

**e n e r P L U S**  
R E S O U R C E S F U N D

**NOTICE OF ANNUAL GENERAL MEETING AND  
INFORMATION CIRCULAR AND PROXY STATEMENT**

**With Respect to the  
Annual General Meeting of Unitholders  
to be Held on Friday, May 8, 2009**

**March 13, 2009**

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### NOTICE TO UNITHOLDERS

Enerplus Resources Fund (the "Fund") has filed its audited annual consolidated statements for the year ended December 31, 2008 with the U.S. Securities Exchange Commission in its annual report on Form 40-F, available on the internet as an EDGAR filing at [www.sec.gov](http://www.sec.gov), and with the Canadian securities regulatory authorities, available on the internet on the Fund's SEDAR profile at [www.sedar.com](http://www.sedar.com). These financial statements are also available on the Fund's website at [www.enerplus.com](http://www.enerplus.com). Any securityholder of the Fund may receive a hard copy of the Fund's audited annual consolidated financial statements for the year ended December 31, 2008 and/or interim consolidated financial statements released throughout 2009 free of charge upon request to the Fund at Suite 3000, The Dome Tower, 333 - 7<sup>th</sup> Avenue S.W., Calgary, Alberta, Canada, T2P 2Z1, Attention: Investor Relations, or by telephone (1.800.319.6462) or email ([investorrelations@enerplus.com](mailto:investorrelations@enerplus.com)).

# enerPLUS

R E S O U R C E S F U N D

## NOTICE OF ANNUAL GENERAL MEETING OF UNITHOLDERS

To Be Held On  
Friday, May 8, 2009

NOTICE IS HEREBY GIVEN that the annual general meeting (the "**Meeting**") of the holders (the "**Unitholders**") of trust units ("**Trust Units**") of ENERPLUS RESOURCES FUND (the "**Fund**") will be held in the Lecture Theatre at the Metropolitan Centre, 333 - 4<sup>th</sup> Avenue S.W., Calgary, Alberta on Friday, May 8, 2009 at 11:00 a.m. (Calgary time) for the following purposes:

1. to receive the consolidated financial statements of the Fund for the year ended December 31, 2008, together with the auditors' report on those statements;
2. to nominate the directors of EnerMark Inc.;
3. to appoint the auditors of the Fund; and
4. to transact any other business which may properly come before the Meeting.

The specific details of the matters proposed to be put before the Meeting and the text of certain of the resolutions proposed are set forth in the Information Circular and Proxy Statement that accompanies this Notice.

Holders of Class B limited partnership units ("**EELP Exchangeable LP Units**") of the Fund's subsidiary, Enerplus Exchangeable Limited Partnership (each of which units is exchangeable, at any time by the holder thereof, into 0.425 of a Trust Unit for no additional consideration) are also entitled to receive notice of, attend and vote at the Meeting, as set forth in more detail in the Information Circular and Proxy Statement and the Voting Direction for Holders of Enerplus Exchangeable Limited Partnership Class B Limited Partnership Units that accompany this Notice.

Every registered holder of Trust Units and EELP Exchangeable LP Units at the close of business on March 20, 2009 (the "**Record Date**") is entitled to receive notice of and vote their Trust Units and/or EELP Exchangeable LP Units at the Meeting on the basis of one vote for each Trust Unit held and 0.425 of a vote for each EELP Exchangeable LP Unit held. No person acquiring Trust Units or EELP Exchangeable LP Units after such date is entitled to vote at the Meeting or any adjournment thereof.

The quorum for this Meeting is two or more individuals present in person or by proxy representing at least 5% of the aggregate outstanding Trust Units and Trust Units that may be issued upon the exchange of outstanding EELP Exchangeable LP Units.

**Unitholders are requested to complete, sign, date and return the accompanying form of proxy or voting instruction form (each referred to as a "Form of Proxy") in the envelope provided, or vote by telephone or the internet in accordance with the instructions that may be included in the Form of Proxy. Non-registered Unitholders (being Unitholders who hold their Trust Units through brokerage accounts or other intermediaries) who wish to appear in person and vote at the Meeting must appoint themselves as proxy by inserting their name in the blank space provided on the Form of Proxy and returning the Form of Proxy in the envelope provided or by appointing themselves as proxy on the internet by following the instructions that may be included in the Form of Proxy. To be used at the Meeting, the Form of Proxy must be received (either directly or through a Unitholder's broker or other intermediary) by Computershare Trust Company of Canada at the address shown on the envelope provided, not less than 48 hours (excluding Saturdays, Sundays or statutory holidays) before the Meeting or any adjournment(s) thereof. Further instructions with respect to attending the Meeting or voting by proxy are provided in the Form of Proxy and in the Information Circular and Proxy Statement accompanying this Notice.**

Dated at Calgary, Alberta this 13<sup>th</sup> day of March, 2009.

By order of the Board of Directors of  
ENERMARK INC., on behalf of  
ENERPLUS RESOURCES FUND

*"David A. McCoy"*

David A. McCoy  
Vice President, General Counsel  
& Corporate Secretary

# enerplus

R E S O U R C E S F U N D

## INFORMATION CIRCULAR AND PROXY STATEMENT

### General

This Information Circular and Proxy Statement (the "**Information Circular**") is furnished in connection with the solicitation of proxies by Enerplus Resources Fund (the "**Fund**" and, together with its subsidiaries, "**Enerplus**") for use at the annual general meeting (the "**Meeting**") of the holders (the "**Unitholders**") of trust units (the "**Trust Units**") of the Fund to be held in the Lecture Theatre at the Metropolitan Centre, 333 - 4th Avenue S.W., Calgary, Alberta on Friday, May 8, 2009, commencing at 11:00 a.m. (Calgary time), for the purposes set forth in the Notice of Annual General Meeting of Unitholders (the "**Notice of Meeting**") accompanying this Information Circular.

Holders of Class B limited partnership units ("**EELP Exchangeable LP Units**") of the Fund's subsidiary, Enerplus Exchangeable Limited Partnership (each of which units is exchangeable, at any time by the holder thereof, into 0.425 of a Trust Unit for no additional consideration) are also entitled to receive notice of, attend and vote at the Meeting. The EELP Exchangeable LP Units are economically equivalent to 0.425 of a Trust Unit, and under applicable Canadian securities laws, Enerplus Exchangeable Limited Partnership is permitted to satisfy its continuous disclosure obligations by filing and providing to holders of EELP Exchangeable LP Units the continuous disclosure documents of the Fund, including this Information Circular. See " - Voting at the Meeting" below.

Every registered holder of Trust Units and EELP Exchangeable LP Units at the close of business on March 20, 2009 (the "**Record Date**") is entitled to receive notice of and vote their Trust Units and/or EELP Exchangeable LP Units at the Meeting on the basis of one vote for each Trust Unit held and 0.425 of a vote for each EELP Exchangeable LP Unit held. No person acquiring Trust Units or EELP Exchangeable LP Units after such date is entitled to vote at the Meeting or any adjournment thereof.

### Voting at the Meeting

The Fund has two outstanding types of securities that entitle holders to vote generally at meetings of Unitholders, being Trust Units and a special voting right (the "**Special Voting Right**"). The Trust Units and the Special Voting Right vote together as a single class on all matters. Each Trust Unit outstanding on the Record Date is entitled to one vote. A single Special Voting Right has been issued to Computershare Trust Company of Canada as trustee under a voting and exchange trust agreement for the benefit of holders of EELP Exchangeable LP Units. The Special Voting Right is entitled to a number of votes at the Meeting equal to the aggregate number of outstanding EELP Exchangeable LP Units outstanding at the Record Date multiplied by 0.425, being the exchange ratio of EELP Exchangeable LP Units for Trust Units.

Each holder of EELP Exchangeable LP Units is entitled to give Computershare Trust Company of Canada voting instructions for a number of votes equal to the number of that holder's EELP Exchangeable LP Units. The form of Voting Direction for Holders of Enerplus Exchangeable Limited Partnership Class B Limited Partnership Units (the "**Voting Direction**") which accompanies this Information Circular is the means by which a holder of EELP Exchangeable LP Units may authorize the voting of voting rights associated with EELP Exchangeable LP Units at the Meeting. Computershare Trust Company of Canada will exercise each vote only as directed on the Voting Direction. In the absence of voting instructions, Computershare Trust Company of Canada will not exercise the votes associated with EELP Exchangeable LP Units. A holder of EELP Exchangeable LP Units may also instruct Computershare Trust Company of Canada to give a proxy entitling the holder's designee to vote personally the relevant number of votes or to grant to EnerMark management a proxy to vote those votes. The procedures for holders of EELP Exchangeable LP Units to instruct Computershare Trust Company of Canada about voting at the Meeting are explained in further detail in the Voting Direction that has been provided to holders of EELP Exchangeable LP Units with this Information Circular.

**Accordingly, all references to voting by "Unitholders" or the voting of "Trust Units" in this Information Circular shall be deemed to refer to and include voting by the holders of EELP Exchangeable LP Units (through the Special Voting Right).**

## Notice to Beneficial Holders of Trust Units

**The information set forth in this section is of significant importance to many Unitholders of the Fund, as a substantial number of the Unitholders do not hold Trust Units in their own name.** Unitholders who do not hold their Trust Units in their own name (referred to herein as "**Beneficial Unitholders**") should note that only proxies deposited by Unitholders whose names appear on the records of the transfer agent and registrar of the Fund as the registered holders of Trust Units can be recognized and acted upon at the Meeting. If the Trust Units are listed in an account statement provided to a Unitholder by a broker, then in almost all cases those Trust Units will not be registered in the Unitholder's name on the records of the Fund's transfer agent and registrar. Such Trust Units will more likely be registered under the name of the Unitholder's broker or an agent of that broker. In Canada, the vast majority of such Trust Units are registered under the name of CDS Clearing and Depository for Services Inc. or its nominee, CDS & Co., which acts as nominee for many Canadian brokerage firms, and in the United States the vast majority of such Trust Units are registered under the name of The Depository Trust Company or its nominee, Cede & Co., which acts as nominee for many U.S. brokerage firms. Trust Units held by brokers or their nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Unitholder. Without specific instructions, the brokers/nominees are prohibited from voting Trust Units for their clients. Enerplus does not know for whose benefit the Trust Units registered in the name of CDS & Co. or Cede & Co. are held.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Unitholders in advance of securityholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Unitholders in order to ensure that their Trust Units are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Unitholder by its broker is identical to the form of proxy provided to registered Unitholders; however, its purpose is limited to instructing the registered Unitholder how to vote on behalf of the Beneficial Unitholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically mails a scannable "voting instruction form" in lieu of the form of proxy. Beneficial Unitholders are requested to complete and return the voting instruction form to Broadridge by mail or facsimile. Alternatively, Beneficial Unitholders can call a toll-free telephone number or access Broadridge's dedicated voting website (each as noted on the voting instruction form) to deliver their voting instructions and vote the Trust Units held by them. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Trust Units to be represented at the Meeting. A Beneficial Unitholder receiving a voting instruction form cannot use that voting instruction form to vote Trust Units directly at the Meeting as the voting instruction form must be returned as directed by Broadridge well in advance of the Meeting in order to have the Trust Units voted. Beneficial Unitholders who receive forms of proxies or voting materials from organizations other than Broadridge should complete and return such forms of proxies or voting materials in accordance with the instructions on such materials in order to properly vote their Trust Units at the Meeting.

Although a Unitholder may not be recognized directly at the Meeting for the purposes of voting their Trust Units, a Unitholder may attend at the Meeting as a proxyholder and vote their Trust Units in that capacity. To do this, a Unitholder must enter their own name in the blank space on the Form of Proxy provided to them and return the document to their broker or other intermediary (or the agent of such broker or other intermediary) in accordance with the instructions provided by such broker, intermediary or agent well in advance of the Meeting.

Beneficial Unitholders who intend to attend the Meeting in person should read "Appointment and Revocation of Proxies" below.

## Solicitation of Proxies

**Solicitation of proxies may be made through the mail, by telephone or in person by management of Enerplus, who will not be remunerated for such solicitations.** The costs incurred in the solicitation of proxies and in the preparation and mailing of this Information Circular will be borne by Enerplus.

## Appointment and Revocation of Proxies

A form of proxy or voting instruction form (each referred to as a "**Form of Proxy**") accompanies the Notice of Meeting and this Information Circular. The persons named in the Form of Proxy are officers of EnerMark Inc. ("**EnerMark**"), the administrator and an indirect wholly-owned subsidiary of the Fund. **A person or corporation submitting the Form of Proxy has the right to appoint a person (who does not have to be a Unitholder) to be their representative at the Meeting, other than the persons designated in the Form of Proxy furnished by Enerplus. Such appointment may be exercised by inserting the name of the appointed representative in the blank space provided for that purpose.** If they cannot attend the Meeting in person, Unitholders are requested to complete, sign, date and return the accompanying Form of Proxy in the envelope provided or, if provided for in the Form of Proxy, to vote by telephone or the internet in accordance with the instructions thereon. Beneficial Unitholders (being Unitholders who hold their Trust Units through brokerage accounts or other intermediaries) who wish to appear in person and vote at the Meeting must appoint themselves as proxy by inserting their name in the blank space provided on the Form of Proxy and returning the Form of Proxy in the envelope provided or, if provided for in the Form of Proxy, by appointing themselves as proxy on the internet by following the instructions thereon. A Form of Proxy will not be valid unless it is completed and received (either directly or through a Unitholder's broker or other intermediary) by Computershare Trust Company of Canada, at the address shown on the envelope provided, at least 48 hours (excluding Saturdays, Sundays and statutory holidays) before the Meeting or any adjournment(s) thereof or to the Chairman at the Meeting.

A Unitholder who has given a proxy may revoke it by depositing an instrument in writing executed by such Unitholder (or by an attorney duly authorized in writing) or, if such Unitholder is a corporation, by any duly authorized officer or attorney of the corporation, either at the offices of Computershare Trust Company of Canada described above at any time up to and including the close of business on the last business day preceding the Meeting or any adjournment(s) thereof, or with the Chairman of the Meeting on the day thereof or any adjournment(s) thereof.

## Exercise of Discretion by Proxies

The persons named in the enclosed Form of Proxy will, if the instructions are clear, vote the Trust Units represented by that Form of Proxy, and where a choice with respect to any matter to be acted upon has been specified in the Form of Proxy, the Trust Units will be voted in accordance with those instructions. **If no specification has been made in any Forms of Proxy received by Enerplus, the Trust Units represented by those Forms of Proxy will be voted FOR each matter for which no specification has been made.**

The enclosed Form of Proxy confers discretionary authority on the persons appointed with respect to amendments or variations of matters identified in the Notice of Meeting or other matters that may properly come before the Meeting. At the time of printing this Information Circular, management of Enerplus is not aware of any such amendments, variations or other matters.

### **Voting Securities and Principal Holders Thereof**

The Fund is authorized to issue an unlimited number of Trust Units and an unlimited number of Special Voting Rights. The Fund's Trust Units are listed on the Toronto Stock Exchange (the "TSX") under the symbol "ERF.UN" and on the New York Stock Exchange (the "NYSE") under the symbol "ERF". As at March 10, 2009, there were 162,842,545 Trust Units issued and outstanding, and there were a total of 6,909,280 EELP Exchangeable LP Units issued and outstanding entitled to an aggregate of 2,936,444 votes through the Special Voting Right held by Computershare Trust Company of Canada.

To the best of the knowledge of the directors and executive officers of Enerplus, no person beneficially owns, directly or indirectly, or exercises control or direction over, securities carrying more than 10% of the voting rights attached to the issued and outstanding Trust Units and EELP Exchangeable LP Units which may be voted at the Meeting. The information as to Trust Units and EELP Exchangeable LP Units beneficially owned, not being within the knowledge of Enerplus, has been derived from sources available to Enerplus.

### **Quorum for the Meeting**

At the Meeting, a quorum shall consist of two or more individuals present in person either holding personally or representing as proxies not less than 5% of the issued and outstanding Trust Units. The Trust Units that may be issued upon the exchange of EELP Exchangeable LP Units represented in person or by proxy at the Meeting shall be counted as Trust Units in the determination of quorum for the Meeting. If a quorum is not present at the Meeting within one-half hour after the time fixed for the holding of the Meeting, it shall stand adjourned to such day being not less than one day later and to such place and time as may be appointed by the Chairman of the Meeting. At such meeting, the Unitholders present either personally or by proxy shall form a quorum, and any business may be brought before or dealt with at such an adjourned meeting which might have been brought before or dealt with at the original Meeting in accordance with the accompanying Notice of Meeting.

### **General Information**

Unless expressly stated otherwise, all dollar amounts and references to "\$" in this Information Circular are in Canadian dollars.

## MATTERS TO BE ACTED UPON AT THE MEETING

### 1. Presentation of Financial Statements

The consolidated financial statements of the Fund for the year ended December 31, 2008, together with the auditors' report on those statements, have been mailed to the Unitholders who have requested such materials together with this Information Circular in accordance with applicable securities laws. A copy of these financial statements is also available through the internet on the Fund's SEDAR profile at [www.sedar.com](http://www.sedar.com), on EDGAR at [www.sec.gov](http://www.sec.gov), and on the Fund's website at [www.enerplus.com](http://www.enerplus.com). See "Notice to Unitholders" on the inside cover of this Information Circular.

### 2. Nomination of Directors of EnerMark Inc.

#### Overview

The board of directors of EnerMark (the "**Board of Directors**" or the "**Board**") is responsible for the governance and the administration of the business and affairs of Enerplus. Pursuant to the governing documents of Enerplus, the Unitholders are entitled to nominate the directors of EnerMark, following which the Fund, as the indirect holder of all of the shares of EnerMark, will vote those shares to elect the directors that have been nominated by the Unitholders. The term of office for each director is from the date at which he or she is elected until the next annual meeting of Unitholders or until a successor is elected or appointed. The Board's Corporate Governance & Nominating Committee, which is comprised of four independent directors, is responsible for recommending nominees for the Board of Directors. Based on such recommendation, the Board of Directors fixed the number of directors of EnerMark to be elected at the Meeting at eleven, and the eleven individuals named below are proposed to be nominated by the Unitholders as directors of EnerMark. Each of the nominees is "independent" within the meaning of National Policy 58-201 — *Corporate Governance Guidelines* adopted by the Canadian Securities Administrators and within the meaning of the NYSE rules, with the exception of Gordon J. Kerr, who is the President & Chief Executive Officer of EnerMark.

The nomination of the directors of EnerMark will be effected by an ordinary resolution requiring the approval of more than 50% of the votes cast in respect of the resolution by or on behalf of Unitholders present in person or represented by proxy at the Meeting. **It is the intention of the persons named in the enclosed Form of Proxy, if named as proxy and not expressly directed to the contrary in the Form of Proxy, to vote those proxies in favour of the nomination of the persons specified below.** Management does not contemplate that any of the nominees will be unable to serve as a director, but should that circumstance arise for any reason prior to the Meeting, the persons named in the enclosed Form of Proxy reserve the right to vote for another nominee at their discretion.

#### Information Regarding Proposed Directors

Set forth below is certain information regarding each of the eleven nominees as directors of EnerMark. The numbers of Trust Units (and, where applicable, EELP Exchangeable LP Units) held by each proposed director are presented as of February 25, 2009 and are provided by each individual nominee, such information not being within the knowledge of Enerplus. No proposed director holds any other securities of the Fund (including any option or right to acquire any such securities), other than Mr. Gordon J. Kerr, who is the President & Chief Executive Officer of EnerMark. The various Board committees were reconstituted on May 9, 2008, and the information presented includes committee attendance both before and after such reconstitution. For information regarding the compensation of the directors of EnerMark in 2008, see "Director Compensation" in this Information Circular.





**DOUGLAS R. MARTIN<sup>(1)</sup>**  
 B.A., MBA, C.A.  
 Calgary, Alberta, Canada  
 Age: 64  
 Director since September 2000  
 Independent Director

Trust Units: 8,323

Mr. Martin, the Chairman of the Board of Directors of EnerMark, has been President of Charles Avenue Capital Corp., a private merchant banking company, since April 2000. From 1993 until 2000, Mr. Martin was Chairman and Chief Financial Officer of Pursuit Resources Corp., a public oil and gas corporation that was acquired by EnerMark Income Fund (a predecessor of Enerplus) in April 2000. From 1972 until 1993, Mr. Martin held positions of increasing importance with N.M. Davis Corp., Dome Petroleum Ltd. and Interhome Energy Inc. (now Enbridge Inc.), and was the Senior Vice President and Chief Financial Officer of Coho Energy Inc. from 1989 until 1993. Mr. Martin graduated from the University of Toronto in 1966 with a B.A. in Political Science, and received his Chartered Accountant designation from the Ontario Institute of Chartered Accountants in 1969. He also graduated with Honours from York University in 1972 with an MBA in Finance.

