

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

This prospectus supplement (the “**Prospectus Supplement**”), together with the accompanying short form base shelf prospectus dated May 10, 2012 to which it relates, as amended or supplemented (the “**Prospectus**”), and each document incorporated by reference into this Prospectus Supplement and into the 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. See “Plan of Distribution”.

Neither the Series L Shares nor the Series M Shares (as defined herein) have been or will be registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or any state securities laws. The Series L Shares are being sold only outside the United States to non-U.S. Persons (as those terms are defined under Regulation S under the U.S. Securities Act) and may not be reoffered, resold, pledged or otherwise transferred in the United States or to U.S. Persons. See “Plan of Distribution”.

Information has been incorporated by reference in this Prospectus Supplement 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 Inc. at Suite 3000, 425 - 1st Street, S.W., Calgary, Alberta, Canada, T2P 3L8 (telephone (403) 231-3900) and are also available electronically at [www.sedar.com](http://www.sedar.com).

## PROSPECTUS SUPPLEMENT TO THE SHORT FORM BASE SHELF PROSPECTUS DATED MAY 10, 2012

New Issue

May 15, 2012



**ENBRIDGE INC.**

**US\$400,000,000**

### **16,000,000 Cumulative Redeemable Preference Shares, Series L**

Enbridge Inc. (the “**Corporation**”) is hereby qualifying the distribution (the “**Offering**”) of 16,000,000 cumulative redeemable preference shares, Series L (the “**Series L Shares**”) of the Corporation at a price of US\$25.00 per Series L Share. See “Details of the Offering” and “Plan of Distribution”.

The holders of Series L Shares will be entitled to receive, as and when declared by the board of directors of the Corporation (the “**Board**”) out of moneys of the Corporation properly applicable to the payment of dividends, fixed, cumulative, preferential cash dividends for the initial period from and including the date of issue of the Series L Shares to but excluding September 1, 2017 (the “**Initial Fixed Rate Period**”), at an annual rate of US\$1.00 per Series L Share, payable quarterly on the first day of March, June, September and December in each year (less any tax required to be deducted and withheld by the Corporation). If any such date is not a business day, the dividend will be paid on the next succeeding business day. Assuming an issue date of May 23, 2012, the first dividend, if declared, will be payable September 1, 2012 in the amount of US\$0.2767 per Series L Share.

For every five-year period after the Initial Fixed Rate Period (each a “**Subsequent Fixed Rate Period**”, as defined herein), the holders of Series L Shares shall be entitled to receive, as and when declared by the Board, fixed, cumulative, preferential cash dividends, payable quarterly on the first day of March, June, September and December in each year, in the amount per share equal to the Annual Fixed Dividend Rate (as defined herein) for such Subsequent Fixed Rate Period. The Annual Fixed Dividend Rate for the ensuing Subsequent Fixed Rate Period will be determined by the Corporation on the Fixed Rate Calculation Date (as defined herein) and will be equal to the sum of the United States Government Bond Yield (as defined herein) on the Fixed Rate Calculation Date plus a spread of 3.15%. This spread will remain unchanged over the life of the Series L Shares. See “Details of the Offering”.

The Series L Shares shall not be redeemable prior to September 1, 2017. On September 1, 2017, and on September 1 in every fifth year thereafter, the Corporation may, at its option, upon not less than 30 days and not more than 60 days prior written notice, redeem for cash all or any part of the outstanding Series L Shares by the payment of US\$25.00 per Series L Share plus all accrued and unpaid dividends (less any tax required to be deducted and withheld by the Corporation). See “Details of the Offering”.

### Option to Convert into Series M Shares

The holders of the Series L Shares will have the right to convert all or any of their Series L Shares into cumulative redeemable preference shares, Series M of the Corporation (the “**Series M Shares**”), subject to certain conditions as described herein, on September 1, 2017 and on September 1 in every fifth year thereafter. The holders of the Series M Shares will be entitled to receive, as and when declared by the Board, quarterly floating rate cumulative preferential cash dividends payable on the first day of March, June, September and December in each year (each such quarterly dividend period is referred to as a “**Quarterly Floating Rate Period**”, as defined herein) in the amount per share determined by multiplying the Floating Quarterly Dividend Rate (as defined herein) for such Quarterly Floating Rate Period by US\$25.00 and multiplying that product by a fraction, the numerator of which is the actual number of days in such Quarterly Floating Rate Period and the denominator of which is 365 or 366, depending upon the actual number of days in the applicable year (less any tax required to be deducted and withheld by the Corporation). If any such date is not a business day, the dividend will be paid on the next succeeding business day. The Floating Quarterly Dividend Rate will be the annual rate of interest equal to the sum of the T-Bill Rate (as defined herein) on the applicable Floating Rate Calculation Date (as defined herein) plus a spread of 3.15%. See “Details of the Offering”.

The Series L Shares and Series M Shares are series of shares in the same class. The conversion right entitles holders to elect periodically which of the two series they wish to hold and does not entitle holders to receive a different class or type of securities. Other than the different dividend rights and redemption rights attached thereto, the Series L Shares and Series M Shares are identical in all material respects.

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#### Price: US\$25.00 per Series L Share to initially yield 4.00% per annum

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	Price to the Public	Underwriting Commission <sup>(1)</sup>	Net Proceeds to the Corporation <sup>(2)</sup>
Per Series L Share	US\$25.00	US\$0.75	US\$24.25
<b>Total</b>	<b>US\$400,000,000</b>	<b>US\$12,000,000</b>	<b>US\$388,000,000</b>

- Notes:**
- (1) The Underwriters’ fee for the Series L Shares is US\$0.25 for each share sold to certain institutions by closing of the Offering, and US\$0.75 per share for all other Series L Shares purchased by the Underwriters (as defined herein). The Underwriters’ fee indicated in the table assumes that no Series L Shares are sold to such institutions.
- (2) Before deducting the estimated expenses of the Offering of approximately US\$300,000. The expenses of the Offering will be paid from the general funds of the Corporation.

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

The Corporation has applied to the Toronto Stock Exchange (the “**TSX**”) to list the Series L Shares and Series M Shares described in this Prospectus Supplement. Listing will be subject to the Corporation fulfilling all the listing requirements of the TSX. There can be no assurance that the Series L Shares and Series M Shares will be accepted for listing on the TSX.

It is currently anticipated that the closing date of the Offering (the “**Offering Closing Date**”) will be on or about May 23, 2012, or such later date as the Corporation and the Underwriters may agree but in any event not later than May 31, 2012. See “Details of the Offering”.

The terms of the Offering were determined by negotiations between the Corporation and Scotia Capital Inc., RBC Dominion Securities Inc., TD Securities Inc., CIBC World Markets Inc., BMO Nesbitt Burns Inc., National Bank Financial Inc., HSBC Securities (Canada) Inc. and Desjardins Securities Inc. (collectively, the “**Underwriters**”).

The Underwriters, as principals, conditionally offer the Series L Shares, subject to prior sale, if, as and when issued by the Corporation to, and accepted by, the Underwriters in accordance with the conditions contained in the Underwriting Agreement referred to under “Plan of Distribution”, and subject to the approval of certain legal matters relating to the Offering on behalf of the Corporation by McCarthy Tétraut LLP and on behalf of the Underwriters by Fraser Milner Casgrain LLP.

Subscriptions for Series L Shares will be received subject to rejection or allotment in whole or in part and the Underwriters reserve the right to close the subscription books at any time without notice. Book-entry only certificates representing the Series L Shares will be issued in registered form to CDS Clearing and Depository Services Inc. (“**CDS**”) or its nominee and will be deposited with CDS on the Offering Closing Date. A purchaser of Series L Shares will receive only a customer confirmation from a registered dealer which is a CDS participant and from or through which the Series L Shares are purchased. See “Depository Services”.

Subject to applicable laws, the Underwriters may, in connection with the Offering, over-allot or effect transactions which stabilize or maintain the market price of the Series L Shares at levels other than those which might otherwise prevail on the open market. **The**

**Underwriters propose to offer the Series L Shares initially at the offering price specified above. After a reasonable effort has been made to sell all of the Series L Shares at the price specified, the Underwriters may reduce the selling price to investors from time to time in order to sell any of the Series L Shares remaining unsold. Any such reduction will not affect the proceeds received by the Corporation. See “Plan of Distribution”.**

In the opinion of counsel, the Series L Shares and the Series M Shares, if issued on the date hereof, generally would be qualified investments under the *Income Tax Act* (Canada) (the “**Tax Act**”) for certain tax-exempt trusts. See “Eligibility for Investment”.

**Investing in the Series L Shares involves certain risks. See “Risk Factors” in the accompanying Prospectus and in this Prospectus Supplement.**

**Each of Scotia Capital Inc., RBC Dominion Securities Inc., TD Securities Inc., CIBC World Markets Inc., BMO Nesbitt Burns Inc., National Bank Financial Inc., HSBC Securities (Canada) Inc. and Desjardins Securities Inc. is, directly or indirectly, a subsidiary or an affiliate of a lender which is one of the lenders to the Corporation or its subsidiaries and to which the Corporation or its subsidiaries is currently indebted. Consequently, the Corporation may be considered a connected issuer of such Underwriters for the purposes of securities regulations in certain provinces of Canada. The net proceeds from this Offering may be used to reduce the Corporation’s indebtedness to such lenders. See “Relationship Between the Corporation’s Lenders and the Underwriters” and “Use of Proceeds”.**

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## **IMPORTANT NOTICE ABOUT INFORMATION IN THIS PROSPECTUS SUPPLEMENT AND THE ACCOMPANYING PROSPECTUS**

This document is in two parts. The first part is this Prospectus Supplement, which describes the specific terms of the securities the Corporation is offering and also adds to and updates certain information contained in the Prospectus and the documents incorporated by reference therein. The second part, the Prospectus, gives more general information, some of which may not apply to the Series L Shares offered hereunder. Defined terms used in this Prospectus Supplement that are not defined herein have the meanings ascribed thereto in the Prospectus.

You should rely only on the information contained in or incorporated by reference into this Prospectus Supplement and the Prospectus. The Corporation has not, and the Underwriters have not, authorized anyone to provide you with different or additional information. The Corporation is not, and the Underwriters are not, making an offer to sell the Series L Shares in any jurisdiction where the offer or sale is not permitted. You should not assume that the information appearing in this Prospectus Supplement or the Prospectus, or any documents incorporated by reference herein or therein, is accurate as of any date other than the date on the front of those documents as the Corporation's business, operating results, financial condition and prospects may have changed since that date.

