of dollars)</i>	Three months ended		Six months ended	
	June 30, 2006	2005	June 30, 2006	2005
Cash Provided by Operating Activities				
Earnings	21.0	3.7	26.3	7.7
Charges/(credits) not affecting cash				
Depreciation and amortization	19.2	19.3	38.7	38.4
Amortization of deferred financing charges	0.5	0.6	1.0	1.1
Accretion on asset retirement obligations	0.1	0.1	0.2	0.2
Amortization of fair value increment on debt	(1.4)	(1.3)	(2.6)	(2.7)
Future income taxes	(17.5)	(0.9)	(18.7)	(2.0)
Changes in operating assets and liabilities				
Change in accounts receivable and other	2.9	0.3	6.9	(2.9)
Change in accounts payable and accrued liabilities	(15.9)	(16.5)	(7.1)	(2.1)
Change in deferred amounts and other assets	(3.9)	(0.1)	(7.1)	3.9
	5.0	5.2	37.6	41.6
Investing Activities				
Additions to property, plant and equipment	(1.7)	(1.6)	(3.3)	(2.8)
Change in construction payable	(0.1)	(0.2)	(0.8)	(0.3)
	(1.8)	(1.8)	(4.1)	(3.1)
Financing Activities				
Net change in long-term credit facility	4.0	(2.0)	2.0	(5.0)
Net change in non-recourse credit facility	(0.3)	1.6	(0.4)	0.4
Repayment of non-recourse long-term debt	(14.5)	(20.6)	(14.5)	(20.6)
Ordinary and subordinated trust unit distributions	(7.9)	(7.9)	(15.9)	(15.8)
Financing fees	-	-	-	(0.2)
	(18.7)	(28.9)	(28.8)	(41.2)
Increase/(Decrease) in Cash	(15.5)	(25.5)	4.7	(2.7)
Cash at Beginning of Period	31.3	37.6	11.1	14.8
Cash at End of Period	15.8	12.1	15.8	12.1
Cash				
			8.9	4.0
Cash in trust				
			6.9	8.1
			15.8	12.1

See accompanying notes to the unaudited consolidated financial statements.

ENBRIDGE INCOME FUND CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

<i>(unaudited; millions of dollars)</i>	June 30, 2006	December 31, 2005
Assets		
Current Assets		
Cash and cash equivalents	15.8	11.1
Accounts receivable and other	26.4	33.3
	42.2	44.4
Property, Plant and Equipment	1,314.4	1,347.2
Intangible Assets	100.5	103.1
Goodwill	308.1	308.1
Deferred Amounts and Other Assets	46.2	40.1
	1,811.4	1,842.9
Liabilities and Equity		
Current Liabilities		
Accounts payable and accrued liabilities	21.6	29.5
Distributions payable	2.6	2.6
Current portion of non-recourse long-term debt	26.5	27.9
	50.7	60.0
Long-Term Debt	203.0	201.0
Non-Recourse Long-Term Debt	795.2	811.3
ECT Preferred Units	380.2	380.2
Asset Retirement Obligations	7.3	7.1
Future Income Taxes	70.5	89.2
	1,506.9	1,548.8
Unitholders' Equity		
Trust units	333.4	333.4
Cumulative earnings	62.6	36.3
Cumulative distributions	(91.5)	(75.6)
	304.5	294.1
	1,811.4	1,842.9

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 (the Fund) 2005 Annual Report. These interim financial statements follow the same accounting policies and methods of application as those included in the 2005 Annual Report.

1. SEGMENTED INFORMATION
Three months ended June 30, 2006

<i>(millions of dollars)</i>	Alliance Canada	Saskatchewan System	Corporate	Consolidated
Transportation revenue	50.9	12.6	-	63.5
Operating and maintenance	(9.7)	(6.4)	-	(16.1)
Management and administrative	-	-	(1.2)	(1.2)
Capital taxes	(0.2)	(0.2)	-	(0.4)
Depreciation and amortization	(15.3)	(3.9)	-	(19.2)
Accretion on asset retirement obligations	-	(0.1)	-	(0.1)
Operating income/(loss)	25.7	2.0	(1.2)	26.5
Other income and expense	0.4	-	(0.1)	0.3
Interest expense and amortization of deferred financing charges	(12.3)	-	(2.7)	(15.0)
ECT preferred unit distributions	-	-	(8.8)	(8.8)
Current taxes	0.4	-	0.1	0.5
Future taxes	2.7	14.9	(0.1)	17.5
Earnings	16.9	16.9	(12.8)	21.0

