

## PROSPECTUS SUPPLEMENT

*To the Amended and Restated Short Form Base Shelf Prospectus dated February 18, 2011*

*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 amended and restated short form base shelf prospectus dated February 18, 2011 (the “Prospectus”) to which it relates, and each document incorporated by reference into this Prospectus Supplement or the accompanying Prospectus, constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. The securities offered hereby have not been registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), or any state securities laws. Accordingly, the securities offered hereby may not be offered or sold in the United States of America or to U.S. persons (within the meaning of Regulation S under the U.S. Securities Act) except pursuant to an effective registration statement under the U.S. Securities Act or pursuant to an exemption from the registration requirements of the U.S. Securities Act. This Prospectus Supplement does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States or to U.S. persons. See “Plan of Distribution”.*

*Information has been incorporated by reference in this Prospectus Supplement and the accompanying Prospectus. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of Emera Incorporated, 1223 Lower Water Street, Halifax, Nova Scotia, B3J 3S8 (telephone: (902) 428-6096) and are also available electronically at [www.sedar.com](http://www.sedar.com).*

New Issue

May 31, 2012



### EMERA INCORPORATED

**\$250,000,000**

### **10,000,000 Cumulative Rate Reset First Preferred Shares, Series C**

The holders of Cumulative Rate Reset First Preferred Shares, Series C (the “**Series C Shares**”) of Emera Incorporated (“**Emera**” or the “**Company**”) will be entitled to receive fixed cumulative preferential cash dividends, for the initial period from and including the closing date to, but excluding, August 15, 2018 (the “**Initial Fixed Rate Period**”), payable quarterly on the fifteenth (15<sup>th</sup>) day of February, May, August and November in each year, or if such day is not a business day, on the next business day, as and when declared by the board of directors of the Company (the “**Board of Directors**”). The initial dividend, if declared, shall be payable on August 15, 2012 and shall be \$0.1938 per share, based on the anticipated closing date of June 7, 2012. Thereafter, quarterly dividends shall be at a rate of \$0.25625 per share. See “Details of the Offering”.

For each five-year period after the Initial Fixed Rate Period (each a “**Subsequent Fixed Rate Period**”), the holders of Series C Shares will be entitled to receive fixed cumulative preferential cash dividends, as and when declared by the Board of Directors, payable quarterly on the fifteenth (15<sup>th</sup>) day of February, May, August and November in each year, in the amount per share per annum determined by multiplying the Annual Fixed Dividend Rate (as defined herein) applicable to such Subsequent Fixed Rate Period by \$25.00. The Annual Fixed Dividend Rate for the ensuing Subsequent Fixed Rate Period will be determined by the Company on the 30<sup>th</sup> day prior to the first day of such Subsequent Fixed Rate Period and will be equal to the sum of the Government of Canada Yield (as defined herein) on the date on which the Annual Fixed Dividend Rate is determined plus 2.65%. See “Details of the Offering”.

#### **Option to Convert Into Series D Shares**

The holders of Series C Shares will have the right, at their option, to convert their shares into an equal number of Cumulative Floating Rate First Preferred Shares, Series D of the Company (the “**Series D Shares**”), subject to certain conditions, on August 15, 2018 and on August 15 every five years thereafter. The holders of Series D Shares will be entitled to receive floating rate cumulative preferential cash dividends, as and when declared by the Board of Directors, payable quarterly on the fifteenth (15<sup>th</sup>) day of February, May, August and November in each year (the initial quarterly dividend period and each subsequent quarterly dividend period is referred to as a “**Quarterly Floating Rate Period**”), in the amount per share determined by multiplying the applicable Quarterly Floating Dividend Rate (as defined herein) by \$25.00. The Quarterly Floating Dividend Rate will be equal to the sum of the T-Bill Rate (as defined herein) plus 2.65% (calculated on the basis of the actual number of days elapsed in the applicable Quarterly Floating Rate Period divided by 365) determined on the 30<sup>th</sup> day prior to the first day of the applicable Quarterly Floating Rate Period. See “Details of the Offering”.

The Series C Shares will not be redeemable by the Company prior to August 15, 2018. Subject to the provisions described below under “Details of the Offering – Certain Provisions of the Series C Shares as a Series – Restrictions on Dividends and Retirement of Shares”, on August 15, 2018 and on August 15 every five years thereafter, the Company may redeem all or any part of the then outstanding Series C Shares, at the Company’s option without the consent of the holder, by the payment of an amount in cash for each such share so redeemed of \$25.00 together with all accrued and unpaid dividends up to but excluding the date fixed for redemption. See “Details of the Offering”.

The Series C Shares and the Series D Shares do not have fixed maturity dates and are not redeemable at the option of the holders of Series C Shares or Series D Shares. See “Risk Factors”.

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

The Toronto Stock Exchange (the “TSX”) has conditionally approved the listing of the Series C Shares distributed under this Prospectus Supplement and the Series D Shares into which the Series C Shares are convertible. Listing of the Series C Shares and Series D Shares will be subject to the Company fulfilling all of the listing requirements of the TSX.

**PRICE: \$25.00 per Series C Share to yield initially 4.10% per annum**

**Scotia Capital Inc., RBC Dominion Securities Inc., TD Securities Inc., CIBC World Markets Inc., BMO Nesbitt Burns Inc. and National Bank Financial Inc.** (collectively, the “Underwriters”), as principals, conditionally offer the Series C Shares, subject to prior sale if, as and when issued by the Company 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 on behalf of the Company by Stephen D. Aftanas, its Corporate Secretary, and Osler, Hoskin & Harcourt LLP, and on behalf of the Underwriters by Stewart McKelvey.

	<u>Price to the Public</u>	<u>Underwriters’ Fees<sup>(1)</sup></u>	<u>Net Proceeds to the Company<sup>(2)</sup></u>
Per Series C Shares .....	\$ 25.00	\$ 0.75	\$ 24.25
Total .....	\$ 250,000,000	\$ 7,500,000	\$ 242,500,000

(1) The Underwriters’ fee is \$0.25 for each share sold to institutions and \$0.75 for all other shares sold. The totals set forth in the table above represent the Underwriters’ fees and net proceeds assuming no shares are sold to institutions.

(2) Before deduction of expenses of the offering, estimated at \$450,000 which, together with the Underwriters’ fees, are payable by the Company.

**Each of the Underwriters is a wholly-owned subsidiary of a Canadian chartered bank which is a lender to Emera and certain of its subsidiaries. Consequently, Emera may be considered to be a connected issuer of the Underwriters for purposes of applicable Canadian securities legislation. See “Plan of Distribution” and “Use of Proceeds”.**

In connection with the offering, the Underwriters may over-allot or effect transactions which stabilize or maintain the market price of the Series C Shares. Such transactions, if commenced, may be discontinued at any time. The Underwriters may decrease the price at which the Series C Shares are distributed for cash from the initial offering price of \$25.00 per share. See “Plan of Distribution” for additional disclosure concerning a possible price decrease.

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

Subscriptions 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. A book-entry only certificate representing the Series C Shares distributed hereunder will be issued in registered form only to CDS Clearing and Depository Services Inc. (“CDS”) or its nominee and will be deposited with CDS on closing of this offering, which is expected to be on or about June 7, 2012. A purchaser of Series C Shares will receive only a customer confirmation from the registered dealer who is a CDS participant and from or through whom the Series C Shares are purchased.

The head and registered office of the Company is located at 1223 Lower Water Street, Halifax, Nova Scotia B3J 3S8.

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### CURRENCY

All dollar amounts in this Prospectus Supplement are expressed in Canadian dollars unless otherwise indicated.

## **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 Company 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 C Shares offered hereunder.

**Prospective investors should rely only on the information contained in or incorporated by reference into this Prospectus Supplement and the Prospectus. The Company has not authorized any other person to provide prospective investors with additional or different information. If anyone provides prospective investors with different or inconsistent information, prospective investors should not rely on it. The Company is offering to sell, and seeking offers to buy, these securities only in jurisdictions where offers and sales are permitted. Prospective investors should assume that the information appearing in this Prospectus Supplement and the Prospectus, as well as information the Company has previously filed with the securities regulatory authority in each of the provinces of Canada that is incorporated herein and in the Prospectus by reference, is accurate as of their respective dates only. The Company's business, financial condition, results of operations and prospects may have changed since those dates.**

### **CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION**

This Prospectus Supplement and the Prospectus, including the documents incorporated therein by reference, contain forward-looking information which reflects management's expectations regarding the future growth, results of operations, performance, business prospects and opportunities of Emera, and may not be appropriate for other purposes. The words "anticipates", "believes", "could", "estimates", "expects", "forecasts", "intends", "may", "might", "plans", "projects", "schedule", "should", "will", "would" and similar expressions are often intended to identify forward-looking information, although not all forward-looking information contains these identifying words. The forward-looking information reflects Emera management's current beliefs and is based on information currently available to Emera's management.

The forward-looking information in this Prospectus Supplement and the Prospectus, including the documents incorporated therein by reference, includes, but is not limited to, statements regarding: Emera's consolidated income and cash flow; the growth and diversification of Emera's business and earnings base; future annual earnings growth; expansion of Emera's business in the United States and elsewhere; the completion of announced acquisitions; the expected compliance by Emera and its subsidiaries with the regulation of their operations; the expected timing of regulatory decisions; forecasted gross capital expenditures; the nature, timing and costs associated with certain capital projects; the expected impacts on Emera of challenges in the global economy; estimated energy consumption rates; expectations related to annual operating cash flows; the expectation that Emera will continue to have reasonable access to capital in the near to medium terms; expected debt maturities and repayments; expectations about increases in interest expense and/or fees associated with credit facilities; and no material adverse credit rating actions being expected in the near term. The forecasts and projections that make up the forward-looking information are based on assumptions which include, but are not limited to: the receipt of applicable regulatory approvals and requested rate decisions; no significant operational disruptions or environmental liability due to a catastrophic event or environmental upset caused by severe weather, other acts of nature or other major events; the continued ability to maintain transmission and distribution systems to ensure their continued performance; no severe and prolonged downturn in economic conditions; sufficient liquidity and capital resources; the continued ability to hedge exposures to fluctuations in interest rates, foreign exchange rates and commodity prices; no significant variability in interest rates; the continued competitiveness of electricity pricing when compared with other alternative sources of energy; the continued availability of commodity supply; the absence of significant changes in government energy plans and environmental laws that may materially affect the operations and cash flows of Emera; maintenance of adequate insurance coverage; the ability to obtain and maintain licences and permits; no material decrease in market energy sales prices; favourable labour relations; and sufficient human resources to deliver service and execute the capital program.

The forward-looking information is subject to risks, uncertainties and other factors that could cause actual results to differ materially from historical results or results anticipated by the forward-looking information. Factors which could cause results or events to differ from current expectations include, but are not limited to: commodity price and

availability risk; foreign exchange risk; acquisition risk; interest rate risk; commercial relationship risk; credit risk; labour risk; weather; regulatory risk; environmental risk; operational risk; capital market risk including economic conditions, cost of financing, capital resources and liquidity risk; and construction and development risk.

For additional information with respect to Emera's risk factors, see "Risk Factors". Reference should also be made to the section of the Prospectus entitled "Risk Factors".

**READERS ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON FORWARD-LOOKING INFORMATION AS ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THE PLANS, EXPECTATIONS, ESTIMATES OR INTENTIONS EXPRESSED IN THE FORWARD-LOOKING INFORMATION. ALL FORWARD-LOOKING INFORMATION IN THIS PROSPECTUS SUPPLEMENT AND THE PROSPECTUS, INCLUDING THE DOCUMENTS INCORPORATED THEREIN BY REFERENCE, IS QUALIFIED IN ITS ENTIRETY BY THE ABOVE CAUTIONARY STATEMENTS AND, EXCEPT AS REQUIRED BY LAW, EMERA UNDERTAKES NO OBLIGATION TO REVISE OR UPDATE ANY FORWARD-LOOKING INFORMATION AS A RESULT OF NEW INFORMATION, FUTURE EVENTS OR OTHERWISE.**

## DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus Supplement is deemed to be incorporated by reference into the accompanying Prospectus solely for the purpose of the Series C Shares offered hereunder.

The following documents, which have been filed with the various 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:

- (a) the audited consolidated financial statements of Emera as at and for the years ended December 31, 2011 and December 31, 2010, together with the auditors' report thereon and Management's Discussion and Analysis for the year ended December 31, 2011;
- (b) the unaudited interim consolidated financial statements of Emera as at and for the three months ended March 31, 2012 and March 31, 2011, together with Management's Discussion and Analysis for the three months ended March 31, 2012;
- (c) the Annual Information Form of Emera dated March 29, 2012 for the year ended December 31, 2011; and
- (d) the Management Information Circular of Emera containing information as of April 16, 2012.

Any documents of the type referred to above, any material change reports (other than confidential material change reports) and any other documents required under applicable securities laws to be incorporated by reference into this Prospectus Supplement, if filed by Emera with the provincial securities commissions or similar authorities in Canada after the date of this Prospectus Supplement and prior to the termination of any offering of Series C Shares, shall be deemed to be incorporated by reference into this Prospectus Supplement.

For additional information regarding documents incorporated or deemed to be incorporated by reference in the Prospectus or this Prospectus Supplement, see "Documents Incorporated by Reference" in the Prospectus.

## ELIGIBILITY FOR INVESTMENT

In the opinion of Osler, Hoskin & Harcourt LLP, counsel to the Company, and in the opinion of Stewart McKelvey, counsel to the Underwriters, the Series C Shares offered hereby, if issued on the date of this Prospectus Supplement, would be, at that time, qualified investments under the *Income Tax Act* (Canada) (the "**Tax Act**") and the regulations thereunder for a trust governed by a registered retirement savings plan (an "**RRSP**"), registered retirement income fund (a "**RRIF**"), registered education savings plan, deferred profit sharing plan, registered disability savings plan or a tax-free savings account (a "**TFSA**"). Provided that for the purposes of the Tax Act the annuitant of an RRSP or RRIF or the holder of a TFSA (as the case may be) deals at arm's length with the Company and does not have a significant interest in the Company or in a corporation, partnership or trust that does not deal at arm's length with the Company, the Series C Shares will not be a prohibited investment under the Tax Act for such RRSP, RRIF or TFSA on the date of this Prospectus Supplement.

## SUMMARY OF THE OFFERING

*This summary is qualified by the detailed information appearing elsewhere in this Prospectus Supplement. For a definition of certain terms used in this summary, refer to “Details of the Offering”.*

<b>Issue:</b>	Cumulative Rate Reset First Preferred Shares, Series C.
<b>Amount:</b>	\$250,000,000 (10,000,000 Series C Shares).
<b>Price and Yield:</b>	\$25.00 per Series C Share to yield initially 4.10% per annum.

### Principal Characteristics of the Series C Shares

**Dividends:** The holders of the Series C Shares will be entitled to receive fixed cumulative preferential cash dividends, as and when declared by the Board of Directors, for the initial period from and including the closing date to, but excluding, August 15, 2018 (the “**Initial Fixed Rate Period**”), payable quarterly on the fifteenth (15<sup>th</sup>) day of February, May, August and November in each year, at a rate equal to \$0.25625 per share. The initial dividend, if declared, will be payable August 15, 2012 and will be \$0.1938 per share, based on the anticipated closing date of June 7, 2012.

For each five-year period after the Initial Fixed Rate Period (each, a “**Subsequent Fixed Rate Period**”), the holders of the Series C Shares will be entitled to receive fixed cumulative preferential cash dividends, as and when declared by the Board of Directors, payable quarterly on the fifteenth (15<sup>th</sup>) day of February, May, August and November in each year, in the amount per share per annum determined by multiplying the Annual Fixed Dividend Rate applicable to such Subsequent Fixed Rate Period by \$25.00. The Annual Fixed Dividend Rate for the ensuing Subsequent Fixed Rate Period will be determined by the Company on the 30th day (a “**Fixed Rate Calculation Date**”) prior to the first day of such Subsequent Fixed Rate Period and will be equal to the sum of the Government of Canada Yield (as defined herein) on the applicable Fixed Rate Calculation Date plus 2.65%.

The dividends on Series C Shares will accrue (but not compound) on a daily basis. If, on any dividend payment date, the dividends accrued to such date are not paid in full on all of the Series C Shares then outstanding, such dividends, or the unpaid portion thereof, will be paid on a subsequent date or dates determined by the Board of Directors on which the Company will have sufficient funds properly applicable to the payment of such dividends.

**Redemption:** The Series C Shares will not be redeemable by the Company prior to August 15, 2018. Subject to the provisions described below under “Details of the Offering – Certain Provisions of the Series C Shares as a Series – Restrictions on Dividends and Retirement of Shares”, on August 15, 2018 and on August 15 every five years thereafter, on not more than 60 nor less than 30 days’ notice, the Company may redeem all or any part of the then outstanding Series C Shares, at the Company’s option without the consent of the holder, by the payment of an amount in cash for each such share so redeemed of \$25.00 together with all accrued and unpaid dividends up to but excluding the date fixed for redemption.

The Series C Shares are not redeemable at the option of their holders.

**Conversion into Series D Shares:** Holders of Series C Shares will, subject to the automatic conversion provisions and the right of the Company to redeem those shares, have the right, at their option, to convert, on August 15, 2018 and on August 15 every five years thereafter (a “**Series C**

**Conversion Date**”), any or all of their Series C Shares into an equal number of Series D Shares upon giving to the Company notice thereof not earlier than 30 days prior to, but not later than 5:00 p.m. (Toronto time) on the 15th day preceding, a Series C Conversion Date.

