

PROSPECTUS SUPPLEMENT

To the Short Form Base Shelf Prospectus dated May 2, 2013

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 short form base shelf prospectus dated May 2, 2013 (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 or for the account of U.S. persons (within the meaning of Regulation S under the U.S. Securities Act) except pursuant to an available exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws. 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 or for the account of U.S. persons. See “Plan of Distribution”.

Information has been incorporated by reference in this Prospectus Supplement and the accompanying 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, 1223 Lower Water Street, Halifax, Nova Scotia, B3J 3S8 (telephone: (902) 428-6096) and are also available electronically at www.sedar.com.

New Issue

June 3, 2013



4,000,000 Cumulative Redeemable First Preferred Shares, Series E

The holders of Cumulative Redeemable First Preferred Shares, Series E (the “Series E Shares”) of Emera Incorporated (“Emera” or the “Company”) will be entitled to receive fixed cumulative preferential cash dividends, payable quarterly on the fifteenth (15th) 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, will be payable on August 15, 2013 and will be \$0.2034 per share, based on the anticipated closing date of June 10, 2013. Thereafter, quarterly dividends will be at a rate of \$0.28125 per share. See “Details of the Offering”.

The Series E Shares will not be redeemable by the Company prior to August 15, 2018. Subject to the provisions described below under “Details of the Offering – Restrictions on Dividends and Retirement of Shares”, on or after August 15, 2018 the Company may redeem all or any part of the then outstanding Series E Shares, at the Company’s option without the consent of the holder, by the payment of: \$26.00 per share if redeemed before August 15, 2019; \$25.75 per share if redeemed on or after August 15, 2019 but before August 15, 2020; \$25.50 per share if redeemed on or after August 15, 2020 but before August 15, 2021; \$25.25 per share if redeemed on or after August 15, 2021 but before August 15, 2022; and \$25.00 per share if redeemed on or after August 15, 2022, together, in each case, with all accrued and unpaid dividends up to but excluding the date fixed for redemption. See “Details of the Offering”.

The Series E Shares do not have a fixed maturity date and are not redeemable at the option of the holders of Series E Shares. See “Risk Factors”.

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

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

PRICE: \$25.00 per Series E Share to yield 4.50% per annum

RBC Dominion Securities Inc., CIBC World Markets Inc., Scotia Capital Inc., TD Securities Inc., BMO Nesbitt Burns Inc. and National Bank Financial Inc. (collectively, the “Underwriters”), as principals, conditionally offer the Series E 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’ Fee⁽¹⁾</u>	<u>Net Proceeds to the Company⁽²⁾</u>
Per Series E Shares	\$ 25.00	\$ 0.75	\$ 24.25
Total ⁽³⁾	\$100,000,000	\$3,000,000	\$97,000,000

- (1) The Underwriters’ fee is \$0.25 for each share sold to certain 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 such institutions.
- (2) Before deduction of expenses of the offering, estimated at \$450,000 which, together with the Underwriters’ fees, are payable by the Company.
- (3) The Company has granted to the Underwriters an option (the “Underwriters’ Option”), exercisable at any time up to 48 hours prior to the closing of the offering, to purchase up to an additional 1,000,000 Series E Shares at the offering price. If the Underwriters’ Option is exercised in full, the total price to the public, the Underwriters’ fee and the net proceeds to the Company, before expenses of the offering and assuming that no Series E Shares are sold to certain institutions will be \$125,000,000, \$3,750,000 and \$121,250,000, respectively. See “Plan of Distribution”. The distribution of the Series E Shares that may be issued on the exercise of the Underwriters’ Option are also qualified under this Prospectus Supplement.

<u>Underwriters’ Position</u>	<u>Maximum Size or Number of Securities Held</u>	<u>Exercise Period / Acquisition Date</u>	<u>Exercise Price or Average Acquisition Price</u>
Underwriters’ Option	1,000,000	Until 48 hours prior to the closing of the offering	\$25.00

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 E Shares. Such transactions, if commenced, may be discontinued at any time. The Underwriters may decrease the price at which the Series E 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 E 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 E 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 10, 2013. A purchaser of Series E Shares will receive only a customer confirmation from the registered dealer who is a CDS participant and from or through whom the Series E Shares are purchased. See “Depository Services”.