In this Prospectus Supplement, unless otherwise specified or the context otherwise requires, all dollar amounts are expressed in Canadian dollars. References to "dollars" or "\$" are to lawful currency of Canada. References to "US Dollars" or "US\$" are to lawful currency of the United States of America.

### **DOCUMENTS INCORPORATED BY REFERENCE**

This Prospectus Supplement is incorporated by reference into the Prospectus as of the date hereof and only for the purposes of the distribution of the Series L Shares offered hereby. Other documents are also incorporated or deemed to be incorporated by reference into the Prospectus and reference should be made to the Prospectus for full details. See "Documents Incorporated by Reference" in the Prospectus. As of the date hereof, the following documents filed with the securities commissions or similar authorities in each of the provinces of Canada are specifically incorporated by reference into and form an integral part of this Prospectus Supplement and the Prospectus.

- (a) consolidated comparative financial statements of the Corporation for the years ended December 31, 2011 and 2010 and the auditors' report thereon, prepared in accordance with Canadian GAAP;
- (b) management's discussion and analysis of financial condition and results of operations, for the year ended December 31, 2011, prepared in accordance with Canadian GAAP;
- (c) consolidated comparative financial statements of the Corporation for the years ended December 31, 2011 and 2010 and the auditors' report thereon, prepared in accordance with U.S. GAAP;
- (d) consolidated comparative interim unaudited financial statements of the Corporation for the three month period ended March 31, 2012, prepared in accordance with U.S. GAAP;
- (e) management's discussion and analysis of financial condition and results of operations for the three month period ended March 31, 2012, prepared in accordance with U.S. GAAP;
- (f) management information circular of the Corporation dated March 2, 2012 relating to the annual meeting of shareholders held on May 9, 2012;
- (g) annual information form of the Corporation dated February 21, 2012 for the year ended December 31, 2011 (the "AIF"); and
- (h) material change report dated February 27, 2012 with respect to the retirement of Patrick D. Daniel as President & Chief Executive Officer of the Corporation on or before December 31, 2012.

Any documents of the type referred to above, any interim financial statements and related management's discussion and analysis, any material change reports (except confidential material change reports), business acquisition reports and any exhibits to interim unaudited financial statements which contain updated earnings coverage calculations filed by the Corporation with the various securities commissions or similar authorities in Canada after the date of this Prospectus Supplement and prior to the completion or termination of the Offering shall be deemed to be incorporated by reference into this Prospectus Supplement. These documents are available through the internet on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") which can be accessed at [www.sedar.com](http://www.sedar.com).

Upon a new annual information form and the related annual financial statements and management's discussion and analysis being filed by the Corporation with and, where required, accepted by the applicable securities regulatory authorities during the term of the Prospectus, any previous annual information form, any previous annual financial statements, all interim financial statements and accompanying management's discussion and analysis, any material change reports and any business acquisition reports filed by the Corporation prior to the commencement of the financial year of the Corporation in respect of which the new annual information form is filed shall be deemed no longer to be incorporated into the Prospectus for purposes of future offers and sales of securities hereunder. Upon interim financial statements and the accompanying management's discussion and analysis being filed by the Corporation with the applicable securities regulatory authorities during the term of the Prospectus, all interim financial statements and the accompanying management's discussion and analysis filed prior to the new interim financial statements shall be deemed no longer to be incorporated into the Prospectus for purposes of future offers and sales of securities hereunder, and upon a new management information circular relating to an annual meeting of shareholders of the Corporation being filed by the Corporation with the applicable securities regulatory authorities during the term of the Prospectus, any management information circular for a previous annual meeting of shareholders shall be deemed no longer to be incorporated by reference into the Prospectus for purposes of future offers and sales of securities hereunder.

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

Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of Enbridge Inc., Suite 3000, 425 - 1st Street S.W., Calgary, Alberta, T2P 3L8 (telephone (403) 231-3900).

#### **SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS**

The Prospectus and this Prospectus Supplement, including documents incorporated by reference into the Prospectus and this Prospectus Supplement, contain both historical and forward-looking statements within the meaning of Section 27A of the U.S. Securities Act and Section 21E of the U.S. Exchange Act. This information has been included to provide readers with information about the Corporation and its subsidiaries, including management's assessment of the Corporation and its subsidiaries' future plans and operations. This information may not be appropriate for other purposes. Forward-looking statements are typically identified by words such as "anticipate", "expect", "project", "estimate", "forecast", "plan", "intend", "target", "believe" and similar words suggesting future outcomes or statements regarding an outlook. Forward-looking information or statements included or incorporated by reference in the Prospectus and this Prospectus Supplement include, but are not limited to, statements with respect to: expected earnings or adjusted earnings; expected earnings or adjusted earnings per share; expected future cash flows; expected costs related to projects under construction; expected in-service dates for projects under construction; expected capital expenditures; estimated future dividends; and expected costs related to leak remediation and potential insurance recoveries.

Although the Corporation believes that these forward-looking statements are reasonable based on the information available on the date such statements are made and processes used to prepare the information, such statements are not guarantees of future performance and readers are cautioned against placing undue reliance on forward-looking statements. By their nature, these statements involve a variety of assumptions, known and unknown risks and uncertainties and other factors, which may cause actual results, levels of activity and achievements to differ materially from those expressed or implied by such statements. Material assumptions include assumptions about:

- the expected supply and demand for crude oil, natural gas and natural gas liquids;
- prices of crude oil, natural gas and natural gas liquids;
- expected exchange rates, inflation and interest rates;
- the availability and price of labour and pipeline construction materials;
- operational reliability;
- customer project approvals;
- maintenance of support and regulatory approvals for the Corporation's projects;
- anticipated in-service dates; and
- weather.

Assumptions regarding the expected supply and demand of crude oil, natural gas and natural gas liquids, and the prices of these commodities, are material to and underlie all forward-looking statements. These factors are relevant to all forward-looking statements as they may impact current and future levels of demand for the Corporation's services. Similarly, exchange rates, inflation and interest rates impact the economies and business environments in which the Corporation operates, may impact levels of demand for the Corporation'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 or adjusted earnings and associated per share amounts, or estimated future 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 and foreign exchange rates on labour and material costs;
- the effects of interest rates on borrowing costs; and
- the impact of weather and customer and regulatory approvals on construction schedules.

The Corporation's forward-looking statements are subject to risks and uncertainties pertaining to operating performance, regulatory parameters, project approval and support, weather, economic and competitive conditions, exchange rates, interest rates, commodity prices and supply and demand for commodities, including but not limited to those risks and uncertainties discussed in the Prospectus and this Prospectus Supplement and in documents incorporated by reference into the Prospectus and this Prospectus Supplement. The impact of any one risk, uncertainty or factor on a particular forward-looking statement is not determinable with certainty as these are interdependent and the Corporation's future course of action depends on management's assessment of all information available at the relevant time. Except to the extent required by law, the Corporation assumes no obligation to publicly update or revise any forward-looking statements made in the Prospectus and this Prospectus Supplement 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 persons acting on the Corporation's behalf, are expressly qualified in their entirety by these cautionary statements.

#### **USE OF PROCEEDS**

The net proceeds to the Corporation from the Offering will be approximately US\$387,700,000, after deducting US\$12,000,000 in underwriting commission and US\$300,000 in estimated expenses of the Offering and assuming no Series L Shares are sold to certain institutions as described under "Plan of Distribution".

The net proceeds of the Offering will be used to partially fund capital projects and to reduce short term indebtedness of the Corporation and its affiliates, which short term indebtedness was used to fund the Corporation's capital program, and for other general corporate purposes. The Corporation may invest funds that it does not immediately require in short term marketable debt securities.

#### **CHANGES IN CONSOLIDATED CAPITALIZATION**

Other than the effect of changes in foreign currency exchange rates on United States dollar denominated loans and the issuance by the Corporation of 8,000,000 cumulative redeemable preference shares, series J (the "**Series J Shares**") for aggregate consideration of US\$200,000,000 on April 19, 2012, there have been no material changes in the share and loan capital of the Corporation on a consolidated basis from March 31, 2012 to the date of this Prospectus Supplement. After giving effect to the Offering, the shareholders' equity of the Corporation will increase by the amount of the net proceeds of the Offering and the issued and outstanding Series L Shares will increase by 16,000,000 shares. After giving effect to the Offering and the use of proceeds as discussed herein, assuming such funds are initially used to pay down short term indebtedness, the short term indebtedness of the Corporation will be reduced by approximately US\$387,700,000 (assuming no institutional sales of Series L Shares).

#### **TRADING PRICE AND VOLUME**

The common shares ("**Common Shares**") in the capital of the Corporation are listed for trading on the TSX and the New York Stock Exchange ("**NYSE**") under the symbol "ENB". The Corporation's cumulative redeemable preference shares, series A (the "**Series A Shares**") are listed on the TSX under the symbol "ENB.PR.A", the Corporation's cumulative redeemable preference shares, series B (the "**Series B Shares**") are listed on the TSX under the symbol "ENB.PR.B", the Corporation's cumulative redeemable preference shares, series D (the "**Series D Shares**") are listed on the TSX under the symbol "ENB.PR.D", the Corporation's cumulative redeemable preference shares, Series F (the "**Series F Shares**") are listed on the TSX under the symbol "ENB.PR.F", the Corporation's cumulative redeemable preference shares, series H (the "**Series H Shares**") are listed on the TSX under the symbol "ENB.PR.H" and the Series J Shares are listed on the TSX under the symbol "ENB.PR.U". The following table shows the monthly range of high and low prices and the total monthly volumes of Common Shares, on the TSX and NYSE, and the Series A Shares,

Series B Shares, Series D Shares, Series F Shares, Series H Shares and Series J Shares, on the TSX for the periods indicated. For additional trading information, see “Market for Securities” in the Prospectus.

