

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. The securities offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended, and, subject to certain exceptions, may not be offered or sold in the United States of America. See "Plan of Distribution".

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of Enbridge Income Fund Holdings Inc., Suite 3000, 425 - 1st Street S.W., Calgary, Alberta, T2P 3L8 (telephone (403) 231-3900), and are also available electronically at www.sedar.com.

SHORT FORM PROSPECTUS

NEW ISSUE

October 3, 2014



ENBRIDGE INCOME FUND HOLDINGS INC.

\$336,885,000

11,100,000 SUBSCRIPTION RECEIPTS

each representing the right to receive one Common Share

Enbridge Income Fund Holdings Inc. (the "**Corporation**") is hereby qualifying for distribution 11,100,000 subscription receipts of the Corporation (the "**Subscription Receipts**") at a price of \$30.35 per Subscription Receipt (the "**Offering**"). Each Subscription Receipt will entitle the holder thereof to receive, without payment of additional consideration or further action, one common share of the Corporation ("**Common Share**") immediately prior to closing of the acquisition by certain subsidiaries of Enbridge Income Fund (the "**Fund**") of: (a) entities which own an undivided 50% interest in the U.S. segment of the Alliance Pipeline from indirect wholly-owned subsidiaries of Enbridge Inc.; and (b) the subscription for Class A Units of Enbridge SL Holdings LP and Class A Units of Southern Lights Holdings, L.L.C. (the "**Transaction**"). See "*The Transaction*".

The gross proceeds from the sale of the Subscription Receipts upon closing of the Offering (the "**Escrowed Funds**") will be held by CST Trust Company, as escrow agent (the "**Escrow Agent**"), and invested in short-term obligations of, or guaranteed by, the Government of Canada (and other approved investments), pending completion of the Transaction.

Provided that the Transaction closes on or before 2:00 p.m. (Calgary time) on January 31, 2015, the Common Shares issuable pursuant to the Subscription Receipts will be issued to the holders of the Subscription Receipts, plus an amount, if any, equal to the dividends declared by the Corporation on the Common Shares from the date of closing of the Offering up to but not including the Transaction Closing Date (as defined herein) (the "**Dividend Equivalent Payment**"). The Corporation will utilize the released Escrowed Funds to purchase additional Fund Units (as defined herein). See "*The Transaction*" and "*Description of Subscription Receipts*".

If the closing of the Transaction does not occur by 2:00 p.m. (Calgary time) on January 31, 2015, or if prior to such time any of the Agreements (as defined herein) are terminated, or the Corporation advises the Underwriters (as defined herein) or announces to the public that it or any of the other parties to any of the Agreements do not intend to proceed with the Transaction (each such event being a "**Termination Event**"), the Escrow Agent and the Corporation will return to holders of Subscription Receipts, on the third business day following the earlier of: (i) January 31, 2015; and (ii) the date on which the Termination Event occurs (the "**Termination Date**"), as the case may be, an amount equal to the issue price of the Subscription Receipts purchased by them and their *pro rata* share of interest earned on the Escrowed Funds. See "*Description of Subscription Receipts*".

PRICE: \$30.35 PER SUBSCRIPTION RECEIPT

	<u>Price to the Public⁽¹⁾</u>	<u>Underwriters' Fee⁽²⁾</u>	<u>Proceeds to the Corporation⁽³⁾</u>
Per Subscription Receipt	\$ 30.35	\$ 1.214	\$ 29.136
Total Offering	\$ 336,885,000	\$ 13,475,400	\$ 323,409,600

Notes:

- (1) The Offering Price was determined by negotiation between the Corporation and Scotia Capital Inc., RBC Dominion Securities Inc. and TD Securities Inc., on their own behalf and on behalf of each of the other Underwriters. See “*Plan of Distribution*”. **The Underwriters may offer the Subscription Receipts at a lower price than the price noted above.** See “*Plan of Distribution*”.
- (2) The Underwriters’ fee is payable as to 50% upon the closing of the Offering and 50% upon the release of the Escrowed Funds to the Corporation. If the Transaction is not completed, the Underwriters’ fee will be reduced to the amount payable upon closing of the Offering.
- (3) Excluding interest, if any, on the Escrowed Funds. The Underwriters’ fee and the expenses relating to the issuance of the Subscription Receipts will be borne by the Fund pursuant to an assistance agreement between the Fund and the Corporation. See “*Use of Proceeds*”.

The Common Shares are listed on the Toronto Stock Exchange (“**TSX**”) under the symbol “ENF.” On September 22, 2014, the last trading day prior to the announcement of the Offering and the Transaction, the closing price of the Common Shares on the TSX was \$30.97 per Common Share. On October 2, 2014, the last day on which the Common Shares traded prior to the filing of this Prospectus, the closing price of the Common Shares on the TSX was \$29.90 per Common Share. The TSX has conditionally approved the listing of the Subscription Receipts and the Common Shares issuable pursuant to the Subscription Receipts, subject to the Corporation fulfilling all of the listing requirements of the TSX.

There is currently no market through which the Subscription Receipts may be sold and purchasers may not be able to resell the Subscription Receipts purchased under this Prospectus. This may affect the pricing of the Subscription Receipts in the secondary market, the transparency and availability of trading prices, the liquidity of the Subscription Receipts and the extent of issuer regulation. See “Risk Factors”.

Scotia Capital Inc., RBC Dominion Securities Inc., TD Securities Inc., BMO Nesbitt Burns Inc., CIBC World Markets Inc., National Bank Financial Inc., Desjardins Securities Inc., Canaccord Genuity Corp., FirstEnergy Capital Corp. and Peters & Co. Limited (collectively, the “**Underwriters**”), as principals, conditionally offer the Subscription Receipts, subject to prior sale if, as and when issued by the Corporation and accepted by the Underwriters, in accordance with the conditions contained in the Underwriting Agreement (as defined herein) referred to under “*Plan of Distribution*” and subject to the approval of certain legal matters on behalf of the Corporation by McCarthy Tétrault LLP, Calgary, Alberta, and on behalf of the Underwriters by Dentons Canada LLP, Calgary, Alberta. The Subscription Receipts are to be taken up by the Underwriters, if at all, on or before a date not later than 42 days after the date of the final receipt for this Prospectus. The Underwriters may over-allot or effect transactions which stabilize or maintain the market price for the Subscription Receipts at levels other than those which otherwise might prevail in the open market. Such transactions, if commenced, may be discontinued at any time. See “*Plan of Distribution*”.

Each of Scotia Capital Inc., RBC Dominion Securities Inc., TD Securities Inc., BMO Nesbitt Burns Inc., CIBC World Markets Inc. and National Bank Financial Inc. is a wholly-owned subsidiary of a Canadian chartered bank that is a lender to the Fund. Consequently, the Corporation may be considered to be a “connected issuer” of these Underwriters under applicable securities laws in Canada. See “Relationship Between the Corporation and Certain Underwriters”.

The Corporation and, if applicable, the Underwriters, reserve the right to reject any offer to purchase Subscription Receipts in whole or in part. The Corporation also reserves the right to withdraw, cancel or modify the Offering without notice. Closing of the Offering is expected to occur on October 10, 2014, but in any event not later than October 30, 2014.

Except in limited circumstances, the Subscription Receipts will be represented by a global certificate issued in registered form to CDS Clearing and Depository Services Inc. (“**CDS**”) or its nominee under the book-based system administered by CDS (the “**Book-Entry Only System**”). See “*Description of Subscription Receipts*”.

Investments in the Subscription Receipts and the Common Shares issuable pursuant to the Subscription Receipts are subject to certain risks that should be considered by prospective purchasers. It is important for prospective purchasers to consider the particular risk factors that may affect the securities and industry in which it is investing. See “Risk Factors”.

The head and registered office of the Corporation is located at Suite 3000, 425 – 1st Street SW, Calgary, Alberta, T2P 3L8.

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GLOSSARY OF TERMS

“**ABCA**” means the *Business Corporations Act*, R.S.A. 2000, c. B-9, together with any amendments thereto, including regulations promulgated thereunder;

“**Agreements**” mean collectively, the Alliance US PSA, the SL Canada Subscription Agreement and the SL US Purchase Agreement;

“**AIF**” means the Annual Information Form of the Corporation dated February 10, 2014, filed on SEDAR;

“**Alliance Pipeline**” consists of approximately 3,000 km of integrated, high-pressure, natural gas transmission pipeline system extending from near Gordondale, Alberta to delivery points near Chicago, Illinois, approximately 730 km of lateral pipelines located in supply areas in northwestern Alberta and northeastern British Columbia portions of the WCSB, and related infrastructure;

“**Alliance Pipeline Inc.**” is a corporation incorporated pursuant to the laws of the State of Delaware and the managing general partner of Alliance Pipeline L.P.;

“**Alliance Pipeline Inc. Common Shares**” means common shares in the capital of Alliance Pipeline Inc.;

“**Alliance Pipeline L.P.**” is a limited partnership formed under the laws of the State of Delaware and the owner of Alliance US;

“**Alliance Pipeline L.P. Class A Units**” means Class A Units of Alliance Pipeline L.P.;

“**Alliance Pipeline L.P. Class B Units**” means Class B Units of Alliance Pipeline L.P.;

“**Alliance US**” means the U.S. segment of the Alliance Pipeline together with all other assets owned, held, used or held for use by Alliance Pipeline L.P. and Alliance Pipeline Inc. in connection with the operation thereof;

“**Alliance US PSA**” means the purchase and sale agreement dated as of September 22, 2014 among Enbridge (U.S.) Inc. and IPL AP Holdings (U.S.A.) Inc., as vendors, and EIF US Holdings Inc., as purchaser pursuant to which the vendors agree to sell all of their interests in Alliance Pipeline Inc. and Alliance Pipeline L.P., respectively, which represent an undivided 50% ownership interest in Alliance US, to EIF US Holdings Inc. for an aggregate purchase price of \$835 million;

“**Arrangement**” means the arrangement carried out by the Corporation and the Fund, among others, pursuant to section 193 of the ABCA as set forth in the Plan of Arrangement;

“**Assets**” means collectively, an undivided 50% interest in Alliance US, the SL Canada Class A Units and the SL US Class A Units;

“**bcf/d**” means billions of cubic feet of natural gas per day;

“**Board**” means the board of directors of the Corporation;

“**Book-Entry Only System**” means the book-based system administered by CDS;

“**bpd**” means barrels per day;

“**Carrier Negligence**” means Carrier Negligence pursuant to the applicable TSAs;

“**CDS**” means CDS Clearing and Depository Services Inc.;

“**Closing Date**” means the date of closing of the Offering, which is expected to occur on October 10, 2014, but in any event not later than October 30, 2014;

“**Common Share**” means a common share in the capital of the Corporation;

“**Core Rate Base**” means the rate base, excluding allowance for working capital and other recoverables, initially calculated as of December 31, 2013, depreciating over time pursuant to the terms of the TSAs, with no new rate base additions thereto;

“**Corporation**” means Enbridge Income Fund Holdings Inc., a corporation incorporated under the ABCA;

“**Directors**” means the members of the Board;

“**Dividend Equivalent Payment**” means the amount payable by the Escrow Agent to holders of Subscription Receipts on the Transaction Closing Date equal to the dividends declared by the Corporation on the Common Shares during the period from the date of closing of the Offering up to but not including the Transaction Closing Date;

“**ECT**” means Enbridge Commercial Trust, an unincorporated trust established under the laws of Alberta pursuant to the ECT Trust Indenture and which is a wholly-owned subsidiary of the Fund;

“**ECT Board**” means the Board of Trustees of ECT;

“**ECT Common Units**” means the class of trust units of ECT designated as common units in the ECT Trust Indenture and having the rights, privileges, restrictions and conditions described therein;

“**ECT Preferred Units**” means the class of trust units of ECT designated as “Preferred Units” in the ECT Trust Indenture and having the rights, privileges, restrictions and conditions described therein;

“**ECT Trust Indenture**” means the trust indenture pursuant to which ECT was established, made as of December 20, 2002 and last amended and restated on May 6, 2013, filed on SEDAR;

“**ECT Trustees**” means the trustees of ECT which for greater certainty, is comprised of the Independent ECT Trustees and Manager Trustees;

“**EECT**” means Enbridge Energy Company, Inc., a corporation incorporated pursuant to the laws of the State of Delaware, which will own all of the issued and outstanding SL US Class B Units and is an indirect wholly-owned subsidiary of Enbridge;

“**EIF US Holdings Inc.**” means a newly incorporated corporation pursuant to the laws of the State of Delaware, which was formed for the purpose of acquiring Alliance Pipeline Inc. and Alliance Pipeline L.P. pursuant to the Transaction and a wholly-owned subsidiary of EIPHI;

“**EIPGP**” means Enbridge Income Partners GP Inc., the general partner of EIPLP, which is wholly-owned by ECT;

“**EIPHI**” means Enbridge Income Partners Holdings Inc., which is wholly-owned by EIPLP;

“**EIPLP**” means Enbridge Income Partners LP, which is directly and indirectly wholly-owned by ECT;

“**Enbridge**” means Enbridge Inc., a corporation continued under the laws of Canada and if the context requires, includes direct or indirect Subsidiaries of Enbridge;

“**Enbridge Financing**” means, collectively, (i) the granting by Enbridge of a loan in the aggregate principal amount of \$878,029,000 to the Fund pursuant to a 10 year subordinated promissory note; (ii) the subscription by Enbridge, and the issuance by the Corporation, of 2,760,000 Common Shares to permit Enbridge to maintain its 19.9% interest in the Corporation for an aggregate subscription price of \$83,766,000; and (iii) the subscription by Enbridge, and the issuance by ECT, of ECT Preferred Units for an aggregate subscription price of \$461,320,000;

“**Enbridge Pipelines (Southern Lights) L.L.C.**” is a limited liability company incorporated pursuant to the laws of the State of Delaware and owns SL US;

“**Enbridge SL Holdings LP**” is a limited partnership existing under the *Partnership Act* (Alberta) and owns 99.99% of the issued and outstanding units of Enbridge Southern Lights LP;

“**Enbridge Southern Lights GP Inc.**” is a corporation incorporated under the laws of Canada;

“**Enbridge Southern Lights LP**” is a limited partnership formed under the *Partnership Act* (Alberta) and owns SL Canada;

“**Enbridge (U.S.) Inc.**” is a corporation incorporated pursuant to the laws of the State of Delaware, which owns 50% of the issued and outstanding Class A common shares of Alliance Pipeline Inc. and is a wholly-owned subsidiary of Enbridge;

“**EPI**” means Enbridge Pipelines Inc., a corporation continued pursuant to the laws of Canada, which will own all of the issued and outstanding SL Canada Class B Units and is an indirect wholly-owned subsidiary of Enbridge;

“**Escrow Agent**” means CST Trust Company;

“**Escrowed Funds**” means the gross proceeds from the sale of the Subscription Receipts;

“**FERC**” means Federal Energy Regulatory Commission of the U.S.;

“**Financial Advisor**” means BMO Nesbitt Burns Inc.;

“**Fund**” means Enbridge Income Fund, an unincorporated open-ended trust established under the laws of Alberta and, unless the context otherwise requires, includes ECT and the other entities owned directly or indirectly by ECT;

“**Fund AIF**” means the Annual Information Form of the Fund dated February 10, 2014, filed on SEDAR;