**Board and Committee Participation<sup>(2)</sup>**

**Meetings Attended During 2008**

Board of Directors (Chairman) 10/10 (100%)

**Other Public Board Directorships**

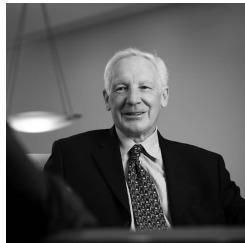
**Other Public Board Committee Memberships**

Canoro Resources Ltd. (Chairman) (TSX Venture Exchange)

Audit Committee (Chair), Reserves Committee, Compensation & Governance Committee

Marion Energy Inc. (Australian Stock Exchange)

Nil



**EDWIN V. DODGE**  
 B.Eng. (Civil), MBA  
 Vancouver, British Columbia,  
 Canada  
 Age: 65  
 Director since May 2004  
 Independent Director

Trust Units: 9,460

Mr. Dodge is currently a corporate director following a 35-year career with Canadian Pacific Railway Limited ("CPR", a Canadian national rail carrier), where he was Chief Operating Officer from 2001 until his retirement in March 2004. Prior to 2001, Mr. Dodge held other senior roles with CPR including Executive Vice President of Operations for Canada and the U.S., as well as Chief Executive Officer of a Minneapolis-based railroad. Mr. Dodge holds a Civil Engineering degree and an MBA from the University of Western Ontario.

**Board and Committee Participation**

**Meetings Attended During 2008**

Board of Directors 8/10 (80%)  
 Corporate Governance & Nominating Committee (to May 9, 2008) 1/1 (100%)  
 Compensation & Human Resources Committee 6/6 (100%)  
 Health, Safety & Environment Committee (Chairman since May 9, 2008) 3/3 (100%)

**Other Public Board Directorships**

**Other Public Board Committee Memberships**

Nil

Nil

**ROBERT B. HODGINS**

B.A. (Business), C.A.  
 Calgary, Alberta, Canada  
 Age: 57  
 Director since November 2007  
 Independent Director

Trust Units: 4,335

Mr. Hodgins has been an independent businessman since November 2004. Prior to that, Mr. Hodgins served as the Chief Financial Officer of Pengrowth Energy Trust (a TSX and NYSE-listed energy trust) from 2002 to 2004. Prior to that, Mr. Hodgins held the position of Vice President and Treasurer of Canadian Pacific Limited (a diversified energy, transportation and hotels company) from 1998 to 2002 and was Chief Financial Officer of TransCanada PipeLines Limited (a TSX and NYSE-listed energy transportation company) from 1993 to 1998. Mr. Hodgins received a Bachelor of Arts in Business from the Richard Ivey School of Business at the University of Western Ontario in 1975 and received a Chartered Accountant designation and was admitted as a member of the Institute of Chartered Accountants of Ontario in 1977 and Alberta in 1991.

**Board and Committee Participation**

Board of Directors  
 Audit & Risk Management Committee (Chairman) (since May 9, 2008)  
 Corporate Governance & Nominating Committee (since May 9, 2008)

**Meetings Attended During 2008**

10/10 (100%)  
 4/4 (100%)  
 1/1 (100%)

**Other Public Board Directorships**

AltaGas Income Trust (TSX)  
 Enerflex Systems Income Fund (TSX)  
 Fairborne Energy Ltd. (TSX)  
 MGM Energy Corp. (TSX)

**Other Public Board Committee Memberships**

Audit Committee (Chairman) and Governance Committee  
 Audit Committee (Chairman)  
 Audit Committee (Chairman), Corporate Governance and Joint Operations Committee and Reserves Committee  
 Audit Committee (Chairman) and Corporate Governance Committee

**GORDON J. KERR**

B.Comm., C.A.  
 Calgary, Alberta, Canada  
 Age: 55  
 Director since May 2001  
 Non-Independent Director

Trust Units: 96,562  
 Trust Unit Incentive Rights: 275,856

Mr. Kerr has been the President & Chief Executive Officer of Enerplus since May 2001. Mr. Kerr commenced employment with Enerplus and its predecessors in 1996, holding positions of increasing responsibility including the positions of Chief Financial Officer and Executive Vice President. Mr. Kerr commenced employment in the oil and gas industry in 1979 and held various positions with Petromark Minerals Ltd., Bluesky Oil & Gas Ltd. and Bluesky's successor, Mark Resources Inc., ultimately holding the position of Vice President Finance, Chief Financial Officer and Corporate Secretary until Mark's reorganization into EnerMark Income Fund (a predecessor of Enerplus) in 1996. Mr. Kerr graduated from the University of Calgary in 1976 with a Bachelor of Commerce degree. He received a Chartered Accountant designation and was admitted as a member of the Institute of Chartered Accountants of Alberta in 1979. Mr. Kerr is also the current past Chairman of the Canadian Association of Petroleum Producers and a member of the Canadian Council for Chief Executive Officers.

**Board and Committee Participation**

Board of Directors

**Meetings Attended During 2008**

10/10 (100%)

**Other Public Board Directorships**

Nil

**Other Public Board Committee Memberships**

Nil

**DAVID P. O'BRIEN** <sup>(3)</sup>

B.A. (Hons.), B.C.L.  
 Calgary, Alberta, Canada  
 Age: 67  
 Director since March 2008  
 Independent Director

Trust Units: 35,134  
 EELP Exchangeable LP Units: 115,107

Mr. O'Brien is a corporate director. In addition to the public board directorships listed below, Mr. O'Brien is a director of the C.D. Howe Institute, Chancellor of Concordia University and a member of the Science, Technology and Innovation Council of Canada. Mr. O'Brien was the Chairman and Chief Executive Officer of PanCanadian Energy Corporation (an oil and gas company) from October 2001 to April 2002 and was the Chairman, President and Chief Executive Officer of Canadian Pacific Limited (a diversified energy, transportation and hotels company) from May 1996 to October 2001. He worked in the legal profession from 1967 to 1977, and in the oil and gas industry since 1978. He has also held senior executive positions at Petro-Canada. Mr. O'Brien has a Bachelor of Arts with Honours in Economics from Loyola College and a Bachelor of Civil Law from McGill University. He also has an Honourary Bachelor of Applied Business and Entrepreneurship (International) from Mount Royal College and an Honourary Doctorate of Civil Law from Bishops University.

**Board and Committee Participation**

Board of Directors (since March 13, 2008)  
 Corporate Governance & Nominating Committee (since May 9, 2008)

**Meetings Attended During 2008**

7/8 (88%)  
 1/1 (100%)

**Other Public Board Directorships**

EnCana Corporation (Chairman) (TSX, NYSE)  
 Molson Coors Brewing Company (TSX, NYSE)  
 Royal Bank of Canada (Chairman) (TSX, NYSE)  
 TransCanada Corporation (TSX, NYSE)

**Other Public Board Committee Memberships**

Nominating and Corporate Governance Committee (Chair), non-voting member of all other committees  
 Audit Committee and Finance Committee  
 Corporate Governance and Public Policy Committee (Chair) and Human Resources Committee  
 Governance Committee and Human Resources Committee

**GLEN D. ROANE**

B.A., MBA  
 Canmore, Alberta, Canada  
 Age: 52  
 Director since June 2004  
 Independent Director

Trust Units: 13,460

Mr. Roane is a corporate director and, in addition to those public entities listed below for which he currently serves as a director, has served as a board member of many TSX-listed companies, including Repap Enterprises Inc., Ranchero Energy Inc., Forte Resources Inc., Valiant Energy Inc., Maxx Petroleum Ltd. and NQL Energy Services Inc., since his retirement from TD Asset Management Inc., a subsidiary of The Toronto-Dominion Bank (a publicly traded Canadian chartered bank) in 1997. In addition to serving as a director of the public entities listed below, Mr. Roane is the Chairman of the board of directors of Tarpon Energy Services Ltd., a private energy services company, and a director of GBC North American Fund Inc., a Canadian mutual fund corporation. Mr. Roane is also a member of the Alberta Securities Commission. Mr. Roane holds a Bachelor of Arts and an MBA from Queen's University in Kingston, Ontario.

**Board and Committee Participation**

Board of Directors  
 Audit & Risk Management Committee  
 Hedging Sub-Committee  
 Compensation & Human Resources Committee (Chairman)

**Meetings Attended During 2008**

10/10 (100%)  
 4/4 (100%)  
 2/2 (100%)  
 6/6 (100%)

**Other Public Board Directorships**

Destiny Resource Services Corp. (TSX)  
 Badger Income Fund (TSX)

**Other Public Board Committee Memberships**

Audit Committee, Compensation & Governance Committee  
 Audit Committee (Chairman)



**W.C. (MIKE) SETH**  
 B.A. Sc.  
 Calgary, Alberta, Canada  
 Age: 68  
 Director since August 2005  
 Independent Director  
 Trust Units: 8,460

Mr. Seth has been the President of Seth Consultants Ltd. (a private consulting firm) since June 2006. From July 2005 to June 2006, Mr. Seth was the Chairman of McDaniel & Associates Consultants Ltd. ("McDaniel"), a Calgary-based petroleum engineering and geological consulting firm. Prior to his appointment as Chairman, Mr. Seth was the President and Managing Director of McDaniel since 1989. Mr. Seth holds a B.A. Sc. Mechanical Engineering from the University of British Columbia.

**Board and Committee Participation**

**Meetings Attended During 2008**

Board of Directors	10/10	(100%)
Corporate Governance & Nominating Committee	2/2	(100%)
Reserves Committee (Chairman since May 9, 2008)	5/5	(100%)

**Other Public Board Directorships**

**Other Public Board Committee Memberships**

Triton Energy Corp. (TSX Venture Exchange)  
 Corridor Resources Inc. (TSX)  
 Connacher Oil and Gas Limited (TSX)  
 Redcliffe Energy Ltd. (TSX Venture Exchange)

Reserves Committee (Chairman), Audit Committee  
 Reserves Committee (Chairman)  
 Reserves Committee (Chairman), Audit Committee, Health, Safety & Environment Committee  
 Reserves Committee (Chairman), Compensation Committee



**DONALD T. WEST**  
 B.Sc.  
 Calgary, Alberta, Canada  
 Age: 71  
 Director since April 2003  
 Independent Director  
 Trust Units: 7,029

Mr. West is a businessman who has 40 years of experience in the Canadian and international oil and gas industry. He began his career as a Geophysicist with Mobil Oil Canada in 1960 before becoming Chief Geophysicist at each of Great Plains Development in 1973 and Pacific Petroleum in 1975. Mr. West commenced employment with Total Petroleum N.A. in 1979 where he held various positions of increasing responsibility including Vice President Exploration and Senior Vice President. He ultimately held the position of President and Chief Executive Officer of Total Petroleum Canada Ltd. and its successor Rigel Energy Corporation until his retirement in 1999. Mr. West is a member of the Canadian Society of Exploration Geophysicists and the Society of Exploration Geophysicists and, in addition to being a director of the public companies listed below, is a director of Connaught Energy Limited (a private oil and gas company). Mr. West holds a Bachelor of Science degree in Geology and Physics from the University of British Columbia.

**Board and Committee Participation**

**Meetings Attended During 2008**

Board of Directors	10/10	(100%)
Reserves Committee	5/5	(100%)
Health, Safety & Environment Committee (Chairman to May 9, 2008)	3/3	(100%)

**Other Public Board Directorships**

**Other Public Board Committee Memberships**

Pulse Data Inc. (TSX)

Compensation Committee (Chairman), Corporate Governance Committee, Environmental, Health & Safety Committee (Chairman)



**HARRY B. WHEELER**  
 B.Sc. (Geology)  
 Calgary, Alberta, Canada  
 Age: 71  
 Director since January 2001  
 Independent Director

Trust Units: 235,551

Mr. Wheeler has been the President of Colchester Investments Ltd., a private investment firm, since 2000. From 1962 to 1966, Mr. Wheeler worked with Mobil Oil in Canada and Libya and from 1967 to 1972 was employed by International Resources Ltd., in London, England and Denver, Colorado. He was a Director of Quintette Coal Ltd., Vice President of Amalgamated Bonanza Petroleum Ltd. and operator of his private company before founding Cabre Exploration Ltd. ("Cabre"), a public oil and gas company, in 1980. Mr. Wheeler was Chairman of Cabre until it was acquired by EnerMark Income Fund (a predecessor of Enerplus) in December 2000. Mr. Wheeler is currently a director of Magellan Resources Ltd., a private oil and gas company. Mr. Wheeler graduated from the University of British Columbia in 1962 with a degree in Geology.

**Board and Committee Participation**

Board of Directors  
 Audit & Risk Management Committee  
 Hedging Sub-Committee  
 Reserves Committee

**Meetings Attended During 2008**

10/10 (100%)  
 4/4 (100%)  
 2/2 (100%)  
 5/5 (100%)

**Other Public Board Directorships**

Nil

**Other Public Board Committee Memberships**

Nil



**CLAYTON H. WOITAS**  
 B.Sc. (Civil Engineering)  
 Calgary, Alberta, Canada  
 Age: 60  
 Director since March 2008  
 Independent Director

Trust Units: 34,525  
 EELP Exchangeable LP Units: 4,007,652

Mr. Woitas has been the President of Range Royalty Management Ltd. (a private energy company focused on acquiring royalty interests in western Canadian oil and gas production) since June 2006. Prior thereto, Mr. Woitas was founder, Chairman and President and Chief Executive Officer of privately held Profico Energy Management Ltd. (a company focused on natural gas exploration and production in western Canada) from January 2000 to June 2006, until its acquisition by Focus Energy Trust ("Focus") in June 2006. Mr. Woitas served as a director of Focus from June 2006 until its acquisition by Enerplus in February 2008. Mr. Woitas received his civil engineering degree from the University of Alberta.

**Board and Committee Participation**

Board of Directors (since March 13, 2008)  
 Health, Safety & Environment Committee (since May 9, 2008)  
 Reserves Committee (since May 9, 2008)

**Meetings Attended During 2008**

7/8 (88%)  
 1/2 (50%)  
 3/3 (100%)

**Other Public Board Directorships**

EnCana Corporation (TSX, NYSE)  
 NuVista Energy Ltd. (TSX)

**Other Public Board Committee Memberships**

Reserves Committee and Corporate Responsibility, Environment, Health and Safety Committee  
 Audit Committee, Reserves Committee and Governance and Nominating Committee



**ROBERT L. ZORICH<sup>(4)</sup>**  
 B.A., M.A. (Distinction)  
 Houston, Texas, U.S.A.  
 Age: 59  
 Director since January 2001  
 Independent Director

Trust Units: 20,471

Mr. Zorich is a co-founder and has been the Managing Director of EnCap Investments L.P. ("**EnCap**"), a private firm which is a provider of private equity financing to the oil and gas industry, since 1988. Prior to the formation of EnCap in 1988, Mr. Zorich was a Senior Vice President in charge of the Houston office of Trust Company of the West, a large, privately-held pension fund manager. Prior to joining Trust Company of the West in September 1986, Mr. Zorich co-founded MAZE Exploration, Inc., serving as its Co-Chief Executive Officer. During the first seven years of his career, Mr. Zorich was employed by Republic Bank Dallas as a Vice President and Division Manager in the Energy Department. Mr. Zorich received his B.A. in Economics from the University of California at Santa Barbara in 1971. He also received a Masters Degree in International Management (with distinction) in 1974 from the American Graduate School of International Management in Phoenix, Arizona.

**Board and Committee Participation**

**Meetings Attended During 2008**

Board of Directors	9/10	(90%)
Corporate Governance & Nomination Committee (Chairman)	2/2	(100%)
Compensation & Human Resources Committee (since May 9, 2008)	3/3	(100%)
Health, Safety & Environment Committee (to May 9, 2008)	1/1	(100%)
Hedging Sub-Committee	2/2	(100%)

**Other Public Board Directorships**

**Other Public Board Committee Memberships**

Nil

Nil

**Notes:**

- (1) From 1991 to 2000, Mr. Martin was director of Coho Energy, Inc. ("**Coho**"), an oil and natural gas corporation that was listed on the TSX and NASDAQ. In 1999, Coho filed for protection under United States federal bankruptcy law, from which it was released in April, 2000. The directors of Coho were not held responsible for any actions. Mr. Martin resigned as a director of Coho in April of 2000.
- (2) As Chairman of the Board of Directors, Mr. Martin is not a member of any Board committee. However, he may attend and participate in any Board committee meeting in an *ex officio* capacity. Mr. Martin is not compensated for attendance at Board committee meetings.
- (3) Mr. O'Brien was a director of Air Canada in April 2003 when Air Canada filed for protection under the CCAA. Mr. O'Brien resigned as a director from Air Canada in November 2003.
- (4) In late 1997, Mr. Zorich was appointed to the board of directors of Benz Energy Inc. ("**Benz**"), a Vancouver Stock Exchange (later the Canadian Venture Exchange and now the TSX Venture Exchange) listed company at the time, as a representative of Mr. Zorich's employer, EnCap Investments L.P., which had provided certain financing to Benz. On November 8, 2000, Benz, together with its wholly-owned subsidiary, Texstar Petroleum Inc., jointly filed a petition for protection under United States federal bankruptcy law, and on January 19, 2001, the shares of Benz were made subject to a cease trade order by the Alberta Securities Commission and suspended from trading on the Canadian Venture Exchange Inc. for failing to file required financial information.

### 3. Appointment of Auditors

At the Meeting, Unitholders will be asked to appoint Deloitte & Touche LLP, Independent Registered Chartered Accountants ("**Deloitte & Touche**"), as auditors of the Fund until the next annual general meeting of Unitholders at a remuneration to be fixed by the directors of EnerMark upon the recommendation of EnerMark's Audit & Risk Management Committee. Deloitte & Touche are currently the auditors of the Fund and were first appointed auditors of the Fund effective July 3, 2002.

The appointment of the auditors will be effected by an ordinary resolution requiring the approval of more than 50% of the votes cast in respect of the resolution by or on behalf of Unitholders present in person or represented by proxy at the Meeting. **It is the intention of the persons named in the enclosed Form of Proxy, if named as proxy and not expressly directed to the contrary in the Form of Proxy, to vote those proxies in favour of the appointment of Deloitte & Touche as auditors of the Fund.**

The fees paid by Enerplus to Deloitte & Touche for professional services rendered in the Fund's last two fiscal years are as follows:

	<u>2008</u>	<u>2007</u>
	<u>(in \$ thousands)</u>	
Audit fees <sup>(1)</sup> .....	\$772.5	\$751.4
Audit-related fees <sup>(2)</sup> .....	—	—
Tax fees <sup>(3)</sup> .....	106.3	132.6
All other fees <sup>(4)</sup> .....	—	—
	<u>\$878.8</u>	<u>\$884.0</u>

**Notes:**

- (1) Audit fees were for professional services rendered by Deloitte & Touche for the audit of the Fund's annual financial statements and reviews of the Fund's quarterly financial statements, as well as services provided in connection with statutory and regulatory filings or engagements.
- (2) Audit-related fees are for assurance and related services reasonably related to the performance of the audit or review of the Fund's financial statements and not reported under "Audit fees" above.
- (3) Tax fees were for tax compliance, tax advice and tax planning. The fees were for services performed by the Fund's auditors' tax division except those tax services related to the audit.
- (4) All other fees are fees for products and services provided by the Fund's auditors other than those described as "Audit fees", "Audit-related fees" and "Tax fees".

Certain information regarding the Fund's Audit & Risk Management Committee is contained in this Information Circular under the heading "Statement of Corporate Governance Practices - Audit & Risk Management Committee". Additionally, certain information regarding the Fund's Audit & Risk Management Committee that is required to be disclosed in accordance with National Instrument 52-110, *Audit Committees* of the Canadian Securities Administrators is contained in the Fund's annual information form for the year ended December 31, 2008, an electronic copy of which is available on the internet on the Fund's SEDAR profile at [www.sedar.com](http://www.sedar.com), in the Fund's annual report on Form 40-F filed on EDGAR at [www.sec.gov](http://www.sec.gov), and on the Fund's website at [www.enerplus.com](http://www.enerplus.com).

## DIRECTOR COMPENSATION

### Overview

The Board, through the Corporate Governance & Nominating Committee, and considering information from external consultants, is responsible for developing and implementing the directors' compensation plan. The main objectives of the directors' compensation plan are to:

- attract and retain the services of highly qualified individuals;
- compensate the directors in a manner that is competitive with other comparable public issuers and commensurate with the risks and responsibilities assumed in Board and Board committee membership; and
- align the interests of the directors with the Unitholders.

Unlike compensation for Enerplus' executive officers, the directors' compensation plan is not designed to pay for performance; rather, directors receive retainers for their services in order to help ensure unbiased decision-making. Trust Unit ownership, required through ownership guidelines, serves to align the directors' interests with the Unitholders. The Corporate Governance & Nominating Committee aligns the comparator group, for purposes of benchmarking, to that used to benchmark executive officer compensation and targets the median of the comparator group, based on total compensation, to set compensation policy for the directors.

Consistent with the philosophy described above, the non-executive directors of EnerMark do not receive grants of Incentive Rights under the Fund's Trust Unit Rights Incentive Plan (the "TURIP"), as described under "Executive Compensation - Incentive Plan Awards - Trust Unit Rights Incentive Plan", or grants under any other equity incentive plans adopted by Enerplus. No directors currently hold any Incentive Rights, and Enerplus' TURIP was amended at the 2008 annual general and special meeting of Unitholders to provide that non-management directors of EnerMark are not eligible to receive grants of Incentive Rights under the TURIP.