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 Series E Shares 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 E 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 and the Underwriters are 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 herein by reference, contain forward-looking information and statements which reflect Emera's 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 safe harbour provisions contained in applicable securities legislation. The words "anticipates", "believes", "budgets", "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 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 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 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; competitive pressures; construction risk; derivative financial instruments and hedging availability and cost of financing; interest rate risk; counterparty risk; competitiveness of electricity as an energy source; 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, 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, INTENTIONS OR STATEMENTS EXPRESSED IN THE FORWARD-LOOKING INFORMATION. ALL FORWARD-LOOKING INFORMATION IN THIS PROSPECTUS SUPPLEMENT AND THE PROSPECTUS, INCLUDING 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.

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 E 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, 2012 and December 31, 2011, together with the auditors' report thereon and Management's Discussion and Analysis for the year ended December 31, 2012;
- (b) the unaudited interim consolidated financial statements of Emera as at and for the three months ended March 31, 2013 and March 31, 2012, together with Management's Discussion and Analysis for the three months ended March 31, 2013;
- (c) the Annual Information Form of Emera dated March 27, 2013 for the year ended December 31, 2012; and
- (d) the Management Information Circular of Emera distributed in connection with Emera's annual meeting of shareholders held on May 8, 2013 containing information as of February 27, 2013.

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 E Shares, shall be deemed to be incorporated by reference into this Prospectus Supplement and the Prospectus.

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 Stewart McKelvey, counsel to the Underwriters, the Series E 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) (a) deals at arm's length with the Company and (b) does not have a significant interest (i) in the Company or (ii) in a corporation, partnership or trust that does not deal at arm's length with the Company, the Series E Shares will not be a "prohibited investment" under the Tax Act for such RRSP, RRIF or TFSA on the date of this Prospectus Supplement. Proposed amendments to the Tax Act issued by the Department of Finance (Canada) would delete the condition in (b)(ii) above. In addition, pursuant to such proposed amendments, the Series E Shares generally will not be a "prohibited investment" if the Series E Shares are "excluded property" (as defined in the proposed amendments). There can be no assurance that such proposed amendments will be enacted in their current form or at all. Prospective purchasers should consult with their own tax advisors with respect to the prohibited investment rules.

SUMMARY OF THE OFFERING

This summary is qualified by the detailed information appearing elsewhere in this Prospectus Supplement.

Issue: Cumulative Redeemable First Preferred Shares, Series E.

Amount: \$100,000,000 (4,000,000 Series E Shares).

Price and Yield: \$25.00 per Series E Share to yield 4.50% per annum.

Principal Characteristics of the Series E Shares

Dividends: The holders of the Series E 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 (15th) day of February, May, August and November in each year, at a rate equal to \$0.28125 per share. The initial dividend, if declared, will be payable on August 15, 2013 and will be \$0.2034 per share, based on the anticipated closing date of June 10, 2013.

The dividends on Series E 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 E 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 E Shares will not be redeemable by the Company prior to August 15, 2018. Subject to the provisions described below under “Details of the Offering – Restrictions on Dividends and Retirement of Shares”, on or after August 15, 2018, on not more than 60 nor less than 30 days’ notice, the Company may redeem all or any part of the then outstanding Series E Shares, at the Company’s option without the consent of the holder, by the payment of: \$26.00 per share if redeemed before August 15, 2019; \$25.75 per share if redeemed on or after August 15, 2019 but before August 15, 2020; \$25.50 per share if redeemed on or after August 15, 2020 but before August 15, 2021; \$25.25 per share if redeemed on or after August 15, 2021 but before August 15, 2022; and \$25.00 per share if redeemed on or after August 15, 2022, together, in each case, with all accrued and unpaid dividends up to but excluding the date fixed for redemption.

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

Voting Rights: The holders of Series E 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 E 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 E 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 E 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 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 E Shares will be entitled to one vote for each Series E Share held, provided however that the holder of any Series E 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 represent 15% or more of such outstanding “voting shares” of Emera, shall not be entitled to any vote in respect of such Series E Shares. Upon payment of the entire amount of the Series E Share dividends in arrears, the voting rights of the Series E holders shall forthwith cease and terminate.

Priority:

The Series E Shares will rank on a parity with 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 E 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 approximately \$7.8 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 clean energy to market. Emera's business interests are primarily throughout northeastern North America and the Caribbean. Approximately 80% 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 Limited ("EBPC"). The success of these subsidiaries is integral to the creation of shareholder value, providing strong, predictable income and cash flows to fund dividends and reinvestment.

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, 2013: upon the completion of the offering of the Series E Shares, the Company will have issued 4,000,000 Series E Shares (5,000,000 Series E Shares if the Underwriters' Option is exercised in full).