### Common Shares

<u>Period</u>	<u>TSX</u>		
	<u>Common Share Price (\$) High</u>	<u>Common Share Price (\$) Low</u>	<u>Volume</u>
<b>2011</b>			
April <sup>(1)</sup> .....	31.22	29.38	25,152,742
May <sup>(1)</sup> .....	32.63	29.79	30,675,681
June.....	32.74	29.95	28,169,246
July .....	31.97	30.51	17,111,408
August .....	32.50	28.27	50,366,340
September.....	33.71	30.76	36,820,600
October .....	35.50	31.52	35,205,082
November .....	36.89	34.07	35,712,154
December.....	38.17	34.72	46,223,005
<b>2012</b>			
January.....	38.46	35.39	30,003,231
February .....	39.25	37.53	40,027,892
March.....	39.10	36.47	39,352,645
April .....	41.40	38.34	21,947,546
May (1-14).....	41.50	39.22	11,378,882

**Note:**

(1) After giving effect to the 2 for 1 Common Share split by the Corporation in May 2011.

<u>Period</u>	<u>NYSE</u>		
	<u>Common Share Price (US\$) High</u>	<u>Common Share Price (US\$) Low</u>	<u>Volume</u>
<b>2011</b>			
April <sup>(1)</sup> .....	33.04	30.54	4,607,202
May <sup>(1)</sup> .....	33.65	30.72	7,341,466
June.....	33.71	30.55	6,918,774
July .....	33.58	32.00	3,791,544
August .....	33.50	28.50	6,947,276
September .....	33.49	29.92	5,836,171
October .....	35.70	29.73	6,223,635
November .....	36.04	33.16	5,388,234
December.....	37.46	34.27	4,708,330
<b>2012</b>			
January.....	38.04	34.43	3,519,996
February .....	39.41	37.61	3,520,312
March .....	39.28	36.83	4,006,348
April.....	41.90	38.25	3,006,961
May (1-14).....	42.05	39.03	1,850,469

**Note:**

(1) After giving effect to the 2 for 1 Common Share split by the Corporation in May 2011.



## Series A Shares

<u>Period</u>	TSX		<u>Volume</u>
	<u>Series A Shares Price (\$) High</u>	<u>Series A Shares Price (\$) Low</u>	
<b>2011</b>			
April.....	25.45	25.01	59,946
May.....	25.39	25.01	78,073
June.....	25.50	25.10	98,360
July.....	25.49	25.25	56,783
August.....	25.72	25.02	84,049
September.....	25.72	25.25	92,856
October.....	25.97	25.10	50,014
November.....	26.00	25.46	55,719
December.....	26.48	25.61	35,023
<b>2012</b>			
January.....	26.59	26.24	41,233
February.....	26.65	25.77	56,169
March.....	26.35	25.65	45,940
April.....	26.27	25.84	24,634
May (1-14).....	26.01	25.45	58,616

## Series B Shares

<u>Period<sup>(1)</sup></u>	TSX		<u>Volume</u>
	<u>Series B Shares Price (\$) High</u>	<u>Series B Shares Price (\$) Low</u>	
<b>2011</b>			
September.....	25.25	25.15	978,815
October.....	25.74	25.05	1,491,126
November.....	25.87	25.20	1,222,459
December.....	25.95	25.42	163,269
<b>2012</b>			
January.....	26.38	25.35	644,584
February.....	26.30	25.20	282,790
March.....	25.84	25.07	408,710
April.....	25.99	25.30	262,295
May (1-14).....	25.97	25.45	101,752

**Note:**

(1) The Series B Shares commenced trading on the TSX on September 30, 2011.

## Series D Shares

<u>Period<sup>(1)</sup></u>	TSX		<u>Volume</u>
	<u>Series D Shares Price (\$) High</u>	<u>Series D Shares Price (\$) Low</u>	
<b>2011</b>			
November.....	25.20	25.05	2,382,430
December.....	25.70	25.08	1,141,372

<u>Period</u> <sup>(1)</sup>	TSX		Volume
	Series D Shares Price (\$) High	Series D Shares Price (\$) Low	
<b>2012</b>			
January.....	25.67	25.00	1,691,733
February .....	25.80	25.18	364,992
March.....	25.74	25.00	654,547
April.....	26.05	25.30	392,391
May (1-14) .....	25.93	25.40	159,048

**Note:**

(1) The Series D Shares commenced trading on the TSX on November 23, 2011.

**Series F Shares**

<u>Period</u> <sup>(1)</sup>	TSX		Volume
	Series F Shares Price (\$) High	Series F Shares Price (\$) Low	
<b>2012</b>			
January .....	25.43	25.00	2,557,245
February .....	25.54	25.30	970,229
March.....	25.64	25.30	933,031
April.....	25.95	25.40	489,995
May (1-14) .....	25.97	25.35	172,397

**Note:**

(1) The Series F Shares commenced trading on the TSX on January 18, 2012.

**Series H Shares**

<u>Period</u> <sup>(1)</sup>	TSX		Volume
	Series H Shares Price (\$) High	Series H Shares Price (\$) Low	
<b>2012</b>			
March .....	25.04	24.80	1,202,888
April.....	25.53	25.00	1,622,660
May (1-14).....	25.60	25.31	331,121

**Note:**

(1) The Series H Shares commenced trading on the TSX on March 29, 2012.

**Series J Shares**

<u>Period</u> <sup>(1)</sup>	TSX		Volume
	Series J Shares Price (US\$) High	Series J Shares Price (US\$) Low	
<b>2012</b>			
April (19-30).....	25.79	25.33	1,852,821
May (1-14) .....	25.78	25.06	428,900

**Note:**

(1) The Series J Shares commenced trading on the TSX on April 19, 2012.

## DETAILS OF THE OFFERING

The following is a summary of the principal rights, privileges, restrictions and conditions attaching to the preference shares of the Corporation as a class and to be attached to the Series L Shares and Series M Shares. The Corporation will furnish on request a copy of the text of the provisions attaching to the preference shares as a class and the Series L Shares and Series M Shares, each as a series and such provisions will also be available on SEDAR at [www.sedar.com](http://www.sedar.com).

### Definition of Terms

The following definitions are relevant to the Series L Shares and the Series M Shares, as applicable.

“Annual Fixed Dividend Rate” means, for any Subsequent Fixed Rate Period, the annual rate of interest equal to the sum of the United States Government Bond Yield on the applicable Fixed Rate Calculation Date and 3.15%.

“Dividend Payment Date” means the first day of March, June, September and December in each year, or if such date is not a business day, the next succeeding business day.

“Fixed Rate Calculation Date” means, for any Subsequent Fixed Rate Period, the 30<sup>th</sup> day prior to the first day of such Subsequent Fixed Rate Period.

“Floating Quarterly Dividend Rate” means, for any Quarterly Floating Rate Period, the annual rate of interest equal to the sum of the T-Bill Rate on the applicable Floating Rate Calculation Date and 3.15%.

“Floating Rate Calculation Date” means, for any Quarterly Floating Rate Period, the 30<sup>th</sup> day prior to the first day of such Quarterly Floating Rate Period.

“Initial Fixed Rate Period” means the period from and including the date of issue of the Series L Shares to but excluding September 1, 2017.

“Quarterly Commencement Date” means the first day of March, June, September and December in each year, commencing September 1, 2017.

“Quarterly Floating Rate Period” means the period from and including a Quarterly Commencement Date to but excluding the next succeeding Quarterly Commencement Date.

“Series L Conversion Date” means September 1, 2017, and September 1, in every fifth year thereafter.

“Series M Conversion Date” means September 1, 2022, and September 1, in every fifth year thereafter.

“Subsequent Fixed Rate Period” means, for the initial Subsequent Fixed Rate Period, the period from and including September 1, 2017 to but excluding September 1, 2022, and for each succeeding Subsequent Fixed Rate Period means the period from and including the day immediately following the last day of the immediately preceding Subsequent Fixed Rate Period to but excluding September 1, in the fifth year thereafter.

“T-Bill Rate” means, for any Quarterly Floating Rate Period, the average yield expressed as an annual rate on three month United States Government treasury bills, as reported by the United States Treasury, for the most recent treasury bills auction preceding the applicable Floating Rate Calculation Date.

“United States Government Bond Yield” on any date means the yield to maturity on such date (assuming semi-annual compounding) of a United States dollar denominated non-callable United States Treasury bond with a term to maturity of five years as quoted as of 10:00 a.m. (Toronto time) on such date and that appears on the Bloomberg Screen USGG5YR <Index> Page on such date; provided that if such rate does not appear on the Bloomberg Screen USGG5YR <Index> Page on such date, then the United States Government Bond Yield shall mean the arithmetic average of the yields quoted to the Corporation by two registered investment dealers selected by the Corporation as being the annual yield to maturity on such date, compounded semi-annually, that a non-callable United States Government bond would carry if issued, in United States dollars, at 100% of its principal amount on such date with a term to maturity of five years.

## Certain Provisions of the Preference Shares as a Class

The Corporation is authorized to issue an unlimited number of preference shares without nominal or par value, issuable in series and, with respect to each series, the Board shall fix the number of shares comprising the series and determine the designation, rights, privileges, restrictions and conditions attaching to the shares of the series, subject to certain limitations.

The preference shares of each series shall rank on parity with the preference shares of every other series with respect to priority in the payment of dividends and with respect to priority on the return of capital or any other distribution of assets of the Corporation in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary (a “**liquidation distribution**”).

The preference shares of each series shall be entitled to preferences over the Common Shares and any other shares of the Corporation (together, the “**junior shares**”) that may rank junior to the preference shares with respect to priority in the payment of dividends and with respect to priority on a liquidation distribution. Subject to certain limitations, the Board may give the preference shares of any series such other preferences over the junior shares as the Board sees fit.

The holders of preference shares of a series shall not be entitled to receive notice of or to attend or vote at meetings of the shareholders of the Corporation except as required by law. At any meeting of the holders of the preference shares as a class or at any joint meeting of the holders of two or more series of the preference shares, each holder of preference shares entitled to vote thereat shall have on a poll one one-hundredth of a vote in respect of each dollar of the issue price of each share held, and the formalities to be observed with respect to the giving of notice of any such meeting, the quorum therefor and the conduct thereof shall *mutatis mutandis* be those then prescribed by the Corporation’s by-laws or standing Board resolutions with respect to meetings of shareholders.

## Certain Provisions of the Series L Shares

### *Issue Price*

The Series L Shares will have an issue price of US\$25.00 per share.