Gordon J. Kerr, a director and the President & Chief Executive Officer of EnerMark, does not receive any retainers, fees, Trust Unit payments or other compensation in his capacity as a director of EnerMark. Accordingly, the disclosure set forth below does not refer to any compensation paid to Mr. Kerr in his capacity as a director of EnerMark and only refers to the other, non-management directors of EnerMark. For information on Mr. Kerr's compensation in 2008 in his capacity as President & Chief Executive Officer of EnerMark, see "Executive Compensation".

### Fees and Retainers

In 2008, each of the directors of EnerMark, other than the Chairman of the Board, was paid an annual cash retainer of \$35,000, and the Chairman of the Board of Directors received a \$120,000 annual cash retainer. Those directors acting as Chairman of a committee received an additional annual retainer of \$10,000, except for the Chairman of the Audit & Risk Management Committee who received an annual retainer of \$20,000. Additionally, the Chairman and each member of the Hedging Sub-Committee (generally a sub-committee of the Audit & Risk Management Committee) received an annual retainer of \$15,000 and \$10,000, respectively. Where applicable, all retainer fees were prorated for a partial year's service. The directors also received \$1,500 for each meeting of the Board of Directors or any Board committee or sub-committee which they attended, except for the Chairman of the Board of Directors who only received such meeting fees for Board of Director meetings attended. Directors were also reimbursed for travel expenses related to their attendance at meetings. In 2008, Enerplus paid a total of \$524,904 to the directors for their annual retainers and a total of \$249,000 to the directors for their attendance at meetings.



## Summary Compensation Table and Value of Trust Units Owned

The following table summarizes the aggregate compensation provided to each of the directors of EnerMark in respect of 2008. The following table also sets forth the value of each director's aggregate Trust Unit holdings as at February 25, 2009. No director had any other equity-based holdings in the Fund as at February 25, 2009.

**Summary Compensation Table  
and Value of Trust Units Owned**

Name	Fees earned <sup>(2)</sup> (\$)	Trust Unit-Based Awards <sup>(3)</sup> (\$)	Total (\$)	Value of Trust Units Owned <sup>(4)</sup> (\$)
Edwin V. Dodge	69,500	52,325	121,825	197,336
Robert B. Hodgins	66,607	52,325	118,932	90,428
Douglas R. Martin	135,000	104,650	239,650	173,618
David P. O'Brien <sup>(1)</sup>	40,077	31,240	71,317	1,753,376
Glen D. Roane	93,000	52,325	145,325	280,776
W.C. (Mike) Seth	68,000	52,325	120,325	176,476
Donald T. West	64,500	52,325	116,825	146,625
Harry B. Wheeler	79,000	52,325	131,325	4,913,594
Clayton H. Woitas <sup>(1)</sup>	44,577	31,240	75,817	36,250,030
Robert L. Zorich	80,500	52,325	132,825	427,025
Robert L. Normand <sup>(5)</sup>	33,143	52,325	85,468	N/A

**Notes:**

- (1) Each of Mr. O'Brien and Mr. Woitas was appointed to the Board of Directors effective March 13, 2008 and therefore the information represents the compensation paid to them since that date.
- (2) Includes Board, Committee and Sub-Committee annual retainers (including Chairman retainers) and meeting attendance fees.
- (3) Represents the value of Trust Units purchased for directors pursuant to Enerplus' Director Unit Plan. See " – Incentive Plan Awards and Trust Unit Ownership Requirements" below.
- (4) Based on the number of Trust Units beneficially owned, directly or indirectly, or over which control or direction was exercised, by each independent director as of February 25, 2009 as disclosed above under "Matters to be Acted Upon at the Meeting – Nomination of Directors of EnerMark Inc." and the closing price of the Trust Units on the TSX of \$20.86 per Trust Unit on February 25, 2009. In the case of Mr. O'Brien and Mr. Woitas, the calculation includes the EELP Exchangeable LP Units held as of February 25, 2009, each of which is exchangeable, for no additional consideration, into 0.425 of a Trust Unit of the Fund.
- (5) Mr. Normand did not stand for re-election to the Board of Directors in 2008 and therefore the information presented represents the compensation paid to him prior to his retirement from the Board of Directors on May 9, 2008.

## Incentive Plan Awards and Trust Unit Ownership Requirements

In order to further align the directors' interests with those of Unitholders, directors are required to have personal holdings of at least 5,000 Trust Units within four years of their election to the Board. Currently, all members of the Board of Directors are in compliance with this ownership requirement. In order to facilitate this objective, Enerplus has implemented a Director Unit Plan whereby, on an annual basis, Enerplus purchases Trust Units on the TSX for payment to the directors as part of their overall annual compensation. In some cases, the director elected to receive a lower number of Trust Units, reflecting the net amount paid after withholding tax. All Trust Units granted to directors are purchased by Enerplus on the TSX and are not issued from treasury, and such Trust Units are not subject to any transfer or resale restrictions imposed on the directors. For 2008, these Trust Unit payments were considered to be Trust Unit-based awards under an equity incentive plan, which awards vested and were paid immediately, and accordingly no such awards were outstanding as at December 31, 2008.

### ***Incentive Plan Awards - Value Vested or Earned During the Year***

The following table sets forth the value of the awards that vested or were earned in respect of 2008 for each director under Enerplus' Director Unit Plan.

#### **Incentive Plan Awards - Value Vested or Earned During the Year**

<b>Name</b>	<b>Trust Unit-based awards - Value vested or earned during the year<sup>(1)</sup> (\$)</b>
<b>Edwin V. Dodge</b>	52,325
<b>Robert B. Hodgins</b>	52,325
<b>Douglas R. Martin</b>	104,650
<b>David P. O'Brien<sup>(1)</sup></b>	31,240
<b>Glen D. Roane</b>	52,325
<b>W.C. (Mike) Seth</b>	52,325
<b>Donald T. West</b>	52,325
<b>Harry B. Wheeler</b>	52,325
<b>Clayton H. Woitas<sup>(1)</sup></b>	31,240
<b>Robert L. Zorich</b>	52,325
<b>Robert L. Normand</b>	52,325

**Note:**

- (1) On January 4, 2008, each of the directors holding office at such time received 1,300 Trust Units of the Fund at the then market price of \$40.25 per Trust Unit, except for the Chairman who received 2,600 Trust Units. Each of David P. O'Brien and Clayton H. Woitas, who were appointed to the Board of Directors on March 13, 2008, subsequently received 998 Trust Units, representing a prorated share of the 1,300 Trust Units paid to the other directors. These Trust Units were purchased by Enerplus in January of 2009 at a price of \$27.25 per Trust Unit. In addition, each of Messrs. O'Brien and Woitas received a cash payment in the amount of \$4,042, equal to the cash distributions that would have been paid on such Trust Units had the Trust Units been purchased at the time of their appointment in March 2008. Such amount has been included in the value of Trust Unit-based awards paid to such directors in respect of 2008.

### **Changes to Director Compensation for 2009**

During 2008, the Corporate Governance & Nominating Committee conducted its annual review of Enerplus director compensation and engaged Mercer (Canada) Limited ("**Mercer**") to assist the Committee in its review by providing benchmarking data from the Fund's comparator group and advice on market trends. The Board of Directors adopted the recommendations of the Committee to alter certain aspects of the directors' compensation to ensure the Fund remains competitive with the marketplace and to enable Enerplus to continue to attract and retain highly qualified individuals to act as directors of EnerMark. As such, effective January 1, 2009, the members of the Board of Directors will no longer receive a fixed number of Trust Units as part of their annual compensation as in prior years. Rather, at the beginning of every year, each director will receive Trust Units purchased by Enerplus on the TSX and paid to the director equal in value to \$80,000 for regular directors and \$100,000 for the Chairman of the Board. Directors, at their option, may request such Trust Units to be paid net of income tax. All other director compensation entitlements shall remain unchanged.

## EXECUTIVE COMPENSATION

### Overview

The Compensation & Human Resources Committee (the "**Committee**"), consisting of Messrs. Roane (as Chairman), Dodge and Zorich, is responsible for, among other things, assisting the Board in fulfilling its duties regarding employee and executive compensation matters. The Committee recommends the form and ensures the adequacy of executive compensation arrangements, having regard for the associated risks and responsibilities. For additional information on the mandate and responsibilities of the Committee, see "Statement of Corporate Governance Practices – Committees of the Board – Compensation & Human Resources Committee".

The President & Chief Executive Officer (the "**CEO**") of Enerplus presents recommendations and rationale to the Committee regarding salary adjustments, short-term and long-term incentive grants for the executive officers (other than the CEO) and seeks approval for aggregated amounts for these compensation elements for other employees. The CEO may also recommend to the Board changes to compensation programs from time to time. The Committee discusses these recommendations with the CEO and, in an in-camera session, decides on the compensation amounts to be recommended to the Board of Directors for approval.

The Compensation Discussion and Analysis below presents the compensation philosophy, program design, and the Board's compensation decisions for Enerplus' executive officers, including the following executive officers of EnerMark (the "**Named Executive Officers**") in respect of whom compensation information is provided in this Information Circular:

- Gordon J. Kerr: President & Chief Executive Officer;
- Garry A. Tanner: Executive Vice President & Chief Operating Officer;
- Robert J. Waters: Senior Vice President & Chief Financial Officer;
- Ian C. Dundas: Senior Vice President, Business Development; and
- David A. McCoy: Vice President, General Counsel & Corporate Secretary.

The Named Executive Officers consist of the President & Chief Executive Officer, the Senior Vice President & Chief Financial Officer and the three other most highly compensated executive officers of EnerMark in 2008.

In 2008, the Committee retained Mercer, an external consulting company, to provide advice regarding the compensation of Enerplus' directors and officers. Mercer was paid an aggregate of \$99,445 by Enerplus in respect of compensation advice provide to Enerplus in 2008.

### Compensation Discussion and Analysis

Enerplus is an income-oriented energy trust. Enerplus is focused on maximizing value for its Unitholders and attempts to achieve this goal by:

- acquiring and developing long-life, low risk assets with a focus on resource plays;
- mitigating risk by investing in quality properties; and
- using a disciplined approach to achieve growth through acquisitions and conventional and unconventional oil and natural gas development, including oil sands.

### Compensation Philosophy

Enerplus' executive compensation philosophy is designed to align the short-term and longer-term actions and decisions of executives with its goal of maximizing value for its Unitholders. Enerplus believes that in order to achieve this end, its executive compensation must:

- be effective in attracting and retaining highly qualified executive talent;

- motivate executives by providing incentives and rewarding executives for implementing Enerplus' business strategy and increasing value to the Unitholders; and
- be competitive with industry peers.

Enerplus' compensation philosophy balances short-term performance with long-term Unitholder value creation. The short-term incentive program predominantly rewards execution of the annual business plan, while the long-term incentive plan rewards Named Executive Officers for performance based on, in part, total unit return ("**TUR**"). TUR is calculated as the Trust Unit value appreciation (or depreciation) plus distributions received by Unitholders over the relevant performance period, divided by the Trust Unit price at the beginning of the performance period.

The short-term incentive plan rewards executives based on several factors. These factors include a number of key operational metrics, Enerplus' TUR compared to an industry peer group and execution of Enerplus' strategic initiatives. Enerplus' long-term incentive plans are designed to both incent executives to grow Unitholder returns over time and retain executives. For 2008 compensation, the long-term incentive plans were designed to accomplish this through grants made to Named Executive Officers under Enerplus' Trust Unit Rights Incentive Plan (the "**TURIP**"), which is similar to a stock option plan, and Enerplus' Executive Performance Trust Unit Plan (the "**Executive PTU Plan**"), which is based on Enerplus' TUR relative to a peer group. These plans are explained in detail in the section below entitled "Incentive Plan Awards".

In combination, these programs are designed to motivate and reward Named Executive Officers based on performance and execution of the annual business plan and the execution of long-term strategies that deliver Unitholder value creation over time.

### **Compensation and Market Position**

For purposes of 2008 compensation decisions, the Committee considered comparative compensation data provided by Mercer for a select group of comparator companies. The comparator companies were selected based on the following criteria:

- the entities are industry peers, and include both income trusts and corporations;
- the oil and natural gas production volumes, which Enerplus believes are the best single measure of company size, are reasonably comparable to Enerplus; and
- the peer companies regularly compete with Enerplus for industry talent.

<b>2008 Comparator Group of Companies<sup>(1)</sup></b>	
Albian Sands Energy Inc. Apache Canada Ltd. ARC Energy Trust Baytex Energy Trust Bonavista Energy Trust BP Canada Energy Company Canadian Oil Sands Trust Canetic Resources Trust Chevron Canada Resources Compton Petroleum Corporation ConocoPhillips Canada	Devon Canada Corporation EOG Resources Canada Inc. ExxonMobil Canada Harvest Energy Trust Murphy Oil Company Ltd. NAL Oil & Gas Trust Northrock Resources Ltd. Pengrowth Energy Trust Penn West Energy Trust PrimeWest Energy Trust Provident Energy Trust

**Note:**

(1) The comparator group was extracted from a consultant's survey conducted in 2007.

Enerplus believes that these companies represent good comparators of the "market" in which Enerplus competes for executive talent and for which competitive information was available at the time the 2008 compensation decisions were made. Enerplus consistently ranks in between the 50th and 75th percentile (or sometimes greater) of various size metrics of the comparator group of companies, making Enerplus one of the larger

companies relative to the comparator group. The Committee regularly reviews the comparator group and market data to ensure compensation competitiveness.

Target competitive position for Named Executive Officer positions is based on competitive total compensation (salary, short-term and long-term incentives). Enerplus' target pay positioning is 75th percentile pay for 75th percentile corporate and individual performance. The Committee uses that data as a frame of reference and applies judgment in exercising compensation decisions given other considerations such as retention, succession plans, scarcity of specific skills or talent and other trends in the industry. In addition, individual Named Executive Officer compensation will vary from the competitive reference points based on individual performance. Short-term incentive awards and long-term incentive grants are differentiated based on a pay for performance culture tied to both corporate and individual performance goals.

### ***Compensation Elements and Compensation Decisions***

The Named Executive Officer compensation package provides a balanced set of elements designed to deliver the objectives of the compensation philosophy. The fixed elements - salary, perquisites and a Trust Unit savings plan - provide a competitive base of secure compensation necessary to attract and retain executive talent. The variable elements - short-term and long-term incentives - are designed to balance short-term gains with the long-term growth of Enerplus and motivate executives to achieve superior performance on both measures. The long-term incentive plan also aligns the interests of Named Executive Officers with Unitholders' interests and assists in retaining executive talent. The combination of the fixed elements of the executive pay package and the variable incentive opportunities delivers Named Executive Officers a competitive compensation package.

#### ***Base Salary***

Base salary provides a competitive salary to attract and retain capable individuals. Salaries approximate the targeted market position for the Named Executive Officer's responsibility and reflect the individual performance of the Named Executive Officer.

Base salaries for the Named Executive Officers as of December 31, 2007 and December 31, 2008 are presented in the following table.

<b>Named Executive Officer</b>	<b>2007 Base Salary</b>	<b>2008 Base Salary</b>
Gordon J. Kerr	\$500,000	\$525,000
Garry A. Tanner	\$400,000	\$420,000
Robert J. Waters	\$319,000	\$335,000
Ian C. Dundas	\$319,000	\$335,000
David A. McCoy	\$255,000	\$268,000

In February 2008, the Board approved salary increases effective March 1, 2008 for the executive team based on the competitive review. Salary increases to each Named Executive Officer were approximately 5% in order to maintain competitive base salaries. These increases in base salary were reflective of the competitive compensation data from the comparator group and the performance of the individual executive.

#### ***Short-Term Incentives***

The short-term incentive plan is designed to:

- engage employees in understanding and delivering on the annual business plan;
- focus employees on company and appropriate individual goals based on their level in the organization and the scope of their role;
- attract and retain key employees; and
- tie competitive incentive opportunities to the achievement of the annual business objectives.

Short term incentive target opportunities, expressed as a percentage of salary, have been established for all Named Executive Officer positions. These targets were established with reference to the incentive compensation practices of the comparator group. The Named Executive Officer's annual short-term incentive award is calculated by applying two multipliers to the target incentive based on corporate and individual performance. The short-term incentives paid to Named Executive Officers, as presented in the Summary Compensation Table below, are calculated based on the following formula and paid in cash:

$$\text{Short-Term Incentive} = \text{Base Salary} \times \text{Short-Term Target Incentive} \times \text{Corporate Performance Rating} \times \text{Individual Performance Rating}$$

The Named Executive Officers have short-term target incentives of 60% of base salary for Gordon J. Kerr, 50% for each of Garry A. Tanner, Robert J. Waters and Ian C. Dundas, and 40% for David A. McCoy. Each of the "Corporate Performance Rating" and the "Individual Performance Rating" generally range from zero to 1.5, subject to the exercise of the Board's discretion.

(a) Corporate Performance Rating

The Corporate Performance Rating is determined by the Board with the assistance of the Committee. The Committee reviews the performance of the Fund over the course of the year relative to three primary factors:

- the achievement of progress on the Fund's strategic initiatives;
- the Fund's operational metrics compared to internal goals and relative to its comparator group; and
- the Fund's TUR as compared to the TUR of its comparator group.

(i) *Strategic Initiatives*

The Board of Directors believes that management was very successful during 2008 in achieving a number of key strategic initiatives. The Board believes that, by executing on these initiatives, Enerplus is better positioned for success in a low commodity price environment and for future growth. There were three major accomplishments during the year:

- the acquisition and integration of Focus Energy Trust;
- the disposition of Enerplus' joint venture interest in the Joslyn oil sands project; and
- the improvement of fundamental processes and the restructuring of Enerplus' operational structure.

The Board believes these three accomplishments are very significant in their impact on both the present and future business of Enerplus. The Focus transaction was a \$1.7 billion equity exchange transaction which added approximately 84.1 million barrels of oil equivalent ("boe") of proved plus probable conventional oil and natural gas reserves and approximately 20,000 boe per day of production volume to Enerplus' business. It was a synergistic acquisition that allowed Enerplus to significantly increase its interest in the Shackleton natural gas field in southwestern Saskatchewan and added another core area for Enerplus at Tommy Lakes in northeastern British Columbia.

The disposition of Enerplus' joint venture interest in the Joslyn oil sands project for approximately \$502 million on July 31, 2008 was another significant milestone achievement. The transaction exceeded market analyst expectations on price and it allowed Enerplus to strengthen its balance sheet prior to a material reduction of commodity prices and the deterioration of the credit market.

Lastly, management of Enerplus made significant progress in advancing on important business processes and executed on an operational restructuring. The Board believes that Enerplus' day-to-day business will benefit greatly from the efficiency gains reflected by these steps. As a result of the successful execution on these three strategic initiatives, the Board determined that management had exceeded their expectations in this respect.

(ii) *Operational Metrics*

The Board, together with the Committee, establishes goals for various operational metrics on an annual basis, and the Committee reviews the performance of Enerplus vis-à-vis these goals as part of the overall performance evaluation in determining the Corporate Performance Rating. Enerplus' corporate results are then further examined in light of multi-year patterns and industry trends. The Committee may then consider these factors plus other material and significant circumstances, such as the economic environment and labour supply/demand conditions, to modify the Corporate Performance Rating up or down to appropriately recognize performance. The following outlines the various operational metrics by which Enerplus was measured and Enerplus' achievement in 2008.

(1) *Internal Metrics Relative to Budget*

- performance on annual average production, operating cost per boe per day, operating netback, debt to cash flow ratio, and reserve life index

*Rating: Met goal* when adjusted for capital spending and acquisition and divestment activity

- performance on exit production rate

*Rating: Met goal* when adjusted for two one-time events at third party facilities which impacted Enerplus' December production volumes, but with production restored in January 2009

- net reserves additions, capital efficiencies, finding and development costs, finding, development and acquisition costs and recycle ratios

*Rating: Below expectations* due to lower than expected performance and number of one-time events which negatively impacted reserves and capital efficiencies, as detailed in Enerplus' annual results press release dated February 26, 2009 and Annual Information Form for the year ended December 31, 2008

(2) *External Metrics Relative to Comparator Group (based on a trailing three year average as all 2008 year-end results are not known as of the date of this Information Circular)*

Enerplus' performance on the following metrics was measured relative to a comparator group that consisted of the largest trusts by market capitalization as of January 1, 2008 and included Crescent Point Energy Trust, ARC Energy Trust, Penn West Energy Trust, Bonavista Energy Trust, Pengrowth Energy Trust, Harvest Energy Trust, Provident Energy Trust and Vermillion Energy Trust:

- three year comparator group debt to cash flow ratio and current comparator group debt to cash flow ratio

*Rating: Best in class*

- proved plus probable reserve life index, production per debt-adjusted Trust Unit

*Rating: Better than average*

- operating cost per boe, operating netback per boe, total cash netback per boe, G&A expenses per boe, and reserves per debt-adjusted Trust Unit

*Rating: Average*

- FD&A costs per boe and recycle ratio

*Rating: Below Average*

(iii) *Relative Total Unit Return*

One of the factors that the Board looks to in assessing yearly corporate performance is the Fund's TUR relative to a peer group. For 2008, the peer group consisted of the largest Canadian conventional oil and gas trusts by market capitalization as of January 1, 2008, which in addition to Enerplus included ARC Energy Trust, Baytex Energy Trust, Bonavista Energy Trust, Crescent Point Energy Trust, Pengrowth Energy Trust, Penn West Energy Trust and Peyto Energy Trust. As noted above, TUR for each member of the peer group is calculated by adding the difference between the value of the entity's trust units at the beginning of the period versus the end of the period to the distributions paid on the trust units during the period. The Fund's goal for TUR on an annual basis is to achieve a return in the 75th percentile relative to its peers. For the year ended December 31, 2008, Enerplus' TUR was -28.86%. When compared to its peer group for the period, Enerplus ranked fifth out of the eight member peer group.

