2007 **NSUARB-P-886**

NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF: The *Public Utilities Act,* R.S.N.S. 1989, c.380 as amended

IN THE MATTER OF: An Application by Nova Scotia Power Incorporated for Approval of Certain Revisions to its Rates, Charges and Regulations

RESPONSE TO INFORMATION REQUEST

TO: NSPI

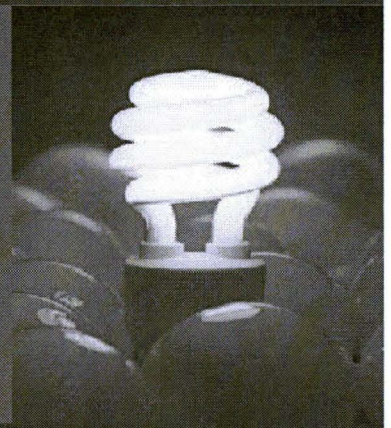
FROM: SEB

Question IR-142: **Please explain why Emera has not made any presentations to financial analysts since October 2005.**

Response IR-142: Emera, NSPI's parent company, has made presentations to financial analysts since October 2005. Please refer to Attachments 1, 2 and 3.

These presentations are also available at www.emera.com.

progress report +



Emera Inc.
2005 Scotia Capital Electron Day

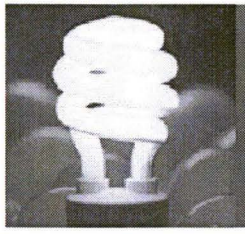
November 16, 2005

Emera

DATE FILED: December 6, 2006

Forward Looking Statements

Certain information provided in this presentation constitutes forward-looking statements. The words "*anticipate*," "*expect*," or "*project*," and similar expressions are intended to identify such forward-looking statements. Although Emera believes such statements are based on reasonable assumptions, such statements are subject to certain risks, uncertainties and assumptions pertaining to operating performance, regulatory parameters, weather, economic conditions, etc. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary significantly from those expected.



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Today's Discussion

- Emera At A Glance
- Our Investment Proposition
- Corporate Update
  - Managing Challenges
  - Recent Wins
  - Positive Prospects
- Conclusions and Questions



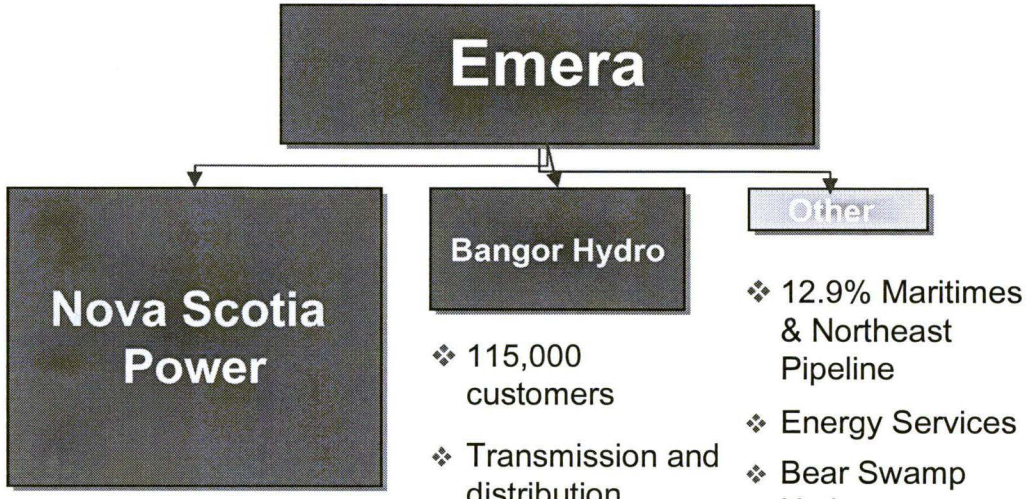
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Emera at a Glance

- Regulated electricity business
- 575,000 customers
- $1.2B in revenues, $3.9B in assets
- Annually, Emera generates:
  - $120M earnings
  - $275M operating cash flow
  - $50M in free cash flow
- $0.89 dividend yields 4.6%



- 460,000 customers
- Generation, transmission and distribution
- 85% of EMA earnings

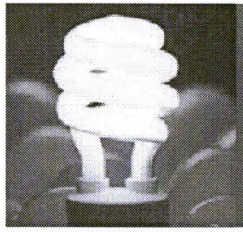
- 115,000 customers
- Transmission and distribution
- 15% of EMA earnings

- 12.9% Maritimes & Northeast Pipeline
- Energy Services
- Bear Swamp Hydro
- Corporate

Nova Scotia
An Emera Company

Bangor Hydro
Electric Company

TSX: EMA

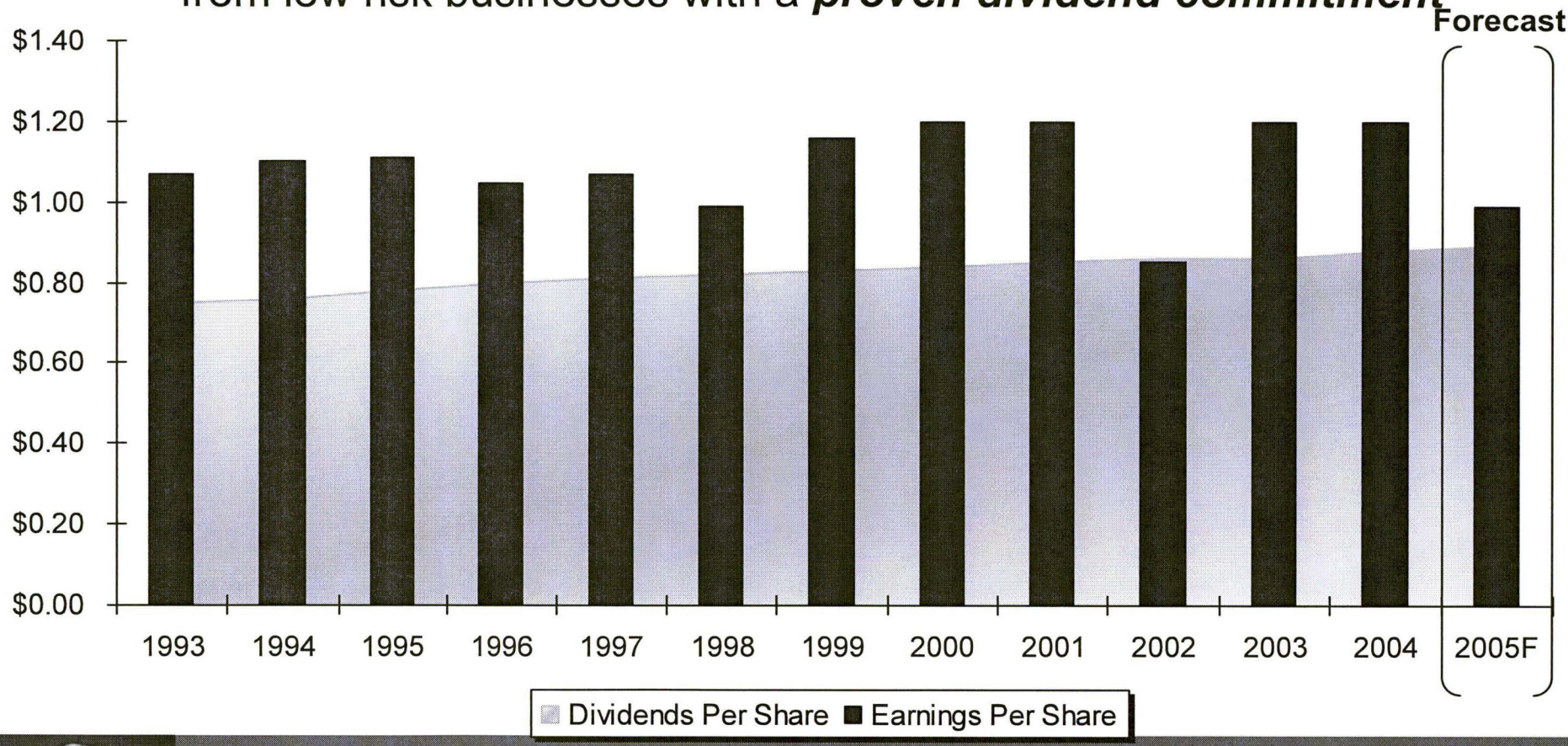


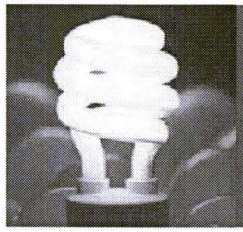
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Investment Proposition

- A focus on building greater predictability and stability in earnings from low risk businesses with a ***proven dividend commitment***





Emera

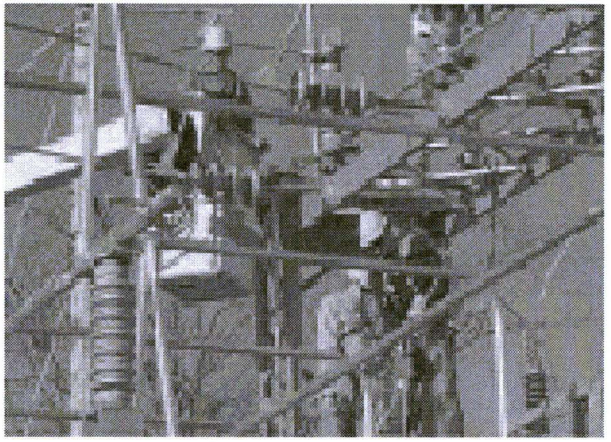
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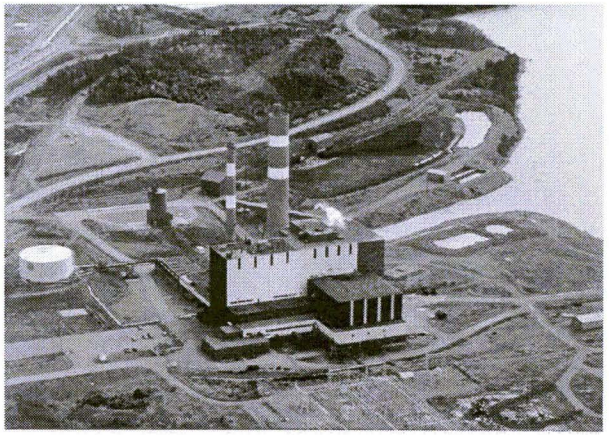
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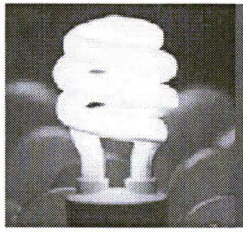
Income With Modest Growth…

Emera's 5 Keys to Value

1. Excellent operational performance
2. Advancing regulatory relationships
3. Effective risk management
4. Strong financial position
5. Disciplined growth strategy







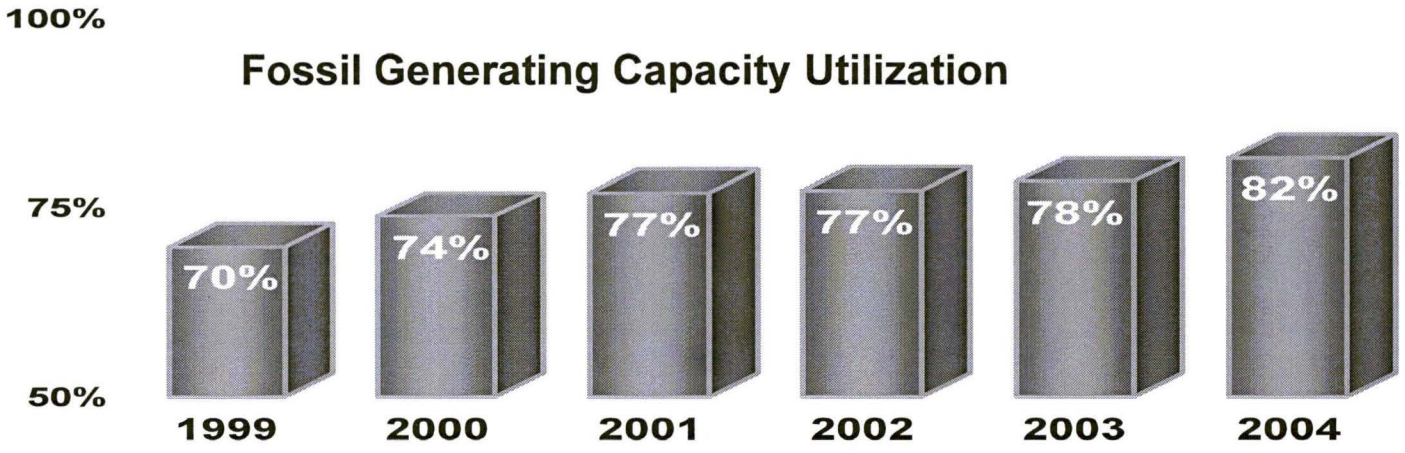
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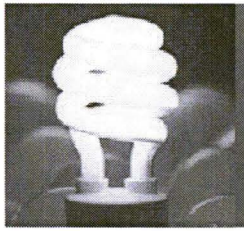
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Operational Excellence

- CEA ranks Point Tupper *#1* and Lingan Unit 3 *#2* on thermal operating performance
- Operating excellence enables high utilization
- Capacity managed with surgical capital additions and incentives to shift peak load





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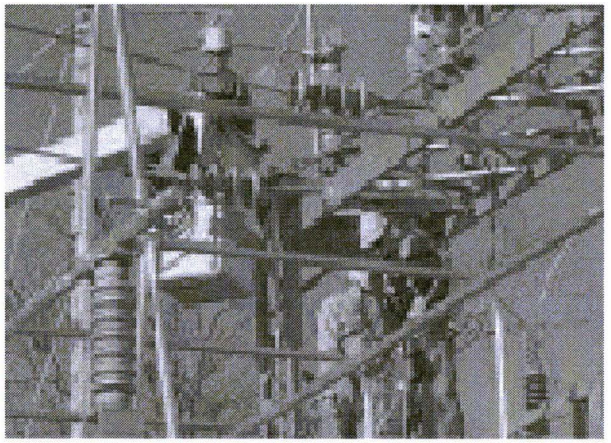
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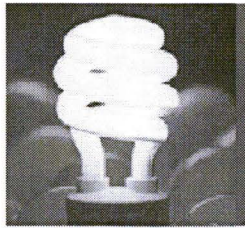
Income With Modest Growth…

Emera's 5 Keys to Value

1. Excellent operational performance
2. Advancing regulatory relationships







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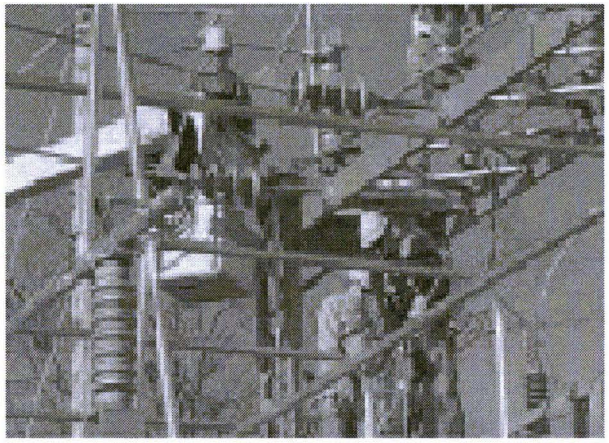
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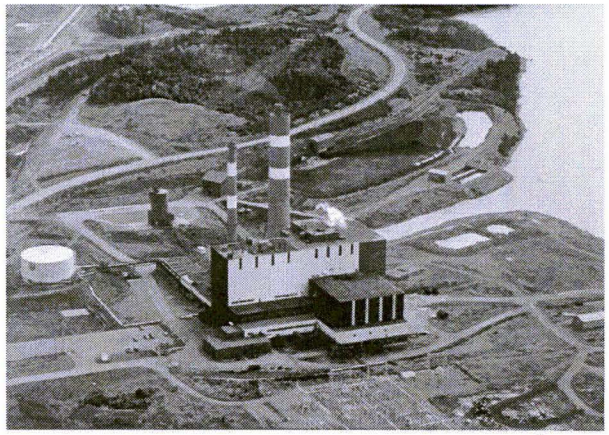
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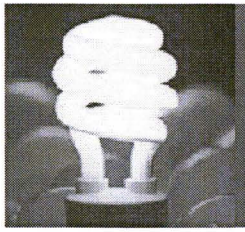
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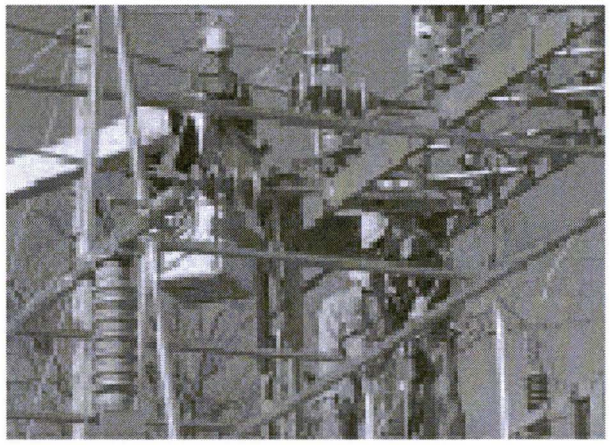
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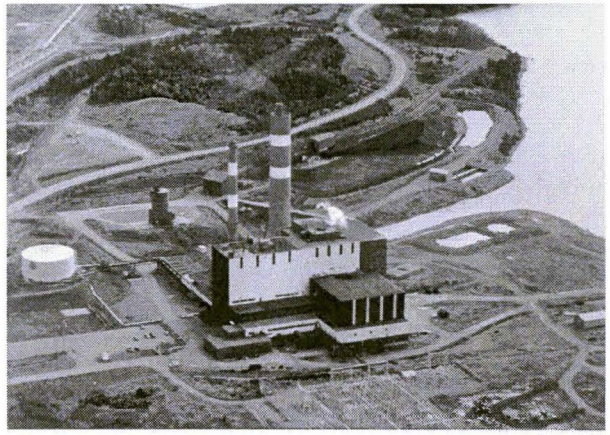
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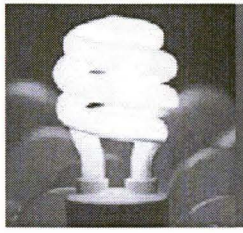
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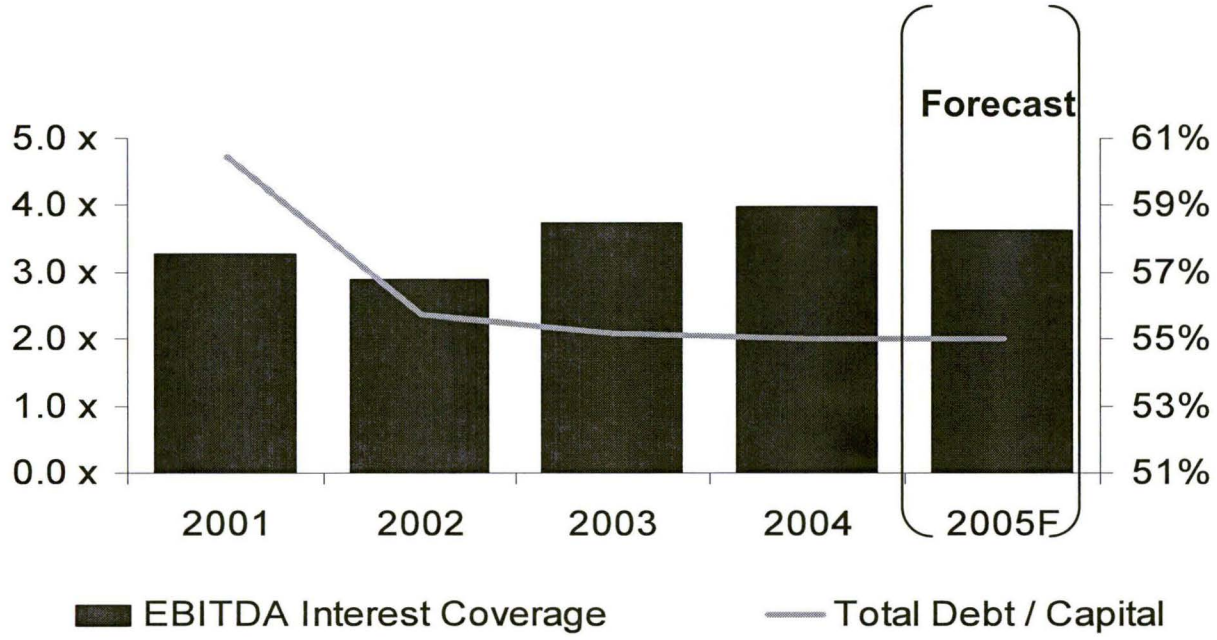
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Emera's Financial Position

- Coverage and financial ratios provide financial capacity for growth
- Managing regulatory business risk



Emera Inc.
Debt Ratings

BBB (High)	DBRS
BBB+	S&P
Baa2	Moody's

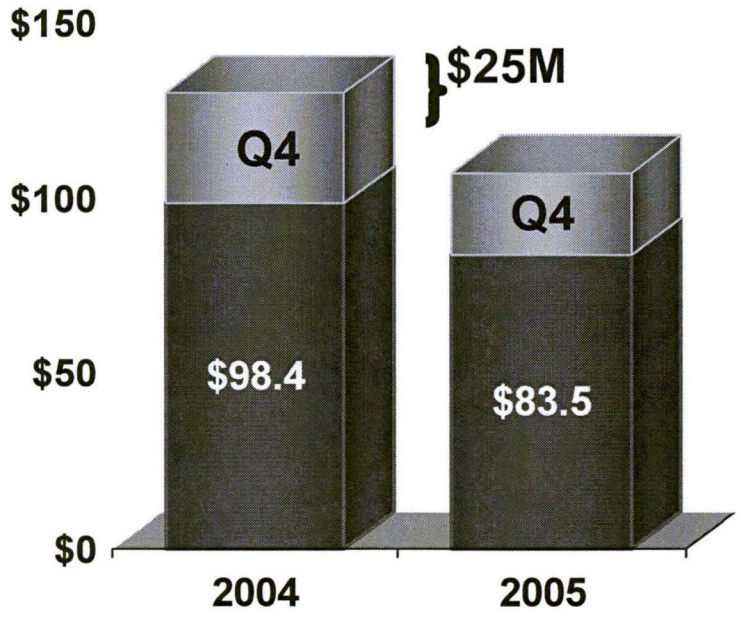
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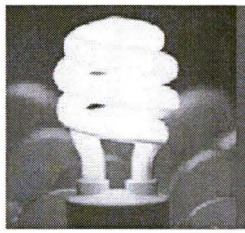
2005 Earnings Hard Hit by NSPI Fuel Costs

- NSPI's rising fuel costs only partially offset with 5.3% rate increase
- Contributions from Other mitigate impact on EMA:
  - Increased Energy Services activity
  - Addition of Bear Swamp
  - Lower corporate costs

Consolidated Net Earnings

YTD Actual Plus Full Year Outlook





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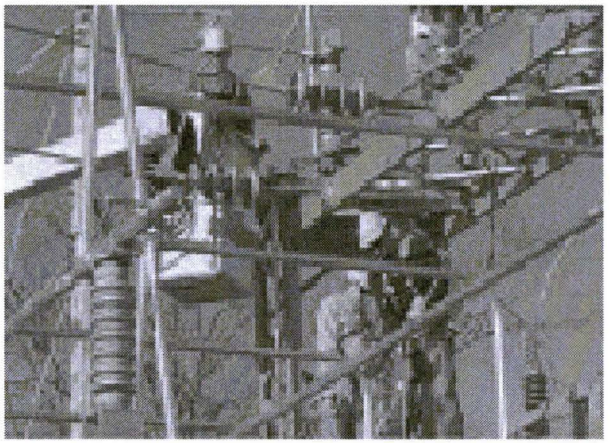
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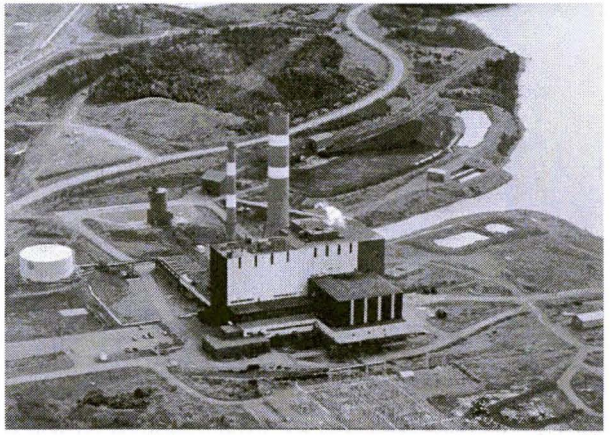
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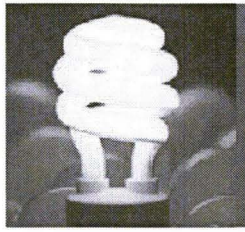
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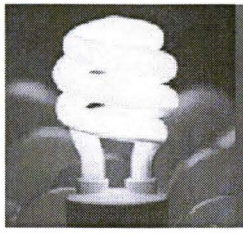
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Advancing Regulatory Relationships

