



Disclaimer

This Investor Presentation contains certain statements about the future expectations of Enersource Corporation ("Enersource"). These statements are generally identified by words such as "anticipate", "believe", "expect", "estimate", "intend" and the like. Because forward-looking statements involve future risks and uncertainties, actual results may be quite different from those expressed or implied in these statements. The forward-looking statements contained in this Investor Presentation represent Enersource's expectations as of the date of this Investor Presentation and are subject to change after this date. Enersource disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or for any other reason.

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I. Company Overview

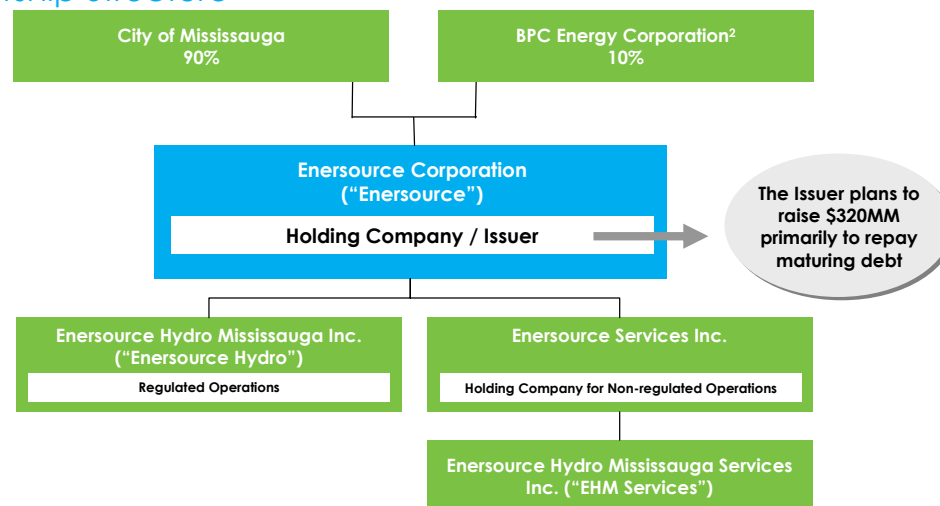


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I. Company Overview

Ownership Structure¹



¹ Excludes two non-operating subsidiaries: Enersource Telecom Inc. (directly owned by Enersource Services Inc.) and Enersource Technologies Inc. (indirectly owned by Enersource Services Inc.).




² A subsidiary of the Ontario Municipal Employees Retirement System ("OMERS").

I. Company Overview

Board of Directors

- Currently composed of the Mayor of the City of Mississauga, seven directors nominated by the City of Mississauga and two directors nominated by BPC Energy Corporation

Shareholders' Agreement

Between
The Corporation of the City of Mississauga

And
BPC Energy Corporation

And
Enersource Corporation

Dated
December 6, 2000

Note: The Shareholders are in discussions relating to revisions to the Shareholders' Agreement



Special Approval of Actions

- Approval by 75% of the Board, including a nominee of BPC Energy Corporation, at a meeting or by unanimous written consent, is required for the Company to, among other actions:
 - Borrow any money, give any security or incur any single capital expenditure in excess of \$2,500,000 or aggregate capital expenditures in excess of \$5,000,000 in any financial year
 - Acquire any business and/or all or substantially all of the assets used in a business
 - Amalgamate, merge or consolidate with other corporations
 - Dispose of any asset with a value in excess of \$2,500,000
 - Any change in the authorized or issued capital