(iv) *Determination of 2008 Corporate Performance Rating*

The Board has full discretion over the Corporate Performance Rating assessment process. In addition to taking into account all three of the above performance categories, the Board may take into account certain subjective factors that it believes are material or appropriate in the circumstances. For the year 2008, the Board exercised this discretion and determined that a Corporate Performance Rating of 0.7 was appropriate.

(b) Individual Performance Rating

A portion of an executive's short-term incentive award is based on an assessment of the Named Executive Officer's performance relative to that executive's individual goals and objectives. An executive's individual goals are annually created by the executive and generally reflect the executive's role in the achievement of the overall strategic and operational goals of the organization, as determined by management and the directors at an annual strategic meeting. Following year end, the Committee receives and considers for approval the recommendations of the CEO with regard to his performance assessment of the executive team (other than the CEO). In addition to reviewing these recommendations, the Committee also receives a report from the Corporate Governance & Nominating Committee of the Board of Directors with regard to the performance assessment of the CEO. The Committee makes recommendation to the Board of Directors as to the appropriate performance assessment of the entire executive group, including the Named Executive Officers. For 2008, the Board of Directors determined that, with the exception of certain operational goals and objectives that were only partially met, the Named Executive Officers met or exceeded their individual goals and objectives for the year.

*Long-Term Incentives*

Long-term incentives at Enerplus are designed specifically to accomplish four main objectives:

- recognize employees' longer-term contribution to Enerplus;
- provide a competitive, performance-based component of compensation;
- facilitate the attraction and retention and engagement of key employees; and
- align elements of employee compensation with longer-term value creation for Unitholders.

Two long-term incentive programs were utilized to achieve this purpose for 2008 compensation purposes – the TURIP and the Executive PTU Plan. The TURIP is essentially a stock option plan whereby the Named Executive Officer is granted rights to purchase Trust Units ("**Incentive Rights**") at a specific exercise price. The exercise price may decline if certain performance conditions are met, thereby potentially increasing the benefit to the Named Executive Officer.



In 2008, Named Executive Officers were also awarded notional performance trust units ("**PTUs**"), which mirror the price of Enerplus' Trust Units, under the Executive PTU Plan. The Executive PTU Plan is based on the Fund's TUR relative to a peer group of comparator trusts and companies established at the beginning of a three year performance period. Under the plan, at the time of vesting a performance multiplier is applied to the initial grant of notional PTUs based on the Fund's TUR during the performance period relative to the peer group. The application of the TUR performance multiplier results in a payout value of between 0.8 to 2.0 times the Trust Unit value at the end of the performance period plus the value of the distributions that would have been earned had the Named Executive Officer held Trust Units in place of PTUs during the performance period. The Executive PTU Plan also includes a "top-up" provision, which provides for a 25% increase in payout value if the executive elects to receive payment in the form of Trust Units rather than cash (which Trust Units would be purchased by Enerplus on the TSX and not issued from treasury). In August 2008, Enerplus adjusted the minimum relative performance factor multiplier under the Executive PTU Plan from 0.4 to 0.8, which affected the potential minimum payout amounts in respect of grants made to the Named Executive Officers in each of 2007 and 2008 and which vest on December 31, 2009 and December 31, 2010, respectively. This change was implemented based on the industry's labour market and retention concerns. For additional information regarding the Executive PTU Plan, including a description of the peer groups used by Enerplus in respect of grants made under the Executive PTU Plan in 2007 and 2008, see "- Incentive Plan Awards - Executive Performance Trust Unit Plan" below.

Within the total compensation framework, Named Executive Officers are assigned competitive target long-term incentive award opportunities, expressed as a percentage of salary. The Board has discretion in determining the target long-term incentive opportunity, and with respect to the Named Executive Officers, the amounts generally range up to 300% of base salary for Gordon J. Kerr, up to 250% of base salary for Garry A. Tanner, Robert J. Waters and Ian C. Dundas, and up to 200% of base salary for David A. McCoy. The actual award may be adjusted up or down from the target award based on individual performance together with other factors that the Board may consider from time to time, and grants are allocated between the applicable long-term incentives plans (which for 2008 compensation consisted of the TURIP and the Executive PTU Plan) as the Committee and the Board deem appropriate. For 2008 compensation, the target long-term incentive awards for the Named Executive Officers were allocated as to 50% PTU grants and 50% TURIP grants. Previous long-term incentive grants, including TURIP grants, are not considered when determining the current year's grant. Rather, the Board's philosophy is to deliver a competitive incentive opportunity which is contingent on performance and actual and potential value to the organization.

With continued changes to the peer group used for the purposes of the Executive PTU Plan and consolidation in the industry, as well as a desire to retain both the employees and executives, Enerplus chose to discontinue use of the Executive PTU Plan and replaced it, effective January 1, 2009, with the 2009 Executive Restricted Trust Unit Plan (the "**Executive RTU Plan**"), and no further grants are anticipated to be made under the Executive PTU Plan. For additional information on the Executive RTU Plan, see "- Changes to the Executive Officer Compensation Program for 2009" in this Compensation Discussion and Analysis and see "- Incentive Plan Awards – 2009 Executive Restricted Trust Unit Plan" below.

From 2003 through 2006, Named Executive Officers received grants under the Executive Full Value Unit Plan (the "**Executive FVU Plan**"). The amount to be paid in respect of the last grant under the Executive FVU Plan was determined on December 31, 2008 and, provided the payout conditions are met, will be paid on December 31, 2009. No further grants are anticipated under the Executive FVU Plan. As well, in 2005 and 2006, Named Executive Officers received grants under the Enerplus' 2005 Restricted Trust Unit Plan (the "**2005 RTU Plan**") relating to retention for 2005 and 2007 and a portion of the short-term incentive awards paid to selected Named Executive Officers for 2006 and 2007. No further grants are anticipated to be made under the 2005 RTU Plan. These plans are described in detail in the section below entitled "Incentive Plan Awards".

### *Savings Plan*

Enerplus has in place an employee Trust Unit savings plan (the "**Savings Plan**") that provides the Named Executive Officers and other employees with the opportunity to build wealth for retirement or other financial goals. The employee may contribute any percentage of earnings to the Savings Plan. To support the employees' progress toward their financial objectives, Enerplus contributes a minimum of 4%, to a maximum of 12%, of earnings to the Savings Plan on behalf of the employee, depending on the employee's level of contributions. Enerplus'

contributions, made on a quarterly basis, vest immediately and employees have immediate access to all contributions. The Committee considers this program to be competitive with other similar plans in its industry and there is no other form of retirement or savings programs. All Named Executive Officers have chosen to participate in the program at the maximum levels.

### *Perquisites*

Enerplus' perquisite program consists of an automobile allowance, parking, club dues and health and wellness benefits. Programs are competitive given Enerplus' target competitive position and when compared to the prevailing competitive practices for companies the size of Enerplus in the oil and gas industry. These programs help enhance the fixed elements of the compensation package in order to attract and retain executives.

### *Employment Agreements*

Named Executive Officers' employment agreements alleviate personal uncertainty and provide fair treatment in the event of termination or a change in role, especially in the case of a change of ownership. In exchange, Named Executive Officers commit to non-solicitation and confidentiality conditions in the event of certain terminations. Further details are provided in the section below entitled "Termination and Change in Control".

### *Ownership Guidelines*

The Board has adopted certain Trust Unit ownership guidelines for the Enerplus executives. Pursuant to these guidelines, the CEO is required to maintain three times his annual salary in Trust Units. The Executive and Senior Vice Presidents are required to hold two times their annual salary in Trust Units, and Vice Presidents are required to hold one times their annual salary in Trust Units. Currently, all Enerplus executives (including the Named Executive Officers) are in compliance with Enerplus' ownership guidelines. For information on the number and value of Trust Units held by each Named Executive Officer, see " – Estimated Value of Aggregate Equity Holdings of Named Executive Officers" below.

### ***Changes to the Executive Officer Compensation Program for 2009***

Over the course of 2008, the executive compensation programs were reviewed in light of the objectives of the program, the effect of external market conditions on the compensation program and industry merger and acquisition activity in the oil and gas industry generally. After reviewing the effect of these conditions on Enerplus' executive compensation programs, the Board approved certain changes to the programs for 2009.

As described above, in August 2008 Enerplus adjusted the minimum relative performance factor multiplier under the Executive PTU Plan from 0.4 to 0.8, which will affect the potential minimum payout amounts in respect of grants made to the Named Executive Officers in each of March 2007 and March 2008 and which vest on December 31, 2009 and December 31, 2010, respectively.

The long-term incentive awards for the Named Executive Officers, expressed as a percentage of salary, which were granted in March 2009 are significantly below 2008 levels. This is, in part, reflective of the general economic conditions existing at the time of the grants. In addition, the Committee and the Board decided it was appropriate, given industry conditions, not to increase the Named Executive Officers' base salaries year over year (with one modest exception). However, as mentioned above, the Executive PTU Plan has been replaced, effective January 1, 2009, with the Executive RTU Plan. The Executive RTU Plan makes available grants of notional restricted Trust Units ("**RTUs**") that mirror the market price of Enerplus' Trust Units. The RTUs vest one-third per year over a three year period, accumulate distributions during the applicable vesting period and unlike the Executive PTU Plan do not have a performance multiplier. Upon vesting, a cash payment is made to the executive equal to the then market value of the Trust Units underlying the vested RTUs plus all cash distributions notionally paid on the RTUs from the date of grant. Additionally, the Executive RTU Plan does not have a "top-up" provision as contained in the Executive PTU Plan, which provides for a 25% increase in payout value if the executive elects to receive payment in the form of Trust Units rather than cash (which Trust Units would be purchased by Enerplus on the TSX and not issued from treasury). The current intention is to split target long-term incentive awards in 2009 and in

future years as to 70% RTU grants and 30% TURIP grants. The grants of long-term incentives made by Enerplus in March 2009 under the TURIP and the Executive RTU Plan are consistent with the foregoing.

The oil and gas industry has experienced a recent consolidation of participants over the past number of years. In addition, Enerplus has grown during the year as its average daily production grew from 80,000 to 95,000 boe per day. Some of the companies previously listed as comparators did not participate in the consultant's compensation survey in 2008. These factors have necessitated a review of the comparator group. For purposes of making compensation decisions for 2009, the following companies were identified as meeting the criteria previously stated in the section entitled " – Compensation and Market Position".

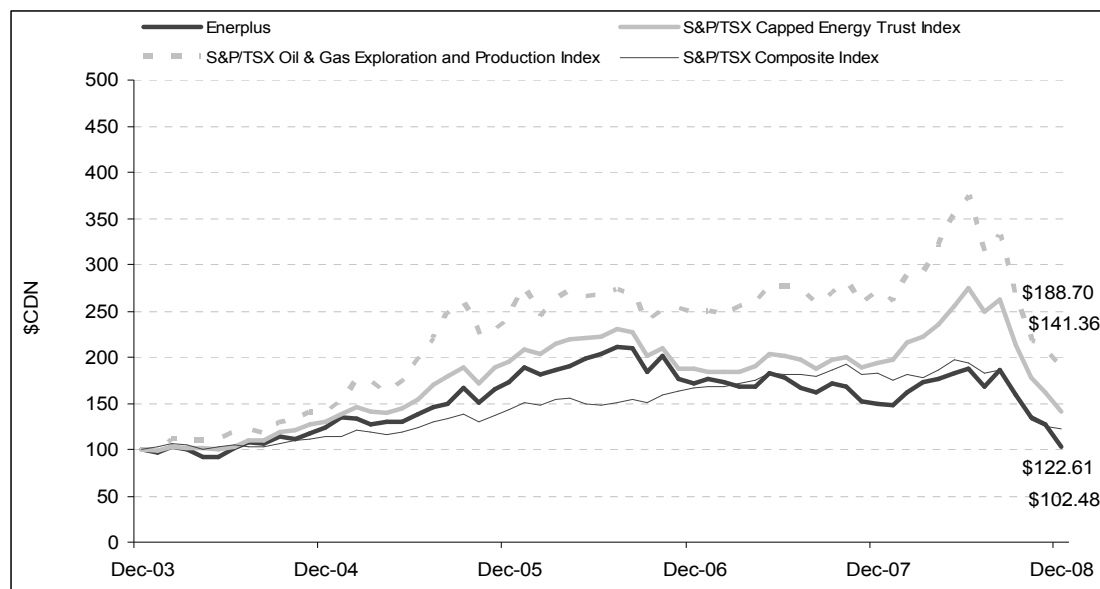
2009 Comparator Group of Companies <sup>(1)</sup>	
Advantage Energy Income Fund Apache Canada Ltd. ARC Energy Trust Baytex Energy Trust Bonavista Energy Trust BP Canada Energy Company Chevron Canada Resources Compton Petroleum Corporation ConocoPhillips Canada Crescent Point Energy Trust Devon Canada Corporation	EOG Resources Canada Inc. ExxonMobil Canada Harvest Energy Trust Hunt Oil Canada Murphy Oil Company Ltd. NAL Oil & Gas Trust Pengrowth Energy Trust Penn West Energy Trust Provident Energy Trust TAQA North Ltd. Vermilion Resources Trust

**Note:**

(1) In terms of total assets and market capitalization, Enerplus is at the 91st and 94th percentile of the comparator group, respectively, while production is at the 71st percentile. Therefore, Enerplus is one of the larger companies when compared to the comparator companies.

**Trust Unit Performance Graph**

The following graph illustrates changes from December 31, 2003 to December 31, 2008 in cumulative total return (i.e. TUR) to the Enerplus Unitholders, assuming an initial investment of \$100 in Trust Units with all cash distributions reinvested, compared to the S&P/TSX Composite Index, the S&P/TSX Oil and Gas Exploration and Production Index and the S&P/TSX Capped Energy Trust Index, with all their respective dividends and distributions reinvested.



The compensation received by the Named Executive Officers generally corresponds with fluctuations in Enerplus' TUR over the periods indicated on the above graph. From 2003 to 2005, Enerplus demonstrated strong TUR and the compensation received by Enerplus' executives reflected these returns. As Enerplus' TUR decreased in subsequent years (and in particular following the Canadian federal governments' decision on October 31, 2006 to tax income trusts in a manner similar to corporations beginning in 2011), in general, the compensation paid to the Named Executive Officers has correspondingly decreased.

### Summary Compensation Table

Outlined below is a description of the compensation paid, payable, awarded or granted in 2008 by Enerplus to the Named Executive Officers, which consist of the President & Chief Executive Officer and the Senior Vice President & Chief Financial Officer of EnerMark, together with the three other most highly compensated executive officers of EnerMark in 2008. Enerplus does not have any pension plans or similar deferred compensation plans.

#### Summary Compensation Table

Name and Principal Position	Year	Salary (\$)	Trust Unit-based awards <sup>(1)</sup> (\$)	Option-based awards <sup>(2)</sup> (\$)	Non-equity incentive plan compensation		All other compensation <sup>(4)</sup> (\$)	Total compensation (\$)
					Annual incentive plans <sup>(3)</sup> (\$)	Long-term incentive plans (\$)		
<b>Gordon J. Kerr</b> President & Chief Executive Officer	2008	520,833	682,500	682,500	240,000	Nil	130,191	2,256,024
<b>Garry A. Tanner</b> Executive Vice President & Chief Operating Officer	2008	416,667	525,000	525,000	205,000	Nil	95,819	1,767,486
<b>Robert J. Waters</b> Senior Vice President & Chief Financial Officer	2008	332,333	418,750	418,750	190,000	Nil	78,562	1,438,395
<b>Ian C. Dundas</b> Senior Vice President, Business Development	2008	332,333	418,750	418,750	220,000	Nil	82,472	1,472,305
<b>David A. McCoy</b> Vice President, General Counsel & Corporate Secretary	2008	265,833	201,000	201,000	90,000	Nil	57,491	815,324

#### Notes:

- Represents the Board's determination of the fair value on the date of grant of the PTUs awarded to the Named Executive Officers under Enerplus' Executive PTU Plan in 2008. See " - Incentive Plan Awards - Executive Performance Trust Unit Plan" below for a description of the Executive PTU Plan. The grant date fair value reflects what the Board intended to award the Named Executive Officers as target compensation under the Executive PTU Plan for 2008. These target amounts do not include the potential 25% increase in the payout amount if the Named Executive Officer elects to receive payment in Trust Units. The actual number of PTUs awarded to each Named Executive Officer was determined by dividing the target dollar award amount by the weighted average trading price of the Trust Units on the TSX for the ten trading days prior to the commencement of the applicable performance period (i.e., the final ten trading days of 2007). The grant date fair value presented in the above table differs from the fair value determined in accordance with Section 3870 of the CICA Handbook, which methodology provides an accounting fair value of the awards as follows: Gordon J. Kerr - \$743,035; Garry A. Tanner - \$571,562; Robert J. Waters - \$455,908; Ian C. Dundas - \$455,908; and David A. McCoy - \$218,829. The accounting fair value calculated in accordance with Section 3870 of the CICA Handbook utilizes the closing Trust Unit trading price on the TSX of \$42.74 on the grant date of March 3, 2008 and assumes a performance multiplier of 1.0 under the Executive PTU Plan and no 25% increase in payout amount. The actual value realized upon the vesting and payment in respect of such PTUs may be greater or less than the grant date fair value indicated. See " - Incentive Plan Awards - Outstanding Option-Based Awards and Trust Unit-Based Awards" below for the number of PTUs granted to each Named Executive Officer in 2008 and for the estimated market or payout value of all PTUs held by the Named Executive Officers at December 31, 2008.
- Represents the Board's determination of the fair value on the date of grant of the Incentive Rights awarded to the Named Executive Officers under Enerplus' TURIP in 2008. See " - Incentive Plan Awards - Trust Unit Rights Incentive Plan" below for a description of the TURIP. The

grant date fair value reflects what the Board intended to award the Named Executive Officers as target compensation under the TURIP for 2008, and the number of Incentive Rights granted to achieve such target award has been calculated based on a valuation methodology for the Incentive Rights provided to the Board by Mercer. This valuation methodology concludes that the fair value of an Incentive Right is approximately 20% of the underlying market price of a Trust Unit on the date of grant. The grant date fair value presented in the above table differs from the fair value determined using the modified binomial lattice pricing model (the "**MBLP Model**") adopted by Enerplus for accounting purposes in accordance with Section 3870 of the CICA Handbook. Under the MBLP Model, the fair value of an Incentive Right has ranged from 9% to 12% of the underlying market price of a Trust Unit on the date of grant, and the MBLP Model provides an accounting fair value of the awarded number of Incentive Rights as follows: Gordon J. Kerr - \$313,562; Garry A. Tanner - \$241,283; Robert J. Waters - \$192,386; Ian C. Dundas - \$192,386; and David A. McCoy - \$92,349. The MBLP Model considers both the original and downward-adjusted exercise prices applicable to Incentive Rights in the year. The key assumptions and estimates used for the calculation of the accounting fair value under this model are:

Dividend Yield .....	11.99%
Volatility.....	26.86%
Risk-free interest rate .....	2.88%
Forfeiture rate.....	7.3%
Exercise price reduction.....	\$1.90

The actual value realized upon the future exercise of such Incentive Rights may be greater or less than the grant date fair value indicated. See " - Incentive Plan Awards - Outstanding Option-Based Awards and Trust Unit-Based Awards" below for the number of Incentive Rights granted to each Named Executive Officer in 2008 and for the estimated market or payout value of all Incentive Rights held by the Named Executive Officer at December 31, 2008.

- (3) Represents the cash bonus awards paid to the Named Executive Officers in respect of 2008.
- (4) The amounts in this column relate to car allowances, parking payments, health and wellness benefits paid under a Flexible Spending Account, club membership dues, financial counselling and other services, the matching contribution made by Enerplus to each of the Named Executive Officers pursuant to EnerMark's Savings Plan and the amount of notional monthly distribution equivalent payments accumulated (but not paid) in 2008 on the outstanding RTUs held by the Named Executive Officers granted under the 2005 RTU Plan. See " - Incentive Plan Awards - 2005 Restricted Trust Unit Plan" below.