“**Fund Units**” means the ordinary trust units of the Fund;

“**Independent Directors**” means the Directors of the Corporation other than J. Richard Bird and Charles W. Fischer;

“**Independent ECT Trustees**” means the ECT Trustees other than J. Richard Bird, D. Guy Jarvis, David T. Robottom and Charles W. Fischer;

“**IPL AP Holdings (U.S.A.) Inc.**” is a corporation incorporated pursuant to the laws of the State of Delaware, which owns 50% of the issued and outstanding Alliance Pipeline L.P. Class A Units and 50% of the issued and outstanding Alliance Pipeline L.P. Class B Units and is a wholly-owned subsidiary of Enbridge (U.S.) Inc.;

“**kbpd**” means thousands of barrels per day;

“**km**” means kilometers;

“**Management Agreement**” means the management and administrative services agreement dated December 17, 2010 between the Corporation and the Manager;

“**Manager**” means Enbridge Management Services Inc., a corporation incorporated under the ABCA and a wholly-owned subsidiary of Enbridge, which is the manager of the Corporation pursuant to the Management Agreement;

“**MD&A**” means management’s discussion and analysis of financial condition and results of operation of the Corporation, filed on SEDAR;

“**mmcf/d**” means millions of cubic feet of natural gas per day;

“**NEB**” means the National Energy Board of Canada;

“**NGL**” means natural gas liquids;

“**Offering**” means the offering of Subscription Receipts pursuant to this Prospectus;

“**Plan of Arrangement**” means the plan of arrangement set forth in the agreement dated March 29, 2010, as amended March 31, 2010, among the Fund, the Corporation, the Manager, ECT and Enbridge;

“**Prospectus**” means this short form prospectus and the documents incorporated by reference herein;

“**SEDAR**” means the System for Electronic Document Analysis and Retrieval which can be accessed at www.sedar.com;

“**Shareholder**” means a holder of Common Shares;

“**SL Canada**” means the Canadian portion of the Southern Lights Pipeline;

“**SL Canada Class A Units**” means Class A Units of Enbridge SL Holdings LP to be created prior to the completion of the Transaction;

“**SL Canada Class B Units**” means Class B Units of Enbridge SL Holdings LP to be created prior to the completion of the Transaction;

“**SL Canada Limited Partnership Agreement**” means the limited partnership agreement governing Enbridge SL Holdings LP;

“**SL Canada Subscription Agreement**” means the Class A Unit Subscription Agreement dated as of September 22, 2014 among Enbridge Southern Lights GP Inc., Enbridge SL Holdings LP and EIPHI pursuant to which EIPHI agrees to subscribe for an aggregate of 243,000 SL Canada Class A Units for the sum of \$243 million;

“**SL US**” means the U.S. portion of the Southern Lights Pipeline;

“**SL US Class A Units**” means Class A Units of Southern Lights Holdings, L.L.C. to be created prior to the completion of the Transaction;

“**SL US Class B Units**” means Class B Units of Southern Lights Holdings, L.L.C. to be created prior to the completion of the Transaction;

“**SL US Purchase Agreement**” means the Class A Unit Purchase Agreement dated as of September 22, 2014 among EECI, Southern Lights Holdings, L.L.C. and EIF US Holdings Inc. pursuant to which EIF US Holdings Inc. agrees to subscribe for and purchase an aggregate of 620,000 SL US Class A Units for the sum of \$682 million;

“**Southern Lights Holdings, L.L.C.**” is a limited liability company incorporated pursuant to the laws of the State of Delaware, which will own all of the issued and outstanding limited liability company interests of Enbridge Pipelines (Southern Lights) L.L.C.;

“**Southern Lights Pipeline**” means, collectively, SL Canada and SL US;

“**Special Committee**” means the joint special committee of the Independent ECT Trustees and the Independent Directors formed to consider, make recommendations and negotiate with Enbridge in respect of the Transaction;

“**Subscription Receipt Agreement**” means the subscription receipt agreement to be dated as of the Closing Date among the Corporation, Scotia Capital Inc., RBC Dominion Securities Inc. and TD Securities Inc., on behalf of the Underwriters, and the Escrow Agent providing for the issuance and governing the terms of the Subscription Receipts;

“**Subscription Receipts**” means the subscription receipts of the Corporation offered hereby, each of which entitles the holder thereof to receive one Common Share and the Dividend Equivalent Payment, if any, in accordance with the Subscription Receipt Agreement;

“**Subsidiary**” has the meaning ascribed to such term in the *Securities Act* (Alberta), with such modifications as necessary so that the definition also applies to entities that are not a corporation and for greater certainty, includes any general partnership, limited partnership, joint venture, trust, limited liability company, unlimited liability company or other entity, whether or not having legal status, that would constitute a subsidiary if such entity were a corporation and in connection with the Agreements means, with respect to any person, (i) any body corporate of which securities or other ownership interests having voting power to elect a majority of the board of directors (or other persons performing similar functions) are at the time, directly or indirectly, owned by such person, (ii) any partnership of which such person, directly or indirectly, is a general partner or otherwise has the power to direct the policies, management and affairs of such partnership, (iii) any limited liability company of which such person, directly or indirectly, is the manager, managing member or otherwise has the power to direct the policies, management and affairs of such company, or (iv) any other person in which such person, directly or

indirectly, owns at least a majority of the outstanding voting interests of such other person or otherwise has the power to direct the policies, management and affairs of such person;

“**Tax Act**” means the *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp.), as amended, including the regulations promulgated thereunder, as amended;

“**Transaction**” means the purchase by indirect wholly-owned subsidiaries of the Fund of an undivided 50% interest in Alliance US and the subscription and purchase of SL Canada Class A Units and SL US Class A Units entitling the holder to acquire a defined cash flow stream from the Southern Lights Pipeline for an aggregate purchase price of \$1.76 billion and related transactions and steps, including this Offering and the Enbridge Financing;

“**Transaction Closing Date**” means the closing of the Transaction;

“**TSAs**” means transportation service agreements entered into with committed shippers with respect to the Southern Lights Pipeline;

“**TSX**” means the Toronto Stock Exchange;

“**Underwriters**” means, collectively, Scotia Capital Inc., RBC Dominion Securities Inc., TD Securities Inc., BMO Nesbitt Burns Inc., CIBC World Markets Inc., National Bank Financial Inc., Desjardins Securities Inc., Canaccord Genuity Corp., FirstEnergy Capital Corp. and Peters & Co. Limited;

“**Underwriting Agreement**” means the underwriting agreement dated effective as of September 22, 2014 among the Corporation and the Underwriters, as further described under the heading “*Plan of Distribution*”;

“**Unitholders**” means the holders of Fund Units;

“**United States**” or “**U.S.**” means the United States of America;

“**US GAAP**” means accounting standards of the United States, the accounting principles applied by the Fund and Enbridge in their financial reporting;

“**US Securities Act**” means the *United States Securities Act of 1933*, as amended; and

“**WCSB**” means the Western Canada Sedimentary Basin.

FORWARD-LOOKING INFORMATION

This Prospectus and the documents incorporated by reference herein contain forward-looking statements relating to, but not limited to, the Transaction and the operations, anticipated financial performance, business prospects and strategies of the Corporation and the Fund. Forward-looking statements are often (but not necessarily) identified by words such as “anticipate”, “expect”, “project”, “estimate”, “forecast”, “plan”, “intend”, “target”, “believe” and similar words (or the negative of such terms) suggesting future outcomes or statements regarding an outlook. All statements other than statements of historical fact may be forward-looking statements. In particular, this Prospectus, and the documents incorporated by reference herein, may contain forward-looking statements pertaining to the following:

- expectations regarding the Transaction, including the satisfaction of conditions and approvals required to complete the Transaction and the effect, results and perceived benefits of the Transaction;
- expected earnings or earnings per share;
- expected costs related to projects under construction;
- expected scope and in-service dates for projects under construction;
- expected timing and amount of recovery of capital costs of assets;
- expected capital expenditures;
- expected future dividends and the Fund distributions and taxability thereof;
- the Fund’s expected cash available for distribution; and
- expected future actions of regulators.

Although the Corporation believes that these forward-looking statements are reasonable based on the information available on the date such statements are made and the 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 NGL; prices of crude oil, natural gas, NGL and green energy; 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 underlay 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 Corporation and 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 or per share amounts, or estimated future distributions or dividends. 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, customers and regulatory approvals on construction schedules.

The Corporation's forward-looking statements, and forward-looking statements with respect to the Fund, are subject to risks and uncertainties pertaining to operating performance, regulatory parameters, project approval and support, weather, economic conditions, changes in tax law and tax rate increases, exchange rates, interest rates and commodity prices, including but not limited to those risks and uncertainties discussed in this Prospectus and in the other filings of the Corporation and the Fund 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 of the future course of action of the Corporation and the Fund, depends on management's assessment of all information available at the relevant time. Except to the extent required by law, the Corporation and the Fund assume no obligation to publicly update or revise any forward-looking statements made in this Prospectus 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 Corporation or the Fund or persons acting on the Corporation's or the Fund's behalf, are expressly qualified in their entirety by these cautionary statements.

NON-GAAP MEASURES

This Prospectus contains references to cash available for distribution. Cash available for distribution represents cash available to fund distributions on Fund Units and ECT Preferred Units as well as for debt repayments and reserves. Cash available for distribution consists of operating cash flow from the Fund's underlying businesses less deductions for maintenance capital expenditures, the Fund's administrative and operating expenses, corporate segment interest expense, applicable taxes and other reserves determined by the Manager. This measure is important to Shareholders as the Corporation's objective is to provide a predictable flow of dividends to Shareholders and the Corporation's cash flows are derived from its investment in the Fund. Cash available for distribution is not a measure that has a standardized meaning prescribed by US GAAP and is not considered a US GAAP measure. Therefore, this measure may not be comparable with similar measures presented by other issuers.

SUMMARY

The following is a summary only and is qualified by the more detailed information appearing elsewhere in this Prospectus. Reference is made to the Glossary of Terms for definitions of certain terms used in this Prospectus.

Enbridge Income Fund Holdings Inc.

Issuer: The Corporation was incorporated on March 26, 2010 under the ABCA. The Common Shares were substitutionally listed for the Fund Units on the TSX on December 21, 2010 under the symbol “ENF”.

The Offering

Offering: 11,100,000 Subscription Receipts, each representing the right to receive immediately prior to the closing of the Transaction for no additional consideration and without further action, one Common Share plus any Dividend Equivalent Payment. See “*The Transaction*” and “*Plan of Distribution*”.

Amount: \$336,885,000

Subscription Price: \$30.35 per Subscription Receipt.

Subscription Receipts: Each Subscription Receipt evidences the right of the holder to receive, without the payment of any additional consideration and without further action, one Common Share for each Subscription Receipt held at the close of business on the business day immediately prior to the Transaction Closing Date. If the Transaction Closing Date occurs on or before January 31, 2015, holders of record of Subscription Receipts as at the close of business on the business day immediately prior to the Transaction Closing Date will receive Common Shares plus the Dividend Equivalent Payment, if any.

If the Transaction Closing Date does not occur on or before January 31, 2015, if any of the Agreements are terminated at any earlier time or if the Corporation advises the Underwriters or announces to the public that it or any party to the Agreements does not intend to proceed with the Transaction, subscriptions evidenced by all the Subscription Receipts will automatically terminate and holders of Subscription Receipts will be entitled to receive an amount equal to the subscription price therefor, plus an amount equal to the proportion of the interest actually earned on the investment of the Escrowed Funds between the Closing Date and the Termination Date, as the case may be, net of any applicable withholding taxes. See “*Description of Subscription Receipts*”.

Dividend Equivalent Payment: If the Transaction Closing Date occurs prior to the Termination Date, and record dates for one or more dividends on the Common Shares of the Corporation have occurred during the period from closing of the Offering to and including the Transaction Closing Date, then each holder of a Subscription Receipt will be entitled to receive an amount per Subscription Receipt equal to the amount of such dividends declared per Common Share upon the Transaction Closing Date. Holders of the Subscription Receipts will not be entitled to receive any Dividend Equivalent Payment if the Transaction Closing Date does not occur on or prior to the Termination Date. See “*Description of Subscription Receipts*”.

Attributes of the Common Shares: Each Common Share entitles the holder to one vote for each Common Share held at all meetings of Shareholders, except meetings at which only holders of another specified class or series of shares are entitled to vote, to receive dividends if, as and when declared by the Board, subject to prior satisfaction of preferential dividends applicable to any first preferred shares, and to participate rateably in any distribution of the assets of the Corporation upon a liquidation, dissolution or winding up, subject to prior rights and privileges attaching to the preferred shares. For material attributes and characteristics of the Common Shares, please refer to the heading “*Description of Share Capital*” on page 13 of the AIF, filed on SEDAR.

Use of Proceeds: The Corporation will use the proceeds from this Offering to purchase additional Fund Units and the Fund will use such proceeds to partially fund the Transaction. See “*The Transaction*” and “*Use of Proceeds*”.

Risk Factors: An investment in the Subscription Receipts and the Common Shares is subject to a

number of risks, including those set out in the AIF and MD&A for the year ended December 31, 2013 incorporated by reference herein and risks related to: (i) the possible failure to realize anticipated benefits of the Transaction; (ii) the possible failure to complete the Transaction; (iii) potential undisclosed liabilities associated with the Transaction; (iv) the lack of a public market for the Subscription Receipts; and (v) risks related to the Assets. See “*Risk Factors*”.

Canadian Tax Considerations:

No gain or loss will be realized by a Resident Holder (as defined herein) on the issuance of a Common Share pursuant to the terms of a Subscription Receipt. A Resident Holder’s cost of a Common Share received pursuant to the terms of a Subscription Receipt will generally be equal to the amount paid by the Resident Holder to acquire the Subscription Receipt. The cost of any Common Shares acquired pursuant to the Subscription Receipts must be averaged with the adjusted cost base of any other Common Shares held by such Resident Holder as capital property to determine the adjusted cost base of each Common Share held at that time.

Generally, a Resident Holder is required to include in computing its income for a taxation year one-half of the amount of any capital gain (a “**taxable capital gain**”) realized in the year. Subject to and in accordance with the provisions of the Tax Act, a Resident Holder is required to deduct one-half of the amount of any capital loss (an “**allowable capital loss**”) realized in a taxation year from taxable capital gains realized by the Resident Holder in the year. Allowable capital losses in excess of taxable capital gains for the year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years, to the extent and under the circumstances described in the Tax Act. See “*Certain Canadian Federal Income Tax Considerations*”.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents, filed with the securities commission or similar authority in each of the provinces of Canada, are specifically incorporated by reference in, and form an integral part of, this Prospectus provided that such documents are not incorporated by reference to the extent that their contents are modified or superseded by a statement contained in this Prospectus or in any other subsequently filed document that is also incorporated by reference in this Prospectus:

- (a) the AIF;
- (b) audited financial statements of the Corporation for the year ended December 31, 2013 and the auditor’s report thereon;
- (c) MD&A for the year ended December 31, 2013;
- (d) unaudited interim financial statements of the Corporation for the three and six months ended June 30, 2014;
- (e) MD&A for the three and six months ended June 30, 2014;
- (f) management information circular of the Corporation dated March 3, 2014 relating to the annual meeting of Shareholders held on May 5, 2014;
- (g) the material change report of the Corporation dated October 2, 2014 relating to the Transaction; and
- (h) the template term sheet dated September 22, 2014 (the “**Term Sheet**”) prepared for potential investors in connection with the Offering.

