

# ***Emera Energy Services***

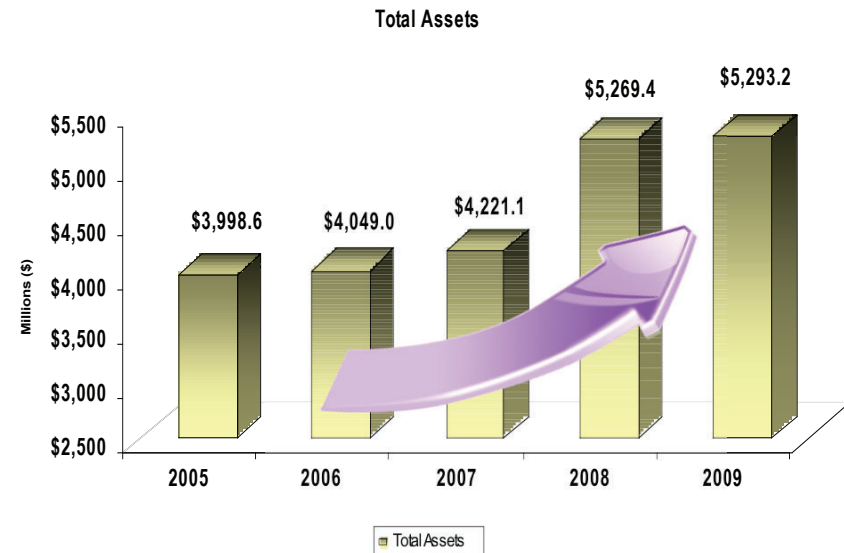
***IGUA Spring Seminar  
May 7, 2010***

# Discussion Outline

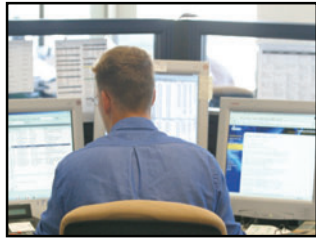
- **Emera Inc Overview**
- **Emera Energy Inc.**

# Emera Inc.

- Strong foundation from regulated energy business
- Toronto Stock Exchange Symbol: EMA
- \$5.3 billion in assets
- Credit rating: S&P: BBB+



# Emera Inc. | Business Portfolio



## Emera Energy

- Full service gas and power marketer
- Halifax, Nova Scotia
- Focus in Northeast
- Manage gas and power assets



## Maritimes & Northeast Pipeline

- 875 mile pipe from Nova Scotia to Massachusetts.
- 830 MMbtu/d
- 12.9% ownership
- Partnered with: Spectra and Exxon



## Brunswick Pipeline

- 90 mile pipe from New Brunswick to Maine
- 750 MMbtu/d
- 100% ownership



## Nova Scotia Power

- Vertically integrated power utility
- 2400MW
- Gas, wind, hydro, coal
- 100% ownership of generation



## Bayside

- 260 MW
- Saint John, New Brunswick
- 100% ownership



## Caribbean

- Grand Bahamas Power:
- 19,000 customers
  - 25% ownership
- St. Lucia Electricity
- 50,000 customers
  - 19% ownership



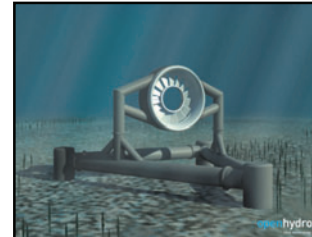
## Bangor Hydro

- Maine transmission and distribution
- 117,000 customers
- 100% ownership



## Bear Swamp

- Massachusetts 600 MW pumped-storage hydro facility
- 50% ownership



## Open Hydro

- Tidal turbine test in Bay of Fundy
- 8.2% ownership in Irish company

# Emera Energy | At a glance

**Market:  
Northeast**

## **Established in 2002 to accelerate Emera Inc's expansion into new markets**

- Initially focused on the Nova Scotia Sable Island offshore energy project
- Core regions include: New England, New York, Nova Scotia, New Brunswick, and Ontario
- 40 employees in our Marketing group