DETAILS OF THE OFFERING

The Series E Shares will 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 E Shares as a series.

Issue Price

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

Dividends

The holders of the Series E Shares will be entitled to receive fixed quarterly cumulative preferential cash dividends, as and when declared by the Board of Directors, on the fifteenth (15th) day of February, May, August and November in each year, at a rate equal to \$0.28125 per share. The initial dividend, if declared, will be payable on August 15, 2013 and will be \$0.2034 per share, based on the anticipated closing date of June 10, 2013.

The dividends on Series E 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 E 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 E 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 or after August 15, 2018, the Company may redeem all or any part of the then outstanding Series E Shares, at the Company's option without the consent of the holder, by the payment of: \$26.00 per share if redeemed before August 15, 2019; \$25.75 per share if redeemed on or after August 15, 2019 but before August 15, 2020; \$25.50 if redeemed on or after August 15, 2020 but before August 15, 2021; \$25.25 per share if redeemed on or after August 15, 2021 but before August 15, 2022; and \$25.00 per share if redeemed on or after August 15, 2022, together, in each case, 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 E Shares are at any time to be redeemed, the shares to be redeemed will be redeemed pro rata, disregarding fractions.

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

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 E 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 E Shares are outstanding, the Company will not, without the approval of the holders of outstanding Series E 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 E Shares (other than stock dividends payable in shares ranking junior to the Series E Shares);
- (b) redeem, purchase or otherwise retire any Common Shares or any other shares ranking junior to the Series E Shares (except out of the net cash proceeds of a substantially concurrent issue of shares ranking junior to the Series E Shares);
- (c) redeem, purchase or otherwise retire less than all the Series E 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 E Shares,

unless, in each such case, all dividends up to and including the dividend payment date for the last completed period for which dividends were 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

So long as any Series E Shares are outstanding, the Company shall not, without the prior approval of the holders of the Series E Shares, create or issue any shares ranking prior to or on a parity with the Series E 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 E 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 E Shares may be given by a resolution carried by the affirmative vote of not less than 66 2/3% of the votes cast at a meeting of holders of Series E Shares at which a majority of the outstanding Series E 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 E 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 E Shares. The holders of the Series E 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 E 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 E 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 E 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 E 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 E Shares will be entitled to one vote for each Series E Share held, provided however that the holder of any Series E 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 represent 15% or more of such outstanding “voting shares” of Emera, shall not be entitled to any vote in respect of such Series E Shares. See “Constraints on Share Ownership” below. Upon payment of the entire amount of the Series E Share dividends in arrears, the voting rights of the Series E holders shall forthwith cease.

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

Constraints on Share Ownership

As required by the *Nova Scotia Power Reorganization (1998) Act* (Nova Scotia) and pursuant to the *Nova Scotia Power Privatization Act* (Nova Scotia), the Articles of Association of Emera (the “**Emera Articles**”) provide that no person, together with associates thereof, may subscribe for, have transferred to that person, hold, beneficially own or control, directly or indirectly, otherwise than by way of security only, or vote, in the aggregate, voting shares of Emera to which are attached more than 15% of the votes attached to all outstanding voting shares of Emera. Non-residents of Canada may not subscribe for, have transferred to them, hold, beneficially own or control, directly or indirectly, otherwise than by way of security only, or vote, in the aggregate, voting shares of Emera to which are attached more than 25% of the votes attached to all outstanding voting shares of Emera. Votes cast by non-residents on any resolution at a meeting of common shareholders of Emera will be pro-rated so that such votes will not constitute more than 25% of the total number of votes cast.

The Common Shares, the First Preferred Shares, Series A, the First Preferred Shares, Series C and the Series E Shares are considered to be voting shares for purposes of the constraints on share ownership.

The Emera Articles contain provisions for the enforcement of these constraints on share ownership including provisions for suspension of voting rights, forfeiture of dividends, prohibitions of share transfer and issuance, compulsory sale of shares and redemption, and suspension of other shareholder rights. The Board of Directors may require shareholders to furnish statutory declarations as to matters relevant to enforcement of the restrictions.

Tax Election

The Series E 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 E Shares. The terms of the Series E 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 E 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 E 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 E Shares to be delivered to, and registered in the name of CDS or its nominee. All rights of holders of Series E Shares must be exercised through, and all payments or other property to which such holder of Series E Shares is entitled, will be made or delivered by, CDS or the CDS Participant through which the holder of Series E Shares holds such shares. Each person who acquires Series E Shares will receive only a customer confirmation of purchase from the registered dealer from or through which the Series E 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 E Shares.