Any documents of the type referred to above, any interim financial statements and related MD&A, any material change reports (except confidential material change reports), business acquisition reports and any exhibits to interim unaudited financial statements filed by the Corporation with the various securities commissions or similar authorities in Canada after the date of this Prospectus and prior to the completion or termination of the Offering shall be deemed to be incorporated by reference into this Prospectus. These documents are available on SEDAR at www.sedar.com.

Any statement contained in this Prospectus or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded, for purposes of this Prospectus, to the extent that a statement

contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document which it modifies or supersedes. The making of such a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute part of this Prospectus.

The Term Sheet is not a part of this Prospectus to the extent that the contents of the Term Sheet have been modified or superseded by a statement contained in this Prospectus.

THE CORPORATION

The Corporation was incorporated on March 26, 2010 under the ABCA for the purpose of effecting the Arrangement, which became effective on December 17, 2010 with the filing of Articles of Arrangement with the Registrar of Corporations for the Province of Alberta. Upon completion of the Arrangement, the Corporation became a reporting issuer or equivalent in all of the Provinces of Canada, the Fund Units were delisted on the TSX and the Common Shares were listed on the TSX on December 21, 2010 under the symbol “ENF”.

The Corporation’s articles restrict the business that the Corporation can carry on. Its business is limited to acquiring, holding, transferring, disposing of, investing in and otherwise dealing in assets, securities, properties or other interests of, or issued by, the Fund and its associates or affiliates, or any other business entity in which the Fund has an interest, as well as all other business and activities which are necessary, desirable, ancillary or incidental thereto, including but not limited to: borrowing funds and incurring indebtedness, guaranteeing of debts or liabilities; and issuing, redeeming or repurchasing securities.

THE TRANSACTION

The Transaction involves the purchase of the Assets for a total purchase price of \$1.76 billion and related transactions, including completion of this Offering and the Enbridge Financing.

Pursuant to the Alliance US PSA, EIF US Holdings Inc. will acquire all of the interests held by Enbridge (U.S.) Inc. and IPL AP Holdings (U.S.A.) Inc. in Alliance Pipeline Inc. and Alliance Pipeline L.P., respectively, the sole asset of which is Alliance US, for an aggregate purchase price of \$835 million.

Pursuant to the SL Canada Subscription Agreement, EIPHI will subscribe for an aggregate of 243,000 SL Canada Class A Units for the sum of \$243 million. EPI will own all of the issued and outstanding SL Canada Class B Units.

Pursuant to the SL US Purchase Agreement, EIF US Holdings Inc. will subscribe for and purchase an aggregate of 620,000 SL US Class A Units for the sum of \$682 million. EECI will own all of the issued and outstanding SL US Class B Units.

The Transaction is proposed to be effected as follows:

1. The Corporation will complete the Offering for aggregate gross proceeds of \$336,885,000 and will issue 2,760,000 Common Shares at the same price to Enbridge for aggregate gross proceeds of \$83,766,000.
2. The Corporation will use the proceeds from the Offering and from the issuance of Common Shares to Enbridge of \$420,651,000 to purchase 13,860,000 additional Fund Units at a price of \$30.35 per Fund Unit.
3. Enbridge will lend \$878,029,000 to the Fund. The loan will have a 10 year maturity, accrue interest at the rate of 5.5% per annum with interest payable semi-annually on June 30 and December 31 of each year, be repayable at any time, from time to time, in whole or in part, without penalty or bonus and be unsecured and subordinate to all external debt issued by the Fund.
4. The Fund will use \$1,298,680,000 of the proceeds it receives pursuant to steps 2 and 3 above to purchase 42,790,115 ECT Common Units at a price of \$30.35 per unit.
5. Enbridge will purchase 15,200,000 ECT Preferred Units, Series 5 at a price of \$30.35 per unit for the aggregate sum of \$461,320,000, with a redemption value of \$30.35 per unit and a maturity date of June 30, 2050.

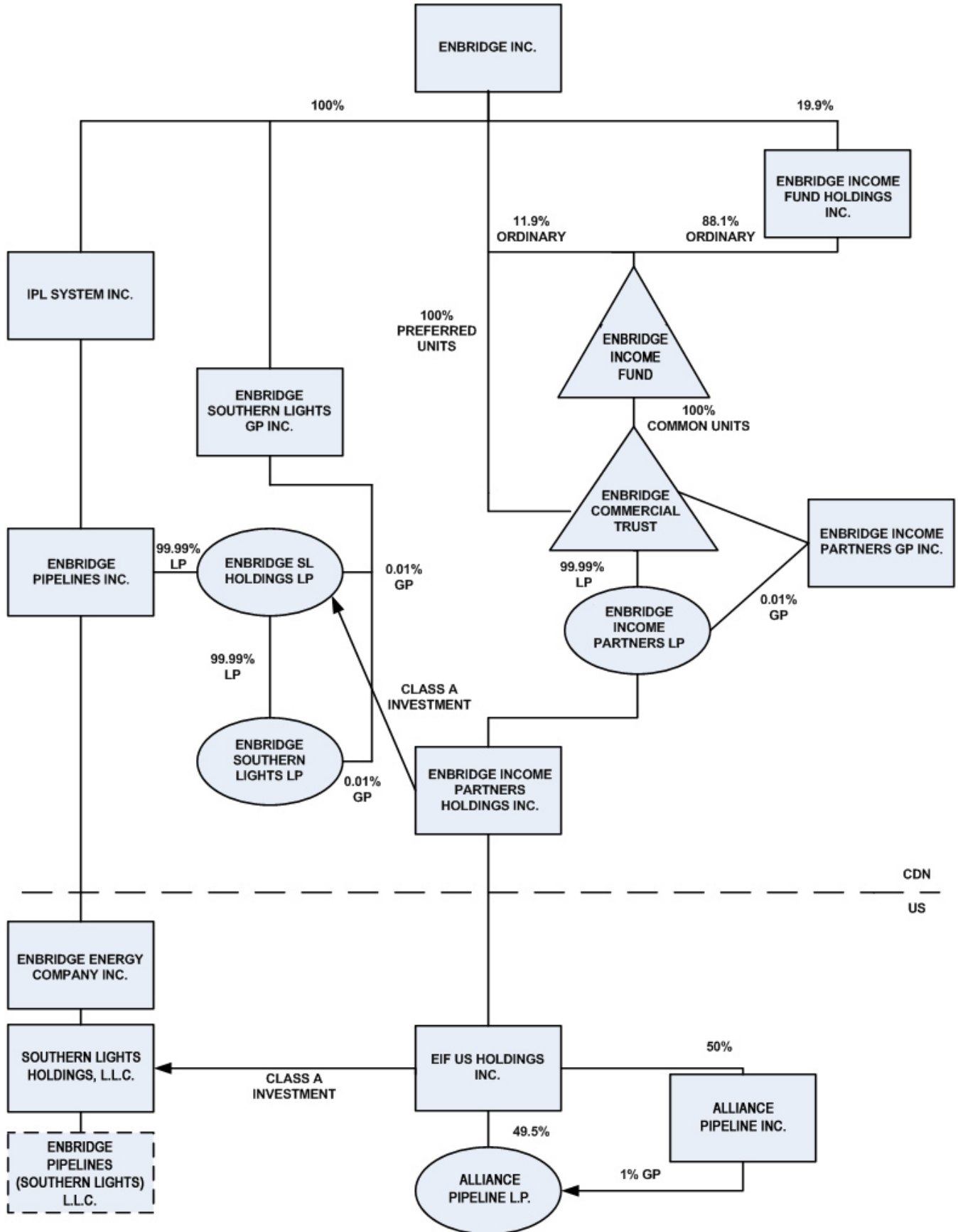
6. ECT will use the funds it receives pursuant to steps 4 and 5 above to subscribe for additional units of EIPLP for the aggregate sum of \$1,759,824,000 and to subscribe for common shares of EIPGP for the aggregate sum of \$176,000.
7. EIPGP will use the \$176,000 it receives pursuant to step 6 to subscribe for units of EIPLP, such that it will maintain a 0.01% interest in EIPLP.
8. EIPLP will use the funds it receives pursuant to steps 6 and 7 above to subscribe for additional shares of EIPHI for the aggregate sum of \$880,000,000 and will loan EIPHI the principal sum of \$880,000,000. The loan will have a 10 year maturity, accrue interest at a commercial rate with interest payable semi-annually on June 30 and December 31 of each year, be repayable at any time, from time to time, in whole or in part, without penalty or bonus and be unsecured and subordinate to all external debt issued by EIPHI.
9. EIPHI will use a portion of the funds it receives pursuant to step 8 above to subscribe for SL Canada Class A Units for aggregate subscription proceeds of \$243,000,000 and will subscribe for common shares of EIF US Holdings Inc. for aggregate subscription proceeds of \$758,500,000.
10. EIPHI will loan the remainder of the funds it receives pursuant to step 8 in the aggregate amount of \$758,500,000 to EIF US Holdings Inc. The loan will have a 10 year maturity, accrue interest at a commercial rate with interest payable semi-annually on June 30 and December 31 of each year, be repayable at any time, from time to time, in whole or in part, without penalty or bonus and be unsecured and subordinate to all external debt issued by EIF US Holdings Inc.
11. EIF US Holdings Inc. will use the funds it receives pursuant to steps 9 and 10 in the aggregate amount of \$1,517,000,000 to acquire all of the Alliance Pipeline L.P. Class A Units and Alliance Pipeline L.P. Class B Units owned by IPL AP Holdings (U.S.A.) Inc. and all of the Alliance Pipeline Inc. Common Shares owned by Enbridge (U.S.) Inc. for the aggregate purchase price of \$835,000,000 and to subscribe for SL US Class A Units for aggregate subscription proceeds of \$682,000,000.

Both EECI and EPI are indirect wholly-owned subsidiaries of Enbridge. Such entities will own their respective interests in the entities which own SL US and SL Canada in the form of SL US Class B Units and SL Canada Class B Units, respectively. Enbridge is an insider of the Corporation as it owns 11,242,000 Common Shares, representing 19.9% of the issued and outstanding Common Shares. Enbridge also owns 9,500,000 Fund Units, representing 14.4% of the issued and outstanding Fund Units and all 72,465,750 issued and outstanding ECT Preferred Units, which may be exchanged at any time, in whole or in part, for Fund Units on a 1:1 basis. Through its holdings of Fund Units, ECT Preferred Units and Common Shares, Enbridge has a 67.3% economic interest in the Fund.

Assuming the completion of the Transaction: (i) the Corporation will have 70,351,000 issued and outstanding Common Shares, 56,349,000 (80.1%) of which will be owned by the public and 14,002,000 (19.9%) of which will be owned by Enbridge; (ii) the Fund will have 79,851,000 issued and outstanding Units, 70,351,000 (88.1%) of which will be owned by the Corporation and 9,500,000 (11.9%) of which will be owned by Enbridge; and (iii) ECT will have issued and outstanding 168,854,837 ECT Common Units, all of which will be owned by the Fund and 87,665,750 issued and outstanding ECT Preferred Units, all of which will be owned by Enbridge. Enbridge will hold a consolidated economic interest in the Fund of approximately 66.4%.

The following diagram illustrates the ownership of Alliance U.S. within the corporate structure of the Corporation and the Fund, assuming completion of the Transaction. Please refer to the AIF for the complete corporate structure of the Corporation prior to completion of the Transaction.

Post-Transaction Organizational Chart



THE AGREEMENTS

The following is a summary only of certain material provisions of the Agreements. It is not intended to be comprehensive and is qualified in its entirety by reference to the full text of the Agreements which will be filed by the Fund on SEDAR at www.sedar.com. The capitalized terms defined in this section are specific to this section.

Consideration

Pursuant to the Alliance US PSA, EIF US Holdings Inc. will acquire all of the interests held by Enbridge (U.S.) Inc. and IPL AP Holdings (U.S.A.) Inc. in Alliance Pipeline Inc. and Alliance Pipeline L.P., respectively, the sole asset of which is Alliance US, for an aggregate purchase price of \$835 million.

Pursuant to the SL Canada Subscription Agreement, EIPHI will subscribe for an aggregate of 243,000 SL Canada Class A Units for an aggregate purchase price of \$243 million. EPI currently owns all of the limited partnership units in Enbridge SL Holdings LP and will own all of the issued and outstanding SL Canada Class B Units following certain amendments to the SL Canada Limited Partnership Agreement.

Pursuant to the SL US Purchase Agreement, EIF US Holdings Inc. will subscribe for and purchase an aggregate of 620,000 SL US Class A Units for an aggregate purchase price of \$682 million. EECI currently owns all of the limited liability company interests in Southern Lights Holdings, L.L.C. and will own all of the issued and outstanding SL US Class B Units.

Closing Conditions

The Agreements provide that completion of the Transaction is subject to a number of customary closing conditions either being satisfied or waived, including without limitation, completion of the Offering, completion of the Enbridge Financing, and all necessary regulatory approvals having been obtained, including pursuant to the *Competition Act* (Canada) and the *Canada Transportation Act*.

Representations and Warranties

Each of the Agreements contains customary representations and warranties that are given by Enbridge (U.S.) Inc., IPL AP Holdings (U.S.A.) Inc., Enbridge SL Holdings LP or Southern Lights Holdings, L.L.C. and EECI, as applicable, including without limitation, to the extent applicable, in respect of: existence; power, authority and enforceability; capitalization; ownership; no consents, no violations; litigation; no orders and notices; no material adverse effect; material contracts; no defaults by counterparties; no pre-emptive rights; tax matters; permits; financial statements; no undisclosed liabilities; environmental matters; authorized expenditures; financial statements; books and records; related party receivables and payables; title; condition of assets; insurance; employee matters; intellectual property; compliance with applicable laws; real property rights; no insolvency or bankruptcy proceedings; conduct of business in the ordinary course; sufficiency of assets; and no options or broker's fees.

Covenants

Each of the Agreements contains customary negative and affirmative covenants on the part of Enbridge (U.S.) Inc., IPL AP Holdings (U.S.A.) Inc., Enbridge SL Holdings LP, Southern Lights Holdings, L.L.C. or EECI, as applicable. Enbridge SL Holdings LP, Southern Lights Holdings, L.L.C. and EECI have also given certain covenants including, among others, that the business related to the applicable Asset will be conducted in the usual and ordinary course; that reasonable commercial efforts will be used to maintain and preserve such business; as to the performance obligations under material contracts; that reasonable commercial efforts will be used to ensure current insurance policies or coverages are not cancelled or terminated; and as to certain tax matters.

Indemnification

Indemnities are provided in each of the Agreements by each of the parties thereto in favour of the other party or parties in connection with: any breach of any of the representations or warranties given by such party; any breach of any of the covenants made by such party in favour of the other party or parties; and in respect of Enbridge (U.S.) Inc., IPL AP Holdings (U.S.A.) Inc., Enbridge SL Holdings LP or Southern Lights Holdings, L.L.C., as applicable, any taxes attributable to the business related to the applicable Asset for any period ending on or before the Closing Date.

