

## **Just Energy Income Fund 2010 Canadian Tax Information**

The following is intended to provide individual **Canadian** Unitholders of the Just Energy Income Fund (“JEIF”) additional information to assist in the preparation of their 2010 Canadian T1 Income Tax returns:

### **Trust Units held within an RRSP, RRIF, RESP or DPSP**

If the investment in the JEIF trust units is held within one of these plans, no amounts related to the trust unit distributions need to be reported in the Unitholder’s 2010 T1 Income Tax return.

### **Trust Units held outside of an RRSP, RRIF, RESP or DPSP**

Unitholders who held their JEIF trust units outside of an RRSP, RRIF, RESP or DPSP, through a broker or other intermediary and received cash distributions during the period, will receive “T3 Supplementary” slips directly from their broker or intermediary, not from the transfer agent or JEIF.

The attached schedule “2010 Tax Allocation” includes supplementary information on the taxable portion of the 2010 distributions and is shown on a **per unit** basis. Taxable amounts allocated by JEIF in 2010 to the Unitholders must be reported by the Unitholders in their 2010 Income Tax returns.

Accordingly, the taxable amount of all distributions (i.e. “Other Income” Box (26) on the T3 slips) with respect to record dates from February 15, 2010 up to and including December 15, 2010 are included in your 2010 “T3 Supplementary”. The deadline for mailing all T3 Supplementary Information slips as required by Canada Revenue Agency is March 31, 2011.

### **Adjusted Cost Base for Capital Gains Purposes**

JEIF Unitholders are required to reduce the Adjusted Cost Base of their units by any distributions received in the form of a Return of Capital (i.e. Box (42) “Amount resulting in cost base adjustment” on the T3 slips). However, there are no Return of Capital component in the Fund’s 2010 distributions.

The Adjusted Cost Base is used in calculating capital gains or losses on the disposition of the JEIF units if the units are held as capital property by the owner.

**This information is not exhaustive of all possible Canadian income tax considerations, but is a general guideline and is not intended to be legal or tax advice to any particular holder or potential holder of JEIF units. Holders or potential holders of JEIF units should consult their own legal and tax advisors as to their particular tax consequences of holding JEIF units.**