



ENBRIDGE INCOME FUND

NEWS RELEASE

Enbridge Income Fund Announces Second Quarter Results

Highlights

- Second quarter earnings totaled \$1.5 million or \$0.04 per unit
- Second quarter cash available for distribution of \$23.7 million is consistent with the second quarter of 2009
- Regulatory approvals received for all components of the Phase II Saskatchewan System Capacity Expansion
- Restructuring approved by unitholders

Calgary, Alberta, July 27, 2010 – Enbridge Income Fund (the Fund) announced today earnings of \$1.5 million, or \$0.04 per unit, for the three months ended June 30, 2010. Earnings for the three-month period ending June 30, 2009 were \$3.4 million or \$0.10 per unit. Earnings for the first half of 2010 were \$5.1 million, or \$0.15 per unit, compared with earnings of \$6.7 million, or \$0.19 per unit, in the first half of 2009. Earnings for the second quarter of 2010 include costs incurred related to one-time events, such as the Virden crude oil release and costs associated with the restructuring of the Fund that have negatively impacted earnings for the three and six months ended June 30, 2010.

Cash available for distribution for the three months ended June 30, 2010 was \$23.7 million, which is consistent with the corresponding three-month period of 2009. Cash available for distribution for the first half of 2010 increased \$1.5 million to \$47.7 million compared with the first half of 2009. This increase is primarily due to higher distributions received in the current year from the Alliance Canada and Green Power segments, and a larger contribution from the Saskatchewan System reflecting additional customer connections on its cost of service pipeline systems.

“After adjusting for one-time occurrences relating to the Virden crude oil release and additional costs associated with the restructuring of the Fund, the Fund’s core assets continued to provide steady results in the second quarter of 2010, supporting consistent monthly cash distributions to the Fund’s unitholders,” said Jim Schultz, President of Enbridge Management Services Inc., the Administrator of the Fund.

“With all necessary regulatory approvals received in the second quarter, the second phase of expansion of our Saskatchewan System is currently expected to be completed in the fourth quarter of this year, offering growth for the Fund in the near term and providing stability in distributions for unitholders,” continued Mr. Schultz.

“We are pleased unitholders approved a Plan of Arrangement to restructure the Fund at the Annual and Special meeting held in May and that we can now proceed with plans to restructure in light of tax changes taking effect in 2011,” said Mr. Schultz. “This new structure maintains our value proposition for investors - providing a safe and dependable high cash payout - while also providing greater financial flexibility going forward to fund growth opportunities. Further communication regarding the process by which unitholders

will exchange their trust units for shares of the newly created Enbridge Income Fund Holdings Inc. will follow over the coming months.”

During the six months ended June 30, 2010, the Fund declared monthly cash distributions of \$0.096 per unit, and distributions in the same amount per unit were declared on the Enbridge Commercial Trust (ECT) preferred units. Cash distributions paid to trust unitholders for the three and six months ended June 30, 2010 were \$9.9 million and \$19.9 million (2009 - \$9.9 million and \$19.6 million), respectively. Based on current operations, the Fund estimates that approximately 80% of cash to be distributed in 2010 will be included in the income of unitholders for income tax purposes. The remaining 20% of cash to be distributed to unitholders represents a non-taxable return of capital.

Second Quarter 2010 Operating Review

The unaudited interim consolidated financial statements and Management’s Discussion and Analysis (MD&A), which contain additional notes and disclosures, will be available on the Enbridge Income Fund website at www.enbridgeincomefund.com following the close of business on Tuesday July 27, 2010.

- Cash available for distribution for the first half of 2010 is \$47.7 million, an increase of \$1.5 million from the corresponding prior period. This increase is representative of higher cash available for distribution across all operating segments, with the exception of the Corporate segment which has incurred higher costs related to the restructuring of the Fund than in the comparable period of 2009.
- Alliance Canada continued to deliver stable financial results in the first half of 2010, recording earnings of \$14.3 million and \$28.8 million for the three and six months ended June 30, 2010, respectively. While earnings have declined slightly compared with 2009, the decrease in earnings was expected and reflects offsetting factors as a lower return on equity resulting from Alliance Canada’s depreciating investment base is partially offset by an increase in the allowance for deemed income taxes. The increase in the allowance for deemed income taxes primarily relates to lower capital cost allowance deductions.
- Saskatchewan System earnings of \$5.1 million and \$10.0 million for the three and six months ended June 30, 2010, respectively, reflected increases of \$0.3 million and \$1.0 million from the corresponding periods in 2009. Improved earnings for both the three and six months ended June 30, 2010 resulted from additional earnings contributions from customer connections completed on the Saskatchewan Gathering System within the last year, partially offset by higher operating costs of \$0.9 million on the Virden System in relation to an April 1st crude oil release. Additionally, increased earnings for the first half of 2010 reflect the impact of higher oil prices on the sale and revaluation of allowance oil inventory on the Weyburn System, when compared with the prior year comparative period.
- Green Power earnings for the three and six months ended June 30, 2010 were \$0.6 million and \$1.5 million, respectively. After removing an unrealized non-cash derivative gain of \$0.3 million and \$1.3 million recorded in earnings for the three and six months ended June 30, 2009, respectively, current year earnings are comparable with the corresponding periods of 2009. Green Power financial results for the first six months of 2010 reflect two offsetting effects: improved NRGreen earnings due to increased operational reliability and lower earnings contributions from the wind power projects, due to reduced electricity production as a result of weak wind resource in the period.
- Corporate costs incurred in the three and six months ended June 30, 2010 were \$18.5 million and \$35.2 million, respectively, a \$1.6 million and \$1.1 million increase from the corresponding periods of 2009. Increased Corporate costs reflected higher legal and professional consulting fees associated with the restructuring of the Fund, offset partially by lower interest expense when compared with the prior periods.