Each of the Agreements provides, except in respect of tax matters, that indemnifying parties, being each of the parties to such agreement, will not be liable for any losses exceeding an amount equal to the amount paid as the purchase or subscription price, as applicable, for the Asset that is being acquired, directly or indirectly, as applicable, pursuant to such Agreement. An indemnifying party will not be required to provide indemnification pursuant to the Agreement to which it is a party to any other party to such Agreement unless the aggregate losses claimed by such other party exceed \$250,000, which amount is a threshold and not a deductible. Enbridge has guaranteed payment of any amounts that are payable pursuant to the indemnity obligations of Enbridge SL Holdings LP or Southern Lights Holdings, L.L.C. under the SL Canada Subscription Agreement and the SL US Purchase Agreement, respectively.

Termination

Each of the Agreements may be terminated by notice given prior to the Transaction Closing Date: (a) by any party if a material breach of any representation, warranty, covenant, or obligation in such Agreement has been committed by another party and such breach has not been waived or cured within 30 days following notice of breach; (b) by any party if satisfaction of the conditions becomes impossible; (c) by the mutual prior written consent of the parties thereto or (d) by written notice from either party if the Transaction Closing Date has not occurred on or before December 31, 2014; provided, however, that no party shall be entitled to terminate such Agreement if the Transaction Closing Date has failed to occur because such party failed to perform or observe in any material respect its covenants and agreements thereunder or such party is in breach of its representations and warranties set forth in such Agreement.

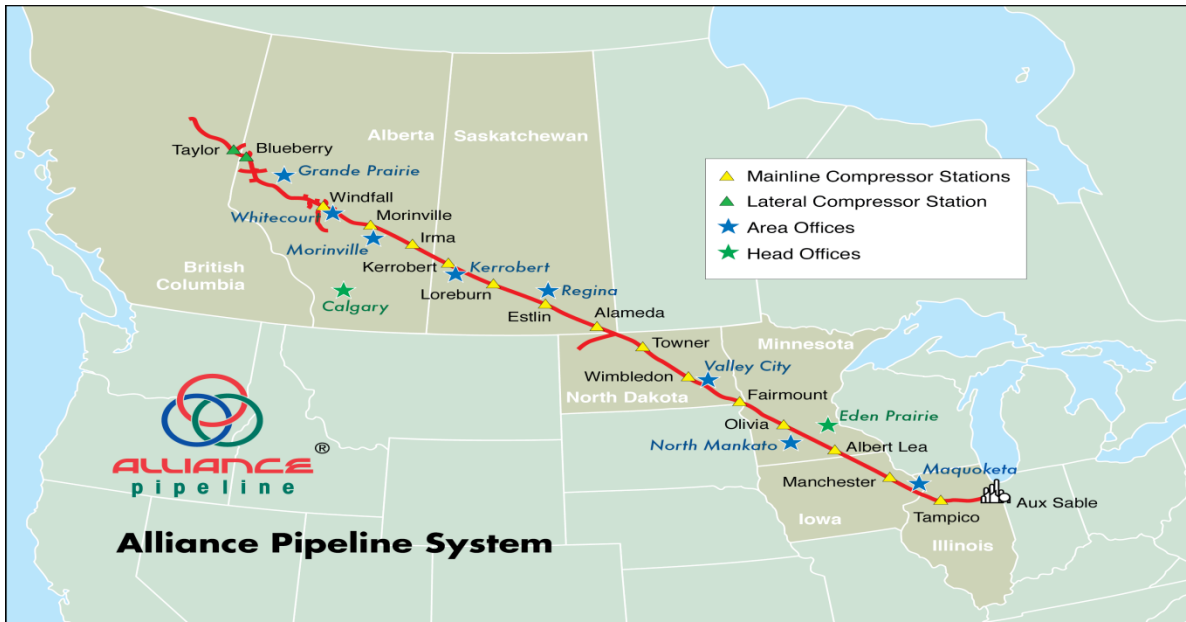
ASSETS

Description of Alliance US and Alliance Pipeline

The Fund acquired an undivided 50% interest in the Canadian portion of the Alliance Pipeline from Enbridge in 2003. Enbridge indirectly owns an undivided 50% interest in Alliance US, which holds an undivided 50% interest in the U.S. portion of the Alliance Pipeline. Pursuant to the Alliance US PSA, that 50% interest in Alliance US will be sold to EIF US Holdings Inc., an indirect wholly-owned subsidiary of the Fund. Following completion of the Transaction, the Fund will own an undivided 50% interest in the Alliance Pipeline. The remaining undivided 50% interest the Alliance Pipeline is owned by Veresen Inc.

Information relating to the Canadian portion of the Alliance Pipeline and the Alliance Pipeline generally is contained in pages 27 to 32 of the Fund AIF, which information is incorporated into the AIF by reference. Additional information relating to the Alliance Pipeline, including Alliance US can be found in the Annual Information Form of Alliance Pipeline Limited Partnership dated May 1, 2014 which can be viewed at www.sedar.com. Such information is not incorporated by reference to this Prospectus.

The following diagram shows the location of the Alliance Pipeline.



Alliance Pipeline

Following completion of the Transaction and the acquisition by the Fund of the Alliance Pipeline Inc. Common Shares, the Alliance Pipeline L.P. Class A Units and the Alliance Pipeline L.P. Class B Units, the Fund will own an undivided 50% interest in the Alliance Pipeline.

The Alliance Pipeline was established as a key part of the Aux Sable liquids rich gas system and commenced operations in December 2000. The Alliance Pipeline consists of approximately 3,000 km (1,864 miles) of integrated, high-pressure natural gas transmission pipeline, approximately 730 km (454 miles) of lateral pipelines located in western Canada and North Dakota and related infrastructure. The high pressure natural gas pipeline system begins near Gordondale, Alberta and terminates in the Chicago area, and is designed to deliver rich natural gas from the WCSB to markets accessible through the Chicago market hub. Commercially, the richer gas composition and high pressure pipeline operations allow producers and shippers to transport more energy in their natural gas.

The terminus of Alliance US connects into the Aux Sable gas processing plant (of which Enbridge owns 42.7%), a NGL extraction and fractionation facility in Channahon, Illinois that can process over 100 kbpd of NGL. Processed natural gas is then transported to two local natural gas distribution systems in the Chicago area and five interstate natural gas pipelines, providing Alliance Pipeline shippers with access to natural gas markets in the mid-western and northeastern United States and eastern Canada. In the WCSB, natural gas production within 40 kms (25 miles) of the gathering area of the Alliance Pipeline has grown over 25% since 2001, driven largely by liquids-rich gas development. Approximately 3.6 bcf/d of gas production is currently connected to the Alliance Pipeline and production from the Montney and Duvernay formations are projected to grow by over 4 bcf/d by 2025.

The growth of unconventional oil production in North Dakota has led to a rapid rise in associated natural gas. However, given a lack of infrastructure in the region, a large amount of this associated gas is flared at the wellhead. Gas production from the Bakken region is projected to grow to more than 1.5 bcf/d by 2025. Alliance Pipeline is well positioned to continue to serve the needs of this region and two laterals into the Bakken producing region bring liquids rich Bakken gas to the Alliance Pipeline.

The operations and tolls of Alliance US are regulated by FERC. Through firm TSAs, Alliance US recovers its regulated cost of service, which includes operating and maintenance costs, the cost of financing, an allowance for income tax, an annual allowance for depreciation and an allowed return on equity of 10.9%. The TSAs are the same TSAs as described for the Canadian portion of the Alliance Pipeline in the Fund AIF. Proposed post-2015 tolls and tariffs for the Canadian portion of the Alliance Pipeline were filed with the NEB in May 2014. A decision is expected in the first half of 2015, following which it is anticipated that the new tolls and tariffs will be filed with FERC.

In 2013, Alliance US commenced service on the Tioga Lateral, a second connection into the Bakken region, which added additional firm contracts of 60 mmcf/d.

Class A Units and the Southern Lights Pipeline

With respect to the Southern Lights Pipeline, the Fund will only acquire a defined cash flow stream and limited governance rights in connection with certain fundamental changes to Enbridge SL Holdings LP, Enbridge Southern Lights LP, Southern Lights Holdings, L.L.C. and Enbridge Pipelines (Southern Lights) L.L.C. and will not acquire any other ownership interest in the Southern Lights Pipeline. This acquisition of only a defined cash flow stream will be accomplished through the acquisition of the SL Canada Class A Units and the SL US Class A Units.

SL Canada Class A Units

Prior to the closing of the Transaction, the SL Canada Limited Partnership Agreement will be amended to create the SL Canada Class A Units and the SL Canada Class B Units. The SL Canada Class B Units will continue to represent the limited partnership units currently held by EPI. The SL Canada Class A Units entitle the holder to receive until June 30, 2040 (the “**Maturity Date**”), through quarterly distributions on and of capital of the aggregate amount of \$455,374,000, which is equal to the cash flows attributable to the Core Rate Base pursuant to the terms of current TSAs on SL Canada, subject to certain exceptions and adjustments. This distribution on and return of capital for 2015 is expected to be approximately \$22,200,000. Quarterly distributions will be subject to reduction only in the event of force majeure; regulatory actions that do not arise from Carrier Negligence or proceedings voluntarily initiated by Enbridge that have a detrimental impact on the quarterly distributions; and committed shipper payment defaults. Reductions in connection with force majeure and shipper defaults will be trued-up annually, to the extent recovered under the TSAs, and the SL Canada Class A Units will receive any annual

true-up distribution as part of the first quarter distribution payment. SL Canada Class A Units will not receive any carrier incentive cash flows or payments from spot volumes. Until the Maturity Date, the holder(s) of the SL Canada Class B Units will be required to make capital contributions in certain circumstances with respect to the funding of quarterly distributions and annual true-up payments to be made to the holder(s) of SL Canada Class A Units. Enbridge will, as of the closing of the Transaction, agree to guarantee payment of such quarterly distributions required to be made by Enbridge SL Holdings LP in respect of the SL Canada Class A Units.

The SL Canada Class A Units will not be transferable without the consent of the holder of the SL Canada Class B Units except to the Fund or an affiliate of the Fund. Holders of SL Canada Class A Units will not be required to make any capital contributions to Enbridge SL Holdings LP other than with respect to capital contributions made in connection with the exercise of EIPHI's extension or expansion rights.

The SL Canada Class A Units will be non-voting and will confer limited governance rights in respect of Enbridge SL Holdings LP. The written consent of the holder of SL Canada Class A Units will be required if Enbridge SL Holdings LP is to be liquidated, dissolved or wound-up prior to the Maturity Date, unless there is a full disruption of service on the Southern Lights Pipeline because it is mechanically inoperable and the general partner of Enbridge SL Holdings LP determines not to cause Enbridge Southern Lights LP to continue operations in respect of SL Canada, in which case the SL Canada Class A Units will be entitled to receive, out of the assets available for distribution to partners after the payment of all outstanding obligations, in preference to the SL Canada Class B Units, an amount equal to, but not exceeding, the SL Canada Class A Unit purchase price, less the return of capital distributed on the SL Canada Class A Units, provided that to the extent such disruption is attributable to Carrier Negligence and the proceeds of such liquidation are insufficient to distribute such amount to the holder(s) of SL Canada Class A Units, the holder of SL Canada Class B Units shall be required to promptly make a capital contribution to the extent necessary for the holder(s) of SL Canada Class A Units to receive such amount. On or after the Maturity Date, the SL Canada Class A Units shall cease to be outstanding and except for the right of first offer described below, all rights of the SL Canada Class A Units shall cease and terminate.

If during the period commencing on the Maturity Date and ending on the fifth anniversary of the Maturity Date or the termination of any extended term, SL Canada is still generating revenue and (a) EPI proposes to dispose of all of its SL Canada Class B Units; or (b) Enbridge SL Holdings LP proposes to dispose of its interest in Enbridge Southern Lights LP, in each case to a non-affiliate (each of the assets disposed of in (a) and (b), a "**SL Canada ROFO Asset**"), then EIPHI shall have a right of first offer to acquire the SL Canada ROFO Asset.

The SL Canada Limited Partnership Agreement also provides EIPHI with the following extension and expansion rights:

- (a) EIPHI shall have the right, but not the obligation, to extend the Maturity Date for up to two successive additional 10 year terms (the second extension term shall be available only if the first additional 10 year term was extended) by way of an issuance by Enbridge SL Holdings LP of additional class of units of Enbridge SL Holdings LP to EIPHI in exchange for a payment by EIPHI to Enbridge SL Holdings LP of an amount to be negotiated in good faith on a best commercial efforts basis, provided that a definitive agreement is entered into by EIPHI at least 24 months prior to the Maturity Date or June 30, 2050, as applicable.
- (b) EIPHI shall have the right to participate in up to 100% of the equity returns from future capacity expansions on SL Canada for a term of 30 years commencing on the in-service date of such expansion, through the purchase of one or more new class(es) of units in Enbridge SL Holdings LP, with the subscription price to be determined by good faith negotiations between the parties with a view to achieving commercially reasonable returns for such parties after taking into account their respective costs of capital, the risk profile of the capacity expansion, the terms of the new class(es) of units and the use of the assets of Enbridge SL Holdings LP to support the capacity expansion.

SL US Class A Units

SL US Class A Units entitle the holder to receive until the Maturity Date, through quarterly distributions on and of capital of the aggregate amount of US\$1,262,139,000 in respect of SL US, which is equal to the cash flows attributable to the Core Rate Base pursuant to the terms of current TSAs on SL US, subject to certain exceptions and adjustments. This distribution on and return of capital for 2015 is expected to be approximately US\$60,020,000. Quarterly distributions are subject to reduction only in the event of force majeure; regulatory actions that do not arise from Carrier Negligence or proceedings voluntarily initiated by Enbridge that have a detrimental impact on the quarterly distributions; and committed shipper payment defaults. Reductions in connection with force majeure and shipper defaults will be true-up annually, to the extent

recovered under the TSAs, and the SL US Class A Units will receive any annual true-up distribution as part of the first quarter distribution payment. SL US Class A Units will not receive any carrier incentive cash flows or payments from spot volumes. Until the Maturity Date, the holder of the SL US Class B Units will be required to make capital contributions in certain circumstances with respect to the funding of quarterly distributions and annual true-up to be made to the holder(s) of SL US Class A Units. Enbridge has guaranteed payment of quarterly distributions required to be made by Southern Lights Holdings, L.L.C. in respect of the SL US Class A Units.

The SL US Class A Units may not be transferred without the consent of the holder of the SL US Class B Units except to the Fund or an affiliate of the Fund. Holders of SL US Class A Units are not required to make any capital contributions to Southern Lights Holdings, L.L.C. other than with respect to capital contributions made in connection with the exercise of the Fund's extension or expansion rights.

The SL US Class A Units are non-voting and confer limited governance rights in respect of Southern Lights Holdings, L.L.C. The written consent of the holder(s) of SL US Class A Units shall be required if Southern Lights Holdings, L.L.C. is to be liquidated, dissolved or wound-up prior to the Maturity Date, unless there is a full disruption of service on the Southern Lights Pipeline because it is mechanically inoperable and EECI, as managing member of Southern Lights Holdings, L.L.C., determines not to cause Enbridge Pipelines (Southern Lights) L.L.C. to continue operations in respect of SL US, in which case the SL US Class A Units will be entitled to receive, out of the assets available for distribution to partners after the payment of all outstanding obligations, in preference to the SL US Class B Units, an amount equal to but not exceeding the SL US Class A Unit purchase price less the return of capital distributed on the SL US Class A Units; provided that to the extent that such disruption is attributable to Carrier Negligence and the proceeds of such liquidation are insufficient to distribute such amount to the holder(s) of SL US Class A Units, the holder of SL US Class B Units shall be required to promptly make a capital contribution to the extent necessary for the holder(s) of SL US Class A Units to receive such amount. On or after the Maturity Date, the SL US Class A Units shall cease to be outstanding and except for the right of first offer described below, all rights of the SL US Class A Units shall cease and terminate.