For a discussion of the methodology and considerations applied in determining the amounts of the payments and awards described in the above table, see " - Compensation Discussion and Analysis" above. For 2008, the total cost of compensation to the Named Executive Officers represented 0.009% of the Fund's net income for the year.

In August 2008, Enerplus adjusted the minimum relative performance factor multiplier under the Executive PTU Plan, which affected the potential minimum payout amounts in respect of grants made to the Named Executive Officers in each of 2007 and 2008. For additional information regarding the amendment, see " - Compensation Discussion and Analysis - Compensation Elements and Compensation Decisions - Long-Term Incentives" above.

### **Incentive Plan Awards**

Enerplus has in place a combination of incentive plan awards designed to reward officers and employees of Enerplus on the long-term performance of the Trust Units and to align the interests of officers and employees with Unitholders. See " - Compensation Discussion and Analysis" above. A description of each of the plans in which the Named Executive Officers participate follows the description of outstanding incentive plan awards as at December 31, 2008 and the value vested or earned under such plans during the year, as described below.

### **Outstanding Option-Based Awards and Trust Unit-Based Awards**

The following table sets forth all awards outstanding as at December 31, 2008 under Enerplus' TURIP, as awards under the TURIP are considered "option-based awards" under applicable securities laws. The table also includes outstanding grants made under Enerplus' 2005 RTU Plan, Executive FVU Plan and Executive PTU Plan, as awards under those plans are considered "share-based awards" under applicable securities laws. No awards were outstanding as of December 31, 2008 under the Executive RTU Plan which was adopted by Enerplus effective January 1, 2009.

## Outstanding Option-Based Awards and Trust Unit-Based Awards

Name	Option-Based Awards				Trust Unit-Based Awards	
	Number of Trust Units underlying unexercised Incentive Rights (#)	Exercise prices of Incentive Rights <sup>(1)</sup> (\$)	Incentive Right expiration dates <sup>(1)</sup>	Value of unexercised in-the-money Incentive Rights <sup>(1)</sup> (\$)	Number of units that have not vested (#)	Market or payout value of Trust Unit-based awards that have not vested (\$)
Gordon J. Kerr	81,154	41.21	December 31, 2012-2014	Nil	7,563 RTUs <sup>(2)</sup>	181,219 <sup>(2)</sup>
	59,702	47.87	December 31, 2011-2013	Nil	11,412 FVUs <sup>(3)</sup>	271,309 <sup>(3)</sup>
	60,000	49.80	December 31, 2010-2012	Nil	11,347 PTUs <sup>(4)</sup>	334,873 <sup>(4)</sup>
	40,000	51.54	December 31, 2009-2011	Nil	17,385 PTUs <sup>(5)</sup>	605,867 <sup>(5)</sup>
	26,400	33.93	December 31, 2009-2010	Nil		
Garry A. Tanner	62,446	41.21	December 31, 2012-2014	Nil	3,782 RTUs <sup>(2)</sup>	90,628 <sup>(2)</sup>
	47,344	47.87	December 31, 2011-2013	Nil	7,154 FVUs <sup>(3)</sup>	170,090 <sup>(3)</sup>
	37,500	49.80	December 31, 2010-2012	Nil	8,998 PTUs <sup>(4)</sup>	265,549 <sup>(4)</sup>
	30,000	51.54	December 31, 2009-2011	Nil	13,373 PTUs <sup>(5)</sup>	466,049 <sup>(5)</sup>
	19,800	33.93	December 31, 2009-2010	Nil		
Robert J. Waters	9,900	29.24	December 31, 2009	Nil		
	49,792	41.21	December 31, 2012-2014	Nil	3,026 RTUs <sup>(2)</sup>	72,502 <sup>(2)</sup>
	37,513	47.87	December 31, 2011-2013	Nil	6,057 FVUs <sup>(3)</sup>	144,002 <sup>(3)</sup>
	30,000	49.80	December 31, 2010-2012	Nil	7,130 PTUs <sup>(4)</sup>	210,421 <sup>(4)</sup>
	30,000	51.54	December 31, 2009-2011	Nil	10,667 PTUs <sup>(5)</sup>	371,745 <sup>(5)</sup>
Ian C. Dundas	9,900	33.93	December 31, 2009-2010	Nil		
	49,792	41.21	December 31, 2012-2014	Nil	3,026 RTUs <sup>(2)</sup>	72,502 <sup>(2)</sup>
	37,513	47.87	December 31, 2011-2013	Nil	6,057 FVUs <sup>(3)</sup>	144,002 <sup>(3)</sup>
	30,000	49.80	December 31, 2010-2012	Nil	7,130 PTUs <sup>(4)</sup>	210,421 <sup>(4)</sup>
	30,000	51.54	December 31, 2009-2011	Nil	10,667 PTUs <sup>(5)</sup>	371,745 <sup>(5)</sup>
David A. McCoy	3,400	31.61	December 31, 2010	Nil		
	19,800	33.93	December 31, 2009-2010	Nil		
	23,901	41.21	December 31, 2012-2014	Nil	2,765 FVUs <sup>(3)</sup>	65,740 <sup>(3)</sup>
	17,165	47.87	December 31, 2011-2013	Nil	3,263 PTUs <sup>(4)</sup>	96,298 <sup>(4)</sup>
	15,000	49.80	December 31, 2010-2012	Nil	5,120 PTUs <sup>(5)</sup>	178,432 <sup>(5)</sup>
David A. McCoy	15,000	51.54	December 31, 2009-2011	Nil		
	4,950	29.24	December 31, 2009	Nil		

**Notes:**

- (1) The exercise prices of the outstanding Incentive Rights are presented after giving effect to the reduction in the applicable exercise prices in accordance with the terms of the TURIP. The value of the unexercised in-the-money Incentive Rights as of December 31, 2008 is determined based on the excess of the closing price of the Trust Units on the TSX on December 31, 2008 of \$23.96 per Trust Unit over the applicable exercise price. The TURIP awards generally vest as to one-third on each of the first, second and third anniversaries of the date of grant and expire on December 31 of the third year following the year in which they vest. Accordingly, all Incentive Rights that are scheduled to expire on or before December 31, 2011 were vested as of December 31, 2008. The Incentive Rights with an exercise price of \$41.21 represent the Incentive Rights granted to the Named Executive Officers on 2008.
- (2) On February 21, 2007, the Board determined that a portion of the 2006 bonus to be paid to four of the Named Executive Officers, being Messrs. Kerr, Tanner, Waters and Dundas, would be paid in the form of RTUs under the 2005 RTU Plan, with initial target grant amounts as follows: Gordon J. Kerr \$250,000; Garry A. Tanner \$125,000; Robert J. Waters \$100,000; and Ian C. Dundas \$100,000. Based on a TSX closing price per Trust Unit of \$50.32 on February 21, 2007, the awards resulted in 4,969 RTUs granted to Gordon J. Kerr, 2,485 RTUs granted to Garry A. Tanner, 1,988 RTUs granted to Robert J. Waters and 1,988 RTUs granted to Ian C. Dundas. The number of RTUs presented in the table represents Enerplus' estimate of the number of RTUs that will be held by each Named Executive Officer at the time of vesting and payout on December 31, 2009, and is greater than the number of RTUs initially granted as the numbers in the table include an additional number of RTUs that Enerplus estimates will have been acquired with the monthly cash distributions notionally paid on the RTUs from the date of grant to December 31, 2009, assuming that the monthly cash distribution amount in effect at December 31, 2008 continues to be in effect until December 31, 2009. The estimated payout value of the RTUs has been determined based on the closing price of the Trust Units on the TSX on December 31, 2008 of \$23.96. These RTUs will vest and be paid on December 31, 2009 in the form of Trust Units purchased by Enerplus on the TSX or, at the discretion of the Board, an equivalent amount in cash.
- (3) The amounts to be paid in respect of the outstanding FVUs was definitively determined in accordance with the Executive FVU Plan on December 31, 2008 and will be paid to the Named Executive Officer on approximately December 31, 2009, provided that the Named Executive

Officer does not voluntarily resign or is not terminated with cause prior to such date. The payout values shown in the table do not provide for the 25% increase in the payout amount if the Named Executive Officer elects to receive the amount of such payment in the form of Trust Units purchased by Enerplus on the TSX, which must be held by the executive for one year following payment. The FVUs had the following target dollar award amounts at the time of their grant in 2006, which does not include the potential 25% increase in payout amount if the executive elects to receive payment in the form of Trust Units: Gordon J. Kerr - \$650,000; Garry A. Tanner - \$407,500; Robert J. Waters - \$345,000; Ian C. Dundas - \$345,000; and David A. McCoy - \$157,500.

- (4) Represents the number of PTUs awarded in 2007 which vest on December 31, 2009. The number of PTUs was based on a target dollar award amount divided by the weighted average trading price of the Trust Units on the TSX for the ten days prior to the commencement of the applicable performance period, being \$52.88 for grants made in 2007, and resulting in the following target dollar award amounts: Gordon J. Kerr - \$600,000; Garry A. Tanner - \$475,800; Robert J. Waters - \$377,000; Ian C. Dundas - \$377,000; and David A. McCoy - \$172,500. Such target amounts did not include the potential 25% increase if the Named Executive Officer elects to receive payment in Trust Units. The estimated future payouts represent Enerplus' estimate, as at December 31, 2008, of the future payout amount of such awards based on the then applicable relative performance factor of 0.8 and assuming that the closing price of the Trust Units on the TSX on December 31, 2008 of \$23.96 and the monthly cash distribution amount in effect at December 31, 2008 continue to be in effect to the end of the three year performance period on December 31, 2009. The estimated future payouts do not include the potential 25% increase if the Named Executive Officer elects to receive payment in Trust Units. As the estimated future payout does not consider full plan performance or all factors in the plan to be taken into account at the time of payment, the actual amount ultimately paid to the Named Executive Officers in respect of such PTUs at the payment date may be greater or less than the amounts indicated.
- (5) Represents the number of PTUs awarded in 2008 which vest on December 31, 2010. The number of PTUs was based on a target dollar award amount divided by the weighted average trading price of the Trust Units on the TSX for the ten days prior to the commencement of the applicable performance period, being \$39.26 for grants made in 2008, and resulting in the following target dollar award amounts: Gordon J. Kerr - \$682,500; Garry A. Tanner - \$525,000; Robert J. Waters - \$418,750; Ian C. Dundas - \$418,750; and David A. McCoy - \$201,000. See the column entitled "Trust Unit-based awards" in the Summary Compensation Table above and accompanying Note 1 for additional information on the fair value of the target awards. Such target amounts did not include the potential 25% increase if the Named Executive Officer elects to receive payment in Trust Units. The estimated future payouts represent Enerplus' estimate, as at December 31, 2008, of the future payout amount of such awards based on the then applicable relative performance factor of 1.0 and assuming that the closing price of the Trust Units on the TSX on December 31, 2008 of \$23.96 and the monthly cash distribution amount in effect at December 31, 2008 continue to be in effect to the end of the three year performance period on December 31, 2010. The estimated future payouts do not include the potential 25% increase if the Named Executive Officer elects to receive payment in Trust Units. If the minimum relative performance factor under the Executive PTU Plan of 0.8 was applied and all other assumptions remained the same, the estimated market value of such PTUs would be 80% of the amounts presented in the table. As the estimated future payout does not consider full plan performance or all factors in the plan to be taken into account at the time of payment, the actual amount ultimately paid to the Named Executive Officers in respect of such PTUs at the payment date may be greater or less than the amounts indicated.

### **Incentive Plan Awards - Value Vested or Earned During the Year**

The following table sets forth the value of the awards that vested or were earned in 2008 for each Named Executive Officer under Enerplus' TURIP and under its 2005 RTU Plan and Executive FVU Plan, as well as the amount of non-equity incentive plan awards (i.e., cash bonuses) earned during the year. No awards vested under Enerplus' Executive PTU Plan or Executive RTU Plan in 2008.

#### **Incentive Plan Awards - Value Vested or Earned During the Year**

<b>Name</b>	<b>Option-based awards - Value vested during the year<sup>(1)</sup></b> <b>(\$)</b>	<b>Trust Unit-based awards - Value vested during the year<sup>(2)</sup></b> <b>(\$)</b>	<b>Non-equity incentive plan compensation - Value earned during the year<sup>(3)</sup></b> <b>(\$)</b>
<b>Gordon J. Kerr</b>	Nil	1,040,267	240,000
<b>Garry A. Tanner</b>	Nil	762,556	205,000
<b>Robert J. Waters</b>	Nil	557,647	190,000
<b>Ian C. Dundas</b>	Nil	555,767	220,000
<b>David A. McCoy</b>	Nil	211,479	90,000

**Notes:**

- (1) Represents the aggregate value of the Incentive Rights held by the Named Executive Officer that vested in 2008, based on the closing price of the Trust Units on the TSX on the applicable date of vesting minus the applicable exercise prices of the outstanding Incentive Rights following the reduction in the exercise price in accordance with the terms of the TURIP. The value for each Named Executive Officer is nil as, at the date of vesting, the exercise price of the applicable Incentive Rights exceeded the closing price of the Trust Units on the TSX.
- (2) Consists of the following, on an aggregate basis:
- (a) In 2006 the Board determined that a portion of the 2005 bonus to be paid to four of the Named Executive Officers, being Messrs. Kerr, Tanner, Waters and Dundas, would be paid in the form of RTUs under the 2005 RTU Plan, with initial target dollar award amounts as

follows: Gordon J. Kerr - \$250,000; Garry A. Tanner - \$125,000; Robert J. Waters - \$75,000; and Ian C. Dundas \$100,000. Based on a TSX closing price per Trust Unit of \$58.50 on February 23, 2006, the awards resulted in 4,274 RTUs granted to Gordon J. Kerr, 2,137 RTUs granted to Garry A. Tanner, 1,282 RTUs granted to Robert J. Waters and 1,709 RTUs granted to Ian C. Dundas. These RTUs vested on December 31, 2008. The value ascribed to these RTUs is equal to the purchase price of the underlying Trust Units and the value of the cash distributions attributable to such Trust Units from the date of grant to the date of vesting. The Trust Units were purchased at a price of \$27.14 per unit on the TSX on January 6, 2009. The aggregate value of the awards on payout was as follows: Gordon J. Kerr - \$178,211; Garry A. Tanner - \$89,106; Robert J. Waters - \$53,455; and Ian C. Dundas - \$71,259.

- (b) On April 2, 2007 the Board granted RTUs under the 2005 RTU Plan to the executive officers of Enerplus, excluding Gordon J. Kerr, with initial target dollar award amounts for the applicable four Named Executive Officers as follows: Garry A. Tanner - \$200,000; Robert J. Waters - \$160,000; Ian C. Dundas - \$160,000; and David A. McCoy - \$85,000. Based on a TSX closing price per Trust Unit of \$49.11 on April 2, 2007, the awards resulted in 4,073 RTUs granted to Garry A. Tanner, 3,258 RTUs granted to Robert J. Waters, 3,258 RTUs granted to Ian C. Dundas and 1,731 RTUs granted to David A. McCoy. These RTUs vested on September 15, 2008. The value ascribed to these RTUs is equal to the purchase price of the underlying Trust Units and the value of the cash distributions attributable to such Trust Units from the date of grant to the date of vesting. The Trust Units were purchased at a price of \$42.82 per unit on the TSX on September 8, 2008. The aggregate value of the awards on payout was as follows: Garry A. Tanner - \$205,395; Robert J. Waters - \$164,296; Ian C. Dundas - \$164,296; and David A. McCoy - \$87,292.
  - (c) In 2005 the Board granted FVUs under the Executive FVU Plan to each of the Named Executive Officers, with initial target dollar award amounts as follows: Gordon J. Kerr - \$875,000; Garry A. Tanner - \$489,000; Robert J. Waters - \$345,000; Ian C. Dundas - \$325,000; and David A. McCoy - \$126,000. Such target amounts did not include the potential 25% increase if the Named Executive Officer elected to receive payment in Trust Units. The three year performance period for the FVUs was completed, and the amounts payable in respect of such FVUs was determined in accordance with the Executive FVU Plan on December 31, 2007, resulting in a "total performance factor" of 0.5 and a "relative performance factor" of 1.0 being applied to the FVUs, and the payments were made on December 31, 2008. Four Named Executive Officers, being Messrs. Kerr, Waters, Dundas and McCoy, elected to receive payout in the form of Trust Units resulting in a 25% increase in the amount paid. Mr. Tanner elected to receive 50% of the payout in cash and 50% in Trust Units, resulting in a 25% increase in payment on the 50% payable in Trust Units. The value paid out, including the 25% increase in payout amount where applicable, is as follows: Gordon J. Kerr - \$862,056; Garry A. Tanner - \$468,055; Robert J. Waters - \$339,896; Ian C. Dundas - \$320,211; and David A. McCoy - \$124,187.
- (3) Represents the cash bonus awards paid to the Named Executive Officers in respect of 2008.

### ***Trust Unit Rights Incentive Plan***

On June 21, 2001, following receipt of Unitholder approval, the Fund adopted the TURIP pursuant to which Incentive Rights to acquire Trust Units may be granted to the officers, employees and service providers of Enerplus. The TURIP was amended in each of 2003, 2005 and 2008 with the approval of the Fund's Unitholders. The TURIP was also amended by the Board of Directors without Unitholder approval effective February 1, 2006, in accordance with the amendment provisions contained in the TURIP, to ensure that Enerplus' U.S. employees would not suffer unfavourable tax treatment under amended United States income tax laws as a result of being granted Incentive Rights under the TURIP.

The purpose of the TURIP is to provide effective long-term incentives to the recipients of Incentive Rights and reward them on the basis of the long-term trading price and distributions paid on the Trust Units, which reflect the total return to the Fund's Unitholders. The TURIP is currently the only securities based compensation arrangement pursuant to which securities may be issued from treasury of the Fund that has been adopted by Enerplus. The material terms of the existing TURIP are described below.

The TURIP permits the Board of Directors to issue Incentive Rights to any officer, employee or service provider of Enerplus as the Board of Directors may determine, provided that, in the case of a service provider, such service provider has been engaged by Enerplus to provide services for an initial, renewable or extended period of twelve months or more and provides such services on an ongoing basis throughout the term of the Incentive Right. Directors of EnerMark Inc. are not eligible participants in the TURIP. The TURIP provides that, at all times, 5% of the issued and outstanding Trust Units (on a non-diluted basis) will be reserved and available for issuance upon the exercise of Incentive Rights. This 5% maximum is a "reloading" provision whereby a number of Trust Units equivalent to the number of Incentive Rights that have been exercised, terminated, cancelled or expired are immediately re-reserved for issuance under the TURIP and available for future issuances. As of March 10, 2009, there were 5,894,555 Incentive Rights outstanding, representing 3.6% of the 165,778,989 issued and outstanding Trust Units on that date (including Trust Units issuable on the exchange of the EELP Exchangeable LP Units), leaving 2,394,394 Trust Units (representing 1.4% of the issued and outstanding Trust Units and equivalent EELP Exchangeable LP Units on that date) reserved and available for issuance upon the exercise of Incentive Rights that may be granted in the future.



The maximum number of Incentive Rights (and corresponding Trust Units reserved for issuance upon exercise of such Incentive Rights) that any one person and that insiders of the Fund as a whole may receive under TURIP, together with any other securities based compensation arrangement, is 5% of the issued and outstanding Trust Units (on a non-diluted basis) at the date of the grant of the Incentive Right. In addition, the maximum number of Trust Units which may be issued to insiders of the Fund as a whole, or to any one insider and his or her associates, under the TURIP within a one year period is 5% of the Trust Units outstanding at the time of the issuance (on a non-diluted basis), excluding Trust Units issued under the TURIP or any other security based compensation arrangement over the preceding one year period. For the purposes of these limits, the number of issued and outstanding Trust Units is to include any Trust Units issuable upon the exchange of any securities of a subsidiary of the Fund that are exchangeable into Trust Units (or a fraction thereof) for no additional consideration, and which carry voting rights and rights to receive cash distributions or other payments from the Fund equivalent to the voting rights and rights to receive cash distributions attached to the Trust Units (such as the EELP Exchangeable LP Units). However, this calculation would not include convertible debt securities, purchase warrants or Incentive Rights outstanding under the TURIP.

The original exercise price of the Incentive Rights at the time of grant must be no less than the closing price of the Trust Units on the TSX on the last business day prior to the approval of the granting of the Incentive Right by the Board of Directors. However, for Incentive Rights granted prior to April 23, 2003, the original exercise price either will automatically be adjusted downwards (in the case of holders of Incentive Rights who are not directors or officers of Enerplus) or adjusted downwards at the election of the holder (in the case of a holder who is a director or officer of Enerplus). For Incentive Rights granted after April 23, 2003, the original exercise price will be adjusted downward at the election of the holder. As a result of certain U.S. tax rules, the exercise price of Incentive Rights held by U.S. holders may not be adjusted downward. The downward adjustment may occur once the Fund's distributions to Unitholders exceed 10% of the net property, plant and equipment account on Enerplus' balance sheet, on a per unit basis, in a calendar year (adjusted as to 2.5% of the net property, plant and equipment, on a per unit basis, at the end of each calendar quarter), following which the exercise price of the Incentive Rights either may or will (as stated above) be reduced by a corresponding per unit amount. In certain circumstances, it is more advantageous to use the original exercise price rather than the downward-adjusted exercise price as using the downward-adjusted price may increase the tax rate applicable to the exercise of the Incentive Right.