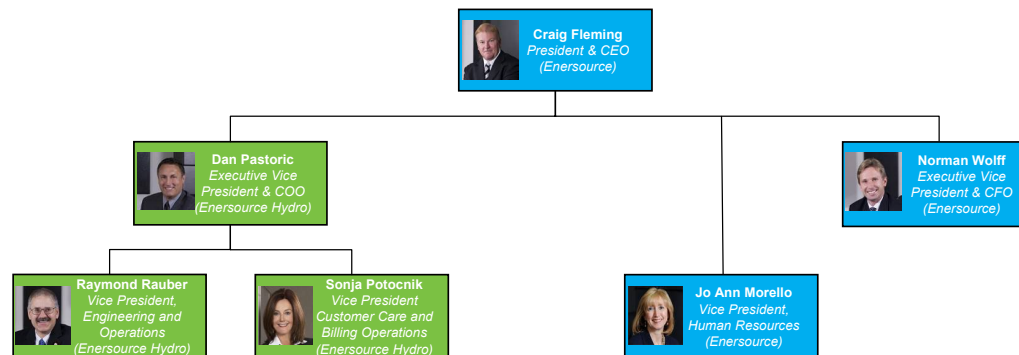
Change of Shareholders

- Any new shareholder must become party to the Shareholders' Agreement

I. Company Overview

Senior Management

- Strong, experienced management team



I. Company Overview

Vision To be a leading energy solutions provider through integrity, innovation, teamwork and excellence

Values We conduct business in a manner that results in the reliable, safe and efficient delivery of electricity and energy solutions while ensuring environmental and fiscal integrity in our operations

Strategic Business Initiatives

Distributor Consolidation

- Acquire adjacent electricity distribution infrastructure of similar or smaller sized utility operations
- Eliminate redundant costs, maximize profitability
- Maintain high service quality in all operating areas

Green Energy Act

- Provide efficient connection of new green energy projects in Mississauga
- No investment in green energy generation projects

Leverage Technology

- Enhance distribution system operations through automation
- Utilize new technologies for distribution system predictive failure analysis

Non-Regulated Business Growth

- Leverage core competencies with existing customers
- Grow business with new customer contracts

I. Company Overview

Enersource Corporation

| Issuer | Enersource Corporation ("Enersource") | | | | | | | | | | | | | | | | | |
|------------------------------|--|----------------|---------------|----------------|------------------|---------|-----|--------------------------|-------|----|----------|---------------|----------------|------------------|---------|-----|--------------------------|--------|
| Business | Provides corporate governance and administrative and support services to operating subsidiaries | | | | | | | | | | | | | | | | | |
| Consolidated 2010 Financials | <ul style="list-style-type: none">Consolidated revenues of \$656MMConsolidated total assets of \$722MMConsolidated total debt/total capitalization¹ of 55% | | | | | | | | | | | | | | | | | |
| | <div><div><p>Enersource Revenues (2010)</p><table><caption>Enersource Revenues (2010)</caption><thead><tr><th>Category</th><th>Amount (\$MM)</th><th>Percentage (%)</th></tr></thead><tbody><tr><td>Enersource Hydro</td><td>\$648MM</td><td>99%</td></tr><tr><td>Non-regulated Operations</td><td>\$8MM</td><td>1%</td></tr></tbody></table></div><div><p>Enersource Assets (2010)</p><table><caption>Enersource Assets (2010)</caption><thead><tr><th>Category</th><th>Amount (\$MM)</th><th>Percentage (%)</th></tr></thead><tbody><tr><td>Enersource Hydro</td><td>\$693MM</td><td>96%</td></tr><tr><td>Non-regulated Operations</td><td>\$29MM</td><td>4%</td></tr></tbody></table></div></div> | Category | Amount (\$MM) | Percentage (%) | Enersource Hydro | \$648MM | 99% | Non-regulated Operations | \$8MM | 1% | Category | Amount (\$MM) | Percentage (%) | Enersource Hydro | \$693MM | 96% | Non-regulated Operations | \$29MM |
| Category | Amount (\$MM) | Percentage (%) | | | | | | | | | | | | | | | | |
| Enersource Hydro | \$648MM | 99% | | | | | | | | | | | | | | | | |
| Non-regulated Operations | \$8MM | 1% | | | | | | | | | | | | | | | | |
| Category | Amount (\$MM) | Percentage (%) | | | | | | | | | | | | | | | | |
| Enersource Hydro | \$693MM | 96% | | | | | | | | | | | | | | | | |
| Non-regulated Operations | \$29MM | 4% | | | | | | | | | | | | | | | | |
| Employees | 399 full time employees on a consolidated basis | | | | | | | | | | | | | | | | | |
| Credit Ratings | <ul style="list-style-type: none">Credit rating of A/Stable from DBRSCredit rating of A/Stable from S&P | | | | | | | | | | | | | | | | | |

¹Total debt/total capitalization = (bonds payable plus outstanding bank credit facility) / (total debt plus shareholder's equity).