- Success in Nova Scotia and Maine resolving many regulatory issues
- But Nova Scotia's recent rate applications less than satisfactory
- Commodity prices and taxes drive 2002, 2005, and 2006 requests
  - Regulatory dissatisfaction focused on fuel procurement
- Proposed average increase of 15% for 2006



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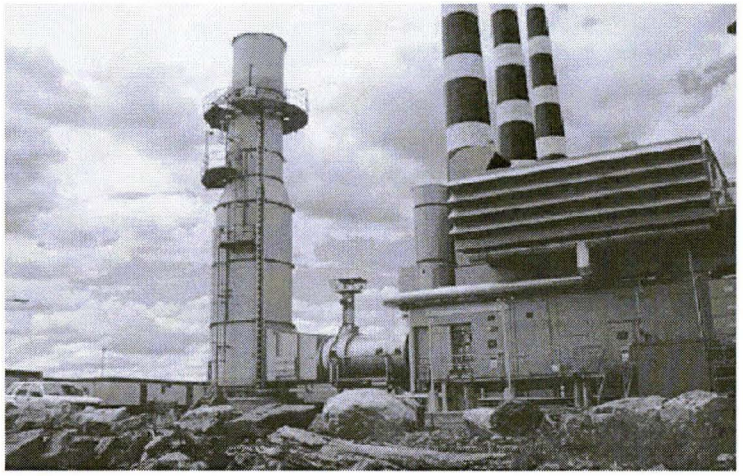
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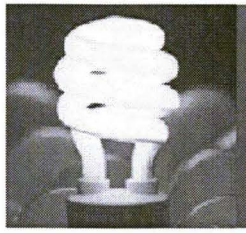
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Fuel Procurement Action Plan

NSPI has:

- ✓ Consolidated responsibility for fuel procurement
- ✓ Changed the fuel buying strategy team at Nova Scotia Power to remove any conflict between NSPI and Emera
- ✓ Strengthened the company's in-house expertise on fuel
- ✓ Revised NSPI fuel policies on fuel buying to more clearly reflect a portfolio approach;
- ✓ Signed longer-term contracts for cleaner low sulphur coal





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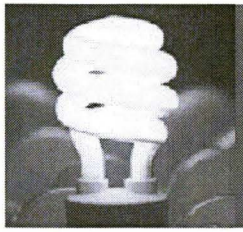
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Listening to Customers

- Increased investment in conservation
- Increased vegetation management to improve reliability
- Customer service initiatives
- CEO "on the line" explaining request to customers
- UARB improving process with "Issues List"
- Hearings commenced November 14th





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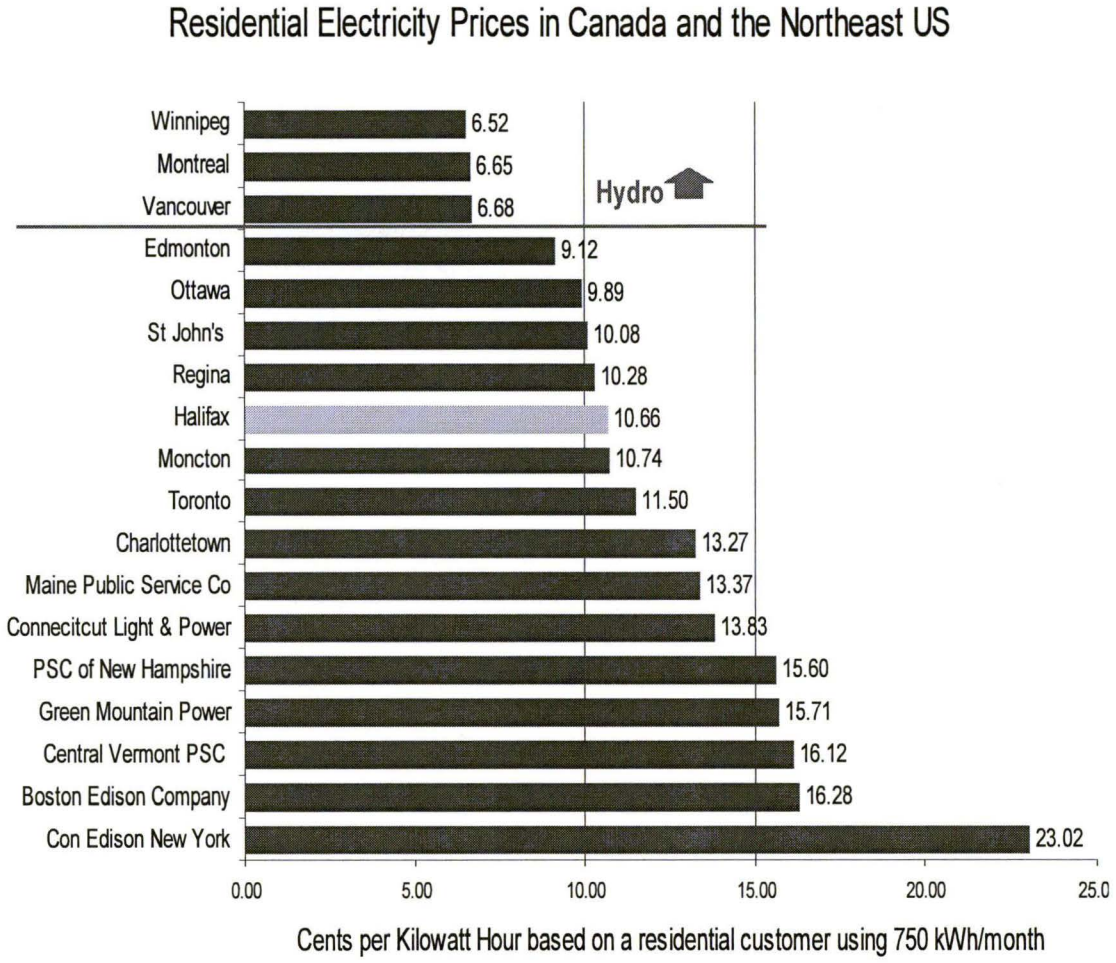
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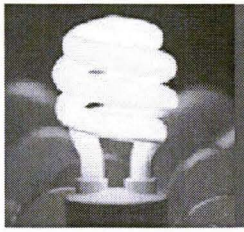
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Nova Scotia Pricing in Context

NSPI Rate Increases

1993	1.8%
1996	2.2%
2002	3.0%
2005	5.3%





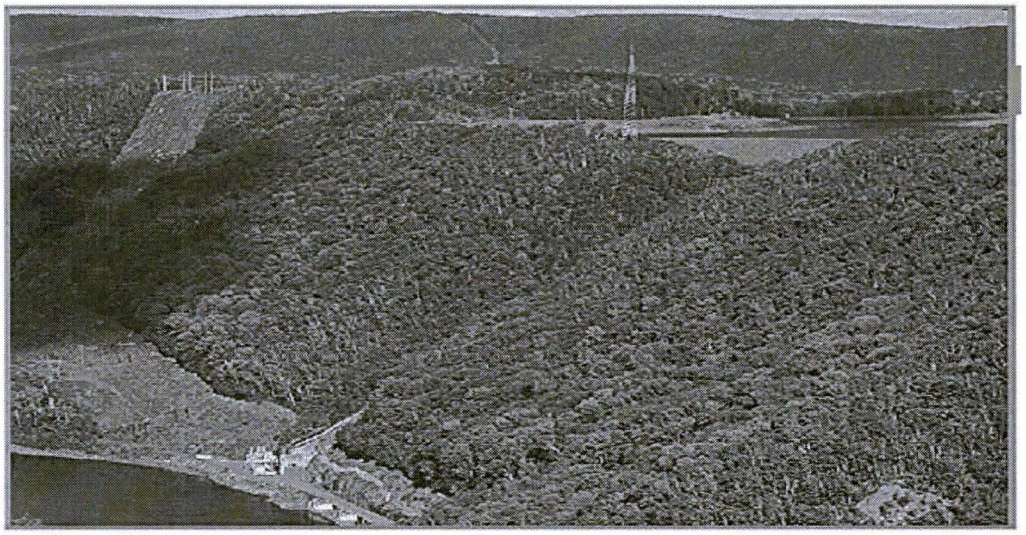
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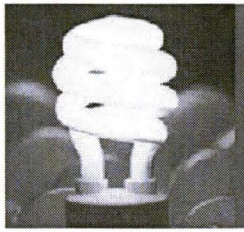
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Positive Progress

Bear Swamp, Massachusetts



- *Powerful* Additions
  - 50MW Gas Turbine
  - $34M Marine Terminal
- *Powerful* Connections
  - $90M USD Transmission Line
- *Powerful* Partnership
  - Emera and Brascan acquire $92M USD Bear Swamp hydro plants in Northeast US
- *Powerful* Focus
  - Divestiture of non-core fuel oil business



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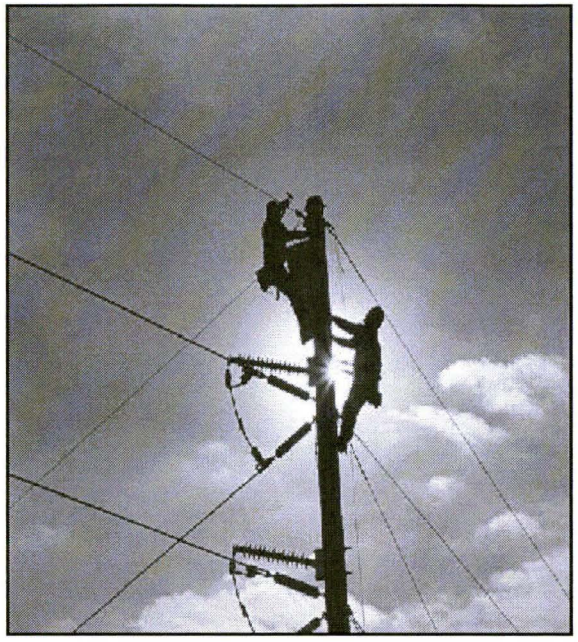
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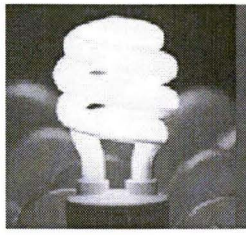
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Powerful Investment Opportunities

Strategic opportunities for investment in Maritime Canada's energy future include:

- Regional electricity generation
- Renewable generation
- Environmental investment in rate base
- Regulated transmission asset expansion





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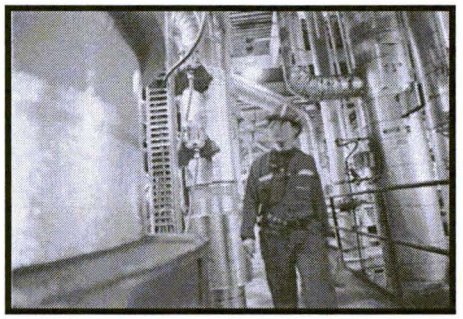
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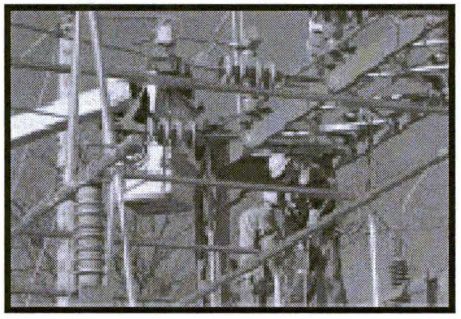
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Conclusion and Questions

In summary, Emera is focused on:

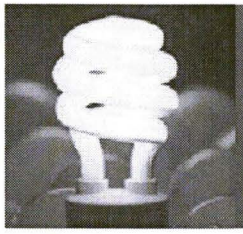
- Building greater *stability* and *predictability* in earning and cash flow from our utility businesses to support our dividend
- Disciplined investment of free cash flow in complementary energy businesses that capitalize on electricity infrastructure opportunities and drive profitable growth







Emera… Income with modest growth!



Emera

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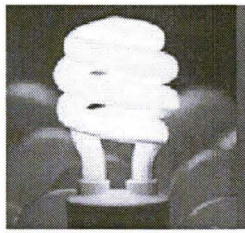
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Beacon Securities
16th Annual Atlantic Canadian Investment Seminar
Charlottetown, Prince Edward Island
September 14, 2006

Emera

Forward Looking Statements

Certain information provided in this presentation constitutes forward-looking statements. The words "*anticipate*," "*expect*," or "*project*," and similar expressions are intended to identify such forward-looking statements. Although Emera believes such statements are based on reasonable assumptions, such statements are subject to certain risks, uncertainties and assumptions pertaining to operating performance, regulatory parameters, weather, economic conditions, etc. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary significantly from those expected.

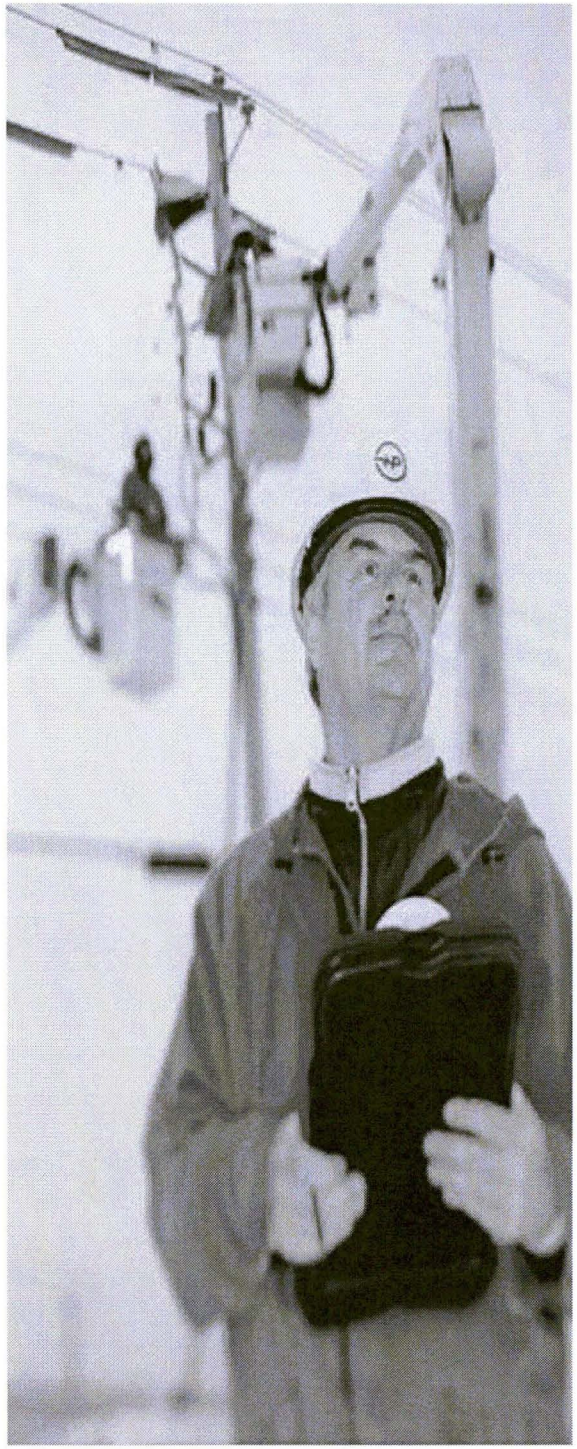
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Emera at a Glance

- Electricity is our business
  - Generation, transmission, distribution
- Foundation in regulated monopolies
  - 585,000 customers in Nova Scotia and Maine
- Low risk merchant generation
  - 600 MW at Bear Swamp, Massachusetts
- Gas transmission supports generation
- $1.2B in revenues, $4B in assets
- $120M earnings, $275M operating cash, $50M free cash



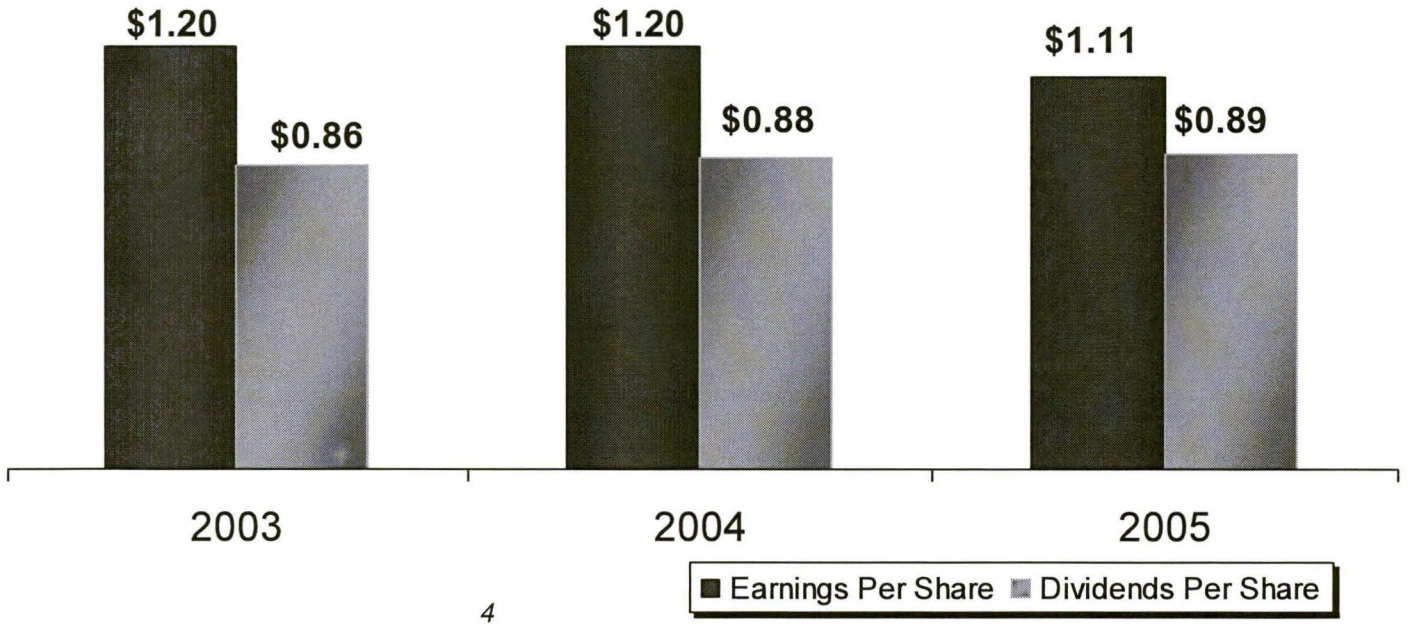
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Emera's Investment Proposition

- Regulated assets, low risk profile
- $0.89 dividend yields 4.5%
- Focused on building stable earnings stream to support dividend growth



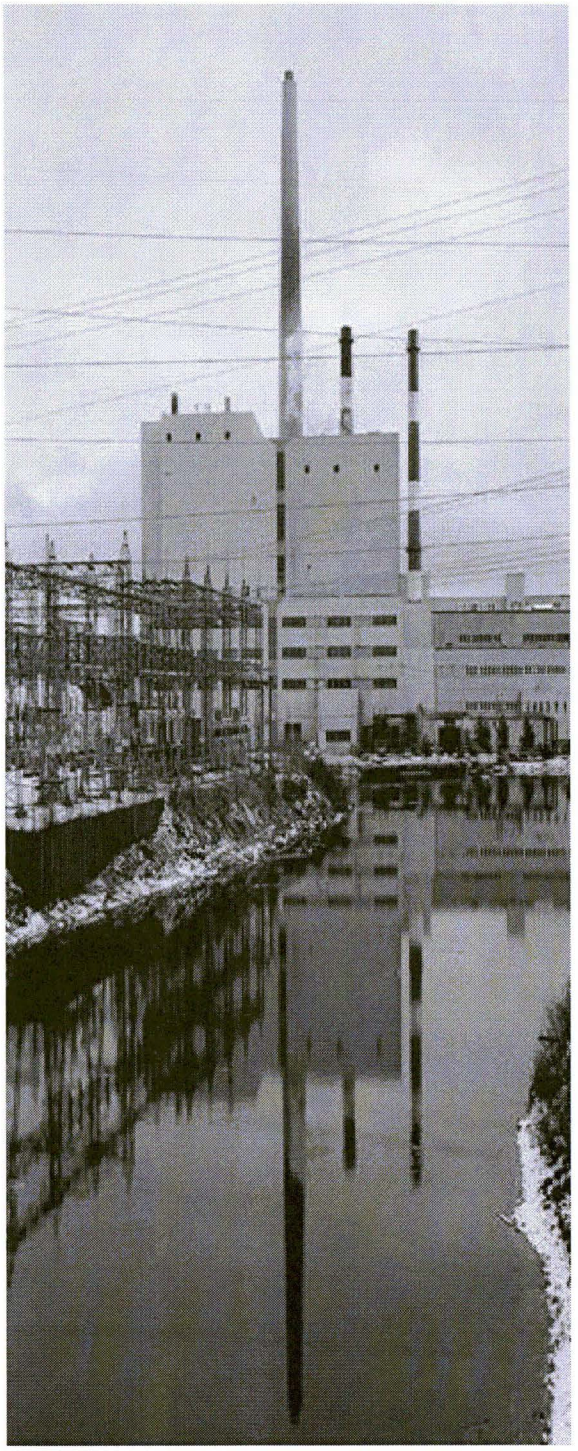
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Nova Scotia Power

- Vertically integrated electric utility
- Traditional regulated monopoly
  - Wholesale market competitive, <2% of sales
- Cost of service regulation
- $3B assets; 470,000 customers
- ROE between 9.3% and 9.8%
- Low cost thermal based fleet enables competitive pricing
- Demonstrated improvement in regulatory relationship
- Working toward fuel adjustment mechanism



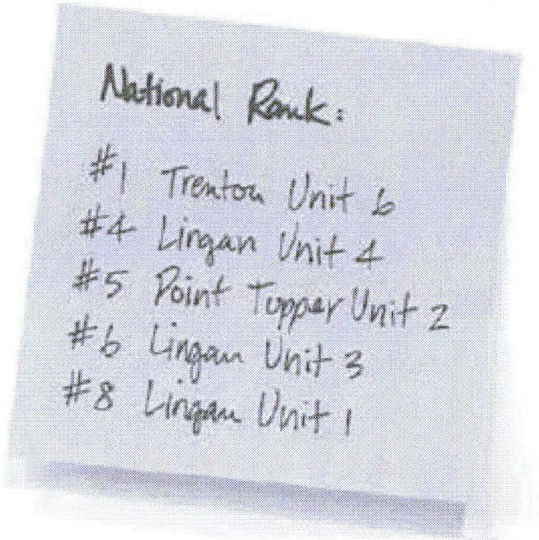
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Operational Strength To Build On

- 2,300 MW of capacity in Nova Scotia
  - Diverse generation portfolio – coal, petcoke, oil, gas, hydro, tidal, wind and biomass
- Increasing renewable component
- Outstanding operational performance
  - 5 of Top Ten Units in Canada
  - #1 Unit two years in a row
- Operational excellence a key strength to leverage for growth





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Bangor Hydro Electric

- Regulated Transmission & Distribution utility in restructured market
  - Transmission FERC regulated
  - Distribution regulated by Maine Public Utilities Commission under Alternative Rate Plan
  - Significant stranded cost rate base
- $580M assets; 115,000 customers
- Since acquisition, EMA has streamlined cost structure and revitalized regulatory relationship
  - Key skills will bring value to future T&D acquisitions



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Re-investing in Key Transmission

- Stranded cost recovery provides pool of capital to reconfigure BHE's asset base
- Focus on transmission investments
  - "*Northeast Reliability Interconnect*" will provide second U.S. / Canada link in northeast
  - $110M investment for BHE
  - Improve reliability and opportunities for cross border electricity sales to capitalize on offsetting peak seasons
- Success in permitting a key strength to capitalize on
- $70-200M investment opportunity in other Maine transmission projects



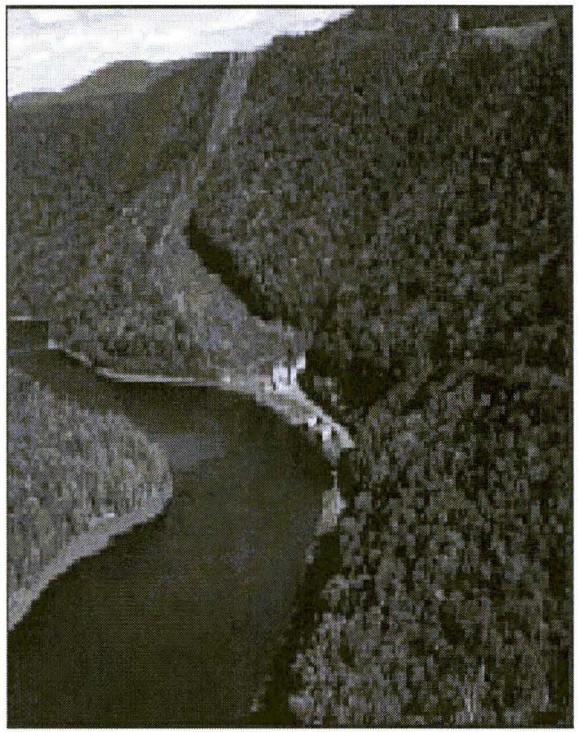
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Bear Swamp