The ability of a beneficial owner of Series E 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 E Shares through the book entry only system, in which event certificates for Series E 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 E Shares held by CDS or the payments relating thereto; (b) maintaining, supervising or reviewing any records relating to the Series E 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 E Shares must look solely to CDS Participants for payments made by or on behalf of the Company to CDS in respect of the Series E Shares.

Certificates representing the Series E Shares 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 E 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 RATIOS

The following earnings coverage ratios are calculated on a consolidated basis as at December 31, 2012 and March 31, 2013 and for the respective twelve month periods then ended. The ratios (i) do not give effect to the issue of any Series E 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, 2012 ratio is based on the audited financial statements as at December 31, 2012 and the March 31, 2013 ratio is based on the unaudited financial statements as at March 31, 2013.

	Twelve months ended December 31, 2012	Twelve months ended March 31, 2013
Earnings Coverage ⁽¹⁾	1.94	2.26

(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 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 preferred share dividends grossed up to a before tax equivalent at a rate of 31.0%.

Emera’s dividend requirements on all of its preferred shares, adjusted to a before-tax equivalent using an effective income tax rate of 31.0%, amounted to \$30.5 million for the twelve months ended December 31, 2012. Emera’s interest requirements for the twelve months then ended amounted to \$178.1 million. Emera’s consolidated income before interest and income tax for the twelve months ended December 31, 2012 was \$405.7 million, which is 1.94 times Emera’s aggregate dividend and interest requirements for this period.

Emera’s dividend requirements on all of its preferred shares, adjusted to a before-tax equivalent using an effective income tax rate of 31.0%, amounted to \$34.7 million for the twelve months ended March 31, 2013. Emera’s interest requirements for the twelve months then ended amounted to \$180.1 million. Emera’s consolidated income before interest and income tax for the twelve months ended March 31, 2013 was \$485.4 million, which is 2.26 times Emera’s aggregate dividend and interest requirements for this period.

The Company’s dividend requirements on all of its preferred shares for the twelve months ended December 31, 2012 and March 31, 2013, after giving effect to the issue of the Series E Shares (but assuming that the Underwriters’ Option is not exercised in whole or in part) and adjusted to a before-tax equivalent using an effective tax rate of 31.0%, amounted to \$37.9 million for the twelve months ended December 31, 2012 and \$42.0 million for the twelve months ended March 31, 2013. The Company’s interest requirements for the twelve months ended December 31, 2012 and March 31, 2013 amounted to \$178.1 million and \$180.1 million, respectively. The Company’s consolidated income before interest and income tax for the twelve months ended December 31, 2012 and March 31, 2013 were \$408.2 million and \$487.9 million, respectively, which are 1.89 times and 2.20 times the Company’s aggregate dividend and interest requirements for the respective periods.

TRADING PRICES AND VOLUMES

The Company's outstanding Common Shares, First Preferred Shares, Series A and First Preferred Shares, Series C are listed on the TSX under the trading symbols "EMA", "EMA.PR. A" and "EMA.PR.C", respectively. The following table sets forth the reported high and low trading prices in Canadian dollars and trading volumes of the Common Shares, First Preferred Shares, Series A and First Preferred Shares, Series C on the TSX for the periods indicated. The First Preferred Shares, Series C commenced trading on June 7, 2012.

	Trading of Common Shares			Trading of First Preferred Shares, Series A			Trading of First Preferred Shares, Series C		
	High	Low	Volume	High	Low	Volume	High	Low	Volume
	(\$)	(\$)	(#)	(\$)	(\$)	(#)	(\$)	(\$)	(#)
2012									
June	34.02	32.29	3,899,066	26.25	25.06	83,303	25.35	24.75	1,341,955
July	35.72	33.67	2,640,543	25.95	25.35	80,634	25.83	25.09	640,154
August	35.49	34.31	3,400,147	25.99	25.55	37,260	25.73	25.21	293,172
September	35.21	33.91	2,946,850	25.83	25.20	51,737	25.80	25.20	233,888
October	35.24	34.52	2,692,150	25.78	25.37	65,788	26.24	25.21	198,066
November	35.17	33.51	4,803,552	25.97	25.43	77,715	26.00	25.40	136,156
December	34.82	33.93	3,881,521	26.25	25.35	29,155	26.55	25.52	102,883
2013									
January	36.49	34.55	3,201,122	26.20	24.93	168,127	26.78	25.56	407,445
February	36.09	34.50	4,246,076	26.52	25.62	91,340	26.38	25.86	143,370
March	35.98	34.37	4,827,684	26.88	26.15	154,013	26.24	25.70	122,294
April	37.34	34.73	5,223,530	26.59	26.20	294,883	26.90	25.97	263,691
May	36.95	35.14	3,830,843	26.44	25.89	74,514	26.67	25.92	131,794