I. Company Overview

Enersource Hydro

| | |
|------------------------|---|
| Business | Third largest municipally-owned LDC ¹ by peak demand in Ontario |
| History | Successor to the energy distribution business of the Mississauga Hydro Electric Commission which served Mississauga since 1917 |
| Regulation | Regulated by the Ontario Energy Board ("OEB") under the Electricity Act (1998) |
| Customer Base | Over 190,000 customers (approximately 4% of Ontario's electricity customer base) |
| 2010 Financials | <ul style="list-style-type: none">• Revenues of \$648MM (representing 99% of Enersource's consolidated revenues)• Assets of \$693MM (representing 96% of Enersource's consolidated assets) |
| Employees | 324 full time employees |

¹ LDC = local distribution company.


I. Company Overview

EHM Services

| | |
|-----------------|--|
| Business | Provides electrical infrastructure design, construction, operations support and maintenance to utility operations and the private sector |
| 2010 Financials | <ul style="list-style-type: none">• Revenues of \$8MM (representing 1% of Enersource's consolidated revenues)• Assets of \$13MM (representing 2% of Enersource's consolidated assets) |
| Employees | 22 full time employees |

I. Company Overview

Enersource Hydro is one of the largest municipally-owned LDCs in Ontario to access the bond market¹

| Issuer | [REDACTED] | [REDACTED] |  | [REDACTED] | [REDACTED] |
|--|------------|------------|--|------------|------------|
| Rate Base ^{2,3} (\$MM) | [REDACTED] | [REDACTED] | 496.6 | [REDACTED] | [REDACTED] |
| Peak Demand ^{2,4} (MM kW) | [REDACTED] | [REDACTED] | 1.5 | [REDACTED] | [REDACTED] |
| Gross Revenues ⁵ (\$MM) | [REDACTED] | [REDACTED] | 577.0 | [REDACTED] | [REDACTED] |
| Net Revenues ^{5,6} (\$MM) | [REDACTED] | [REDACTED] | 132.8 | [REDACTED] | [REDACTED] |

¹ LDC or LDC holding company; Excludes LDCs that issued through Electricity Distributors Finance Corporation.

² Represents regulated utility in cases where the issuer is a holding company.

³ Source: Credit rating reports.

⁴ Source: 2009 Yearbook of Electricity Distributors (OEB).

⁵ Source: 2009 Financial Statements.

⁶ Net revenues = gross revenues less revenues from energy sales on a consolidated basis.

II. Enersource Hydro



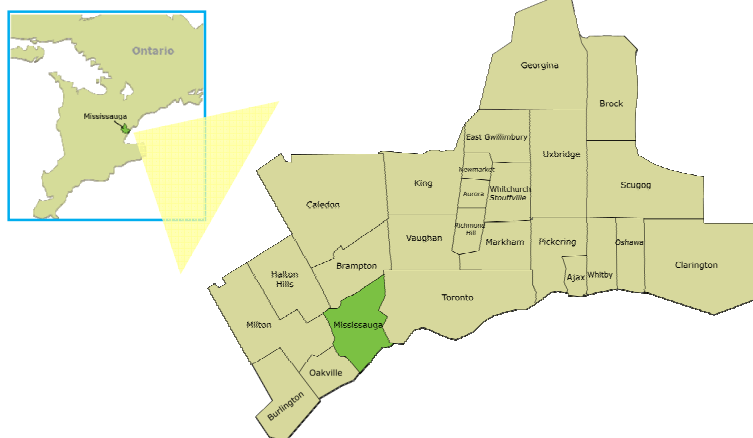
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II. Enersource Hydro

Service Area

- Mississauga is the sixth-largest municipality in Canada by population¹



Service Area

- City: Mississauga
- Area: 288.4 sq. km
- Population: ~700,000 (projected to rise to 812,000 by 2031)

Enersource Hydro Infrastructure

- 126 sub-transmission feeders
- 102 substation transformers
- 311 distribution system feeders
- 1,808 km of overhead lines and 3,360 km of underground cable
- 65 municipal substations

¹ DBRS rating report dated April 15, 2010.