ABOUT ENBRIDGE INCOME FUND

Enbridge Income Fund is an unincorporated, open-ended trust created to provide a stable and sustainable flow of distributable cash to unitholders. The Fund is a premier income fund in Canada with a low-risk profile focused on energy infrastructure assets. Its assets include a 50% interest in the Canadian segment of the Alliance Pipeline, a 100% interest in the various pipelines comprising the Saskatchewan System, and a 50% interest in each of NRGreen Limited Partnership and the SunBridge wind project as well as a 33% interest in each of the Magrath and Chin Chute wind projects. Information about Enbridge Income Fund, including the interim consolidated financial statements and MD&A, is available on the Fund's web site at www.enbridgeincomefund.com.

FORWARD LOOKING INFORMATION

In the interest of providing the Fund's unitholders and potential investors with information about the Fund, its subsidiaries and joint ventures, including management's assessment of the Fund, its subsidiaries' and joint ventures' future plans and operations, certain information provided in this News Release constitutes forward-looking statements or information (collectively, "forward-looking statements"). This information may not be appropriate for other purposes. Forward-looking statements are typically identified by words such as "anticipate", "expect", "project", "estimate", "forecast", "plan", "intend", "target", "believe" and similar words suggesting future outcomes or statements regarding an outlook. In particular, forward-looking statements include but are not limited to:

- expected scope and in-service dates for projects under construction;
- expected capital expenditures;
- expected future earnings and cash flows;
- expected future actions of regulators;
- expected future corporate restructuring;
- expected future distributions to unitholders and taxability thereof; and
- expected cash available for distribution.

Although the Fund believes that these forward-looking statements are reasonable based on the information available on the date such statements are made and processes used to prepare the information, such statements are not guarantees of future performance and readers are cautioned against placing undue reliance on forward-looking statements. By their nature, these statements involve a variety of assumptions, known and unknown risks and uncertainties and other factors, which may cause actual results, levels of activity and achievements to differ materially from those expressed or implied by such statements. Material assumptions include assumptions about: the expected supply and demand for crude oil, natural gas and natural gas liquids; prices of crude oil, natural gas and natural gas liquids; expected exchange rates; inflation; interest rates; the availability and price of labour and pipeline construction materials; operational reliability; customer project approvals; maintenance of support and regulatory approval for the Fund's projects; anticipated in-service dates and weather. Assumptions regarding the expected supply and demand of crude oil, natural gas and natural gas liquids, and the prices of these commodities, are material to and underlie all forward-looking statements. These factors are relevant to all forward-looking statements as they may impact current and future levels of demand for the Fund's services. Similarly, exchange rates, inflation and interest rates impact the economies and business environments in which the Fund operates, may impact levels of demand for the Fund's services and cost of inputs, and are therefore inherent in all forward-looking statements. Due to the interdependencies and correlation of these macroeconomic factors, the impact of any one assumption on a forward-looking statement cannot be determined with certainty, particularly with respect to expected earnings and associated per unit amounts, or estimated future distributions. The most relevant assumptions associated with forward-looking statements on projects under construction, including estimated in-service dates, and expected capital expenditures include: the availability and price of labour and pipeline construction materials; the effects of inflation on labour and material costs; the effects of interest rates on borrowing costs; and the impact of weather and customer and regulatory approvals on construction schedules.

The Fund's forward-looking statements are subject to risks and uncertainties pertaining to operating performance, regulatory parameters, project approval and ongoing support, weather, economic and competitive conditions, exchange rates, interest rates and commodity prices, including but not limited to those risks and uncertainties discussed in this News Release and in the Fund's other filings with Canadian securities regulators. The impact of any one risk, uncertainty or factor on a particular forward-looking statement is not determinable with certainty as these are interdependent and the Fund's future course of action depends on management's assessment of all information available at the relevant time. Except to the extent required by law, the Fund assumes no obligation to publicly update or revise any forward-looking statements made in this News Release or otherwise, whether as a result of new information, future events or otherwise. All subsequent forward-looking statements, whether written or oral, attributable to the Fund or persons acting on the Fund's behalf, are expressly qualified in their entirety by these cautionary statements.