CERTAIN 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 E 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 E Shares as capital property. Generally, the Series E Shares will be capital property to a holder provided the holder does not acquire or hold those Series E 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 E 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), to which the "functional currency" reporting rules apply, each as defined in the Tax Act, that is, or becomes as part of a transaction or event or series of transactions or events that includes the acquisition of Series E Shares controlled by a non-resident corporation for the purposes of the foreign affiliate dumping rules in proposed section 212.3 of the Tax Act or that enters into, with respect to their Series E Shares, a "derivative forward agreement" as that term is defined in proposed amendments contained in a Notice of Ways and Means Motion that accompanied the federal budget tabled by the Minister of Finance (Canada) on March 21, 2013. 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 E Shares outstanding at the time the dividend is received. This summary also assumes that all issued and outstanding Series E 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 E Shares.

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 E 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 E 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 E Shares will be "taxable preferred shares" as defined in the Tax Act. The terms of the Series E 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 E 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 E Shares to the extent such dividends are deductible in computing its taxable income for the year.

Dispositions

Generally, on a disposition of a Series E Share (which includes the redemption of the shares for cash), 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 E Share 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 E 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 E Share (other than 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.

RATINGS

The Series E Shares are rated Pfd-3 (high), stable trend by DBRS Limited (“**DBRS**”). The Series E 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.

Credit ratings are intended to provide investors with an independent measure of the credit quality of an issue of securities. The credit ratings accorded to the Series E Shares by these rating agencies are not recommendations to purchase, hold or sell the Series E Shares, as such ratings do not comment as to market price or suitability for a particular investor. There is no assurance that any rating will remain in effect for any given period of time or that any rating will not be revised or withdrawn entirely by a rating agency in the future if, in its judgment, circumstances so warrant.

Emera has paid each of DBRS and S&P their customary fees in connection with the provision of the ratings described herein. In addition, Emera has made customary payments respect of other services provided to Emera by each of DBRS and S&P during the past two years.

PLAN OF DISTRIBUTION

Pursuant to an underwriting agreement dated June 3, 2013 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 10, 2013 or such date as may be agreed upon, but not later than June 17, 2013, subject to the terms and conditions stated in the Underwriting Agreement, all but not less than all of the Series E Shares at an offering price of \$25.00 per share, payable in cash to the Company against delivery of such Series E Shares. The Underwriting Agreement provides that the Underwriters will be paid a fee per share equal to \$0.25 for each share sold to certain institutions and \$0.75 for all other shares sold.

The Company has granted to the Underwriters the Underwriters’ Option, exercisable at any time up to 48 hours prior to the closing of the offering, to purchase up to an additional 1,000,000 Series E Shares at the offering price. If the Underwriters’ Option is exercised in full, the total price to the public, the Underwriters’ fee and the net proceeds to the Company, before expenses of the offering and assuming that no Series E Shares are sold to certain institutions, will be \$125,000,000, \$3,750,000 and \$121,250,000, respectively. The distribution of the Series E Shares that may be issued on the exercise of the Underwriters’ Option are also qualified under this Prospectus Supplement.

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 E 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 E Shares at \$25.00 per share, the price of the Series E 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 E Shares is less than the gross proceeds paid by the Underwriters to the Company.

The Series E Shares have not been registered under the U.S. Securities Act, or any state securities laws. Accordingly, the Series E Shares may not be offered or sold in the United States of America or to or for the account of U.S. persons (within the meaning of Regulation S under the U.S. Securities Act) except pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws. In addition, until 40 days after the commencement of an offering of Series E 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 E 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 E 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 overallocate or effect transactions which stabilize or maintain the market price of the Series E 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 E Shares distributed under this Prospectus Supplement. Listing of the Series E 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 E Shares, after deducting estimated expenses of the issue and the Underwriters' fee, will be approximately \$96,550,000 (assuming the Underwriters' fee is \$3,000,000 for all Series E Shares sold). If the Underwriters exercise the Underwriters' Option in full, the net proceeds of the offering are estimated to be \$120,800,000, after deducting the Underwriters' fee of \$3,750,000 and the estimated expenses of the offering of \$450,000, and assuming no Series E Shares are sold to certain institutions. The Underwriters' fee and the expenses of this offering will be paid out of the proceeds of this offering. 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 such banks (the "**Facility**") currently provides Emera with a revolving operating and acquisition facility in an amount of up to \$700 million. The Facility matures on June 25, 2017 and can be extended with the banks' approvals. The Facility is unsecured. As at May 31, 2013, Emera had approximately \$422.0 million drawn on the Facility. Emera has always been and remains in compliance with the terms of the Facility and no breaches under the 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 Facility. All or a portion of the net proceeds from the offering will be used to repay indebtedness under the Facility. See "Plan of Distribution".