- Bear Swamp, Massachusetts
  - 600MW Pumped Storage Hydro
- First investment in 50/50 partnership with Brookfield Power
- Low risk merchant operation
- Seeking to contract substantial portion of output
- LICAP settlement adds value for capacity



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Gas Transmission

- Maritimes & Northeast Pipeline
  - $2B, 1,300 km pipeline linking Sable gas fields to US northeast
- EMA has 12.9% equity investment
  - Duke and Exxon Mobil also partners
- US Phase IV LNG expansion moving forward
  - $300M USD project



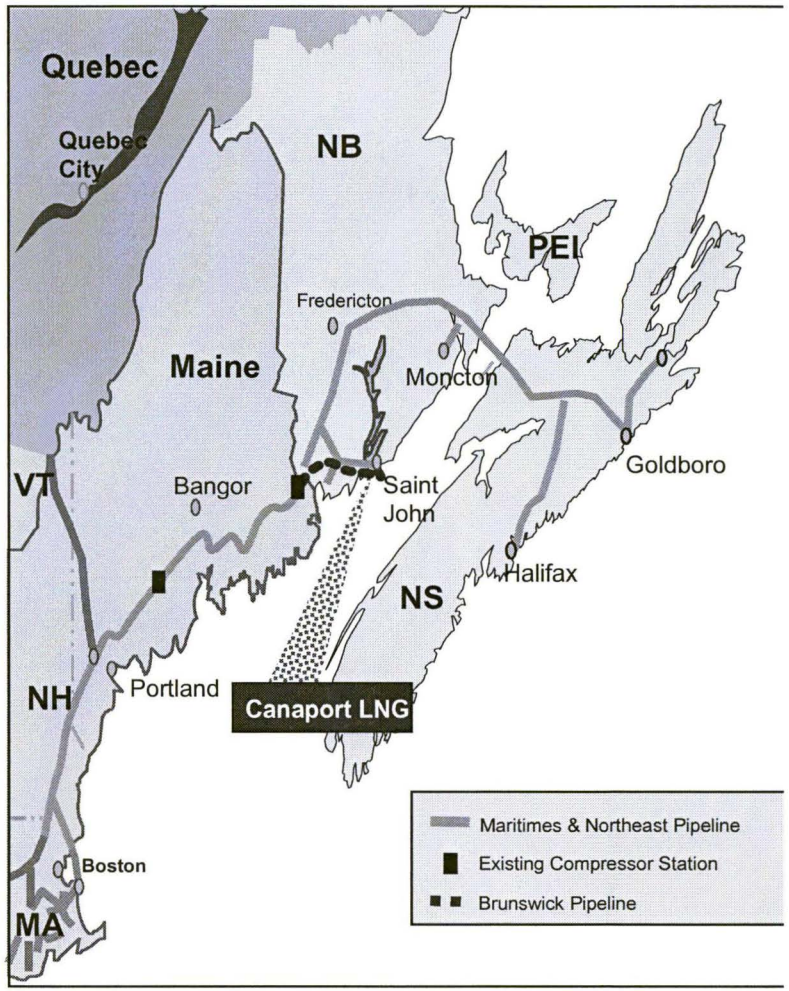
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Brunswick Pipe Delivers LNG and Growth

- Recently announced $350 M gas pipeline links Canaport™ LNG terminal to U.S.
- Builds on EMA's stake in M&NP
- Duke Energy operating partner
- Comprehensive risk mitigation for EMA
- 11% - 14% ROE, on minimum 40% equity capitalization

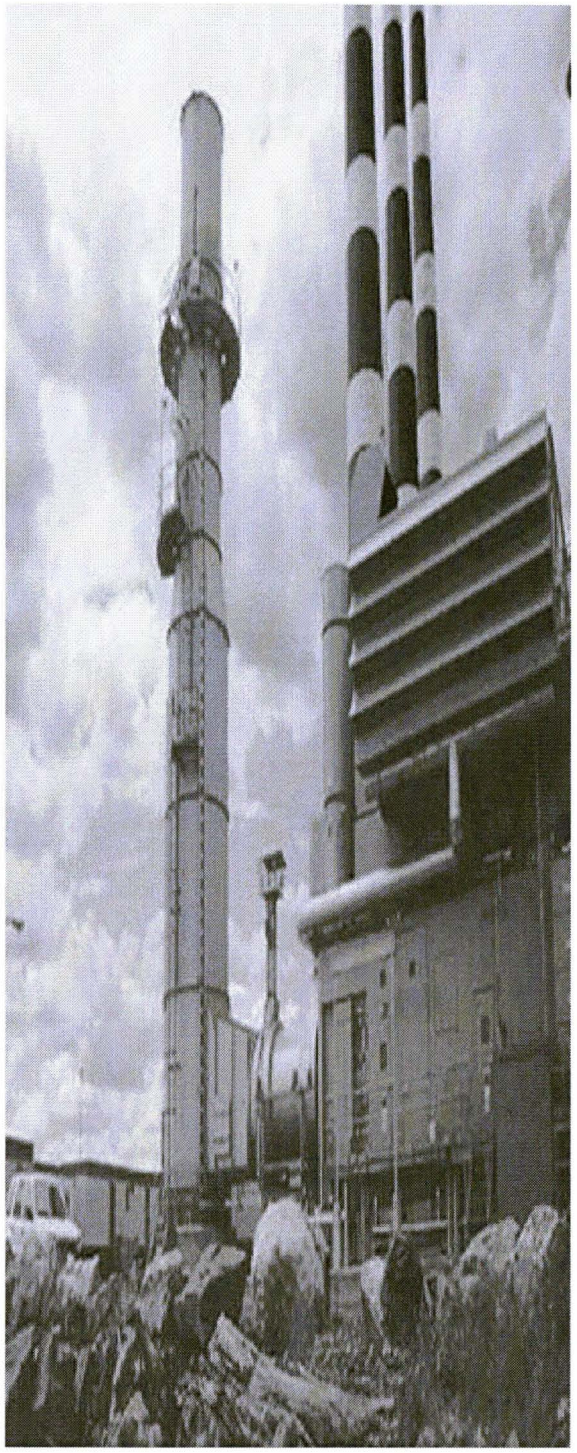


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Open for Business

- Strategic decision to pursue growth opportunities based on market characteristics and skills, rather than geography
  - Strong, growing markets
  - Assets that fit our skill set, risk profile and capacity
- Strategic partnerships will facilitate
- Disciplined execution key



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Powerful Potential

Strategic opportunities for investment:

- Low risk generation
- Transmission – electricity and gas
- Renewable generation
- Environmental investment in rate base
- Regulated transmission and distribution



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Why Invest in Emera?

Reliable income

- Core regulated electric monopolies
- Disciplined growth

Income Growth

- NRI
- Brunswick Pipeline
- Energy Marketing

Capital Growth

- Strategic partnerships
- Earnings momentum
- Risk management

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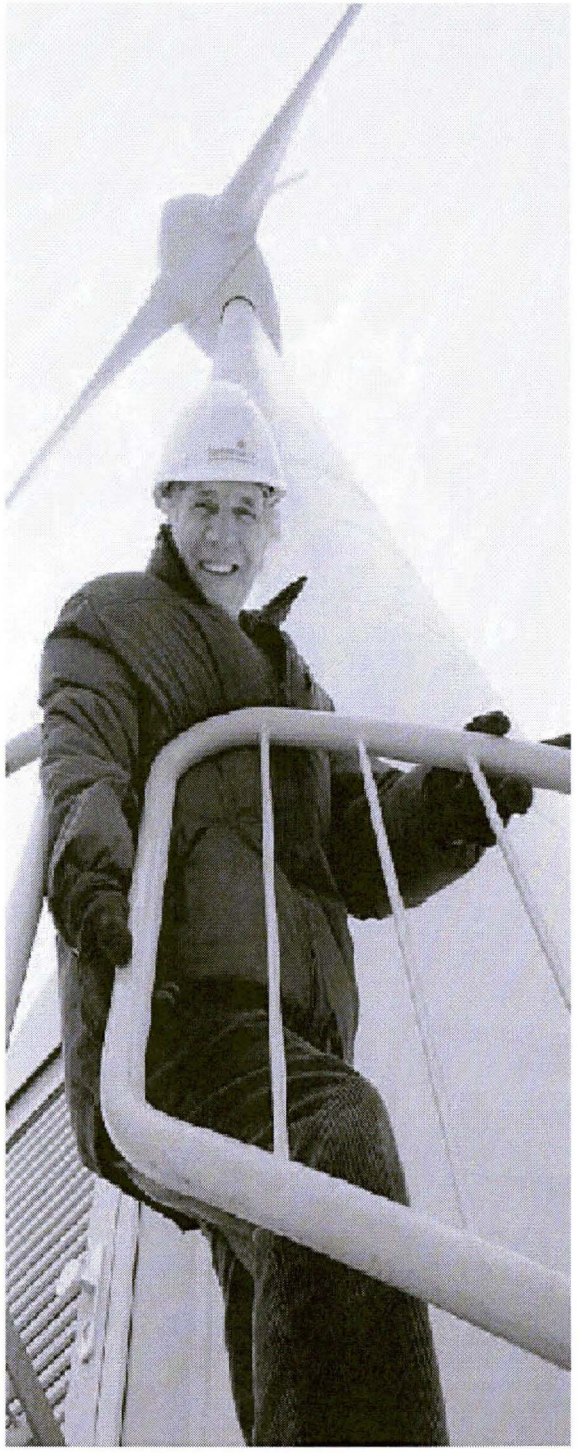
Investor Relations Contacts

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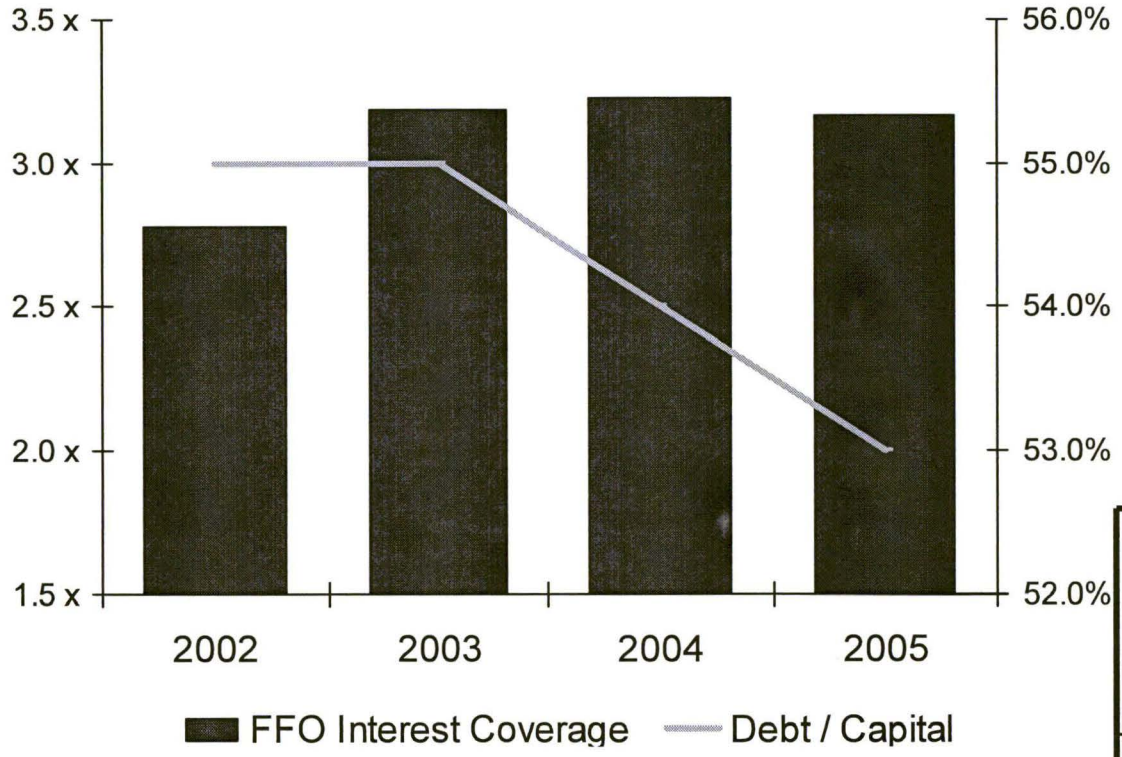
Appendix



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Emera's Financial Position

- Coverage and financial ratios provide financial capacity for growth
- Managing regulatory business risk

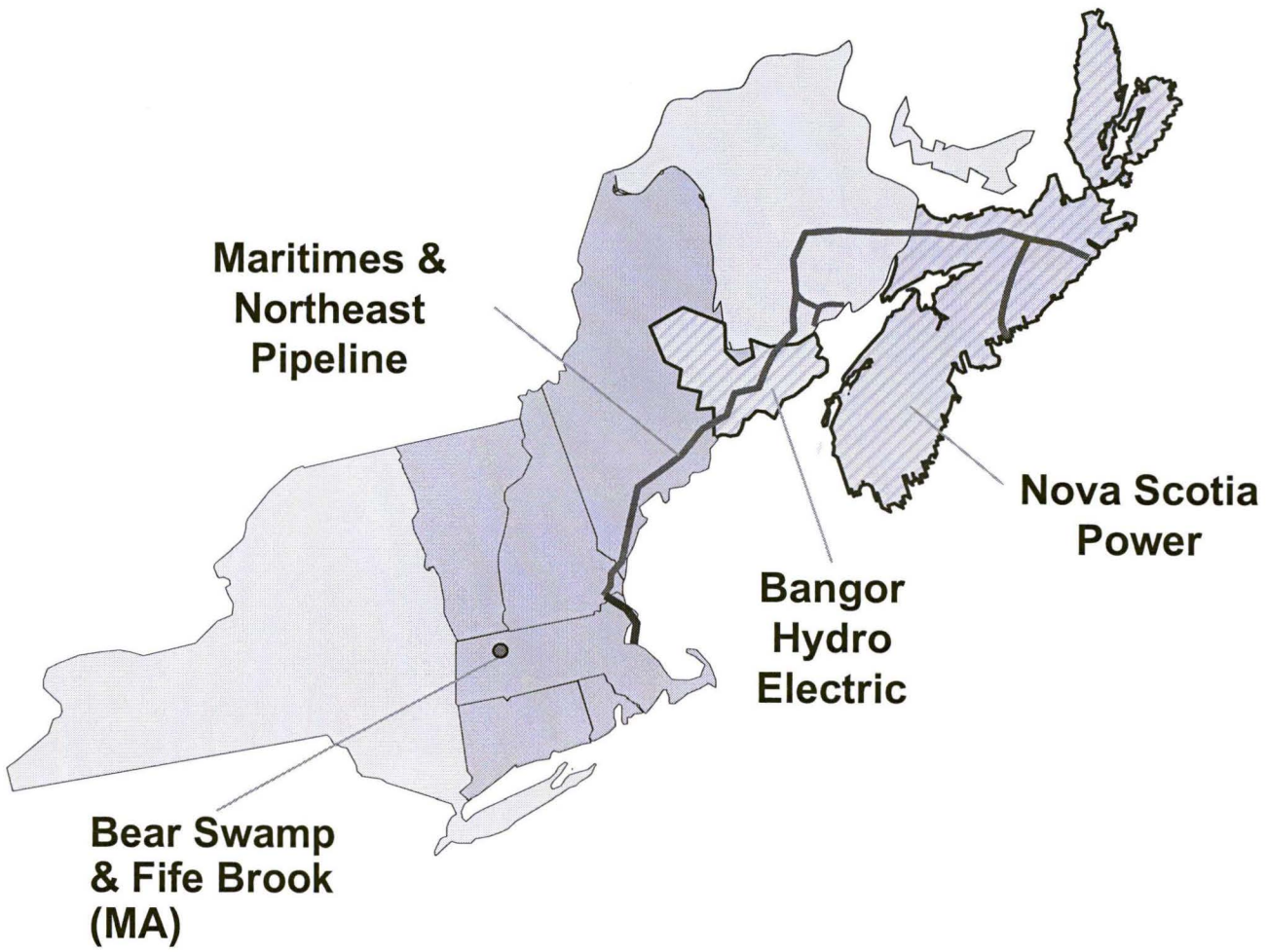


Emera Credit Ratings		
	Corporate	Senior Unsecured Debt
DBRS	BBB (High)	BBB (High)
S&P	BBB	BBB-
Moody's	na	Baa2

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Emera at a Glance



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Investor Presentation

November, 2006

Emera

Forward Looking Statements

Certain information provided in this presentation constitutes forward-looking statements. The words "*anticipate*," "*expect*," or "*project*," and similar expressions are intended to identify such forward-looking statements. Although Emera believes such statements are based on reasonable assumptions, such statements are subject to certain risks, uncertainties and assumptions pertaining to operating performance, regulatory parameters, weather, economic conditions, etc. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary significantly from those expected.

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Emera at a Glance

- Electricity is our business
  - Generation, transmission, distribution
- Foundation in regulated monopolies
  - 585,000 customers in Nova Scotia and Maine
- Low risk merchant generation
- Gas transmission supports generation

$1.2 B
revenues

$4 B
assets

$120 M
earnings

$275 M
cash flow

$50 M
free cash

Emera

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Emera's Investment Portfolio

Emera Inc.

100%	100%	100%	100%	50%	12.9%
Nova Scotia Power Inc. ☑	Bangor Hydro Electric ☑	Emera Energy Services	Brunswick Pipeline ☑	Bear Swamp	Maritimes & Northeast Pipeline ☑

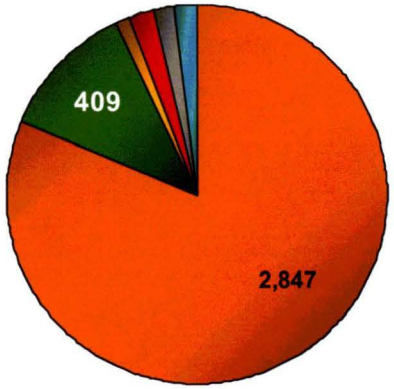
50%

Northeast Reliability Interconnect ☑

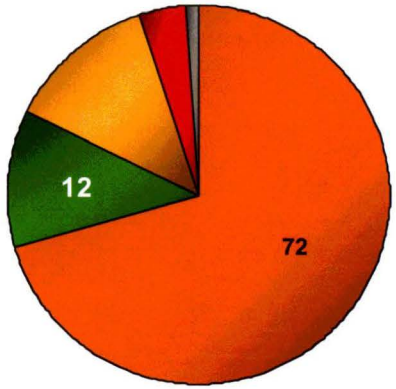
☑ Regulated business

Under development

Capital Employed
$ millions



Contribution to Net Earnings
%



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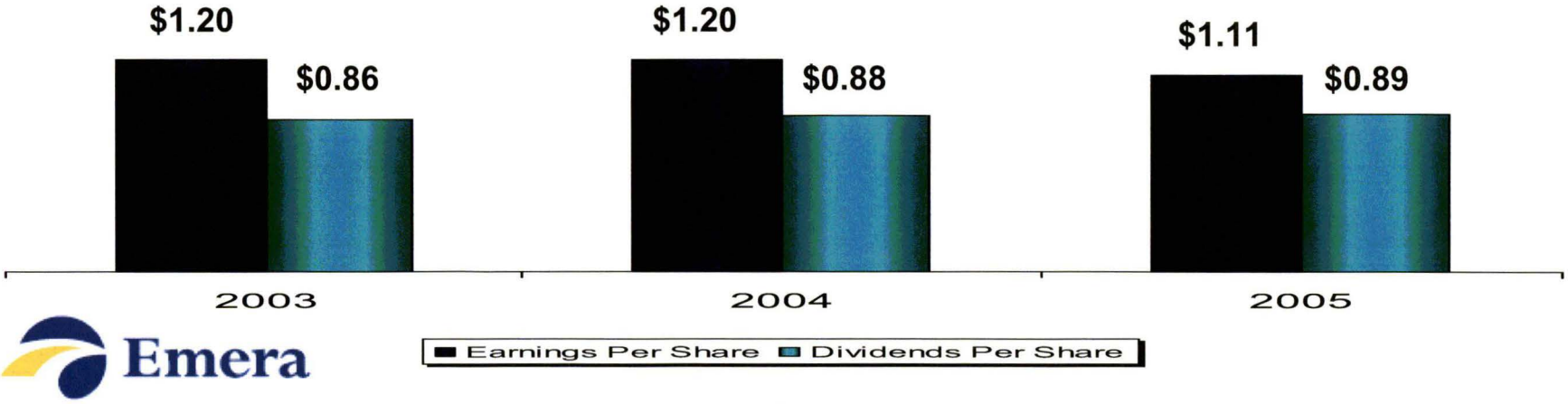
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Emera's Investment Proposition

- Regulated assets, low risk profile
- $0.89 dividend yields 4.2%
- Building earnings stream to support sustainable dividend growth by
  - Enhancing returns in existing investments
  - Prudent, profitable investment in new assets





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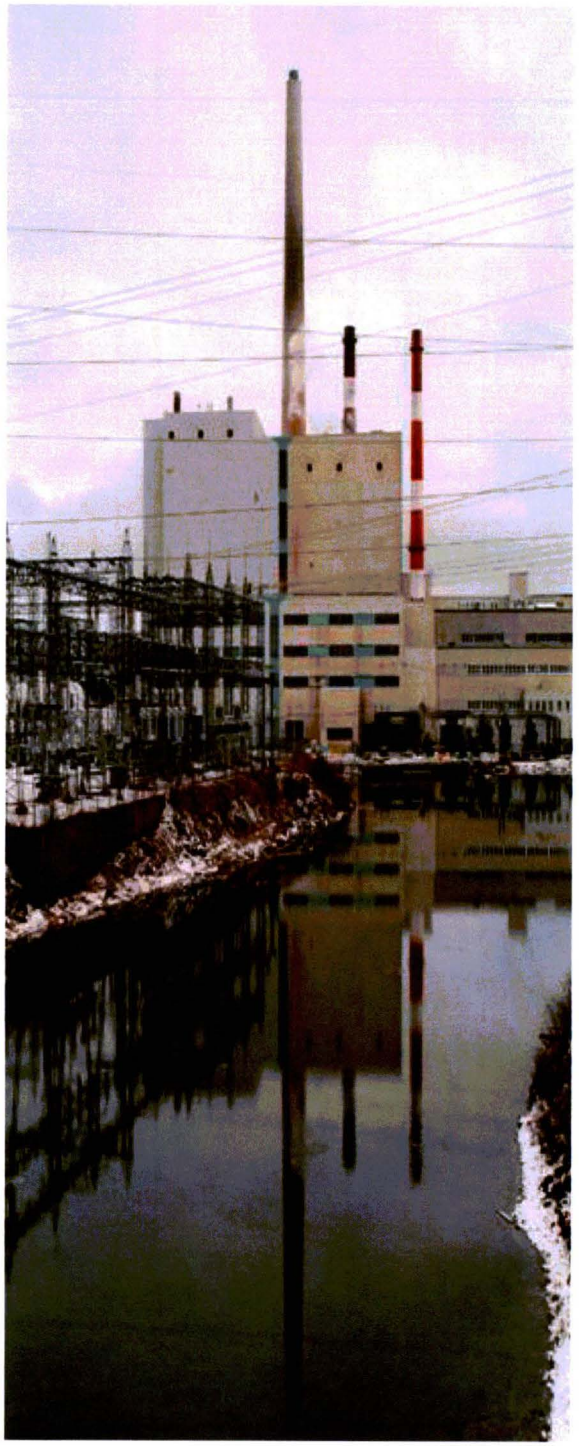
DATE FILED: December 6, 2006