II. Enersource Hydro

Employees

- 324 full time employees
- Approximately 69% of employees are represented by the International Brotherhood of Electrical Workers (Local 636)
- Existing 4-year collective agreement expires March 31, 2014
- No work stoppages over the last 16 years (since September 1994)

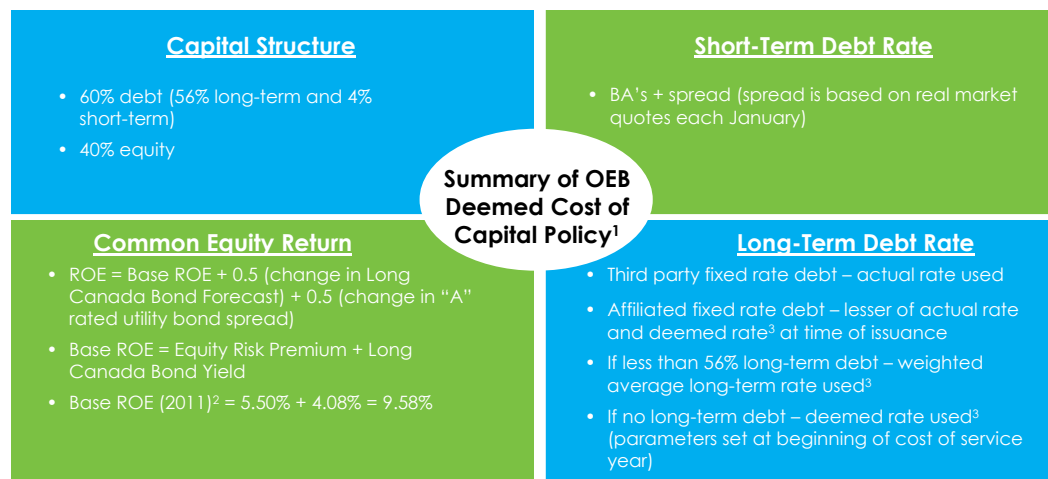
II. Enersource Hydro

Regulation

- Distribution rates are determined from an annual revenue requirement derived from a specified rate base and a deemed capital structure
 - Rates set to recover cost of service (including interest and depreciation) and provide a permitted Return on Equity ("ROE")
 - Enersource Hydro's current annual revenue requirement is \$116.0MM on a rate base of \$496.6MM
 - Enersource Hydro's ROE is currently 8.57% (as set in the 2008 Cost of Service application) and applies until the end of 2012
- LDCs submit full Cost of Service applications every four years which determines a new revenue requirement and rate base
 - Enersource Hydro's planned full Cost of Service application is for rates effective January 1, 2013
- Distribution rates can be adjusted in interim years through certain mechanistic and other adjustments
 - On March 17, 2011, the OEB announced a distribution rate increase of 0.18% applicable to Enersource Hydro effective May 1, 2011