**Activities:  
Gas And Power**

## **Primary activities include:**

- Natural gas and power marketing, trading, and scheduling
- Transportation, storage, and transmission management
- Provide customized comprehensive energy management services for gas producers and end users
- Manage power generation assets including gas fired power plants (Greenfield Energy Centre, Sarnia)
- Price risk management- Full slate of financial product offering

# Emera Energy | Value Proposition



- Extensive experience and market knowledge of the US Northeast and the Canadian pipeline network
- Responsive service levels backed by a 24/7 trading and scheduling desk
- Low risk, predictable and long-term business approach dedicated to physical asset-backed trading and optimization
- Diverse and well-established counterparty network including natural gas producers, IPP's, LDCs, industrials, pipelines, and marketers.
- Solid credit and financial stability coupled with comprehensive credit and risk policies. Financial guarantees from Emera, Inc. when required
- Expertise in US and Canadian regulatory environments
- Funding available for equity positions in qualified energy ventures

# Forward Looking Statements

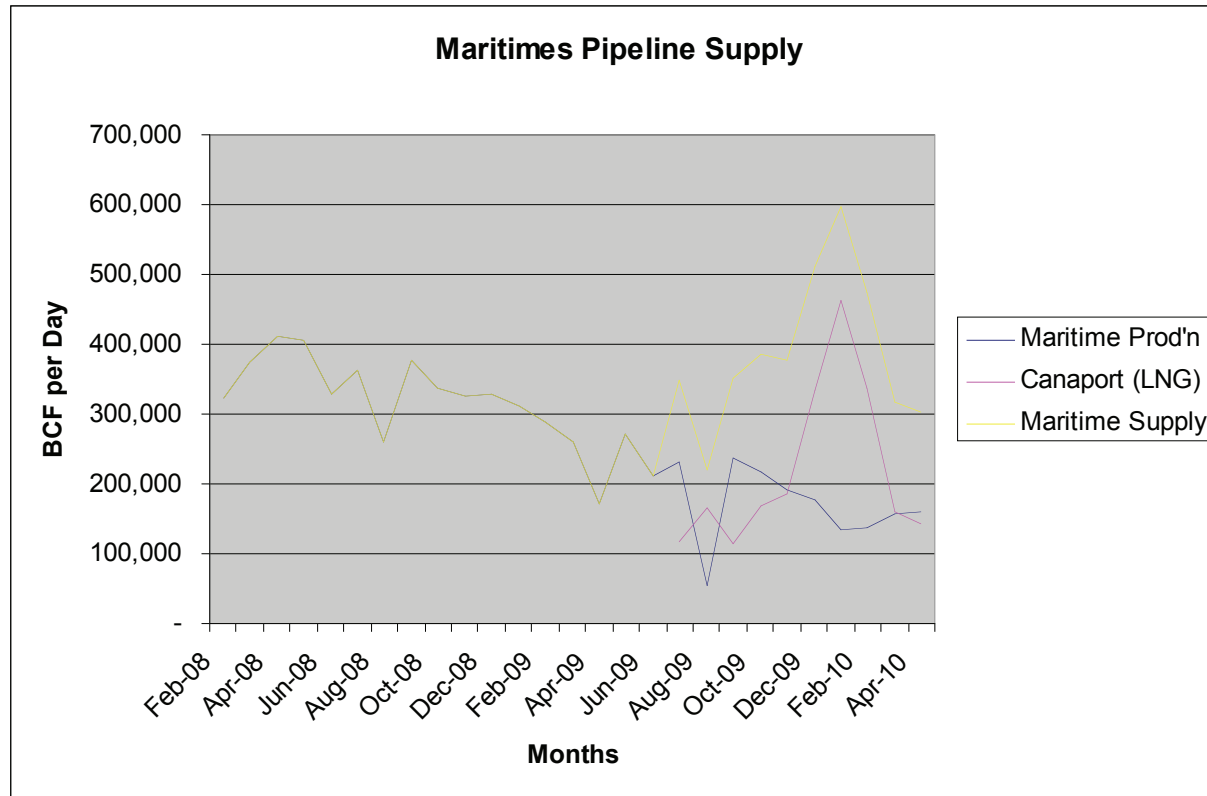
Certain information provided in this presentation constitutes forward-looking statements. The words “*anticipate*,” “*expect*,” or “*project*,” and similar expressions are intended to identify such forward-looking statements. Although Emera believes such statements are based on reasonable assumptions, 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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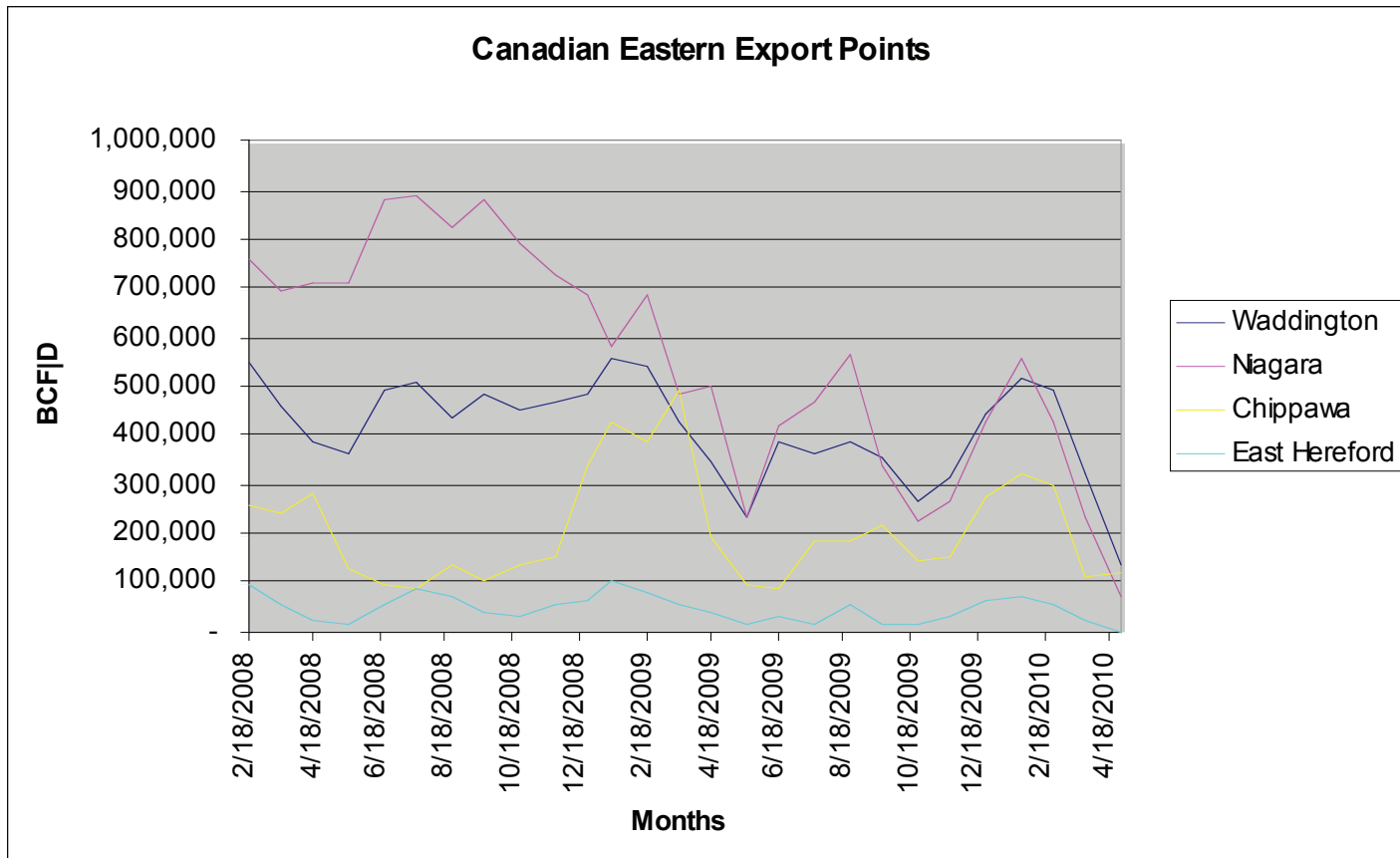
# Agenda