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enhancing returns

Nova Scotia Power Overview

- Vertically integrated electric utility
- Traditional regulated monopoly
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  - Low cost thermal based fleet enables competitive pricing
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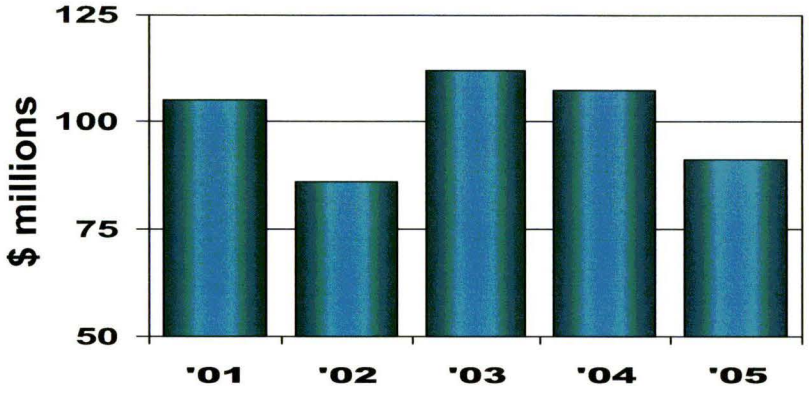
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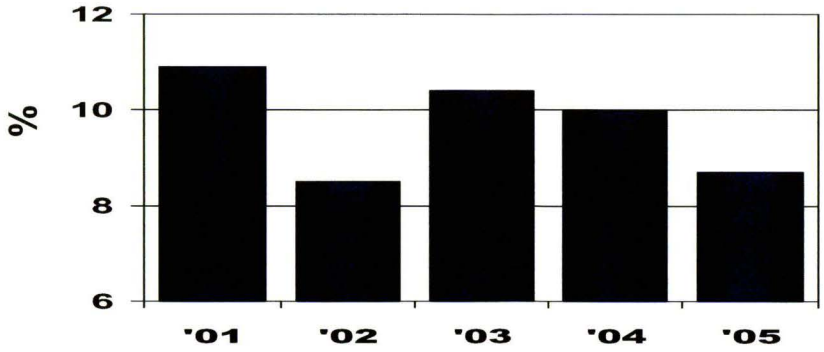
SEB IR-142 Attachment 3 Page 6 of 22

NSPI Performance Recap

Net Earnings



Return on Equity



Strengths

- Strong earnings base supports dividend
- Opportunities to invest in rate base
- Attractive allowed ROE
- Outstanding operator

Challenges

- Consistency of returns, largely due to combination of fuel risk and regulatory lag

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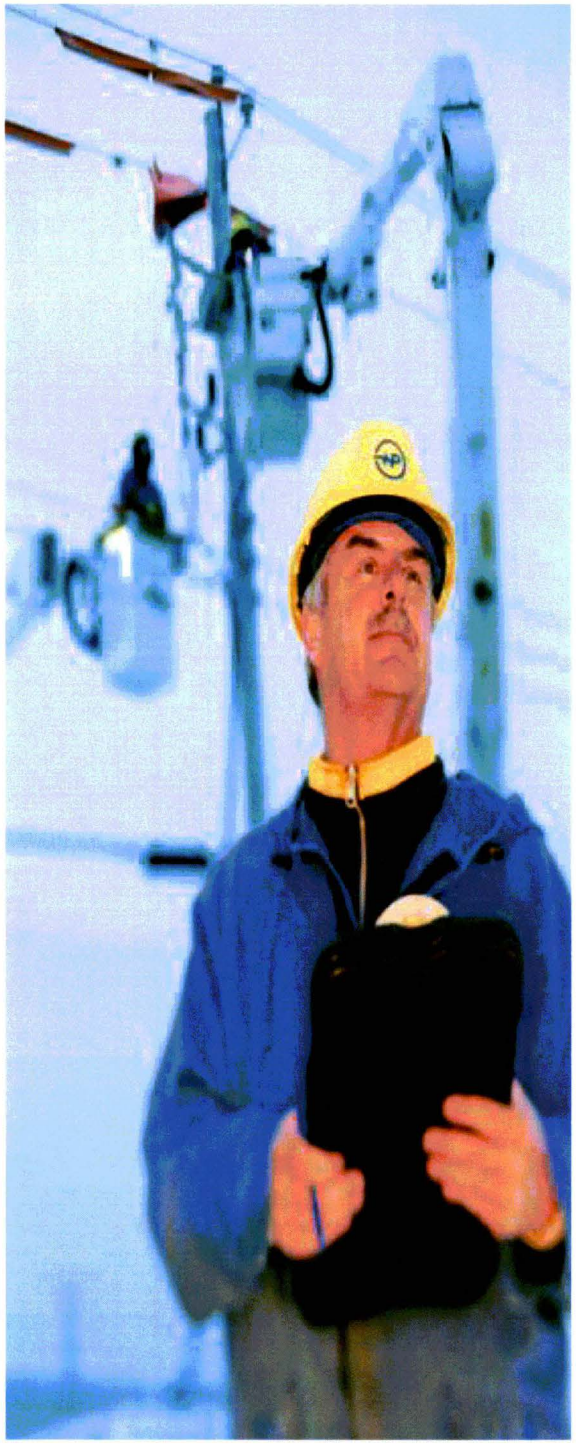
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enhancing returns

Improving Returns at NSPI

- Reducing fuel price risk key to improving consistency of returns
- Two stage process
  - Ensure rates reflect full fuel costs
    - 2007 rate application in process
  - Advance automatic fuel cost pass-through
    - Implementing fuel procurement changes in cooperation with regulator
    - Revisit with regulator in 2008
- Recovery of tax regulatory assets also key
  - Addressed in 2007 rate application



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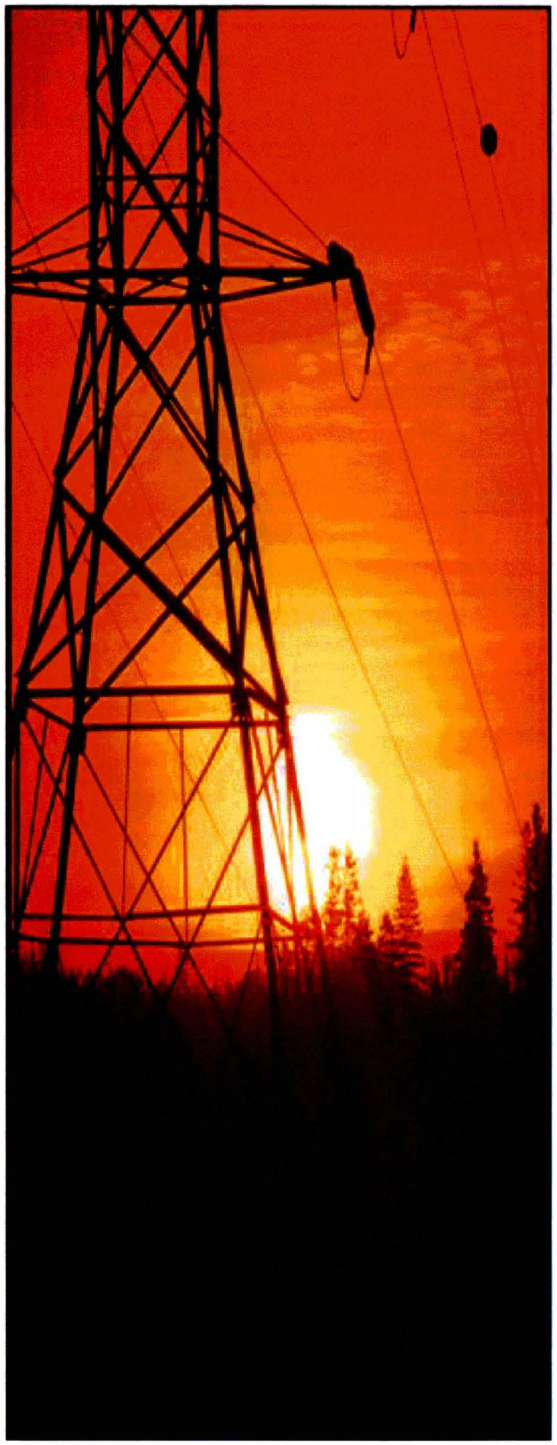
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enhancing returns

Bangor Hydro Overview

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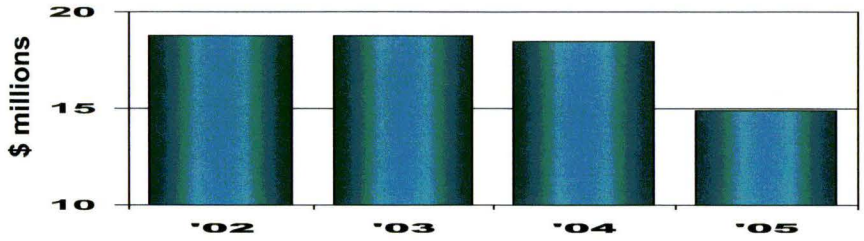
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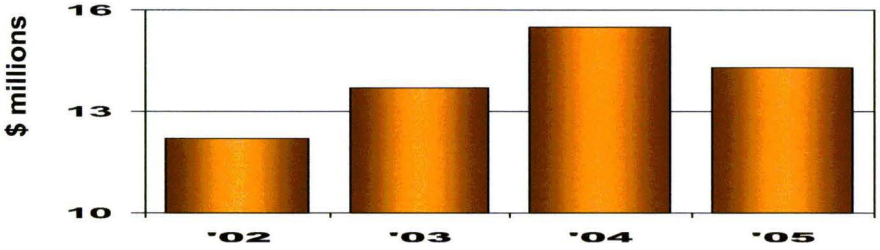
SEB IR-142 Attachment 3 Page 9 of 22

BHE Performance Recap

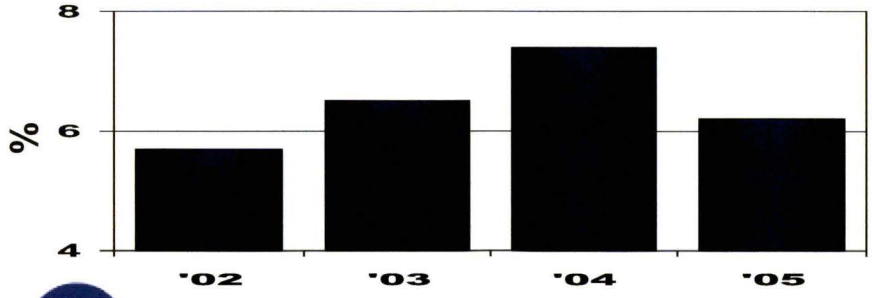
Net Earnings – Cdn $



Net Earnings – US $



Return on Equity



Strengths

- Minimal operating risk
- Diversification from NSPI
- Operating efficiencies realized
- Transmission investment opportunities

Challenges

- Regional economics
- Strong Canadian dollar
- Acquisition premium affects returns

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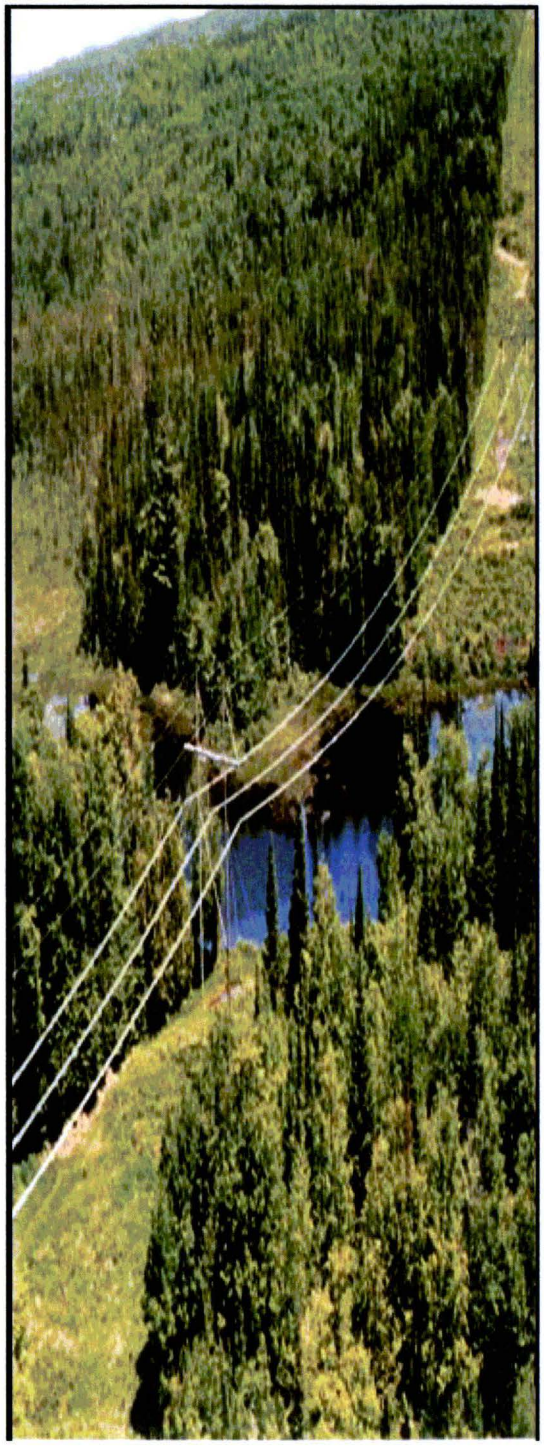
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enhancing returns

Increasing Returns at BHE

- Stranded cost recovery provides pool of capital to reconfigure BHE's asset base for higher returns
- Focus on transmission investments
  - "*Northeast Reliability Interconnect*" will provide second U.S. / Canada link in northeast
  - $110M investment for BHE
  - Improve reliability and opportunities for cross border electricity sales to capitalize on offsetting peak seasons
- Success in permitting a key strength to capitalize on
- $70-200M investment opportunity in other Maine transmission projects



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enhancing returns

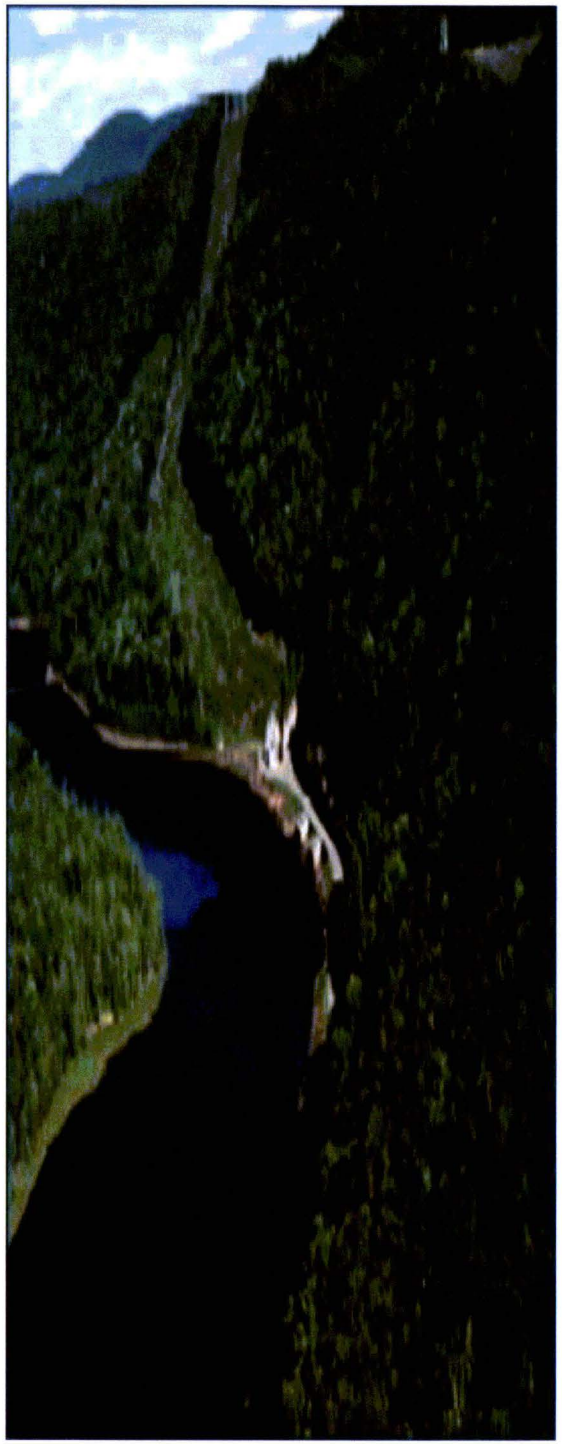
Bear Swamp

Overview

- 600 MW Pumped Storage Hydro in Massachusetts
- Low risk merchant operation, arbitraging peak and off-peak power prices
- 50/50 partnership with Brookfield Power
- 2006 first full year of ownership

Increasing returns at Bear Swamp

- Contracting significant portion of output to enhance consistency of returns
- LICAP settlement adds substantial value



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Energy Services

Overview

- Atlantic Canada's first and only energy marketing operation
- Buys and sells energy commodities and related services "on behalf of" customers throughout northeast North America
- Market volatility over past two years has enabled significant earnings contribution while maintaining appropriate risk profile
- Energy marketing skills important to the business as a whole
  - optimizing assets and investments
  - gathering market intelligence
  - assessing investment opportunities

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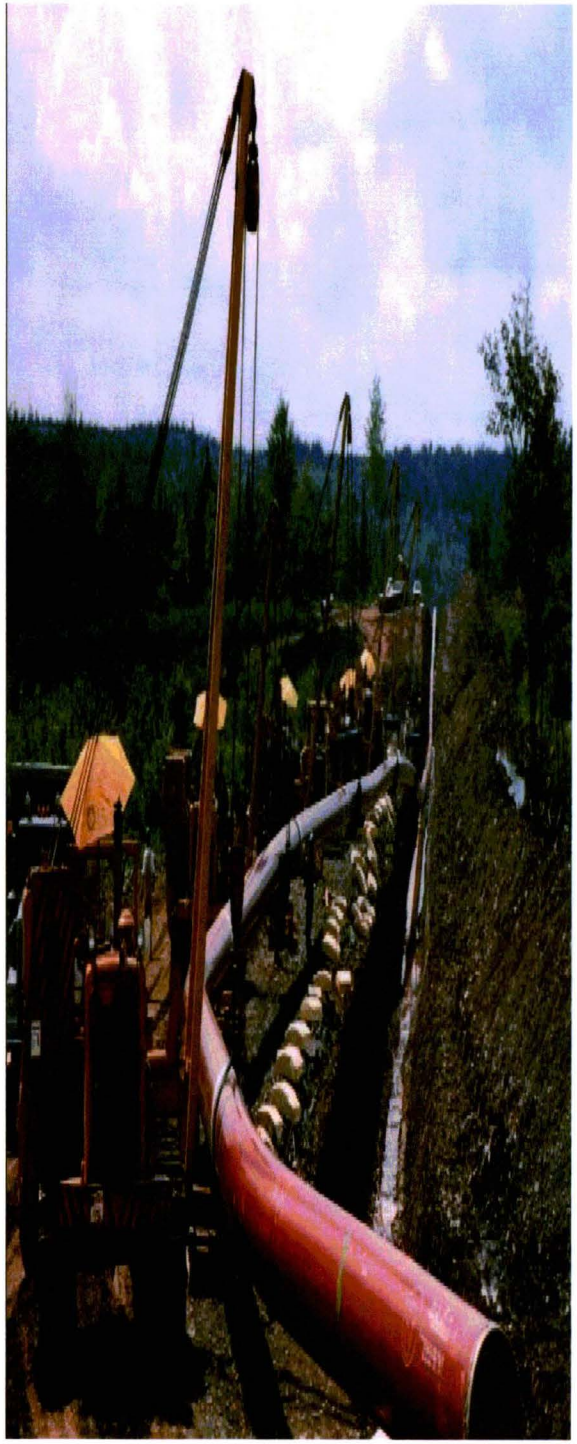
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SEB IR-142 Attachment 3 Page 13 of 22

enhancing returns

Maritimes & Northeast

- Maritimes & Northeast Pipeline
  - $2B, 1,300 km pipeline linking Sable gas fields to US northeast
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  - Duke and Exxon Mobil also partners
- US Phase IV LNG expansion moving forward
  - $300M USD project



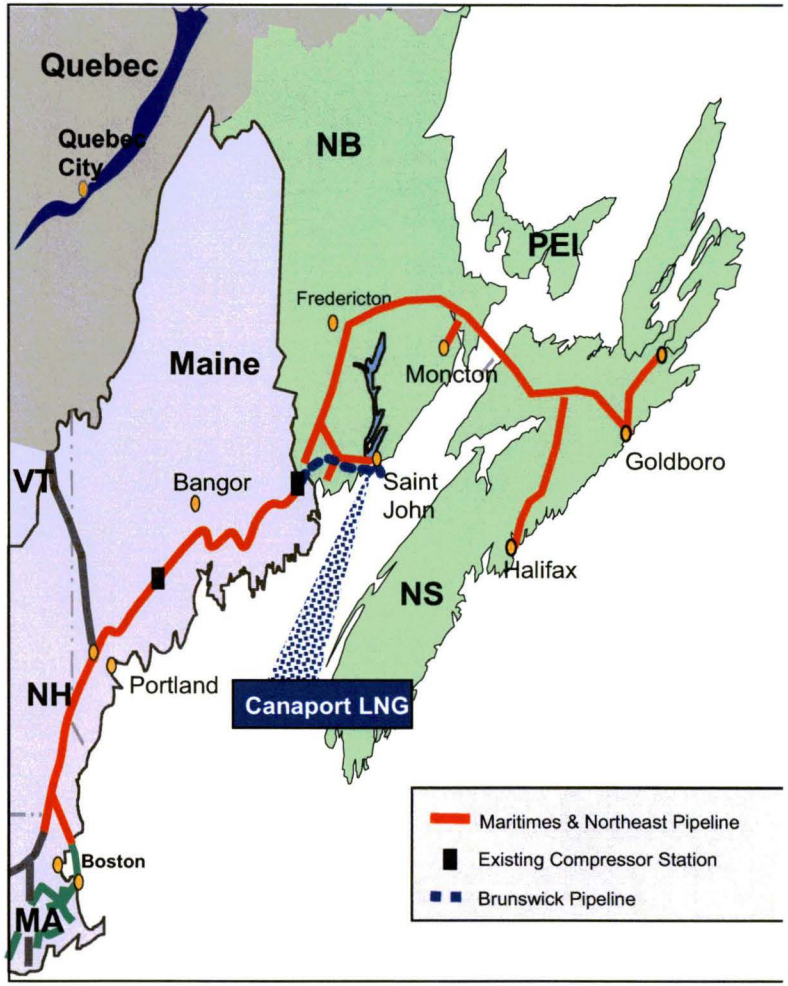
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Brunswick Pipe Delivers Growth

- Recently announced $350 M gas pipeline links Canaport™ LNG terminal to U.S.
- Builds on EMA's stake in M&NP
- Duke Energy operating partner
- Comprehensive risk mitigation for EMA
- 11% - 14% ROE, on minimum 40% equity capitalization
- NEB hearings underway



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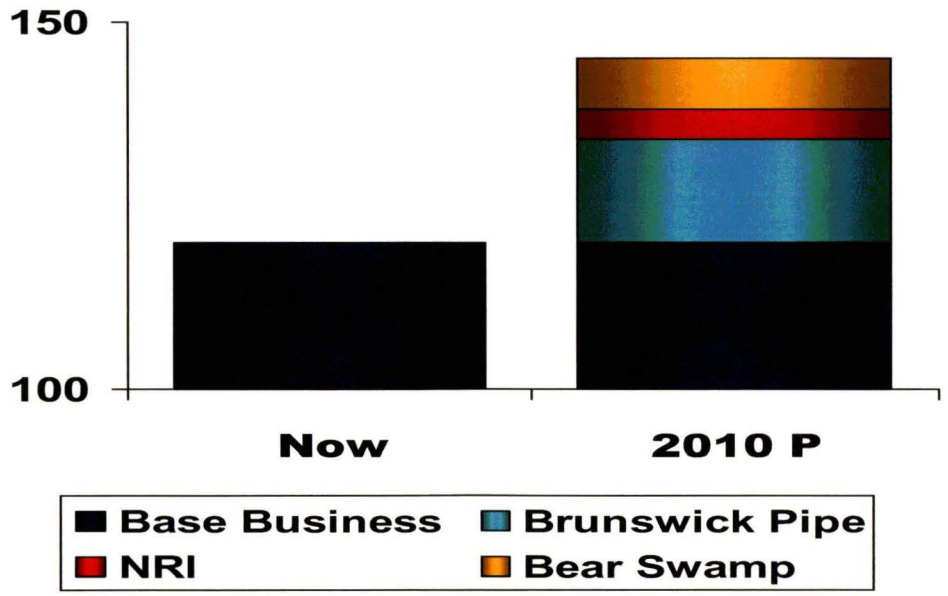
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prudent, profitable growth

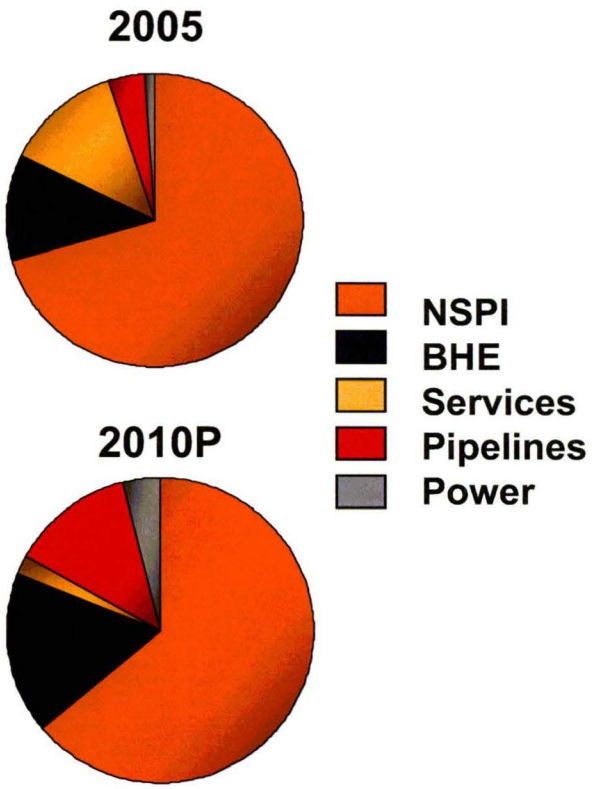
Prospects for Earnings Growth

- By 2010, projects on the books could add $20-$25M in net earnings

Potential Earnings Growth



Potential Earnings Diversification



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prudent, profitable growth

Open for Business

- Strategic decision to pursue growth opportunities based on market characteristics and skills, rather than geography
  - Strong, growing markets
  - Assets that fit our skill set, risk profile and capacity
- Strategic partnerships will facilitate
- Disciplined execution key