II. Enersource Hydro

OEB Cost of Capital Policy



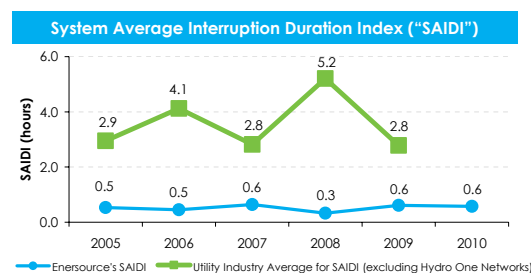
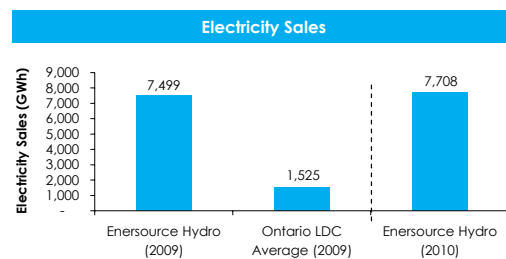
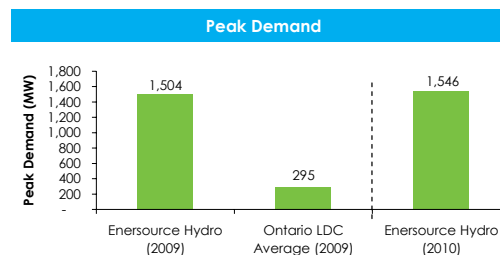
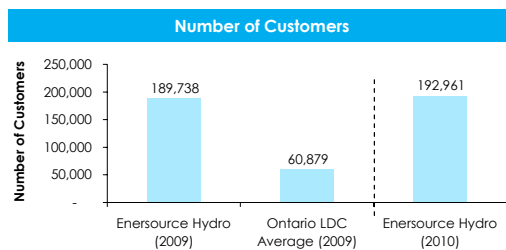
¹ For complete details, see OEB Report of the Board on the Cost of Capital for Ontario's Regulated Utilities (December 11, 2009).

² Applicable to LDCs that made Cost of Service applications for 2011 rates.

³ Deemed rate based on Long Canada Bond Forecast plus an average spread for an "A" rated long-term utility bond.

II. Enersource Hydro

Operating Statistics



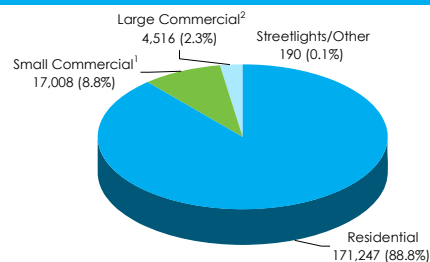
Source: Electricity Distributor Yearbooks, OEB.

II. Enersource Hydro

Customer Profile

- Top five largest customers account for approximately 6.2% of total distribution revenues
 - Largest customer, City of Mississauga, accounts for approximately 2.2% of total distribution revenues
- Other than the top five, no other customer accounts for more than 0.5% of total distribution revenues

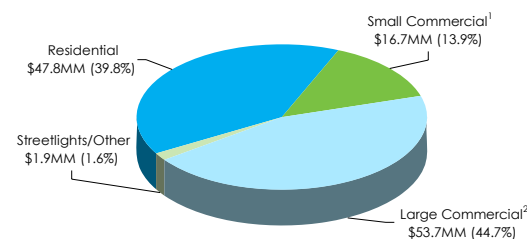
Number of Customers (2010)



¹ Includes OEB General Service <50 kW Customers.

² Includes OEB General Service >50 kW Customers and Larger User (>5000 kW).