If during the period commencing on the Maturity Date and ending on the fifth anniversary of the Maturity Date or the termination of any extended term SL US is still generating revenue and (a) EECI proposes to dispose of all of its SL US Class B Units; (b) Southern Lights Holdings, L.L.C. proposes to dispose of its interest in Enbridge Pipelines (Southern Lights) L.L.C.; or (c) Southern Lights Holdings, L.L.C. proposes to dispose of SL US, in each case to a non-affiliate (each of the assets disposed of in (a), (b) and (c), a "**SL US ROFO Asset**"), then EIF US Holdings Inc. shall have a right of first offer to acquire the SL US ROFO Asset.

The SL US Purchase Agreement also provides EIF US Holdings Inc. with the following extension and expansion rights:

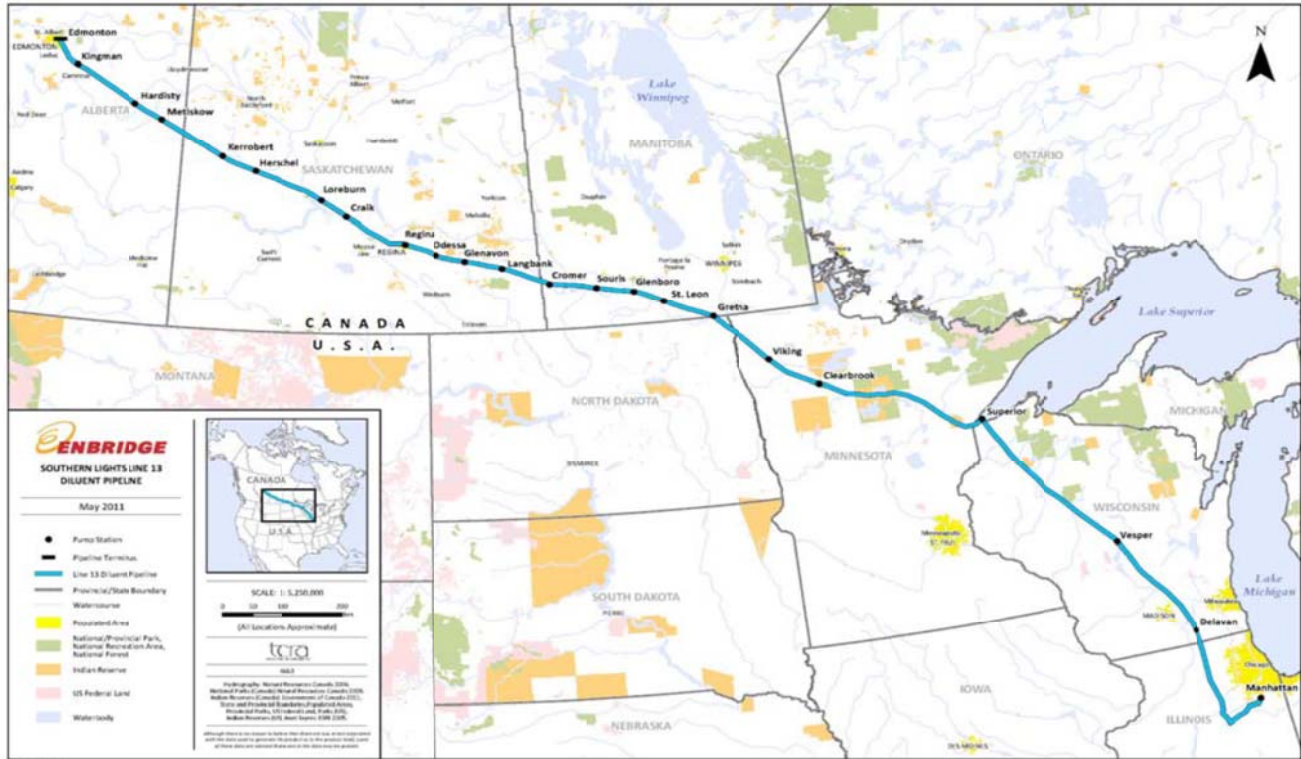
- (a) EIF US Holdings Inc. shall have the right, but not the obligation, to extend the Maturity Date for up to two successive additional 10 year terms (the second extension term shall be available only if the first additional 10 year term was extended) by way of an issuance by Southern Lights Holdings, L.L.C. of additional class of units of Southern Lights Holdings, L.L.C. to EIF US Holdings Inc. in exchange for a payment by EIF US Holdings Inc. to Southern Lights Holdings, L.L.C. of an amount to be negotiated in good faith on a best commercial efforts basis, provided that a definitive agreement is entered into by EIF US Holdings Inc. at least 24 months prior to the Maturity Date or June 30, 2050, as applicable.
- (b) EIF US Holdings Inc. shall have the right to participate in up to 100% of the equity returns from future capacity expansions on SL US for a term of 30 years commencing on the in-service date of such expansion, through the purchase of one or more new class(es) of units in Southern Lights Holdings, L.L.C., with the subscription price to be determined by good faith negotiations between the parties with a view to achieving commercially reasonable returns for such parties after taking into account their respective costs of capital, the risk profile of the capacity expansion, the terms of the new class(es) of units and the use of the assets of Southern Lights Holdings, L.L.C. to support the capacity expansion.

Southern Lights Pipeline

The Southern Lights Pipeline is a single stream pipeline that runs in a northerly direction from the Enbridge Manhattan Terminal, just south of Chicago, to the Enbridge Edmonton Terminal in western Canada. It has been in service since 2010 and can transport up to 180 kbpd of condensate which is primarily used by crude oil producers as a diluent to blend with raw bitumen production to facilitate pipeline export by decreasing viscosity. The Southern Lights Pipeline is comprised of a new line from Manhattan to Clearbrook, as well as a reversed and repurposed line (previously Enbridge's crude oil Line 13 which ran in a southbound direction) between Clearbrook and Edmonton. The newer portion of the pipeline is 20 inches in

diameter, whereas the Line 13 pipe ranges from 16 to 20 inches.

The following diagram shows the location of the Southern Lights Pipeline.



The Southern Lights Pipeline is fully contracted up to the 90% level authorized under current regulations with “ship or pay” TSAs which expire on June 30, 2025 with a customer option to renew for an additional 15 years. Tolls are established on a full cost of service basis which allows for full pass through of operating, maintenance and integrity costs. The revenue requirement, including a 10% return on equity and full return of capital, is recovered through fixed tolls set annually based on the contracted throughput commitments, thereby eliminating any month to month cash flow variability due to actual volumes shipped. The only source of variability arises from differences in annual cost estimates relative to actual costs incurred. Actual costs incurred are tracked monthly and true-up annually, to the extent recovered under the TSAs, with a one-time payment. Committed tolls are calculated by dividing the estimated annual cost of service by the aggregate of committed volumes for that year. Approximately 18,000 bpd (10% of the pipeline capacity) is reserved for spot shippers. Spot tolls are set at double the committed toll. The Southern Lights Pipeline will receive a carrier incentive for 25% of spot volume revenues over the 162,000 bpd contracted level, while shippers will receive 75% through a reduction in tolls. The terms of the SL Canada Class A Units and SL US Class A Units provide that variability in actual versus projected operating and maintenance costs are largely born by the holder of the SL Canada Class B Units and SL US Class B Units.

Operations of the Southern Lights Pipeline are managed by EPI both within the United States and Canada pursuant to management agreements. The operations and tolls of SL Canada are regulated by the NEB and the operations and tolls of SL US are regulated by FERC.

SPECIAL COMMITTEE PROCESS AND BOARD APPROVAL

Due to the Transaction constituting a “related party transaction” under applicable securities laws, the Board and the ECT Board established the Special Committee, among other things, to review and consider the Transaction; to conduct and carry out such investigations in relation to the Transaction as the Special Committee deemed necessary or advisable; and to determine whether the Transaction contemplated is in the best interests of the Corporation, the Fund and ECT, the Shareholders and the unitholders of the Fund and ECT and is fair to the Shareholders and the unitholders of the Fund and ECT, in each case other than Enbridge. The Special Committee is constituted by Directors and ECT Trustees who are independent of Enbridge.

The Special Committee retained independent technical, legal, tax and financial advisors, including Norton Rose Fulbright Canada LLP and Fulbright & Jaworski LLP as its Canadian and United States legal counsel and BMO Nesbitt Burns Inc. as its financial advisor, to provide independent advice on the Transaction, the Assets and the process. The Special Committee also retained an independent engineer to conduct due diligence on the Southern Lights Pipeline and Alliance US and an independent gas marketing consultant to provide its views on North American gas market fundamentals, the impact on the Alliance Pipeline of market conditions and the acquisition of Alliance US by the Fund. The Special Committee also had discussions with management of Alliance Pipeline Ltd. and Alliance Pipeline Inc. and considered independent gas marketing reports commissioned by them.

The Special Committee conducted an extensive review of the proposed Transaction, which included 19 formal meetings of the Special Committee, and engaged in extensive negotiations with Enbridge with respect to the terms of the Transaction, including the purchase price. On September 22, 2014, the Financial Advisor provided to the Special Committee an opinion (the “**Opinion**”) which concluded that, based on and subject to the scope of review, assumptions and limitations contained therein, the consideration to be paid for the Assets pursuant to the Agreements is fair from a financial point of view to the Corporation, the Fund, ECT and the Shareholders, other than Enbridge. The Opinion was provided to the Special Committee for its exclusive use only in considering the Transaction and may not be used or relied upon by any other person or for any other purpose without the prior written consent of the Financial Advisor. The Opinion did not constitute a recommendation to the Special Committee as to whether it should approve the Agreement or the Transaction.

Based on the extensive review of the proposed Transaction that was conducted by the Special Committee; the advice from its advisors; the extensive negotiations with Enbridge with respect to the terms of the Transaction; and reaching mutually agreeable terms with Enbridge, the Special Committee concluded that the Transaction is in the best interests of the Corporation, the Fund and ECT, the Shareholders and the unitholders of the Fund and ECT and is fair to the Shareholders and the unitholders of the Fund and ECT, in each case other than Enbridge and then recommended that the ECT Board approve the indirect acquisition by the Fund of the entities which own the 50% interest in Alliance US, the indirect investment by the Fund in the SL Canada Class A Units and the indirect investment by the Fund in the SL US Class A Units.

The ECT Board (with the ECT Trustees who are also directors or officers of Enbridge abstaining) considered the recommendation of the Special Committee and the advice given to the Special Committee by the independent advisors that were retained by the Special Committee, and then concluded that the Transaction is in the best interests of the Fund and ECT, and unanimously approved the Transaction.

The Board then considered the Corporation’s participation in the Transaction, the Special Committee’s recommendation, the ECT Board approval and the advice given to the Special Committee by the independent advisors that were retained by the Special Committee. The Board (with Directors who are also directors or officers of Enbridge abstaining) unanimously concluded that the Transaction is in the best interests of the Corporation and fair to the Shareholders, other than Enbridge.

Benefits of the Transaction

The acquisition of the Assets is consistent with the Fund’s investment objectives and strategy of acquiring assets capable of providing investors with a predictable payout of cash flow with relatively low risk and the opportunity for modest growth. Completion of the Transaction is expected to provide the following benefits to the Corporation, the Fund and the Shareholders:

- *Accretive to cash flow.* The Transaction will be immediately accretive to cash flow and the Corporation will implement a 12% increase to the dividend on the Common Shares following closing of the Transaction.
- *Incremental earnings and cash flow from assets that have a reliable, low risk business.* Each of the Assets are expected to generate earnings and cash flows that would immediately accrue to the Fund upon completion of the Transaction. Alliance has existing TSAs which expire in December 2015. Alliance Pipeline Inc. has applied to the NEB for new tolls and tariffs which contemplate a flexible set of services and tolling options for shippers, to respond to evolving market conditions for gas transportation. Alliance Pipeline Inc. is in discussions with the shipper community regarding its post December 2015 services offerings. The defined and fixed distributions from the Southern Lights Pipeline provide a stable cash flow stream until 2040, with opportunity for extension and growth.

- *Increased scale and diversification of the Fund's underlying business.* The Transaction will substantially grow the Fund's liquids transportation asset base and further diversify the Fund's overall business mix, sources of earnings and cash flow.
- *Enhanced trading liquidity and better access to capital.* As a result of the Transaction, the number of Common Shares held by the public is expected to increase by approximately 24%. The increase in the Corporation's public float may result in enhanced trading liquidity which could reduce share price volatility and attract a broader range of investors. The amount of term debt issued by the Fund to the public market is also expected to increase as the term loan provided by Enbridge in connection with this Transaction is refinanced over time. This increased presence in both equity and debt capital markets is expected to enhance the ability of the Corporation and the Fund to raise new capital and respond to opportunities to develop or acquire (from Enbridge or other third parties) new energy infrastructure in furtherance of their strategy.

PRIOR SALES

The Corporation has not sold or issued any Common Shares, or securities convertible into Common Shares, during the twelve month period ending prior to the date of this Prospectus.

TRADING PRICE AND VOLUME

The Common Shares of the Corporation are listed for trading on the TSX under the symbol "ENF". The following table shows the monthly range of high and low prices and the total monthly volumes of the Common Shares on the TSX for the periods indicated.

Month	High (\$)	Low (\$)	Close (\$)	Volume
2013				
October	24.10	22.79	23.35	3,263,846
November	23.48	22.78	22.90	2,228,442
December	23.83	22.35	23.65	2,459,238
2014				
January	24.93	23.55	24.71	2,408,636
February	25.84	24.02	25.55	1,943,085
March	26.51	25.17	26.50	2,321,270
April	26.96	26.06	26.64	1,995,447
May	27.84	26.25	27.50	1,947,791
June	28.09	27.34	27.92	2,251,305
July	29.97	27.48	29.36	5,042,733
August	32.64	29.23	32.32	2,741,195
September	32.85	29.83	30.39	5,665,910
October 1 - 2	30.37	29.21	29.90	787,257

CONSOLIDATED CAPITALIZATION OF THE CORPORATION

The following table sets forth the consolidated capitalization of the Corporation as at June 30, 2014, both before and after giving effect to the Offering and the Transaction.

	Authorized	Outstanding as at June 30, 2014, before giving effect to the Offering and the Transaction	Outstanding as at June 30, 2014, after giving effect to the Offering and the Transaction⁽¹⁾
Common Shares	Unlimited	56,491,000	70,351,000
First Preferred Shares	Unlimited ⁽²⁾	Nil	Nil
Special Voting Shares	1	1	1

Notes:

- (1) Based on the issuance of 11,100,000 Subscription Receipts pursuant to the Offering for gross proceeds of \$336,885,000. The Underwriters' fee of approximately \$13,475,400 and other expenses of the Offering estimated to be \$500,000 will be borne by the Fund pursuant to an assistance agreement

between the Fund and the Corporation. See “*Use of Proceeds*”. Assumes that the closing of the Transaction occurs and includes the issuance of Common Shares upon the exchange of the Subscription Receipts in connection with the closing of the Transaction and the issuance of 2,760,000 Common Shares to Enbridge in connection with the Enbridge Financing.