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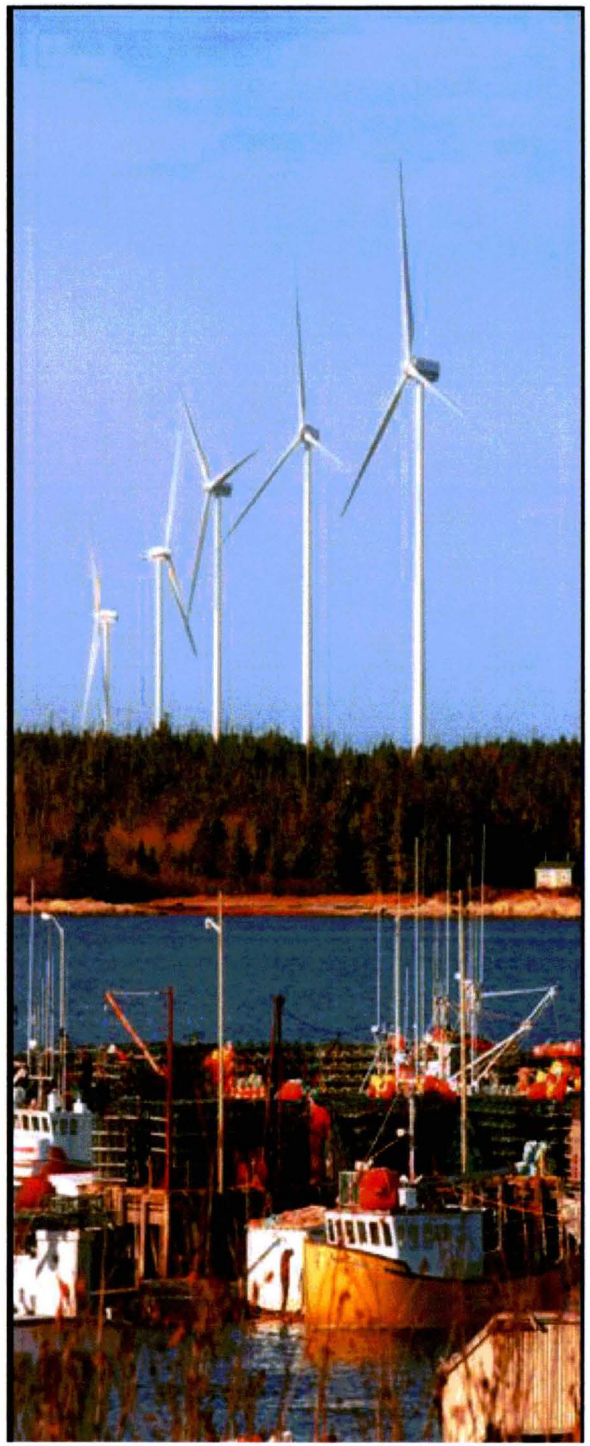
SEB IR-142 Attachment 3 Page 17 of 22

prudent, profitable growth

Powerful Potential

Strategic opportunities for investment:

- Low risk generation
- Transmission – electricity and gas
- Environmental investment in rate base
  - Renewable generation
- Regulated transmission and distribution



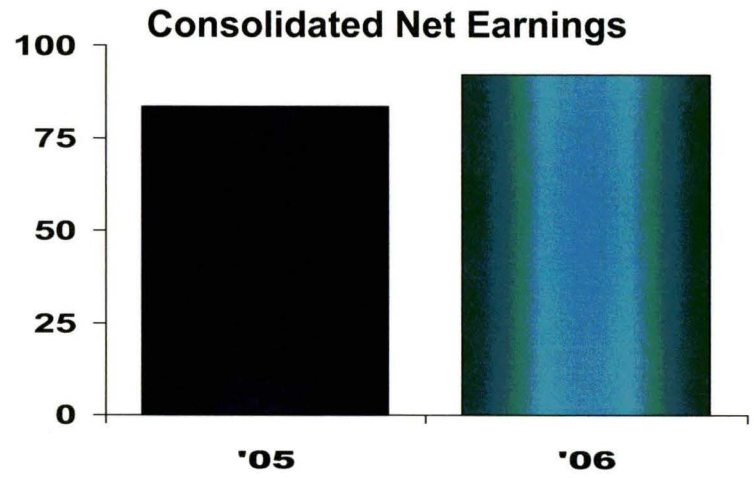
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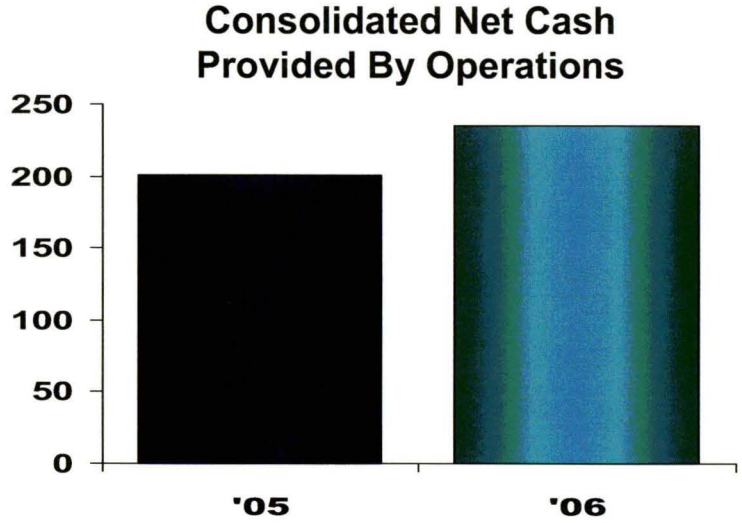
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SEB IR-142 Attachment 3 Page 18 of 22

2006 YTD Financial Results Solid

- Rate increases and gas resale margin boost NSPI year over year
- Cash flows highlight improved financial position





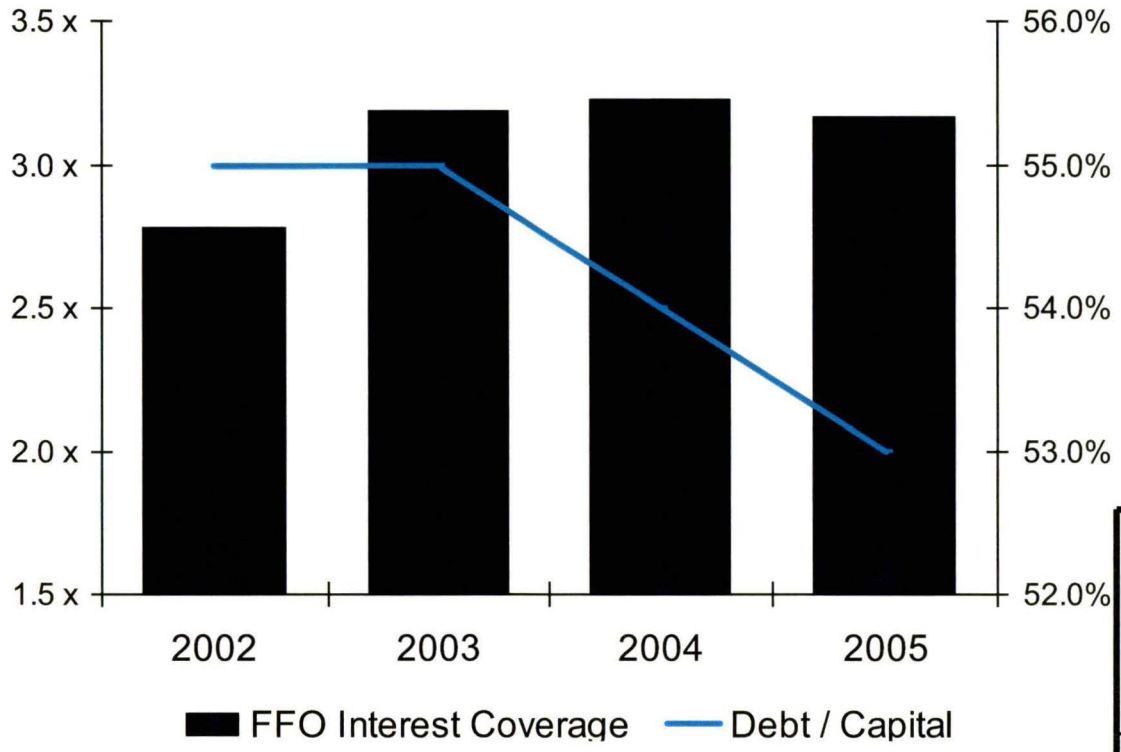
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Financial Capacity for Growth

- Coverage and financial ratios provide financial capacity for growth



Emera Credit Ratings		
	Corporate	**Senior Unsecured Debt**
DBRS	BBB (High)	BBB (High)
S&P	BBB	BBB-
Moody's	na	Baa2

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DATE FILED: December 6, 2006

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Why Invest in Emera?

Reliable income

- Core regulated electric monopolies
- Disciplined growth

Income Growth

- NRI
- Brunswick Pipeline
- Bear Swamp
- Energy Marketing

Capital Growth

- Risk management
- Earnings momentum
- Strategic partnerships

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Nicholas Peters, CMA
Manager, Finance
Direct: 902-428-6772
Email: nicholas.peters@emera.com

Emera

NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF: The *Public Utilities Act,* R.S.N.S. 1989, c.380 as amended

IN THE MATTER OF: An Application by Nova Scotia Power Incorporated for Approval of Certain Revisions to its Rates, Charges and Regulations

RESPONSE TO INFORMATION REQUEST

TO: NSPI

FROM: SEB

Question IR-143: **Please provide a copy of the most recent proxy statement for Emera shareholders.**

Response IR-143: Please refer to Attachment 1.



Notice of Annual Meeting of Common Shareholders

Tuesday, May 9, 2006

Management Information Circular

Emera

Notice of Annual Meeting

The Annual Meeting of the Shareholders of Emera Incorporated will be held in the Port Royal Room of the World Trade and Convention Centre, 1800 Argyle Street, Halifax, Nova Scotia on Tuesday, May 9, 2006 at 2:00 p.m. (Halifax time) for the purposes of:

1. Electing Directors to serve until the next Annual Meeting of Shareholders;
2. Appointing Auditors;
3. Authorizing the Directors to establish the Auditors' fee;
4. Approving amendments to the Senior Management Stock Option Plan; and
5. Transacting such other business as may properly come before the Meeting.

Common shareholders of record as of the close of business on Friday, March 17, 2006 are entitled to vote at and participate in the business of the Meeting.

By Order of the Board of Directors,

"Richard J. Smith"
Richard J. Smith
Corporate Secretary

Halifax, Nova Scotia, Canada
February 17, 2006

It is important that you vote. Common shareholders are encouraged to return their proxy as soon as possible. A postage-paid, pre-addressed envelope is provided. As an alternative, shareholders may choose to vote by telephone or the Internet as provided for on the Proxy. Proxies must be received prior to the close of business on Monday, May 8, 2006.

Should you have any questions or comments, you may contact Emera Incorporated by writing to the Corporate Secretary, Emera Incorporated, P.O. Box 910, Halifax, Nova Scotia B3J 2W5 or by calling 1-800-358-1995 from anywhere in North America or 428-6060 within the Halifax-Dartmouth area.

The World Trade and Convention Centre is wheelchair accessible through the Argyle Street entrance.

Management Information Circular

Information as of March 9, 2006

Solicitation of Proxies

This Management Information Circular (the "Circular") is furnished in connection with the solicitation of proxies by the Board of Directors and management of Emera Incorporated (the "Company") for use at the Annual Meeting (the "Meeting") of common shareholders (the "Shareholders") of the Company to be held on Tuesday, May 9, 2006 at the place and for the purposes set forth in the Notice of Annual Meeting accompanying this Circular (the "Notice").

Enclosed with this Circular is a Proxy. The solicitation of proxies will be primarily by mail although proxies may also be solicited by telephone, facsimile, in writing, or in person, by Directors, Officers, or other regular employees. The cost of this solicitation will be borne by the Company.

The Company wishes to have as many shareholders vote as possible and annually retains Georgeson Shareholder Communications Canada to assist with the solicitation of votes from shareholders. Georgeson will monitor the number of shareholders voting and will contact shareholders in order to ensure that a maximum vote is achieved. The Company expects the cost of this solicitation to be approximately $50,000.

Appointment and Revocation of Proxies

The persons named in the enclosed Proxy, Derek Oland, Chairman of the Board; and Christopher G. Huskilson, President and Chief Executive Officer, are Directors of the Company. Richard J. Smith is Corporate Secretary of the Company. **Shareholders may appoint any other person to represent them at the Meeting by inserting that person's name in the space provided on the accompanying Proxy. The person whom you appoint is your proxyholder and must attend the Meeting in order for your vote to count.**

In order for a Proxy to be counted, it must be received prior to the close of business on Monday, May 8, 2006. For Canadian residents, a postage-paid, pre-addressed envelope is provided for this purpose. In order for your vote to be counted, you may:

vote by Proxy, the Internet or telephone;
or
attend the Meeting in person and submit your completed Proxy;
or
attend the Meeting in person and vote by ballot.

Unless you specify how your shares are to be voted, completion of a proxy gives discretionary authority to the proxyholder in respect of amendments to matters identified in the Notice and other matters that may properly come before the Meeting or any adjournment thereof. As of the date of this Circular, management of the Company knows of no such amendments or other matters to be presented for action at the Meeting.

If you appoint Mr. Oland, Mr. Huskilson, or Mr. Smith as your proxyholder, they will vote, or withhold from voting, in accordance with your directions. **If you do not specify how you want your shares voted, they will vote "For" the:**

- **election of Directors named in this Circular;**
- **appointment of Ernst & Young, LLP as Auditors;**
- **authorization of the Directors to establish the Auditors' fee; and**
- **approval of the amendment to the Senior Management Stock Option Plan.**

They will vote in accordance with their best judgement if any other matters are properly brought before the Meeting.

Shareholders may revoke their proxy by giving written notification addressed to Richard J. Smith, Corporate Secretary, 18th Floor, Barrington Tower, Scotia Square, P.O. Box 910, Halifax, Nova Scotia B3J 2W5, not later than the last business day preceding the day of the Meeting or any adjournment thereof or with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof or in any other manner permitted by law. If a proxy is revoked and not replaced by the close of business on Monday, May 8, 2006, the shares represented by such revoked proxy may only be voted in person by the Shareholder at the Meeting.

Record Date and Voting of Shares

The date for determining which Shareholders are entitled to receive Notice is Friday, March 17, 2006. This is called the "Record Date". Only Shareholders of record at the close of business on the Record Date will be entitled to vote. Each common share owned as of the Record Date entitles the holder to one vote.

To the knowledge of the Directors and Officers, as of the date of this Circular no person owned or exercised control over more than ten percent of the outstanding common shares of the Company and the only outstanding voting shares were 110,290,961 common shares.

Beneficial (or Non-Registered) Shareholders

Shareholders who have shares registered in their own name are called registered shareholders. Shareholders who do not hold shares in their own name are called beneficial or non-registered shareholders.

If shares are listed in an account statement provided to a shareholder by a broker, then it is likely that those shares will not be registered in the shareholder's name but under the broker's name or under the name of an agent of the broker such as CDS & Co. (the registration name for The Canadian Depository for Securities Limited), the nominee for many Canadian brokerage firms.

There are two kinds of beneficial owners - those who object to their name being made known to the issuers of securities which they own (called Objecting Beneficial Owners) and those who do not object (called Non-Objecting Beneficial Owners).

Non-Objecting Beneficial Owners will receive a scannable Voting Instruction Form ("VIF") from Computershare. This is to be completed and returned to Computershare in the envelope provided. In addition, Computershare provides both telephone voting and Internet voting as described on the VIF.

Objecting beneficial owners should be aware that brokers or agents can only vote shares if instructed to do so by the beneficial shareholder.

Securities regulation requires brokers or agents to seek voting instructions from beneficial shareholders in advance of the Meeting. Every broker or agent has its own mailing procedure and provides its own return instructions, which should be carefully followed by beneficial shareholders in order to ensure that their shares are voted or otherwise represented at the Meeting. Often, the form of proxy supplied to a beneficial shareholder by its broker is similar to the form of proxy supplied by the Company to registered shareholders. The purpose of the form of proxy received from the broker, however, is to seek permission from the beneficial shareholder on how to vote on behalf of the beneficial shareholder. Every broker has its own mailing procedures and provides instructions for voting. Shareholders must follow those instructions carefully to ensure their shares are voted at the Meeting. **A beneficial shareholder receiving a Proxy from a broker cannot use that Proxy to vote in person at the Meeting. The Proxy must be returned to the broker well in advance of the Meeting in order to have the shares voted.**

Securityholder Materials

These securityholder materials are being sent to both registered and non-registered owners of the Company's Shares. If you are a non-registered owner, and the Company or its agent has sent these materials directly to you, your name and address and information about your holding of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf.

Restrictions on Share Ownership and Voting

There are legislated restrictions on the ownership of the Company's voting shares. No Shareholder may own or control, directly or indirectly, more than 15 percent of the outstanding voting shares. Shareholders who are not residents of Canada may not hold, in aggregate, more than 25 percent of outstanding voting shares.

These restrictions may be enforced by limiting non-complying Shareholders' voting rights, dividend rights and transfer rights. Shareholders may be required, at any time, to furnish a statutory declaration to verify the number of shares held and/or residency in order to ensure compliance with these restrictions.

If you have any questions about share ownership and voting restrictions, please contact the Corporate Secretary.

Business of the Meeting

All resolutions placed before the Meeting must be approved by a majority of the votes cast.

Election of Directors:

Pursuant to the Company's Articles of Association, 11 Directors shall be elected at the 2006 Meeting and no more than two Directors may be current Officers or employees of the Company. The President and Chief Executive Officer, Christopher G. Huskilson, is the only nominee who is an Officer and employee of the Company.

All nominees are currently Directors of the Company and have served as Directors from the dates set out below. All nominees have indicated their willingness to serve as a Director. Each Director elected at the Meeting will hold office until the next Annual Meeting of Shareholders.

Unless Shareholders specify that Proxies not be voted relating to the election of Directors, Mr. Oland, Mr. Huskilson and Mr. Smith will vote "For" the 11 persons named herein.

The table below identifies the proposed nominees, information about their experience and length of service on the Board, including the Board of the Company's principal subsidiary, Nova Scotia Power Inc.

All nominees, except Mr. Huskilson and Mr. Briggs, are not and have not been members of management or employees of the Company or any of its affiliates. Mr. Briggs has not been a member of management of an affiliate since 2001. A number of nominees are also directors of public issuers (see "Disclosure of Corporate Governance Practices"). However, none of the nominees are directors, officers or significant shareholders of an entity that has a relationship with the Company that could be perceived to materially interfere with their ability to act in the best interests of the Company. Based on this, all nominees are considered by the Board to be independent, except for Mr. Huskilson.

Wesley G. Armour	Mr. Armour is the President and Chief Executive Officer of Armour Transportation Systems which provides trucking, warehousing, and courier services in Atlantic Canada. Mr. Armour became a Director on November 4, 2005. He lives in Moncton, New Brunswick and is 60 years of age. Shares Held: Nil DSUs Held: Nil
Robert S. Briggs	Prior to August 2001, Mr. Briggs was the President and Chief Executive Officer of Bangor Hydro-Electric Company. Mr. Briggs became a Director of Bangor Hydro in 1985 and in January 1991, became the President and Chief Executive Officer. Mr. Briggs is 62 years of age and is currently retired. He lives in Carrabassett Valley, Maine. Mr. Briggs became a Director of the Company in October 2001 and is currently a member of the Audit Committee. Shares Held: 4,500

George A. Caines, Q.C.

Mr. Caines is a partner with the Halifax law firm Stewart McKelvey Stirling Scales. Mr. Caines has been a Director of the Company since April 1995 and is currently the Chair of Emera's Audit Committee. Mr. Caines is 68 years of age and lives in Halifax, Nova Scotia.
Shares Held: 4,531
DSUs Held: 9,711

Gail Cook-Bennett

Dr. Cook-Bennett is Chair of the Canada Pension Plan Investment Board which has responsibility for investing Canada Pension Plan contributions. Dr. Cook-Bennett became a Director of the Company on November 5, 2004 and is a member of the Audit Committee and the Nominating and Corporate Governance Committee. Dr. Cook-Bennett lives in Toronto, Ontario and is 65 years of age.
Shares Held: 1,000
DSUs Held: 792

R. Irene d'Entremont, C.M.

Mrs. d'Entremont is President of M.I.T. Electronics Inc., a marine industry products business and is President of ITG Information Management Inc., business and management services consultants. She became a Director of the Company in April 1995 and is currently the Chair of the Environment, Safety, and Security Committee and sits on the Management Resources and Compensation Committee. Mrs. d'Entremont lives in Yarmouth, Nova Scotia and is 62 years of age.
Shares Held: 6,045

Allan L. Edgeworth

Mr. Edgeworth is President of ALE Energy Inc. and is the former President and Chief Executive Officer of Alliance Pipeline. On March 8, 2006 the Alberta Securities Commission announced the appointment of Mr. Edgeworth as an independent member of the Commission effective April 1, 2006. Mr. Edgeworth became a Director of the Company in November 2005. He is a member of the Environment, Safety and Security Committee and a member of the Management Resources and Compensation Committee. Mr. Edgeworth lives in Calgary, Alberta and is 55 years of age.
Shares Held: Nil
DSUs Held: 385

Christopher G. Huskilson

Mr. Huskilson is the President and Chief Executive Officer of Emera Inc. and its subsidiary company, Nova Scotia Power Inc. Mr. Huskilson is also Chairman of Bangor Hydro-Electric Company, a U.S. subsidiary of Emera Inc. He was appointed President and Chief Executive Officer in November 2004, prior to which he has held a number of positions within Nova Scotia Power Inc. and its predecessor, Nova Scotia Power Corporation since June 1980. Immediately prior to November 1, 2004, Mr. Huskilson was Chief Operating Officer of the Company. Mr. Huskilson is 48 years of age and lives in Wellington, Nova Scotia.
Shares Held: 3,520
DSUs Held: 77,435

John T. McLennan

Mr. McLennan is the former Vice-Chair and Chief Executive Officer of Allstream Inc., a telecommunications company and currently sits on a number of Boards. He was appointed to the Board effective April 15, 2005. Mr. McLennan lives in Mahone Bay, Nova Scotia and is 60 years of age.
Shares Held: 5,000
DSUs Held: 2,118

Derek Oland	Mr. Oland is the Chairman and Chief Executive Officer of Moosehead Breweries Limited. Mr. Oland has been a Director of the Company since April 1992 and was first appointed Chairman of the Board in April 1995. Mr. Oland lives in New River Beach, New Brunswick and is 66 years of age. Shares Held: 3,177 DSUs Held: 4,648
Elizabeth Parr-Johnston	Dr. Parr-Johnston is the President of Parr Johnston Economic and Policy Consultants. She is the former President and Vice-Chancellor of the University of New Brunswick. Dr. Parr-Johnston has been a Director of the Company since April 1992 and is the Chair of the Management Resources and Compensation Committee. She lives in Chester Basin, Nova Scotia and is 66 years of age. Shares Held: 4,000 DSUs Held: 4,519
Paul D. Sobey	Mr. Sobey is the President and Chief Executive Officer of Empire Company Limited, a food distribution, real estate, and investment company. He has been a Director of the Company since April 1992 and is the Chair of the Nominating and Corporate Governance Committee. Mr. Sobey lives in Kingshead, Pictou County, Nova Scotia and is 48 years of age. Shares Held: 5,000 DSUs Held: 8,161

Appointment of Auditors:

The Audit Committee pre-approves all services to be supplied by auditors and has reviewed the performance of Ernst & Young, LLP, including its independence, relating to the audit. Mr. Oland, Mr. Huskilson and Mr. Smith intend to vote "For" the re-appointment of Ernst & Young, LLP as auditors of the Company to hold office until the close of the next Annual Meeting of Shareholders, unless a Shareholder specifies their shares be withheld from voting.

Ernst & Young, LLP were first appointed auditors of the Company in 1998 and its predecessor company since 1991.