***Automatic Conversion Provisions:***

If the Company determines, after having taken into account all shares tendered for conversion by holders of Series C Shares and Series D Shares, as the case may be, that there would be outstanding on such Series C Conversion Date less than 1,000,000 Series C Shares, such remaining number of Series C Shares will automatically be converted on such Series C Conversion Date into an equal number of Series D Shares. Additionally, if the Company determines that, after conversion, there would be outstanding on such Series C Conversion Date less than 1,000,000 Series D Shares, then no Series C Shares will be converted into Series D Shares.

***Voting Rights:***

The holders of Series C Shares will not be entitled (except as otherwise provided by law and except for meetings of the holders of First Preferred Shares (as defined below) as a class and meetings of the holders of Series C Shares as a series) to receive notice of, attend, or vote at, any meeting of the shareholders of the Company, unless and until the Company fails to pay eight quarterly dividends on the Series C Shares, whether or not consecutive and whether or not such dividends have been declared and whether or not there are any monies of the Company properly applicable to the payment of dividends. In that event of such non-payment, and for only so long as any such dividends remain in arrears, holders of Series C Shares will be entitled to receive notice of, and to attend, all meetings of shareholders at which directors are to be elected and to vote (together with holders of Series D Shares and any other class or series of classes of shares of the Company having the right to vote in similar circumstances) for the election of two directors out of the total number of directors elected at such meeting. In any such instance, holders of Series C Shares will be entitled to one vote for each Series C Share held, provided however that the holder of any Series C Share which, together with other shares of Emera held beneficially or otherwise by that holder or any person associated therewith, would in such event constitute “voting shares” of Emera and would be 15% or more of such outstanding “voting shares” of Emera, shall not be entitled to any vote in respect of such Series C Shares. Upon payment of the entire amount of the Series C Share dividends in arrears, the voting rights of the Series C holders shall forthwith cease and terminate.

**Principal Characteristics of the Series D Shares**

***Dividends:***

The holders of the Series D Shares will be entitled to receive floating rate cumulative preferential cash dividends, as and when declared by the Board of Directors, payable quarterly on the fifteenth (15<sup>th</sup>) day of February, May, August and November in each year, in the amount per share determined by multiplying the applicable Quarterly Floating Dividend Rate by \$25.00.

On the 30th day prior to the commencement of the initial quarterly dividend period beginning on August 15, 2018, and on the 30th day prior to the first day of each subsequent quarterly dividend period (the initial quarterly dividend period and each subsequent quarterly dividend period is referred to as a “**Quarterly Floating Rate Period**”), the Company will determine the Quarterly Floating Dividend Rate for the ensuing Quarterly Floating Rate Period. The Quarterly Floating Dividend Rate will be equal to the sum of the T-Bill Rate (as defined herein) plus 2.65% (calculated on the basis of the actual number of days elapsed in the applicable Quarterly Floating Rate Period divided by 365) determined on the 30th day prior to the first day of the applicable Quarterly Floating Rate Period.



The dividends on Series D Shares will accrue (but not compound) on a daily basis. If, on any dividend payment date, the dividends accrued to such date are not paid in full on all of the Series D Shares then outstanding, such dividends, or the unpaid portion thereof, will be paid on a subsequent date or dates determined by the Board of Directors on which the Company will have sufficient funds properly applicable to the payment of such dividends.

***Redemption:***

Subject to the provisions described below under the heading “Details of the Offering – Certain Provisions of the Series D Shares as a Series – Restrictions on Dividends and Retirement of Shares”, on not more than 60 nor less than 30 days’ notice, the Company may redeem all or any part of the then outstanding Series D Shares, at the Company’s option without the consent of the holder, by the payment of an amount in cash for each such share so redeemed of (i) \$25.00 together with all accrued and unpaid dividends up to but excluding the date fixed for redemption in the case of redemptions on August 15, 2023 and on August 15 every five years thereafter, or (ii) \$25.50 together with all accrued and unpaid dividends up to but excluding the date fixed for redemption in the case of redemptions on any other date after August 15, 2018.

The Series D Shares are not redeemable at the option of their holders.

***Conversion into Series C Shares:***

Holders of Series D Shares will, subject to the automatic conversion provisions and the right of the Company to redeem those shares, have the right, at their option, to convert, on August 15, 2023 and on August 15 every five years thereafter (a “**Series D Conversion Date**”), any or all of their Series D Shares into an equal number of Series C Shares upon giving to the Company written notice thereof not earlier than 30 days prior to, but not later than 5:00 p.m. (Toronto time) on the 15th day preceding, a Series D Conversion Date.

***Automatic Conversion Provisions:***

If the Company determines, after having taken into account all shares tendered for conversion by holders of Series D Shares and Series C Shares, as the case may be, that there would be outstanding on such Series D Conversion Date less than 1,000,000 Series D Shares, such remaining number of Series D Shares will automatically be converted on such Series D Conversion Date into an equal number of Series C Shares. Additionally, if the Company determines that, after conversion, there would be outstanding on such Series D Conversion Date less than 1,000,000 Series C Shares, then no Series D Shares will be converted into Series C Shares.

***Voting Rights:***

The holders of Series D Shares will not be entitled (except as otherwise provided by law and except for meetings of the holders of First Preferred Shares (as defined below) as a class and meeting of the holders of Series D Shares as a series) to receive notice of, attend, or vote at, any meeting of the shareholders of the Company, unless and until the Company fails to pay eight quarterly dividends on the Series D Shares, whether or not consecutive and whether or not such dividends have been declared and whether or not there are any monies of the Company properly applicable to the payment of dividends. In the event of such non-payment and for only so long as any such dividends remain in arrears, holders of Series D Shares will be entitled to receive notice of, and to attend, all meetings of shareholders at which directors are to be elected and to vote (together with holders of Series C Shares and any other class or series of classes of shares of the Company having the right to vote in similar circumstances) for the election of two directors out of the total number of directors elected at such meeting. In any such instance, holders of Series D Shares will be entitled to one vote for each Series D Share held, provided however that the holder of any Series D Share which, together with other shares of Emera held beneficially or otherwise by that holder or any person associated therewith, would in such event constitute “voting shares” of Emera and would be 15% or

more of such outstanding “voting shares” of Emera, shall not be entitled to any vote in respect of such Series D Shares. Upon payment of the entire amount of the Series D Share dividends in arrears, the voting rights of the Series D holders shall forthwith cease and terminate.

**Other Characteristics of the Series C Shares and Series D Shares**

***Priority:*** The Series C Shares and Series D Shares will rank on a parity with each other and every other series of First Preferred Shares (as defined below) and are entitled to preference over the common shares of the Company and over any other shares of the Company ranking junior to the First Preferred Shares with respect to the payment of dividends and upon any distribution of assets in the event of the liquidation, dissolution or winding-up of the Company.

***Tax on Preferred Share Dividends:*** The Company will elect, in the manner and within the time provided under Part VI.1 of the Tax Act, to pay tax at a rate such that holders of Series C Shares and Series D Shares will not be required to pay tax on dividends received on such shares under Part IV.1 of the Tax Act.

## EMERA INCORPORATED

Emera is an energy and services company headquartered in Halifax, Nova Scotia with \$7.0 billion in assets. Emera invests in electricity generation, transmission and distribution as well as gas transmission and utility energy services. Emera's strategy is focused on the transformation of the electricity industry to cleaner generation and the delivery of that cleaner energy to market. Emera has interests in the Atlantic Provinces, Maine, Massachusetts, three Caribbean countries and California. Approximately 85% of Emera's net income is earned by its rate-regulated subsidiaries, including Nova Scotia Power Incorporated ("**NSPI**"), Emera's Maine and Caribbean utility operations and Emera Brunswick Pipeline Company Ltd. ("**EBPC**").

NSPI provides more than 95% of the electricity generation, transmission and distribution service in the Province of Nova Scotia. NSPI has \$3.9 billion in assets, and approximately 493,000 customers. NSPI is regulated by the Nova Scotia Utility and Review Board under a cost-of-service utility model, with rates set to enable NSPI to recover all prudently incurred costs of providing electricity service to customers, and provide an appropriate return to investors. NSPI operates as a monopoly in its service area. NSPI's target regulated return on equity ("**ROE**") range for 2011 was 9.1% to 9.6%, based on an actual average regulated common equity component of up to 40% of regulated capitalization. The 2012 general rate decision adjusted the 2012 ROE range to 9.1% to 9.5%.

Emera's Maine utility operations include Bangor Hydro Electric Company ("**Bangor Hydro**"), Maine Public Service Company ("**MPS**") and Maine & Maritimes Corporation ("**MAM**"). Bangor Hydro is an electricity transmission and distribution company with USD\$806.8 million of assets serving approximately 118,000 customers in eastern Maine. Bangor Hydro's transmission operations are regulated by the United States Federal Energy Regulatory Commission and its distribution operations are regulated by the Maine Public Utilities Commission. MPS, a wholly-owned subsidiary of MAM, is a regulated transmission and distribution electric utility with approximately USD\$139.6 million of assets serving approximately 36,000 customers in northern Maine. Electricity generation is deregulated in Maine, and several suppliers compete to provide customers with the energy delivered through the transmission and distribution networks of Bangor Hydro and MPS. Both utilities operate under a traditional cost-of-service regulatory structure.

Emera's Caribbean utility operations consist of an 80.4% interest, held directly and indirectly, in Grand Bahama Power Company Limited ("**GBPC**"); an 80% indirect interest in Barbados Light & Power Company Limited ("**BLPC**"); and a 15.3% indirect interest, through Light & Power Holdings Ltd. ("**LPH**"), the parent company of BLPC and a listed company on the Barbados Stock Exchange, in St. Lucia Electricity Services Limited ("**Lucelec**"). GBPC is a vertically-integrated utility and the sole provider of electricity on Grand Bahama Island in the Bahamas. GBPC serves 19,000 customers and is regulated by Grand Bahama Port Authority, which has granted GBPC a licensed, regulated and exclusive franchise to produce, transmit and distribute electricity on the island until 2054. Emera holds its indirect interest in GBPC through ICD Utilities Limited ("**ICDU**"), which in turn owns a 50% interest in GBPC. ICDU is listed on the Bahamas International Securities Exchange. BLPC is a vertically-integrated utility and the sole electric utility operator on the Caribbean island of Barbados which serves approximately 123,000 customers and is regulated by the Fair Trading Commission, Barbados. The government of Barbados has granted BLPC a franchise to produce, transmit and distribute electricity on the island until 2028. Emera acquired its interest in BLPC through the purchase of 80% of the outstanding common shares of LPH. Lucelec is a vertically-integrated electric utility on the Caribbean island of St. Lucia. Lucelec is listed on the Eastern Caribbean Securities Exchange.

EBPC is a natural gas pipeline company that owns the Brunswick Pipeline, a 145-kilometre pipeline carrying re-gasified liquefied natural gas from the Canaport LNG LP terminal near Saint John, New Brunswick to markets in the Northeastern U.S. This federally regulated pipeline received National Energy Board approval for shipping gas in January 2009 and commenced service on July 16, 2009, transporting re-gasified liquid natural gas for Repsol Energy Canada under a 25 year firm service agreement.

The success of Emera's primary businesses is integral to the creation of shareholder value, providing strong, predictable earnings and growing cash flow to fund dividends and reinvestment. The essential nature of the services provided, the monopoly positions of NSPI, Bangor Hydro, BLPC, GBPC, and MPS, and their regulated market structures mean that these rate-regulated utilities can generally be expected to produce stable earnings streams within regulated ranges.

Through EBPC and other strategic investments, Emera looks beyond its existing regulated electricity business to supplement organic growth. Emera's goal is to increase earnings per share by an average of 4% to 6% annually, and to build and diversify its income base with a focus on cleaner energy in its markets. To accomplish this, Emera will continue to build its existing businesses and will leverage its core strength in the electricity business to pursue acquisitions and greenfield development opportunities in regulated electricity transmission and distribution and lower risk generation.

On November 18, 2010, Emera and Nalcor Energy ("Nalcor"), with the endorsement of the governments of Nova Scotia and Newfoundland and Labrador, signed a term sheet which included the obligation to negotiate and conclude final agreements for an estimated \$6.2 billion hydro-electric development that would bring energy from a new hydro-electric generating facility at Muskrat Falls on the Lower Churchill River in Labrador to consumers in the Atlantic Provinces and New England. This development is expected to result in a strong regional system that enhances the ability to move energy among the Atlantic Provinces, improves reliability of the system and is consistent with Emera's focus on cleaner, affordable electricity. The proposed agreement between Emera and Nalcor would see:

- Nalcor construct and own an estimated \$2.9 billion, 824 megawatt ("MW") hydro-electric generating facility at Muskrat Falls on the Lower Churchill River in Labrador with a planned in-service date of 2017;
- Emera and Nalcor together develop an estimated \$2.1 billion electricity transmission project in Newfoundland and Labrador to enable the transmission of the Muskrat Falls energy from Labrador to the island of Newfoundland (to be known as the "Labrador-Island Transmission Link Project"), with Emera investing in this project; and
- Emera build and own an estimated \$1.2 billion transmission project between the island of Newfoundland and Nova Scotia, comprising a 180 kilometre subsea cable, in return for 20% of the energy output from Muskrat Falls for 35 years (to be known as the "Maritime Link").

Emera has grown its business through additional strategic investments and activities that include:

- a 50% joint venture interest in Bear Swamp, a 600 MW pumped storage hydro-electric facility in northern Massachusetts. Bear Swamp pumps water into its reservoir using lower priced off-peak power, and uses that hydro capacity to generate electricity during higher priced on-peak periods;
- a 49.999% interest in California Pacific Utility Ventures LLC, the parent of California Pacific Electric Company LLC, a California based electricity distribution and generation utility;
- a 37.7% interest in Atlantic Hydrogen Inc., a privately held New Brunswick corporation headquartered in Fredericton, New Brunswick that is developing greener energy solutions;
- a 13.0% interest in Algonquin Power & Utilities Corporation, an Ontario-based public company that owns and operates a diversified portfolio of renewable energy and utility businesses through its subsidiaries;
- a 12.9% interest in the \$2 billion, 1,400 kilometre Maritimes & Northeast Pipeline, which transports natural gas from offshore Nova Scotia to markets in the Maritime Provinces and the Northeastern United States;
- a 7.5% equity interest in OpenHydro, an Irish renewable energy company;
- Emera Energy Incorporated, a physical energy business which purchases and sells natural gas and electricity on behalf of third parties and provides related energy and management services in Canada and, through its subsidiary, Emera Energy Services, in the United States;
- Bayside Power Limited Partnership, a 260 MW gas-fired merchant electricity generating facility located in Saint John, New Brunswick; and
- Emera Utility Services Inc., a utility services contractor serving primarily power and telecommunications customers throughout the Atlantic Provinces and Bahamas.

Emera is also partnering with First Wind Holdings LLC ("First Wind") to own 370 MW of wind energy facilities in the northeastern United States. These assets will become part of a new operating company, owned 51 percent by First Wind, and 49 percent by a new Emera owned entity, Northeast Wind. Northeast Wind will invest a total of approximately \$366 million USD, subject to certain closing adjustments, to acquire its 49 percent interest in the operating company and to provide a \$150 million USD loan. The acquisition requires certain state and federal regulatory approvals, all of which have been obtained, subject to certain conditions and to the outcome of an appeal of one of the regulatory approvals. Emera will finance the transaction through existing credit facilities, subject to lender approval. The transaction is expected to close during June 2012, subject to the completion of the remaining conditions and Emera's review of the appeal risk.

## CHANGES IN CONSOLIDATED CAPITALIZATION OF THE COMPANY

The following material change in the consolidated capitalization of the Company occurred after the period ending March 31, 2012: upon the completion of the offering of the Series C Shares, the Company will have issued 10,000,000 Series C Shares.

### DETAILS OF THE OFFERING

The Series C Shares and the Series D Shares (if issued) will each be issued as a series of First Preferred Shares of the Company (“**First Preferred Shares**”). See the description of the First Preferred Shares of the Company as a class under the heading “Description of Securities Being Distributed – Preferred Shares” in the accompanying Prospectus. The following is a summary of the rights, privileges, restrictions and conditions of or attaching to the Series C Shares as a series, and the Series D Shares as a series.

#### Certain Provisions of the Series C Shares as a Series

##### Definition of Terms

The following definitions are relevant to the Series C Shares:

“**Annual Fixed Dividend Rate**” means, for any Subsequent Fixed Rate Period, the rate equal to the sum of the Government of Canada Yield on the applicable Fixed Rate Calculation Date plus 2.65%.

“**Bloomberg Screen GCAN5YR Page**” means the display designated as page “GCAN5YR<INDEX>” on the Bloomberg Financial L.P. service (or such other page as may replace the GCAN5YR page on that service) for purposes of displaying Government of Canada Bond yields.

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

“**Government of Canada Yield**” on any date means the yield to maturity on such date (assuming semi-annual compounding) of a Canadian dollar denominated non-callable Government of Canada bond with a term to maturity of five years as quoted as of 10:00 a.m. (Toronto time) on such date and which appears on the Bloomberg Screen GCAN5YR Page on such date; provided that, if such rate does not appear on the Bloomberg Screen GCAN5YR Page on such date, the Government of Canada Yield will mean the average of the yields determined by two registered Canadian investment dealers selected by the Company, as being the yield to maturity on such date (assuming semi-annual compounding) which a Canadian dollar denominated non-callable Government of Canada bond would carry if issued in Canadian dollars at 100% of its principal amount on such date with a term to maturity of five years.

“**Initial Fixed Rate Period**” means the period from and including the closing date to, but excluding, August 15, 2018.