Under the TURIP, the Board of Directors has the power to determine the time at which an Incentive Right will expire and the time or times when Incentive Rights will vest and become exercisable. The TURIP states that the period during which an Incentive Right is exercisable will generally expire at the end of the third calendar year following the year in which the Incentive Right has vested. However, if the original expiry date of an Incentive Right occurs during, or within ten business days of the end of, an Enerplus-imposed securities trading blackout applicable to a holder of Incentive Rights, then the expiry date is extended to be the tenth business day after the original expiry date of the blackout period. Although not prescribed in the TURIP, the Board of Directors has historically provided for gradual vesting periods for each grant of Incentive Rights, in proportions determined by the Board of Directors, with the first portion vesting on the date that is one year after the date of grant, another portion vesting on the second anniversary of the date of grant and a final portion vesting on the third anniversary of the date of grant.

An Incentive Right is personal to the grantee and is non-transferable and non-assignable. The TURIP does not provide for or contemplate the provision of financial assistance to facilitate the exercise of Incentive Rights and the issuance of Trust Units. If the employment or appointment of an Incentive Rights holder with Enerplus is terminated by either party for any reason other than termination for cause or, generally, the voluntary resignation of the holder (in which cases the Incentive Rights expire immediately upon the holder ceasing to provide active services to Enerplus), the Incentive Rights held by such individual must be exercised within 90 days of the later of the date of notice of such termination or the date on which the holder ceased to actively provide services to Enerplus.

The TURIP contains standard adjustment and anti-dilution provisions for changes in the capital structure of the Fund. The TURIP states that the Board of Directors may, at any time without the approval of the Unitholders and other voting securities of the Fund, suspend, discontinue or amend the TURIP or any Incentive Right. However, the Board of Directors may not, without the approval of a majority of the Unitholders and the other voting securities of the Fund, amend the TURIP or an Incentive Right to: (a) increase the number of Trust Units, or the percentage of

the issued and outstanding Trust Units, issuable pursuant to the plan; (b) other than as provided for in the exercise price adjustment mechanisms for distributions described above, make any amendment that would reduce the exercise price of an outstanding Incentive Right (including a cancellation and reissue of an Incentive Right that constitutes a reduction of the exercise price), or to make any amendment to such exercise price adjustment mechanisms; (c) extend the expiry date of any Incentive Right granted under the TURIP beyond the expiry date of the Incentive Right determined at the date of grant, except as provided for with respect to an expiry date that occurs during a blackout period, as described above; (d) expanding the categories of individuals who are eligible to participate in the TURIP Plan; or (e) amend the TURIP to permit the transfer or assignment of Incentive Rights, except to permit a transfer to a family member, an entity controlled by the holder of the Incentive Rights or a family member, a charity or for estate planning or estate settlement purposes, in each case unless the change to the TURIP or an Incentive Right results from the application of provisions in the TURIP relating to mergers, business combinations, take-over bids and anti-dilution provisions.

The TURIP (and any proposed future amendments to the TURIP) is subject to such future approvals of the Unitholders and applicable stock exchanges as may be required by the terms of the TURIP or applicable stock exchanges from time to time. As a result of implementing a "reloading" 5% maximum number of Trust Units reserved for issuance under the TURIP, the TSX requires that the approval of all unallocated Incentive Rights under the TURIP to be sought by Enerplus every three years from a majority of Enerplus' directors and the Unitholders. This approval was provided by the Unitholders in each of 2005 and 2008. Any amendment to the TURIP is subject to the prior approval of the TSX and the NYSE, and no amendment to, or suspension or discontinuance of, the TURIP may be made to the TURIP or an Incentive Right granted under the TURIP that would alter or impair any previously granted Incentive Rights, without the prior consent of the holder.

For a description of the treatment of Incentive Rights in connection with certain transactions involving the Fund or termination of a Named Executive Officer's employment with Enerplus, see " - Termination and Change of Control Benefits" below.

As of December 31, 2008 there were a total of 4,002,251 Incentive Rights outstanding at exercise prices ranging from \$23.58 to \$56.93 with a weighted average exercise price of \$48.28 (\$44.81 after giving effect to the downward adjustments to the exercise prices) and expiration dates ranging from December 31, 2009 to December 31, 2014. As of December 31, 2008, a total of 2,024,668 of these outstanding Incentive Rights were exercisable, with a weighted average exercise price of \$51.29 (\$45.92 after giving effect to the downward adjustments to the exercise prices). For additional information regarding the TURIP and outstanding Incentive Rights as at December 31, 2008, see Note 10(d) to the Fund's audited consolidated financial statements for the year ended December 31, 2008.

### ***Executive Performance Trust Unit Plan***

Effective March 1, 2007, Enerplus implemented the Executive PTU Plan, pursuant to which notional performance trust units, or PTUs, may be granted to the executive officers of Enerplus, at the discretion of the Board. In the fall of 2008, Enerplus determined to replace the Executive PTU Plan with the Executive RTU Plan described below. Accordingly, Enerplus currently does not intend to make any future grants under this plan. This plan is intended to align the interests of the executive officers of Enerplus with those of the Unitholders by rewarding participants on the basis of the Fund's performance over a particular "performance period", generally being a three calendar year period. The amounts ultimately paid out with respect to a grant of PTUs made pursuant to the Executive PTU Plan will depend on the "total annual return" on the Fund's Trust Units over the performance period as compared to a designated "performance group" of industry peers, as described in further detail below. Once a three year performance period has been completed, a grant of PTUs vests and payment, calculated as described below, is made to the executive within 15 days of the completion of such performance period.

The "total annual return" of the Fund's Trust Units over the performance period is calculated by dividing (i) the total of the cash distributions or similar payments received during the performance period plus the total Trust Unit price appreciation (or depreciation) during the period by (ii) the Trust Unit price at the beginning of the relevant performance period, using the ten day weighted average trading price in each case. The result is then divided by the number of years in the performance period (generally being three years) to arrive at a total annual return on the Fund's Trust Units during the performance period. This total annual return is then measured against a

"performance group" of industry peers specified by the Board at the beginning of each performance period which, where practical and deemed appropriate by the Board, will consist of oil and gas trusts, corporations, or other entities, including the Fund, having their head office in Canada and at least 25% of operating revenues derived from conventional oil and gas activities in North America. The composition of the performance group may be amended by the Board if any member of the group ceases to exist during the applicable performance period or to take into account changes in trust, corporate or other structures. For 2007 grants, the peer group consisted of Advantage Energy Income Fund, ARC Energy Trust, Baytex Energy Trust, Bonavista Energy Trust, Crescent Point Energy Trust, Harvest Energy Trust, NAL Oil & Gas Trust, Paramount Energy Trust, Pengrowth Energy Trust, Penn West Energy Trust, Peyto Energy Trust, Provident Energy Trust, Trilogy Energy Trust and Vermilion Energy Trust. For 2008 grants, the peer group consisted of ARC Energy Trust, Bonavista Energy Trust, Crescent Point Energy Trust, Harvest Energy Trust, Pengrowth Energy Trust, Penn West Energy Trust, Provident Energy Trust and Vermilion Energy Trust.

The Fund's total annual return, as compared to the performance group, results in a multiplier (referred to as a "relative performance factor") then being applied to the number of PTUs granted in respect of the performance period. The relative performance factor is determined by the Board, after consultation with and receiving the recommendation of Enerplus management. The methodology used to determine the relative performance factor may differ for separate grants of PTUs and may be revised by the Board based on such factors as the Board considers appropriate. For example, the relative performance factor may range from a multiplier of 0.8 for a relative performance ranking below the average of the performance group, to a multiplier of 1.0 for achieving the 50th percentile, up to a multiplier of 2.0 where the Fund's performance ranks above the 75th percentile as compared to its performance group, with intermittent points interpolated appropriately. In August 2008, Enerplus amended the Executive PTU Plan to increase the minimum relative performance multiplier from 0.4 to 0.8. See " – Compensation Discussion and Analysis – Compensation Elements and Compensation Decisions – Long-Term Incentives" for additional information.

Once the relative performance multiplier has been applied to the number of PTUs initially granted to result in an adjusted number of PTUs, a dollar amount is assigned to the adjusted number of PTUs by multiplying that number of PTUs by the weighted average trading price of the Fund's Trust Units on the TSX for the last ten trading days of the applicable performance period. The executive is entitled to be paid that amount in cash. However, as an inducement for executives to increase their economic exposure to the value of the Fund's Trust Units, and thereby creating further alignment with Unitholders, the executive may choose to receive all or a portion of their Executive PTU Plan payment in the form of Trust Units. An election by the executive to be paid in Trust Units will entitle the executive to receive payment equal to 125% of the amount that he or she would otherwise be paid if the executive had elected to be paid in cash. The number of Trust Units to be paid in connection with such an election is calculated by dividing the dollar amount of the payment (including the 25% increase) by the weighed average trading price of the Trust Units on the TSX for the ten final trading days of the calendar year immediately preceding the payment date. Any Trust Units payable pursuant to the terms of the plan are purchased by Enerplus on the TSX for payment to the executive and are not issued from treasury. If an executive elects to take Trust Units as payment under the Executive PTU Plan, the executive may not transfer, sell, pledge or otherwise dispose of such Trust Units for a period of one year from the payment date, subject to certain exceptions relating to termination of employment or take-over bids or business combination transactions involving the Fund. Notwithstanding the foregoing, if an executive elects to receive payment in Trust Units, the Board may determine to pay entitlements under the Executive PTU Plan in cash rather than Trust Units, with the amount of such cash payment including the 25% increase to which the executive was entitled as a result of his or her prior election to be paid in the form of Trust Units.

Notwithstanding anything else in the Executive PTU Plan, the Board may amend or otherwise modify the terms and conditions regarding any grant of PTUs or any award may under the plan, including without limitation, to accelerate any payment date or modify the methodology of calculating and paying any PTU award under the plan, provided that no such amendment or modification may, without the consent of the affected executive, reduce the amount of an award otherwise payable pursuant to the terms of the Executive PTU Plan.

For a description of the treatment of PTUs in the event of a change of control of the Fund or the termination of a Named Executive Officer's employment with Enerplus in certain circumstances, see " - Termination and Change of Control Benefits" below.

### **Executive Full Value Unit Plan**

In 2003, Enerplus implemented the Executive FVU Plan, which was intended to further align the long-term interests of the executive officers of Enerplus with those of the Unitholders by rewarding participants on the basis of the Fund's performance over a particular "performance period", generally being a three calendar year period. In 2007, Enerplus determined to replace the Executive FVU Plan with the Executive PTU Plan described above. Accordingly, no grants were made under the Executive FVU Plan in 2007 or 2008 and Enerplus currently does not intend to make any future grants under this plan.

The actual level of compensation paid out in a particular year pursuant to the Executive FVU Plan will depend on both the "total annual return" on the Fund's Trust Units over a particular performance period and the "relative performance" of the Fund to an industry peer group over that same period, with each given an equal weighting. As a result, the actual payments made to Enerplus' executives pursuant to the Executive FVU Plan may be greater or less than the target value of the notional full value units ("FVUs") awarded to the executives at the time of grant.

The "total annual return" of the Fund's Trust Units over a performance period is calculated by dividing the (i) total of the cash distributions received during the performance period plus the total Trust Unit price appreciation (or depreciation) during the period by (ii) the Trust Unit price at the beginning of the relevant performance period, using the ten day weighted average trading price in each case. The result is then divided by the number of years in the performance period (generally being three years) to arrive at an annual total return on the Fund's Trust Units during the performance period. This total return is then measured against a grid of total return levels that results in a multiplier of between 0.5 and 1.75 being assigned to the number of FVUs granted to an executive. The grid of total annual return multipliers under the Executive FVU Plan is as follows:

<b>Total Annual Return for Performance Period</b>	<b>Total Return Multiplier</b>
20%+	1.75
19.0% to <20.0%	1.70
18.0% to <19.0%	1.60
17.0% to <18.0%	1.50
16.0% to <17.0%	1.40
15.0% to <16.0%	1.30
14.0% to <15.0%	1.20
13.0% to <14.0%	1.10
12.0% to <13.0%	1.00
11.0% to <12.0%	0.90
10.0% to <11.0%	0.80
9.0% to <10.0%	0.70
8.0% to <9.0%	0.60
<8.0%	0.50

A second multiplier, known as the "relative performance factor", is then applied. The Fund's "relative performance" is measured as the Fund's ranking, by way of total annual return over the performance period as described above, in relation to a peer group of (generally, and subject to the discretion of the Board of Directors) the eight largest (determined on the basis of market capitalization) conventional oil and gas income or royalty trusts at the time of grant, including the Fund, having their head office on Canada and at least 75% of their operating revenues derived from conventional oil and gas operations in North America. The grid of relative performance multipliers, based on the Fund's relative ranking against the peer group, is as follows:

<b>Relative Performance Rank of the Fund</b>	<b>Relative Performance Multiplier</b>
1	1.75
2	1.50
3	1.25
4	1.00
5	0.75
6	0.50
7	0.25
8	0.00

Once a three year performance period has been completed, the compensation payable pursuant to the applicable grant is calculated, and the amount vests and is paid to the executive on December 31 of the following year, provided the executive is still actively employed by Enerplus on the payment date. As an inducement for executives to increase their exposure to the Fund's Trust Units, thereby creating further alignment to Unitholders, the executive may choose to receive all or a portion of their Executive FVU Plan payment in the form of Trust Units. An election by the executive to be paid in Trust Units will entitle the executive to receive payment equal to 125% of the amount that he or she would otherwise be paid if the executive had elected to be paid in cash. If an executive elects to take Trust Units as payment under the Executive FVU Plan, the executive may not transfer, sell, pledge or otherwise dispose of such Trust Units for a period of one year from the payment date, subject to certain exceptions relating to termination of employment or take-over bids or business combination transactions involving the Fund. Any Trust Units paid pursuant to the Executive FVU Plan will be purchased on the TSX and will not be issued from treasury.

For a description of the treatment of FVUs in the event of a change of control of the Fund or the termination of a Named Executive Officer's employment with Enerplus in certain circumstances, see " - Termination and Change of Control Benefits" below.

### ***2005 Restricted Trust Unit Plan***

Effective October 13, 2005, Enerplus implemented the 2005 RTU Plan pursuant to which the Board, in its discretion, is entitled to grant RTUs to the executive officers of Enerplus to further align the compensation of Enerplus' executive officers with the interests of the Fund's Unitholders. Each RTU granted under the 2005 RTU Plan represents a right to potentially receive a payment under the plan on the payment date designated by the Board. On the designated payment date, the executive will receive a number of Trust Units of the Fund equal to the number of RTUs that vest on such date, together with a number of additional Trust Units that would have been purchased with the cash distributions paid by the Fund on the RTUs if they were outstanding as Trust Units from the date of grant. Any Trust Units payable pursuant to the terms of the plan are purchased by Enerplus on the TSX for payment to the executive and are not issued from treasury. However, the Board may determine to pay vested RTU awards in cash rather than Trust Units, with the amount of such cash payment equal to the number of Trust Units that would otherwise have been paid multiplied by the weighted average trading price of the Fund's Trust Units on the TSX for the ten trading days ending on the fifth business day prior to the payment date. For a description of the treatment of RTUs granted under the 2005 RTU Plan in the event of a change of control of the Fund or the termination of a Named Executive Officer's employment with Enerplus in certain circumstances, see " - Termination and Change of Control Benefits" below.

Enerplus does not currently intend to make any further grants of RTUs under the 2005 RTU Plan.

### ***2009 Executive Restricted Trust Unit Plan***

Effective January 1, 2009, Enerplus implemented the Executive RTU Plan. No grants were made under this plan in respect of 2008 compensation, but the initial grants under the Executive RTU Plan were made in March 2009. A summary of the Executive RTU Plan is as follows.

Under the Executive RTU Plan, the Board, in its discretion, is entitled to grant notional restricted Trust Units, or RTUs, to the executive officers of Enerplus to further align the compensation of Enerplus' executive officers with the interests of the Fund's Unitholders. Each RTU represents a right to potentially receive a cash payment on each vesting date designated by the Board. Unless otherwise determined by the Board, the RTUs will vest as to one-third on each of the first, second and third anniversaries of the date of grant of the RTUs. The amount of the cash payment shall equal the "market value" of the number of RTUs (i.e. Trust Units) that vest on the applicable date, with the "market value" being the volume weighted average trading price of the Trust Units on the TSX for the five trading days ending three business days prior to the vesting date. Additionally, concurrent with any payment made to an executive in respect of RTUs that vest pursuant to the plan, the executive will receive an additional cash payment equal to the monthly cash distributions, if any, that would have been paid by the Fund on such vested RTUs had they been outstanding as Trust Units from the date of grant.

Notwithstanding anything else in the Executive RTU Plan, the Board may amend or modify the terms and conditions regarding any grant or payment made in respect of any RTUs granted under the plan, including to accelerate the vesting or payment date or to modify the methodology of calculating and paying any RTU awards; provided that no amendment or modification may, without the consent of the affected executive, reduce the amount of the payment to be made in respect of an RTU award.

For a description of the treatment of RTUs granted under the Executive RTU Plan in the event of a change of control of the Fund, business combination involving the Fund or the termination of a Named Executive Officer's employment with Enerplus in certain circumstances, see " - Termination and Change of Control Benefits" below.

### **Termination and Change of Control Benefits**

In connection with the termination of a Named Executive Officer's employment and/or a Change of Control of the Fund (as defined below) or similar transactions, certain payments may be required to be made to a Named Executive Officer pursuant to the executive employment agreements in place between Enerplus and each of its senior officers (the "**Executive Employment Agreements**") and the various incentive award plans implemented by Enerplus. For the purposes of the Executive Employment Agreements and each of the 2005 RTU Plan, the Executive FVU Plan and the Executive PTU Plan, as well as the new Executive RTU Plan under which the initial grants were made in March 2009, a "**Change of Control**" generally means: (i) the acquisition by a person of 35% or more of the Fund's issued and outstanding voting securities; (ii) the amalgamation, merger, reorganization or other form of business combination of or involving EnerMark or the Fund with or into any one or more other corporations, trusts or other entities, provided that the former holders of voting securities of the Fund receive, in the aggregate, less than 65% of the voting securities of the amalgamated or merged entity; or (iii) the sale of all or substantially all of the assets of the Fund, in each case other than in connection with an internal reorganization of Enerplus. The conversion of the Fund from an income trust structure to a corporate or other form of structure would not, on its own, constitute a Change of Control for these purposes. Additionally, certain of the plans also refer to a "**Combination Transaction**", which generally means any successful take-over bid, merger, arrangement or similar transaction resulting in the Trust Units being replaced with cash and/or securities of another issuer (which is different than, and may not constitute, a Change of Control of the Fund).

Additionally, for the purposes of the Executive Employment Agreements and Enerplus' various incentive award plans, the date of termination of employment is generally deemed to be the last day on which an executive or employee, as the case may be, actively provides services to Enerplus, and not the date of notice of termination or the completion of any statutory or common law notice period.

### **Termination for Just Cause and Voluntary Resignation**

Under the terms of the Executive Employment Agreements and each of the TURIP, the 2005 RTU Plan, the Executive FVU Plan, the Executive PTU Plan and the new Executive RTU Plan, in the event of termination for just cause or the voluntary resignation of a Named Executive Officer, the executive is not entitled to any incremental or further compensation from the date of termination, and all unexercised, unvested or unpaid grants or awards, as the case may be, made under those plans are immediately forfeited and cancelled.

### **Death, Disability and Retirement**

If a Named Executive Officer's employment with Enerplus is terminated due to death, permanent disability or retirement in accordance with Enerplus' retirement policy, no incremental payments or benefits become payable to the executive officer under the Executive Employment Agreements. Under the TURIP, the executive (or in the case of the executive's death, his or her estate) has 90 days from the date of termination to exercise any Incentive Rights that vest in their normal course prior to the end of the 90-day period. In the case of each of the 2005 RTU Plan, the Executive FVU Plan and the Executive PTU Plan, any unpaid awards become immediately payable upon such termination of employment in the same manner as described under " - Termination Without Just Cause or Following a Change of Control or Similar Transactions" below, but the amount of the payment is prorated based on the percentage of the vesting period (in the case of the 2005 RTU Plan) or performance period (in the case of the Executive FVU Plan and the Executive PTU Plan) completed at the date of termination of employment. Under the new Executive RTU Plan, all RTUs which would vest on or prior to the date of termination of the executive's

employment with Enerplus shall immediately vest and the applicable cash payment (including the notional accumulated monthly cash distributions on the RTUs that vest) is paid to the executive. Any grants or awards on which payment is not made as described above are forfeited and cancelled.