Auditors' Fee:

Mr. Oland, Mr. Huskilson and Mr. Smith intend to vote "For" the authorization of Directors to establish the auditors' fee, unless a Shareholder specifies their shares be voted "Against" such matter. The Company is incorporated under the Nova Scotia *Companies Act*. Shareholder approval of this matter is required pursuant to the Act. The fees paid to Ernst & Young, LLP for services provided to the Company and certain subsidiaries for 2005 were as follows:

Audit Fees	$360,945
Audit-Related Fees	126,931
Tax Fees	253,956
Travel Fees	19,067
	$760,899

Amendment to Senior Management Stock Option Plan:

Shareholders will be asked to adopt a resolution approving certain amendments to the Senior Management Stock Option Plan (the "Plan"), including an increase in the number of common shares reserved for issuance under the Plan. The common share reserve of 1,706,109 was originally approved by Shareholders in April 1994 and has not been increased since that time. Since 1994 1,460,825 options have been exercised under the Plan and 245,284 common shares remain in the reserve as of March 6, 2006.

In order to continue the long-term incentive compensation plan for senior management, the Company proposes that the reserve be increased to 6,700,000 common shares representing an increase of 4,993,891 additional common shares for issuance under the Plan. Accordingly, in the event this increase is approved by

shareholders, 5,239,175 common shares will be authorized to be issued under the Plan in the future representing 4.75 percent of the current issued and outstanding common shares.

It is important for shareholders to be provided with appropriate information relating to the amendments to the Senior Management Stock Option Plan. As such, the Toronto Stock Exchange sets out certain requirements for such disclosure which is outlined below.

Information Relating to the Amended Plan

Options are only granted to senior management employees of the Company and its affiliates.

The total number of securities issued under the current Plan is 1,460,825 common shares. The total number of shares issuable under the current Plan is 1,706,109 common shares, leaving 245,284 common shares available for issuance. Subject to the approval of the Shareholders, the amended Plan will allow for a maximum of 6,700,000 issuable common shares. Accordingly, 5,239,175 common shares may be issued under the Plan in the future. This will represent 4.75 percent of the current issued and outstanding common shares of the Company.

As of the date of this Circular there are 1,651,275 options remaining to be exercised which represents 1.5 percent of the current issued and outstanding common shares. Of this amount, 1,405,991 options are subject to ratification of the requested increase in the reserve by the Company's shareholders.

The total number of common shares to be optioned to any employee under this Plan shall not exceed five percent of the issued and outstanding common shares at the date of the grant of the option.

The number of securities issuable to insiders, at any time, under all security-based compensation arrangements, will not exceed ten percent of the issued and outstanding securities. This is an addition to the new Plan.

The number of securities issued to insiders, within any one-year period, under all security-based compensation arrangements, will not exceed ten percent of the issued and outstanding securities. This is an addition to the new Plan.

The exercise price will not be less than the closing market price of the Company's common shares on the Toronto Stock Exchange on the last business day on which such shares were traded preceding the date of the grant or at a future date as designated by the Committee to be the date of grant of the option. The new Plan replaces the wording in the old Plan relating to the exercise price. The old Plan states that the exercise price shall be equal to the closing price. The new Plan provides for the exercise price to be no less than the closing price and provides for the Committee to have the flexibility to designate a future date as the date of the grant of options.

The Plan does not provide for the transformation of stock options into stock appreciation rights involving the issuance of shares from treasury.

The Management Resources and Compensation Committee determines the vesting rights relating to any options. To date, all options granted are exercisable on a graduated basis with up to 25 percent of the options exercisable on the first anniversary date and in further 25 percent increments on each of the second, third, and fourth anniversaries of the grant.

Options are granted for a maximum term of ten years and if not exercised within ten years, the options expire and all rights thereunder are lost.

Unless the term of an option has expired, options may be exercised within the 24 months following the date of retirement or termination without cause and within six months following the date of termination, resignation, or death. The new Plan clarifies that the options may be exercised within 24 months of retirement or termination without cause. The old Plan provided for exercise within 24 months due to retirement or a change of responsibility at the Company's request.

An option is not assignable, other than by Will or laws of succession.

The Board may amend or discontinue the Plan at any time; provided, however, that no such amendment results in any extension of the term of an option, results in any reduction to the exercise price of an option, increases the maximum number of shares that may be optioned under the Plan, changes the manner of determining the option price or, without the consent of the employee, alters or impairs any option previously granted to an employee under the Plan. The new Plan now prohibits amendments which would extend the term of an option or reduce its exercise price.

There is no financial assistance provided for the exercising of options.

The holder of an option has no rights as a shareholder until the option is exercised and shares have been issued.

The new Plan clarifies the definition of Eligible Person. It provides that to be eligible to receive a grant of options, an individual must continue to be an employee of the Company or an affiliate. This clarifies that a former employee cannot receive a grant of options. The definition of Market Price has been amended to clarify that closing price of the Company's shares means any other stock exchange the Company shares may trade on besides the Toronto Stock Exchange. As well, the new Plan explicitly provides that option holders are not protected from dilution as a result of new issues of securities. The new Plan also allows the Company the flexibility to administer the Plan through a third party service provider.

The old Plan specifies only certain generally-worded scenarios which may result in adjustments to the number of shares. The new Plan identifies specific situations which typically give rise to the need to make such adjustments and includes mergers, amalgamations, or corporate re-organizations.

On February 17, 2006 the Board of Directors of the Company approved the amended Plan including the increase in the reserve. The rules of the Toronto Stock Exchange, where the Company's common shares are listed, requires that the increase in the reserve be approved by the Company's Shareholders. Shareholders will be asked to consider and, if deemed appropriate, pass the following resolution at the Meeting:

RESOLVED that the Senior Management Stock Option Plan (the "Plan") of the Company as amended, including the increase in the reserve by 4,993,891 common shares for issuance under the Plan, is approved.

A copy of the Plan text is attached as Appendix A.

Compensation of Directors

The Nominating and Corporate Governance Committee is responsible for reviewing Directors' compensation. As part of its review, the Committee considers compensation practices of Canadian publicly-traded companies that are similar in operation and size to Emera and ensures that Directors are appropriately compensated for the responsibilities and risks involved in being a Director.

The following table sets out the annual compensation rates for independent Directors effective July 1, 2005. These rates are not applicable to Mr. Huskilson. Commencing on July 1, 2005, the Chairman's retainer was increased from $80,000 to $140,000, however he is no longer entitled to the Directors' retainer or meeting fees. In addition, the Director's retainer was increased from $20,000 to $25,000, the in-person meeting fee changed to $2,500 for those Directors who reside outside of the province while the fee for those Directors who reside within the province remained at $1,750. The travel fee has been eliminated.

The Audit Committee Chair retainer was increased from $10,000 to $15,000 per annum, a retainer of $8,000 was implemented for the Chair of the Management Resources and Compensation Committee, and the retainers for the remaining Committee Chairs increased from $3,000 to $5,000. The Audit Committee Member retainer remains unchanged and a Committee retainer of $3,000 was implemented for all other Committees.

Annual Chairman's Retainer (all inclusive):	$140,000
Annual Director Retainer:	$ 25,000

In-Person Meeting Fee (out of province resident):	$ 2,500
In-Person Meeting Fee (in province resident):	$ 1,750
Telephone Meeting Fee:	$ 1,250
Annual Audit Committee Chair Retainer:	$ 15,000
Annual Management Resources and Compensation Committee Chair Retainer:	$ 8,000
Annual Retainer for all other Committee Chairs:	$ 5,000
Annual Audit Committee Member Retainer:	$ 5,000
Annual Retainer for all other Committee Members:	$ 3,000

Identified below is the total compensation paid to Emera's independent Directors for 2005.

Director Name	2005 Total Compensation
Wesley G. Armour	$ 6,404
Robert S. Briggs	57,021
George A. Caines	59,791
Gail Cook-Bennett	55,800
R. Irene d'Entremont	70,541
Allan L. Edgeworth	7,397
James K. Gray	52,454
M. Edward MacNeil	49,533
Derek Oland	151,414 (1)
Elizabeth Parr-Johnston	57,041
Kenneth C. Rowe	58,791
Rosemary Scanlon	16,740
Paul D. Sobey	46,779

Note:

(1) Reflects payment of per meeting fees and travel fees prior to mid-year implementation of all-inclusive retainer.

All independent Directors are reimbursed for expenses incurred for attendance at Board, Committee, and Shareholders' Meetings and when on Company business. They are also eligible to participate in certain group health benefits which are available to employees and, if they choose to participate, are required to contribute to premium costs of such benefits in the same fashion as employees.

Under the Directors' Deferred Share Unit Plan (the "Plan"), independent Directors who are resident in Canada may elect to receive all or any portion of their compensation in deferred share units (DSUs) in lieu of cash compensation. Directors' fees are paid on a quarterly basis and at the time of each payment of fees, the applicable amount is converted to DSUs. A DSU is a bookkeeping entry that has a value based upon the value of one Emera common share. When a dividend is paid on Emera's common shares, the Director's DSU account is credited with additional DSUs. DSUs cannot be redeemed for cash until the Director leaves the Board. The cash redemption value of a DSU equals the market value of a common share at the time of redemption. DSUs are not shares and do not carry voting rights.

The Directors are subject to share ownership guidelines which were implemented in 2003. A newly appointed Director is required to own the equivalent of five times the annual Directors' retainer in common shares or DSUs within five years of becoming a Director. For Directors serving on the Board at the time the DSU Plan was established, ownership must occur within five years of the 2003 implementation date.

Independent Directors are not entitled to participate in any other compensation plan of the Company or in the Employee Common Share Purchase Plan.

David McD. Mann Contract

In November 2004, Mr. David McD. Mann retired as President and Chief Executive Officer of the Company. Effective November 1, 2004 Mr. Mann was appointed Vice Chair of the Board and the Company entered into a contract with him from that date until May 3, 2005 at which time he retired from the Board. From January 1, 2005 until his retirement, he was paid $200,000 for his service as a director.

Pursuant to the terms of his contract, he had supplementary pension entitlements whereby he earned an additional one and one-quarter (1.25) years of pension service credit for each year of actual service. The pension was based upon two percent of his Final Average Earnings, as defined in the pension plan, multiplied by his years of pension service credit, and is not subject to Canada Revenue Agency's Defined Benefit Limit.

Committees of the Board of Directors

The Board of Directors has four standing Committees to assist it in carrying out its duties. The Committees are Audit; Management Resources and Compensation; Nominating and Corporate Governance; and Environment, Safety and Security. For further information on the Committees, see "Disclosure of Corporate Governance Practices".

Director Meeting Attendance

During the 2005 fiscal year, the Board and its Committees met on 26 occasions. The average overall attendance of the Directors was 94 percent. Listed in the following table is the name of each Director and the number of Board and Committee meetings attended in 2005.

Director	Meeting Attendance
Wesley G. Armour	Board: 1 of 1 (See Note 1)
Robert S. Briggs	Board: 7 of 7 Audit Committee: 4 of 4
George A. Caines, Q.C.	Board: 7 of 7 Audit Committee: 4 of 4
Gail Cook-Bennett	Board: 6 of 7 Audit Committee: 2 of 3 Nominating and Corporate Governance Committee: 3 of 3
R. Irene d'Entremont, C.M.	Board: 7 of 7 Environment, Safety and Security Committee: 4 of 4 Management Resources and Compensation Committee: 8 of 8
Allan L. Edgeworth	Board: 1 of 1 (See Note 1)
James K. Gray, O.C.	Board: 5 of 7 Environment, Safety and Security Committee: 3 of 4 Management Resources and Compensation Committee: 6 of 8 (See Note 2)
Christopher G. Huskilson	Board: 7 of 7 (See Note 3)
M. Edward MacNeil	Board: 7 of 7 Environment, Safety and Security Committee: 4 of 4 (See Note 4)

Director	Meeting Attendance
David McD. Mann, Q.C.	Board: 2 of 3 (See Note 5)
John T. McLennan	Board: 4 of 6 Management Resources and Compensation Committee: 4 of 5 Nominating and Corporate Governance Committee: 2 of 2 (See Note 6)
Derek Oland	Board: 7 of 7 (See Note 7)
Elizabeth Parr-Johnston	Board: 7 of 7 Management Resources and Compensation Committee: 8 of 8
Kenneth C. Rowe	Board: 7 of 7 Audit Committee: 4 of 4 (See Note 4)
Rosemary Scanlon	Board: 3 of 3 Nominating and Corporate Governance Committee: 1 of 1 (See Note 5)
Paul D. Sobey	Board: 7 of 7 Nominating and Corporate Governance Committee: 3 of 3

Notes:

(1) Mr. Armour and Mr. Edgeworth were appointed on November 4, 2005.
(2) Mr. Gray retired on November 4, 2005.
(3) Mr. Huskilson is not a member of any of the Committees; however, as President and Chief Executive Officer he attends Committee meetings in a non-voting capacity and did not participate in any portion of Board and/or Committee meetings that dealt with his role or performance.
(4) Mr. MacNeil and Mr. Rowe have advised of their intention to retire from the Board and will not stand for nomination at the 2006 Shareholders' Meeting.
(5) Mr. Mann and Ms. Scanlon retired on May 3, 2005.
(6) Mr. McLennan was appointed April 15, 2005.
(7) Mr. Oland, as Chairman of the Board, is not a member of any of the Committees, however, he attends Committee meetings in a non-voting capacity and attended 17 Committee meetings in 2005.

Report on Executive Compensation

Composition of Management Resources and Compensation Committee:

The Management Resources and Compensation Committee (the "MRC Committee") currently consists of Elizabeth Parr-Johnston (Chair), R. Irene d'Entremont, Allan L. Edgeworth, and John T. McLennan. Mr. James K. Gray was a member of the Committee until his retirement on November 4, 2005. Mr. McLennan became a member of the MRC Committee in April 2005 and Mr. Edgeworth became a member in February 2006.

All of the individuals who served as members of the MRC Committee are independent Directors. None have been officers or employees of the Company or its subsidiaries, nor do they have any relationship which resulted in indebtedness to the Company or its subsidiaries nor any interest in transactions which have or would materially affect the Company or its subsidiaries.

Report of the Management Resources and Compensation Committee:

For the purposes of compensation disclosure, the individuals listed in the 2005 "Summary Compensation Table" are the President and Chief Executive Officer, the outgoing and incoming Chief Financial Officer and the next three most highly compensated executive officers of the Company, or its affiliated companies, as defined by Canadian securities legislation (the "Named Executive Officers").

The Board has assigned to the MRC Committee responsibility for reviewing overall compensation policies and for reviewing and recommending compensation for senior management of the Company including the Named Executive Officers. The MRC Committee also has responsibility for assessing, on an annual basis, the performance of the President and Chief Executive Officer, and for ensuring that the Company adequately carries out succession planning. The Board, as a whole, reviews the recommendations of the MRC Committee and gives approval on compensation matters for senior management of the Company as well as on policy changes related to remuneration.

The purpose of Emera's executive compensation program is to focus and reward participants for sustained increases in shareholder value; to attract and retain highly qualified and high-performing executives; to facilitate share ownership in order to reinforce the alignment between executives/senior management and shareholders; and to provide a balance between shorter and longer-term compensation.

Towers Perrin was engaged to assist in preparing information and providing advice to the Committee on officer compensation during 2005. Towers Perrin's scope of services includes competitive reviews of senior executive compensation levels, advice on the design of executive compensation programs, information on industry trends and related executive compensation matters.

Subject to the overriding discretion of the Committee, total direct compensation is targeted at median (50^{th} percentile) of the comparator companies for planned performance. Depending upon results achieved, incentive programs can result in payouts ranging from zero to payouts substantially above the target for superior performance.

Total compensation for senior management, including the Named Executive Officers, is comprised of base salary, annual incentive, and long-term incentives linked to total shareholder value ("Total Compensation"). Generally, the higher the level of the position, the greater the portion of Total Compensation that is variable and at risk. For senior executives, at least 44 percent of the Total Compensation is at risk. Annual incentives at target levels range from 17 percent to 44 percent of Total Compensation and long-term incentives range from 13 percent to 40 percent of Total Compensation.

Base Salary

Base salaries are benchmarked against the median of the salaries paid to positions with similar responsibilities by comparator companies. The base salary for each Named Executive Officer is reviewed annually and reflects the degree of special skill and knowledge required for the position and the performance and contribution of the individual.

Annual Incentive Plan

Annual incentive plans are an integral part of a balanced compensation program. The Company's plan is intended to link a portion of an employee's compensation to the achievement of predetermined levels of performance in support of corporate objectives. The Company has adopted a Scorecard approach to translate corporate strategies into measurable incentive plan goals.

> Senior Management Plan – The short-term incentive plan is part of total compensation. Target payouts under the plan are set as a percentage of salary and are benchmarked against the median for positions with similar responsibilities in comparator companies. Awards paid under the annual incentive plan for members of senior management, including the Named Executive Officers, are based upon the degree of achievement of specific predetermined corporate and business unit objectives.

In 2005, the MRC Committee changed the annual incentive plan for all employees including the Named Executive Officers. Based on the business plan for the year, the pool of money available for distribution for annual incentives was capped at 50 percent of the target incentives for 2005, depending upon the organization's success in exceeding the earnings per share above the 2005 forecast and on individual achievement. In 2005, most members of the Emera executive team shared a common Scorecard which included specific financial targets of earnings and cash flow (35 percent), focusing business development on growth opportunities demonstrated by annualized new earnings (20 percent), improved customer and key stakeholder relations (15 percent), sustainable generation strategy (15 percent), and leadership of people (15 percent). Based on year-end results, it was determined that the Named Executive Officers, excluding Emera Energy Inc., achieved slightly above target on the total Scorecard. This was further reduced so as not to exceed the 50 percent of target maximum. The final recommendation for overall incentives ranged from 14 percent to 52 percent of base salary. In Emera Energy Inc. the Named Executive Officer's annual incentive is based upon earnings before interest and income tax. The maximum potential payout under the plan for exceptional performance is equal to three times the target award.

Deferred Share Unit Plan ("DSU Plan") – Emera has a DSU Plan for executives and senior management. The DSU Plan is intended to facilitate achievement of share ownership guidelines without diluting the shareholder base. Under the Plan, each participant may elect to defer all or a percentage of the annual incentive award in the form of Deferred Share Units ("DSUs") until the applicable guidelines are met.

When incentive awards are determined, the amount elected is converted to DSUs, which have a value equal to the market price of a Company common share. When a dividend is paid on Emera's common shares, each participant's DSU account is allocated additional DSUs equal in value to the dividend paid on an equivalent number of Emera common shares. Following termination of employment or retirement, and by December 15 of the calendar year after termination or retirement, the value of the DSUs credited to the participant's account is calculated by multiplying the number of DSUs in the participant's account by the then market value of an Emera common share. The after-tax amount is paid to the participant.

In addition, special DSU awards may be made from time to time by the MRC Committee to selected executives and senior management to recognize singular achievements or to achieve certain corporate objectives.

Long-Term Incentive Program

The Long-Term Incentive Program consists of the Senior Management Stock Option Plan and the Restricted Share Unit Plan.

Restricted Share Unit Plan ("RSU Plan") – The performance-based RSU Plan supports shareholder alignment and value creation and provides 50 percent of the long-term incentive opportunity for Named Executive Officers. Under the RSU Plan, participants receive annual awards of RSUs. The initial value of an RSU is based on the fair market value of the Company's common shares at the time of the grant. Each award vests and is paid out at the end of a three-year performance period. The ultimate value received from RSUs is based on improvements in Economic Value Added (EVA – an internal efficiency measure) and on Total Shareholder Return (an external market measure). RSUs are granted annually for three-year overlapping performance cycles. The first cycle ran from January 1, 2003 through December 31, 2005. RSUs are granted at fair market value on the grant date and dividend equivalents are awarded and are used to purchase additional RSUs. The RSU value varies according to the Company's share market price.

Payouts after each three-year cycle will be calculated and approved by the MRC Committee early in the following year. The value of the payout considers actual service over the performance cycle and will be pro-rated in the case of retirement, involuntary termination, disability or death.

Senior Management Stock Option Plan - The administration of the Senior Management Stock Option Plan has been delegated to the MRC Committee by the Board of Directors. Under this Plan, the MRC Committee is responsible for designating which employees of the Company and its affiliates will be eligible to participate in the Stock Option Plan and for granting options.

Options are designed to deliver 50 percent of the long-term incentive opportunity for Named Executive Officers and have been maintained to recognize their importance as a component of competitive executive compensation and to preserve a long-term focus. The options granted provide senior management, including the Named Executive Officers, with grants that have a value ranging from 20 percent to 40 percent of base salary, except for the President and Chief Executive Officer's grant which has a value of 67.5 percent of base salary. The level of grants increase with job level.

Summary of Current Senior Management Stock Option Plan

Options are granted to selected employees of the Company and its affiliates. To date, options under the Plan have been granted to Officers and Senior Management of the Company and its affiliates.

Options are granted for a maximum term of ten years. All options granted to date are exercisable on a graduated basis with up to 25 percent of the options exercisable on the first anniversary date and in further 25 percent increments on each of the second, third, and fourth anniversaries of the grant. If an option is not exercised within ten years, it expires and the employee loses all rights thereunder. The holder of an option has no rights as a Shareholder until the option is exercised and shares have been issued. The maximum number of such shares optioned to any one plan participant cannot exceed one percent of the issued and outstanding common shares on the date the option is granted. The price at which stock options may be exercised is the closing market price of the Company's common shares on the Toronto Stock Exchange on the last business day on which such shares were traded immediately preceding the effective date of the grant of an option.

Unless the term of an option has expired, options may be exercised within the 24 months following the date of retirement or a change in responsibility at the Company's request and within six months following the date of termination, resignation, or death.

Share/Share Equivalent Ownership Guidelines

To align the interests of senior management with the interests of shareholders, share ownership guidelines were introduced for designated Executive Officers in 2003. The guidelines, which must be achieved within five years of 2003 or within five years of becoming a designated Executive Officer, are as follows:

President and/or Chief Executive Officer	2.0 times salary
Chief Operating Officer and Senior Vice President	1.5 times salary
Vice Presidents	1.0 times salary

The share and share equivalent ownership for those Named Executive Officers, excluding Randall D. Henderson, governed by the ownership guidelines as of December 31, 2005 is as follows:

Christopher G. Huskilson:	81,083 (1)
Nancy G. Tower	2,143
Todd J. Sattler:	9,124
Ralph R. Tedesco:	23,935
William E. Hattie	18,847

Notes:

(1) Further details are provided under the section "Employment Contracts – Christopher G. Huskilson".

Employee Common Share Purchase Plan

The Employee Common Share Purchase Plan permits all employees of the Company and its affiliated companies to purchase common shares through regular payroll deductions or quarterly payments. The maximum annual employee contribution is $8,000. The Company and its affiliates contribute an amount equal to 20 percent for up to $3,000 of an employee's contribution and 10 percent for the next $5,000 up to the $8,000 maximum of an employee's contribution. Employees pay market price for shares purchased in the Plan and the shares are issued from Treasury. Directors who are not employees are not eligible to participate in the Employee Common Share Purchase.

Chief Executive Officer's Compensation

The Committee's objective is to provide competitive compensation for the President and Chief Executive Officer based on performance. The components of Total Compensation for the President and Chief Executive Officer are the same as those which apply to other executives of the Company; namely, base salary, annual incentive, long-term incentive, and benefits.

Each year the Committee reviews the compensation paid to the chief executive officers of the comparator companies to determine the competitiveness of target compensation and assesses performance considering both financial and non-financial objectives of the annual incentive plan. Based upon the Committee's assessment and the Board's assessment of performance in relation to the objectives for 2005 set out under "Senior Management Plan", the annual incentive award was $135,000 (27 percent of his $500,000 base salary).

On February 10, 2005, Mr. Huskilson was granted options covering 160,200 Emera shares at a price of $19.50. The grant had a compensation value of $2.11 per option based on the Black-Scholes valuation methodology.

Mr. Huskilson was also granted 22,000 RSUs on February 10, 2005.

Change of Control

Emera has adopted a standardized approach to change of control provisions for its most senior executives. In order to exercise change of control provisions, two circumstances must occur. If there is a change in the majority ownership of the Company, and in addition to such change, the new owners do not wish to retain the senior executive in the same or equivalent position, the senior executive is entitled to exercise change of control provisions. The Company has incorporated this approach into the employment contracts of the President and Chief Executive Officer and the Chief Operating Officer, Nova Scotia Power Inc.