NON-GAAP MEASURES

This News Release contains references to cash available for distribution. Cash available for distribution represents cash available to fund distributions on 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 predictable flow of distributable cash to unitholders. Cash available for distribution is not a measure that has standardized meaning prescribed by Canadian Generally Accepted Accounting Principles (GAAP) and is not considered a GAAP measure. Therefore, this measure may not be comparable with similar measures presented by other issuers. The Cash Available for Distribution reconciliation is as follows:

<i>(millions of Canadian dollars)</i>	<i>Three months</i>		<i>Six months</i>	
	<i>ended June 30,</i>	<i>ended June 30,</i>	<i>ended June 30,</i>	<i>ended June 30,</i>
	<i>2010</i>	<i>2009</i>	<i>2010</i>	<i>2009</i>
<i>Cash Provided by Operating Activities</i>	<i>11.6</i>	<i>3.3</i>	<i>35.2</i>	<i>39.8</i>
<i>Add/(Deduct):</i>				
<i>ECT preferred unit distributions</i>	<i>10.9</i>	<i>10.9</i>	<i>21.9</i>	<i>21.9</i>
<i>Alliance Canada maintenance capital expenditures</i>	<i>(1.2)</i>	<i>(0.6)</i>	<i>(1.8)</i>	<i>(1.1)</i>
<i>Alliance Canada debt repayments</i>	<i>(17.0)</i>	<i>(15.5)</i>	<i>(17.0)</i>	<i>(15.5)</i>
<i>Alliance Canada other cash (retained)/distributed</i>	<i>7.3</i>	<i>4.6</i>	<i>(3.4)</i>	<i>(6.5)</i>
<i>Green Power cash retained</i>	<i>(0.5)</i>	<i>(0.3)</i>	<i>(0.8)</i>	<i>(0.8)</i>
<i>Saskatchewan System maintenance capital expenditures</i>	<i>(0.4)</i>	<i>(0.6)</i>	<i>(1.4)</i>	<i>(1.0)</i>
<i>Change in operating assets and liabilities in the period</i>	<i>13.0</i>	<i>21.9</i>	<i>15.0</i>	<i>9.4</i>
<i>Cash Available for Distribution</i>	<i>23.7</i>	<i>23.7</i>	<i>47.7</i>	<i>46.2</i>

CONTACTS

Media

Jennifer Varey
(403) 508-6563
E-mail: jennifer.varey@enbridge.com

Investment Community

Patrick Murray
(403) 508-3136
E-mail: patrick.murray@enbridge.com

SELECTED OPERATING AND FINANCIAL HIGHLIGHTS¹

	Three months ended		Six months ended	
	June 30,		June 30,	
<i>(millions of Canadian dollars except where otherwise noted)</i>	2010	2009	2010	2009
Average Daily Throughput Volume				
Alliance Canada (millions of cubic feet per day)	1,582.0	1,587.0	1,631.0	1,638.0
Saskatchewan System²(thousands of barrels per day)				
Westspur System	199.2	186.8	196.2	193.2
Saskatchewan Gathering System	135.0	131.2	133.8	134.4
Weyburn System	34.7	36.1	34.9	35.6
Virden System	14.4	16.7	16.8	18.0
Green Power ³ (thousands of megawatt hours produced)	90.1	89.3	185.9	185.5
Revenues	80.3	77.3	157.6	152.0
Earnings				
Alliance Canada	14.3	14.6	28.8	29.1
Saskatchewan System	5.1	4.8	10.0	9.0
Green Power	0.6	0.9	1.5	2.7
Corporate	(18.5)	(16.9)	(35.2)	(34.1)
Total Earnings	1.5	3.4	5.1	6.7
Per Unit (dollars per unit)	0.04	0.10	0.15	0.19
Cash Provided by Operating Activities	11.6	3.3	35.2	39.8
Cash Distributions Declared	20.9	20.9	41.8	41.8
Cash Available for Distribution is comprised of the following:				
Alliance Canada	18.6	17.8	36.6	35.7
Saskatchewan System operating income ⁴	10.9	9.6	20.9	18.7
Saskatchewan System maintenance capital expenditures	(0.4)	(0.6)	(1.4)	(1.0)
Green Power	1.2	1.6	2.9	2.5
Corporate management and administrative expense	(3.8)	(2.3)	(6.1)	(4.6)
Corporate other income	-	-	-	0.1
Corporate interest expense	(2.0)	(2.4)	(4.5)	(5.1)
Corporate current taxes	(0.8)	-	(0.7)	(0.1)
Cash Available for Distribution ⁵	23.7	23.7	47.7	46.2
Cash Distributions Declared Per Unit (dollars per unit)				
Trust Units	0.2880	0.2880	0.5760	0.5760
ECT Preferred Units	0.2880	0.2880	0.5760	0.5760
Total Long-Term Liabilities			1,579.3	1,496.7
Total Assets			1,914.0	1,918.0
ECT Preferred Units (number of units)				38,023,750
Trust Units (number of units)				34,625,000

¹ Financial Highlights have been extracted from financial statements prepared in accordance with GAAP.

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

³ Reflects 100% of the respective entities production volumes, not the Fund's proportionate share.

⁴ Operating income is before depreciation, amortization and accretion.

⁵ See Non-GAAP Measures.