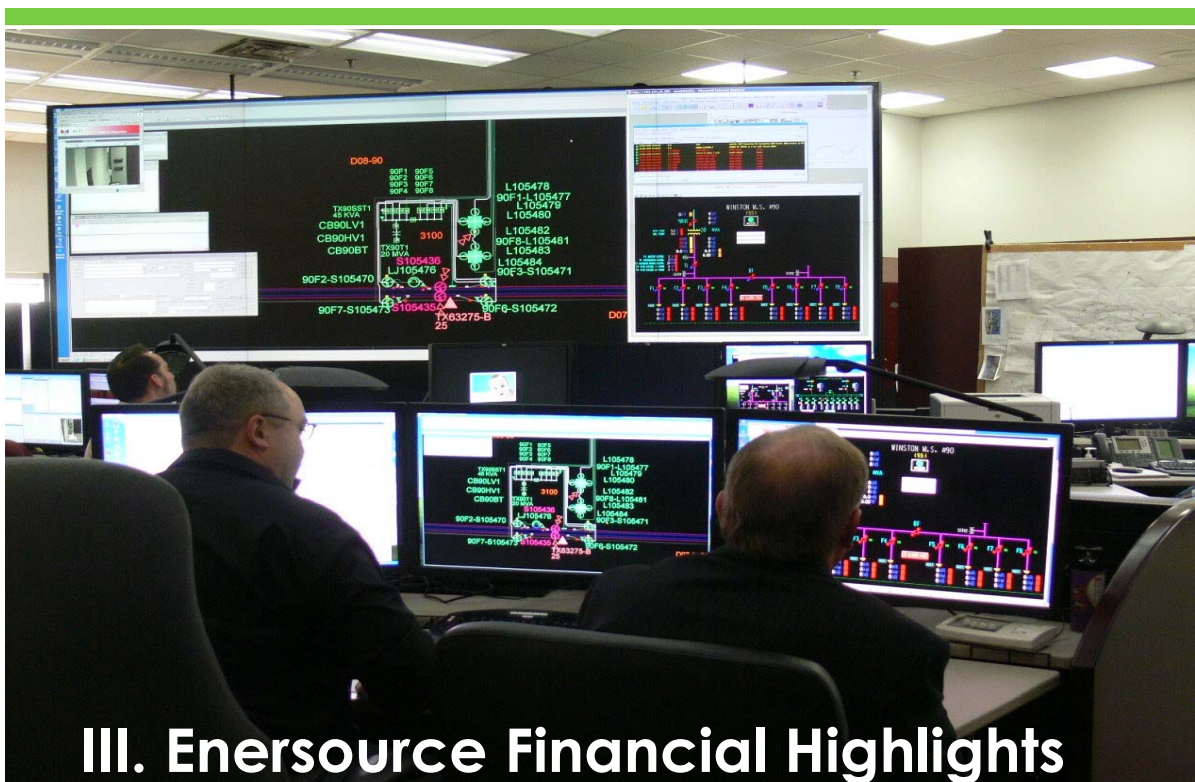
Proportion of Distribution Revenue (2010)



II. Enersource Hydro

Safety and Environmental Matters

| | |
|-----------------------|--|
| Health and Safety | <ul style="list-style-type: none">Enersource Hydro has built a strong safety culture and places safety as the number one priority through training, engagement and continuous reinforcement |
| Environmental Matters | <ul style="list-style-type: none">Enersource Hydro has an Environmental Policy that demonstrates a commitment to pollution prevention, improving environmental performance, compliance with legal requirements and controlling environmental risksThe policy is supported and implemented through Enersource Hydro's Environmental Management System, which is certified to the ISO 14001:2004 standard by an independent registrar |



III. Enersource Financial Highlights

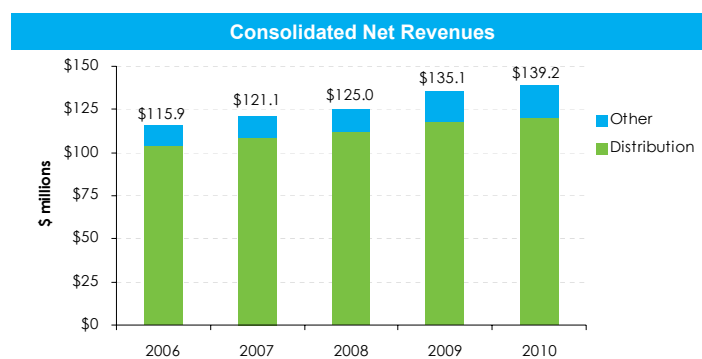
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III. Enersource Financial Highlights

Consolidated Net Revenues^{1,2}

- Distribution revenues have grown consistently over the past five years



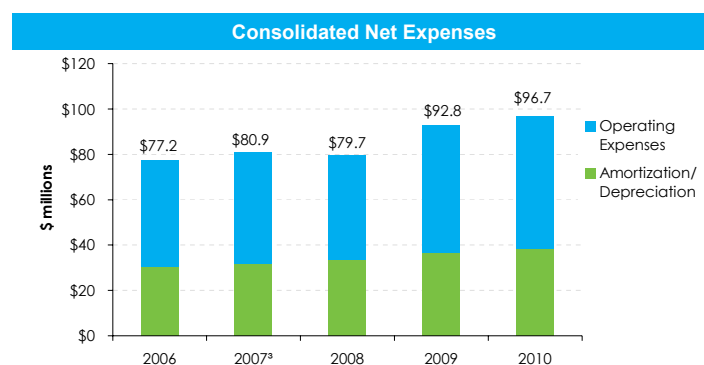
¹ Consolidated net revenues = gross revenues less revenues from energy sales.