Executive Pensions

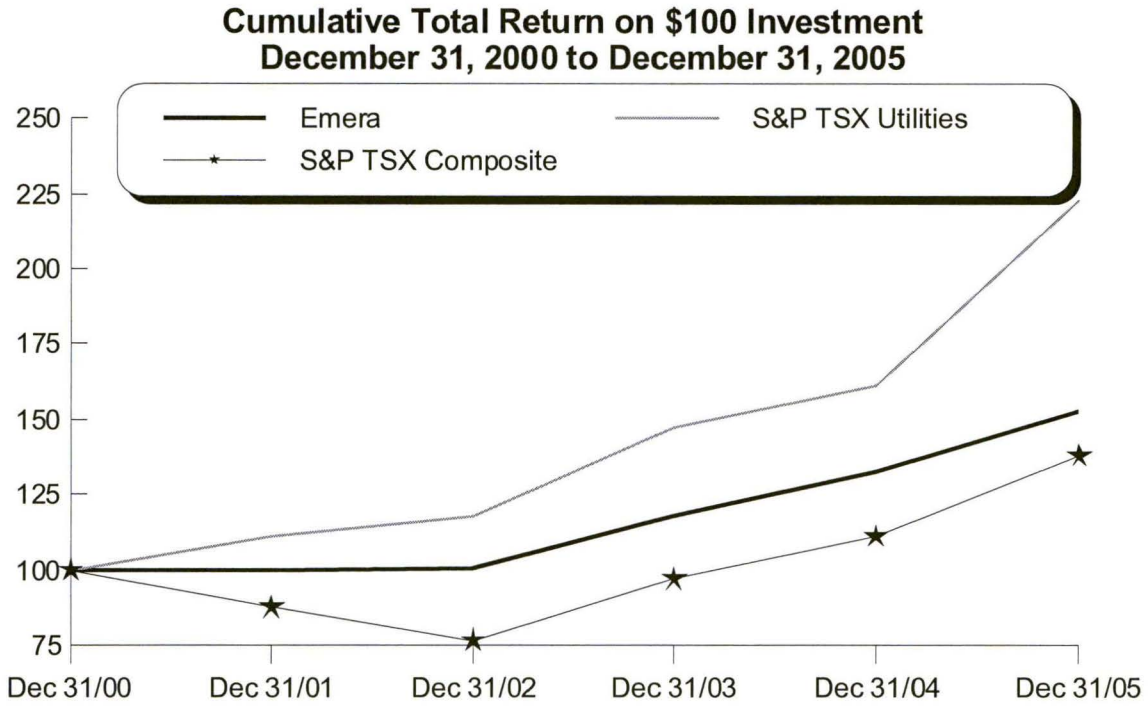
The Company's pension plan provides a choice between a defined benefit and a defined contribution option. In addition, there is also a Supplementary Employee Retirement Plan for benefits in excess of the *Income Tax Act* regulations. Executive Officers participate in these plans on the same terms as other employees.

Submitted by the MRC Committee of the Board of Directors:

Elizabeth Parr-Johnston, Committee Chair
R. Irene d'Entremont, Committee Member
Allan L. Edgeworth, Committee Member
John T. McLennan, Committee Member

Performance Graph

The performance graph below compares the Company's cumulative total shareholder return (assuming an investment of $100 and reinvestment of dividends) for its shares with that of the S&P TSX Utilities and the S&P TSX Composite.



	Dec. 31/00	Dec. 31/01	Dec. 31/02	Dec. 31/03	Dec. 31/04	Dec 31/05
Emera Inc.	$100.00	$99.48	$100.43	$117.60	$132.61	$152.56
S&P TSX Utilities	100.00	110.83	117.85	147.24	161.11	222.79
S&P TSX Composite	100.00	87.43	76.55	97.01	111.06	137.85

Compensation of Named Executive Officers

The "Summary Compensation Table" sets out compensation information for the three fiscal years ended December 31, 2005 for the President and Chief Executive Officer, the Chief Financial Officer, and the next three most highly compensated executive officers of the Company, or its affiliated companies, as defined by Canadian securities law (the "Named Executive Officers").

The information set out in the table reflects the fact that Nancy G. Tower replaced Randall D. Henderson as Chief Financial Officer effective July 12, 2005.

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Annual Salary (Cdn $)	Annual Bonus (Cdn $)	Other Annual Compensation (Cdn $)	Securities Under Options (#)	Deferred Share Units (DSUs) [1] (#)	Deferred Share Units (DSUs) [1] ($)	Restricted Share Unit Payouts ($) [2]	All other Compensation (Cdn $) [3]
C.G. Huskilson [4]	2005	500,000	135,000	Nil	160,200	8,400	161,868	422,070	4,039
President and Chief	2004	423,999	167,388	Nil	90,000	14,000	255,500	N/A	5,572
Executive Officer	2003	359,615	210,600	Nil	69,000	N/A	N/A	N/A	6,625
Emera Inc. and Nova Scotia Power Inc.									
R.D. Henderson [5]	2005	201,406	Nil	Nil	53,200	N/A	N/A	See [6]	1,270,722 [6]
Sr. Vice-President and	2004	127,999	128,000	Nil	40,000	10,000	173,600	N/A	82,205
Chief Financial Officer	2003	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Emera Inc. and Nova Scotia Power Inc.									
N.G. Tower [7]	2005	201,190	27,161	Nil	19,600	N/A	N/A	101,812	2,255
Chief Financial Officer	2004	154,282	32,673	Nil	19,200	N/A	N/A	N/A	1,955
Emera Inc. and Nova	2003	150,000	75,342	Nil	18,000	N/A	N/A	N/A	2,452
Scotia Power Inc.									
T.J. Sattler	2005	175,000	419,605	191,082 [8]	20,800	N/A	N/A	64,438	2,310
Vice-President Energy	2004	175,000	335,839	191,082 [8]	13,000	N/A	N/A	N/A	2,310
Services	2003	181,731	227,500	198,431 [8]	12,600	N/A	N/A	N/A	2,406
Emera Energy Inc.									
R.R. Tedesco	2005	400,000	97,496	Nil	75,900	N/A	N/A	N/A	2,640
Chief Operating Officer	2004	376,923	140,000	Nil	65,000	15,000	273,900	N/A	3,385
Nova Scotia Power Inc.	2003	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
W.E. Hattie [9]	2005	165,000	132,000	Nil	19,600	N/A	N/A	114,378	3,760
Vice-President	2004	165,000	92,400	Nil	20,400	N/A	N/A	N/A	3,547
Generation Planning	2003	165,000	118,212	Nil	19,800	N/A	N/A	N/A	4,073
and Infrastructure Nova Scotia Power Inc.									

Notes:

(1) This column reflects special DSU awards. It does not reflect DSU elections made in lieu of cash bonuses. See "Deferred Share Unit Plan" for further details. Mr. Huskilson was awarded 56,000 DSUs on November 4, 2004 of which 14,000 DSUs vested on that date and 8,400 vested on November 4, 2005. The remaining 33,600 DSUs will vest in four annual equal instalments commencing November 2006. See "Employment Contracts" for further details. Mr. Henderson was awarded 10,000 DSUs effective July 26, 2004 and Mr. Tedesco was awarded 15,000 DSUs effective January 9, 2004. The dollar value reflected is based upon the closing market price of Emera's common shares on the day of the awards; namely $19.27, $18.25, $17.36 and $18.26 respectively. The actual payouts upon retirement, termination, etc., under the plan will be calculated by multiplying the number of DSUs by the then market value of an Emera common share. The after-tax amount is paid to the participant.

(2) The amounts represent payouts made in 2006 for RSUs granted in 2003 that vested and became eligible for payout in 2005. Dividend equivalents accrued over the vesting period and were credited in the form of additional units. The value of the RSUs was paid in cash to each executive based on a share price of $20.84. The level of payout represented above target performance.

(3) Amounts in this column reflect premiums paid by the Company and affiliated companies for term life. In the case of Mr. Henderson, the amount also includes $80,000 paid to Mr. Henderson in 2004 to minimize the effect of additional tax liability on income earned in Alberta prior to July 2004. Also see Note 8.

(4) Mr. Huskilson was President and Chief Executive Officer for two months during 2004 (November to December 31). He was appointed Chief Operating Officer of Emera Inc. July 4, 2003. Previously, he was the Chief Operating Officer, Nova Scotia Power Inc.

(5) Mr. Henderson was Senior Vice-President and Chief Financial Officer for five months during 2004 (July 26 to December 31) and for approximately seven months during 2005 (January to July).

(6) This amount reflects payouts relating to Mr. Henderson's discontinuance of employment, vacation payout, car allowance, and settlement for entitlement of deferred share units and restricted share units. Also see "Employment Contracts – Randall D. Henderson".

(7) Ms. Tower was Chief Financial Officer for approximately six months (July to December) and previously was Vice-President Customer Operations for Nova Scotia Power Inc.

(8) Mr. Sattler's contract provides for an annual supplement to his salary. See " Employment Contracts" for further details.

(9) Mr. Hattie became Vice-President Generation Planning and Infrastructure effective March 1, 2006 and previously was Vice-President Utility Services for Emera's subsidiary, Emera Utility Services Inc.

Restricted Share Units ("RSUs")

The following table shows the number of RSUs that are performance-based units granted in 2005 to each Named Executive Officer. For details of the RSU Plan, including the performance criteria and vesting terms, see "Report of the Management Resources and Compensation Committee – Restricted Share Unit Plan".

Name	Number of Performance Based RSUs	Vesting Date	Estimated Future Payouts Under Non-Securities-Price Based Plans		
			(#) Minimum	(#) Target	(#) Maximum
C.G. Huskilson	22,000	Dec. 31, 2007	0	22,000	44,000
R.D. Henderson	7,300	See Note 6 in the Summary Compensation Table			
N.G. Tower	2,700	Dec. 31, 2007	0	2,700	5,400
T.J. Sattler	2,900	Dec. 31, 2007	0	2,900	5,800
R.R. Tedesco	10,400	Dec. 31, 2007	0	10,400	20,800
W.E. Hattie	2,700	Dec. 31, 2007	0	2,700	5,400

Option Grants During The Most Recently Completed Fiscal Year - 2005

The following table shows information regarding grants of stock options made to the Named Executive Officers during the fiscal year ended December 31, 2005. Details of the Plan can be found under "Stock Option Plan" in this Circular.

Name	Securities Under Options Granted (#)	% of Total Options Granted to Employees in 2005	Exercise or Base Price $/Common Share	Market Value of Securities Underlying Options on the Date of Grant $/Common Share	Expiration Date
C.G. Huskilson	160,200	29.0	19.50	19.50	February 9,2015
R.D. Henderson	53,200	10.0	19.50	19.50	N/A (all exercised)
N.G. Tower	19,600	3.5	19.50	19.50	February 9, 2015
T.J. Sattler	20,800	4.0	19.50	19.50	February 9, 2015
R.R. Tedesco	75,900	14.0	19.50	19.50	February 9, 2015
W.E. Hattie	19,600	3.5	19.50	19.50	February 9, 2015

Aggregated Option Exercises During the Most Recently Completed Fiscal Year and Fiscal Year-end Option Values

The following table summarizes for each of the Named Executive Officers the number of common shares acquired pursuant to the exercises of stock options during the fiscal year ended December, 31, 2005, if any; the aggregate value realized upon exercise, if any; and the number of common shares covered by unexercised options under the Stock Option Plan as at December 31, 2005. Aggregate value realized upon exercise, if any, is the difference between the fair market value of the common shares on the exercise date and the exercise or base price of the option. Value of unexercised in-the-money options at fiscal year-end, if any, is the difference between the exercise or base price of the options and the fair market value of the common shares on December 31, 2005 which was $21.04.

Name	Securities Acquired on Exercise (#)	Aggregate Value Realized ($)	Unexercised Options at December 31, 2005		Value of Unexercised In-the-Money Options at December 31, 2005	
			Exercisable (#)	Unexercisable (#)	Exercisable ($)	Unexercisable ($)
C.G. Huskilson	Nil	N/A	191,675	277,025	915,294	716,583
R.D. Henderson	93,200	160,726	Nil	Nil	Nil	Nil
N.G. Tower	11,675	25,218	2,375	45,375	8,289	133,063
T.J. Sattler	Nil	N/A	28,300	143,312	43,100	119,297
R.R. Tedesco	Nil	N/A	16,250	124,650	51,350	270,936
W.E. Hattie	Nil	N/A	42,775	50,925	192,892	150,285

Pension Plan Table

The Named Executive Officers are members of the corporate pension plan. Members participate on either a defined benefit basis or a defined contribution basis. The defined benefit provision entitles members to pension benefits based on two percent of the average of the four highest years' earnings multiplied by each year of credited service.

The Pension Plan Table below sets out the estimated annual benefits payable to the Named Executive Officers upon retirement at age 60 for the defined benefit plan for the various salary/years of service combinations as shown.

	Years of Credited Service at Retirement Age of 60				
Remuneration	**15**	**20**	**25**	**30**	**35**
($)	($)	($)	($)	($)	($)
100,000	30,000	40,000	50,000	60,000	70,000
200,000	60,000	80,000	100,000	120,000	140,000
300,000	90,000	120,000	150,000	180,000	210,000
400,000	120,000	160,000	200,000	240,000	280,000
500,000	150,000	200,000	250,000	300,000	350,000
600,000	180,000	240,000	300,000	360,000	420,000
700,000	210,000	280,000	350,000	420,000	490,000
800,000	240,000	320,000	400,000	480,000	560,000
900,000	270,000	360,000	450,000	540,000	630,000

The pension is payable upon the earlier of:

(i) age 60; or
(ii) age 55, provided that age and years of service add to at least 85.

A member may also retire on a reduced formula provided the member has attained age 55 but does not qualify for the Rule of 85.

Members of the defined benefit pension plan option contribute 5.4 percent of eligible earnings up to the year's maximum pensionable earnings ("YMPE") under the Canada Pension Plan, and seven percent of earnings over the YMPE, to the maximum amount permitted by Canada Revenue Agency regulations. Pension amounts in excess of such regulations do not require employee contributions.

Spousal benefits are paid on the death of a member at the rate of 60 percent of regular pension benefits. The pension plan is indexed to the consumer price index to a maximum of six percent per annum. Upon reaching age 65, pension benefits under the pension plan are reduced to reflect commencement of payments under the Canada Pension Plan (CPP).

Due to Canada Revenue Agency's limitations on the maximum pension benefit which may be paid under the pension plan, a portion of the pension earned after January 1, 1992 is provided under the terms of a Supplementary Employee Retirement Plan which is secured by a letter of credit deposited in a retirement compensation trust.

For purposes of computing pension benefits, the estimated full years of actual credited service in the pension plan at the assumed normal retirement date for the Named Executive Officers listed below is as follows:

Named Executive Officer	Credited Years of Service At Age 60 Retirement
C.G. Huskilson	37.08
N.G. Tower	22.50
T.J. Sattler	17.58
R.R. Tedesco	9.75
W.E. Hattie	36.92

In addition to the pension plan entitlements, upon retirement all regular employees of the Company are entitled to a retirement award equal to one week's pay for each year of service to a maximum of 26 weeks.

Employment Contracts

Christopher G. Huskilson:

Mr. Huskilson was appointed President and Chief Executive Officer effective November 1, 2004.

Mr. Huskilson's employment contract reflects the Company's stated compensation philosophy which is to target total direct compensation at the median of its comparators for planned performance, and below the median (and in some cases substantially below the median) for performance below the planned level, and provide incentive opportunities substantially above the median for superior performance.

The compensation structure reflects both the Board of Directors' and Mr. Huskilson's preference for a greater proportion of total compensation being at risk and linked to performance with a resulting greater emphasis on long-term incentive opportunities relative to short-term cash.

Mr. Huskilson's annual salary for the period of November 1, 2004 until December 31, 2005 will be $500,000. Thereafter, it will be reviewed on an annual basis.

He is a participant in the Stock Option Plan and the Restricted Share Unit Plan.

As a long-term employee, Mr. Huskilson was entitled to receive a retirement award of one week's salary for each year of service to a maximum of 26 weeks. He relinquished all entitlement to that award in exchange for 14,000 DSUs, the value of which are at risk against Company performance. Mr. Huskilson was also entitled to earn up to a maximum of six weeks vacation per year; he has agreed to reduce this to four weeks per year.

He has agreed to forego certain pension entitlements in exchange for DSUs. As President and Chief Executive Officer, he would have been entitled under the Supplementary Retirement Plan to have a maximum of 100 percent of his target annual incentive included in pensionable earnings; however, he has agreed for the entire term to reduce this to a maximum of 50 percent. In exchange for this reduced pension entitlement, the Company granted 42,000 DSUs on November 1, 2004 which vest in five equal annual instalments; and will also grant a further 42,000 DSUs on November 1, 2009 which will vest in five equal annual instalments.

If Mr. Huskilson is terminated for cause, he will not be entitled to damages. If he is terminated without cause, he shall be entitled 24 months' compensation (annual salary, target bonus and car allowance) plus benefits. If there is a change of control of the ownership of the Company, such that any one party acquires 50 percent or more of voting security and there is a substantial negative change to his duties, he may choose to terminate employment and receive 24 months' compensation.

If Mr. Huskilson is dismissed without cause or the change of control set out above occurs, then the DSUs referred to earlier which have been granted but unvested, shall immediately vest and any entitlement to DSUs which have not been granted shall cease. Any entitlement to any other DSUs, RSUs, stock options and pension shall continue according to the respective plans.

Mr. Huskilson has agreed not to participate in any activity that competes with the Company, and upon termination or retirement he will not compete in Atlantic Canada and the New England states for a period of one year. If he does so compete, he shall forfeit any entitlement which has not yet been paid out under any grant of RSUs.

Mr. Huskilson's contract also provides basic life and accidental death and dismemberment coverage of $1,500,000 and disability benefits of 66 2/3 percent of monthly salary.

Mr. Huskilson becomes eligible to retire on June 30, 2012. He has agreed to advise the Company at least one year in advance of any proposed retirement.

Todd J. Sattler:

Mr. Sattler was appointed Vice-President Energy Services for Emera Energy Inc. in October 2002. He relocated to Nova Scotia from the United States and his contract provides for an annual supplement that allows for the same after-tax income as if his salary was earned in U.S. currency; an annual incentive equal to two percent of earnings before interest and income tax from the business operations of Energy Services, or 100 percent of annual salary, whichever was greater; and entitlement to a lump sum payment of $175,000 (U.S.) and relocation expenses if his employment had been terminated without cause during the initial term of his contract.

Ralph R. Tedesco:

Mr. Tedesco was appointed Chief Operating Officer of Nova Scotia Power Inc. effective January 9, 2004. His contract is for a three-year term with automatic annual renewals thereafter unless either the Company or Mr. Tedesco give 30 days' notice that the contract will not be renewed.

Mr. Tedesco's annual salary is $400,000 and is subject to review on an annual basis. He received 15,000 DSUs, and 65,000 stock options upon his appointment.

Mr. Tedesco participates in the Annual Incentive Plan with a target bonus of 50 percent and a maximum bonus of 100 percent of annual salary. The long-term incentive target for this position is 80 percent of annual salary split equally between stock options and RSU grants.

In the event that Mr. Tedesco's services are terminated without cause in the first three years, he will be entitled to receive a payment equal to annual salary and target bonus plus the cost to return to New York State. If there is a change of control, as previously set out under "Change of Control", he is entitled to 12 months' salary and target bonus.

Randall D. Henderson:

Mr. Henderson was Senior Vice President and Chief Financial Officer from July 26, 2004 to July 12, 2005.

He received 10,000 DSUs, 40,000 stock options, and 7,000 RSUs upon his appointment.

Mr. Henderson participated in the Annual Incentive Plan and had a target bonus of 40 percent and a maximum bonus of 80 percent of annual salary. For 2004 he received a guaranteed incentive payout of $128,000 which is the target incentive level based on his full year's salary. The long-term incentive target for this position is 70 percent of annual salary split equally between stock options and RSU grants. He also received a payment of $80,000 to minimize the effect of additional tax liability on income earned in Alberta prior to his employment with the Company.

Mr. Henderson's contract provided that upon termination without cause or if there is a change of duties without his consent that results in a substantial reduction of duties, he would be entitled to 18 months' compensation based on annual salary, target bonus and car allowance.

In 2005 Mr. Henderson and the Company entered into an agreement which resulted in discontinuance of his employment with the Company. As a result of that arrangement, Mr. Henderson was provided with his contractual benefits under the Restricted Share Unit Plan and the Deferred Share Unit Plan, and to compensation. These amounts are identified in the "Summary Compensation Table".

Securities Authorized for Issuance Under Equity Compensation Plans

The following table shows securities authorized for issuance under the Senior Management Stock Option Plan and the Employee Common Share Purchase Plan as of December 31, 2005. There are no equity-based compensation plans that were not approved by shareholders.

Plan Category	(A) Number of securities to be issued upon exercise of outstanding options	(B) Weighted-average exercise price of outstanding options	(C) Number of securities available for future issuance under equity compensation plans (excluding column (A))
Equity compensation plans approved by security holders			
- Senior Management Stock Option Plan	1,696,475	$17.81	290,484
- Employee Common Share Purchase Plan	N/A	N/A	1,242,985
Total	1,696,475	$17.81	1,533,469

Aggregate Indebtedness of Directors and Executive Officers and Indebtedness Under Securities Purchase or Other Programs

As of the date of this Circular there was no indebtedness of the Directors or Executive Officers to the Company. The Company does not have a program that allows for the provision of loans to Directors. Loans which may be made to Executive Officers are secured by a mortgage on property. There is no program to allow for loans or indebtedness under any securities purchase program.

Material Transactions

During the year, insiders of the Company and its affiliates, including Directors, Executive Officers, proposed nominee Directors or their associates or corporations they controlled, did not have any material interest, direct or indirect, in any transaction or in any proposed transaction that has materially affected or will materially affect the Company.

Management Contracts

There are no functions of management which are performed by a person or company other than the Directors, Executive Officers or other employees of the Company.

Directors' and Officers' Insurance

The Company's Articles of Association provide for the indemnification of Directors and Officers of all companies with the Emera group against liability incurred by them in the proper performance of their duties as Directors and Officers of the Company and its affiliates. The Emera group has Directors' and Officers' insurance coverage with a limit of $50,000,000. There is no deductible for this portion of the policy.

The policy also reimburses the Company when it grants indemnification to the Directors and Officers as permitted by law and the Articles of Association. This part of the coverage is subject to a deductible of $250,000. The premium paid for the Directors and Officers coverage for 2005 was $298,550.

Audit Committee Information

For information regarding Emera's Audit committee, including its Charter, composition, relevant education and experience of its members, Audit Committee oversight, policies and procedures for the approval of non-audit services and auditors' service fees, please refer to Emera's Annual Information Form.

Disclosure of Corporate Governance Practices

The Canadian Securities Administrators ("CSA") have implemented National Instrument 58-101 "Disclosure of Corporate Governance Practices" which requires an issuer to disclose its corporate governance practices if management of the issuer solicits a proxy from a shareholder for the purpose of electing directors to the board of directors. Outlined below are Emera's corporate governance practices.

1. Board of Directors

(a) Disclose the identity of directors who are independent.

The Board has determined that the following directors are independent of management; none has any interest, business or other relationship that could or could reasonably be perceived to interfere with his or her ability to act in the best interests of the Company. None of the independent directors receive remuneration from Emera other than directors' retainers, fees or retainers for service as Chair of the Board or Chair of a Committee.

Wesley G. Armour	Allan L. Edgeworth
Robert S. Briggs	John T. McLennan
George A. Caines	Derek Oland
Gail Cook-Bennett	Elizabeth Parr-Johnston
R. Irene d'Entremont	Paul D. Sobey

(b) Disclose the identity of directors who are not independent, and describe the basis for that determination.

Christopher G. Huskilson, as President and Chief Executive Officer of the Company, is the only director who is not considered independent.

(c) Disclose whether or not a majority of directors are independent. If a majority of directors are not independent, describe what the board of directors does to facilitate its exercise of independent judgement in carrying out its responsibilities.

To assure the Board's independence, the Company's Articles of Association provide that no more than two directors may be employees of the Company or of a subsidiary or affiliate of the Company. The Company's Articles of Association also provide that the size of the Board be no less than 10 and no more than 15 members. The current complement of directors is 11 and 10 of those individuals are considered independent. Also see 1(b).

(d) If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.

All of Emera's directors currently sit on the Board of its subsidiary, Nova Scotia Power Inc., which is also a reporting issuer. The following directors were also a director of another issuer during 2005.

Dr. Gail Cook-Bennett is a director of Manulife Financial and Petro-Canada. Mr. Allan L. Edgeworth is a director of AltaGas Ltd. Mr. John T. McLennan is a director of Manitoba Telecom Services Inc., Hummingbird Ltd., and ACE Aviation Holdings Inc. Dr. Elizabeth Parr-Johnston is a director of the Bank of Nova Scotia. Mr. Paul D. Sobey is a director of the Bank of Nova Scotia, Empire Company Limited, Sobeys Inc., and Wajax Limited.

(e) Disclose whether or not the independent directors hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held since the beginning of the issuer's most recently completed financial year. If the independent directors do not hold such meetings, describe what the board does to facilitate open and candid discussion among its independent directors.

There were 26 Board and Committee meetings during 2005. At each Board and/or Committee meeting, the directors meet independently of management, including the President and Chief Executive Officer who is not an independent director, to discuss various issues. The directors will also meet with the President and Chief Executive Officer to the exclusion of other members of management. The Chair of the Board frequently discusses issues with directors on an individual basis.

(f) Disclose whether or not the chair of the board is an independent director. If the board has a chair or lead director who is an independent director, disclose the identity of the independent chair or lead director, and describe his or her role and responsibilities. If the board has neither a chair that is independent nor a lead director that is independent, describe what the board does to provide leadership for its independent directors.