“**Subsequent Fixed Rate Period**” means for the initial Subsequent Fixed Rate Period, the period from and including August 15, 2018 to, but excluding, August 15, 2023, and for each succeeding Subsequent Fixed Rate Period, the period from and including the day immediately following the end of the immediately preceding Subsequent Fixed Rate Period to, but excluding, August 15 in the fifth year thereafter.

##### Issue Price

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

##### Dividends

During the Initial Fixed Rate Period, the holders of the Series C Shares will be entitled to receive fixed quarterly cumulative preferential cash dividends, as and when declared by the Board of Directors, on the fifteenth (15<sup>th</sup>) day of February, May, August and November in each year, at a rate equal to \$0.25625 per share. The initial dividend, if declared, will be payable on August 15, 2012 and will be \$0.1938 per share, based on the anticipated closing date of June 7, 2012.

During each Subsequent Fixed Rate Period after the Initial Fixed Rate Period, the holders of Series C Shares will be entitled to receive fixed cumulative preferential cash dividends, as and when declared by the Board of Directors, payable quarterly on the fifteenth (15<sup>th</sup>) day of February, May, August and November in each year, in the amount per share per annum determined by multiplying the Annual Fixed Dividend Rate applicable to such Subsequent Fixed Rate Period by \$25.00.

The Annual Fixed Dividend Rate applicable to a Subsequent Fixed Rate Period will be determined by the Company on the Fixed Rate Calculation Date. Such determination will, in the absence of manifest error, be final and binding upon the Company and upon all holders of Series C Shares. The Company will, on the 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 C Shares.

The dividends on Series C Shares will accrue (but not compound) on a daily basis. If, on any dividend payment date, the dividends accrued to such date are not paid in full on all of the Series C Shares then outstanding, such dividends, or the unpaid portion thereof, will be paid on a subsequent date or dates determined by the Board of Directors on which the Company will have sufficient funds properly applicable to the payment of such dividends.

### **Redemption**

The Series C Shares will not be redeemable prior to August 15, 2018. Subject to the provisions described below under the heading “Restrictions on Dividends and Retirement of Shares”, on August 15, 2018 and on August 15 every five years thereafter, the Company may redeem all or any part of the then outstanding Series C Shares, at the Company’s option without the consent of the holder, by the payment of an amount in cash for each such share so redeemed of \$25.00 together with all accrued and unpaid dividends up to but excluding the date fixed for redemption.

Notice of any redemption will be given by the Company at least 30 days and not more than 60 days prior to the date fixed for redemption. If less than all the outstanding Series C Shares are at any time to be redeemed, the shares to be redeemed will be redeemed pro rata, disregarding fractions.

The Series C Shares are not redeemable at the option of their holders.

### **Conversion of Series C Shares into Series D Shares**

Holders of Series C Shares will have the right, at their option, on August 15, 2018 and on August 15 every five years thereafter (a “**Series C Conversion Date**”) to convert, subject to the restrictions on conversion described below and the payment or delivery to the Company of evidence of payment of the tax (if any) payable, all or any of their Series C Shares registered in their name into Series D Shares on the basis of one Series D Share for each Series C Share. The conversion of Series C Shares may be effected upon notice delivered to the Company by the holders of Series C Shares not earlier than the 30th day prior to, but not later than 5:00 p.m. (Toronto time) on the 15th day preceding, a Series C Conversion Date.

The Company will, at least 30 days and not more than 60 days prior to the applicable Series C Conversion Date, give notice in writing to the then registered holders of the Series C Shares of the above mentioned conversion right. On the 30th day prior to each Series C Conversion Date, the Company will give notice in writing to the then registered holders of the Series C Shares of the Annual Fixed Dividend Rate for the next succeeding Subsequent Fixed Rate Period.

Holders of Series C Shares will not be entitled to convert their shares into Series D Shares if the Company determines that there would remain outstanding on a Series C Conversion Date less than 1,000,000 Series D Shares, after having taken into account all Series C Shares tendered for conversion into Series D Shares and all Series D Shares tendered for conversion into Series C Shares. The Company will give notice in writing thereof to all registered holders of Series C Shares at least seven days prior to the applicable Series C Conversion Date. Furthermore, if the Company determines that there would remain outstanding on a Series C Conversion Date less than 1,000,000 Series C Shares, after having taken into account all Series C Shares tendered for conversion into Series D Shares and all Series D Shares tendered for conversion into Series C Shares, then, all, but not part, of the remaining outstanding Series C Shares will automatically be converted into Series D Shares on the basis of one Series D Share for each Series C Share on the applicable Series C Conversion Date and the Company will give notice in writing thereof to the then registered holders of such remaining Series C Shares at least seven days prior to the Series C Conversion Date.

Upon exercise by the holder of this right to convert Series C Shares into Series D Shares or upon an automatic conversion, the Company reserves the right not to issue Series D Shares to any person whose address is in, or whom the Company or its transfer agent has reason to believe is a resident of, any jurisdiction outside Canada, to the extent that such issue would require the Company to take any action to comply with the securities laws of such jurisdiction.

If the Company gives notice to the registered holders of the Series C Shares of the redemption of all the Series C Shares, the Company will not be required to give notice as provided hereunder to the registered holders of the Series C Shares of an Annual Fixed Dividend Rate or of the conversion right of holders of Series C Shares and the right of any holder of Series C Shares to convert such Series C Shares will cease and terminate in that event.

### **Purchase for Cancellation**

Subject to the provisions described below under the heading “Restrictions on Dividends and Retirement of Shares”, the Company may at any time purchase for cancellation any Series C Share in the open market, by private agreement or otherwise at the lowest price or prices at which in the opinion of the Board of Directors such shares are obtainable.

### **Restrictions on Dividends and Retirement of Shares**

So long as any of the Series C Shares are outstanding, the Company will not, without the approval of the holders of outstanding Series C Shares given as specified below:

- (a) declare, pay or set apart for payment any dividends on the common shares of the Company (the “**Common Shares**”) or any other shares ranking junior to the Series C Shares (other than stock dividends payable in shares ranking junior to the Series C Shares);
- (b) redeem, purchase or otherwise retire any Common Shares or any other shares ranking junior to the Series C Shares (except out of the net cash proceeds of a substantially concurrent issue of shares ranking junior to the Series C Shares);
- (c) redeem, purchase or otherwise retire less than all the Series C Shares; or
- (d) except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provisions attaching to any series of First Preferred Shares of the Company, redeem, purchase or otherwise retire any other First Preferred Shares ranking on a parity with the Series C Shares,

unless, in each such case, all dividends up to and including the dividend payment date for the last completed period for which dividends will be payable will have been declared and paid or set apart for payment in respect of each series of cumulative First Preferred Shares then issued and outstanding.

### **Issue of Additional Series of Preferred Shares**

Except in respect of the issuance of Series C Shares as a result of the conversion of the Series D Shares in accordance with their terms or the issuance of Series D Shares as a result of the conversion of the Series C Shares in accordance with their terms, so long as any Series C Shares are outstanding, the Company shall not, without the prior approval of the holders of the Series C Shares, create or issue any shares ranking prior to or on a parity with the Series C Shares with respect to repayment of capital or payment of dividends, provided that the Company may without such approval issue additional series of First Preferred Shares if all dividends then payable on the Series C Shares shall have been paid or set apart for payment.

### **Shareholder Approvals**

The approval of any amendments to the rights, privileges, restrictions and conditions attaching to the Series C Shares may be given by a resolution carried by the affirmative vote of not less than 66 <sup>2</sup>/<sub>3</sub>% of the votes cast at a meeting of holders of Series C Shares at which a majority of the outstanding Series C Shares is represented or, if no such quorum is present at the meeting, at a meeting following such adjourned meeting at which no quorum would apply.

## **Rights on Liquidation**

In the event of the liquidation, dissolution or winding-up of the Company, the holders of the Series C Shares will be entitled to receive \$25.00 per share together with all dividends accrued and unpaid up to but excluding the date of payment before any amount will be paid or any assets of the Company distributed to the holders of any shares ranking junior to the Series C Shares. The holders of the Series C Shares will not be entitled to share in any further distribution of the property or assets of the Company.

## **Voting Rights**

The holders of Series C Shares will not be entitled (except as otherwise provided by law and except for meetings of the holders of First Preferred Shares as a class and meetings of the holders of Series C Shares as a series) to receive notice of, attend, or vote at, any meeting of the shareholders of the Company, unless and until the Company fails to pay eight quarterly dividends on the Series C Shares, whether or not consecutive and whether or not such dividends have been declared and whether or not there are any monies of the Company properly applicable to the payment of dividends. In the event of such non-payment, and for only so long as any such dividends remain in arrears, holders of Series C Shares will be entitled to receive notice of, and to attend, all meetings of shareholders at which directors are to be elected and to vote for the election of two directors out of the total number of directors elected at such meeting. Such entitlement to vote shall be exercised together with holders of shares of all other series of First Preferred Shares, all series of Second Preferred Shares and all other classes or series of classes of shares of the Company having the right to vote in similar circumstances. In any such instance, holders of Series C Shares will be entitled to one vote for each Series C Share held, provided however that the holder of any Series C Share which, together with other shares of Emera held beneficially or otherwise by that holder or any person associated therewith, would in such event constitute “voting shares” of Emera and would be 15% or more of such outstanding “voting shares” of Emera, shall not be entitled to any vote in respect of such Series C Shares. Upon payment of the entire amount of the Series C Share dividends in arrears, the voting rights of the Series C holders shall forthwith cease.

In connection with any action to be taken by the Company which requires the approval of the holders of Series C Shares voting as a series or as part of the class, each such share will entitle the holder thereof to one vote.

## **Tax Election**

The Series C 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 C Shares. The terms of the Series C Shares will require the Company to make the necessary election under Part VI.1 of the Tax Act so that 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 C Shares.

## **Business Days**

If any action is required to be taken by the Company on a day that is not a business day, then such action will be taken on the next succeeding day that is a business day.

### **Certain Provisions of the Series D Shares as a Series:**

#### **Definition of Terms**

The following definitions are relevant to the Series D Shares:

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

“**Quarterly Commencement Date**” means the fifteenth (15<sup>th</sup>) day of each of February, May, August and November in each year.

“**Quarterly Floating Dividend Rate**” means, for any Quarterly Floating Rate Period, the rate equal to the sum of the T-Bill Rate on the applicable Floating Rate Calculation Date plus 2.65% (calculated on the basis of the actual number of days elapsed in such Quarterly Floating Rate Period divided by 365).



“**Quarterly Floating Rate Period**” means, for the initial Quarterly Floating Rate Period, the period from and including August 15, 2018 to, but excluding, November 15, 2018, and thereafter the period from and including the day immediately following the end of the immediately preceding Quarterly Floating Rate Period to, but excluding, the next succeeding Quarterly Commencement Date.

“**T-Bill Rate**” means, for any Quarterly Floating Rate Period, the average yield expressed as a percentage per annum on three month Government of Canada Treasury Bills, as reported by the Bank of Canada, for the most recent treasury bills auction preceding the applicable Floating Rate Calculation Date.

### **Issue Price**

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

### **Dividends**

The holders of the Series D Shares will be entitled to receive floating rate cumulative preferential cash dividends as and when declared by the Board of Directors payable quarterly on the fifteenth (15<sup>th</sup>) day of February, May, August and November in each year, in the amount per share determined by multiplying the applicable Quarterly Floating Dividend Rate by \$25.00.

The Quarterly Floating Dividend Rate for each Quarterly Floating Rate Period will be determined by the Company on the 30th day prior to the first day of each Quarterly Floating Rate Period. Such determination will, in the absence of manifest error, be final and binding upon the Company and upon all holders of Series D Shares. The Company will, on the Floating Rate Calculation Date, give written notice of the Quarterly Floating Dividend Rate for the ensuing Quarterly Floating Rate Period to all registered holders of the then outstanding Series D Shares.

The dividends on Series D Shares will accrue (but not compound) on a daily basis. If, on any dividend payment date, the dividends accrued to such date are not paid in full on all of the Series D Shares then outstanding, such dividends, or the unpaid portion thereof, will be paid on a subsequent date or dates determined by the Board of Directors on which the Company will have sufficient funds properly applicable to the payment of such dividends.

### **Redemption**

Subject to the provisions described below under the heading “Restrictions on Dividends and Retirement of Shares”, on not more than 60 nor less than 30 days’ notice, the Company may redeem all or any part of the then outstanding Series D Shares, at the Company’s option without the consent of the holder, by the payment of an amount in cash for each such share so redeemed of (i) \$25.00 together with all accrued and unpaid dividends up to but excluding the date fixed for redemption in the case of redemptions on August 15, 2023 and on August 15 every five years thereafter, or (ii) \$25.50 together with all accrued and unpaid dividends up to but excluding the date fixed for redemption in the case of redemptions on any other date after August 15, 2018.

Notice of any redemption will be given by the Company at least 30 days and not more than 60 days prior to the date fixed for redemption. If less than all the outstanding Series D Shares are at any time to be redeemed, the shares to be redeemed will be redeemed pro rata, disregarding fractions.

The Series D Shares are not redeemable at the option of their holders.

### **Conversion of Series D Shares into Series C Shares**

Holders of Series D Shares will have the right, at their option, on August 15, 2023 and on August 15 every five years thereafter (a “**Series D Conversion Date**”), to convert, subject to the restrictions on conversion described below and the payment or delivery to the Company of evidence of payment of the tax (if any) payable, all or any of their Series D Shares registered in their name into Series C Shares on the basis of one Series C Share for each Series D Share. The conversion of Series D Shares may be effected upon notice delivered to the Company by the holders of Series D Shares not earlier than the 30th day prior to, but not later than 5:00 p.m. (Toronto time) on the 15th day preceding, a Series D Conversion Date.

The Company will, at least 30 days and not more than 60 days prior to the applicable Series D Conversion Date, give notice in writing to the then holders of the Series D Shares of the above mentioned conversion right. On the 30th day prior to each Series D Conversion Date, the Company will give notice in writing to the then registered holders of Series D Shares of the Annual Fixed Dividend Rate for the next succeeding Subsequent Fixed Rate Period in respect of Series C Shares.

Holders of Series D Shares will not be entitled to convert their shares into Series C Shares if the Company determines that there would remain outstanding on a Series D Conversion Date less than 1,000,000 Series C Shares, after having taken into account all Series D Shares tendered for conversion into Series C Shares and all Series C Shares tendered for conversion into Series D Shares. The Company will give notice in writing thereof to all registered holders of the Series D Shares at least seven days prior to the applicable Series D Conversion Date. Furthermore, if the Company determines that there would remain outstanding on a Series D Conversion Date less than 1,000,000 Series D Shares, after having taken into account all Series D Shares tendered for conversion into Series C Shares and all Series C Shares tendered for conversion into Series D Shares, then, all, but not part, of the remaining outstanding Series D Shares will automatically be converted into Series C Shares on the basis of one Series C Share for each Series D Share on the applicable Series D Conversion Date and the Company will give notice in writing thereof to the then registered holders of such remaining Series D Shares at least seven days prior to the Series D Conversion Date.

Upon exercise by the holder of this right to convert Series D Shares into Series C Shares or upon an automatic conversion, the Company reserves the right not to issue Series C Shares to any person whose address is in, or whom the Company or its transfer agent has reason to believe is a resident of, any jurisdiction outside Canada, to the extent that such issue would require the Company to take any action to comply with the securities laws of such jurisdiction.

If the Company gives notice to the registered holders of the Series D Shares of the redemption of all the Series D Shares, the Company will not be required to give notice as provided hereunder to the registered holders of the Series D Shares of an Annual Fixed Dividend Rate or of the conversion right of holders of Series D Shares and the right of any holder of Series D Shares to convert such Series D Shares will cease and terminate in that event.

#### **Purchase for Cancellation**

Subject to the provisions described below under the heading “Restrictions on Dividends and Retirement of Shares”, the Company may at any time purchase for cancellation any of the Series D Shares in the open market, by private agreement or otherwise at the lowest price or prices at which in the opinion of the Board of Directors such shares are obtainable.

#### **Restrictions on Dividends and Retirement of Shares**

So long as any of the Series D Shares are outstanding, the Company will not, without the approval of the holders of outstanding Series D Shares given as specified below:

- (a) declare, pay or set apart for payment any dividends on the Common Shares or any other shares ranking junior to the Series D Shares (other than stock dividends payable in shares of the Company ranking junior to the Series D Shares);
- (b) redeem, purchase or otherwise retire any Common Shares or any other shares ranking junior to the Series D Shares (except out of the net cash proceeds of a substantially concurrent issue of shares ranking junior to the Series D Shares);
- (c) redeem, purchase or otherwise retire less than all the Series D Shares then outstanding; or
- (d) except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provisions attaching to any series of First Preferred Shares, redeem, purchase or otherwise retire any other First Preferred Shares ranking on a parity with the Series D Shares,

unless, in each such case, all dividends up to and including the dividend payment date for the last completed period for which dividends will be payable will have been declared and paid or set apart for payment in respect of each series of cumulative First Preferred Shares then issued and outstanding.

### **Issue of Additional Series of Preferred Shares**

Except in respect of the issuance of Series D Shares as a result of the conversion of the Series C Shares in accordance with their terms or the issuance of Series C Shares as a result of the conversion of the Series D Shares in accordance with their terms, so long as any Series D Shares are outstanding, the Company shall not, without the prior approval of the holders of the Series D Shares, create or issue any shares ranking prior to or on a parity with the Series D Shares with respect to repayment of capital or payment of dividends, provided that the Company may without such approval issue additional series of First Preferred Shares if all dividends then payable on the Series D Shares shall have been paid or set apart for payment.