### *Dividends on Series L Shares*

During the Initial Fixed Rate Period, the holders of the Series L Shares shall be entitled to receive and the Corporation shall pay, as and when declared by the Board, out of the moneys of the Corporation properly applicable to the payment of dividends, fixed cumulative preferential cash dividends at an annual rate of US\$1.00 per share, payable quarterly on each Dividend Payment Date in each year (less any tax required to be deducted and withheld by the Corporation). The first dividend, if declared, shall be payable on September 1, 2012, and, notwithstanding the foregoing, shall be in the amount of US\$0.2767 per share, being the amount that is determined by multiplying US\$1.00 by the number of days in the period from and including the anticipated date of issue of the Series L Shares of May 23, 2012, to but excluding September 1, 2012, and dividing that product by 365 (less any tax required to be deducted and withheld by the Corporation).

During each Subsequent Fixed Rate Period, the holders of the Series L Shares shall be entitled to receive and the Corporation shall pay, as and when declared by the Board, out of the moneys of the Corporation properly applicable to the payment of dividends, fixed cumulative preferential cash dividends, payable quarterly on each Dividend Payment Date, in the amount per share equal to the Annual Fixed Dividend Rate for such Subsequent Fixed Rate Period.

On each Fixed Rate Calculation Date, the Corporation shall determine the Annual Fixed Dividend Rate for the ensuing Subsequent Fixed Rate Period. The Corporation shall, on each Fixed Rate Calculation Date, give written notice of the Annual Fixed Dividend Rate for the ensuing Subsequent Fixed Rate Period to the registered holders of the then outstanding Series L Shares.

### *Redemption of Series L Shares*

The Series L Shares shall not be redeemable prior to September 1, 2017. Subject to the provisions described under “Certain Provisions of the Series L Shares - Restrictions on Payments and Reductions of Capital”, on September 1, 2017 and on September 1 in every fifth year thereafter, the Corporation may, at its option, redeem all or any part of the Series L Shares by the payment of an amount in cash for each share to be redeemed equal to US\$25.00 plus all accrued and unpaid dividends thereon to but excluding the date fixed for redemption (less any tax required to be deducted and withheld by the Corporation). Should any such date not be a business day, the redemption date will be the next succeeding business day.

Notice of any redemption of Series L Shares will be given by the Corporation not more than 60 days and not less than 30 days prior to the date fixed for redemption. If less than all of the outstanding Series L Shares are at any time to be redeemed, the shares so

to be redeemed shall be selected by lot in such manner as the Board or the transfer agent, if any, appointed by the Corporation in respect of such shares shall decide, or, if the Board so decides, such shares may be redeemed pro rata (disregarding fractions).

If the Corporation gives notice to the holders of the Series L Shares of the redemption of all of the Series L Shares, the right of a holder of Series L Shares to convert such Series L Shares shall terminate and the Corporation shall not be required to give notice to the registered holders of the Series L Shares of an Annual Fixed Dividend Rate, a Floating Quarterly Dividend Rate or the conversion right of holders of Series L Shares.

#### *Conversion of Series L Shares into Series M Shares*

The Series L Shares shall not be convertible prior to September 1, 2017. Holders of Series L Shares shall have the right to elect to convert on each Series L Conversion Date, subject to restrictions on conversion described below, all or any of their Series L Shares into Series M Shares on the basis of one Series M Share for each Series L Share. Notice of a holder's intention to convert Series L Shares must be received by the transfer agent and registrar for the Series L Shares at its principal office in Toronto or Calgary not earlier than the 30<sup>th</sup> day prior to, but not later than 5:00 p.m. (Toronto time) on the 15<sup>th</sup> day preceding, a Series L Conversion Date. Once received by the transfer agent and registrar on behalf of the Corporation, the election of a holder to convert is irrevocable.

The Corporation shall, not more than 60 days and not less than 30 days prior to the applicable Series L Conversion Date, give notice to the then registered holders of the Series L Shares of the conversion right. On the 30<sup>th</sup> day prior to each Series L Conversion Date, the Corporation shall give notice to the then registered holders of the Series L Shares of the Annual Fixed Dividend Rate for the Series L Shares for the next succeeding Subsequent Fixed Rate Period and the Floating Quarterly Dividend Rate for the Series M Shares for the next succeeding Quarterly Floating Rate Period.

#### *Automatic Conversion*

Holders of Series L Shares shall not be entitled to convert their shares into Series M Shares if the Corporation determines that there would remain outstanding on a Series L Conversion Date less than 1,000,000 Series M Shares, after having taken into account all Series L Shares tendered for conversion into Series M Shares and all Series M Shares tendered for conversion into Series L Shares. Furthermore, if the Corporation determines that there would remain outstanding on a Series L Conversion Date less than 1,000,000 Series L Shares, after having taken into account all Series L Shares tendered for conversion into Series M Shares and all Series M Shares tendered for conversion into Series L Shares, then all of the remaining outstanding Series L Shares shall be converted automatically into Series M Shares on the basis of one Series M Share for each Series L Share on the applicable Series L Conversion Date.

The Corporation reserves the right not to deliver Series M Shares to any person that the Corporation or its transfer agent has reason to believe is a person whose address is in, or that the Corporation or its transfer agent has reason to believe is a resident of, any jurisdiction outside Canada if such delivery would require the Corporation to take any action to comply with the securities laws of such jurisdiction.

The Series L Shares and Series M Shares are series of shares in the same class. The conversion right entitles holders to elect periodically which of the two series they wish to hold and does not entitle holders to receive a different class or type of securities. Other than the different dividend rights and redemption rights attached thereto, the Series L Shares and Series M Shares are identical in all material respects.

#### *Purchase for Cancellation*

Subject to the provisions described under "Certain Provisions of the Series L Shares - Restrictions on Payments and Reductions of Capital", the Corporation may from time to time purchase for cancellation all or any part of the Series L Shares at any price by tender to all holders of Series L Shares or through the facilities of any stock exchange on which the Series L Shares are listed, or in any other manner, provided that in the case of a purchase in any other manner the price for such Series L Shares so purchased for cancellation shall not exceed the highest price offered for a board lot of Series L Shares on any stock exchange on which such shares are listed on the date of purchase for cancellation, plus costs of purchase.

#### *Rights on Liquidation*

In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs, the holders of the Series L Shares shall be entitled to receive US\$25.00 per Series L Share together with all accrued and unpaid dividends thereon (less any tax required to be deducted and withheld by the Corporation) before any amount shall be paid or any property or assets of the Corporation shall be distributed to the holders of the junior shares. After payment to the holders of the Series L Shares of the amount so payable to them, they shall not, as such, be entitled to share in any further distribution of the property or assets of the Corporation.

### *Restrictions on Payments and Reductions of Capital*

So long as any Series L Shares are outstanding, the Corporation shall not:

- (a) call for redemption, purchase, reduce stated capital maintained by the Corporation or otherwise pay off less than all of the Series L Shares and all other preference shares of the Corporation then outstanding ranking prior to or on parity with the Series L Shares with respect to payment of dividends;
- (b) declare, pay or set apart for payment any dividends (other than stock dividends in shares of the Corporation ranking junior to the Series L Shares) on the Common Shares or any other shares ranking junior to the Series L Shares with respect to payment of dividends; or
- (c) call for redemption of, purchase, reduce stated capital maintained by the Corporation or otherwise pay for any shares of the Corporation ranking junior to the Series L Shares with respect to repayment of capital or with respect to payment of dividends,

unless all dividends up to and including the dividends payable on the last preceding dividend payment dates on the Series L Shares and on all other preference shares then outstanding ranking prior to or on a parity with the Series L Shares with respect to payment of dividends shall have been declared and paid or set apart for payment at the date of any such action.

### *Voting Rights*

The holders of Series L Shares shall not be entitled to receive notice of or to attend or vote at meetings of the shareholders of the Corporation, except as required by law. At any meeting of the holders of the preference shares as a class or at any joint meeting of the holders of two or more series of the preference shares, each holder of preference shares entitled to vote thereat shall have on a poll one one-hundredth of a vote in respect of each dollar of the issue price of each shareholder.

### *Tax Election*

The Series L Shares will be “taxable preferred shares” as defined in the Tax Act for purposes of the tax under Part IV.1 of the Tax Act applicable to certain corporate holders of the Series L Shares. The terms of the Series L Shares require the Corporation to make the necessary election under Part VI.1 of the Tax Act so that such corporate holders will not be subject to the tax under Part IV.1 of the Tax Act on dividends received (or deemed to be received) on the Series L Shares. See “Certain Canadian Federal Income Tax Considerations — Dividends”.

### *Business Day*

If any day on which any dividend on the Series L Shares is payable by the Corporation or on or by which any other action is required to be taken by the Corporation is not a business day, then such dividend shall be payable and such other action may be taken on or by the next succeeding day that is a business day. For the purposes hereof, “business day” shall mean a day on which banks are generally open for business in each of Calgary, Alberta, Toronto, Ontario and the United States of America.

## **Certain Provisions of the Series M Shares**

### *Issue Price*

The Series M Shares will be issuable only upon conversion of Series L Shares and will have an ascribed issue price of US\$25.00 per share.

### *Dividends on Series M Shares*

During each Quarterly Floating Rate Period, the holders of the Series M Shares shall be entitled to receive and the Corporation shall pay, as and when declared by the Board, out of the moneys of the Corporation properly applicable to the payment of dividends, cumulative preferential cash dividends, payable on each Dividend Payment Date, in the amount per share determined by multiplying the Floating Quarterly Dividend Rate for such Quarterly Floating Rate Period by US\$25.00 and multiplying that product by a fraction, the numerator of which is the actual number of days in such Quarterly Floating Rate Period and the denominator of which is 365 or 366, depending upon the actual number of days in the applicable year (less any tax required to be deducted and withheld by the Corporation).

On each Floating Rate Calculation Date, the Corporation shall determine the Floating Quarterly Dividend Rate for the ensuing Quarterly Floating Rate Period. The Corporation shall, on each Floating Rate Calculation Date, give written notice of the Floating

Quarterly Dividend Rate for the ensuing Quarterly Floating Rate Period to the registered holders of the then outstanding Series M Shares.

