



NEWS RELEASE

Alberta Saline Aquifer Project awards key contracts to launch carbon sequestration pilot in early 2009

CALGARY, ALBERTA September 22, 2008 – Industry, government, and academic participants in the 35-member Alberta Saline Aquifer Project (ASAP) announced today that five companies have been awarded contracts for the engineering, design and environmental-related work that is needed to support the first phase of ASAP’s initiative to store carbon dioxide in deep underground saline aquifers.

With this work now underway, the project is on track to complete Phase I – the identification of specific aquifer locations and application for permitting – on schedule by the end of 2008. Pending the receipt of regulatory approvals, the ASAP team anticipates that it will begin Phase II – constructing the pilot project and beginning injections of carbon dioxide – in 2009. Phase III will involve expanding the pilot project to a large-scale, long-term commercial operation.

ASAP, spearheaded by Enbridge Inc., is the largest project of its kind in North America, and will play a major role in advancing industry and government’s knowledge of carbon dioxide sequestration. It also clearly demonstrates participants’ commitment to addressing the challenges posed by climate change.

“Carbon sequestration technology has the potential to transform the environmental footprint of our energy economy and is one of the most feasible strategies for Canada to reduce its greenhouse gas emissions,” said Chuck Szmurlo, Vice-President, Alternative and Emerging Technology, Enbridge Inc., and ASAP project leader. “We’re pleased with the progress we’ve made to date in advancing the ASAP initiative. With the beginning of field studies and engineering, we’re a significant step closer to making this project a reality, placing Alberta and the Alberta energy industry in a leadership role in carbon capture and sequestration.”

The contracts awarded to date include:

- Norwest Engineering will identify three potential aquifers in Alberta that will meet ASAP's requirements. ConocoPhillips has donated its Athabasca basin data log to assist with this work.
- Schlumberger Carbon Services will develop a detailed base set of measurement, monitoring and verification (MMV) tools and processes for the project. They will build on the work previously donated by BP Canada to define the design and costs associated with drilling the injection and monitoring wells, which includes high-level reservoir injection simulation.
- Colt WorleyParsons will produce a pre-Front End Engineering Design (FEED) study and cost estimate on the compression and pipeline system that will carry the carbon dioxide in liquid form to the sequestration sites. Colt WorleyParsons will also conduct a preliminary study of any health and safety concerns that may affect the public, wildlife or the environment.
- Hatch Energy will design and prepare a cost estimate for the facilities that ASAP will need at the sequestration sites.
- Oxand Canada will develop risk and mitigation strategies associated with compressing, transporting and sequestering carbon dioxide.

Several companies have also donated their time and expertise toward completing Phase I of the project. Computer Modelling Group will conduct a reservoir injection simulation, and Pinnacle Technologies, along with MDA Corporation, will produce a report with recommendations on a suite of measurement, monitoring and verification approaches.

In addition, the ASAP team has submitted an Expression of Interest to the Government of Alberta's \$2 billion Climate Change Action Plan announced in July 2008. The Alberta Government will award funds from the \$2 billion total to companies or groups involved in accelerating the development of large-scale commercial Carbon Capture & Storage projects in response to climate change.

On July 25, 2008, Natural Resources Canada (NRCAN) asked the ASAP team to submit a full project proposal based on the Expression of Interest that the team had previously submitted for funding in response to the Federal Government's ecoEnergy Technology Initiative. Under the initiative, the Federal Government will invest \$230 million in science and technology to accelerate the development and market readiness of technology solutions for clean energy.

About ASAP:

The Alberta Saline Aquifer Project (ASAP) is an industry initiative being led by Enbridge Inc. to identify deep saline aquifers in Alberta that could be used in a carbon sequestration pilot project. As a true collaborative effort, so far 35 organizations are participating in the first phase of the project.

The ASAP participants are:

Alberta Energy Research Institute (AERI)
ATCO Power Canada Ltd.
Athabasca Oil Sands Corporation

BP Canada Energy Company
Cadence Energy Inc.
Canadian Natural Resources
Chevron Canada Resources
Computer Modelling Group
ConocoPhillips Canada
Devon ARL Corporation
Enbridge Inc.
EnCana
EPCOR
GreatPoint Energy Inc.
Hatch Energy
Laricina Energy Ltd.
MEG Energy Corporation
Norwest Corporation
OPTI Canada Inc.
Pembina Pipeline Corporation
Penn West Energy Trust
Petro-Canada
Praxair Canada Inc.
Quadrise Canada Corporation
SAIT Polytechnic
Schlumberger Carbon Services
Shell Canada Limited
StatoilHydro Canada
Swan Hills Synfuels
Teck Cominco Limited
Terralog Technologies
Total E&P Canada
TransCanada
UTS Energy Corporation
WorleyParsons Canada

For more information about ASAP, please visit www.albertaasap.com.

-- 30 --

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