RISK FACTORS

An investment in Series E 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 E 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 E Shares. Assuming all other factors remain unchanged, the market value of the Series E 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 E Shares.

Credit Ratings

Real or anticipated changes in credit ratings on the Series E Shares, if any, may affect the market value of the Series E Shares. 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 E Shares. 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 E 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 E Shares.

Absence of Trading Market

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

Redemption

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

Other Risk Factors

Reference is made to “Earnings Coverage Ratios” 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 E Shares.

Dividends on the Series E Shares are payable at the discretion of the Board of Directors.

The Series E Shares are equity capital of the Company. The Series E Shares 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 E Shares, if any.

The Series E Shares do not have a fixed maturity date and are not redeemable at the option of the holders of Series E Shares. The ability of a holder to liquidate its holdings of Series E Shares may be limited.

AUDITORS, TRANSFER AGENT AND REGISTRAR

Computershare Trust Company of Canada (“**Computershare**”) is the transfer agent and registrar for the Series E Shares. 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, 2012, Ernst & 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 E 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 31, 2013, 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.

CERTIFICATE OF THE UNDERWRITERS

Dated: June 3, 2013

To the best of our knowledge, information and belief, the short form prospectus, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, constitutes full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and this supplement as required by the securities legislation of each of the provinces of Canada.

**RBC DOMINION
SECURITIES INC.**

**CIBC WORLD
MARKETS INC.**

SCOTIA CAPITAL INC.

TD SECURITIES INC.

By: (signed) DAVID DAL BELLO By: (signed) DAVID H. WILLIAMS By: (signed) STUART LOCHRAY By: (signed) HAROLD R. HOLLOWAY

BMO NESBITT BURNS INC.

By: (signed) JAMES A. TOWER

NATIONAL BANK FINANCIAL INC.

By: (signed) WILLIAM TEBBUTT

SHORT FORM BASE SHELF PROSPECTUS

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

This 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 prospectus has become final and that permits the omission from this 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.

Information has been incorporated by reference in this 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, 1223 Lower Water Street, Halifax, Nova Scotia, B3J 3S8 (telephone: 902-428-6520) and are also available electronically at www.sedar.com.

This 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. 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 or for the account or benefit of U.S. persons (within the meaning of Regulation S under the U.S. Securities Act) except pursuant to an available exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws. This short form prospectus 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 or for the account or benefit of U.S. persons. See "Plan of Distribution".

New Issue

May 2, 2013



EMERA INCORPORATED **\$750,000,000** **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 \$750,000,000 (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 2, 2015 that this base shelf prospectus (the "**Prospectus**"), including any amendments hereto, remains valid. 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".

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 Osler, Hoskin & Harcourt LLP.

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

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Unless the context otherwise requires, all references herein to currency are references to Canadian dollars.

DOCUMENTS INCORPORATED BY REFERENCE

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:

- (a) the audited consolidated financial statements of Emera as at and for the years ended December 31, 2012 and December 31, 2011, together with the auditors' report thereon and Management's Discussion and Analysis for the year ended December 31, 2012;
- (b) the Annual Information Form of Emera dated March 27, 2013 for the year ended December 31, 2012; and
- (c) the Management Information Circular of Emera distributed in connection with Emera's annual meeting of shareholders to be held on May 8, 2013.

Any documents of the type referred to above, any unaudited interim consolidated financial statements and accompanying management's discussion and analysis, 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, 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.

Upon a new annual information form, new management information circular, new annual 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 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 Emera 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 safe harbour provisions contained in applicable securities legislation. The words "anticipates", "believes", "budgets", "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 management.

The forward-looking information in this Prospectus, including the documents incorporated herein by reference, includes 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 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 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; competitive pressures; construction risk; derivative financial instruments and hedging availability and cost of financing; interest rate risk; counterparty risk; competitiveness of electricity as an energy source; 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 AS ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THE PLANS, EXPECTATIONS, ESTIMATES, INTENTIONS OR STATEMENTS EXPRESSED IN THE FORWARD-LOOKING INFORMATION. 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.