#### *Redemption of Series M Shares*

Subject to the provisions described under “Certain Provisions of the Series M Shares - Restrictions on Payments and Reductions of Capital”, the Corporation may redeem all or any part of the Series M Shares by the payment of an amount in cash for each share to be redeemed equal to: (i) US\$25.00 in the case of redemptions on any Series M Conversion Date on or after September 1, 2022 (the “**Series M Redemption Amount**”); or (ii) the Series M Redemption Amount plus US\$0.50 per share in the case of redemptions on any date after September 1, 2017 that is not a Series M Conversion Date, in each case plus all accrued and unpaid dividends thereon (less any tax required to be deducted and withheld by the Corporation) to but excluding the date fixed for redemption. Should any such date not be a business day, the redemption date will be the next succeeding business day.

Notice of any redemption of Series M Shares will be given by the Corporation not more than 60 days and not less than 30 days prior to the date fixed for redemption. If less than all of the outstanding Series M Shares are at any time to be redeemed, the shares so to be redeemed shall be selected by lot in such manner as the Board or the transfer agent, if any, appointed by the Corporation in respect of such shares shall decide, or, if the Board so decides, such shares may be redeemed pro rata (disregarding fractions).

If the Corporation gives notice to the holders of the Series M Shares of the redemption of all of the Series M Shares, the right of a holder of Series M Shares to convert such Series M Shares shall terminate and the Corporation shall not be required to give notice to the registered holders of the Series M Shares of an Annual Fixed Dividend Rate, a Floating Quarterly Dividend Rate or the conversion right of holders of Series M Shares.

#### *Conversion of Series M Shares into Series L Shares*

The Series M Shares shall not be convertible prior to September 1, 2022. Holders of Series M Shares shall have the right to convert on each Series M Conversion Date, subject to restrictions on conversion described below, all or any of their Series M Shares into Series L Shares on the basis of one Series L Share for each Series M Share. Notice of a holder’s intention to convert Series M Shares must be received by the transfer agent and registrar for the Series M Shares at its principal office in Toronto or Calgary not earlier than the 30<sup>th</sup> day prior to, but not later than 5:00 p.m. (Toronto time) on the 15<sup>th</sup> day preceding, a Series M Conversion Date. Once received by the transfer agent and registrar on behalf of the Corporation, the election of a holder to convert is irrevocable.

The Corporation shall, not more than 60 days and not less than 30 days prior to the applicable Series M Conversion Date, give notice to the then registered holders of the Series M Shares of the conversion right. On the 30<sup>th</sup> day prior to each Series M Conversion Date, the Corporation shall give notice to the then registered holders of the Series M Shares of the Annual Fixed Dividend Rate for the Series L Shares for the next succeeding Subsequent Fixed Rate Period and the Floating Quarterly Dividend Rate for the Series M Shares for the next succeeding Quarterly Floating Rate Period.

#### *Automatic Conversion*

Holders of Series M Shares shall not be entitled to convert their shares into Series L Shares if the Corporation determines that there would remain outstanding on a Series M Conversion Date less than 1,000,000 Series L Shares, after having taken into account all Series L Shares tendered for conversion into Series M Shares and all Series M Shares tendered for conversion into Series L Shares. Furthermore, if the Corporation determines that there would remain outstanding on a Series M Conversion Date less than 1,000,000 Series M Shares, after having taken into account all Series L Shares tendered for conversion into Series M Shares and all Series M Shares tendered for conversion into Series L Shares, then all of the remaining outstanding Series M Shares shall be converted automatically into Series L Shares on the basis of one Series L Share for each Series M Share on the applicable Series M Conversion Date.

The Corporation reserves the right not to deliver Series L Shares to any person that the Corporation or its transfer agent has reason to believe is a person whose address is in, or that the Corporation or its transfer agent has reason to believe is a resident of, any jurisdiction outside Canada if such delivery would require the Corporation to take any action to comply with the securities laws of such jurisdiction.

The Series L Shares and Series M Shares are series of shares in the same class. The conversion right entitles holders to elect periodically which of the two series they wish to hold and does not entitle holders to receive a different class or type of securities. Other than the different dividend rights and redemption rights attached thereto, the Series L Shares and Series M Shares are identical in all material respects.

### *Purchase for Cancellation*

Subject to the provisions described under “Certain Provisions of the Series M Shares - Restrictions on Payments and Reductions of Capital”, the Corporation may from time to time purchase for cancellation all or any part of the Series M Shares at any price by tender to all holders of Series M Shares or through the facilities of any stock exchange on which the Series M Shares are listed, or in any other manner, provided that in the case of a purchase in any other manner the price for such Series M Shares so purchased for cancellation shall not exceed the highest price offered for a board lot of Series M Shares on any stock exchange on which such shares are listed on the date of purchase for cancellation, plus costs of purchase.

### *Rights on Liquidation*

In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs, the holders of the Series M Shares shall be entitled to receive US\$25.00 per Series M Share together with all accrued and unpaid dividends thereon (less any tax required to be deducted and withheld by the Corporation) before any amount shall be paid or any property or assets of the Corporation shall be distributed to the holders of junior shares. After payment to the holders of the Series M Shares of the amount so payable to them, they shall not, as such, be entitled to share in any further distribution of the property, or assets of the Corporation.

### *Restrictions on Payments and Reductions of Capital*

So long as any Series M Shares are outstanding, the Corporation shall not:

- (a) call for redemption of, purchase, reduce stated capital maintained by the Corporation or otherwise pay off less than all of the Series M Shares and all other preference shares of the Corporation then outstanding ranking prior to or on parity with the Series M Shares with respect to payment of dividends;
- (b) declare, pay or set apart for payment any dividends (other than stock dividends in shares of the Corporation ranking junior to the Series M Shares) on the Common Shares or any other shares ranking junior to the Series M Shares with respect to payment of dividends; or
- (c) call for redemption of, purchase, reduce stated capital maintained by the Corporation or otherwise pay for any shares of the Corporation ranking junior to the Series M Shares with respect to repayment of capital or with respect to payment of dividends,

unless all dividends up to and including the dividends payable on the last preceding dividend payment dates on the Series M Shares and on all other preference shares then outstanding ranking prior to or on a parity with the Series M Shares with respect to payment of dividends shall have been declared and paid or set apart for payment at the date of any such action.

### *Voting Rights*

The holders of Series M Shares shall not be entitled to receive notice of or to attend or vote at meetings of the shareholders of the Corporation, except as required by law. At any meeting of the holders of the preference shares as a class or at any joint meeting of the holders of two or more series of the preference shares, each holder of preference shares entitled to vote thereat shall have on a poll one one-hundredth of a vote in respect of each dollar of the issue price of each share held.

### *Tax Election*

The Series M Shares will be “taxable preferred shares” as defined in the Tax Act for purposes of the tax under Part IV.1 of the Tax Act applicable to certain corporate holders of the Series M Shares. The terms of the Series M Shares require the Corporation to make the necessary election under Part VI.1 of the Tax Act so that such corporate holders will not be subject to the tax under Part IV.1 of the Tax Act on dividends received (or deemed to be received) on the Series M Shares. See “Certain Canadian Federal Income Tax Considerations — Dividends”.

### *Business Day*

If any day on which any dividend on the Series M Shares is payable by the Corporation or on or by which any other action is required to be taken by the Corporation is not a business day, then such dividend shall be payable and such other action may be taken on or by the next succeeding day that is a business day. For the purposes hereof, “business day” shall mean a day on which banks are generally open for business in each of Calgary, Alberta, Toronto, Ontario and the United States of America.



## DEPOSITORY SERVICES

The Series L Shares and Series M Shares will be issued in “book-entry only” form and must be purchased or transferred through a participant in the CDS depository service (“CDS Participant”). The Corporation will cause a global certificate or certificates representing any newly issued Series L Shares or Series M Shares to be delivered to, and registered in the name of, CDS or its nominee. All rights of holders of Series L Shares or Series M Shares must be exercised through, and all payments or other property to which such holder of Series L Shares or Series M Shares, as the case may be, is entitled, will be made or delivered by, CDS or the CDS Participant through which the holder of Series L Shares or Series M Shares holds such shares. Each person who acquires Series L Shares or Series M Shares will receive only a customer confirmation of purchase from the registered dealer from or through which the Series L Shares or Series M Shares are acquired in accordance with the practices and procedures of that registered dealer. The practices of registered dealers may vary, but generally customer confirmations are issued promptly after execution of a customer order. CDS is responsible for establishing and maintaining book-entry accounts for its CDS Participants having interests in the Series L Shares or Series M Shares.

The ability of a beneficial owner of Series L Shares or Series M Shares to pledge such shares or otherwise take action with respect to such owner’s interest in such shares (other than through a CDS Participant) may be limited due to the lack of a physical certificate.

The Corporation has the option to terminate registration of the Series L Shares and Series M Shares through the book-entry only system, in which event certificates for Series L Shares and Series M Shares in fully registered form will be issued to the beneficial owners of such shares or their nominees.

Neither the Corporation nor the Underwriters will assume any liability for: (a) any aspect of the records relating to the beneficial ownership of the Series L Shares or Series M Shares held by CDS or the payments relating thereto; (b) maintaining, supervising or reviewing any records relating to the Series L Shares or Series M Shares; or (c) any advice or representation made by or with respect to CDS and those contained in this Prospectus Supplement and relating to the rules governing CDS or any action to be taken by CDS or at the direction of its CDS Participants. The rules governing CDS provide that it acts as the agent and depository for the CDS Participants. As a result, CDS Participants must look solely to CDS and persons, other than CDS Participants, having an interest in the Series L Shares or Series M Shares must look solely to CDS Participants for payments made by or on behalf of the Corporation to CDS in respect of the Series L Shares or Series M Shares.

If: (i) required by applicable law; (ii) the book-entry only system ceases to exist; (iii) CDS advises the Corporation that it is no longer willing or able to discharge properly its responsibilities as depository with respect to the Series L Shares or Series M Shares and the Corporation is unable to locate a qualified successor; or (iv) the Corporation, at its option, decides to terminate the book-entry only system, then certificates representing the Series L Shares and Series M Shares, as applicable, will be made available to shareholders.