- LNG The North East Effect
  - The Ripple
  - Marcellus The 700 lb Gorilla
  - Conclusion
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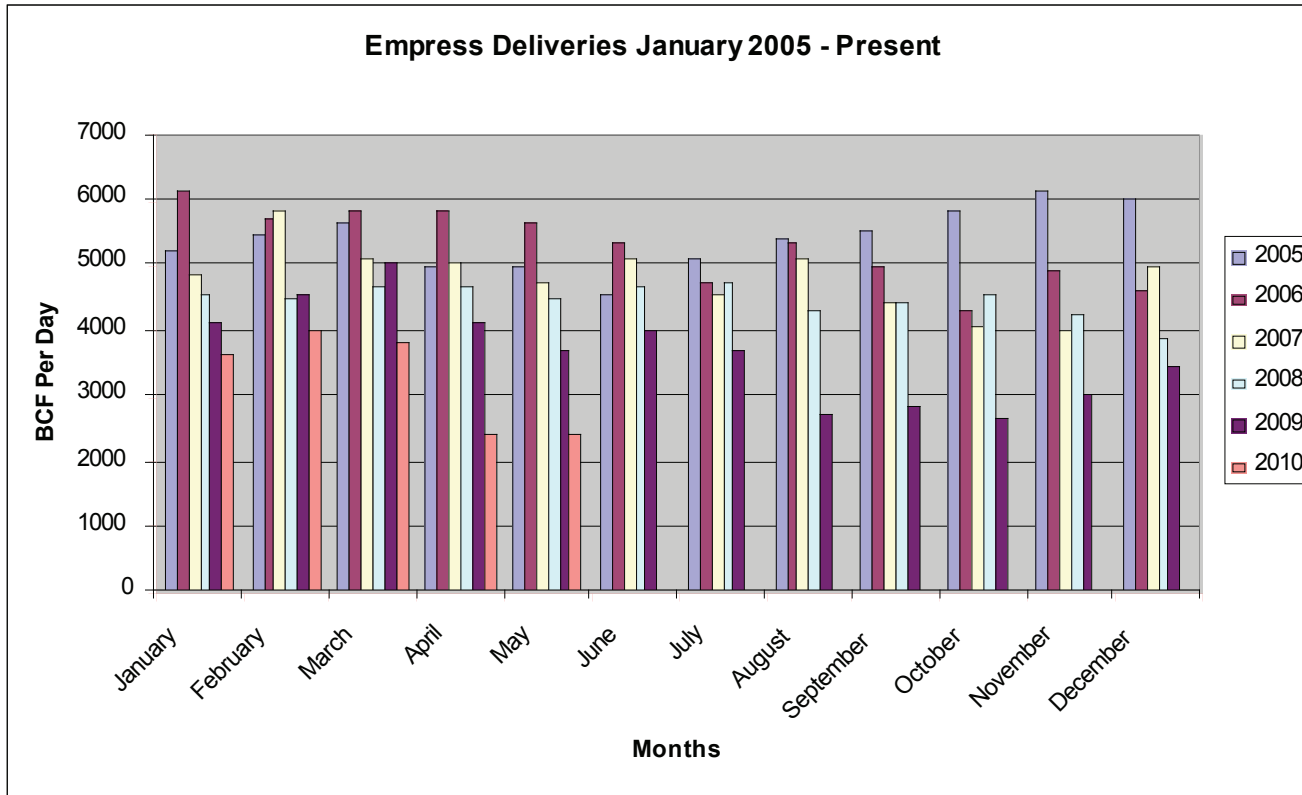
# Maritimes US Pipeline Supply