- (2) First Preferred Shares are issuable in series and limited to one-half the number of Common Shares issued and outstanding at the relevant time.

DESCRIPTION OF SUBSCRIPTION RECEIPTS

The following summary of the material attributes and characteristics of the Subscription Receipts does not include a description of all of the terms of the Subscription Receipts, and reference should be made to the Subscription Receipt Agreement for the complete terms of the Subscription Receipts.

The Subscription Receipts will be issued on the Closing Date pursuant to the Subscription Receipt Agreement. The Escrowed Funds will be delivered to and held by the Escrow Agent and invested in short-term obligations of, or guaranteed by, the Government of Canada or a Province of Canada or a Canadian chartered bank (subject to a certain minimum rating) pending the Transaction Closing Date. Provided that the Transaction closes on or before 2:00 p.m. (Calgary time) on January 31, 2015, the Escrowed Funds, together with interest earned on the Escrowed Funds, subject to any interest earned on the Escrowed Funds being released to holders of Subscription Receipts in full or partial satisfaction of the Dividend Equivalent Payment, if any (such released amount being the “**Released Amount**”), will be released to the Corporation and holders of Subscription Receipts will receive, without payment of additional consideration or further action, one Common Share for each Subscription Receipt held at the close of business on the business day preceding the Transaction Closing Date, plus any Dividend Equivalent Payment. For material attributes and characteristics of the Common Shares please refer to the heading “*Description of Share Capital*” on page 13 of the AIF, filed on SEDAR.

The Subscription Receipts will be represented by a global certificate issued in registered form to CDS or its nominee under the Book-Entry Only System and will be deposited with CDS on the Closing Date. A holder of Subscription Receipts will not be entitled to a certificate evidencing that person’s interest in or ownership of a Subscription Receipt and will receive only a customer confirmation from the registered dealer (a CDS participant through which the holder’s Subscription Receipts are purchased) that the Subscription Receipts have been issued.

In connection with the closing of the Transaction, the Escrow Agent will release to the Corporation the Released Amount against:

- (a) an irrevocable direction of the Corporation to the Escrow Agent (in its capacity as registrar and transfer agent of the Common Shares) to issue the Common Shares on the Transaction Closing Date to holders of record of Subscription Receipts at the close of business on the business day immediately preceding the Transaction Closing Date; and
- (b) a notice from the Corporation to the Escrow Agent, confirming that all conditions to the completion of the Transaction under the terms of the Agreements have been satisfied, and the Corporation is able to complete the Transaction, but for the release of the Released Amount. See “*Use of Proceeds*”.

The Subscription Receipt Agreement contain a covenant of the Corporation to apply the Released Amount to the purchase price for the Fund Units. See “*Use of Proceeds*”.

The transfer register with respect to the Subscription Receipts shall be closed at 4:30 p.m. (Calgary time) on the business day immediately prior to the Transaction Closing Date. The Corporation shall issue a press release on the Transaction Closing Date announcing the Transaction has closed and the Common Shares have been issued to holders of Subscription Receipts.

The Subscription Receipt Agreement will contain provisions that will entitle the holders of Subscription Receipts to receive the Dividend Equivalent Payment with respect to a dividend paid by the Corporation on the Common Shares with a record date that is on or after the Closing Date and prior to the Transaction Closing Date. All or a portion of the Dividend Equivalent Payment will be satisfied by payments by the Escrow Agent to holders of Subscription Receipts out of interest earned on the Escrowed Funds. To the extent that the Dividend Equivalent Payment is not satisfied out of interest earned on the Escrowed Funds, the balance of any amount payable to a holder of a Subscription Receipt in respect of the Dividend Equivalent Payment will be paid by the Escrow Agent as a partial refund of the subscription price.

The Corporation currently pays monthly dividends at an annual rate of \$1.3752 per Common Share. The Corporation intends to increase the dividend on its Common Shares by 12% following the close of the Transaction. Assuming the Offering closes on October 10, 2014, the first dividend to which purchasers of Subscription Receipts will be entitled to will be payable on or about November 15, 2014 to Shareholders of record on October 31, 2014. If the Transaction Closing Date occurs prior to

October 31, 2014, former holders of Subscription Receipts who continue to hold Common Shares on October 31, 2014 will receive the dividend on November 15, 2014 as holders of Common Shares. If the Transaction Closing Date occurs after October 31, 2014, but before the Termination Date, holders of Subscription Receipts will receive this amount as a Dividend Equivalent Payment after the Transaction Closing Date.

If the Transaction fails to close by 2:00 p.m. (Calgary time) on January 31, 2015 or if prior to such time, a Termination Event occurs, the Escrow Agent and the Corporation will return to holders of Subscription Receipts, on or before 5:00 p.m. on the third business day following the earlier of: (i) January 31, 2015; and (ii) the Termination Date, as the case may be, an amount equal to the total of the issue price of the Subscription Receipts purchased by them and their *pro rata* share of interest earned on the Escrowed Funds, less applicable withholding taxes.

Holders of Subscription Receipts will not have any voting or pre-emptive rights or other rights as Shareholders and will not be entitled to receive any dividends of the Corporation in respect of such Subscription Receipts prior to the issuance of Common Shares in exchange for such Subscription Receipts, if at all. Additionally in the Subscription Receipt Agreement, the Corporation will covenant with the Escrow Agent and Scotia Capital Inc., RBC Dominion Securities Inc. and TD Securities Inc., on behalf of the Underwriters, that from the Closing Date to the earlier of the Termination Date and the Transaction Closing Date, it will not do any of the following: (i) subdivide or redivide the outstanding Common Shares into a greater number of Common Shares; (ii) reduce, combine or consolidate the outstanding Common Shares into a smaller number of Common Shares; (iii) issue any Common Shares to holders of all or substantially all of the outstanding Common Shares by way of a dividend or distribution; (iv) fix a record date for the making of a distribution to holders of all or substantially all of the outstanding Common Shares of (A) shares of any class other than Common Shares; or (B) rights, options or warrants; (v) reclassify the Common Shares or undertake a reorganization of the Corporation or a consolidation, amalgamation, arrangement or merger of the Corporation with any other person or other entity, or a sale or conveyance of the property and assets of the Corporation as an entirety or substantially as an entirety to any other person or entity or a liquidation, dissolution or winding-up of the Corporation; or (vi) liquidate, dissolve or windup the Corporation or any of its subsidiaries.

From time to time while the Subscription Receipts are outstanding, the Corporation, Scotia Capital Inc., RBC Dominion Securities Inc. and TD Securities Inc., on their own behalf and on behalf of each of the other Underwriters, and the Escrow Agent, without the consent of the holders of the Subscription Receipts, may amend or supplement the Subscription Receipt Agreement for certain purposes, including making any change that, in the opinion of the Escrow Agent, does not prejudice the rights of the holders of the Subscription Receipts. The Subscription Receipt Agreement will provide for other modifications and alterations thereto and to the Subscription Receipts issued thereunder by way of a resolution approved by at least 66⅔% of the votes cast in person or by proxy by Subscription Receipt holders.

Original purchasers of Subscription Receipts will have a contractual right of rescission against the Corporation following the issuance of Common Shares to such purchasers. The contractual right of rescission will entitle such original purchasers to receive the amount paid for the Subscription Receipts upon surrender of the Common Shares, in the event that this Prospectus (as supplemented or amended) contains a misrepresentation, provided that: (i) the issuance of Common Shares takes place within 180 days of the Closing Date; (ii) the right of rescission is exercised within 180 days of the Closing Date; and (iii) the original purchaser did not purchase the Subscription Receipts with knowledge of the misrepresentation. This contractual right of rescission will be consistent with the statutory right of rescission described under section 203 of the *Securities Act* (Alberta), and is in addition to any other right or remedy available to original purchaser under section 203 the *Securities Act* (Alberta) or otherwise at law. Original purchasers are further advised that in certain provinces the statutory right of action for damages in connection with a prospectus misrepresentation is limited to the amount paid for the convertible, exchangeable or exercisable security that was purchased under a prospectus, and therefore a further payment at the time of conversion, exchange or exercise may not be recoverable in a statutory action for damages. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights, or consult with a legal advisor.

Subject to applicable law, the Corporation may from time to time purchase, by private contract or otherwise, any of the Subscription Receipts.

USE OF PROCEEDS

The gross proceeds of \$336,885,000 from the Offering will be used by the Corporation to subscribe for and purchase 11,100,000 Fund Units at a price of \$30.35 per Fund Unit, provided the Escrowed Funds are released to the Corporation in accordance with the Subscription Receipt Agreement. See "*Description of Subscription Receipts*". The expenses of the Offering, including the Underwriters' fee estimated at \$13,475,400, will be borne by the Fund pursuant to an assistance

agreement between the Fund and the Corporation dated September 22, 2014, pursuant to which the Fund has agreed to pay an amount to the Corporation equal to and in respect of all such expenses in consideration of the Corporation agreeing to apply the proceeds of the Offering to subscribe for Fund Units. See “*The Transaction*” and “*Plan of Distribution*”.

Concurrent with the closing of the Transaction, Enbridge will subscribe for and purchase an additional 2,760,000 Common Shares at a price of \$30.35 per Common Share for additional aggregate gross proceeds to the Corporation of \$83,766,000. The Corporation will use these gross proceeds to subscribe for and purchase 2,760,000 additional Fund Units at a price of \$30.35 per Fund Unit.

The Fund will use the proceeds from the sale of Fund Units to the Corporation to complete the Transaction. Concurrent with the sale of Fund Units to the Corporation, Enbridge will subscribe for and purchase on a private placement basis 15,200,000 ECT Preferred Units at a price of \$30.35 per ECT Preferred Unit for aggregate proceeds of \$461,320,000. The balance of the purchase price for the Assets will be funded by the \$878,029,000 loan from Enbridge at an interest rate of 5.5% per annum, with interest and principal to be repaid in full within ten years. The Fund may prepay the amount outstanding on the loan including accrued interest, at any time and from time to time, in whole or in part, without penalty, bonus or additional interest.

PLAN OF DISTRIBUTION

Pursuant to the Underwriting Agreement, the Corporation has agreed to issue and sell an aggregate of 11,100,000 Subscription Receipts to the Underwriters and the Underwriters have severally agreed to purchase such Subscription Receipts on October 10, 2014, or such other date not later than October 30, 2014 as may be agreed among the Corporation and Scotia Capital Inc., RBC Dominion Securities Inc. and TD Securities Inc., on their own behalf and on behalf of each of the other Underwriters. Delivery of the Subscription Receipts is conditional upon payment on closing of \$30.35 per Subscription Receipt by the Underwriters to the Escrow Agent. The Underwriting Agreement provides that the Corporation will pay the Underwriters a fee equal to 4% of the issue price (\$1.214 per Subscription Receipt) for an aggregate fee of \$13,475,400, in consideration for the Underwriters’ services in connection with the Offering. The terms of the Offering, including the price of the Subscription Receipts, were determined by negotiation between the Corporation and Scotia Capital Inc., RBC Dominion Securities Inc. and TD Securities Inc., on their own behalf and on behalf of each of the other Underwriters.

The Underwriters’ fee in respect of the Offering is payable as to 50% upon closing of the Offering and as to 50% upon closing of the Transaction. If the Transaction fails to close by 2:00 p.m. (Calgary time) on January 31, 2015 or if prior to such time a Termination Event occurs, the Underwriters’ fee in respect of the Offering will be reduced to the amount payable upon closing of the Offering. All fees payable to the Underwriters will be paid on account of services rendered in connection with the Offering.

The obligations of the Underwriters under the Underwriting Agreement are several and not joint, and may be terminated at their discretion on the basis of their assessment of the state of the financial markets and may also be terminated upon the occurrence of certain stated events. The obligations of the Corporation and the Underwriters under the Underwriting Agreement to complete the purchase and sale of the Subscription Receipts will terminate if a Termination Event occurs. If an Underwriter fails to purchase the Subscription Receipts that it has agreed to purchase, the other Underwriters may, but are not obligated to, purchase such Subscription Receipts, provided that, if the aggregate number of Subscription Receipts not purchased is less than or equal to 5% of the aggregate number of Subscription Receipts agreed to be purchased by the Underwriters, then each of the other Underwriters is obligated to purchase severally the Subscription Receipts not taken up, on a pro rata basis or as they may otherwise agree as between themselves. If the aggregate number of Subscription Receipts not purchased is greater than 5% of the aggregate number of Subscription Receipts agreed to be purchased by the Underwriters, then each of the other Underwriters shall be relieved of its obligations to purchase its respective percentage of the Subscription Receipts, subject to the terms and conditions of the Underwriting Agreement. The Underwriters are, however, obligated to take up and pay for all Subscription Receipts if any are purchased under the Underwriting Agreement, except in certain defined circumstances. The Underwriting Agreement also provides that the Corporation will indemnify the Underwriters and their directors, officers, agents, shareholders and employees against certain liabilities and expenses.

Except in certain limited circumstances, the Subscription Receipts will be issued in “book-entry only” form and must be purchased or transferred through a participant in the depository service of CDS. See “Description of Subscription Receipts”. The Corporation has been advised by the Underwriters that, in connection with the Offering, the Underwriters may effect transactions that stabilize or maintain the market price of the Subscription Receipts or the Common Shares at levels other than those that might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

The Corporation has agreed with the Underwriters that, it will not, without the prior written consent of Scotia Capital Inc., RBC Dominion Securities Inc. and TD Securities Inc., on behalf of the Underwriters, which consent may not be unreasonably withheld, (i) offer, issue, pledge, sell, contract to sell, announce an intention to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise lend, transfer or dispose of, directly or indirectly, any Common Shares or securities convertible into or exchangeable or Common Shares (other than for purposes of director, officer or employee Common Share rights and incentives and to Enbridge pursuant to the Transaction); or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Common Shares, whether any such transaction described in clause (i) or (ii) above is settled by delivery of Common Shares or other securities of the Corporation, in cash or otherwise, for a period ending 60 days after the Closing Date.

Enbridge has agreed with the Underwriters that it will not, without prior written consent of Scotia Capital Inc., RBC Dominion Securities Inc. and TD Securities Inc., on behalf of the Underwriters, which consent may not be unreasonably withheld, (i) offer, issue, pledge, sell, contract to sell, announce an intention to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise lend, transfer or dispose of, directly or indirectly, any Common Shares or securities convertible into or exchangeable for Common Shares (other than for purposes of director, officer or employee Common Share rights and incentives); or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Common Shares, whether any such transaction described in clause (i) or (ii) above is settled by delivery of Common Shares or other securities of the Corporation, in cash or otherwise, for a period ending 60 days after the Closing Date.

There is currently no market through which the Subscription Receipts may be sold and purchasers may not be able to resell Subscription Receipts purchased under this Prospectus. The Common Shares are currently listed on the TSX under the symbol “ENF”. On September 22, 2014, the last trading day before the announcement of the Offering and the Transaction, the closing price of the Common Shares on the TSX was \$30.97 per Common Share. On October 2, 2014, the last day on which the Common Shares traded prior to the filing of this Prospectus, the closing price of the Common Shares on the TSX was \$29.90 per Common Share. The TSX has conditionally approved the listing of the Subscription Receipts and the Common Shares issuable pursuant to the Subscription Receipts, subject to the Corporation fulfilling all of the listing requirements of the TSX.