### **Shareholder Approvals**

The approval of any amendments to the rights, privileges, restrictions and conditions attaching to the Series D Shares may be given by a resolution carried by the affirmative vote of not less than 66 <sup>2</sup>/<sub>3</sub>% of the votes cast at a meeting of holders of Series D Shares at which a majority of the outstanding Series D Shares is represented or, if no such quorum is present at the meeting, at a meeting following such adjourned meeting at which no quorum would apply.

### **Rights on Liquidation**

In the event of the liquidation, dissolution or winding-up of the Company, the holders of the Series D Shares will be entitled to receive \$25.00 per share together with all dividends accrued and unpaid up to but excluding the date of payment before any amount will be paid or any assets of the Company distributed to the holders of any shares ranking junior to the Series D Shares. The holders of the Series D Shares will not be entitled to share in any further distribution of the property or assets of the Company.

### **Voting Rights**

The holders of Series D Shares will not be entitled (except as otherwise provided by law and except for meetings of the holders of First Preferred Shares as a class and meeting of the holders of Series D Shares as a series) to receive notice of, attend, or vote at, any meeting of the shareholders of the Company, unless and until the Company fails to pay eight quarterly dividends on the Series D Shares, whether or not consecutive and whether or not such dividends have been declared and whether or not there are any monies of the Company properly applicable to the payment of dividends. In that event of such non-payment and for only so long as any such dividends remain in arrears, holders of Series D Shares will be entitled to receive notice of, and to attend, all meetings of shareholders at which directors are to be elected and to vote for the election of two directors out of the number of directors elected at such meeting. Such entitlement to vote shall be exercised together with holders of shares of all other series of First Preferred Shares, all Series of Second Preferred shares and all other classes or series of classes of shares of the Company having the right to vote in such circumstances. In any such instance, holders of Series D Shares will be entitled to one vote for each Series D Share held, provided however that the holder of any Series D Share which, together with other shares of Emera held beneficially or otherwise by that holder or any person associated therewith, would in such event constitute “voting shares” of Emera and would be 15% or more of such outstanding “voting shares” of Emera, shall not be entitled to any vote in respect of such Series D Shares. Upon payment of the entire amount of the Series D Share dividends in arrears, the voting rights of the Series D holders shall forthwith cease and terminate.

In connection with any action to be taken by the Company which requires the approval of the holders of Series D Shares voting as a series or as part of the class, each such share will entitle the holder thereof to one vote.

### **Tax Election**

The Series D 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 D Shares. The terms of the Series D Shares will require the Company to make the necessary election under Part VI.1 of the Tax Act so that 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 D Shares.

### **Business Days**

If any action is required to be taken by the Company on a day that is not a business day, then such action will be taken on the next succeeding day that is a business day.

## DEPOSITORY SERVICES

The Series C Shares and Series D 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 Company will cause a global certificate or certificates representing any newly issued Series C Shares or Series D Shares to be delivered to, and registered in the name of CDS or its nominee. All rights of holders of Series C Shares or Series D Shares must be exercised through, and all payments or other property to which such holder of Series C Shares or Series D 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 C Shares or Series D Shares holds such shares. Each person who acquires Series C Shares or Series D Shares will receive only a customer confirmation of purchase from the registered dealer from or through which the Series C Shares or Series D 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 C Shares or Series D Shares.

The ability of a beneficial owner of Series C Shares or Series D 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 Company has the option to terminate registration of the Series C Shares and Series D Shares through the book entry only system, in which event certificates for Series C Shares and Series D Shares in fully registered form will be issued to the beneficial owners of such shares or their nominees.

Neither the Company nor the Underwriters will assume any liability for: (a) any aspect of the records relating to the beneficial ownership of the Series C Shares or Series D Shares held by CDS or the payments relating thereto; (b) maintaining, supervising or reviewing any records relating to the Series C Shares or Series D 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 C Shares or Series D Shares must look solely to CDS Participants for payments made by or on behalf of the Company to CDS in respect of the Series C Shares or Series D Shares.

Certificates representing the Series C Shares and Series D Shares, as applicable, will be made available if (i) required by applicable law, (ii) the book entry only system ceases to exist, (iii) CDS advises the Company that it is no longer willing or able to discharge properly its responsibilities as depository with respect to the Series C Shares or Series D Shares and the Company is unable to locate a qualified successor, or (iv) the Company, at its option, decides to terminate the book entry only system.

## EARNINGS COVERAGE RATIO

The following earnings coverage ratios are calculated on a consolidated basis as at December 31, 2011 and March 31, 2012 and for the respective 12 month periods then ended. The ratios (i) do not give effect to the issue of any preferred shares pursuant to this Prospectus Supplement, and (ii) do not purport to be indicative of any earnings coverage ratio for future periods. The December 31, 2011 ratio is based on the audited financial statements as at December 31, 2011<sup>(2)</sup> and the March 31, 2012 ratio is based on the unaudited financial statements as at March 31, 2012.

	<b>Twelve months ended December 31, 2011<sup>(2)</sup></b>	<b>Twelve months ended March 31, 2012</b>
Earnings Coverage <sup>(1)</sup> .....	2.14	1.91

- (1) Earnings coverage is equal to consolidated net income attributable to common shareholders plus: income taxes, interest on long-term debt, amortization of debt financing costs and after-tax preferred share dividends declared during the period, together with undeclared preferred share dividends, if any, divided by interest on long-term debt plus amortization of debt financing costs and pre-tax preferred dividends.
- (2) Beginning with the first fiscal quarter of 2012, the Company reclassified partnership income tax expense previously recorded as a reduction in “Income from equity investments” to “Income tax expense (recovery)” in the Consolidated Statements of Income. Prior year comparatives have also been reclassified. This reclassification had the impact of increasing the Company’s earnings coverage ratio from 2.07 to 2.14 for the twelve months ended December 31, 2011.

Emera’s dividend requirements on all of its preferred shares, adjusted to before-tax equivalent using an effective income tax rate of 32.5%, amounted to \$23.7 million for the 12 months ended December 31, 2011. Emera’s interest requirements for the 12 months then ended amounted to \$159.3 million. Emera’s consolidated income before interest and income tax for the 12 months ended December 31, 2011 was \$391.1 million, which is 2.14 times Emera’s aggregate dividend and interest requirements for this period.

Emera’s dividend requirements on all of its preferred shares, adjusted to before-tax equivalent using an effective income tax rate of 32.1%, amounted to \$23.7 million for the 12 months ended March 31, 2012. Emera’s interest requirements for the 12 months then ended amounted to \$162.6 million. Emera’s consolidated income before interest and income tax for the 12 months ended March 31, 2012 was \$355.0 million, which is 1.91 times Emera’s aggregate dividend and interest requirements for this period.

The Company’s dividend requirements on all of its preferred shares for the 12 months ended December 31, 2011 and March 31, 2012, after giving effect to the issue of the Series C Shares and adjusted to a before-tax equivalent using an effective tax rate of 32.5% for 2011 and 32.1% for 2012, amounted to \$40.7 million for the 12 months ended December 31, 2011 and \$40.6 million for the 12 months ended March 31, 2012. The Company’s interest requirements for the 12 months ended December 31, 2011 and March 31, 2012 amounted and \$159.3 million and \$162.6 million, respectively. The Company’s consolidated income before interest and income tax for the 12 months ended December 31, 2011 and March 31, 2012 were \$411.4 million and \$375.3 million, respectively, which are 2.06 times and 1.85 times the Company’s aggregate dividend and interest requirements for the respective periods.

## TRADING PRICE AND VOLUME

The Company's outstanding Common Shares and First Preferred Shares, Series A are listed on the TSX under the trading symbols "EMA" and "EMA.PR. A", respectively. The following tables sets forth the reported high and low trading prices in Canadian dollars and trading volumes of the Common Shares and First Preferred Shares, Series A on the TSX for the periods indicated.

<u>Common Shares</u>	<u>High</u>	<u>Low</u>	<u>Volume Traded</u>
May 2011 .....	\$32.65	\$31.29	3,260,117
June 2011 .....	\$32.54	\$31.11	3,089,703
July 2011 .....	\$32.80	\$31.26	2,931,528
August 2011 .....	\$31.70	\$19.95	7,713,859
September 2011 .....	\$32.89	\$30.39	5,249,085
October 2011 .....	\$34.25	\$31.37	4,549,835
November 2011 .....	\$33.03	\$31.02	4,049,855
December 2011 .....	\$33.65	\$31.66	4,199,021
January 2012 .....	\$33.21	\$32.05	2,992,755
February 2012 .....	\$33.56	\$32.31	3,750,102
March 2012 .....	\$34.92	\$33.16	4,801,327
April 2012 .....	\$35.11	\$33.51	3,080,678
May 1 to May 30, 2012 .....	\$35.24	\$32.80	4,606,682

<u>First Preferred Shares, Series A</u>	<u>High</u>	<u>Low</u>	<u>Volume Traded</u>
May 2011 .....	\$25.89	\$25.33	110,679
June 2011 .....	\$26.10	\$25.65	59,862
July 2011 .....	\$26.26	\$25.50	201,957
August 2011 .....	\$26.05	\$25.00	141,195
September 2011 .....	\$26.05	\$25.25	82,855
October 2011 .....	\$26.35	\$25.38	60,274
November 2011 .....	\$25.94	\$25.40	112,280
December 2011 .....	\$25.91	\$25.31	119,110
January 2012 .....	\$26.43	\$25.73	184,129
February 2012 .....	\$26.31	\$25.75	81,246
March 2012 .....	\$26.00	\$25.66	61,769
April 2012 .....	\$25.99	\$25.50	60,532
May 1 to May 30, 2012 .....	\$26.17	\$25.07	69,182

## CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Osler, Hoskin & Harcourt LLP and Stewart McKelvey, the following is a summary of the principal Canadian federal income tax considerations generally applicable to a purchaser who acquires Series C Shares pursuant to this prospectus and who, for purposes of the Tax Act and at all relevant times, is or is deemed to be resident in Canada, deals at arm's length with the Company and the Underwriters, is not affiliated with the Company and holds the Series C Shares and any Series D Shares as capital property. Generally, the Series C Shares and Series D Shares will be capital property to a holder provided the holder does not acquire or hold those Series C Shares or Series D Shares in the course of carrying on a business or as part of an adventure or concern in the nature of trade. Certain holders, whose Series C Shares or Series D Shares might not otherwise be capital property, may, in certain circumstances, be entitled to have them and all other "Canadian securities", as defined in the Tax Act, owned by such holder in the taxation year in which the election is made, and in all subsequent taxation years, deemed to be capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. Such holders should consult their own tax advisors concerning this election. This summary is not applicable to a purchaser an interest in which is a "tax shelter investment", that is a "financial institution" for purposes of certain rules applicable to securities held by financial institutions (referred to as the "mark-to-market" rules), or to which the "functional currency" reporting rules apply, each as defined in the Tax Act. Such purchasers should consult their own tax advisors. Furthermore, this summary is not applicable to a purchaser that is a "specified financial institution" (as defined in the Tax Act) that receives or is deemed to receive, alone or together with persons with whom it does not deal at arm's length, in the aggregate dividends in respect of more than 10% of the Series C Shares or Series D Shares, as the case may be, outstanding at the time the dividend is received. This summary also assumes that all issued and outstanding Series C Shares or Series D Shares are listed on a designated stock exchange in Canada (as defined in the Tax Act, such as the TSX) at such times as dividends (including deemed dividends) are paid and received on the Series C Shares or Series D Shares respectively.

This summary is based upon the current provisions of the Tax Act, the regulations thereunder (the "**Regulations**"), and counsel's understanding of the current administrative and assessing practices and policies of the Canada Revenue Agency published in writing prior to the date hereof. This summary takes into account 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 "**Proposed Amendments**") and, except as otherwise noted, assumes that all Proposed Amendments will be enacted in the form proposed. However, no assurances can be given that the Proposed Amendments will be enacted as proposed, or at all. This summary does not otherwise take into account or anticipate any changes in law or administrative or assessing practice, whether by legislative, governmental, administrative or judicial decision or action, nor does it take into account or consider any provincial, territorial or foreign income tax considerations.

**This summary is of a general nature only and is not intended to be, nor should it be construed as, legal or tax advice to any particular purchaser. This summary is not exhaustive of all Canadian federal income tax considerations. Accordingly, prospective purchasers are urged to consult their own tax advisors with respect to their particular circumstances.**

### Dividends

Dividends (including deemed dividends) received on the Series C Shares or Series D Shares 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, including the enhanced gross-up and dividend tax credit rules applicable to any dividends designated by the Company as eligible dividends in accordance with the provisions of the Tax Act. Dividends (including deemed dividends) on the Series C Shares or Series D Shares received by a corporation will be included in computing income and will generally be deductible in computing the taxable income of the corporation.

The Series C Shares and Series D Shares will be "taxable preferred shares" as defined in the Tax Act. The terms of the Series C Shares and Series D Shares require the Company to make the necessary election under Part VI.1 of the Tax Act so that corporate shareholders will not be subject to tax under Part IV.1 of the Tax Act on dividends paid (or deemed to be paid) by the Company on the Series C Shares and Series D Shares.

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 33 1/3% refundable tax under Part IV of the Tax Act on dividends received (or deemed to be received) on the Series C Shares or the Series D Shares to the extent such dividends are deductible in computing its taxable income for the year.

### **Dispositions**

Generally, on a disposition of a Series C Share or Series D Share (which includes the redemption of the shares for cash but not a conversion), the holder will realize a capital gain (or sustain a capital loss) to the extent that the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of such share to the holder thereof immediately before the disposition or deemed disposition. The amount of any deemed dividend arising on the redemption, acquisition or cancellation by the Company of a Series C Share or Series D Share, as the case may be, will generally not be included in a holder's proceeds of disposition for purposes of computing the capital gain or loss arising on the disposition of such share. See "Redemption" below.

If the shareholder is a corporation, the amount of any capital loss may in certain circumstances be reduced by the amount of any dividends, including deemed dividends, which have been received on such shares to the extent and in the manner provided for in the Tax Act. Similar rules may apply where a Series C Share or Series D Share is owned by a partnership or trust of which a corporation, trust or partnership is a member or beneficiary. Such holders should consult their own advisors.

Generally, one-half of any capital gain will be included in computing the holder's income as a taxable capital gain and one-half of any capital loss will be deducted from the holder's net taxable capital gains. Any excess of allowable capital losses over taxable capital gains of the holder may be carried back up to three years and forward indefinitely and deducted against net taxable capital gains of the holder in those other years in accordance with the detailed rules in the Tax Act.

Canadian controlled private corporations are liable for tax, a portion of which may be refundable on their "aggregate investment income" (which is defined in the Tax Act to include an amount in respect of taxable capital gains, but not dividends or deemed dividends that are deductible in computing taxable income).

### **Redemption**

If the Company redeems for cash or otherwise acquires a Series C Share or Series D Share (other than on a conversion or by a purchase in the manner in which shares are normally purchased by a 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 Company in excess of the paid-up capital of such share at such time. Generally, the difference between the amount paid by the Company and the amount of the deemed dividend will be treated as proceeds of disposition for the purposes of computing the capital gain or capital loss arising on the disposition of such share. See "Dispositions" above. In the case of a corporate shareholder, it is possible that in certain circumstances all or part of the amount so deemed to be a dividend may be treated as proceeds of disposition and not as a dividend.

### **Conversion**

The conversion of a Series C Share into a Series D Share and a Series D Share into a Series C Share will be deemed not to be a disposition of property and accordingly will not give rise to any capital gain or capital loss. The cost to a holder of a Series D Share or Series C Share, as the case may be, received on the conversion will be deemed to be equal to the holder's adjusted cost base of the Series C Share or Series D Share, as the case may be, immediately before the conversion.

### **Alternative Minimum Tax**

A capital gain realized, or a dividend received or deemed to be received, by an individual or a trust (other than certain specified trusts) may give rise to a liability for alternative minimum tax.



## RATINGS

The Series C Shares are rated Pfd-3 (high), negative trend by DBRS Limited (“**DBRS**”). The Series C Shares are rated P-2 (low) by Standard & Poor’s Rating Services, a division of The McGraw-Hill Companies (Canada) Corporation (“**S&P**”). S&P maintains a negative outlook on Emera. The DBRS rating of Pfd-3 (high) is the highest of three sub-categories within the third-highest rating of the six standard categories of ratings utilized by DBRS for preferred shares. A P-2 (low) rating by S&P is the third lowest of the three sub-categories within the second highest rating of the eight standard categories of ratings utilized by S&P for preferred shares.

Prospective purchasers of Series C Shares should consult the relevant rating organization with respect to the interpretation and implications of the foregoing provisional ratings. The foregoing ratings should not be construed as recommendations to buy, sell or hold Series C Shares. Ratings may be revised or withdrawn at any time by the respective rating organizations.

## PLAN OF DISTRIBUTION

Pursuant to an underwriting agreement dated May 31, 2012 among the Company and the Underwriters (the “**Underwriting Agreement**”), the Company has agreed to sell and the Underwriters have severally agreed to purchase on June 7, 2012 or such date as may be agreed upon, but not later than June 14, 2012, subject to the terms and conditions stated in the Underwriting Agreement, all but not less than all of the Series C Shares at a price of \$25.00 per share, payable in cash to the Company against delivery of such Series C Shares. The Underwriting Agreement provides that the Underwriters will be paid a fee per share equal to \$0.25 for each share sold to institutions and \$0.75 for all other shares sold.

The terms of the offering were established through arm’s length negotiations between the Company and the Underwriters.

