



**Northern Border
Partners, L.P.**

News
Release 1111 South 103rd Street
Omaha, Nebraska 68124-1000

For Further Information,
Contact:

Public Relations Contact:
Beth Jensen
(402) 398-7806

Investor Relations Contact:
Ellen Konsdorf
(402) 398-7840

**NORTHERN BORDER PARTNERS, L.P. REPORTS SECOND QUARTER
NET INCOME**

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OMAHA – Northern Border Partners, L.P. (NYSE - NBP) today reported second quarter 2001 recurring net income of \$22.9 million or \$0.54 per unit compared to \$18.0 million or \$0.60 per unit last year. The average units outstanding for the quarter increased by 10 million units, which reduced earnings per unit for the quarter compared to last year. Since the beginning of the year, Northern Border Partners has issued approximately \$350 million of new equity, to fund recent acquisitions and position the company for future growth.

Results for the recent quarter included an extraordinary loss of \$1.2 million (\$0.03 per unit), attributable to the restructuring of debt at Black Mesa Pipeline Company. The restructuring is expected to result in net interest savings to the Partnership over the remaining life of the debt. Additionally, the Partnership recorded a charge, net of minority interest, of \$1.2 million (\$0.03 per unit) for an uncollectible receivable from a telecommunications company that had purchased excess capacity on Northern Border Pipeline Company's communications system.

Cash flow, as measured by earnings before interest, taxes, depreciation and amortization (EBITDA), increased to \$77.2 million in second quarter 2001, from \$61.6 million for the second quarter 2000.

"The Partnership's cash flow continues to be strong with a 26 percent increase in EBITDA over last year," said Bill Cordes, chairman and chief executive officer of Northern Border Partners, L.P. "Following the successful closing of two acquisitions during the quarter, our focus is the continued assimilation of our new businesses with our existing operations. Our long term

strategies are on track and our objective is to continue our record of growth in cash flow and distributions to our unitholders.”

Delivered volumes on the Partnership’s interstate pipelines increased during second quarter 2001 to 219,616 million cubic feet (MMcf) from 210,719 MMcf for the second quarter of 2000, primarily due to the acquisition of Midwestern Gas Transmission on April 30, 2001. Average daily gathering volumes increased to 756 million cubic feet per day (MMcf/d) during the second quarter 2001 compared to 496 MMcf/d for the first quarter 2001. This increase was primarily the result of the Partnership’s acquisition of Bear Paw Energy and Border Midstream Services early in the second quarter. Processing volumes, all related to plants acquired since March of this year, were 113 MMcf/d for the second quarter.

The Partnership also announced it is forecasting full year 2001 EBITDA of between \$313 million and \$329 million and recurring earnings of \$2.47 to \$2.52 per unit. For 2002, the Partnership currently expects an increase in EBITDA of approximately \$30 million and recurring earnings of \$2.90 to \$2.95 per unit. Earnings per unit for 2002 include the impact of a change in accounting for goodwill required by the Financial Accounting Standards Board. The change will eliminate the periodic amortization of goodwill, which is projected to be \$16.2 million per year, or \$0.38 per unit.

Northern Border Partners will host an analyst conference call to review second quarter 2001 results on Wednesday, July 25 at 11:00 a.m. ET. Interested parties may listen via the Internet, live or on a replay basis through the partnership’s website at www.northernborderpartners.com.

Northern Border Partners, L.P. owns a 70 percent general partner interest in Northern Border Pipeline Company, a 1,214-mile pipeline system that transports natural gas from the Montana-Saskatchewan border to markets in the Midwestern U. S. Additionally, the Partnership owns the 350-mile long Midwestern Gas Transmission system, which stretches from Portland, Tennessee to Joliet, Illinois. The Partnership also has gathering systems and processing plants in the Powder River, Wind River and Williston Basins in the U.S.; owns and operates processing plants and gathering pipelines in Alberta, Canada; and transports coal-water slurry via a pipeline in the Southwestern U.S. The general partners of NBP are owned by Enron Corp. (NYSE: ENE), one of the world’s leading electricity, natural gas and communications companies and by

Williams (NYSE: WMB), who through its subsidiaries, connects businesses to energy, delivering innovative, reliable products and services.

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This press release includes forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934. Although Northern Border Partners, L.P. believes that its expectations are based on reasonable assumptions, it can give no assurance that such expectations will be achieved. Important factors that could cause actual results to differ materially from those in the forward-looking statements include natural gas development in the Powder River, Wind River and Williston Basins, and the Western Canadian Sedimentary Basin; competitive conditions in the overall natural gas and electricity markets; prices of natural gas and natural gas liquids; construction delays; regulatory actions; and conditions of the capital markets during the periods covered by the forward looking statements.