Three months ended June 30, 2005

<i>(millions of dollars)</i>	Alliance Canada	Saskatchewan System	Corporate	Consolidated
Transportation revenue	50.8	10.9	-	61.7
Operating and maintenance	(8.3)	(5.0)	-	(13.3)
Management and administrative	-	-	(0.9)	(0.9)
Capital taxes	(0.3)	(0.1)	-	(0.4)
Depreciation and amortization	(15.5)	(3.8)	-	(19.3)
Accretion on asset retirement obligations	-	(0.1)	-	(0.1)
Operating income/(loss)	26.7	1.9	(0.9)	27.7
Other income and expense	0.3	-	-	0.3
Interest expense and amortization of deferred financing charges	(12.9)	-	(2.9)	(15.8)
ECT preferred unit distributions	-	-	(8.6)	(8.6)
Current taxes	(0.7)	-	(0.1)	(0.8)
Future taxes	(0.1)	1.0	-	0.9
Earnings	13.3	2.9	(12.5)	3.7

Six months ended June 30, 2006

<i>(millions of dollars)</i>	Alliance Canada	Saskatchewan System	Corporate	Consolidated
Transportation revenue	101.5	23.9	-	125.4
Operating and maintenance	(18.2)	(11.2)	-	(29.4)
Management and administrative	-	-	(2.1)	(2.1)
Capital taxes	(0.5)	(0.3)	-	(0.8)
Depreciation and amortization	(30.7)	(8.0)	-	(38.7)
Accretion on asset retirement obligations	-	(0.2)	-	(0.2)
Operating income/(loss)	52.1	4.2	(2.1)	54.2
Other income and expense	0.5	-	-	0.5
Interest expense and amortization of deferred financing charges	(24.7)	-	(5.3)	(30.0)
ECT preferred unit distributions	-	-	(17.5)	(17.5)
Current taxes	-	-	0.4	0.4
Future taxes	2.7	15.8	0.2	18.7
Earnings	30.6	20.0	(24.3)	26.3

Six months ended June 30, 2005

<i>(millions of dollars)</i>	Alliance Canada	Saskatchewan System	Corporate	Consolidated
Transportation revenue	100.8	21.2	-	122.0
Operating and maintenance	(15.5)	(9.4)	-	(24.9)
Management and administrative	-	-	(1.9)	(1.9)
Capital taxes	(0.7)	(0.3)	-	(1.0)
Depreciation and amortization	(30.8)	(7.6)	-	(38.4)
Accretion on asset retirement obligations	-	(0.2)	-	(0.2)
Operating income/(loss)	53.8	3.7	(1.9)	55.6
Other income and expense	0.4	-	-	0.4
Interest expense and amortization of deferred financing charges	(25.7)	-	(5.6)	(31.3)
ECT preferred unit distributions	-	-	(17.3)	(17.3)
Current taxes	(1.3)	(0.1)	(0.3)	(1.7)
Future taxes	(0.1)	1.9	0.2	2.0
Earnings	27.1	5.5	(24.9)	7.7

2. SUBSEQUENT EVENTS

Distribution by the Fund

On July 14, 2006, the Fund paid a monthly cash distribution of \$0.0765916 per ordinary trust unit. A cash distribution of \$0.0765916 per unit was also paid on the same date on the subordinated trust units and the ECT preferred units.

On July 18, 2006, the Fund declared a monthly cash distribution of \$0.0765916 per ordinary trust unit to unitholders of record on July 31, 2006, which is payable on August 15, 2006. The Fund also declared a distribution of \$0.0765916 per unit on the same date on the subordinated trust units and the ECT preferred units.



Distribution from Alliance

Alliance Canada declared a distribution of \$16.0 million, representing the Fund's 50% interest, to the Fund which was received by the Fund on July 27, 2006.