The obligations of the Underwriters under the Underwriting Agreement may be terminated at their discretion on the basis of their assessment of the state of the financial markets and may also be terminated upon the occurrence of certain stated events. The Underwriters are, however, obligated to take up and pay for all of the Series C Shares if any are purchased under the Underwriting Agreement. The Underwriting Agreement also provides that the Company will indemnify the Underwriters and their respective directors, officers, shareholders, agents and employees against certain liabilities and expenses.

After the Underwriters have made a reasonable effort to sell all of the Series C Shares at \$25.00 per share, the price of the Series C Shares may be decreased, and further changed from time to time, by the Underwriters to an amount not greater than \$25.00 per share and, in such case, the compensation realized by the Underwriters will be decreased by the amount that the aggregate price paid by purchasers for the Series C Shares is less than the gross proceeds paid by the Underwriters to the Company.

Neither the Series C Shares nor the Series D Shares have been registered under the *United States Securities Act of 1933*, as amended (the “**U.S. Securities Act**”), or any state securities laws. Accordingly, the Series C Shares or Series D Shares may not be offered or sold in the United States of America or to U.S. persons (within the meaning of Regulation S under the U.S. Securities Act) except pursuant to an effective registration statement under the U.S. Securities Act or pursuant to an exemption from the registration requirements of the U.S. Securities Act. In addition, until 40 days after the commencement of an offering of Series C Shares or Series D Shares, an offer or sale of such securities within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than pursuant to an effective registration statement under the U.S. Securities Act or in accordance with an applicable exemption from the registration requirements of the U.S. Securities Act.

Pursuant to policy statements of certain securities regulators, the Underwriters may not, throughout the period of distribution, bid for or purchase any Series C 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 C 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. Subject to the foregoing, in connection with this offering, the Underwriters may over-allot or effect transactions which stabilize or maintain the market price of the Series C Shares at levels other than those which otherwise might prevail on the open market. Such transactions, if commenced, may be discontinued at any time.

The TSX has conditionally approved the listing of the Series C Shares distributed under this Prospectus Supplement and the Series D Shares into which the Series C Shares are convertible. Listing of the Series C Shares and Series D Shares will be subject to the Company fulfilling all of the listing requirements of the TSX.

Each of the Underwriters is a wholly-owned subsidiary of a Canadian chartered bank which is a lender to Emera and certain of its subsidiaries. Consequently, Emera may be considered to be a connected issuer of the Underwriters for purposes of applicable Canadian securities legislation. The decision to distribute the securities offered hereunder and the terms of this offering were negotiated at arm’s length between the Company and the Underwriters. None of the Underwriters will receive any benefit in connection with this offering other than a portion of the Underwriters’ fee. All or a portion of the net proceeds from the offering will be used to repay indebtedness to such banks. See “Use of Proceeds”.

## USE OF PROCEEDS

The net proceeds to the Company from the sale of the Series C Shares, after deducting estimated expenses of the issue and the Underwriters' fee, will be approximately \$242,050,000 (assuming the Underwriters' fee is \$7,500,000 for all Series C Shares sold). The net proceeds from the offering will be used by the Company for general corporate purposes, including repayment of indebtedness under the Company's credit facility.

Each of the Underwriters is a wholly-owned subsidiary of a Canadian chartered bank which is a lender to Emera and certain of its subsidiaries. Consequently, Emera may be considered to be a connected issuer of the Underwriters for purposes of applicable Canadian securities legislation. The credit facility extended by the banks (the "Credit Facility") currently provides Emera with a revolving operating and acquisition facility in an amount of up to \$700 million. The Credit Facility matures on June 25, 2015 and can be extended with the banks' approvals. The Credit Facility is unsecured. As at May 30, 2012, Emera had approximately \$286.3 million drawn on the Credit Facility. Emera has always been and remains in compliance with the terms of the Credit Facility and no breaches under the Credit Facility have been waived by any of the parties thereto. Other than as has been disclosed in Emera's public filings, there has been no material change in financial position of Emera since the entering into of the Credit Facility. All or a portion of the net proceeds from the offering will be used to repay indebtedness under the Credit Facility. See "Plan of Distribution".

## **RISK FACTORS**

An investment in Series C Shares of the Company is subject to certain risks, including those set out in the accompanying Prospectus and the following:

### **Creditworthiness**

The value of the Series C Shares and the Series D Shares will be affected by the general creditworthiness of the Company. The Company's Management's Discussion and Analysis and Annual Information Form discusses, among other things, known material trends and events, and risks or uncertainties that are reasonably expected to have a material effect on the Company's business, financial condition or results of operations.

### **Market Value Fluctuation**

Prevailing yields on similar securities will affect the market value of the Series C Shares and the Series D Shares. Assuming all other factors remain unchanged, the market value of the Series C Shares and the Series D Shares will decline as prevailing yields for similar securities rise, and will increase as prevailing yields for similar securities decline. Spreads over the Government of Canada Yield, T-Bill Rate and comparable benchmark rates of interest for similar securities will also affect the market value of the Series C Shares and the Series D Shares.

### **Credit Ratings**

Real or anticipated changes in credit ratings on the Series C Shares or the Series D Shares, if any, may affect the market value of the Series C Shares and the Series D Shares, respectively. An actual or anticipated downgrade in the credit ratings of the Company by any rating agency could affect the market value or rating of the Series C Shares and the Series D Shares, respectively. In addition, such actual or anticipated changes in the Company's credit ratings could also affect the cost at which the Company can transact or obtain funding, and thereby affect the Company's liquidity, business, financial condition or results of operations.

### **Holding Company**

The Company's payment of dividends on the Series C Shares and the Series D Shares may be funded from dividends the Company receives from its subsidiaries. The ability of the Company's subsidiaries to pay dividends in the future will depend on their statutory surplus, on earnings and on regulatory restrictions and may be further restricted by the subsidiaries' credit agreements and indentures. The Company's subsidiaries may incur additional indebtedness that may severely restrict or prohibit the making of distributions, the payment of dividends or the making of loans by these subsidiaries to the Company. The Company cannot give any assurance that the agreements governing the current and future indebtedness of the Company's subsidiaries will permit them to provide the Company with sufficient dividends, distributions or loans to enable the Company to pay dividends on the Series C Shares and the Series D Shares.

### **Absence of Trading Market**

There is currently no market through which the Series C Shares may be sold and purchasers of Series C Shares may not be able to resell the Series C Shares purchased under this Prospectus Supplement. The price offered to the public for the Series C Shares and the number of Series C Shares to be issued have been determined by negotiations among the Company and the Underwriters. The price paid for each Series C Shares may bear no relationship to the price at which the Series C Shares will trade in the public market subsequent to this offering. The Company cannot predict at which price the Series C Shares will trade and there can be no assurance that an active trading market will develop for the Series C Shares or, if developed, that such market will be sustained. The TSX has conditionally approved the listing of the Series C Shares distributed under this Prospectus Supplement and the Series D Shares into which the Series C Shares are convertible. Listing of the Series C Shares and the Series D Shares will be subject to the Company fulfilling all of the listing requirements of the TSX.

### **Market Volatility**

Equity and debt capital market conditions and volatility may affect the market price of the Series C Shares and Series D Shares for reasons unrelated to the Company's performance.

## **Other Risk Factors**

Reference is made to “Earnings Coverage Ratio” in this Prospectus Supplement, which is relevant to an assessment of the risk that the Company will be unable to pay dividends on the Series C Shares or the Series D Shares.

Dividends on the Series C Shares and the Series D Shares are payable at the discretion of the Board of Directors.

The Series C Shares and the Series D Shares are equity capital of the Company. The Series C Shares rank, and the Series D Shares will, if issued, rank equally with other First Preferred Shares of the Company in the event of an insolvency or winding-up of the Company. If the Company becomes insolvent or is wound-up, the Company’s assets must be used to pay certain debt, including subordinated debt, before payments may be made on Series C Shares or the Series D Shares, if any.

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

The dividend rate in respect of the Series C Shares and Series D Shares will, following the Initial Fixed Rate Period, reset every five years and quarterly, respectively. 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.

An investment in the Series C Shares may become an investment in Series D Shares without the consent of the holder in the event of an automatic conversion in the circumstances described under “Details of the Offering – Certain Provisions of the Series C Shares as a Series – Conversion of Series C Shares into Series D Shares” above. Upon the automatic conversion of the Series C Shares into Series D Shares, the dividend rate on the Series D Shares will be a floating rate that is adjusted quarterly by reference to the T-Bill Rate which may vary from time to time.

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

Computershare Trust Company of Canada (“**Computershare**”) is the transfer agent and registrar. Registers for the registration and transfer of securities in registered form of Emera are kept at Computershare’s principal office in Halifax, Nova Scotia.

The Company’s auditors are Ernst & Young LLP, Chartered Accountants, Halifax, Nova Scotia. In connection with the audit of the Company’s annual financial statements for the year ended December 31, 2011, Ernest & Young LLP confirmed that they are independent within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Nova Scotia.

## **LEGAL MATTERS**

Legal matters in connection with the issue and sale of the Series C Shares will be passed upon, on behalf of the Company, by Stephen D. Aftanas, its Corporate Secretary, and Osler, Hoskin & Harcourt LLP, and on behalf of the Underwriters, by Stewart McKelvey. As at May 30, 2012, Mr. Aftanas and the partners and associates of each of Osler, Hoskin & Harcourt LLP and Stewart McKelvey, collectively, beneficially owned, directly or indirectly, less than 1% of any class of outstanding securities of the Company.

## **PURCHASER’S STATUTORY RIGHTS**

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus 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, revision of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province for the particulars of these rights or consult with a legal advisor.

## AUDITORS' CONSENT

We have read the prospectus supplement of Emera Incorporated (the "Corporation") dated May 31, 2012 relating to the issue and sale of 10,000,000 Rate Reset Preferred Shares, Series C, together with the amended and restated short form base shelf prospectus of the Corporation dated February 18, 2011 (amending and restating the short form base shelf prospectus of the Corporation dated May 19, 2010). 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 supplement of our report to the shareholders of the Corporation on the consolidated balance sheets of the Corporation as at December 31, 2011 and 2010 and the consolidated statements of income, cash flows, comprehensive income and changes in shareholders' equity for each of the years in the two year period ended December 31, 2011. Our report is dated February 10, 2012.

Halifax, Canada  
May 31, 2012

(Signed) *Ernst & Young LLP*  
Chartered Accountants

## **CERTIFICATE OF THE UNDERWRITERS**

Dated: May 31, 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 laws of each of the provinces of Canada.

**SCOTIA CAPITAL INC.**

**RBC DOMINION SECURITIES INC.**

**TD SECURITIES INC.**

By: (signed) STUART LOCHRAY

By: (signed) DAVID DAL BELLO

By: (signed) HAROLD R. HOLLOWAY

**CIBC WORLD MARKETS INC.**

**BMO NESBITT BURNS INC.**

**NATIONAL BANK FINANCIAL INC.**

By: (signed) DAVID H. WILLIAMS

By: (signed) STEVEN A. BRAUN

By: (signed) BILL TEBBUTT



**AMENDED AND RESTATED SHORT FORM BASE SHELF PROSPECTUS**  
**(amending and restating the short form base shelf prospectus dated May 19, 2010)**

*This amended and restated short form prospectus has been filed under legislation in each of the provinces of Canada that permits certain information about these securities to be determined after this amended and restated prospectus has become final and that permits the omission from this amended and restated prospectus of that information. The legislation requires the delivery to purchasers of a prospectus supplement containing the omitted information within a specified period of time after agreeing to purchase any of these securities.*

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

*Information has been incorporated by reference in this amended and restated prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of Emera Incorporated, Barrington Tower, 1894 Barrington Street, P.O. Box 910, Halifax, Nova Scotia, B3J 2W5 (telephone: 902-428-6520) and are also available electronically at [www.sedar.com](http://www.sedar.com).*

This amended and restated short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.

New Issue

February 18, 2011



EMERA INCORPORATED  
\$650,000,000  
Debt Securities (unsecured)  
First Preferred Shares  
Second Preferred Shares

Emera Incorporated (“**Emera**” or the “**Company**”) may from time to time offer debt securities, first preferred shares and second preferred shares (collectively, the “**Securities**”), up to an aggregate initial offering price of \$650,000,000 (or its equivalent in foreign currencies based on the applicable exchange rate at the time of the offering) during the 25 month period ending June 19, 2012 that this amended and restated base shelf prospectus (the “**Prospectus**”), including any amendments hereto, remains valid. As of the date of this Prospectus, Emera has distributed Securities in an aggregate principal amount of \$150,000,000 under the Prospectus. The Securities offered hereby may be offered separately or together, in separate series, in amounts, at prices, with maturities, and on terms to be set forth in one or more shelf prospectus supplements (each, a “**Prospectus**”).

Supplement”). See “Description of Securities Being Distributed”. All currency amounts in this Prospectus are stated in Canadian dollars, unless otherwise indicated.

This offering is made by a foreign issuer that is permitted, under a multi-jurisdictional disclosure system adopted by the United States, to prepare this Prospectus in accordance with the disclosure requirements of Canada. Prospective investors should be aware that such requirements are different from those of the United States. The financial statements included or incorporated herein have been prepared in accordance with Canadian generally accepted accounting principles, and may be subject to foreign auditing and auditor independence standards, and thus may not be comparable to financial statements of United States companies.

Prospective investors should be aware that the acquisition of the Securities may have tax consequences both in the United States and in Canada. Such consequences for investors who are resident in or citizens of the United States may not be described fully herein.

The enforcement by investors of civil liabilities under the federal securities laws of the United States may be affected adversely by the fact that the Company is incorporated under the laws of the province of Nova Scotia, Canada, that certain of its officers and directors are Canadian residents, that all of the experts named in the registration statement are Canadian residents and that certain of the assets of the Company and said persons are located in Canada.

**THE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION (THE “SEC”) NOR HAS THE SEC PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

The specific terms of any offering of Securities will be set forth in a Prospectus Supplement including, where applicable: (i) in the case of preferred shares, the designation of the particular series, the number of shares offered, the offering price, any voting rights, any rights to receive dividends, any terms of redemption, any conversion or exchange rights and any other specific terms of the preferred shares; and (ii) in the case of debt securities, the specific designation, currency of issue (if other than Canadian dollars), authorized denominations, aggregate principal amount and any limit thereon, issue price (or the manner of determination thereof, if offered on a non-fixed price basis and whether at par, at a premium or at a discount), date of issue, maturity date, any provisions to extend the maturity date, rate of interest (either fixed or floating and, if floating, the manner of calculation thereof), interest payment dates, redemption or repayment provisions, sinking fund, refunding, conversion, additional covenants (including the provision of security), the method of distribution, the actual proceeds to Emera and any other applicable provisions. Emera reserves the right to set forth in a Prospectus Supplement specific terms of Securities that are not within the options and parameters set forth in this Prospectus.

All shelf information permitted under applicable laws to be omitted from this Prospectus will be contained in one or more Prospectus Supplements that will be delivered to purchasers together with this Prospectus. Each Prospectus Supplement will be

incorporated by reference into this Prospectus for the purposes of securities legislation as of the date of the Prospectus Supplement and only for the purposes of the Securities to which the Prospectus Supplement pertains.

Emera may sell the Securities to or through underwriters purchasing as principal and may also sell the Securities to one or more other purchasers directly or through agents. See “Plan of Distribution”. The Prospectus Supplement relating to a particular offering of Securities will identify each underwriter or agent, as the case may be, engaged by Emera in connection with the offering and sale of the Securities and will set forth the terms of the offering of such Securities, including the method of distribution of such Securities, the proceeds to Emera and any fees, discounts or other compensation payable to underwriters or agents, and any other material terms of the offering of such Securities. **There is no market through which any debt securities offered hereunder may be sold, and there is no assurance that any preferred shares offered hereunder will be listed on any securities or stock exchange. Accordingly, purchasers may not be able to resell the Securities purchased under this Prospectus. This may affect the pricing of the Securities in the secondary market, the transparency and availability of trading prices, the liquidity of the Securities, and the extent of issuer regulation. See “Risk Factors”.**

The offering of Securities is subject to the approval of certain legal matters on behalf of Emera by Stephen D. Aftanas, its Corporate Secretary, and Cox & Palmer.

The head and registered office of Emera is located at Barrington Tower, 1894 Barrington Street, Halifax, Nova Scotia B3J 2W5.

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## AVAILABLE INFORMATION

This Prospectus is part of a registration statement on Form F-9 relating to the Securities (the “**Registration Statement**”) that the Company has filed with the SEC under the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”). This Prospectus does not contain all of the information set forth in the Registration Statement, certain parts of which are omitted in accordance with the rules and regulations of the SEC. United States investors should refer to the Registration Statement and the exhibits to the Registration Statement for further information with respect to the Company and the Securities.

The Company will file or furnish annual and quarterly reports, material change reports and other information with the securities commissions or similar regulatory authorities in each of the provinces of Canada and with the SEC. Under a multi-jurisdictional disclosure system adopted by the United States and Canada, these reports and other information (including financial information) may be prepared in accordance with the disclosure requirements in Canada, which differ from those in the United States. Prospective investors may read and download any public document that the Company has filed with securities commissions or similar regulatory authorities in each of the provinces of Canada on the System for Electronic Document Analysis and Retrieval, which is commonly known by the acronym SEDAR, and which may be accessed at [www.sedar.com](http://www.sedar.com). Prospective investors may read any document that the Company files with or furnishes to the SEC at the SEC's public reference room at 100 F Street, N.E., Washington, D.C., 20549. Prospective investors may also obtain copies of the same documents from the SEC's public reference room by paying a fee. Please call the SEC at 1-800-SEC-0330 or contact it at [www.sec.gov](http://www.sec.gov) for further information on the public reference room. The Company's filings will also be electronically available from the SEC's Electronic Document Gathering and Retrieval System,

which is commonly known by the acronym EDGAR, and which may be accessed at [www.sec.gov](http://www.sec.gov), as well as from commercial document retrieval sources.

