

2010 Historic Dividend Information

Dividends paid by Enerplus to taxable individual Canadian shareholders from February through June 2011 qualified for the regular dividend tax credit resulting in an effective tax rate of 28% - 41% depending upon the shareholder's provincial jurisdiction and individual circumstances. Enerplus' dividends were not immediately eligible for the enhanced dividend tax credit as we had previously acquired Canadian private corporations that had low rate income and this income needed to be paid out at the regular dividend tax credit rate before the enhanced tax credit can be applied. Canadian investors who hold Enerplus shares in tax deferred accounts should see no impact on the tax treatment of their investment in our shares.

Commencing in July 2011, dividends paid by Enerplus to Canadian shareholders qualify for the enhanced dividend tax credit resulting in an effective tax rate of 18% - 36%, for those individuals in the highest marginal tax bracket, depending upon provincial jurisdiction and individual circumstances.

There was no return of capital portion with respect to our dividend for Canadian tax purposes in 2011. The actual taxable amounts of dividends paid will be communicated to shareholders via a T5 prepared by their brokers.

Investors who converted their trust units into shares as part of our corporate conversion in 2011 are still required to reduce the cost base of their holdings by the amount of the non-taxable return of capital paid up to December 31, 2010. Investors in Enerplus after January 1, 2011 will not be required to make any adjusted cost base reductions for 2011 as long as we do not make any return of capital payments.

Enerplus offers an [adjusted cost base \("ACB"\) calculator](#) to assist investors with their ACB calculation. To the extent an investor's ACB is reduced below zero, any future non-taxable return of capital payments will be deemed to be a capital gain and the investor's cost base will become zero.

Shareholders are advised to consult their tax advisors regarding questions relating to the tax treatment of Enerplus dividends and the computation of the adjusted cost base of their investment.