EMERA INCORPORATED

Emera is an energy and services company headquartered in Halifax, Nova Scotia with approximately \$7.5 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 clean energy to market. Emera's business interests are primarily throughout northeastern North America and the Caribbean. Approximately 80% 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**"). The success of these subsidiaries is integral to the creation of shareholder value, providing strong, predictable income and cash flows to fund dividends and reinvestment.

Emera continues to target a compound annual growth rate of its earnings per share in the range of 4% to 6% calculated over a three to five year period and largely driven and achieved by continued investment in renewable energy generation, transmission infrastructure, and natural gas transmission and transport. Emera will continue to build and invest in its existing businesses, making investments that improve system reliability and facilitate the transformation of electricity generation to cleaner sources, and in the transmission of that electricity to its markets and customers. Emera will also leverage its operations, assets and core strength in the electricity business to pursue acquisitions and greenfield development opportunities in regulated or contracted businesses active in electricity transmission, distribution and generation and related energy services.

NSPI, a direct and indirect wholly-owned subsidiary of Emera, is a fully-integrated electric utility with approximately \$4.0 billion in assets, and the primary electricity supplier in the Province of Nova Scotia. NSPI provides electricity generation, transmission and distribution services to approximately 497,000 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 to provide an appropriate return to investors.

Emera's Maine utility operations consist of Bangor Hydro Electric Company ("**Bangor Hydro**") and Maine Public Service Company ("**MPS**"). Bangor Hydro, a wholly-owned subsidiary of Emera, is an electricity transmission and distribution company with approximately USD\$845.0 million of assets serving approximately 120,000 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 ("**MPUC**"). MPS, an indirect wholly-owned subsidiary of Emera, is a regulated transmission and distribution electric utility with approximately USD\$145.0 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 80.1% indirect equity interest in Barbados Light & Power Company Limited ("**BLPC**"); an 80.4% equity interest, held directly and indirectly, in Grand Bahama Power Company ("**GBPC**"); and a 15.3% indirect equity interest in St. Lucia Electricity Services Ltd. ("**Lucelec**"). BLPC is a vertically-integrated utility and the sole provider of electricity on the Caribbean island of Barbados. BLPC serves approximately 124,000 customers and is regulated by the Fair Trading Commission, Barbados. The government of Barbados has granted BLPC a franchise to generate, transmit and distribute electricity on the island until 2028. Emera acquired its interest in BLPC through the purchase of 80.1% of the outstanding common shares of Light & Power Holdings Ltd. ("**LPH**"), the parent company of BLPC, whose shares are listed on the Barbados Stock Exchange. BLPC is regulated under a cost-of-service model, with rates set to enable BLPC to recover prudently incurred costs of providing electricity service to customers, and to provide an appropriate return to investors. LPH also holds a 51.9% interest in Dominica Electricity Services Ltd. ("**Domlec**"), the sole provider of electricity to the Commonwealth of Dominica. Domlec serves approximately 34,000 customers, is regulated by the Independent Regulatory Commission, Dominica and is listed on the Eastern Caribbean Securities Exchange. GBPC is a vertically-integrated utility and the sole provider of electricity on Grand Bahama Island. GBPC serves approximately 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% equity interest in GBPC. ICDU is listed on the Bahamas International Securities Exchange. Lucelec is a vertically integrated electric utility on the Caribbean island of St. Lucia, and 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 United States. The pipeline, which commenced service in July 2009, transports natural gas for Repsol Energy Canada under a 25 year firm service agreement. The National Energy Board regulates the Brunswick Pipeline, and has classified it as a Group II pipeline.

Emera Newfoundland & Labrador Holdings Inc., a wholly-owned subsidiary of Emera, is focused on transmission investments related to a proposed 824 megawatt ("**MW**") hydro-electric generation facility at Muskrat Falls in Labrador. In July 2012, Emera and Nalcor Energy ("**Nalcor**"), along with the Governments of the Provinces of Nova Scotia and Newfoundland and Labrador, executed 13 formal agreements in respect of the development and transmission of hydroelectric power from Muskrat Falls on the Lower Churchill River in Labrador, to the Island of Newfoundland, the Province of Nova Scotia and through to New England. The agreements span 50 years and relate to the development of the Muskrat Falls generating station and associated transmission assets, the Labrador-Island Transmission Link and the Maritime Link (collectively, the "**Lower Churchill Project**"). The execution of these agreements set the stage for the legislative process in the Province of Newfoundland and Labrador and regulatory filings in both provinces. Emera's application to the UARB for approval of the Maritime Link was filed on January 28, 2013. Emera will make its final construction decision on the Maritime Link in late 2013, following the UARB decision.