### **DOCUMENTS FILED AS PART OF THE REGISTRATION STATEMENT**

The following documents are being filed with the SEC as part of the Registration Statement: (i) the documents referred to under the heading "Documents Incorporated by Reference"; (ii) the consent of Ernst & Young LLP, Chartered Accountants, Halifax, Nova Scotia; (iii) the Indenture described under the heading "Description of Securities Being Distributed", including the supplement thereto; and (iv) the powers of attorney from the Company's directors and officers.

### **DOCUMENTS INCORPORATED BY REFERENCE**

**Information has been incorporated by reference in this Prospectus from documents filed with securities commissions and similar regulatory authorities in Canada and with the SEC.**

The following documents, which have been filed with the various securities commissions or similar authorities in each of the provinces of Canada and with the SEC, are specifically incorporated by reference into and form an integral part of this Prospectus:

- (a) the audited comparative consolidated financial statements of Emera as at and for the years ended December 31, 2010 and December 31, 2009, together with the auditors' report thereon and Management's Discussion and Analysis for the year ended December 31, 2010;
- (b) the renewal Annual Information Form of Emera dated March 31, 2010 for the year ended December 31, 2009; and
- (c) the Management Information Circular of Emera containing information as of March 15, 2010.

Any documents of the type referred to above, any consolidated interim financial statements and accompanying management's discussion and analysis or material change reports (other than confidential material change reports), and any other documents required under applicable securities laws to be incorporated by reference into this Prospectus, if filed by Emera with the provincial securities commissions or similar authorities in Canada after the date of this Prospectus and prior to the termination of any offering of Securities, shall be deemed to be incorporated by reference into this Prospectus. To the extent that any document or information incorporated by reference into this Prospectus is included in a report that is filed with or furnished to the SEC, such document or information shall be deemed to be incorporated by reference as an exhibit to the Registration Statement. In addition, any other report filed with or furnished to the SEC by the Company shall be deemed to be incorporated by reference as an exhibit to the Registration Statement, if and to the extent that such report expressly so provides.

Upon a new annual information form, new management information circular, new annual comparative consolidated financial statements and accompanying management's discussions and analysis being filed by Emera with (and where required, accepted by) the applicable securities regulatory authorities during the currency of this Prospectus, the previous annual information form, the previous management information circular, the previous annual comparative consolidated financial statements and accompanying management's discussion and analysis, all consolidated interim financial statements and accompanying management's discussion and analysis, and all material change reports filed prior to the commencement of the financial year of Emera in which the new annual information form is filed shall be deemed no longer to be incorporated into this Prospectus for the purposes of future offers and sales of Securities hereunder. Upon any interim financial statements and accompanying management's discussion and analysis being filed by Emera with and, where required, accepted by the applicable securities regulatory authorities during the currency of this Prospectus, all interim financial statements and accompanying management's discussion and analysis filed prior to the new interim financial statements shall be deemed no longer to be incorporated into this Prospectus for purposes of future offers and sales of Securities hereunder.

Any statement contained in this Prospectus or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded, for purposes of this Prospectus, to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement is not to 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 a part of this Prospectus.

This Prospectus has been filed under securities legislation in each of the provinces of Canada that permits certain information about these Securities to be determined after this Prospectus has become final and that permits the omission from this Prospectus of that information. One or more Prospectus Supplement(s) containing the specific terms in respect of any offering of Securities and any additional or updated information omitted from this Prospectus that Emera elects or is required to include in such Prospectus Supplement(s) will be delivered to purchasers of such Securities together with this Prospectus. Each such Prospectus Supplement will be deemed to be incorporated by reference into this Prospectus for purposes of securities legislation as of the date of each such Prospectus Supplement and only for purposes of the distribution of Securities to which that Prospectus Supplement pertains.

## CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This Prospectus, including the documents incorporated herein by reference, contains forward-looking information and statements which reflect management's expectations regarding the future growth, results of operations, performance, business prospects and opportunities of Emera, and may not be appropriate for other purposes. All such information and statements are made pursuant to the safe harbour provisions of the United States Private Securities Litigation Reform Act of 1995 and any applicable Canadian securities legislation. The words "anticipates", "believes", "could", "estimates", "expects", "forecasts", "intends", "may", "might", "plans", "projects", "schedule", "should", "will", "would" and similar expressions are often intended to identify forward-looking information, although not all forward-looking information contains these identifying words. The forward-looking information reflects Emera management's current beliefs and is based on information currently available to Emera's management.

The forward-looking information in this Prospectus, including the documents incorporated herein by reference, includes, but is not limited to, statements regarding: Emera's consolidated earnings and cash flow; the growth and diversification of Emera's business and earnings base; future annual earnings growth; expansion of Emera's business in the United States and elsewhere; the completion of announced acquisitions; the expected compliance by Emera and its subsidiaries with the regulation of their operations; the expected timing of regulatory decisions; forecasted gross capital expenditures; the nature, timing and costs associated with certain capital projects; the expected impact on Emera of the continuing challenges in the global economy; estimated energy consumption rates; expectations related to annual operating cash flows; the expectation that Emera will continue to have reasonable access to long-term capital in the near to medium terms; expected debt maturities and repayments; expectations about increases in interest expense and/or fees associated with credit facilities; and no material adverse credit rating actions being expected in the near term.

The forecasts and projections that make up the forward-looking information are based on assumptions which include, but are not limited to: the receipt of applicable regulatory approvals and requested rate decisions; no significant operational disruptions or environmental liability due to a catastrophic event or environmental upset caused by severe weather, other acts of nature or other major event; the continued ability to maintain transmission and distribution systems to ensure their continued performance; no severe and prolonged downturn in economic conditions; sufficient liquidity and capital resources; the continued ability to hedge exposures to fluctuations in interest rates, foreign exchange rates and commodity prices; no significant variability in interest rates; the continued competitiveness of electricity pricing when compared with other alternative sources of energy; the continued availability of commodity supply; the absence of significant changes in government energy plans and environmental laws that may materially affect the operations and cash flows of Emera; maintenance of adequate insurance coverage; the ability to obtain and maintain licences and permits; no material decrease in market energy sales prices; favourable labour relations; and sufficient human resources to deliver service and execute the capital program.

The forward-looking information is subject to risks, uncertainties and other factors that could cause actual results to differ materially from historical results or results anticipated by the forward-looking information. Factors which could cause results or events to differ from current expectations include, but are not limited to: regulatory risk; operating and maintenance risks; unanticipated maintenance and other expenditures; economic conditions; availability and price of energy and other commodities; capital resources and liquidity risk; weather and seasonality; commodity price risk; competitive pressures; construction; derivative financial instruments and hedging availability and cost of financing; interest rate risk; counterparty risk; competitiveness of electricity; commodity supply; performance of counterparties, partners, contractors and suppliers in fulfilling their obligations; environmental risks; insurance coverage risk; foreign exchange; an unexpected outcome of legal proceedings currently against Emera; regulatory and government decisions including changes to environmental, financial reporting and tax legislation; licences and permits; loss of service area; market energy sales prices; labour relations; and availability of labour and management resources.

For additional information with respect to Emera's risk factors, reference should be made to the section of this Prospectus entitled "Risk Factors".

**READERS ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON FORWARD-LOOKING INFORMATION AND STATEMENTS AS ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THE PLANS, EXPECTATIONS, ESTIMATES OR INTENTIONS EXPRESSED IN THE FORWARD-LOOKING STATEMENTS. ALL FORWARD-LOOKING INFORMATION IN THIS PROSPECTUS AND IN THE DOCUMENTS INCORPORATED HEREIN BY REFERENCE IS QUALIFIED IN ITS ENTIRETY BY THE ABOVE CAUTIONARY STATEMENTS AND, EXCEPT AS REQUIRED BY LAW, EMERA UNDERTAKES NO OBLIGATION TO REVISE OR UPDATE ANY FORWARD-LOOKING INFORMATION AS A RESULT OF NEW INFORMATION, FUTURE EVENTS OR OTHERWISE.**

#### **CURRENCY**

All dollar amounts in the Prospectus are expressed in Canadian dollars unless otherwise indicated.



## EMERA INCORPORATED

Emera is an energy and services company incorporated under the *Companies Act* (Nova Scotia) (the “Companies Act”) on July 23, 1998 and headquartered in Halifax, Nova Scotia, Canada. The Company has \$6.3 billion in assets and invests in electricity generation, transmission and distribution as well as gas transmission and utility energy services. Emera’s strategy is focused on the transformation of the electricity industry to cleaner generation and the delivery of that clean energy to market. Emera has interests in northeastern North America, in three Caribbean countries and in California. Over 90% of Emera's consolidated revenues are earned by Nova Scotia Power Incorporated (“NSPI”), Bangor Hydro Electric Company (“Bangor Hydro”) and Emera Brunswick Pipeline Company Ltd. (“EBPC”).

NSPI is a wholly-owned fully integrated regulated utility with \$4.0 billion of assets which provides electricity generation, transmission and distribution service to approximately 489,000 customers in the province of Nova Scotia, Canada. NSPI is a cost-of-service utility, and as such, regulated electricity rates are set to enable NSPI to recover all prudently incurred costs, and provide an appropriate return to investors based on a regulated return on equity. NSPI is regulated by the Nova Scotia Utility and Review Board (the “UARB”) and operates as a monopoly in its service area.

Bangor Hydro is an electric transmission and distribution company with \$730.4 million of assets serving approximately 118,000 customers in eastern Maine. Bangor Hydro's transmission operations are regulated by the Federal Energy Regulatory Commission, and its distribution operations are regulated the Maine Public Utilities Commission. Bangor Hydro is a cost-of-service utility. Bangor Hydro operates as a monopoly in its service area.

EBPC is a natural gas pipeline company that owns the Brunswick Pipeline, a 145-kilometre pipeline carrying re-gasified liquefied natural gas from the Canaport™ Terminal near Saint John, New Brunswick, Canada to markets in the northeastern United States. This federally regulated pipeline received National Energy Board (“NEB”) approval for shipping gas in January 2009 and commenced service on July 16, 2009, transporting re-gasified liquid natural gas for Repsol Energy Canada under a 25 year firm service agreement.

The success of Emera’s primary businesses is integral to the creation of shareholder value, providing strong, predictable earnings and cash flows to fund dividends and reinvestment. Although markets in Nova Scotia and Maine are otherwise mature, the transformation of energy supply to lower emission sources has created the opportunity for organic growth within NSPI and Bangor Hydro. Both companies expect earnings growth of 3% to 5% annually over the next five years as new investments are made in renewable generation and transmission.

Through EBPC and other strategic investments, Emera looks beyond its existing regulated electricity business to supplement organic growth. Emera’s goal is to deliver annual consolidated earnings growth of 4% - 6%, and build and diversify its earnings base with a focus on cleaner energy in its markets. Emera will continue to seek growth from its

existing businesses and will leverage its core strength in the electricity business as it pursues both acquisitions and greenfield development opportunities in regulated electricity transmission and distribution and low risk generation.

Emera has grown its business through strategic investments and activities that include:

- a 100% interest in Emera Energy Incorporated, a physical energy business which purchases and sells natural gas and electricity on behalf of third parties and provides related energy and management services in Canada;
- a 100% indirect interest in Emera Energy Services, Inc., a physical energy business which purchases and sells natural gas and electricity and provides related energy asset management services in the United States;
- a 100% indirect interest in Bayside Power Limited Partnership, a 260 megawatt (“MW”) gas-fired merchant electricity generating facility located in Saint John, New Brunswick;
- a 100% interest in Emera Utility Services Inc., a New Brunswick utility services contractor serving primarily power and telecommunications customers;
- a 100% indirect interest in Maine & Maritimes Corporation (“MAM”), the parent company of Maine Public Service Company, a regulated electric transmission and distribution utility serving approximately 36,000 electricity customers in northern Maine. See “Recent Developments – Maine & Maritimes Corporation” below;
- an 80.4% interest, held directly and indirectly, in Grand Bahama Power Company Limited (“GPCL”), a vertically-integrated electric utility on Grand Bahama Island in The Bahamas. See “Recent Developments – Grand Bahama Power Company Limited” below;
- a 79.9% indirect interest in The Barbados Light & Power Company Limited (“BLPC”), the sole electric utility operator on the Caribbean island of Barbados. See “Recent Developments – Barbados Light & Power Company Limited” below;
- a 49.99% interest in California Pacific Utility Ventures LLC (“CPUV”), the parent of California Pacific Electric Company LLC (“California Pacific”), a California based electricity distribution and generation utility. See “Recent Developments – Strategic Partnership with Algonquin Power and Utilities Corp.” below;
- a 50% joint venture interest in Bear Swamp Power Company, LLC, a 600 MW pumped storage hydro-electric facility in northern Massachusetts;

- a 19% interest in St. Lucia Electricity Services Ltd., a vertically integrated electric utility on the Caribbean island of St. Lucia;
- a 12.9% interest in the 1,400 kilometre Maritimes & Northeast Pipeline that transports natural gas to markets in Maritime Canada and the northeastern United States; and
- an 8.2% interest in Algonquin Power and Utilities Corporation (“APUC”), an Ontario, Canada based company that owns and operates a diversified portfolio of renewable energy and utility businesses through its subsidiaries. See “Recent Developments – Strategic Partnership with Algonquin Power and Utilities Corp.” below.

Emera has also recently entered into a strategic partnership with Nalcor Energy (“Nalcor”). See “Recent Developments – Strategic Partnership with Nalcor Energy” below.

### **Nova Scotia Power Incorporated**

NSPI is a wholly-owned subsidiary of Emera and was incorporated on July 13, 1984 pursuant to the Companies Act. The principal and head office of NSPI is located at Barrington Tower, Scotia Square, 1894 Barrington Street, Halifax, Nova Scotia, Canada B3J 2W5.

NSPI is the primary electricity supplier in Nova Scotia, providing electricity generation, transmission and distribution services to approximately 489,000 customers in the province. NSPI owns 2,368 MW of generating capacity. Approximately 53% of the capacity is coal-fired; oil and/or natural gas comprise another 27% of capacity; and hydro and wind production provide approximately 20%. In addition, NSPI has contracts to purchase renewable energy from independent power producers (“IPP”). These IPPs own 186 MW of wind and biomass fuelled generation capacity, increasing to 226 MW in 2011. A further 85 MW of renewable capacity is being built directly or purchased under long-term contracts by NSPI, and is expected to be in service by the end of 2012. NSPI also owns approximately 5,000 kilometres of transmission facilities, and approximately 29,000 kilometres of distribution facilities. NSPI has a workforce of approximately 1,900 people.

NSPI is a public utility as defined in the *Public Utilities Act* (Nova Scotia) (the “**Public Utilities Act**”) and is subject to regulation under the Public Utilities Act by the UARB. The Public Utilities Act gives the UARB oversight authority with respect to NSPI's operations and expenditures. Electricity rates for NSPI's customers are also subject to UARB approval. NSPI is not subject to a general annual rate review process, but rather participates in hearings from time to time, which may be at NSPI's or the UARB's request. Since January 2009, NSPI has been operating with a Fuel Adjustment Mechanism for fuel expense recovery, which is subject to UARB review and approval.

## **Bangor Hydro Electric Company**

Bangor Hydro is a wholly-owned subsidiary of Emera and was incorporated on June 9, 1924 pursuant to the laws of the State of Maine, United States of America. Bangor Hydro's principal and head office is located at 970 Illinois Avenue, PO Box 932, Bangor, Maine, 04402-0932.

Bangor Hydro's core business is the transmission and distribution of electricity. Bangor Hydro is the second largest electric utility in Maine. Electricity generation is deregulated in Maine, and several suppliers compete to provide customers with the commodity that is delivered through the Bangor Hydro's transmission and distribution network. Bangor Hydro owns and operates approximately 1,000 kilometres of transmission facilities, and 7,200 kilometres of distribution facilities. Bangor Hydro currently has approximately USD \$150 million of additional transmission development in progress. Bangor Hydro has a workforce of approximately 290 people.

## **Pipelines**

Emera's pipeline business consists of its interests in the Brunswick Pipeline and the Maritimes & Northeast Pipeline ("M&NP").

EBPC, a wholly owned subsidiary of Emera, owns the Brunswick Pipeline which delivers natural gas from the Canaport™ LNG import terminal near Saint John, New Brunswick, Canada to markets in the northeastern United States. The Brunswick Pipeline is classified as a Group 2 pipeline by the NEB. The pipeline went into service in July 2009.

Emera has a 12.9% interest in the M&NP, a 1,400 kilometre pipeline which transports natural gas from offshore Nova Scotia to markets in the Maritime provinces of Canada and the northeastern United States.

## **RECENT DEVELOPMENTS**

### **Strategic Partnership with Algonquin Power and Utilities Corp.**

On January 1, 2011, Emera and APUC closed their acquisition of the California-based electricity distribution and related generation assets of NV Energy, Inc. for total consideration of USD \$131.8 million (CAD\$134.2 million), subject to final adjustments. Emera and APUC own and operate these assets through California Pacific, a newly formed utility company. APUC and Emera own respectively a 50.001% and 49.999% interest of CPUV, which wholly-owns California Pacific. The amount paid by Emera for its 49.999% equity investment in the common shares of CPUV is USD \$30.9 million (CAD\$31.5 million).