At Emera, the Articles of Association require that the Chairman of the Board and the Chief Executive Officer must be separate individuals. The Chair of the Board is Mr. Derek Oland who is an independent director. The Chair's Mandate is attached as Appendix B.

(g) Disclose the attendance record of each director for all board meetings held since the beginning of the issuer's most recently completed financial year.

See "Director Meeting Attendance" section in this Circular.

2. Board Mandate – Disclose the text of the board's written mandate. If the board does not have a written mandate, describe how the board delineates its role and responsibilities.

The Board Charter is attached to this Circular as Appendix C.

3. **Position Descriptions**

(a) **Disclose whether or not the board has developed written position descriptions for the chair and the chair of each board committee. If the board has not developed written position descriptions for the chair and/or the chair of each board committee, briefly describe how the board delineates the role and responsibilities of each such position.**

The Chairman of the Board has a Mandate that is reviewed by the Nominating and Corporate Governance Committee on an annual basis. The Committee Chairs do not have written position descriptions, however, all of the Committees have Charters which set out duties and responsibilities. It is the responsibility of each Committee Chair to ensure that the Committee carries out its duties and responsibilities. The various Committee's review their Charters on an annual basis and the Charters and Chair's Mandate are annually reviewed by the Nominating and Corporate Governance Committee. The reviews ensure that the duties of the Chair and of each Committee Chair are properly defined and are current with accepted standards.

(b) **Disclose whether or not the board and CEO have developed a written position description for the CEO. If the board and CEO have not developed such a position description, briefly describe how the board delineates the role and responsibilities of the CEO.**

The President and Chief Executive Officer does not have a formal position description. However, his employment contract and the Articles of Association provide that he is the chief executive and has general supervision of the business of the Company. Directors participate in the review and approach of the corporate strategy which, on an annual basis, determines the objectives for the President and Chief Executive Officer. The Company has adopted the Scorecard approach to translate corporate strategies into measurable incentive plan goals and the President and Chief Executive Officer's performance for the year is measured against the Scorecard. Corporate objectives for the President are established on an annual basis and are based on the strategy, are reviewed by the Management Resources and Compensation Committee, and are approved by the Board of Directors.

4. **Orientation and Continuing Education**

(a) **Briefly describe what measures the board takes to orient new directors regarding (i) the role of the board, its committees and its directors; and (ii) the nature and operation of the issuer's business.**

A newly appointed director to Emera is oriented to the Company in a number of ways. The Chairman of the Board, the President and Chief Executive Officer, Directors, and Executive Officers hold sessions with the newly appointed director who is also provided with a variety of corporate materials including the corporate strategic plan, business plan, continuous disclosure documents, and minutes of previous Board meetings. Directors are also encouraged to meet with senior management and site visits to the Company's facilities and affiliate facilities are also arranged to assist in gaining a better appreciation of the Company's operations.

The Nominating and Corporate Governance Committee ensures that prospective candidates fully understand the role of the Board and its Committees and the contribution that individual directors are expected to make, including the commitment of time required.

(b) **Briefly describe what measures, if any, the board takes to provide continuing education for its directors. If the board does not provide continuing education, describe how the board ensures that its directors maintain the skill and knowledge necessary to meet their obligations as directors.**

A regular flow of comprehensive information from management to the Board ensures that the Board has sufficient and timely information concerning the Company's affairs. This

information is used by the Board to assess both the direction of the Company's business and management performance. The Board receives briefing material from management in advance of all meetings. Regular communications are provided to the directors between meetings to provide updates on developments that might affect Emera's business and that of its subsidiaries.

The Board is kept informed of Emera's operations at Board and Committee meetings and through reports from, and discussions with, management. Board and Committee meetings are regularly scheduled and communications between the Board and management occur apart from regularly scheduled Board and Committee meetings in the form of oral and written briefings or specially-called meetings

5. Ethical Business Conduct

(a) Disclose whether or not the board has adopted a written code for the directors, officers and employees. If the Board has adopted a written code (i) disclose how a person or company may obtain a copy of the code; (ii) describe how the board monitors compliance with its code, or if the board does not monitor compliance, explain whether and how the board satisfies itself regarding compliance with its code; and (iii) provide a cross-reference to any material change report filed since the beginning of the issuer's most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the code.

The Board has adopted a written code "Standards for Business Conduct" for all directors, officers, and employees.

(i) A copy of the document may be obtained by contacting the Corporate Secretary, Emera Inc., P.O. Box 910, Halifax, Nova Scotia B3J 2W5.

(ii) The Standards for Business Conduct have recently been approved and implemented throughout the organization. A process for monitoring the Standards is being developed. In addition, the Company has adopted a protocol "Procedures for the Reporting of Irregularities and Dishonesty" to ensure that, among other things, reported violations of the standards are addressed.

(iii) There have been no material change reports filed since January 2005 that pertains to any conduct of a director or executive officer that constitutes a departure from the Standards.

(b) Describe any steps the board takes to ensure directors exercise independent judgement in considering transaction and agreements in respect of which a director or executive officer has a material interest.

The governance process at the Company requires that each Director annually provide a list of his or her business and other affiliations for the purpose of identifying any potential circumstances which may result in a conflict of interest. Directors are required to declare any interest which they may have in a matter requiring Board approval and abstain from participation in discussions or voting on the particular matter.

The Directors have also instituted a policy which requires them to submit their resignation as a Director if there is a significant change in their principal occupation. The resignation is then reviewed by the Board or the Nominating and Corporate Governance Committee to determine whether the circumstances are such that the resignation be accepted. This practice serves several purposes including ensuring that the change of principal occupation does not result in a conflict-of-interest situation for the Director and ensuring that the Director is able to maintain the skill, knowledge in business, or other background which resulted in that person initially becoming a member of the Board.

(c) Describe any other steps the board takes to encourage and promote a culture of ethical business conduct.

In November 2002, the Board approved a formal Corporate Disclosure Policy. The purpose of the Disclosure Policy is to ensure that communications to investors and potential investors are timely, factual and accurate, and that the information is disseminated in accordance with all applicable legal and regulatory requirements to the investing public, analysts, and the media.

6. Nomination of Directors

(a) Describe the process by which the board identifies new candidates for board nomination.

Emera's Articles of Association and the Charter for the Nominating and Corporate Governance Committee assign the responsibility for recruiting and selecting nominees for election as directors. At least annually the Committee reviews the experience and skill sets of the present directors and assesses the profiled requirements needed to ensure that the Board is able to function effectively, address issues which face, or will face, the organization and the necessary expertise appropriate for the Company. The Committee and the Board will then develop a list of potential candidates based upon the collective knowledge of the directors, input from former directors, other experienced business leaders, and may solicit the use of a search consultant.

(b) Disclose whether or not the board has a nominating committee composed entirely of independent directors. If the board does not have a nominating committee composed entirely of independent directors, describe what steps the board takes to encourage an objective nomination process.

The Nominating and Corporate Governance Committee is comprised of three members, all of whom are independent directors and who are required by the Articles of Association to be independent directors.

(c) If the board has a nominating committee, describe the responsibilities, power and operation of the nominating committee.

The Nominating and Corporate Governance Committee's Charter includes responsibility for identifying directors for nomination for election by the shareholders; assessing on an annual basis the effectiveness of the Board, individual directors, and its various committees.

The Nominating and Corporate Governance Committee is responsible for developing and communicating the Company's approach to corporate governance issues, and reviews and approves Emera's disclosure of corporate governance practices.

The Committee keeps abreast of best governance practices in the industry and continually evaluates the governance practices of Emera.

7. Compensation

(a) Describe the process by which the board determines the compensation for the issuer's directors and officers.

The Nominating and Corporate Governance Committee annually reviews the compensation of the directors to ensure the form of compensation is appropriate. In doing so the Committee carries out its own review of the compensation practices of Canadian publicly-traded companies similar to Emera's operations and size and ensures the directors are appropriately compensated for the responsibilities and risks involved in being a director. The review is based upon publicly available information concerning director's compensation, public surveys and comparison of compensation of directors of publicly-traded companies in Canada.

With respect to compensation of the Company's officers, please see 7(c).

(b) **Disclose whether or not the board has a compensation committee composed entirely of independent directors. If the board does not have a compensation committee composed entirely of independent directors, describe what steps the board takes to ensure an objective process for determining such compensation.**

The Management Resources and Compensation Committee is comprised of four members, all of whom are independent directors and who are required by the Articles of Association to be independent directors.

(c) **If the board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.**

The Management Resources and Compensation Committee monitors succession planning for senior management. It reviews the compensation plan for senior management, makes recommendations to the Board of Directors in respect of these matters and evaluates the performance of the President and Chief Executive Officer and senior management. See also "Report on Executive Compensation".

(d) **If a compensation consultant or advisor has, at any time since the beginning of the issuer's most recently completed financial year, been retained to assist in determining compensation for any of the issuer's directors and officers, disclose the identity of the consultant or advisor and briefly summarize the mandate for which they have been retained. If the consultant or advisor has been retained to perform any other work for the issuer, state that fact and briefly describe the nature of the work**.

The Company retained the services of Towers Perrin as an independent consultant to assist in preparing information and providing advice to the Committee on officer compensation. Towers Perrin's scope of services includes competitive reviews of senior executive compensation levels, advice on the design of executive compensation programs, information on industry trends and related executive compensation matters.

No consultant or advisor was engaged to assist with director's compensation. See 7(a) for further information.

8. **Other Board Committees – If the Board has standing committees other than the audit, compensation, and nominating committees, identify the committees and describe their function.**

Emera's Board established the Environment, Safety and Security Committee. This Committee consists of three independent Directors and its Charter includes oversight of environment, safety, and security at the Board level. The Committee also reviews issues associated with security procedures and practices for the protection of company personnel, physical assets, and other corporate assets from physical damage, harm, or interruption of operations including disaster preparedness.

9. **Assessments – Disclose whether or not the board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments. If assessments are not regularly conducted, describe how the board satisfies itself that the board, its committees, and its individual directors are performing effectively.**

The Board has adopted a practice as part of the governance process whereby the Chair of the Board solicits and receives feedback from directors on issues such as Board performance, effectiveness of the operation of the Board and its Committees. Issues arising from these meetings are presented to and discussed with the Committees and/or Board as appropriate.

The Nominating and Corporate Governance Committee also solicits director's comments and may propose modifications to improve the Board and Committee functions and composition, and the Company's corporate governance processes.

Additional Information

Additional information relating to the Company may be found at www.sedar.com. The Company's financial information is contained in its comparative financial statements and Management Discussion and Analysis ("MD&A") for the financial year ended December 31, 2005.

For copies of the Company's financial statements and MD&A, you may contact the Office of the Corporate Secretary at 1894 Barrington Street, Suite 1800, Barrington Tower, P.O. Box 910, Halifax, Nova Scotia B3J 2W5. Telephone: (902) 428-6520; Facsimile: (902) 428-6171.

Directors' Approval

The contents and the sending of this Circular have been approved by the Board of Directors of the Company.

Richard J. Smith
Corporate Secretary

Halifax, Nova Scotia, Canada
March 2006

Appendix A

EMERA INC.
SENIOR MANAGEMENT
STOCK OPTION PLAN

EMERA INCORPORATED
SENIOR MANAGERS STOCK OPTION PLAN

ARTICLE 1 - PURPOSE OF PLAN

1.1 This Stock Option Plan has been established by the Company as a long-term incentive program for senior management of the Company and its Affiliates (the "participants"). This Plan is intended to:

(a) encourage participants to acquire an increased proprietary interest in the Company and to thereby participate in the Company's future growth and development;

(b) attract and retain management personnel with experience and ability; and

(c) provide an incentive to participants to further the development, growth and profitability of the Company, and thereby to enhance shareholder value.

ARTICLE II - DEFINED TERMS

2.1 Where used herein, the following terms shall have the following meanings, respectively:

"Affiliate" means a company that is controlled directly or indirectly by the Company;

"Board" means the board of directors of the Company;

"Business Day" means any day, other than a Saturday or a Sunday, on which The Toronto Stock Exchange is open for trading;

"Committee" means the Management Resources and Compensation Committee of the Board or such other Committee as the Board may designate to administer this Plan or grant options under this Plan;

"Company" means Emera Incorporated and includes any successor company thereto;

"Eligible Person" means any person employed by the Company or an Affiliate who is designated by the Committee as a potential participant in the Plan and continues to be employed by the Company or an Affiliate provided that any person so designated shall cease to be an Eligible Person upon the Committee revoking such designation;

"Market Price" shall be the closing price of the Shares on the Toronto Stock Exchange (or such other stock exchange on which the Company's shares may be traded) on the last Business Day on which Shares were traded preceding the date on which the Option is granted by the Committee;

"Option" means an option granted under this Plan to purchase Shares, subject to the terms and conditions of this Plan;

"Option Price" means the price per share at which Shares may be purchased under an Option;

"Optionee" means a person to whom an Option has been granted;

"Plan" means the Emera Incorporated Senior Management Stock Option Plan, as embodied herein, as the same may be amended or varied from time to time;

"Shares" means the common shares of Emera, or, in the event of an adjustment contemplated by Article VIII hereof, such other shares or securities to which an Optionee may be entitled upon the exercise of an Option as a result of such adjustment;

"Subsidiary" means a body corporate that is controlled by another body corporate, either directly or indirectly.

2.2 In this Plan, unless the context requires otherwise, references to the male gender includes the female gender and words importing the singular include the plural and vice versa.

ARTICLE III - ADMINISTRATION OF THE PLAN

3.1 The Plan shall be administered by the Committee.

3.2 The Committee shall have the power, where consistent with the general purpose and intent of the Plan and subject to the specific provisions of the Plan:

(a) to establish policies for carrying out the purposes, provisions and administration of the Plan;

(b) to interpret and construe the Plan and to determine all questions arising out of the Plan and any Option. Any such interpretation, construction or termination made by the Committee shall be final, binding and conclusive for all purposes;

(c) to designate Eligible Persons and to revoke any such designation;

(d) to determine to which Eligible Persons Options are granted;

(e) to determine the number of Shares covered by each Option;

(f) to determine the time or times when an Option will be granted and exercisable provided that each Option shall be exercisable no later than ten (10) years after the date of grant;

(g) to determine if the Shares that are subject to an Option will be subject to any restrictions upon the exercise of such Option; and

(h) to prescribe the form of the instruments relating to the grant, exercise and other terms of Options.

ARTICLE IV - SHARES SUBJECT TO PLAN

4.1 Options may be granted in respect of authorized and unissued Shares, provided that the aggregate number of Shares of all classes issuable under this Plan, subject to adjustment or increase of such number pursuant to the provisions of Article VIII hereof, shall not exceed 6,700,000 Shares. Shares in respect of which Options are not exercised shall be available for subsequent Options under the Plan. No fractional shares may be purchased or issued under the Plan.

ARTICLE V - ELIGIBILITY, GRANT AND TERMS OF OPTIONS

5.1 Options may be granted to Eligible Persons.

5.2 Options may be granted by the Committee pursuant to the provisions of the Plan.

5.3 The Option Price for Shares that are the subject of any Option will not be less than the Market Price of the Shares at the date of the grant of the Option or at a future date as designated by the Committee to be the date of grant of the Option.

5.4 The total number of Shares to be optioned to any Optionee under this Plan shall not exceed five percent (5%) of the issued and outstanding Shares at the date of the grant of the Option.

5.5 The number of securities issuable to insiders, at any time, under all security-based compensation arrangements, will not exceed ten percent of the issued and outstanding securities.

5.6 The number of securities issued to insiders, within any one-year period, under all security-based compensation arrangements, will not exceed ten percent of the issued and outstanding securities.

5.7 An Option is personal to the Optionee and is non-assignable other than by Will or pursuant to the laws of succession.

ARTICLE VI - TERMINATION OF EMPLOYMENT; DEATH

6.1 Subject to section 6.2 hereof and to any express resolution passed by the Committee with respect to an Option, an Option, and all rights to purchase Shares pursuant thereto, shall expire and terminate immediately upon the Committee revoking the designation of an Optionee as an Eligible Person.

6.2 If, before the expiry of an Option in accordance with its terms, the Optionee ceases to be an Eligible Person due to retirement or termination for other than just cause, such Option may, subject to the terms thereof and any other terms of the Plan, be exercised at anytime within the 24 months following the date the Optionee retires or is terminated without cause, but in any case prior to the expiry of the Option in accordance with its terms.

If, before the expiry of an Option in accordance with its terms, the Optionee ceases to be an Eligible Person due to employment termination for just cause, resignation or death, such Option may, subject to the terms thereof and any other terms of the Plan, be exercised at anytime within the six months following the date the Optionee is terminated, resigns, or dies, as applicable, but in any case prior to the expiry of the Option in accordance with its terms.

6.3 Nothing in Article VI shall be construed as extending the exercise period past the 10-year term.

ARTICLE VII - EXERCISE OF OPTIONS

7.1 Options shall be exercised in accordance with the procedures to be established by the Committee from time to time.

7.2 Notwithstanding any of the provisions contained in the Plan or in any Option, the issuance of Shares to an Optionee pursuant to the exercise of an Option shall be subject to:

(a) completion of such registration or other qualification of such Shares or obtaining approval of such governmental authority as the Company shall determine to be necessary or advisable in connection with the authorization, issuance or sale thereof;

(b) the admission of such Shares to listing on any stock exchange on which the Shares may then be listed; and

(c) the receipt from the Optionee of such representations, agreements and undertakings, including as to future dealings in such Shares, as the Company or its counsel determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction.

In this connection the Company shall, to the extent necessary, take all reasonable steps to obtain such approvals, registrations and qualifications as may be necessary for the issuance of such Shares in compliance with applicable securities laws and for the listing of such Shares on any stock exchange on which the shares are then listed.

ARTICLE VIII - CERTAIN ADJUSTMENTS

8.1 Appropriate adjustments in the number of Shares subject to the Plan, and as regards Options granted or to be granted, in the number of Shares optioned and the Option Price, shall be made by the Committee to give effect to adjustments in the number of Shares resulting from subdivisions, consolidations or reclassifications of the Shares, mergers, amalgamations, or corporate re-organization, the payment of stock dividends to holders of shares or other relevant changes in the capital stock of Emera.

ARTICLE IX - AMENDMENT OR DISCONTINUANCE OF PLAN

9.1 The Board may amend or discontinue the Plan by resolution at any time; provided, however, that no such amendment results in any extension of the term of an Option benefitting an Optionee or results in any reduction to the exercise price of an Option benefitting an Optionee or increases the maximum number of Shares that may be optioned under the Plan, change the manner of determining the Option Price or, without the consent of the Optionee, alter or impair any Option previously granted to an Optionee under the Plan.

9.2 Any amendment to the Plan may be subject to the approval of regulatory authorities, including the stock exchanges, and in addition the stock exchanges may require shareholder approval.

ARTICLE X - MISCELLANEOUS PROVISIONS

10.1 The holder of an Option shall not have any rights as a holder of shares with respect to any of the Shares covered by any Option until such time as and to the extent only that such Option has been exercised and the Shares have been issued to the Optionee in accordance with the terms of the Plan in those circumstances.

10.2 The participation in the Plan of an Eligible Person is entirely voluntary and not obligatory. Nothing in the Plan or any Option shall confer upon any Optionee any right to continue to be designated as an Eligible Person, to continue in the employ of the Company or any Affiliate, or to affect in any way the right of the Company or any Affiliate to terminate an Optionee's employment at any time. Nothing in the Plan or any Option shall be deemed or construed to constitute an agreement, or an expression of intent, on the part of the Company or any Affiliate to extend the employment of any Optionee beyond the time that he would normally be retired pursuant to the provisions of any present or future retirement plan, or any present or future retirement policy, of the Company or any Affiliate, or beyond the time at which he would otherwise be retired pursuant to the provisions of any contract of employment with the Company or any Affiliate.

10.3 The Plan does not provide any guarantee against any loss or profit which may result from fluctuations in the Market Price of the Shares or as a result of dilution which may result from the issue of additional Shares.

10.4 Neither the Company nor any Affiliate assumes responsibility for the income or other tax consequences for the Eligible Persons participating in the Plan and Eligible Persons are advised to consult with their own tax advisors.

ARTICLE XI - LAWS

11.1 The Plan and all references in the Plan shall be governed by and interpreted in accordance with the laws of the Province of Nova Scotia and those of Canada as may be applicable.

11.2 No Option may be exercised nor will the Company have any obligations to cause the issuance of any Shares pursuant to any Option if such exercise or issue will be contrary to or violate any applicable law or any applicable regulation of a duly constituted authority.

11.3 The Company currently administers all aspects of this Plan. However, in the event the Company wishes to use a third party service provider for some or all Plan administration, it will be necessary for personal information relating to Eligible Persons to be provided to such third party service provider.

Appendix B

EMERA INC.
CHAIR OF THE BOARD OF DIRECTORS
MANDATE

The fundamental responsibility of the Chair of the Board of Directors (the "Chair") of the Company is to lead the Board to fulfill its duties effectively, efficiently and independent of Management. The Chair provides leadership to the Board in reviewing and deciding upon matters which exert major influence on the manner in which the Company's business is conducted and ensure effective operation of the Board. The Chair acts in a general advisory capacity to the President and Chief Executive Officer and other officers in all matters concerning the interests and management of the Company.

The Chair shall be an independent Director in accordance with the Company's Articles of Association and applicable legislation.

Specifically, the Chair shall perform the duties as required in the Company's Articles of Association and shall:

1. Ensure the Board is properly organized, functions effectively and meets its obligations and responsibilities including those relating to corporate governance matters.

2. Ensure the Board can function independently of management and that the independent Directors have adequate and regularly scheduled opportunities to meet to discuss issues without Management present.

3. Preside at Board meetings and shareholder meetings.

4. Plan and organize the activities of the Board in consultation with the Chief Executive Officer and Corporate Secretary.

5. Ensure proper flow of information to the Board to support decision making and to allow adequate lead time for effective study and discussion of business under consideration.

6. Counsel collectively and individually with members of the Board, utilizing their capacities to the fullest extent necessary to optimize the effectiveness of the Board and its Committees.

7. Ensure delegated Committee functions are carried out and reported to the Board.

8. Conduct peer reviews through a process involving meeting with each Director individually.

9. Ensure a process is in place to assess the effectiveness of the overall Board.

10. Provide the Board, Committees and individual Directors with leadership to assist them in their duties and responsibilities.

11. Ensure sufficient time during Board meetings to fully discuss agenda items.

12. Ensure that the boundaries between Board and Management responsibilities are clearly understood and respected and that relationships between the Board and Management are conducted in a professional and constructive manner.

13. Facilitate effective communication between Directors and Management, both inside and outside of Board meetings.

Appendix C

EMERA INCORPORATED
BOARD OF DIRECTORS CHARTER

The fundamental responsibility of the Board of Directors (the "Board") is to provide stewardship and governance to Emera to ensure the viability of the company by overseeing management of the business. In addition to the powers set out in Emera's Articles of Association, the Board shall have the following duties and responsibilities.

1. The management of the business of Emera shall be vested in the Directors pursuant to the Articles of Association.

2. The Board shall perform such duties and approve certain matters as may be required by applicable legislation and the Articles of Association.

3. The Board shall be comprised of a number of Directors as set out in Emera's Articles of Association.

4. The Board shall be comprised of a majority of independent directors as required by applicable legislation.

5. Pursuant to the Articles, the directors shall appoint one of the directors as Chair of the Board and such director shall not be an employee of Emera or any of its affiliates or subsidiaries.

6. The Chair shall be independent as required by applicable legislation.

7. The Board, in carrying out its mandate, shall appoint committees of the Board and delegate certain functions to those committees, each of which shall have its own written Charter.

8. The Board shall appoint executive officers, delegate the necessary authority for the conduct of the business thereto, evaluate the performance, and approve compensation for executive officers.

9. The Board shall adopt a strategic planning process resulting in a strategic plan which shall be approved on an annual basis and shall take into account, among other things, the opportunities and risks of the business.

10. The Board shall ensure that appropriate systems are implemented to identify, report, and manage business risks.

11. The Board shall review and approve all material acquisitions, dispositions, projects, business plans, and budgets.

12. The Board will review the financial performance of the Company, declare dividends as appropriate, and approve financial results for release to the public as necessary.

13. The Board shall review and ensure the quality and integrity of Emera's internal controls and management information systems.

14. The Board shall ensure that Emera has a formal corporate disclosure policy and a program to receive feedback from shareholders.

15. The Board shall ensure that Emera has a business code of ethical business conduct and a procedure to ensure that it is adhered to throughout the Company.

16. The Board shall establish a system of corporate governance appropriate for Emera which includes practices to ensure that the Board functions independent of management and in the interests of its shareholders, has a process for the selection of qualified individuals for board nomination, and the evaluation and compensation of Directors.

17. The Board shall satisfy itself as to the integrity of the Chief Executive Officer and executive officers and the creation of an integrity-based culture throughout the Company.

18. The Board shall, through its oversight of management, continue to foster an organization which operates in an environmentally responsible manner.