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;
- a 49% equity interest in Northeast Wind Partners II, LLC, which holds a 419 MW portfolio of wind energy facilities and projects in the northeastern United States;
- a 37.7% equity interest in Atlantic Hydrogen Inc., a privately held New Brunswick corporation headquartered in Fredericton, New Brunswick that is developing greener energy solutions;
- a 24.5% equity interest in Algonquin Power & Utilities Corporation ("**Algonquin**"), a growing renewable energy and regulated utility company with assets across North America. Algonquin actively invests in hydroelectric, wind and solar power facilities and sustainable utility distribution businesses;

- a 12.9% limited partnership 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 3.3% equity interest in OpenHydro, an Irish renewable energy company;
- Emera Energy Incorporated, a wholly-owned 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 Inc., in the United States;
- Bayside Power Limited Partnership, a wholly-owned 290 MW gas-fired merchant electricity generating facility located in Saint John, New Brunswick; and
- Emera Utility Services Inc., and Emera Utility Services (Bahamas) Limited, wholly-owned utility services contractors providing utility construction services in Atlantic Canada and the Bahamas.

USE OF PROCEEDS

Emera may offer the Securities from time to time, up to an aggregate initial offering price of \$750,000,000 (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 2, 2015 that this Prospectus, including any amendments thereto, remains valid. 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.

The Securities offered hereby have not been registered under 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 or for the account or benefit of U.S. persons (within the meaning of Regulation S under the U.S. Securities Act) except pursuant to an available exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws. In addition, until 40 days after the commencement of an offering of Securities offered hereby, 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 available exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws.

EARNINGS COVERAGE RATIO

The following earnings coverage ratio is calculated on a consolidated basis for the twelve month period ended December 31, 2012. The ratio does not give effect to the issue of any debt securities or preferred shares pursuant to this Prospectus, and does not purport to be indicative of any earnings coverage ratio for future periods. The ratio is based on the audited financial statements as at December 31, 2012.

	<u>Twelve months ended December 31, 2012</u>
Earnings Coverage ⁽¹⁾	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 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 preferred share dividends grossed up to a before tax equivalent at a rate of 31%.

Emera’s dividend requirements on all of its preferred shares, adjusted to a before-tax equivalent using an effective income tax rate of 31.0%, amounted to \$30.5 million for the twelve months ended December 31, 2012. Emera’s interest requirements for the twelve months then ended amounted to \$178.1 million. Emera’s consolidated income before interest and income tax for the twelve months ended December 31, 2012 was \$397.7 million, which is 1.91 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, 2012:

- During the period from January 1, 2013 up to and including April 29, 2013, Emera issued an aggregate of 510,138 Common Shares pursuant to Emera’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 proceeds of approximately \$16.9 million.
- During the period from January 1, 2013 up to and including April 29, 2013, drawings of approximately \$92.0 million were made by Emera under its credit facilities for general corporate purposes.

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 (TSX: EMA.PR.A.) and 10,000,000 Series C Shares (TSX: EMA.PR.C) (each 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 constituting 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* (Nova Scotia), as amended (the “**Companies Act**”), 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.

Terms of the First Preferred Shares and Second Preferred Shares

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 (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.

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 with all other unsecured and unsubordinated indebtedness of Emera, save as to purchase or sinking funds, amortization funds or analogous provisions, if any, applicable to different series of indebtedness.

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 or Non-Recourse Debt 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 the 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 the 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 Indenture contains 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.

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 Osler, Hoskin & Harcourt LLP. As at May 1, 2013, Mr. Aftanas and partners and associates of Osler, Hoskin & Harcourt LLP, as a group, beneficially owned, directly or indirectly, less than 1% 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.

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 “Cautionary Note Regarding Forward-Looking Information” and “Risk Factors” in the Company’s Annual Information Form and “Forward Looking Information”, “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.

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.

CERTIFICATE OF EMERA INCORPORATED

Dated: May 2, 2013

This 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) "*Scott Balfour*"
Executive Vice President
and Chief Financial Officer

On behalf of the Board of Directors

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

(signed) "*James D. Eisenhower*"
Director