In April 2009, Emera entered into a subscription agreement with APUC, giving Emera the right to acquire 8.523 million APUC common shares, which represented a 9.9% interest in APUC at that time, upon the closing of the California Pacific transaction. Upon the January 1, 2011 closing of the California Pacific transaction, Emera exchanged the subscription receipts it acquired under the April 2009 subscription agreement into 8.523

million common shares of APUC, issued at \$3.25 per share. As a result of this transaction, Emera owns an approximate 8.2% equity interest in APUC. Under the April 2009 subscription agreement, Emera is entitled to purchase additional common equity in APUC to bring its interest to 15% with anti-dilution rights.

On December 9, 2010, Emera announced its intention to purchase 12 million subscription receipts from APUC at an issue price of \$5.00 each for a total purchase price of \$60 million. Emera will issue a promissory note to APUC in the principal amount of \$60 million in exchange for the subscription receipts. The subscription receipts will be convertible to 12 million common shares of APUC upon the acquisition by APUC's regulated subsidiary, Liberty Energy Utilities Co., of all issued and outstanding shares of Granite State Electric Company and Energy North Natural Gas Inc., two regulated electric utilities, currently owned by National Grid USA. On closing of the National Grid transaction and following the exercise of Emera's anti-dilution rights, Emera's ownership interest in APUC will be approximately 15%. Proceeds from the subscription receipts will be used by APUC to finance a portion of this acquisition, which is expected to close in late 2011. The purchase of the subscription receipts has received conditional TSX approval.

#### **Grand Bahama Power Company Limited**

On December 22, 2010, Emera purchased an additional 55.4% direct and indirect interest in GBPC for USD \$88.1 million (CAD \$87.7 million). The acquisition brings Emera's direct and indirect interest in GBPC to 80.4%.

Emera acquired an initial indirect 25% interest in GBPC in September 2008 for USD \$42 million through the acquisition of 50% of the shares of ICD Utilities Limited ("ICDU"). ICDU owns a 50% interest in GBPC.

GBPC is an integrated utility serving 19,000 customers on Grand Bahama Island in The Bahamas, and is the only electric utility operator on Grand Bahama Island. It has 137 MW of installed oil-fired capacity. The Grand Bahama Port Authority regulates GBPC and has granted the utility a licensed, regulated and exclusive franchise to produce, transmit and distribute electricity on Grand Bahama Island until 2054. There is a fuel pass-through mechanism, and flexible tariff adjustment policies ensure that GBPC's costs are recovered and a reasonable return is earned. The purchase was funded with existing credit facilities.

#### **Maine & Maritimes Corporation**

On December 21, 2010, Emera purchased all of the outstanding shares of MAM for USD \$80.4 million (CAD \$81.9 million). The purchase was funded with existing credit facilities.

#### **Barbados Light & Power Company Limited**

On December 20, 2010, Emera offered to purchase all of the issued and outstanding common shares in Light & Power Holdings Ltd. ("LPH"), the parent company of

BLPC, at a cash price per share of BB\$25.70 (Barbadian dollars) from LPH shareholders. The offer closed on January 24, 2011. On January 25, 2011, Emera purchased 7.2 million shares of LPH at a cash price per share of BB\$25.70 (Barbadian dollars) representing an additional interest of 41.6%. With this additional investment of CAD \$91.9 million, Emera became the majority shareholder of LPH, with a total interest of 79.9%.

Previously, on May 11, 2010, Emera acquired a 38% interest in LPH for USD \$85 million. BLPC is the sole utility operator on the island of Barbados, serving 120,000 customers. BLPC has three power generation stations with 239 MW of installed capacity. A fuel pass through mechanism ensures costs are recovered and a cost-of-service regulation provides for an approved 12.75% return on equity. This transaction was immediately accretive and was financed with existing credit facilities.

### **Strategic Partnership with Nalcor Energy**

On November 18, 2010, Emera and Nalcor, with the endorsement of the governments of Nova Scotia and Newfoundland and Labrador, signed a term sheet which includes the obligation to negotiate and conclude final agreements for an estimated \$6.2 billion hydro-electric development that would bring energy from a new hydro-electric generating facility at Muskrat Falls on the Lower Churchill River in Labrador to consumers in Newfoundland and Labrador, Nova Scotia, other Maritime provinces and New England. This development is expected to result in a strong regional system that enhances the ability to move energy among provinces, improve reliability of the system and is consistent with Emera's focus on cleaner, affordable electricity. The proposed agreement between Emera and Nalcor would see:

- Nalcor construct and own an estimated \$2.9 billion, 824 MW hydro-electric generating facility at Muskrat Falls on the Lower Churchill River in Labrador with a planned in-service date of 2017;
- Emera and Nalcor together develop an estimated \$2.1 billion electricity transmission project in Newfoundland and Labrador to enable the movement of the Muskrat Falls energy between Labrador and the island of Newfoundland (the "Island Link"), and Emera invest approximately \$600 million in the Island Link; and
- Emera build and own an estimated \$1.2 billion transmission project between the island of Newfoundland and Nova Scotia, including a 180 kilometre subsea cable, in return for 20% of the energy output from Muskrat Falls for 35 years (the "Maritime Link").

Agreements resulting from this term sheet will be subject to a number of conditions, including final approval of the Boards of Directors of Emera and Nalcor, approval of regulators in the provinces of Nova Scotia and Newfoundland and Labrador, and all environmental approvals.

## **Nova Scotia Renewable Electricity Plan**

On October 15, 2010, the Nova Scotia government enacted regulations under the *Electricity Act* (Nova Scotia) related to the province of Nova Scotia's Renewable Electricity Plan. These regulations established the requirement that 25% of electricity be supplied from renewable sources by 2015. These regulations build on the previously legislated Renewable Energy Standards (“RES”) requirements for 2011 and 2013. Recent amendments to the *Electricity Act* (Nova Scotia), and the new regulations, provide for the appointment, by spring 2011, of a new, independent renewable electricity administrator to conduct the procurement of at least 300 gigawatt hours (“GWh”) of energy from IPPs to meet the 2015 standard. NSPI is also provided the opportunity to develop 300 GWh of renewable energy.

## **Digby Wind Project**

On February 2, 2010, Emera announced its purchase of 100% of a proposed 30 MW wind power project to be located in Digby County, Nova Scotia. Project assets acquired included development rights, a 20-year power purchase agreement with NSPI and rights to purchase 20 wind turbines. On May 28, 2010, NSPI purchased wind generation assets under development from a subsidiary of Emera for \$30.1 million.

## **Nova Scotia Renewable Energy Standard Regulation**

On October 9, 2009, the RES regulation, which was established by the Nova Scotia government in January 2007 for the purpose of increasing the percentage of renewable energy in the Nova Scotia generation mix, was amended. Pursuant to the amendment, the target date for 5% of electricity to be supplied from post-2001 sources of renewable energy, owned by IPPs, was extended from 2010 to 2011. The target for 2013, which requires an additional 5% of renewable energy, is unchanged.

## **USE OF PROCEEDS**

Emera may offer the Securities from time to time, up to an aggregate initial offering price of \$650,000,000 (or its equivalent in foreign currencies based on the applicable exchange rate at the time of the offering) during the 25 month period ending June 19, 2012 that this Prospectus, including any amendments thereto, remains valid. As of the date of this Prospectus, Emera has distributed Securities in an aggregate principal amount of \$150,000,000 under the Prospectus. Except as otherwise provided in any Prospectus Supplement, the net proceeds from the sale of the Securities, after deducting costs of issue and the agents' or underwriters' fees or other remuneration, will be added to the general funds of Emera and applied primarily to refinance existing indebtedness including bank indebtedness, for other investments, to finance capital expenditures and for other general corporate purposes. The amount of net proceeds to be used for any such purpose will be set forth in a Prospectus Supplement. Emera may from time to time issue securities other than pursuant to this Prospectus.

## PLAN OF DISTRIBUTION

Emera may sell Securities to or through underwriters purchasing as principal and may also sell Securities to one or more purchasers directly or through agents. Securities may be sold from time to time in one or more transactions at a fixed price or prices, or at non-fixed prices. If offered on a non-fixed price basis, the Securities may be offered at prevailing market prices at the time of sales or at prices to be negotiated with purchasers at the time of sale which prices may vary as between purchasers and during the period of distribution. If the Securities are offered on a non-fixed price basis, the underwriters' compensation will be increased or decreased by the amount by which the aggregate price paid for the Securities by the purchasers exceeds or is less than the gross proceeds paid by the underwriters to Emera. If, in connection with the offering of Securities at a fixed price or prices, the underwriters have made a bona fide effort to sell all of the Securities at the initial offering price fixed in the applicable Prospectus Supplement, the public offering price may be decreased and thereafter further changed, from time to time, to an amount not greater than the initial public offering price fixed in the Prospectus Supplement in which case the compensation realized by the underwriters will be decreased by the amount that the aggregate price paid by purchasers for the Securities is less than the gross proceeds paid by the underwriters to Emera.

Any underwriter or agent engaged in connection with the offering and sale of a particular series or issue of Securities will be identified in a Prospectus Supplement along with the terms of the offering, including the public offering price (or the manner of determination thereof if offered on a non-fixed price basis), the proceeds to Emera and any fees, discounts or other compensation payable to the underwriters or agents.

Under agreements which may be entered into by Emera, underwriters and agents who participate in the distribution of Securities may be entitled to indemnification by Emera against certain liabilities, including liabilities arising out of any misrepresentation in this Prospectus and the documents incorporated by reference therein, other than liabilities arising out of any misrepresentation made by underwriters or agents who participate in the offering of Securities.

**There is no market through which any debt securities offered hereunder may be sold, and there is no assurance that any preferred shares offered hereunder will be listed on any securities or stock exchange. Accordingly, purchasers may not be able to resell the Securities purchased under this Prospectus. This may affect the pricing of the Securities in the secondary market, the transparency and availability of trading prices, the liquidity of the Securities, and the extent of issuer regulation.** In connection with any offering of Securities, the underwriters or agents may, subject to the foregoing, over-allot or effect transactions which stabilize or maintain the market price of the Securities offered at a level above that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time. Any underwriters or agents to or through whom Securities are sold by Emera for public offering and sale may make a market in the Securities, but such underwriters or agents will not be obligated to do so and may discontinue any market making at any time without notice.



Only Securities that meet the eligibility requirements for registration on Form F-9 shall be registered under the U.S. Securities Act pursuant to the Registration Statement.

### EARNINGS COVERAGE RATIO

The following earnings coverage ratio is calculated on a consolidated basis for the 12 month period ended December 31, 2010. The ratio (i) does not give effect to the issue of any debt securities or preferred shares pursuant to this Prospectus (other than the \$150,000,000 Cumulative 5-Year Rate Reset First Preferred Shares, Series A issued June 2, 2010 (the "Series A Shares")), and (ii) does not purport to be indicative of any earnings coverage ratio for future periods.

	<u>Twelve months ended</u> <u>December 31, 2010</u>
Earnings Coverage <sup>(1)</sup> .....	2.06

<sup>(1)</sup> Earnings coverage is equal to consolidated net earnings applicable to common shares plus: income taxes, interest on long-term debt, amortization of debt financing and after-tax preferred share dividends declared during the year together with undeclared preferred share dividends, if any, divided by interest on long-term debt plus amortization of debt financing and pre-tax preferred share dividends.

Emera's dividend requirements on all of its preferred shares, adjusted to before-tax equivalent using an effective income tax rate of 34%, amounted to \$16.8 million for the 12 months ended December 31, 2010. Emera's interest requirements for the 12 months then ended amounted to \$145.6 million. Emera's consolidated earnings before interest and income tax for the 12 months ended December 31, 2010 was \$335.0 million, which is 2.06 times Emera's aggregate dividend and interest requirements for this period.

### CHANGES IN SHARE AND LOAN CAPITAL STRUCTURE

The following describes the changes in the share and loan capital of Emera since December 31, 2010:

- During the period from January 1, 2011 up to and including February 15, 2011, Emera issued an aggregate of 319,515 Common Shares pursuant to the Company's Common Shareholders Dividend Reinvestment and Share Purchase Plan, Employee Common Share Purchase Plan and upon the exercise of options granted pursuant to the Company's Senior Management Stock Option Plan, for aggregate consideration of approximately \$9.9 million.
- During the period from January 1, 2011 up to and including February 15, 2011, drawings of approximately \$146 million were made by Emera under its credit facilities for the LPH acquisition and for general corporate purposes. See "Recent Developments – Barbados Light & Power Company Limited" above.

## DESCRIPTION OF SECURITIES BEING DISTRIBUTED

### Preferred Shares

Emera is authorized to issue an unlimited number of first preferred shares (“**First Preferred Shares**”) and second preferred shares (“**Second Preferred Shares**”), issuable in series, of which 6,000,000 Series A Shares (being a series of First Preferred Shares) are outstanding as of the date of this Prospectus. The following description is subject to, and qualified by reference to, the terms and provisions of Emera’s constating documents.

#### *First Preferred Shares*

##### *Issuable in Series*

Emera’s First Preferred Shares may be issued from time to time in one or more series. The Board of Directors of Emera has the authority to fix the number of shares and to determine the designation, rights, privileges, restrictions and conditions attaching to the shares of each series prior to the issue of the shares of the series.

##### *Priority*

Each series of Emera’s First Preferred Shares will participate rateably with every other series of First Preferred Shares with respect to the payment of dividends, repayment of capital and the distribution of assets on the liquidation, dissolution and winding-up of Emera.

The First Preferred Shares of Emera rank senior to Emera’s Second Preferred Shares, the Emera Common Shares and any other shares of Emera which by their terms rank junior to the First Preferred Shares, with respect to priority in the payment of dividends, repayment of capital and the distribution of assets in the event of the liquidation, dissolution or winding-up of Emera.

##### *Voting Rights*

Subject to the provisions of the Companies Act, as from time to time amended, supplemented or replaced, the holders of Emera’s First Preferred Shares of each series shall not be entitled as such to receive notice of or to attend or vote at any meeting of the shareholders unless Emera from time to time fails to pay, in the aggregate, eight quarterly dividends on any series of the First Preferred Shares on the dates on which the same should be paid according to the terms thereof whether or not there are any monies of Emera properly applicable to the payment of dividends. In any instance where the holders of First Preferred Shares are entitled to vote, each such holder shall have one vote for each First Preferred Share held.

##### *Amendments*

The class provisions attaching to Emera’s First Preferred Shares may be deleted, varied, modified or amended with the prior approval of the holders of the First Preferred

Shares as a class given in writing by all holders of First Preferred Shares outstanding or by the affirmative vote of at least two-thirds of the votes cast at a meeting or adjourned meeting of the holders of such shares duly called for that purpose and at which a quorum is present, in addition to any other approval required by the Companies Act, as from time to time amended, supplemented or replaced.

### ***Second Preferred Shares***

The Second Preferred Shares have special rights, privileges, restrictions and conditions substantially similar to the First Preferred Shares, except that the Second Preferred Shares rank junior to the First Preferred Shares with respect to the payment of dividends, repayment of capital and the distribution of assets of Emera in the event of liquidation, dissolution or winding-up of Emera.

A Prospectus Supplement will set forth the following terms relating to the First Preferred Shares and Second Preferred Shares being offered:

- the maximum number of shares;
- the designation of the series;
- the offering price;
- the annual dividend rate and whether the dividend rate is fixed or variable, the date from which dividends will accrue, and the dividend payment dates;
- the price and the terms and conditions for redemption, if any, including redemption at Emera's option or at the option of the holder, including the time period for redemption, and payment of any accumulated dividends;
- the terms and conditions, if any, for conversion or exchange for shares of any other class of Emera or any other series of First Preferred Shares or Second Preferred Shares, or any other securities or assets, including the price or the rate of conversion or exchange and the method, if any, of adjustment;
- whether such First Preferred Shares or Second Preferred Shares will be listed on any securities exchange;
- the voting rights, if any; and
- any other rights, privileges, restrictions, or conditions.

First Preferred Shares and Second Preferred Shares will be fully paid and non-assessable upon issuance. The First Preferred Shares of any series and the Second Preferred Shares of any series may be represented, in whole or in part, by one or more global certificates. If First Preferred Shares or Second Preferred Shares are represented by a global certificate, each global certificate will:

- be registered in the name of a depository or a nominee of the depository identified in the Prospectus Supplement; and
- be deposited with such depository or nominee or a custodian for the depository.

## Debt Securities

The debt securities will be issued under a trust indenture dated April 17, 2001, as supplemented from time to time including by way of the first supplemented indenture dated as of January 7, 2011 (the "**Indenture**") between Emera and Computershare Trust Company of Canada (the "**Trustee**").

The following description sets forth certain general terms and provisions of the debt securities. For full particulars, reference should be made to the Indenture, a copy of which is available electronically at [www.sedar.com](http://www.sedar.com) and through the SEC's EDGAR system which may be accessed at [www.sec.gov.com](http://www.sec.gov.com).

### General

The debt securities may be issued in one or more series. Debt securities offered hereby will be offered to the public by Emera at such times and upon such terms as are determined by Emera based on a number of factors, including market conditions at the time of issue. Debt securities issued under the Indenture will be issued in minimum denominations of \$1,000 and integral multiples of \$1,000 thereafter, and will have maturities of not less than one year.