The following table sets forth the estimated incremental payments that would have been required to have been made to the Named Executive Officers had the employment of a Named Executive Officer been terminated as a result of the death, disability or retirement of the executive on December 31, 2008. No incremental salary, annual incentive bonus or benefit payments would have become payable and no accelerated vesting of Incentive Rights would have resulted in such circumstances. No awards under the Executive RTU Plan were outstanding as of December 31, 2008.

**Estimated Incremental Payments as of December 31, 2008  
Termination from Death, Disability or Retirement**

Name	2005 RTU Plan Payments <sup>(1)</sup> (\$)	Executive FVU Plan Payments <sup>(2)</sup> (\$)	Executive PTU Plan Payments <sup>(3)</sup> (\$)	Total (\$)
<b>Gordon J. Kerr</b>	119,087	271,309	425,204	815,600
<b>Garry A. Tanner</b>	59,556	170,090	562,028	562,028
<b>Robert J. Waters</b>	47,644	144,002	264,195	455,842
<b>Ian C. Dundas</b>	47,644	144,002	455,842	455,842
<b>David A. McCoy</b>	Nil	65,740	123,676	189,416

**Notes:**

- (1) Based on the prorated portion of the period from the February 21, 2007 grant date to the originally designated December 31, 2009 vesting and payment date which would have been completed on December 31, 2008. See "Incentive Plan Awards - Outstanding Option-Based Awards and Trust Unit-Based Awards" above.
- (2) Represents the full amount of the FVU awards to be otherwise paid on December 31, 2009 as the three year performance period for such awards was completed and the amount of such awards calculated on December 31, 2008. See "Incentive Plan Awards - Outstanding Option-Based Awards and Trust Unit-Based Awards" above.
- (3) Represents the prorated portions of the two outstanding Executive PTU Plan awards based on the applicable portion of the three year performance period completed in respect of each such outstanding award as at December 31, 2008 and assuming the performance period for each award consisted of the three most recently completed fiscal years of the Fund (i.e. 2006 to 2008). See "Incentive Plan Awards - Outstanding Option-Based Awards and Trust Unit-Based Awards" above.

***Termination Without Just Cause or Following a Change of Control or Similar Transactions***

*Executive Employment Agreements*

If a Named Executive Officer terminates his or her employment with Enerplus within 90 days of a Change of Control of the Fund following the occurrence of certain events that are generally analogous to constructive dismissal (including, among other things, a material reduction in overall compensation or responsibility, geographic relocation or a failure to provide the executive with incentive programs and benefits substantially similar to those provided to the executive prior to the Change of Control, in each case without the consent of the executive), or if the employment of the executive is terminated at any time without just cause, the executive will be entitled to certain payments, the amount of which are dependent on the executive's position, years of service with Enerplus, age, and total compensation prior to termination. For the purposes of determining certain components of such payments, the "**Severance Period**" for each of the Named Executive Officers, as at December 31, 2008, is set forth below:

Named Executive Officer	Severance Period
Gordon J. Kerr	30 months
Garry A. Tanner	21 months
Robert J. Waters	24 months
Ian C. Dundas	21 months
David A. McCoy	13 months

Following termination of employment in the circumstances described above, each executive is entitled to receive a lump sum payment, within 30 days of the termination date, equal to (i) the aggregate base salary the executive would receive during the Severance Period, (ii) an amount in lieu of the executive's annual non-equity (i.e. cash) incentive bonus for the Severance Period, based on the simple average of the amount of such bonus made in the past two fiscal years, and (iii) payment in lieu of certain benefits and perquisites otherwise payable by Enerplus to or on behalf of the executive during the severance period (consisting of items such as, among other things, parking, professional dues, vacation, car allowance and general health and disability benefits). Additionally, at the option of the executive, Enerplus is to provide the executive with commercially reasonable executive outplacement services (including reasonable office premises) for a period of up to six months following the termination date. The Executive Employment Agreements further provide that in such circumstances, notwithstanding the terms of the TURIP, all Incentive Rights under the TURIP (or grants under a replacement plan) will immediately vest on the termination date and may be exercised by the executive within 90 days following the termination date.

As a condition of receiving such payments and arrangements, the executive must execute a release that releases Enerplus from further obligations and liabilities to the executive. Additionally, the Executive Employment Agreements state that during the Severance Period, an executive may not, directly or indirectly, without the consent of Enerplus, solicit for hire any Enerplus employee for employment with another entity, acquire more than 5% of the outstanding securities of the Fund, engage in any non-management proxy solicitation with respect to the Fund or publicly announce any transaction with respect to the Fund. The Executive Employment Agreements contain standard confidentiality of information provisions that are in effect both during the course of and after the termination of the executive's employment with Enerplus.

#### *Trust Unit Rights Incentive Plan*

If the employment of an Incentive Rights holder with Enerplus is terminated without just cause or by the executive within 90 days of a Change of Control following certain constructive dismissal-like events, the Incentive Rights held by such individual must be exercised within 90 days of termination. As described above under " - Executive Employment Agreements", termination of an executive's employment without just cause or in such circumstances following a Change of Control results in the accelerated vesting of all otherwise unvested Incentive Rights for such executive, which may be exercised by the executive within such 90-day period.

If the Fund is merged into or amalgamated with any other entity, or the Fund sells all or substantially all of its assets, and as a result of such a transaction the Unitholders would receive securities of another issuer in substitution for the Trust Units, the Incentive Rights would be modified so that the holder would receive that number of securities of the successor issuer that he or she would have received as a result of the merger, amalgamation or sale if the holder had exercised the Incentive Rights to purchase Trust Units immediately prior to the transaction. In the case of a conversion of Enerplus from an income trust structure to a corporate structure, this provision would essentially provide for the substitution of Incentive Rights to acquire Trust Units with Incentive Rights to acquire common shares of the resulting corporation. However, as noted above, if such a transaction would constitute a Change of Control (which, for clarity, would not include a conversion of Enerplus from a trust to a corporate structure), the Executive Employment Agreements provide that the vesting of all Incentive Rights held by the executive will accelerate at the time of the Change of Control. Additionally, if a take-over bid (that is not exempt from the take-over bid requirements of the *Securities Act* (Alberta)) is made for the Trust Units, holders of Incentive Rights have the right to immediately exercise all unexercised Incentive Rights held by such holder, whether vested or not at such time, in order to tender such Trust Units to the take-over bid. If those Trust Units are not tendered to



or taken up under the bid, any Trust Units acquired by the holder of the exercised Incentive Rights in connection with the take-over bid are deemed to be cancelled and returned to the Fund, and the Incentive Rights and the consideration paid by the holder to exercise those Incentive Rights will be returned to the holder.

#### *2005 RTU Plan, Executive FVU Plan and Executive PTU Plan*

Each of the 2005 RTU Plan, the Executive FVU Plan and the Executive PTU Plan provides for the full acceleration of payments to an executive if (i) he or she is terminated without just cause, (ii) the executive terminates his or her employment with Enerplus within 90 days of a Change of Control of the Fund and following the occurrence of certain events generally analogous to constructive dismissal, as described under " - Executive Employment Agreements" above, or (iii) upon the occurrence of a Combination Transaction. However, under the 2005 RTU Plan and the Executive PTU Plan, an internal reorganization of the Fund, including the conversion of the Fund from a trust structure to a corporate or other form of structure, would not, on its own, result in any acceleration of payments to the executives, but following such a transaction the references to "Trust Units" and "distributions" in those plans would be read to mean "shares" and "dividends" (or analogous terms) of the resulting corporate or other form of issuer. However, under the Executive FVU Plan, the conversion of the Fund from a trust structure to a corporate or other form of structure would result in the acceleration of payments to the executives. Although Enerplus is currently hesitant to convert to a corporate structure prior to 2010 unless opportunities arise, it is keeping its options open at this time. If such a trust conversion were to occur before December 31, 2009 (the payment date of the final grant under the Executive FVU Plan), Enerplus anticipates that all executives would agree to waive any accelerated payment should such a transaction take place prior to that date. Alternatively, Enerplus believes the Board of Directors would exercise their discretion to override any acceleration.

All such accelerated payments are to be paid entirely in cash, except in the case of the 2005 RTU Plan under which the Board of Directors has discretion to pay either cash or Trust Units purchased on the TSX. For the purposes of the 2005 RTU Plan, the executive receives either a number of Trust Units, or a cash payment equal to the ten day weighted average trading price of the Trust Units on the TSX ending five days prior to the termination date, that includes the monthly cash distributions made on the Trust Units from the date of grant of the RTUs to the termination date. For the Executive FVU Plan and the Executive PTU Plan, the amount of the accelerated payments is calculated on the basis that each uncompleted performance period shall be deemed to have consisted of the three most recently completed fiscal years of the Fund, and in each case the amount of the cash payment that is determined payable in accordance with the applicable plan is to be increased by 25% in lieu of the additional Trust Unit payment that may otherwise have been paid to the particular executive in accordance with the plan. The accelerated payments are to be made within 30 days of the employment termination date, except in the case of an accelerated payment to be made in connection with a Combination Transaction, in which case the payment is to be made immediately before the effective time of such transaction.

#### *Executive RTU Plan*

The Executive RTU Plan, which was implemented by Enerplus on January 1, 2009 and under which the initial grants were made in March 2009, contains provisions relating to payments to be made upon the termination of employment, a Change of Control of the Fund and a Combination Transaction that are essentially identical to those contained in the Executive PTU Plan, including that an internal reorganization of the Fund, including the conversion of the Fund from a trust structure to a corporate or other form of structure, would not, on its own, result in any acceleration of payments to the executives, but following such a transaction the references to "Trust Units" and "distributions" in the plan would be read to mean "shares" and "dividends" (or analogous terms) of the resulting corporate or other form of issuer.

#### *Estimated Payments*

The following table sets forth the estimated incremental payments that would have been required to have been made to the Named Executive Officers had either a Named Executive Officer been terminated without just cause or if a Named Executive Officer would have been entitled to terminate his or her employment within 90 days of a Change of Control following the occurrence of certain events that are generally analogous to constructive dismissal, in each case had such events occurred on December 31, 2008. No awards under the Executive RTU Plan were outstanding as of December 31, 2008.

**Estimated Incremental Payments as of December 31, 2008  
Termination Without Just Cause or Termination Following a Change of Control**

<b>Name</b>	<b>Salary<sup>(1)</sup> (\$)</b>	<b>Annual Incentive Bonus<sup>(2)</sup> (\$)</b>	<b>Incentive Plan Rights<sup>(3)</sup> (\$)</b>	<b>2005 RTU Plan Payments<sup>(4)</sup> (\$)</b>	<b>Executive FVU Plan Payments<sup>(5)</sup> (\$)</b>	<b>Executive PTU Plan Payments<sup>(6)</sup> (\$)</b>	<b>Benefits and Perquisites<sup>(7)</sup> (\$)</b>	<b>Total (\$)</b>
<b>Gordon J. Kerr</b>	1,312,500	1,187,500	Nil	181,219	271,309	940,740	396,072	4,018,031
<b>Garry A. Tanner</b>	735,000	612,500	Nil	90,628	170,090	731,598	229,706	2,569,521
<b>Robert J. Waters</b>	670,000	600,000	Nil	72,502	144,002	582,166	223,274	2,291,945
<b>Ian C. Dundas</b>	586,250	568,750	Nil	72,502	144,002	582,166	195,365	2,235,035
<b>David A. McCoy</b>	290,333	143,542	Nil	N/A	65,740	290,961	99,248	873,593

**Notes:**

- (1) Represents the Named Executive Officer's 2008 annual salary multiplied by the severance period.
- (2) Based on the average of annual incentive bonuses received by the Named Executive Officer in respect of 2006 and 2007, had such amount been received for the duration the of Severance Period and with no amount payable in respect of any partial year as termination was deemed to occur on December 31, 2008.
- (3) All unvested Incentive Rights held by the Named Executive Officer as at December 31, 2008 would vest and be immediately exercisable on December 31, 2008 as provided under the Executive Employment Agreements. The amounts presented are calculated based on the in-the-money value of the Incentive Rights in respect of which vesting has been accelerated, based on the difference between the closing price of Trust Units on the TSX on December 31, 2008 and the exercise price of such Incentive Rights (without giving effect to any reduction in the exercise price as provided for in the TURIP) at December 31, 2008. As of December 31, 2008, the in-the-money value of such Incentive Rights was nil. See "Incentive Plan Awards - Outstanding Option-Based Awards and Trust Unit-Based Awards" above.
- (4) See "Incentive Plan Awards - Outstanding Option-Based Awards and Trust Unit-Based Awards" above.
- (5) Represents the full amount of the FVU awards to be otherwise paid on December 31, 2009 as the three year performance period for such awards was completed and the amount of such awards calculated on December 31, 2008. See "Incentive Plan Awards - Outstanding Option-Based Awards and Trust Unit-Based Awards" above.
- (6) The amount of such payments has been calculated assuming that the three year performance period for each outstanding award consisted of the three most recently completed fiscal years of the Fund (i.e. 2006 to 2008). See "Incentive Plan Awards - Outstanding Option-Based Awards and Trust Unit-Based Awards" above.
- (7) The amounts in this column include amounts payable over the severance period in lieu of perquisites including car allowance, parking, health, wellness, dental, life insurances and disability programs, benefits paid under a flexible spending account, club membership dues and the matching contribution made by Enerplus to each of the Named Executive Officers pursuant to EnerMark's Savings Plan, as well as vacation pay.

The following table sets forth the estimated incremental payments that would have been required to have been made to the Named Executive Officers had a Combination Transaction that did not constitute a Change of Control occurred on December 31, 2008. No incremental salary, annual incentive bonus or benefit payments would have become payable and no accelerated vesting of Incentive Rights would have resulted in such circumstances. However, as noted above, a Combination Transaction that is an internal reorganization of the Fund, including the conversion of the Fund from a trust structure to a corporate or other form of structure, would not, on its own, result in any acceleration of payments to the executives. No awards under the Executive RTU Plan were outstanding as of December 31, 2008.

**Estimated Incremental Payments as of December 31, 2008**  
**Combination Transaction That Is Not a Change of Control or an Internal Reorganization**

Name	2005 RTU Plan Payments <sup>(1)</sup> (\$)	Executive FVU Plan Payments <sup>(2)</sup> (\$)	Executive PTU Plan Payments <sup>(3)</sup> (\$)	Total (\$)
<b>Gordon J. Kerr</b>	181,219	271,309	940,740	1,393,268
<b>Garry A. Tanner</b>	90,628	170,090	731,598	992,316
<b>Robert J. Waters</b>	72,502	144,002	582,166	798,670
<b>Ian C. Dundas</b>	72,502	144,002	582,166	798,670
<b>David A. McCoy</b>	Nil	65,740	274,730	340,470

**Notes:**

- (1) See "Incentive Plan Awards - Outstanding Option-Based Awards and Trust Unit-Based Awards" above.
- (2) Represents the full amount of the FVU awards to be otherwise paid on December 31, 2009 as the three year performance period for such awards was completed and the amount of such awards calculated on December 31, 2008. See "Incentive Plan Awards - Outstanding Option-Based Awards and Trust Unit-Based Awards" above.
- (3) The amount of such payments has been calculated assuming that the three year performance period for each outstanding award consisted of the three most recently completed fiscal years of the Fund (i.e. 2006 to 2008). See "Incentive Plan Awards - Outstanding Option-Based Awards and Trust Unit-Based Awards" above.

**Estimated Value of Aggregate Equity Holdings of Named Executive Officers**

The following table sets forth the estimated value of each Named Executive Officer's aggregate Trust Unit and other equity-based holdings in the Fund, as of December 31, 2008. For additional details regarding the disclosed value of the Incentive Rights, RTUs issued under the 2005 RTU Plan, PTUs and FVUs held by each of the Named Executive Officers, see " – Incentive Plan Awards - Outstanding Option-Based Awards and Trust Unit-Based Awards" above.

**Estimated Value of Named Executive Officers' Aggregate Equity Holdings**  
**As of December 31, 2008**

Name	Number and Value of Trust Units <sup>(1)</sup> (# / \$)	Value of Incentive Rights (\$)	Value of RTUs (2005 RTU Plan) (\$)	Value of PTUs (\$)	Value of FVUs (\$)	Total (\$)
<b>Gordon J. Kerr</b>	96,562 / \$2,313,626	Nil	181,219	940,740	271,309	3,706,894
<b>Garry A. Tanner</b>	39,076 / \$936,261	Nil	90,628	731,598	170,090	1,928,577
<b>Robert J. Waters</b>	41,841 / \$1,002,510	Nil	72,502	582,166	144,002	1,801,181
<b>Ian C. Dundas</b>	41,071 / \$984,061	Nil	72,502	582,166	144,002	1,782,731
<b>David A. McCoy</b>	12,090 / \$289,676	Nil	N/A	274,730	65,740	630,146

**Note:**

- (1) Based on the number of Trust Units beneficially owned, directly or indirectly, or over which control or direction was exercised, by each Named Executive Officer, and the closing price of the Trust Units on the TSX of \$23.96 per Trust Unit on December 31, 2008.

**SECURITIES AUTHORIZED FOR ISSUANCE  
UNDER EQUITY COMPENSATION PLANS**

The following table sets forth, as of December 31, 2008, the number of Trust Units (being the only current equity securities of the Fund) which are authorized for issuance with respect to compensation plans. For a description of the Fund's Trust Unit rights incentive plan, see "Executive Compensation - Trust Unit Rights Incentive Plan" above.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights <sup>(1)</sup> (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	4,002,251	\$48.28	4,277,249
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
<b>Total</b>	4,002,251	\$48.28	4,277,249

**Note:**

(1) Without giving effect to the permitted reduction of the exercise prices under the Fund's Incentive Plan. If the downward adjustment in the exercise price is included, the weighted average exercise price is \$44.81.

**INDEBTEDNESS OF DIRECTORS AND OFFICERS**

To the knowledge of the directors and executive officers of EnerMark, none of the directors, proposed directors or executive officers of EnerMark, or any associate of the foregoing, has been indebted to Enerplus at any time since January 1, 2008. Enerplus has a policy of not providing financial assistance in the form of loans or guarantees to its directors and executive officers.

**INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

To the knowledge of the directors and executive officers of EnerMark, none of the directors, proposed directors or executive officers of EnerMark, or any associate or affiliate of the foregoing, has had any material interest, direct or indirect, in any material transaction with Enerplus since January 1, 2008 or in any proposed transaction that has materially affected or would materially affect Enerplus, except as otherwise disclosed in this Information Circular.

**INTERESTS OF CERTAIN PERSONS AND  
COMPANIES IN MATTERS TO BE ACTED UPON**

To the knowledge of the directors and executive officers of EnerMark, none of the directors, proposed directors or executive officers of EnerMark or anyone who has held such offices since January 1, 2008, or any affiliate or associate of the foregoing, has any material interest, direct or indirect, in any matter to be acted upon at the Meeting, except as otherwise disclosed in this Information Circular.

## STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The Board of Directors and senior management of Enerplus consider good corporate governance to be essential to the effective operation of the Fund. As part of the Fund's commitment to effective corporate governance, the Board of Directors, with the assistance of the Corporate Governance & Nominating Committee, monitors changes in legal requirements and best practices.

The Fund is subject to the corporate governance disclosure requirements adopted by the Canadian Securities Administrators in National Instrument 58-101 - *Disclosure of Corporate Governance Practices* (the "**National Instrument**") and the corporate governance guidelines adopted by the Canadian Securities Administrators in National Policy 58-201 - *Corporate Governance Guidelines* (the "**National Policy**"). In addition, the Fund is subject to certain of the corporate governance standards of the NYSE and to certain provisions of the U.S. *Sarbanes-Oxley Act of 2002*. As a foreign private issuer whose Trust Units are listed on the NYSE, Enerplus is required, pursuant to Section 303A.11 of the NYSE Listed Company Manual, to compare its corporate governance practices to the NYSE's corporate governance listing standards. Enerplus has reviewed the NYSE listing standards and confirms that its corporate governance practices do not differ significantly from such standards. As a foreign private issuer listed on the NYSE, Enerplus is not obligated to and does not have an internal audit function. Enerplus has devoted significant attention and resources to ensure that the Fund's system of corporate governance meets or exceeds applicable legal and stock exchange requirements.

Set out below is a description of certain corporate governance practices of the Fund, as required by the National Instrument.

### **Board of Directors**

The National Policy recommends that boards of directors of reporting issuers be composed of a majority of independent directors. Ten of the eleven nominees for directors of EnerMark have been determined to be independent based on information provided by individual directors and reviewed by the Corporate Governance & Nominating Committee. As a result, the Board of Directors is composed of a majority of independent directors. The ten independent director nominees are Messrs. Martin (the Chairman of the Board), Dodge, Hodgins, O'Brien, Roane, Seth, West, Wheeler, Woitas and Zorich. One director, Mr. Kerr, is the President & Chief Executive Officer of Enerplus, and as such is not independent. It is Enerplus' practice that the Chairman of the Board shall be an independent and unrelated director. In addition, only independent and unrelated directors shall serve on committees of the Board.