² Excludes regulatory account balances.

III. Enersource Financial Highlights

Consolidated Net Expenses^{1,2}

- Increase in 2009 and 2010 primarily due to the implementation of new fully funded conservation programs by the Ontario Power Authority



¹ Consolidated net expenses = total expenses less expenses from energy purchases.

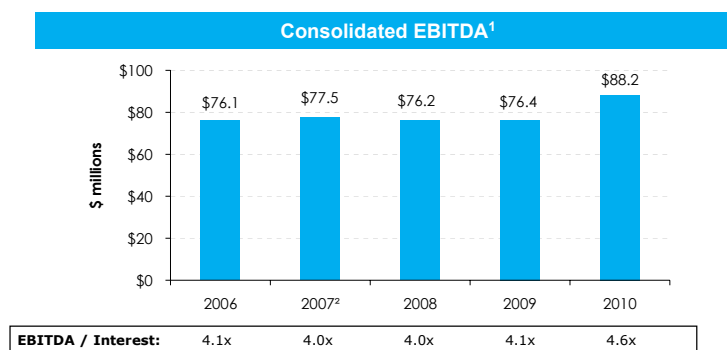
² Excludes regulatory account balances.

³ 2007 financial results were reclassified in 2008 for comparative purposes.

III. Enersource Financial Highlights

Consolidated Earnings

- EBITDA and interest coverage have generally remained stable from 2006 to 2009 and increased in 2010 due primarily to recovery of regulatory variance accounts



¹ EBITDA = operating profit plus total amortization (including amortization of regulatory account balances).

² 2007 financial results were reclassified in 2008 for comparative purposes.

III. Enersource Financial Highlights

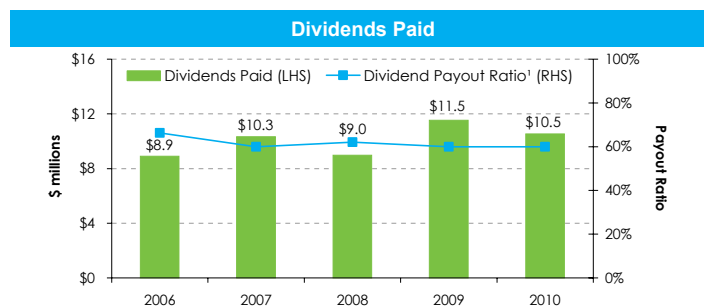
Pension and Employee Future Benefits

- Enersource participates in OMERS, a multi-party contributory defined benefit plan
 - In 2010, Enersource contributed approximately \$2.5MM to the pension plan
 - Enersource may be required by OMERS to increase contributions from time to time in order for OMERS to meet its pension obligations
- Enersource pays certain health, dental and life insurance benefits on behalf of its retired employees
 - Post employment accrued benefit liability of approximately \$4.7MM (2010)

III. Enersource Financial Highlights

Dividend Policy

- Enersource's policy is to pay Shareholders annual non-cumulative dividends of 60% of prior year consolidated net income
- Dividend payments are declared at the discretion of the Board of Directors

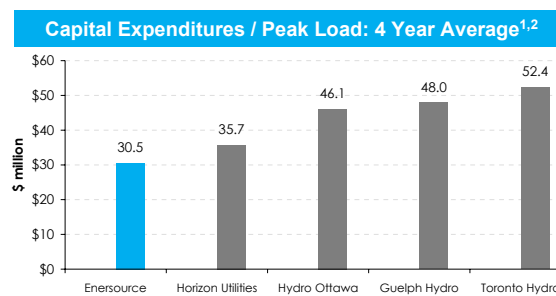
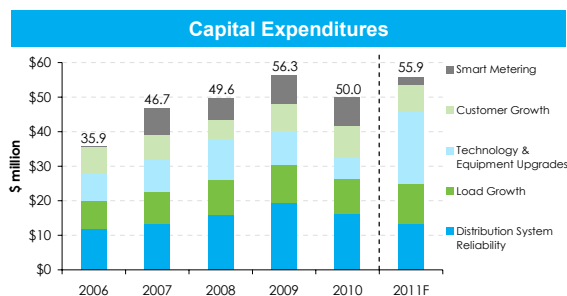


¹ Dividend payout ratio = dividends paid divided by the prior year consolidated net income.