The terms of a particular issue of debt securities will be described in the Prospectus Supplement relating to each offering of debt securities. Prospectus Supplements will set out the following terms of, and information relating to, the debt securities being offered thereby:

- (a) the specific designation of such debt securities;
- (b) the date or dates of issue of the debt securities;
- (c) aggregate principal amount and any limit thereon, authorized denominations and maturity date or dates (together with any provisions to extend a maturity date) of the debt securities;
- (d) the issue price (or the manner of determination thereof, if offered on a non-fixed price basis and whether at par, at a premium or at a discount) of the debt securities;

- (e) the name of the agents or underwriters, if any, involved in the issue, the fee or other remuneration payable to such agents or underwriters and the net proceeds to Emera from the sale of the debt securities;
- (f) the rate or rates of interest, which may be a fixed rate or a floating rate, and, if floating, the method of calculation thereof and interest payment dates for the debt securities;
- (g) the period or periods within which, the price or prices at which and the terms and conditions upon which, the debt securities may be redeemed, in whole or in part, at Emera's option;
- (h) the obligation, if any, of Emera to redeem or purchase the debt securities pursuant to any sinking fund or analogous provision or at the option of a holder thereof and the period or periods within which, the price or prices at which, and the terms and conditions upon which, the debt securities shall or may be redeemed or purchased, in whole or in part, pursuant to such obligation or option;
- (i) the currency or currencies (if other than Canadian dollars) in which the debt securities will be denominated and in which the principal of and premium, if any, and interest on such debt securities will be payable;
- (j) whether the debt securities may be exchanged or converted into other securities of Emera;
- (k) whether the debt securities will be eligible for investment;
- (l) any additional covenants applicable to a particular issue of debt securities; and
- (m) any other applicable provisions, including any modifications or additions to the general terms of the debt securities as described herein.

Emera reserves the right to set forth in a Prospectus Supplement specific terms of debt securities that are not within the options and parameters set forth in this Prospectus. If debt securities are issued in a currency other than Canadian dollars, purchasers of such debt securities should be aware that foreign exchange fluctuations will occur from time to time. Emera makes no representations as to currency values.

### **Book Entry Securities**

Debt securities may be issued under the Indenture in registered form or in the form of global debt securities (“**Global Securities**”) held by a depository designated by Emera for the depositories' participants (the “**Depository**”). The Depository will establish and maintain book entry accounts for its participants having interests in Global Securities. The interests of participants of the Depository in Global Securities, and transfers of interests in Global Securities between participants, will be effected by entries made in the records maintained

by the Depository. The interests of the customers of participants in Global Securities will be represented by entries made in the records maintained by the participants. Purchasers of debt securities in respect of which Global Securities are issued will not be entitled to receive debt securities in definitive form. The issuance of debt securities as Global Securities will, if applicable, be referred to in the relevant Prospectus Supplement delivered with this Prospectus.

*The following summary of certain provisions of the Indenture and the debt securities does not purport to be complete and is subject to the detailed provisions of the Indenture to which reference is hereby made for a full description of such provisions, including the definition of certain terms used herein, and for other information regarding the debt securities. Additional details relating to debt securities of a particular series will be set forth in a Prospectus Supplement issued in respect of that series and, if applicable, in a further supplement to the Indenture.*

### **Unsecured**

The debt securities will be direct unsecured obligations of Emera and will rank pari passu, except as to purchase or sinking funds, amortization funds or analogous provisions applicable to different series of debt securities, with all other unsecured and unsubordinated indebtedness of Emera issued pursuant to the Trust Indenture.

### **Unlimited Amount**

The aggregate principal amount of debt securities authorized under the Indenture is unlimited. The debt securities may be issued thereunder in one or more series.

### **Purchase for Cancellation**

Emera, when not in default under the Indenture, may purchase part or all of the debt securities at any time at any price in the open market or otherwise. Debt securities so purchased will be cancelled and shall not be reissued.

### **Payment of Principal and Interest**

Emera will pay the principal and interest on debt securities at the dates and places, in the currencies and in the manner mentioned in the debt securities and in the Indenture. As interest becomes due on debt securities, Emera, either directly or through the Trustee, shall, by electronic transfer of funds or by cheque sent by prepaid ordinary mail, or by such other means as agreed to by the Trustee, pay such interest (less any tax required to be withheld therefrom) to the registered holder of such debt securities appearing on the register maintained by the Trustee at the close of business on the fifteenth day prior to the applicable interest payment date, and addressed to such holder at such holder's last address appearing on the register, unless otherwise directed by such holder. In the event of non-receipt of any cheque for interest by the person to whom it is sent in accordance with the Indenture, Emera will issue to such person a replacement cheque for a like amount

upon being furnished with such evidence of non-receipt as it shall reasonably require and upon it being indemnified to its satisfaction.

Payments of principal will be made against presentation and surrender of debt securities for cancellation at such places and at such times as are designated in the debt securities and in the Indenture.

The payment of principal, premiums, if any, and interest on the debt securities in accordance with the Indenture shall absolutely satisfy and discharge the liability of Emera with respect to such payment under the applicable debt securities unless, in the case of payment by cheque, such cheque is not paid upon presentation.

### **Events of Default**

Except as otherwise noted below, the Indenture provides that the following constitute events of default (each an "**Event of Default**") thereunder:

- (a) default in payment of principal on any of the debt securities when due;
- (b) default in payment of any interest due on any of the debt securities and such default shall have continued for 30 days;
- (c) failure by Emera to carry out or observe any covenant or condition contained in the Indenture within a period of 60 days, after notice has been given by the Trustee to Emera specifying the default and requiring Emera to remedy same;
- (d) failure by Emera or any subsidiary to pay when due (after giving effect to any applicable grace periods, waivers and extensions) any amount owing in respect of any indebtedness other than the debt securities provided the aggregate principal amount of such indebtedness in respect of which payment has not been made exceeds the greater of \$25 million or 5% of Emera's consolidated net assets;
- (e) acceleration of the indebtedness referred to in (d) above as a result of the failure by Emera or any subsidiary to perform any other covenant applicable to such indebtedness provided the aggregate principal amount of such accelerated indebtedness exceeds the greater of \$25 million or 5% of Emera's consolidated net assets;
- (f) certain events of bankruptcy, insolvency or analogous proceedings; and
- (g) upon an order being made or an effective resolution passed for the winding-up or liquidation of Emera (other than pursuant to and in compliance with provisions in the Indenture relating to successor companies).

### **Acceleration on and Waiver of Default**

If an Event of Default has occurred under an Indenture, the Trustee may in its discretion and shall upon the requisition in writing of the holders of at least 25% of the principal amount of the debt securities issued and outstanding under that Indenture, subject to any waiver of default under the Indenture, by notice in writing to Emera declare the principal and interest on all debt securities then outstanding under the Indenture and other money payable thereunder to be due and payable.

If an Event of Default has occurred under the Indenture, (otherwise than by default in payment of principal monies at maturity) the holders of not less than 50% of the principal amount of the debt securities issued and outstanding under that Indenture, acting by extraordinary resolution, shall have the power to instruct the Trustee to waive the default (provided that if the Event of Default relates to a covenant applicable to a particular series of debt securities only, then the holders of 50% of the principal amount of outstanding debt securities of that series only, acting by extraordinary resolution, shall be entitled to waive the default). In addition, the Trustee, so long as it has not become bound to institute any proceedings under the Indenture, shall have power to waive the default if, in the Trustee's opinion, the same shall have been cured or adequate satisfaction made therefor.

If Emera fails to pay promptly any principal and interest declared by the Trustee to be due and payable following an Event of Default, the Trustee may in its discretion or shall upon receiving notice of and being directed by a request, signed by the holder or holders of not less than 25% in principal amount of the outstanding debt securities, and upon being indemnified to its reasonable satisfaction against all costs, expenses and liabilities to be incurred, proceed to obtain or enforce payment of the amounts due and payable together with other amounts due under the Indenture by such proceedings as are authorized under the Indenture or by law or equity as the Trustee shall have been directed to take or if a holder of debt securities' request does not contain any direction, then by such proceedings authorized by the Indenture or by suit at law or at equity as the Trustee deems expedient. Holders of debt securities issued under the Indenture may not enforce the Indenture or the debt securities except as provided in the Indenture.

### **Modification of Rights**

The rights of holders of debt securities under the Indenture may be modified. For that purpose, among others, the Indentures contain provisions to render binding on holders of debt securities (a) instruments in writing signed by the holders of 66 2/3% of the aggregate principal amount of debt securities issued and outstanding; and (b) extraordinary resolutions passed by the votes of holders representing 66 2/3% of the principal amount of debt securities present and voting on a basis of one vote per \$1,000 of principal amount of debt securities at meetings of holders of debt securities for which, in the first instance, the quorum shall be holders representing more than 50% of the aggregate principal amount of debt securities outstanding and, failing such quorum, at an adjourned meeting the quorum shall be the holders of debt securities present, all upon compliance with the procedures specified in the Indenture. If the business to be transacted at any meeting especially affects



the rights of holders of any series of debt securities, the approval of a like proportion of such holders is also required.

Any Securities that are registered under the U.S. Securities Act pursuant to the Registration Statement will be subject to the requirements of Section 316(b) of the Trust Indenture Act of 1939, as amended, which provides that the right of any holder of Securities to receive payment of principal and interest when due, or to institute suit for the enforcement of payment, shall not be impaired or affected without the consent of the holder except to the extent permitted by that section.

## Definitions

The Indenture contains definitions including the following:

**"Capital Lease Obligations"** means the obligation of a person, as lessee, to pay rent or other amounts to the lessor under a lease of real or personal property which is required to be classified and accounted for as a capital lease on a consolidated balance sheet of such person in accordance with generally accepted accounting principles;

**"Debt"** means all indebtedness issued, assumed or guaranteed for borrowed money or for the deferred purchase price of property;

**"Financial Instrument Obligations"** means obligations arising under

- (i) interest rate swap agreements, forward rate agreements, floor, cap or collar agreements, futures or options, insurance or other similar agreements or arrangements, or any combination thereof, entered into by a person of which the subject matter is dependent or based upon interest rates in effect from time to time or fluctuations in interest rates occurring from time to time (excluding obligations which are considered to be Indebtedness of such person by virtue of any provision of the definition of Indebtedness other than clause (ii) thereof);
- (ii) currency swap agreements, cross-currency agreements, forward agreements, floor, cap or collar agreements, futures or options, insurance or other similar agreements or arrangements, or any combination thereof, entered into by a person of which the subject matter is currency exchange rates or pursuant to which the price, value or amount payable thereunder is dependent or based upon currency exchange rates in effect from time to time or fluctuations in currency exchange rates occurring from time to time; and
- (iii) commodity swap agreements, floor, cap or collar agreements, commodity futures or options or other similar agreements or arrangements, or any combination thereof, entered into by a person of which the subject matter is one or more commodities or pursuant to which the price, value or amount payable thereunder is dependent or based upon the price of one or more commodities in effect from time to time or fluctuations in the price of one or more commodities occurring from time to time;

**"Indebtedness"** means, with respect to any person, without duplication,

- (i) all obligations of such person for borrowed money, including obligations with respect to bankers' acceptances and contingent reimbursement obligations relating to letters of credit and other financial instruments;
- (ii) all Financial Instrument Obligations;
- (iii) all obligations issued or assumed by such person in connection with the acquisition of property in respect of the deferred purchase price of property;
- (iv) all Capital Lease Obligations and Purchase Money Obligations of such person, and
- (v) all obligations of the type referred to in clauses (i) through (iv) of this definition of another person, the payment of which such person has guaranteed or for which such person is responsible or liable,

provided that obligations of such person or of another person of the type referred to in clauses (i) through (iii) of this definition shall exclude trade accounts payable, dividends and other distributions payable to shareholders, future income taxes, obligations in respect of preferred shares, accrued liabilities arising in the ordinary course of business which are not overdue or which are being contested by such person or such other person in good faith, and non-monetary obligations in respect of performance guarantees;

**"Non-Recourse Debt"** means any Indebtedness incurred to finance the creation, development, construction or acquisition of assets and any increases in or extensions, renewals or refunding of any such Indebtedness, provided that the recourse of the lender thereof or any agent, trustee, receiver or other person acting on behalf of the lender in respect of such Indebtedness or any judgment in respect thereof is limited in all circumstances (other than in respect of false or misleading representation or warranties) to the assets created, developed, constructed or acquired in respect of which such Indebtedness has been incurred and to any receivables, inventory, equipment, chattel paper, intangibles and other rights or collateral arising from or connected with the assets created, developed, constructed or acquired and to which the lender has recourse;

**"Purchase Money Obligation"** means Debt of Emera incurred or assumed to finance the purchase price, in whole or in part, of any property or incurred to finance the cost, in whole or in part, of construction or installation of or improvements to any property; provided that such Debt is incurred or assumed substantially concurrently with the purchase of such property or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or refunding of any such Debt so long as the principal amount thereof outstanding on the date of such extension, renewal or refunding is not increased.

## **Covenants**

The Indenture contains various covenants of a general nature including covenants relating to the payment of principal and interest, and covenants to the following effect, that so long as any of the debt securities remain outstanding:

Emera will not encumber any of its assets to secure any obligations unless at the same time all the debt securities then outstanding shall be secured equally and ratably with such obligations; provided that this covenant will not apply to nor operate to prevent, among other things, the giving or assumption of (i) any Purchase Money Obligations and Capital Lease Obligations; (ii) Non-Recourse Debt; (iii) encumbrances on property of a corporation existing at the time it is merged or consolidated with Emera or existing upon Emera's acquisition, by sale or lease of property; (iv) certain permitted liens specified in the Indenture; (v) encumbrances on Emera's property which do not exceed 5% of Emera's consolidated net assets; or (vi) extensions, renewals, substitutions of the liens referred to in (i) through (v).

## **LEGAL MATTERS**

Unless otherwise indicated in a Prospectus Supplement, legal matters in connection with the issuance of the Securities will be passed upon on behalf of Emera by Stephen D. Aftanas, Corporate Secretary and by Cox & Palmer. As of February 18, 2011, Mr. Aftanas and partners and associates of Cox & Palmer, as a group, beneficially owned, directly or indirectly, less than one percent of each series of outstanding securities of Emera.

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

Ernst & Young LLP, Chartered Accountants, Halifax, Nova Scotia, are the auditors of Emera. Ernst & Young LLP report that they are independent of Emera in accordance with the Rules of Professional Conduct of the Institute of Chartered Accountants of Nova Scotia and the requirements of the SEC and the United States Public Company Accounting Oversight Board.

The Trustee is the registrar and transfer agent. Registers for the registration and transfer of the securities in registered form of Emera are kept at the principal offices of the Trustee in the City of Toronto, Ontario.

## **RISK FACTORS**

In addition to the other information contained and incorporated by reference in this Prospectus, a purchaser should consult its own financial and legal advisors and should carefully consider the following risk factors before investing in Securities offered under this Prospectus. The Securities will not be an appropriate investment for a purchaser if the purchaser does not understand the terms of the Securities or financial matters in general. A purchaser should not purchase Securities unless the purchaser understands, and can bear, all of the investment risks involving the Securities. For a discussion of the risks to which Emera, its operations and its financial results and conditions are subject, see the sections

entitled “Forward-Looking Information” and “Risk Factors” in the Company’s Annual Information Form and “Risk Management and Financial Instruments” and “Business Risks” in the Company’s Management’s Discussion and Analysis, each of which is incorporated by reference in this Prospectus. In addition to such risks, an investment in the Securities is subject to any other risks identified in a Prospectus Supplement or in any document incorporated by reference subsequent to the date of this Prospectus during the currency of this Prospectus.

### **ENFORCEABILITY OF CIVIL LIABILITIES**

The Company exists under the laws of the province of Nova Scotia. Certain of the Company’s directors and officers and all of the experts named in this Prospectus are residents of Canada or otherwise reside outside the United States, and certain of the Company’s assets are located outside the United States. The Company has appointed an agent for service of process in the United States, but it may be difficult for holders of Securities who reside in the United States to effect service within the United States upon those directors, officers and experts who are not residents of the United States. It may also be difficult for holders of Securities who reside in the United States to realize in the United States upon judgments of courts of the United States predicated upon the civil liability of the Company and the civil liability of the directors, officers and experts under the United States federal securities laws. The Company has filed with the SEC, concurrently with the Registration Statement, an appointment of agent for service of process on Form F-X. Under the Form F-X, the Company appointed CT Corporation System as its agent for service of process in the United States in connection with any investigation or administrative proceeding conducted by the SEC, and any civil suit or action brought against or involving the Company in a United States court arising out of or related to or concerning an offering of Securities.

### **PURCHASERS' STATUTORY RIGHTS**

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus 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 where the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that such 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 adviser.

### AUDITORS' CONSENT

We have read the amended and restated short form base shelf prospectus of Emera Incorporated (the "Company") dated February 18, 2011 relating to the issue and sale of up to \$650,000,000 of preferred shares and debt securities (unsecured) of the Company. 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 short form base shelf prospectus of our report to the shareholders of the Company on the consolidated balance sheets of the Company as at December 31, 2010 and 2009 and the consolidated statements of earnings, cash flows, and changes in shareholders' equity for each of the years in the two year period ended December 31, 2010. Our report is dated February 11, 2011.

Halifax, Canada  
February 18, 2011

(Signed) "*Ernst & Young LLP*"  
Chartered Accountants

**CERTIFICATE OF EMERA INCORPORATED**

Dated: February 18, 2011

This amended and restated short form prospectus, together with the documents incorporated in this prospectus by reference, will, as of the date of the last supplement to this prospectus relating to the securities offered by this prospectus and the supplement(s), constitute full, true and plain disclosure of all material facts relating to the securities offered by this prospectus and the supplement(s) as required by the securities legislation of each of the provinces of Canada.

(Signed) "*Christopher G. Huskison*"  
President and Chief Executive Officer

(Signed) "*Nancy G. Tower*"  
Executive Vice President  
and Chief Financial Officer

On behalf of the Board of Directors

(Signed) "*John T. McLennan*"  
Director

(Signed) "*George A. Caines*"  
Director