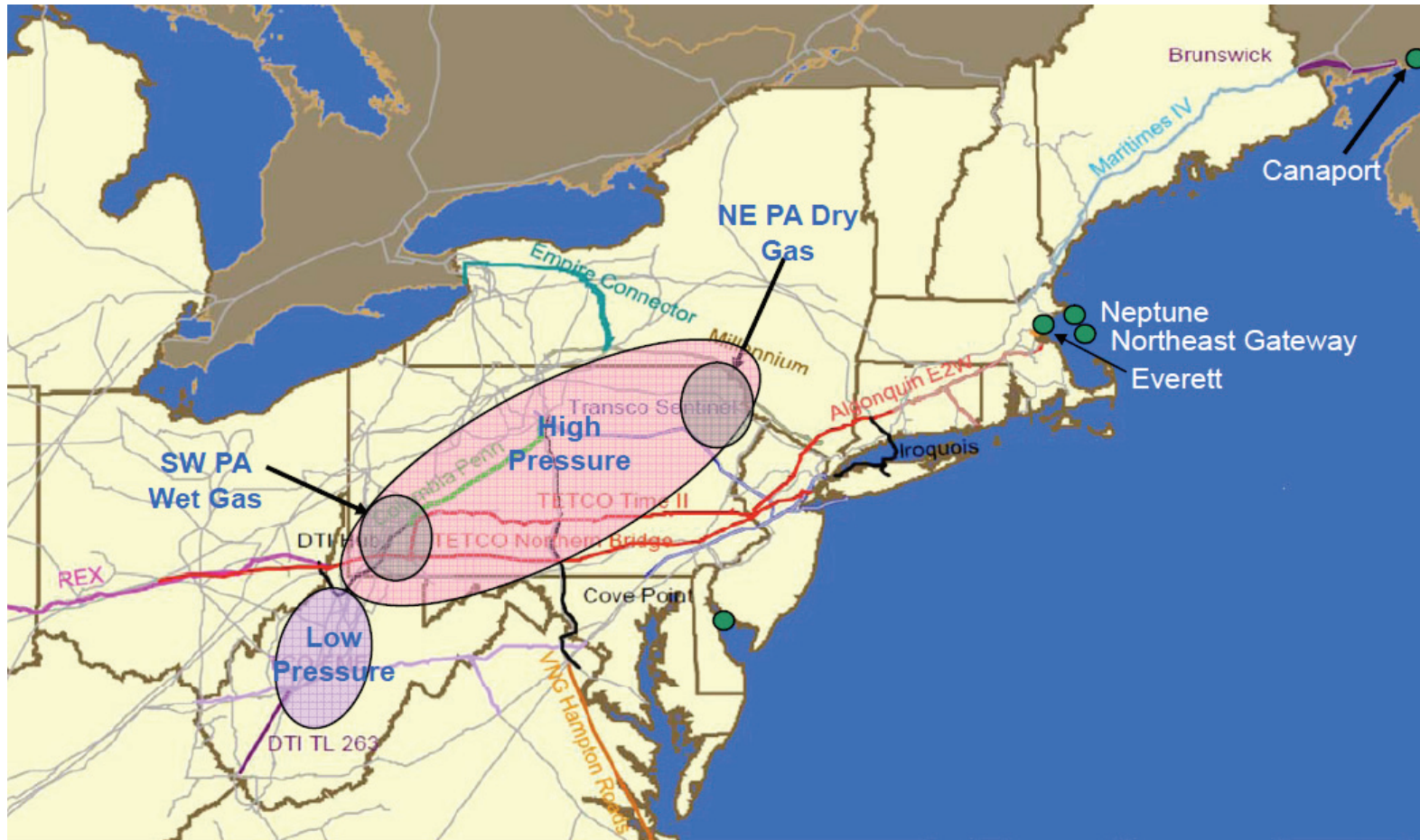
# Canadian Eastern Export Points



# Empress Deliveries



# Marcellus | Region



# Marcellus | Situation

**Explosive growth**

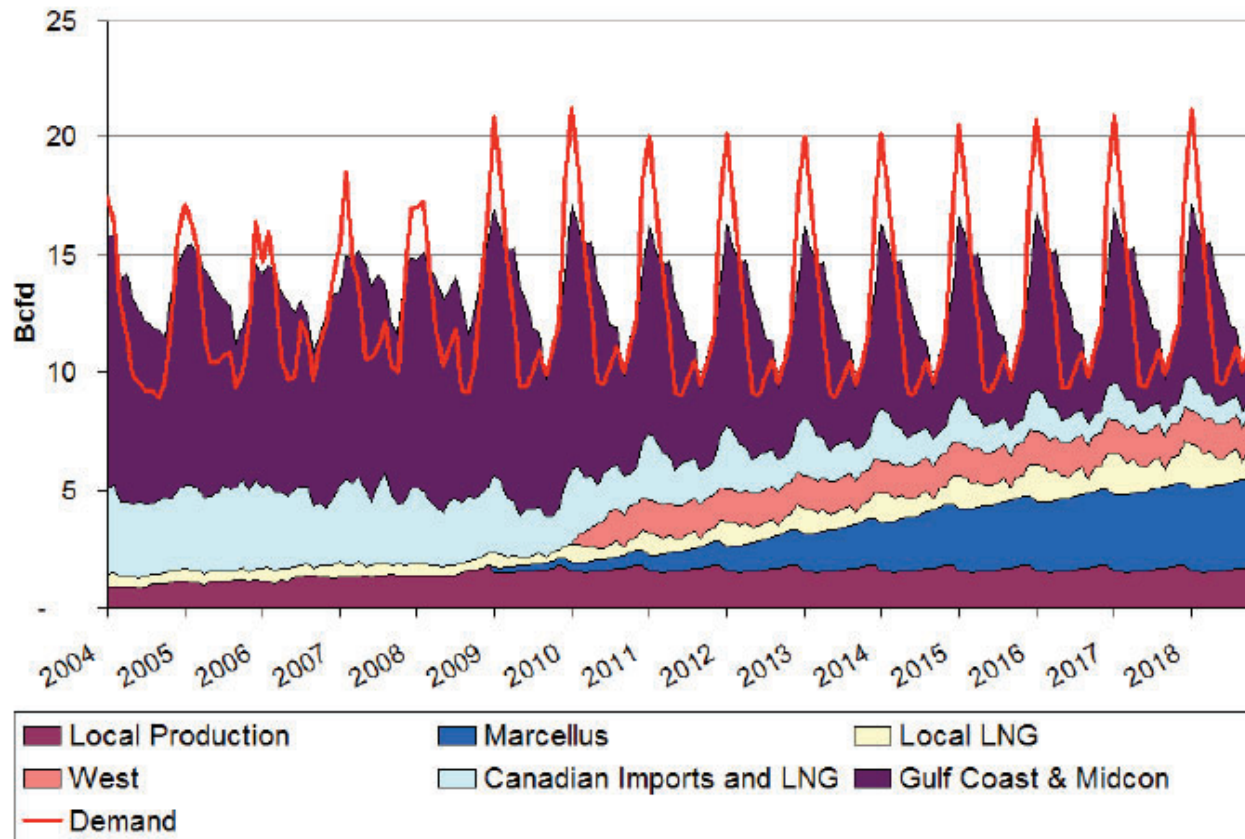
**Immense resource base**

**Transport challenges**

**Pricing uncertainty**

- **Examples of Marcellus pricing opportunities:**
  - Pay \$0.15 - \$0.40 to Niagara
  - Pay \$0.80 - \$1.10 to go to Boston/NY
  - Pay \$0.21 to move zone south (backhaul)

# Marcellus | Market Share Projection



\*Graph above courtesy of the Federal Energy Regulatory Commission, presented on Feb 23rd 2010 in Halifax N.S. by Chris Ellsworth – Division of Energy Market Oversight

- Northeast consumes approximately 10 Bcfd
- Marcellus could supply 30-50% of Northeast market

# Marcellus Pipeline Projects

- Many Proposed  
(Empire, Tenn, Iroquois, Transco plus many other)
  - Near term Projects will ship gas to Canada  
(November 2011)
  - Other project in service Nov 2013/14
  - NIMB issues any new build into New York
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# Conclusions

- LNG will continue to find North America Market in the short term and Near term
  - Marcellus production and LNG will and is displacing Canadian exports to Eastern US Market
  - WCSB will continue to lose market share in Eastern Canada and the US unless it can become competitively priced against the new Marcellus production.
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# Attendez l'inattendu