Any director who is an independent director and whose circumstances change such that he or she might be considered to be a non-independent director is required to promptly advise the Chairman of the Corporate Governance & Nominating Committee of that director's change in circumstances, and if deemed non-independent, to submit his or her resignation to the Chairman of the Board. The President & CEO shall be the only member of management and the only non-independent director on the Board of Directors.

The Fund has taken steps to ensure that adequate structures and processes are in place to permit the Board of Directors to function independently of management. One of the most noteworthy of those processes is the practice whereby independent directors hold in camera sessions without management present at each Board meeting.

### *Tenure*

The Board does not favour term limits for directors but believes that it is important to monitor overall Board performance. Therefore, the Corporate Governance & Nominating Committee annually reviews each director's continuation on the Board. This practice allows that committee to ask each director to confirm his or her desire to continue as a member of the Board, and also allows the Corporate Governance & Nominating Committee an opportunity to review that director's performance and suitability.

### *Retirement*

No person shall be nominated by the Board to serve as a director after he or she has passed his or her 75<sup>th</sup> birthday, unless the Corporate Governance & Nominating Committee has voted, on an annual basis, to waive or continue to waive, the mandatory retirement age of such person as a director.

### *Board Meetings*

The Board of Directors meets a minimum of six times per year. Each board meeting is followed by an in camera discussion of the independent directors without the presence of management. Directors may assist in preparing the agenda for Board and committee meetings and receive a comprehensive package of information in advance of each meeting. Further, the Board attends an annual strategic planning session to review, amend or adopt long-term strategies and new corporate objectives for the upcoming year.

### *Director Service on Other Public Company Boards*

Directors are required to advise the Chairman of the Corporate Governance & Nominating Committee before accepting an invitation to serve on the board of another public company. If the Corporate Governance & Nominating Committee determines that a conflict of interest exists by serving on the board of another company, the director is expected to act in accordance with the Corporate Governance & Nominating Committee's recommendation. These practices will also apply to executives of Enerplus who have been approached to sit as a director on a board of another, unrelated entity.

### *Director Compensation*

The Corporate Governance & Nominating Committee annually reviews the compensation of the Board of Directors and is entitled to and has retained a consultant to assist in its review of Enerplus' director compensation practices. The committee makes recommendations to the Board for consideration when it believes changes in compensation are warranted.

During their tenure, each of the directors is required to maintain ownership of a minimum of 5,000 of the Fund's Trust Units within four years of their election to the Board. This requirement was imposed in order to align their interests with those of the Fund's Unitholders. The members of the Board of Directors do not participate in any type of Trust Unit option plan of the Fund such as the Incentive Plan. Members of Enerplus' executive also have an obligation to maintain a minimum ownership in the Fund's Trust Units. The President & CEO is required to maintain three times his annual salary in Trust Units, while other executives are required to hold two times or one times their annual salary in Trust Units, depending on their seniority.

### *Board, Committee and Sub-Committee Meeting Attendance*

In fiscal 2008, the Board of Directors and its committees held the following number of meetings:

Board of Directors	10
Audit & Risk Management Committee	4
Hedging Sub-Committee	2
Compensation & Human Resources Committee	6
Corporate Governance & Nominating Committee	2
Health, Safety & Environment Committee	3
Reserves Committee	5

Information regarding the attendance of each of the directors at meetings of the Board of Directors and applicable committees since January 1, 2008 is contained in the information regarding each proposed nominee for election as a director of EnerMark under the heading "Matters to be Acted Upon at the Meeting - Nomination of Directors of EnerMark Inc. and Compensation of Directors". Additionally, the names of all other public companies for which EnerMark's directors serve as directors (including the board committees on which EnerMark's directors serve for such entities) is also included in that section of the Information Circular.

### *Board Mandate and Charter*

The Board of Directors is responsible for the overall stewardship of the Fund and its subsidiaries. The Board discharges this responsibility directly and through delegation of specific responsibilities to committees of the Board, the Chairman of the Board and the officers of Enerplus, all as more particularly described in the Board Charter adopted by the Board of Directors. As set out in the Board Charter, the Board of Directors has established five committees to assist with its responsibilities: the Audit & Risk Management Committee; the Compensation & Human Resources Committee; the Corporate Governance & Nominating Committee; the Reserves Committee; and the Health, Safety & Environment Committee. Each committee has a charter defining its responsibilities. The Board of Directors does not have an executive committee.

The Board Charter is attached as Appendix "A" to this Information Circular. The Board Charter, together with the Charters of each of the five committees of the Board, is also available on the Fund's website at [www.enerplus.com](http://www.enerplus.com), and printed copies are available for any Unitholder who requests them from Enerplus.

### *Position Descriptions and Chairman's Role and Responsibilities*

The Board of Directors has developed written position descriptions for the Chairman of the Board of Directors and for the Chair of each committee of the Board of Directors. The Board of Directors and Chief Executive Officer have also developed a written position description for the Chief Executive Officer.

The Chairman of the Board is responsible for the management, development and effective leadership of the Board in the governance of the Fund. The Chairman's primary role is to provide leadership to the Board and its committees, including chairing meetings in a manner that facilitates open discussions and expressions of competing views, mediates any dissent within the Board and, where possible, achieves consensus among the directors. The Chairman is also responsible for, among other things, fostering ethical and independent decision making, providing a link between the Board and management and acting in an advisory capacity to the President & Chief Executive Officer in all matters concerning the interests and management of Enerplus.

### *Orientation and Continuing Education*

Responsibility for reviewing and monitoring the orientation programs for new directors is assigned to the Corporate Governance & Nominating Committee. In this regard, the Corporate Governance & Nominating Committee ensures each new director receives an orientation, supplemented with adequate orientation materials. Various members of Enerplus' executive management review with each new member certain information and materials regarding the Fund and its subsidiaries, including the role of the Board of Directors and its committees, and the legal obligations of a director of EnerMark.

The Corporate Governance & Nominating Committee, in conjunction with the Chairman of the Board, is responsible for arranging continuing education for directors in order to ensure that directors maintain the skill and knowledge necessary to meet their obligations as directors. Directors are encouraged to participate in continuing education programs of their choosing so that they may increase their knowledge and skills as directors.

### *Ethical Business Conduct*

The Board of Directors has adopted a written Code of Business Conduct and Ethics (the "**Code**") applicable to all directors, officers, employees and consultants of Enerplus. The Code sets out in detail the core values and the principles by which the Fund is governed and addresses topics such as: honest and ethical conduct and conflicts of interest; compliance with applicable laws and company policies and procedures; public disclosure and books and records; use of corporate assets and opportunities; confidentiality of corporate information; reporting responsibilities and procedures; and non-retaliation.

The Code is available on the Fund's website at [www.enerplus.com](http://www.enerplus.com) and was filed on February 17, 2009 as a "Security holders document" on the Fund's SEDAR profile at [www.sedar.com](http://www.sedar.com) and on Form 6-K on EDGAR at

[www.sec.gov](http://www.sec.gov). No material change report has been filed by the Fund since January 1, 2008 pertaining to the conduct of any director or executive officer of Enerplus that constitutes a departure from the Code.

The Board of Directors and the Audit & Risk Management Committee have established a Whistleblower Policy to encourage members of the public, employees, officers and directors to raise concerns regarding matters covered by the Code (including accounting, internal controls or auditing matters). Pursuant to the Whistleblower Policy, anyone may contact the Chairman of the Audit & Risk Management Committee, the President & Chief Executive Officer, the Vice President, General Counsel or the human resources department and report a contravention of the Code on a confidential basis free from discrimination, retaliation or harassment. A copy of the Whistleblower Policy is available on the Fund's website at [www.enerplus.com](http://www.enerplus.com).

In addition, in order to ensure independent judgment in considering transactions and agreements in which a director or officer of Enerplus has a material interest, all related party transactions and any payments arising from such transactions are approved by the independent directors. No such transactions or payments occurred in the past year. Furthermore, Enerplus has a policy of not providing financial assistance in the form of loans or guarantees to its directors and executive officers.

### **Committees of the Board**

The Board discharges its responsibilities either acting on its own behalf or through one of its Board committees. Committees of the Board operate in accordance with a Board approved written mandate outlining its duties and responsibilities. The following is a discussion regarding the assignment and rotation of committee chairs and a general review of each of the Board committees and their respective functions:

#### *Rotation of Committee Assignments and Chairs*

Committee assignments and the designation of committee chairs should be based on each director's knowledge, interests and areas of expertise. The Board favours rotation of committee assignments or chairs, where practicable, to broaden the exposure of individual directors and introduce new perspectives to the Board committees. However, the Board believes experience and continuity are more important than rotation. Committee members and chairs may be rotated in response to changes in membership of the Board and in all cases should be rotated only if rotation is likely to increase committee performance. In 2008, the Board reviewed and, where deemed appropriate, amended the composition of its committees given the additions of Robert B. Hodgins, David P. O'Brien and Clayton H. Woitas to the Board in late 2007 and early 2008 and as Robert L. Normand did not stand for re-election to the Board in 2008.

#### *Corporate Governance & Nominating Committee*

The Corporate Governance & Nominating Committee is currently comprised of Messrs. Zorich (as Chairman), Hodgins, O'Brien and Seth, all of whom are independent. The Corporate Governance & Nominating Committee is responsible for, among other things, identifying and evaluating director candidates to the Board of Directors and recommending nominees for the Board of Directors. In addition, this Committee is responsible for:

- assessing and making recommendations to the Board as to the size, appropriate skills and characteristics required of Board members;
- recommending nominees for election or re-election to the Board;
- reviewing annually each director's continuation on the Board;
- conducting an annual self evaluation process of the Board and each of the directors;
- conducting an annual evaluation process to assess the effectiveness of the President & Chief Executive Officer;
- reviewing and monitoring the orientation of new directors;
- regularly reviewing Enerplus' corporate governance practices and recommending to the Board any changes that the Committee deems necessary or advisable;
- reviewing the Fund's annual disclosure of corporate governance practices; and



- reviewing the Fund's corporate governance practices as an ongoing practice to ensure that procedures, charters, policies and protocols are conformed to.

#### *Compensation & Human Resources Committee*

The Compensation & Human Resources Committee is currently comprised of Messrs. Roane (as Chairman), Dodge and Zorich, all of whom are independent. The Compensation & Human Resources Committee is responsible for, among other things, assisting the Board in fulfilling its duties regarding human resources, compensation matters and succession planning reviewing, including recommending the form and adequacy of compensation arrangements for Enerplus' executive officers and employees, having regard to associated risks and responsibilities. This committee's responsibilities also include:

- assessing the performance of the senior management, with reference to corporate objectives;
- making recommendations regarding salaries for the CEO and senior management with regard to executive compensation policies, programs and awards to the Board for approval;
- reviewing and approving the granting of Trust Unit Incentive Rights to officers and employees under the Trust Unit Rights Incentive Plan and entitlements under Enerplus' other long-term incentive plans;
- reviewing overall compensation programs to ensure competitiveness and employee retention; and
- reviewing long-term succession plans for senior executive positions.

The Compensation & Human Resources Committee obtains executive compensation data from third party providers of compensation data in the oil and gas sector. During the year, Mercer (Canada) Limited was retained by the Committee to provide advice regarding the compensation of Enerplus' directors and executive officers to ensure market competitive salaries. See "Executive Compensation – Compensation Discussion and Analysis" for details of the fees paid to Mercer by Enerplus in 2008 in respect of such services.

Further information regarding the activities and recommendations of the Compensation & Human Resources Committee is provided under "Executive Compensation - Compensation Discussion and Analysis".

#### *Audit & Risk Management Committee*

The Audit & Risk Management Committee is currently comprised of Messrs. Hodgins (as Chairman), Roane and Wheeler, all of whom are independent and financially literate for purposes of National Instrument 52-110 - *Audit Committees*, as well as pursuant to the Listing Standards of the NYSE and U.S. federal securities legislation. The specific responsibilities, power and operation of the Audit & Risk Management Committee are set out in the Audit & Risk Management Committee Charter, a copy of which is on the Fund's website at [www.enerplus.com](http://www.enerplus.com), and is also included in the Fund's annual information form for the year ended December 31, 2008 which has been filed on SEDAR at [www.sedar.com](http://www.sedar.com) and which is included in the Fund's annual report on Form 40-F which has been filed on EDGAR at [www.sec.gov](http://www.sec.gov). This committee is primarily responsible for the quality of the Fund's financial reporting and its general mandate is to assist the Board in fulfilling its oversight responsibilities with respect to:

- financial reporting and continuous disclosure of the Fund;
- the Fund's internal controls and policies, the certification process and compliance with regulatory requirements over financial matters;
- evaluating and monitoring the performance and independence of the Fund's external auditors; and
- monitoring the manner in which the business risks of the Fund are being identified and managed.

For additional details regarding the Audit & Risk Management Committee's role and responsibilities, see the full text of the Committee's Charter in the Fund's annual information form as noted above.

#### *Health, Safety & Environment Committee*

The Health, Safety & Environment Committee is currently comprised of Messrs. Dodge (as Chairman), West and Woitas, all of whom are independent. The principal functions of the Health, Safety & Environment Committee are to assist the Board in carrying out its responsibilities with respect to the development and

implementation of an effective environmental management system and to ensure that Enerplus' activities are planned and executed in a safe and responsible manner, in addition to the following matters:

- reviewing Enerplus' health, safety and environment ("HSE") programs and policies;
- reviewing management's performance related to HSE matters;
- reviewing significant external and internal HSE reports on risk assessments, ongoing investigations and audits performed;
- reviewing the status of significant remediation projects, developments and the environmental provisions;
- ensuring that long range preventive programs are in place to limit future risks;
- participating in annual visits to one of Enerplus' operating facilities;
- receiving an annual compliance certificate from the Chief Operating Officer; and
- generally ensuring the integrity of Enerplus' HSE programs and policies.

### *Reserves Committee*

The Reserves Committee is currently comprised of Messrs. Seth (as Chairman), West, Wheeler and Woitas. The principal function of the Committee is to assist the Board in carrying out its responsibilities with respect to annual and interim reviews of Enerplus' oil and natural gas reserves. This committee's responsibilities also include:

- assessing the work of the independent reserves evaluators annually;
- recommending to the Board the engagement of the independent reserves evaluator;
- reviewing Enerplus' procedures relating to the disclosure of information with respect to our reserves;
- reviewing the scope of the annual review of the reserves by the independent reserves evaluator, including findings and any disagreements with management;
- meeting independent of management with the reserves evaluator;
- determining whether any restrictions affect the ability of the reserves evaluator in reporting on Enerplus' reserves data;
- receiving, annually, a signed reserves evaluator's report and a certificate of compliance and due diligence from management; and
- approving the year-end reserves evaluation.

### **Assessments**

The Corporate Governance & Nominating Committee is responsible for assessing the effectiveness of the Board as a whole and the committees of the Board. Each director is required to complete, on an annual basis, a written evaluation with respect to: (i) the performance of the Board of Directors; (ii) the performance of committees; and (iii) the contributions of other directors to the Board of Directors and its committees. The Corporate Governance & Nominating Committee reviews the evaluations with the Chairman. The results of the evaluations are summarized and presented to the full Board of Directors. In addition, the Chairman, as appropriate, may review with a director that director's peer evaluation findings.

## **ADDITIONAL INFORMATION**

Enerplus regularly files quarterly and annual financial statements, as well as material change reports, management's discussion and analysis ("MD&A") and other important information with the securities commissions or similar authorities in each of the provinces of Canada and with the U.S. Securities and Exchange Commission. Financial information of the Fund is contained in the audited and consolidated comparative financial statements and MD&A of the Fund for the year ended December 31, 2008, which have been provided to Unitholders who have requested such materials together with this Information Circular. Copies of such documents are available on the internet on Enerplus' SEDAR profile at [www.sedar.com](http://www.sedar.com), on EDGAR at [www.sec.gov](http://www.sec.gov) or on the Fund's website at [www.enerplus.com](http://www.enerplus.com), or may be obtained on request and without charge from the Corporate Secretary of EnerMark, 3000 The Dome Tower, 333 - 7th Avenue S.W., Calgary, Alberta, T2P 2Z1, Telephone (403) 298-2200.

## **OTHER MATTERS**

As of the date of this Information Circular, none of the directors or executive officers of EnerMark knows of any amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Meeting. If any other matter properly comes before the Meeting, however, the accompanying proxies will be voted on such matter in accordance with the best judgment of the person or persons voting the proxies.

## **NOTICE TO BENEFICIAL UNITHOLDERS**

These securityholder materials are being sent to both registered and non-registered owners of the Trust Units. If you are a non-registered owner, and the Fund or its agent has sent these materials directly to you, your name and address and information about your holdings of Trust Units, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. By choosing to send these materials to you directly, the Fund (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

## **DIRECTORS' APPROVAL**

The contents and sending of this Information Circular have been approved by the directors of EnerMark.

*"David A. McCoy"*

David A. McCoy  
Vice President, General Counsel & Corporate Secretary  
EnerMark Inc.

## APPENDIX "A"

### MANDATE OF THE BOARD OF DIRECTORS OF ENERMARK INC.

The primary responsibility of the Board of directors is to supervise the management of EnerMark Inc. (the "**Corporation**") to ensure the long-term success of the Corporation and Enerplus Resources Fund (the "**Fund**") and to maximize Unitholder value. Any responsibility which has not been delegated to management remains with the Board of directors of the Corporation (the "**Board**").

### COMPOSITION

The Board shall be composed of a minimum of seven directors and a maximum of eleven directors. Except as set out in the By-Laws of the Corporation and the Trust Indenture of the Fund, Board members will be elected at the annual meeting of the Unitholders and will serve until their successors are duly appointed. A majority of the directors will be independent. All members of the Board shall have the skills and abilities required to carry out their duties and responsibilities in the most effective manner. The Board shall endeavor to always have the right mix of experience and competencies to discharge its responsibilities.

### MEETINGS

The Board shall meet at least six times yearly, and as deemed necessary in order to carry its duties effectively. The Board shall also retain independent advice, if necessary.

The Board shall participate in the annual visit of one of the Corporation's key operating and/or capital project areas. Visits are conducted on a rotating basis to ensure the directors are informed and educated about all of the Corporation's core operations in the various business units. Directors are encouraged to meet and question field staff and ensure, first hand, that all environmental, health and safety regulations are being observed and that appropriate procedures are in place to safeguard both the Corporation's employees and agents as well as its assets.

### DUTIES AND RESPONSIBILITIES

The Board is charged with the overall stewardship of the Fund and manages or supervises the business of the Fund and its management. The Board's responsibilities include:

#### 1. Management Selection, Retention and Succession

- Select, appoint and if necessary terminate the CEO
  - Approve the list of directors standing for election, as recommended by the Corporate Governance & Nominating Committee
  - Review its charter annually and recommend changes to the Board when necessary
  - Annually appoint directors to the following committees:
    - the Audit & Risk Management Committee;
    - the Corporate Governance & Nominating Committee;
    - the Compensation & Human Resources Committee;
    - the Reserves Committee; and
    - the Health, Safety & Environment Committee,
- and delegate to such committees specific responsibilities, pursuant to their respective mandate, as approved by the Board
- At the Board's discretion, appoint any other Board committees that the Board decides are needed and delegate to such committees specific responsibilities, pursuant to their respective mandate, as approved by the Board
  - Approve compensation and compensation programs for senior management, as recommended by the Compensation & Human Resources Committee
  - Assess the CEO against corporate objectives approved by the Board

- Assess, annually, the effectiveness and the performance of the Board, committees and directors in fulfilling their responsibilities
- Approve director's compensation, as recommended by the Compensation & Human Resources Committee

**2. Strategy**

- Review and approve the corporate objectives developed by the CEO
- Review, adopt and monitor the Fund's strategic planning process
- Monitor the Corporation's performance in light of the approved strategic planning process
- Adopt, annually, a strategic planning process to maximize Unitholder value

**3. Corporate Ethics and Integrity**

- Review and monitor the Corporation's Code of Business Conduct and disclose any waivers of the code for officers and directors
- Review and respond to potential conflict of interest situations
- Ensure policies and processes are in place for the identification of principal business risks and review and approve risk management strategies
- Approve corporate policies and other corporate protocols and controls
- Approve the Fund's policy on public disclosure
- Review, annually, its mandate and amend as deemed necessary

**4. Financial Responsibilities**

- Approve the annual audited financial statements of the Fund as recommended by the Audit & Risk Management Committee
- Approve the quarterly interim financial statements of the Fund, as recommended by the Audit & Risk Management Committee
- Recommend to the Unitholders the appointment of the Fund's external auditors, as recommended by the Audit & Risk Management Committee
- Review and approve the Fund's operating budget
- Review, as deemed necessary, approval authorities to the CEO and senior management
- Approve financial commitments in excess of delegated approval authorities
- Review and approve any material acquisitions, divestments and corporate reorganizations
- Assess and approve any material securities offerings, financing or banking arrangements

**TIMETABLE**

The Board's work schedule will be as attached but may be amended, from time to time, by the Chairman of the Board.

**Enerplus Resources Fund**

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