The Subscription Receipts have not been and will not be registered under the US Securities Act, and may not be offered, sold or delivered in the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the US Securities Act).

The Underwriters propose to offer the Subscription Receipts initially at the offering price specified on the cover page of this Prospectus. After the Underwriters have made a reasonable effort to sell all of the Subscription Receipts offered by this Prospectus at the price specified on the cover page of this Prospectus, the offering price may be decreased and may be further changed from time to time to an amount not greater than that set out on the cover page of this Prospectus, and the compensation realized by the Underwriters will be decreased by the amount that the aggregate price paid by purchasers for the Subscription Receipts is less than the gross proceeds paid by the Underwriters to the Corporation. Any such reduction will not affect the proceeds received by the Corporation.

Pursuant to applicable securities legislation, the Underwriters may not, throughout the period of distribution under this Prospectus, bid for or purchase Subscription Receipts. The foregoing restriction is subject to certain exceptions, including: (a) a bid for or purchase of Common Shares if the bid or purchase is made through the facilities of the TSX in accordance with the Universal Market Integrity Rules of Market Regulation Services Inc.; (b) a bid or purchase on behalf of a client, other than certain prescribed clients, provided that the client's order was not solicited by the Underwriter, or if the client's order was solicited, the solicitation occurred before the commencement of a prescribed restricted period; and (c) a bid or purchase to cover a short position entered into prior to the period of distribution as prescribed by the rules. In connection with the Offering and subject to the foregoing, the Underwriters may over-allot or effect transactions which stabilize or maintain the market price of the Common Shares at levels other than those which might otherwise prevail on the open market. Such transactions, if commenced, may be discontinued at any time.

The Corporation and, if applicable, the Corporation's agents or underwriters, reserve the right to reject any offer to purchase Subscription Receipts in whole or in part. The Corporation also reserves the right to withdraw, cancel or modify the offering of Subscription Receipts hereunder without notice.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of McCarthy Tétrault LLP, counsel to the Corporation and Dentons Canada LLP, counsel to the Underwriters (collectively, “**Counsel**”), the following summary, as of the date hereof, describes the principal Canadian federal income tax considerations generally applicable under the Tax Act to a purchaser who acquires Subscription Receipts pursuant to the Offering and who at all relevant times, for purposes of the Tax Act, holds the Subscription Receipts and the Common Shares issued pursuant to the Subscription Receipts (collectively, the “**Securities**”) as capital property and deals at arm’s length with the Corporation and the Underwriters, and is not affiliated with the Corporation or the Underwriters (a “**Holder**”). Generally, the Securities will be capital property to a Holder provided the Holder does not acquire or hold the Securities in the course of carrying on a business or as part of an adventure or concern in the nature of trade.

This summary is based on the current provisions of the Tax Act in force as of the date hereof, and Counsel’s understanding of the current administrative policies and assessing practices of the CRA published in writing prior to the date hereof. This summary takes into account all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the “**Proposed Amendments**”) and assumes that all Proposed Amendments will be enacted in the form proposed. However, no assurances can be given that the Proposed Amendments will be enacted as proposed, or at all. This summary does not otherwise take into account or anticipate any changes in law or administrative policy or assessing practice whether by legislative, administrative or judicial action nor does it take into account tax legislation or considerations of any province, territory or foreign jurisdiction, which may differ from those discussed herein.

This summary is not applicable to a Holder: (i) that is a “specified financial institution” (as defined in the Tax Act); (ii) an interest in which is a “tax shelter investment” (as defined in the Tax Act); (iii) that is a “financial institution” for purposes of the “mark-to-market property” rules (as defined in the Tax Act); (iv) that has elected to report its “Canadian tax results” (as defined in the Tax Act) in a currency other than Canadian currency; or (v) that enters into, with respect to their Securities, a “derivative forward agreement” (as defined in the Tax Act). Such Holders should consult their own tax advisors with respect to an investment in the Securities.

This summary is of a general nature only and is not, and is not intended to be, legal or tax advice to any particular Holder. This summary is not exhaustive of all Canadian federal income tax considerations applicable to an investment in Subscription Receipts or Common Shares issued pursuant to Subscription Receipts. Accordingly, prospective purchasers of Subscription Receipts should consult their own tax advisors having regard to their own particular circumstances.

This summary is based upon the understanding of Counsel that a Subscription Receipt evidences a right to acquire a Common Share on the satisfaction of certain conditions. No advance tax ruling has been sought from the CRA in this regard and Counsel is not aware of any judicial authority with respect to this characterization.

Taxation of Holders Resident in Canada

This portion of the summary is generally applicable to a Holder who at all relevant times, for the purposes of the Tax Act and any applicable income tax treaty or convention, is, or is deemed to be resident in Canada (a “**Resident Holder**”). Certain Resident Holders whose Common Shares do not otherwise qualify as capital property may be entitled to make or may have already made the irrevocable election permitted by subsection 39(4) of the Tax Act, the effect of which may be to deem to be capital property any Common Shares (and every other “Canadian security” as defined in the Tax Act) owned by such Resident Holder in the taxation year in which the election is made and in all subsequent taxation years. **Resident Holders should consult their own tax advisors concerning this election. Any such election will not apply to deem the Subscription Receipts to be capital property.**

Taxation of Resident Holders of Subscription Receipts

Acquisition of Common Shares pursuant to the terms of Subscription Receipts

No gain or loss will be realized by a Resident Holder on the issuance of a Common Share pursuant to the terms of a Subscription Receipt. A Resident Holder's cost of a Common Share received pursuant to the terms of a Subscription Receipt will generally be equal to the amount paid by the Resident Holder to acquire the Subscription Receipt. The cost of any Common Shares acquired pursuant to the Subscription Receipts must be averaged with the adjusted cost base of any other Common Shares held by such Resident Holder as capital property to determine the adjusted cost base of each Common Share held at that time.

Other Disposition of Subscription Receipts

A disposition or deemed disposition by a Resident Holder of a Subscription Receipt, other than on the issuance of a Common Share pursuant to the terms of a Subscription Receipt, but including on the repayment of the issue price thereof by the Corporation as a consequence of a Termination Event, will generally result in the Resident Holder realizing a capital gain (or capital loss) equal to the amount by which the proceeds of disposition are greater (or less) than the aggregate of the Resident Holder's adjusted cost base of such Subscription Receipt and any reasonable costs of disposition. See "*Taxation of Capital Gains and Capital Losses*".

In the event that a Resident Holder becomes entitled to the repayment of the issue price of a Subscription Receipt as a consequence of a Termination Event, any amount that is paid to the Resident Holder by the Corporation as or on account of interest on the Escrowed Funds will be included in the Resident Holder's income and excluded from the Resident Holder's proceeds of disposition.

A Resident Holder that is, throughout the relevant taxation year, a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay a refundable tax of 6 $\frac{2}{3}$ % on its "aggregate investment income", which is defined in the Tax Act to include interest income.

Interest on Escrowed Funds

A Resident Holder that is a corporation, partnership, unit trust or any trust of which a corporation or a partnership is a beneficiary will be required to include in computing income for a taxation year any interest accrued to the Resident Holder on the Escrowed Funds to the end of the Resident Holder's taxation year, or that is receivable or received by the Resident Holder before the end of that taxation year, except to the extent that such interest was included in computing the Resident Holder's income for a preceding taxation year. Any other Resident Holder that is entitled to receive its share of interest earned on the Escrowed Funds will be required to include in income for a taxation year such interest as is received or receivable by the Resident Holder in that taxation year, depending on the method regularly followed by the Resident Holder in computing income.

Dividend Equivalent Payment

If a dividend is declared by the Corporation on the Common Shares to holders of record on a date during the period from the Closing Date up to but not including the Transaction Closing Date, the Resident Holder of a Subscription Receipt will be entitled to receive a Dividend Equivalent Payment. The Dividend Equivalent Payment, if any, will be paid by way of a *pro rata* share of interest earned on the Escrowed Funds. The amount of such interest will generally be included in computing the Resident Holder's income as described under "Taxation of Resident Holders of Subscription Receipts - Interest on Escrowed Funds". If the amount of the interest is less than the Dividend Equivalent Payment the Corporation will pay to the Resident Holder the amount of any shortfall as a partial refund of the subscription price. Such shortfall amount generally will reduce the cost to the Resident Holder of the Common Shares received pursuant to the terms of the Subscription Receipts.

Taxation of Resident Holders of Common Shares

Dividends on Common Shares

Dividends received or deemed to be received on the Common Shares will be included in computing the Resident Holder's income. In the case of a Resident Holder who is an individual (other than certain trusts), such dividends will be subject to the gross-up and dividend tax credit rules normally applicable in respect of taxable dividends received from taxable Canadian corporations (as defined in the Tax Act), including the enhanced gross up and dividend tax credit applicable to any dividends

designated by the Corporation as an eligible dividend in accordance with the provisions of the Tax Act. A dividend received or deemed to be received by a Resident Holder that is a corporation will generally be deductible in computing the corporation's taxable income, subject to all relevant restrictions under the Tax Act.

A Resident Holder that is a private corporation (as defined in the Tax Act), or any other corporation controlled, whether because of a beneficial interest in one or more trusts or otherwise, by or for the benefit of an individual (other than a trust) or related group of individuals (other than trusts) will generally be liable to pay a refundable tax of 33 $\frac{1}{3}$ % under Part IV of the Tax Act on dividends received or deemed to be received on Common Shares to the extent such dividends are deductible in computing the Resident Holder's taxable income for the taxation year.

Disposition of Common Shares

Generally, a Resident Holder who disposes of or is deemed to have disposed of a Common Share (other than to the Corporation) will realize a capital gain (or capital loss) equal to the amount, if any, by which the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base to the Resident Holder of the Common Share immediately before the disposition or deemed disposition. See "*Taxation of Capital Gains and Capital Losses*".

Alternative Minimum Tax

In general terms, a Resident Holder who is an individual (other than certain trusts) that receives or is deemed to have received taxable dividends on the Common Shares or realizes a capital gain on the disposition or deemed disposition of the Common Shares or the Subscription Receipts may be liable for alternative minimum tax under the Tax Act. Resident Holders that are individuals should consult their own tax advisors in this regard.

Taxation of Capital Gains and Capital Losses

Generally, a Resident Holder is required to include in computing its income for a taxation year one-half of the amount of any capital gain (a "**taxable capital gain**") realized in the year. Subject to and in accordance with the provisions of the Tax Act, a Resident Holder is required to deduct one-half of the amount of any capital loss (an "**allowable capital loss**") realized in a taxation year from taxable capital gains realized by the Resident Holder in the year. Allowable capital losses in excess of taxable capital gains for the year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years, to the extent and under the circumstances described in the Tax Act.

The amount of any capital loss realized on the disposition or deemed disposition of a Common Share by a Resident Holder that is a corporation may, in certain circumstances, be reduced by the amount of dividends received or deemed to have been received by it on such Common Shares, to the extent and under the circumstances specified in the Tax Act. Similar rules may apply where a corporation is a member of a partnership or a beneficiary of a trust that owns Common Shares, directly or indirectly, through a partnership or trust. Resident Holders to whom these rules may be relevant should consult their own tax advisors.

A Resident Holder that is, throughout the relevant taxation year, a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay a refundable tax of 6 $\frac{2}{3}$ % on its "aggregate investment income", which is defined in the Tax Act to include taxable capital gains.

Taxation of Holders Not Resident in Canada

This portion of the summary is generally applicable to a Holder who at all relevant times, for the purposes of the Tax Act and any relevant income tax treaty or convention: (i) is not, and is not deemed to be, resident in Canada; (ii) does not use or hold, and is not deemed to use or hold, any Securities in a business carried on in Canada; and (iii) is not an insurer who carries on an insurance business in Canada and elsewhere (a "**Non-Resident Holder**").

Acquisition of Common Shares pursuant to the terms of Subscription Receipts

No gain or loss will be realized by a Non-Resident Holder on the issuance of a Common Share pursuant to the terms of a Subscription Receipt.

Other Disposition of Securities

A Non-Resident Holder will not be subject to tax under the Tax Act on any capital gains realized on the disposition or deemed disposition of Subscription Receipts or Common Shares issued pursuant to the terms of the Subscription Receipts unless the Subscription Receipts or the Common Shares issued pursuant to the Subscription Receipt, as the case may be, are “taxable Canadian property” to the Non-Resident Holder for the purposes of the Tax Act and the Non-Resident Holder is not entitled to relief under an applicable income tax treaty or convention between Canada and the country in which the Non-Resident Holder is resident.

Generally, the Securities will not constitute taxable Canadian property to a Non-Resident Holder at a particular time provided that: (a) the Common Shares are listed at that time on a designated stock exchange (which currently includes the TSX); and (b) either: (i) the Non-Resident Holder, persons with whom the Non-Resident Holder does not deal with at arm’s length, or the Non-Resident Holder together with all such persons, have not owned 25% or more of the issued shares of any class or series of the capital stock of the Corporation at any time during the 60-month period that ends at that time; or (ii) the Common Shares, at all times during the 60-month period that ends at that time did not derive, directly or indirectly, more than 50% of their fair market value from one or any combination of (A) real or immovable property situated in Canada, (B) “Canadian resource properties” (as defined in the Tax Act), (C) “timber resource properties” (as defined in the Tax Act), and (D) options in respect of, or an interest in, or for civil law a right in, a property described in (A) to (C), whether or not the property exists. Under the Proposed Amendments released by the Minister of Finance (Canada) on July 12, 2013, the 25% ownership test will apply to shares of the Corporation owned by one or any combination of the Non-Resident Holder, persons with whom the Non-Resident Holder does not deal at arm’s length, and partnerships whose members include, either directly or indirectly through one or more partnerships, the Non-Resident Holder or persons that do not deal at arm’s length with the Non-Resident Holder. Notwithstanding the foregoing, in certain circumstances set out in the Tax Act, the Securities could be deemed to be taxable Canadian property. Non-Resident Holders whose Securities may constitute taxable Canadian property should consult their own tax advisors.

Interest on Escrowed Funds

A Non-Resident Holder will generally not be subject to Canadian withholding tax in respect of amounts paid or credited or deemed to have been paid or credited by the Corporation as, on account of or in lieu of payment of, or in satisfaction of, any such interest on the Escrowed Funds.

Dividend Equivalent Payment

The Dividend Equivalent Payment, if any, will be paid by way of a *pro rata* share of interest earned on the Escrowed Funds. The amount of such interest will be subject to Canadian federal tax considerations described under “*Taxation of Holders Not Resident in Canada – Interest on Escrowed Funds*”. If the amount of this interest is less than the amount of the Dividend Equivalent Payment, the Corporation will pay to the Non-Resident Holder the amount of any shortfall as a partial refund of the subscription price. Such shortfall amount generally will reduce the cost to the Non-Resident Holder of the Common Shares received pursuant to the terms of the Subscription Receipts.