III. Enersource Financial Highlights

Capital Expenditures

- Approximately \$30.6MM spent on smart meter expenditures since 2006; the installation program is substantially complete
- Capital expenditures for 2011 are budgeted at \$55.9MM, to be funded by current cash balances, cash flow from operations and some proceeds of the planned debenture issuance



¹ 2006 - 2009.

² Source: Electricity Distributor Yearbooks, OEB.

III. Enersource Financial Highlights

Debt Summary

- Enersource's debt currently consists of:
 - \$290MM loan from Borealis Infrastructure Trust (raised via issuance of the Borealis-Enersource Series Bonds)
 - Unsecured bank facilities (\$50MM demand facility, \$20MM non-revolving facility, \$5MM line of credit)
- Proceeds of the Debentures will be used primarily to re-finance the \$290MM Borealis Infrastructure Trust loan

| Enersource Debt | Debt Outstanding (\$MM) | |
|------------------------------------|-------------------------|---------------------------|
| | Dec. 31, 2010 | Dec. 31, 2011 (Pro Forma) |
| Borealis Infrastructure Trust Loan | 290 | - |
| Enersource Series A and B Bonds | - | 320 |
| Revolving Bank Facility | - | - |
| Non-Revolving Bank Facility | - | - |
| Revolving Lease Line of Credit | - | - |

IV. Summary of Offering

IV. Summary of Offering






The following is a summary only and is qualified in its entirety by, and should be read in conjunction with, the final Confidential Offering Memorandum (the "Offering Memorandum"). This Investor Presentation forms part of the Offering Memorandum, whether delivered with the Offering Memorandum or separately, and the rights of the purchasers described under "Right of Action for Rescission or Damages" in the Offering Memorandum shall apply in respect of this Investor Presentation as if it were incorporated in the Offering Memorandum in its entirety.

Enersource – Summary Term Sheet

| | |
|------------------------------|--|
| Issuer | Enersource Corporation ("Enersource" or the "Corporation") |
| Amount | Aggregate of \$320 million of Senior Unsecured Debentures (the "Debentures") \$110 million of 4.521% Series A Senior Unsecured Debentures (the "Series A Debentures") \$210 million of 5.297% Series B Senior Unsecured Debentures (the "Series B Debentures") |
| Term to Maturity | Series A Debentures: 10 years Series B Debentures: 30 years |
| Repayment | Principal repayable in full at maturity |
| Redemption | The greater of the Canada Yield Price and 100% of the principal amount of the Debentures being redeemed |
| Key Covenants | <ul style="list-style-type: none"> Negative Pledge subject to Permitted Encumbrances Consolidated Funded Obligations not to exceed 75% of Total Consolidated Capitalization Restrictions on mergers and disposition of assets unless, among other things, the successor assumes the covenants and obligations of the Corporation under the trust indenture |
| Key Events of Default | <ul style="list-style-type: none"> Failure to pay principal or interest owing in respect of the Debentures Failure to perform any other covenant Payment defaults on, or acceleration of, Indebtedness exceeding the greater of \$25 million and 10% of Consolidated Net Worth of the Corporation Certain events of bankruptcy, insolvency or reorganization of the Corporation or a Material Subsidiary under bankruptcy or insolvency laws |
| Credit Ratings | Credit ratings of A/Stable from DBRS and A/Stable from S&P |
| Use of Proceeds | The net proceeds of the Debentures will be used to repay the amount owed by the Corporation to Borealis Infrastructure Trust due May 2, 2011 and the balance will be used for general corporate purposes including capital expenditures |

IV. Summary of Offering

Investment Highlights

-  • Credit ratings of A/Stable from DBRS and A/Stable from S&P
-  • Low-risk monopoly electricity distribution business
-  • Stable and consistently strong financial performance
-  • Supportive shareholders
-  • Stable regulatory environment