



Shareholder Resolution

Enbridge

Disclosure of risks surrounding the Northern Gateway Pipeline

Be It Resolved That:

The Board of Directors provide a report to shareholders by May 2013 (at reasonable cost and omitting proprietary information) that details how the board has assessed the risks associated with First Nations' opposition to the Northern Gateway Pipeline (Gateway). The report should discuss how First Nations' opposition will factor into the final decision to pursue Gateway. If the project will be pursued regardless of opposition, the report should detail how the company will mitigate the operational, reputational, and legal risks of such opposition.

Whereas:

The company's proposed Gateway pipeline is a \$5 billion project that involves over 80 Aboriginal communities and organizations. Numerous court rulings have reaffirmed that Aboriginal communities must be consulted and accommodated on developments that potentially impact their title and rights, as guaranteed in the Constitution. Gateway faces vocal opposition from several Aboriginal communities who state the project will be detrimental to these rights.

For example:

- The Coastal First Nations have signed a declaration banning crude oil tankers off the coast of Northern BC. (<http://wcel.org/sites/default/files/file-downloads/Coastal%20First%20Nations%20Tanker%20Ban%20Declaration.pdf>)
- The First Nations Summit, representing the majority of First Nation communities in BC, issued a declaration that Gateway must not proceed without the free, prior and informed consent of the affected First Nations. (http://www.fns.bc.ca/pdf/JointPRreFNS_Enbridge_Resolution10_1_10.pdf)
- The Carrier Sekani Tribal Council, whose territory covers over 30% of the proposed pipeline route, has been clear in its opposition to the pipeline. Tribal Chief David Luggi has stated, "...as far as we are concerned, this project is not going ahead. They (Enbridge) are misleading investors that they are achieving certainty. Carrier Sekani First Nations have unequivocally said no to the project, and it is not allowed in our territories." (<http://www.carriersekani.ca/news/cstc-supports-first-nations-against-the-enbridge-pipeline/>)

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The potential risks of moving forward if current levels of opposition continue include:

- Lengthy litigation against the National Energy Board (NEB) process and the project. The Mackenzie Gas Project is an example where First Nations' opposition in Canada has led to extreme delays in project approval.
- Costly delays from protests and blockades during construction. An indefinite halt has been placed on Shell Canada's coalbed methane project in northern BC due to blockades and opposition from the Tahltan First Nation.
- Long-term damage to relationships with Aboriginal communities in these and other jurisdictions. Enbridge is already seeing heightened opposition to other proposals such as its request to reverse the flow of its Line 9 pipeline in Eastern Canada. A high profile conflict linked to Gateway will likely exacerbate future tensions.
- Overall damage to corporate reputation from a protracted dispute with Aboriginal communities.

Currently, Enbridge has communicated to investors that it hopes to gain the approval of affected First Nations, but it has not explained if this approval is required for moving forward with the project (<http://www2.canada.com/topics/news/story.html?id=4769156>). Should the NEB approve Gateway despite First Nations' opposition, the risks facing the project will not diminish. Enbridge has not explained to investors how it will mitigate these risks if the current level of opposition remains.