## EARNINGS COVERAGE RATIOS

The following earnings coverage ratios have been calculated on a consolidated basis for the respective 12 month periods ended December 31, 2011 and March 31, 2012 and are derived from audited financial information, in the case of December 31, 2011, and unaudited financial information, in the case of March 31, 2012. The following ratios give pro forma effect to the issuance of the Series L Shares pursuant to this Prospectus Supplement as well as the issuance of 20,000,000 Series F Shares pursuant to a prospectus supplement dated January 11, 2012, the issuance of 14,000,000 Series H Shares pursuant to a prospectus supplement dated March 22, 2012 and the issuance of 8,000,000 Series J Shares pursuant to a prospectus supplement dated April 12, 2012. Adjustments for other normal course issuances and repayments of long-term debt subsequent to December 31, 2011 and March 31, 2012 would not materially affect the ratios and, as a result, have not been made. The earnings coverage ratios set forth below do not purport to be indicative of earnings coverage ratios for any future periods.

### Twelve Month Period Ended

	<b>December 31, 2011</b>	<b>March 31, 2012</b>
Earnings coverage <sup>(1)(2)</sup>	2.3 times	2.1 times

#### Notes:

- (1) Earnings coverage on a net earnings basis is equal to net earnings plus net interest expense and income taxes divided by net interest expense plus capitalized interest and preference share dividend obligations.
- (2) Calculation of earnings coverage ratios assumes the net proceeds of issuances subsequent to December 31, 2011 and March 31, 2012 were used to reduce short term indebtedness at an assumed interest rate of 1%.

The Corporation evaluates its performance using a variety of measures. Earnings coverage discussed above is not defined under U.S GAAP and, therefore, should not be considered in isolation or as an alternative to, or more meaningful than, net earnings as

determined in accordance with U.S. GAAP as an indicator of the Corporation's financial performance or liquidity. This measure is not necessarily comparable to a similarly titled measure of another company.

The Corporation's dividend requirements on all of its preference shares, including giving effect to the issue of the Series L Shares to be distributed under this Prospectus Supplement and adjusted to a before tax equivalent using an effective income tax rate of 25%, amounted to approximately \$137 million for the 12 months ended December 31, 2011 and approximately \$137 million for the 12 months ended March 31, 2012. The Corporation's interest requirements for the 12 months ended December 31, 2011 amounted to approximately \$935 million and for the 12 months ended March 31, 2012 amounted to approximately \$947 million. The Corporation's earnings before interest and income tax for the 12 months ended December 31, 2011 were approximately \$2,495 million, which is 2.3 times the Corporation's aggregate dividend and interest requirements for this period. The Corporation's earnings before interest and income tax for the 12 months ended March 31, 2012 were approximately \$2,318 million, which is 2.1 times the Corporation's aggregate dividend and interest requirements for this period.

## CREDIT RATINGS

The Series L Shares have been rated Pfd-2(low) by DBRS Limited ("**DBRS**") and P-2 by Standard & Poor's ("**S&P**") (DBRS and S&P are each a "**Rating Agency**"). Credit ratings are intended to provide investors with an independent measure of credit quality of an issue of securities. The Rating Agencies' ratings for an issuer's preference shares may range from a high of Pfd-1 to a low of D for DBRS and from a high of P-1 to a low of D for S&P.

According to the DBRS rating system, securities rated Pfd-2 are of adequate credit quality. "High" or "low" grades are used to indicate the relative standing within a rating category. According to the S&P rating system, securities rated P-2 are less vulnerable to non-payment than other speculative issues. The ratings from P-1 to -3 may be modified by "high", "mid" and "low" grades which indicate relative standing within the major rating categories.

Credit ratings are intended to provide investors with an independent assessment of the credit quality of an issue or issuer of securities and do not speak to the suitability of particular securities for any particular investor. The credit ratings assigned to the Series L Shares may not reflect the potential impact of all risks on the value of the Series L Shares. The credit ratings accorded to the Series L Shares by the Rating Agencies are not recommendations to purchase, hold or sell such shares inasmuch as such ratings do not comment as to market price or suitability for a particular investor. There is no assurance that any rating will remain in effect for any given period of time or that any rating will not be revised or withdrawn entirely by a Rating Agency in the future if, in its judgment, circumstances so warrant. The lowering of any rating of the Series L Shares may negatively affect the quoted market price, if any, of such shares.

## PLAN OF DISTRIBUTION

Pursuant to an underwriting agreement (the "**Underwriting Agreement**") dated as of May 11, 2012 among the Corporation and the Underwriters, the Corporation has agreed to sell an aggregate of 16,000,000 Series L Shares to the Underwriters, and the Underwriters have severally (and not jointly or jointly and severally) agreed to purchase from the Corporation, as principal, such Series L Shares at a price of US\$25.00 per Series L Share payable in cash against delivery on the Offering Closing Date. The Underwriting Agreement provides that, in consideration of the services of the Underwriters in connection with the Offering, the Corporation will pay the Underwriters a fee of US\$0.25 per Series L Share issued and sold by the Corporation to certain institutions, and US\$0.75 per Series L Share for all other Series L Shares issued and sold by the Corporation as part of the Offering, for an aggregate fee payable by the Corporation of US\$12,000,000, assuming that no Series L Shares are sold to such institutions. The Underwriters' fee is payable on the Offering Closing Date.

The terms of the Offering were established through negotiations between the Corporation and the Underwriters.

The obligations of the Underwriters under the Underwriting Agreement are several (and not joint or joint and several) and may be terminated at their discretion upon the occurrence of certain stated events. If an Underwriter fails to purchase the Series L Shares which it has agreed to purchase, the other Underwriters may, but are not obligated to, purchase such Series L Shares, provided that, if the aggregate number of Series L Shares not purchased is less than or equal to 10% of the aggregate number of Series L Shares agreed to be purchased by the Underwriters, then each of the other Underwriters is obligated to purchase severally the Series L Shares not taken up, on a pro rata basis or as they may otherwise agree as between themselves. If the aggregate number of Series L Shares not purchased is greater than 10% of the aggregate number of Series L Shares 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 Series L Shares, subject to the terms and conditions of the Underwriting Agreement. The Underwriters are, however, obligated to take up and pay for all Series L Shares if any Series L Shares are purchased under the Underwriting Agreement. The Underwriting Agreement also provides that the Corporation will indemnify the Underwriters and their respective directors, officers, shareholders, agents and employees against certain liabilities and expenses.

The Underwriters propose to offer the Series L Shares initially at the public offering price specified on the cover page of this Prospectus Supplement. After the Underwriters have made a reasonable effort to sell all of the Series L Shares offered by this Prospectus Supplement at the price specified herein, the offering price may be decreased and may be further changed from time to time to an amount not greater than US\$25.00. In the event the offering price of the Series L Shares is reduced, the compensation received by the Underwriters will be decreased by the amount by which the aggregate price paid by the purchasers for the Series L Shares is less than the gross proceeds paid by the Underwriters to the Corporation for the Series L Shares. Any such reduction will not affect the proceeds received by the Corporation.

Subscriptions for Series L Shares will be received subject to rejection or allotment in whole or in part, and the right is reserved to close the subscription books at any time without notice.

The Corporation has applied to the TSX to list the Series L Shares and Series M Shares. Listing will be subject to the Corporation fulfilling all the listing requirements of the TSX. There can be no assurance that the Series L Shares and the Series M Shares will be accepted for listing on the TSX.

The Corporation has agreed that, subject to certain exceptions, it shall not issue or agree to issue any preference shares or other securities convertible into, or exchangeable for, preference shares prior to 60 days after the Offering Closing Date without the prior consent of Scotia Capital Inc., RBC Dominion Securities Inc. and TD Securities Inc. on behalf of the Underwriters, which consent shall not be unreasonably withheld.

Pursuant to policy statements of certain securities regulators, the Underwriters may not, throughout the period of distribution, bid for or purchase Series L Shares. The policy statements allow certain exceptions to the foregoing prohibitions. The Underwriters may only avail themselves of such exceptions on the condition that the bid or purchase not be engaged in for the purpose of creating actual or apparent active trading in, or raising the price of, the Series L Shares. These exceptions include a bid or purchase permitted under the Universal Market Integrity Rules for Canadian Marketplaces of the Investment Industry Regulatory Organization of Canada, relating to market stabilization and passive market making activities and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution. Pursuant to the first mentioned exception, in connection with the Offering, the Underwriters may over-allot or effect transactions which stabilize or maintain the market price of the Series L Shares at levels other than those which otherwise might prevail on the open market. Such transactions, if commenced, may be discontinued at any time.

Neither the Series L Shares nor the Series M Shares have been or will be registered under the U.S. Securities Act. They are being sold only outside the United States to non-U.S. Persons (as those terms are defined under Regulation S under the U.S. Securities Act) and may not be reoffered, resold, pledged or otherwise transferred in the United States or to U.S. Persons.

#### **RELATIONSHIP BETWEEN THE CORPORATION'S LENDERS AND THE UNDERWRITERS**

Each of Scotia Capital Inc., RBC Dominion Securities Inc., TD Securities Inc., CIBC World Markets Inc., BMO Nesbitt Burns Inc., National Bank Financial Inc., HSBC Securities (Canada) Inc. and Desjardins Securities Inc. is directly or indirectly, an affiliate of a bank or other financial institution that is one of the Corporation's lenders and to which the Corporation is currently indebted (collectively, the "**Affiliate Lenders**"). Consequently, the Corporation may be considered to be a connected issuer of such Underwriters under applicable securities laws.

At May 15, 2012, the Corporation was indebted to the lenders under the Corporation's credit facilities in the aggregate amount of approximately \$203 million. The Corporation has complied with the instruments governing its credit facilities and no breach thereof has ever been waived by any of the Affiliate Lenders. Except as otherwise disclosed in this Prospectus Supplement and the Prospectus, the financial position of the Corporation has not changed substantially since the indebtedness under its credit facilities was incurred. The Corporation intends to use the net proceeds from the Offering to partially fund capital projects and to reduce short term indebtedness of the Corporation and its affiliates, which short term indebtedness was used to fund the Corporation's capital program, and for other general corporate purposes and, as a consequence, net proceeds from the Offering may be paid to one or more of the Affiliate Lenders. For more information, see "Use of Proceeds" herein.

The decision to distribute Series L Shares pursuant to the Offering was made by the Corporation and the determination of the terms of the Offering was made through negotiations between the Corporation and the Underwriters. The Affiliate Lenders did not have any involvement in such decision or determination but have each been advised of the Offering and the terms thereof. Each of Scotia Capital Inc., RBC Dominion Securities Inc., TD Securities Inc., CIBC World Markets Inc., BMO Nesbitt Burns Inc., National Bank Financial Inc., HSBC Securities (Canada) Inc. and Desjardins Securities Inc., will receive its proportionate share of the aggregate underwriting commission payable by the Corporation to the Underwriters.

## CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of McCarthy Tétrault LLP, counsel to the Corporation, and Fraser Milner Casgrain LLP, counsel to the Underwriters, the following summary, as of the date hereof, describes the principal Canadian federal income tax considerations generally applicable under the provisions of the Tax Act to a prospective purchaser of Series L Shares pursuant to this Prospectus Supplement (a “**Holder**”) who, at all relevant times, for the purposes of the Tax Act, is (or is deemed to be) resident in Canada, holds the Series L Shares and will hold the Series M Shares, as applicable, as capital property, deals at arm’s length with the Corporation and is not affiliated with the Corporation or the Underwriters and is not exempt from tax under Part I of the Tax Act. Generally, the Series L Shares or Series M Shares will be considered to be capital property to a Holder provided the Holder does not hold the shares in the course of carrying on a business and has not acquired them in one or more transactions considered to be an adventure in the nature of trade. Certain Holders who might not otherwise be considered to hold their Series L Shares or Series M Shares as capital property may, in certain circumstances, be entitled to have them and every other “Canadian security” (as defined in the Tax Act) owned by them in the taxation year of the election and in all subsequent years treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. Holders who will not hold their Series L Shares or their Series M Shares, as applicable, as capital property should consult their own tax advisers with respect to their own particular circumstances.

This summary is not applicable to a Holder: (i) that is a “financial institution”, as defined in the Tax Act for the purpose of the “mark-to-market property” rules; (ii) an interest in which would be a “tax shelter investment” as defined in the Tax Act; (iii) that is a “specified financial institution” as defined in the Tax Act; or (iv) which has made a “functional currency” election under the Tax Act to determine its Canadian tax results in a currency other than Canadian currency. Any such Holder should consult its own tax advisors with respect to an investment in the Series L Shares.

This summary is based upon the current provisions of the Tax Act, the regulations thereunder (the “**Regulations**”), all specific proposals to amend the Tax Act and the Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the “**Proposals**”), existing case law and counsel’s understanding of the current published administrative and assessing practices of the Canada Revenue Agency. This summary assumes the Proposals will be enacted in the form proposed; however, no assurance can be given that the Proposals will be enacted in their current form, or at all. This summary is not exhaustive of all possible Canadian federal income tax considerations and, except for the Proposals, does not take into account or anticipate any changes in law, whether by legislative, governmental or judicial decision or action, nor does it take into account any provincial, territorial or foreign income tax legislation or considerations.

**This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Holder of Series L Shares or Series M Shares. No representations are made with respect to the income tax consequences to any particular Holder. Consequently, prospective Holders should consult their own tax advisers with respect to their particular circumstances for advice with respect to the tax consequences to them of acquiring, holding and disposing of the Series L Shares or the Series M Shares, including the application and effect of the income and other tax laws of any country, province, state or local tax authority.**

### *Foreign Currency Conversion*

For purposes of the Tax Act, all amounts relating to the acquisition, holding, conversion or disposition of Series L Shares or Series M Shares, as the case may be, including amounts relevant to the computation of actual and deemed dividends on the Series L Shares or the Series M Shares and the adjusted cost base, paid-up capital and proceeds of disposition relating to those shares, must be converted into Canadian dollars using the Bank of Canada noon rate on the day on which the amount first arose or such other rate of exchange as is acceptable to the Minister of National Revenue.

### *Dividends*

Dividends (including deemed dividends) received (or deemed to be received) on the Series L Shares or the Series M Shares, as the case may be, by an individual (other than certain trusts) will be included in the individual’s income and will be subject to the gross-up and dividend tax credit rules normally applicable to taxable dividends received from taxable Canadian corporations. Individuals are entitled to an enhanced gross-up and dividend tax credit in respect of “eligible dividends” received from taxable Canadian corporations, such as the Corporation, if such dividends have been designated as eligible dividends by the Corporation at or before the time of payment. By notice in writing on the Corporation’s website, the Corporation has designated all dividends paid by the Corporation to be “eligible dividends” within the meaning of the Tax Act unless otherwise notified.

Dividends received by a Holder who is an individual (other than certain trusts) may give rise to a liability for alternative minimum tax.

Dividends (including deemed dividends) received on the Series L Shares or the Series M Shares, as the case may be, by a Holder which is a corporation will be included in computing the Holder's income and will generally be deductible in computing the Holder's taxable income. A "private corporation", as defined in the Tax Act, or any other corporation controlled (whether by reason of a beneficial interest in one or more trusts or otherwise) by or for the benefit of an individual (other than a trust) or a related group of individuals (other than trusts), will generally be liable to pay a 33⅓% refundable tax under Part IV of the Tax Act on dividends received (or deemed to be received) on the Series L Shares or the Series M Shares, as the case may be, to the extent such dividends are deductible in computing its taxable income.

The Series L Shares and the Series M Shares will be "taxable preferred shares" as defined in the Tax Act. The terms of the Series L Shares and the Series M Shares require the Corporation to make the necessary election under Part VI.1 of the Tax Act so that corporate Holders will not be subject to tax under Part IV.1 of the Tax Act on dividends received (or deemed to be received) on the Series L Shares or the Series M Shares.

#### *Dispositions*

A Holder who disposes of or is deemed to dispose of Series L Shares or Series M Shares (on the redemption of such shares or otherwise but not including on a conversion of Series L Shares into Series M Shares or a conversion of Series M Shares into Series L Shares) will generally realize a capital gain (or a capital loss) to the extent that the Holder's proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of such shares to the Holder. The amount of any deemed dividend arising on the redemption, acquisition or cancellation by the Corporation of Series L Shares or Series M Shares, as the case may be, will generally not be included in computing the Holder's proceeds of disposition for purposes of computing the capital gain (or capital loss) arising on the disposition of such Series L Shares or Series M Shares, as the case may be. See "Redemption" below. If the Holder is a corporation, any capital loss arising on a disposition of a Series L Share or a Series M Share, as the case may be, may, in certain circumstances, be reduced by the amount of any dividends, including deemed dividends, which have been received (or deemed to be received) on the Series L Shares or Series M Shares or any share which was converted into such share. Analogous rules apply to a partnership or trust of which a corporation, partnership or trust is a member or beneficiary.

Generally, one-half of any capital gain will be included in computing the Holder's income in the year of disposition as a taxable capital gain and one-half of any capital loss (an "allowable capital loss") must be deducted from the Holder's taxable capital gains in the year of disposition. Allowable capital losses in excess of taxable capital gains for a taxation year generally may be carried back up to three taxation years or carried forward indefinitely and deducted against net taxable capital gains in those other taxation years. Capital gains realized by an individual may give rise to a liability for alternative minimum tax. Taxable capital gains of a "Canadian-controlled private corporation", as defined in the Tax Act, may be subject to an additional refundable tax at a rate of 6⅔%.

#### *Redemption*

If the Corporation redeems Series L Shares or Series M Shares, or otherwise acquires or cancels Series L Shares or Series M Shares (other than by a purchase by the Corporation of the shares in the open market in the manner in which shares are normally purchased by any member of the public in the open market), the Holder will be deemed to have received a dividend equal to the amount, if any, paid by the Corporation (including any redemption premium) in excess of the paid-up capital (as determined for purposes of the Tax Act) of such shares at such time. As discussed above under "Foreign Currency Conversion", all amounts relating to the acquisition, holding, conversion or disposition of the Series L Shares or Series M Shares must be converted to Canadian dollars using the applicable exchange rate at the time the relevant amount first arose. Changes in the exchange rate of Canadian and U.S. dollars between the date of issuance of the Series L Shares or Series M Shares, as the case may be, which are relevant to the computation of the paid-up capital of such shares, and the date of redemption, which is relevant to the computation of the redemption proceeds for such shares, may affect the computation of any such deemed dividend. Generally, any excess of the amount paid over the amount of the deemed dividend will be treated as proceeds of disposition for purposes of computing the capital gain or capital loss arising on the disposition of such shares. See "Dispositions" above. In the case of a corporate holder, it is possible that in certain circumstances all or part of any such deemed dividend may be treated as proceeds of disposition and not as a dividend.

#### *Conversion*

The conversion of Series L Shares into Series M Shares and the conversion of Series M Shares into Series L Shares will not constitute a disposition of property for purposes of the Tax Act and, accordingly, will not give rise to a capital gain or capital loss. The cost to a Holder of the Series L Shares or Series M Shares, as the case may be, received on the conversion will, subject to the cost averaging rules contained in the Tax Act for identical properties, be deemed to be equal to the Holder's adjusted cost base of the converted Series L Shares or Series M Shares, as the case may be, immediately before the conversion. As discussed above under "Foreign Currency Conversion", all amounts relating to the acquisition, holding, conversion or disposition of the Series L Shares or Series M Shares must be converted to Canadian dollars using the applicable exchange rate at the time the relevant amount first arose. The amount added to the paid-up capital of the Series M Shares or the Series L Shares, as the case may be, issuable on a conversion is

limited to the lesser of the aggregate paid-up capital of the shares being converted and the then Canadian dollar equivalent of the aggregate fair market value of the shares being converted. Accordingly, changes in the exchange rate of Canadian and U.S. dollars between the date of issuance of the Series L Shares or Series M Shares, as the case may be, and the date of a conversion of such shares into Series M Shares or Series L Shares could result in Holders of the Series M Shares or the Series L Shares, as the case may be, having a per share paid-up capital amount that is less than the per share paid-up capital amount prior to the conversion. This reduction in the paid-up capital of the Series L Shares or the Series M Shares could result in a dividend or an increase in the amount of the dividend, deemed to be received by Holders of Series L Shares or Series M Shares, as the case may be, on a subsequent redemption, acquisition or purchase for cancellation by the Corporation of such shares that may not have otherwise arisen had there not been change to the exchange rate and a conversion of shares from one series to another. See “Dispositions” above.