Canadian Withholding Tax

Dividends paid or credited on Common Shares or deemed to be paid or credited on the Common Shares to a Non-Resident Holder will be subject to Canadian withholding tax under the Tax Act at a rate of 25% of the gross amount of the dividend, subject to reduction under the provisions of an applicable income tax treaty or convention.

If there is a Termination Event, the repayment of the subscription price (including any amount paid as or on the account of interest on the Escrowed Funds) to a Non-Resident Holder will not generally be subject to any Canadian withholding tax under the Tax Act.

ELIGIBILITY FOR INVESTMENT

In the opinion of Counsel, based on the provisions of the Tax Act in force on the date hereof, the Subscription Receipts and the Common Shares issuable pursuant to the terms of the Subscription Receipts (collectively, the “**Securities**”) will be a qualified investment under the Tax Act at the time of their acquisition by a trust governed by a registered retirement savings plan (“**RRSP**”), a registered retirement income funds (“**RRIF**”), a registered education savings plan, a registered disability savings plan, a tax-free savings account (“**TFSA**”) and a deferred profit sharing plan, all within the meaning of the Tax Act,

provided that at such time, such Subscription Receipt or Common Share, as the case may be, is listed on a designated stock exchange (which currently includes the TSX).

Notwithstanding that the Securities may be a qualified investment for a trust governed by a TFSA, RRSP or RRIF, the holder of a TFSA or an annuitant of a RRSP or RRIF, as the case may be, will be subject to a penalty tax on such Securities held in the TFSA, RRSP or RRIF, if such Securities are a "prohibited investment" within the meaning of the Tax Act. The Securities will not be a "prohibited investment" if the holder of a TFSA or the annuitant of an RRSP or RRIF, as the case may be, deals at arm's length with the Corporation for purposes of the Tax Act and does not have a "significant interest" (as defined in the Tax Act) in the Corporation. However, Common Shares will not be a "prohibited investment" if the Common Shares are "excluded property" (as defined in the Tax Act) for trusts governed by such RRSP, RRIF or TFSA.

Prospective purchasers who intend to hold Securities in their TFSAs, RRSPs or RRIFs should consult their own tax advisors regarding their particular circumstances.

RISK FACTORS

In addition to the risk factors set forth below, additional risk factors are discussed in the AIF and in the MD&A for the year ended December 31, 2013 filed with the various securities regulatory authorities, which risk factors are incorporated herein by reference. Prospective purchasers of Subscription Receipts should consider carefully the risk factors set forth below as well as other information contained in and incorporated by reference in this Prospectus before purchasing the Subscription Receipts offered hereby.

Possible Failure to Complete the Transaction

The Transaction is subject to normal commercial risks that the Transaction may not be completed on the terms negotiated, or at all. Although it is expected that all of the closing conditions pursuant to the Agreements will be satisfied, there is no certainty that such conditions will be satisfied or waived on a timely basis, or at all. If closing of the Transaction does not take place as contemplated, the Corporation could suffer adverse consequences, including the forfeiture of deposits and/or the loss of investor confidence. In addition, if the Transaction does not take place prior to the occurrence of a Termination Event, the Escrow Agent and the Corporation must repay to holders of Subscription Receipts an amount equal to the issue price thereof plus a *pro rata* share of the interest earned on the Escrowed Funds.

Possible Failure to Realize Anticipated Benefits of the Transaction

As described in "*Special Committee Process and Board Approval – Benefits of the Transaction*", the Corporation believes that the Transaction will provide certain benefits to the Corporation. However, there is a risk that some or all of the expected benefits of the Transaction may fail to materialize, or may not occur within the time periods anticipated by the Corporation. The realization of such benefits may be affected by a number of factors including those disclosed in this Prospectus, many of which are beyond the control of the Corporation.

Potential Undisclosed Liabilities Associated with the Transaction

In connection with the Transaction, there may be liabilities that the Fund or the Subsidiaries of the Fund failed to discover or were unable to quantify in its due diligence, which it conducted prior to the execution of the Agreements, and the Fund and the Subsidiaries of the Fund may not be indemnified for some or all of these liabilities. In addition, Enbridge has not certified that any disclosure in this Prospectus represents full, true and plain disclosure and that the disclosure does not contain a misrepresentation. Enbridge will have no liability to purchasers of Subscription Receipts pursuant to this Offering if the disclosure relating to the Transaction, or the terms of the Agreements contain a misrepresentation.

Lack of Public Market for the Subscription Receipts

This Prospectus qualifies new issues of Subscription Receipts for which there is no existing trading market. While the Corporation intends to list the Subscription Receipts on the TSX, there can be no assurance as to the liquidity of any trading market for the Subscription Receipts or that a trading market for any of the Subscription Receipts will develop. Even if a trading market develops for the Subscription Receipts, those Subscription Receipts could trade at prices that may be higher or lower than their initial offering prices. The market price for the Subscription Receipts may be affected by prevailing interest rates, the Corporation's results of operations and financial position, changes in general market conditions, fluctuations in the market for equity or debt securities and numerous other factors beyond the control of the Corporation.

Risks Related to the Assets

Operational Risk

Pipelines are subject to the customary hazards of the petroleum and natural gas transportation, storage and processing business. The operation of the Alliance Pipeline and Southern Lights Pipeline could be interrupted by apportionment on pipelines or curtailment of services of pipelines, failures of power infrastructure, equipment and information systems, the performance of equipment at levels below those originally intended (whether due to misuse, unexpected degradation, design errors, or construction or manufacturing defects), failure to maintain an adequate inventory of supplies or spare parts, operator error, labour disputes, disputes with owners of interconnected facilities and pipeline carriers and catastrophic events such as natural disasters, fires, explosions, chemical releases, acts of terrorists and saboteurs or other events beyond the Fund's control. Operational failures could also result in liability for damage to property, loss of crude oil or other product, damage to the environment and even loss of life. The occurrence or continuance of any of these events could have a material adverse effect on the Fund's business, financial condition, results of operations and cash flow. Although the cash flows payable on the SL Canada Class A Units and SL US Class A Units will not be impacted by Carrier Negligence, they are subject to shipper default, force majeure and regulatory risks which may impact the timing and/or the amounts payable on the SL Canada Class A Units and SL US Class A Units. Insurance may not be available to mitigate against such events and if available, the proceeds may not be sufficient or may be subject to certain conditions, including the priority of secured lenders and the obligation to rebuild or repair. Further, although the holder of the SL Canada Class B Units and SL US Class B Units is required in certain circumstances to contribute capital to ensure the payment on the SL Canada Class A Units and SL US Class A Units, there is no certainty that the holder of the SL Canada Class B Units and SL US Class B Units will do so or that Enbridge will be able or required to contribute pursuant to its guarantee.

Environmental and Health and Safety Regulations

The Fund is subject to the risk of incurring substantial costs and liabilities under environmental, health and safety laws applicable to Alliance US. Environmental legislation imposes restrictions, liabilities and obligations in connection with the generation, handling, storage, transportation, treatment and disposal of hazardous substances and waste and in connection with noise, spills, releases and emissions of various substances into the environment. Environmental laws also mandate that pipelines, tanks, turbines, installations, facilities and other properties associated with Alliance US will be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Failure to comply with environmental, health and safety laws may result in the assessment of administrative, civil and criminal penalties, liens, the imposition of remedial obligations such as cleanup and site restoration requirements, the revocation or suspension of operating permits and the issuance of orders to limit or cease operations.

Regulatory Regime

The operation of pipelines is subject to extensive regulation by various government departments and regulatory agencies, including environmental and safety standards and regulations. As legal requirements may change, any new law or regulation or changes to existing laws could require additional expenditures to achieve or maintain compliance. The profitability of the Assets will in part be dependent upon the continuation of a favourable regulatory framework. Any changes in the regulatory framework which adversely affects the Assets, including increases in taxes, permit fees or regulatory requirements may adversely affect the cash available for distribution by the Fund, which would affect the resources available to the Corporation to pay or sustain dividends. The failure to operate the Alliance Pipeline and Southern Lights Pipeline in strict compliance with applicable regulations and standards may expose the facilities to claims, penalties, remediation and cleanup costs, suspension or revocation of operating permits or termination of TSAs or other agreements.

TSA Expiry

The majority of the current TSAs on the Alliance Pipeline expire in December 2015. There is no certainty that the NEB and/or FERC will approve the new tolls and tariffs proposed by the Alliance Pipeline or that the new tolls and tariffs will be acceptable to shippers. There is uncertainty whether the pipeline will be fully-contracted or that creditworthiness of the new shippers will be as strong as under the existing TSAs. Alliance Pipeline Inc. will manage credit risk through credit approval and monitoring procedures, however, there can be no assurance that Alliance Pipeline Inc. will adequately assess the creditworthiness, or that there will not be an unanticipated deterioration in the creditworthiness, of any shippers. Any material non-payment or non-performance by such shippers could have a material adverse effect on the business, financial condition, results of operations and cash flow of the Alliance Pipeline.

Competition

Post-2015 Alliance Pipeline will face competition for pipeline transportation services from both existing and proposed pipeline projects or other methods of transportation, which may have greater access to natural gas markets or offer natural gas transportation services that are more desirable to shippers because of location, facilities or other factors. In addition, competitors could charge rates or provide transportation services to locations that result in greater net profit to shippers, with the effect of forcing Alliance Pipeline to realize lower revenues and cash flows. Alliance Pipeline may also face competition from new sources of natural gas, which could provide an alternate source of gas to markets presently serviced by western Canadian gas imports.

Governmental Permits

The operators of the Alliance Pipeline and Southern Lights Pipeline are required to comply with numerous federal, provincial and local laws and regulations and to maintain and comply with numerous regulatory licenses, permits and governmental approvals required for the maintenance and operation of the respective pipelines. Many of the regulatory permits that have been issued in respect of the respective pipelines contain terms, conditions and restrictions, or may have limited terms. A failure to satisfy the terms and conditions or comply with the restrictions imposed under regulatory permits or the restrictions imposed by any statutory or regulatory requirements, may result in regulatory enforcement action, which could adversely affect continued operations, or result in fines, penalties or additional costs, including requirements to suspend or cease operations.

Decommissioning, Abandonment and Reclamation Costs

The costs to comply with all applicable laws regarding the decommissioning, abandonment and reclamation of Alliance Pipeline and Southern Lights Pipeline at the end of their economic life may be substantial. It is not possible to predict these costs with any certainty since they will be a function of regulatory requirements at the time of decommissioning, abandonment and reclamation. Alliance Pipeline is required by the NEB to establish a process to collect abandonment funds starting no later than the 2015 toll year. A requirement to fund one or more decommissioning, abandonment and reclamation reserve funds to provide for payment of future decommissioning, abandonment and reclamation costs, could have a material adverse effect on its business, financial condition, results of operations and cash flow. In addition, such reserve funds, if established, may not be sufficient to satisfy such future decommissioning, abandonment and reclamation costs and Alliance Pipeline will be responsible for the payment of the balance of such costs.

Foreign exchange risk

The Fund's earnings, cash flows and other comprehensive income will be subject to foreign exchange rate variability, primarily arising from its United States dollar denominated investments in Alliance US and the SL US Class A Units. The investments in and cash flows arising from Alliance US and the SL US Class A Units are denominated in U.S. dollars and the functional currency of the Fund is Canadian dollars. Variability in the exchange rate between U.S. and Canadian dollars may affect the earnings, cash flow and asset values of the Fund adversely such that anticipated levels of profitability and cash flow may not be achieved. Although the Fund may enter into hedging transactions to manage foreign exchange risks, there is no certainty that such transactions will be effective and if they are not effective, may cause additional losses.

RELATIONSHIP BETWEEN THE CORPORATION AND CERTAIN UNDERWRITERS

Each of Scotia Capital Inc., RBC Dominion Securities Inc., TD Securities Inc., BMO Nesbitt Burns Inc., CIBC World Markets Inc. and National Bank Financial Inc. is a wholly-owned subsidiary of a Canadian chartered bank which is a lender to the Fund. Consequently, the Corporation may be considered to be a connected issuer of these Underwriters under applicable securities laws in Canada.

As at September 25, 2014, the Fund was indebted to the chartered bank affiliates of these Underwriters in the amount of approximately \$14 million under a \$500 million syndicated three year unsecured revolving facility and related borrowing arrangements. The Fund is in compliance with all material terms of the agreement governing the indebtedness and the lenders have not waived any breaches thereof. Neither the financial position of the Fund nor the value of the security given for the indebtedness has changed substantially since the indebtedness was incurred. The net proceeds received pursuant to this Offering will not be used to reduce the Fund's indebtedness.

The decision to distribute the Subscription Receipts offered hereunder and the determination of the terms of the distribution were made through negotiations primarily between the Corporation and Scotia Capital Inc., RBC Dominion Securities Inc. and TD Securities Inc., on their own behalf and on behalf of each of the other Underwriters.

INTERESTS OF EXPERTS

Certain legal matters in connection with the issuance of the Subscription Receipts will be passed upon on behalf of the Corporation by McCarthy Tétrault LLP, Calgary, Alberta and on behalf of the Underwriters by Dentons Canada LLP, Calgary, Alberta. The partners and associates of each of McCarthy Tétrault LLP and Dentons Canada LLP, respectively, as a group beneficially own, directly or indirectly, less than 1% of the outstanding securities of the Corporation.

In connection with the audit of the Corporation's annual financial statements for the year ended December 31, 2013, PricewaterhouseCoopers LLP confirmed that they are independent within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Alberta.

PURCHASERS' STATUTORY RIGHTS

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus relating to the securities purchased by a purchaser and any amendment thereto. In several of the provinces, securities legislation further provides a purchaser with remedies for rescission or, in some provinces, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revision of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of their province for the particulars of these rights or consult with a legal adviser.

The original purchasers of Subscription Receipts will have a contractual right of rescission against the Corporation following the issuance of Common Shares to such purchasers. See "*Description of Subscription Receipts*".

CERTIFICATE OF ENBRIDGE INCOME FUND HOLDINGS INC.

Dated: October 3, 2014

This short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Canada.

(Signed) "*Perry F. Schuldhaus*"

Perry F. Schuldhaus, President
as Chief Executive Officer

(Signed) "*Colin K. Gruending*"

Colin K. Gruending
Chief Financial Officer

On behalf of the
Board of Directors

(Signed) "*J. Richard Bird*"

J. Richard Bird
Director

(Signed) "*Ernest F.H. Roberts*"

Ernest F.H. Roberts
Director

CERTIFICATE OF THE UNDERWRITERS

Dated: October 3, 2014

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Canada.

SCOTIA CAPITAL INC.

RBC DOMINION SECURITIES INC.

TD SECURITIES INC.

By: (Signed) "*Cameron Goldade*"

By: (Signed) "*Trevor Gardner*"

By: (Signed) "*Harold R. Holloway*"

BMO NESBITT BURNS INC.

CIBC WORLD MARKETS INC.

By: (Signed) "*Aaron M. Engen*"

By: (Signed) "*Kelsen Vallee*"

NATIONAL BANK FINANCIAL INC.

By: (Signed) "*Iain Watson*"

DESJARDINS SECURITIES INC.

By: (Signed) "*A. Thomas Little*"

CANACCORD GENUITY CORP.

FIRSTENERGY CAPITAL CORP.

PETERS & CO. LIMITED

(Signed) "*Steven Winokur*"

(Signed) "*Erik B. Bakke*"

(Signed) "*J.G. (Jeff) Lawson*"