### **ELIGIBILITY FOR INVESTMENT**

In the opinion of McCarthy Tétrault LLP, counsel to the Corporation, and Fraser Milner Casgrain LLP, counsel to the Underwriters, the Series L Shares offered hereby and the Series M Shares, if issued on the date hereof, generally would be qualified investments under the Tax Act and the Regulations for a trust governed by a registered retirement savings plan (“RRSP”), a registered retirement income fund (“RRIF”), a registered education savings plan, a registered disability savings plan, a deferred profit sharing plan, or a tax-free savings account (“TFSA”). However, the holder of a trust governed by a TFSA, or the annuitant under a RRSP or RRIF which holds the Series L Shares or Series M Shares will be subject to a penalty tax if the holder or the annuitant, as the case may be, does not deal at arm’s length with the Corporation for the purposes of the Tax Act or, if the holder or the annuitant, as the case may be, has a “significant interest”, within the meaning of the Tax Act, in the Corporation or in a corporation, partnership or trust with which the Corporation does not deal at arm’s length for the purposes of the Tax Act.

**Prospective investors who intend to hold Series L Shares or Series M Shares in their TFSA, RRSP or RRIF should consult their own tax advisors regarding their particular circumstances.**

### **RISK FACTORS**

An investment in the Series L Shares offered hereunder involves certain risks. In addition to the other information contained in this Prospectus Supplement and the accompanying Prospectus, and in the documents incorporated by reference therein, prospective purchasers of Series L Shares should consider carefully the risk factors set forth below, as well as the risk factors referenced in the accompanying Prospectus under the heading “Risk Factors”.

#### **Market for Securities**

There is currently no market through which the Series L Shares may be sold and purchasers of Series L Shares may not be able to resell the Series L Shares purchased under this Prospectus Supplement. The price offered to the public for the Series L Shares and the number of Series L Shares to be issued have been determined by negotiations among the Corporation and the Underwriters. The price paid for each Series L Share may bear no relationship to the price at which the Series L Shares will trade in the public market subsequent to this Offering. The Corporation cannot predict at what price the Series L Shares will trade and there can be no assurance that an active trading market will develop for the Series L Shares or, if developed, that such market will be sustained. The Corporation has applied to list and post for trading the Series L Shares and Series M Shares on the TSX. Listing will be subject to the Corporation fulfilling all the listing requirements of the TSX. There can be no assurance that the Series L Shares and Series M Shares will be accepted for listing on the TSX.

#### **Market Price**

The market price of the Series L Shares and Series M Shares may fluctuate due to a variety of factors relative to the Corporation’s business, including announcements of new developments, fluctuations in the Corporation’s operating results, sales of the Series L Shares and Series M Shares in the marketplace, failure to meet analysts’ expectations, any public announcements made in regard to this Offering, the impact of various tax laws or rates and general market conditions or the worldwide economy. In recent years, stock markets have experienced significant price fluctuations, which have been unrelated to the operating performance of the affected companies. There can be no assurance that the market price of the Series L Shares and Series M Shares will not experience significant fluctuations in the future, including fluctuations that are unrelated to the Corporation’s performance.

Prevailing yields on similar securities will affect the market value of the Series L Shares and Series M Shares. Assuming all other factors remain unchanged, the market value of the Series L Shares and Series M Shares would be expected to decline as prevailing yields for similar securities rise and would be expected to increase as prevailing yields for similar securities decline. Spreads over the United States Government Bond Yield, T-Bill Rate and comparable benchmark rates of interest for similar securities will also affect the market value of the Series L Shares and the Series M Shares in an analogous manner.

## **Dividends**

Provisions of various trust indentures and credit arrangements to which the Corporation is a party restrict the Corporation's ability to declare and pay dividends under certain circumstances and, if such restrictions apply, they may, in turn, have an impact on the Corporation's ability to declare and pay dividends on the Series L Shares and Series M Shares. The dividend rate in respect of the Series L Shares will reset on September 1, 2017 and every five years thereafter. The dividend rate in respect of the Series M Shares will reset quarterly. In each case, the new dividend rate is unlikely to be the same as, and may be lower than, the dividend rate for the applicable preceding dividend period.

Investments in the Series M Shares, given their floating interest component, entail risks not associated with investments in the Series L Shares. The resetting of the applicable rate on a Series M Share may result in a lower yield compared to fixed rate Series L Shares. The applicable rate on a Series M Share will fluctuate in accordance with fluctuations in the T-Bill Rate on which the applicable rate is based, which in turn may fluctuate and be affected by a number of interrelated factors, including economic, financial and political events over which the Corporation has no control. See "Details of the Offering – Dividends on Series M Shares".

## **Credit Ratings**

The credit ratings applied to the Series L Shares are an assessment, by the Rating Agencies, of the Corporation's ability to pay its obligations. The credit ratings are based on certain assumptions about the future performance and capital structure of the Corporation that may or may not reflect the actual performance or capital structure of the Corporation. Changes in credit ratings of the Series L Shares may affect the market price or value and the liquidity of the Series L Shares. There is no assurance that any credit rating assigned to the Series L Shares will remain in effect for any given period of time or that any rating will not be lowered or withdrawn entirely by the relevant rating agency. See "Credit Ratings".

## **Insolvency or Winding-Up**

The Series L Shares and Series M Shares are equity capital of the Corporation which rank equally with other preference shares, if any, in the event of an insolvency or winding-up of the Corporation. If the Corporation becomes insolvent or is wound up, the Corporation's assets must be used to pay liabilities and other debt before payments may be made on the Series L Shares, Series M Shares and other preference shares, if any.

## **Automatic Conversion**

An investment in the Series L Shares, or in the Series M Shares, as the case may be, may become an investment in Series M Shares, or in Series L Shares, without the consent of the holder in the event of an automatic conversion in the circumstances described under "Details of the Offering – Conversion of Series L Shares into Series M Shares" and "Details of the Offering – Conversion of Series M Shares into Series L Shares". Upon automatic conversion of the Series L Shares into Series M Shares, the dividend rate on the Series M Shares will be a floating rate that is adjusted quarterly by reference to the T-Bill Rate which may vary from time to time while, upon the automatic conversion of the Series M Shares into Series L Shares, the dividend rate on the Series L Shares will be, for each five-year period, a fixed rate that is determined by reference to the United States Government Bond Yield on the 30<sup>th</sup> day prior to the first day of each such five-year period. In addition, holders may be prevented from converting their Series L Shares into Series M Shares in certain circumstances. See "Details of the Offering – Conversion of Series L Shares into Series M Shares" and "Details of the Offering – Conversion of Series M Shares into Series L Shares".

## **No Fixed Maturity**

Neither the Series L Shares nor the Series M Shares have a fixed maturity date and are not redeemable at the option of the holders of Series L Shares or the Series M Shares, as applicable. The ability of a holder to liquidate its holdings of Series L Shares and the Series M Shares, as applicable, may be limited.

## **Redeemable**

The Corporation may choose to redeem the Series L Shares and/or the Series M Shares from time to time, in accordance with its rights described under "Details of the Offering — Redemption of Series L Shares" and "Details of the Offering — Redemption of the Series M Shares", including when prevailing interest rates are lower than yield borne by the Series L Shares and the Series M Shares. If prevailing rates are lower at the time of redemption, a purchaser would not be able to reinvest the redemption proceeds in a comparable security at an effective yield as high as the yield on the Series L Shares or the Series M Shares being redeemed. The Corporation's redemption right also may adversely impact a purchaser's ability to sell Series L Shares and Series M Shares.

## **LEGAL MATTERS**

Certain legal matters relating to Canadian law in connection with the Series L Shares offered hereby will be passed upon on behalf of the Corporation by McCarthy Tétrault LLP, and on behalf of the Underwriters by Fraser Milner Casgrain LLP.

## **INTERESTS OF EXPERTS**

As at the date of this Prospectus Supplement, the partners and associates of McCarthy Tétrault LLP, as a group, and the partners and associates of Fraser Milner Casgrain LLP, as a group, beneficially own, directly or indirectly, less than 1% of any class of securities of the Corporation. In connection with the audit of the Corporation's annual financial statements for the year ended December 31, 2011, PricewaterhouseCoopers LLP confirmed that they are independent within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Alberta.

## **AUDITORS, TRANSFER AGENT AND REGISTRAR**

The Corporation's auditors are PricewaterhouseCoopers LLP, Chartered Accountants, Calgary, Alberta.

The transfer agent and registrar for the Series L Shares and Series M Shares is CIBC Mellon Trust Company at its principal offices in Calgary, Alberta, and Toronto, Ontario.

## **STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION**

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 and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, 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, revisions 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 the purchaser's province for the particulars of these rights or consult with a legal advisor.



## AUDITOR'S CONSENT

We have read the prospectus supplement of Enbridge Inc. (the "**Corporation**") dated May 15, 2012 to the short form base shelf prospectus dated May 10, 2012 relating to the issue and sale of 16,000,000 cumulative redeemable preference shares, Series L of the Corporation (the "**Prospectus**"). We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference in the above-mentioned prospectus of our report to the shareholders of the Corporation on the consolidated statements of financial position of the Corporation as at December 31, 2011 and 2010 and the consolidated statements of earnings, comprehensive income, shareholders' equity and cash flows for each of the years in the three-year period ended December 31, 2011 prepared in accordance with Canadian generally accepted accounting principles, and the effectiveness of internal control over financial reporting as at December 31, 2011. Our report is dated February 21, 2012.

We also consent to the incorporation by reference in the above-mentioned prospectus of our report to the directors of the Corporation on the consolidated statements of financial position of the Corporation as at December 31, 2011 and 2010 and the consolidated statements of earnings, comprehensive income, changes in equity and cash flows for each of the years in the three-year period ended December 31, 2011, prepared in accordance with accounting principles generally accepted in the United States of America. Our report is dated May 2, 2012.

Calgary, Alberta, Canada  
May 15, 2012

(Signed) "*PricewaterhouseCoopers LLP*"  
Chartered Accountants

**CERTIFICATE OF THE UNDERWRITERS**

Dated: May 15, 2012

To the best of our knowledge, information and belief, the short form prospectus together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, constitutes full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and this supplement 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) *"Mike Jackson"*

By: (Signed) *"Trevor Gardner"*

By: (Signed) *"Alec W.G. Clark"*

**CIBC WORLD MARKETS INC.**

By: (Signed) *"Kelsen Vallee"*

**BMO NESBITT BURNS INC.**

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

**NATIONAL BANK FINANCIAL INC.**

By: (Signed) *"Iain Watson"*

**HSBC SECURITIES (CANADA) INC.**

By: (Signed) *"Greg Gannett"*

**DESJARDINS SECURITIES INC.**

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