

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any U.S. state securities laws and may not be offered, sold or delivered within the United States except in compliance with an exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. See "Plan of Distribution".

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Executive Vice President, General Counsel and Corporate Secretary of Capstone Infrastructure Corporation, at Brookfield Place, 181 Bay Street, Suite 3100, Toronto, Ontario, M5J 2T3, telephone: 416-607-5200, and are also available electronically under the Corporation's profile on www.sedar.com.

SHORT FORM PROSPECTUS

New Issue

June 23, 2011



CAPSTONE INFRASTRUCTURE CORPORATION

\$75,000,000

3,000,000 Cumulative 5-Year Rate Reset Preferred Shares, Series A

This short form prospectus qualifies the distribution of 3,000,000 Cumulative 5-Year Rate Reset Preferred Shares, Series A (the "**Series A Preferred Shares**") of Capstone Infrastructure Corporation (the "**Corporation**") at a price of \$25.00 per Series A Preferred Share (the "**Offering**"). The holders of the Series A Preferred Shares will be entitled to receive fixed, cumulative, preferential cash dividends, if, as and when declared by the Corporation's board of directors (the "**Board of Directors**") for the initial period from and including the closing date of this Offering up to but excluding July 31, 2016 (the "**Initial Fixed Rate Period**") payable quarterly on the last day of January, April, July and October in each year at an annual rate of \$1.25 per share. If any such date is not a Business Day (as defined herein), the dividend will be paid on the next succeeding Business Day. The initial dividend, if declared, will be payable on October 31, 2011 and will be \$0.4212 per share, based on the anticipated closing date of this Offering of June 30, 2011 (the "**Closing Date**"). Further particulars concerning the attributes of the Series A Preferred Shares are set out below and under "*Details of the Offering*".

For each five-year period after the Initial Fixed Rate Period (each, a "**Subsequent Fixed Rate Period**"), the holders of Series A Preferred Shares will be entitled to receive fixed, cumulative, preferential cash dividends, if, as and when declared by the Board of Directors, payable quarterly on the last day of January, April, July and October in each year, in the amount per share per annum determined by multiplying the Annual Fixed Dividend Rate (as defined herein) applicable to such Subsequent Fixed Rate Period by \$25.00. If any such date is not a Business Day, the dividend will be paid on the next succeeding Business Day. The Annual Fixed Dividend Rate will be equal to the sum of the Government of Canada Yield (as defined herein) on the 30th day prior to the first day of the applicable Subsequent Fixed Rate Period plus 2.71%. See "*Details of the Offering*".

Option to Convert Into Series B Preferred Shares

Subject to the Corporation's right to redeem Series A Preferred Shares, the holders of Series A Preferred Shares will have the right, at their option, to convert their Series A Preferred Shares into Cumulative Floating Rate Preferred Shares, Series B (the "**Series B Preferred Shares**", and together with the Series A Preferred Shares, the "**Preferred Shares**"), subject to certain conditions, on July 31, 2016 and on July 31 every five years thereafter. The holders of Series B Preferred Shares will be entitled to receive floating rate cumulative preferential cash dividends, if, as and when declared by the Board of Directors, payable quarterly on the last day of January, April, July and October in each year (the initial quarterly dividend period and each subsequent quarterly dividend period is referred to as a "**Quarterly Floating Rate Period**"), in the amount per share determined by multiplying the applicable Floating Quarterly Dividend Rate (as defined herein) by \$25.00. If any such date is not a Business Day, the dividend will be paid on the next succeeding Business Day. The Floating Quarterly Dividend Rate will be equal to the sum of the T-Bill Rate (as defined herein) plus 2.71% (calculated on the basis of the actual number of days in the applicable Quarterly Floating Rate Period divided by 365) determined as of the 30th day prior to the first day of the applicable Quarterly Floating Rate Period. See "*Details of the Offering*".

(continued on next page)

(continued from cover)

Subject to the Corporation's right to redeem Series B Preferred Shares, the holders of Series B Preferred Shares will have the right, at their option, to convert their Series B Preferred Shares into Series A Preferred Shares, subject to certain conditions, on July 31, 2021 and on July 31 every five years thereafter.

Subject to the provisions described under "Details of the Offering — Description of the Series A Preferred Shares — Restrictions on Dividends and Retirement of Shares", on July 31, 2016 and on July 31 every five years thereafter, the Corporation may, at its option, redeem all or any part of the then outstanding Series A Preferred Shares by the payment of an amount in cash for each Series A Preferred Share so redeemed of \$25.00 plus all accrued and unpaid dividends up to, but excluding, the date fixed for redemption. See "Details of the Offering — Description of the Series A Preferred Shares — Redemption".

Subject to the provisions described under "Details of the Offering — Description of the Series B Preferred Shares — Restrictions on Dividends and Retirement of Shares", on July 31, 2021 and on July 31 every five years thereafter, the Corporation may, at its option, redeem all or any part of the then outstanding Series B Preferred Shares by the payment of an amount in cash for each Series B Preferred Share so redeemed of \$25.00 plus all accrued and unpaid dividends up to, but excluding, the date fixed for redemption. See "Details of the Offering — Description of the Series B Preferred Shares — Redemption".

The Preferred Shares do not have a fixed maturity date and are not redeemable at the option of the holders thereof. See "Risk Factors".

There are certain risks inherent in an investment in the Preferred Shares and in the Corporation's activities. Prospective investors should carefully consider these risk factors before purchasing Series A Preferred Shares. See "Risk Factors".

The Toronto Stock Exchange (the "TSX") has conditionally approved the listing of the Series A Preferred Shares and the Series B Preferred Shares. Listing of the Series A Preferred Shares is subject to the Corporation fulfilling all of the requirements of the TSX on or before September 14, 2011. Listing of the Series B Preferred Shares at the end of the Initial Fixed Rate Period is subject to the Corporation fulfilling all of the requirements of the TSX, including the public distribution requirements for the Series B Preferred Shares at that time. **There is currently no market through which the Preferred Shares may be sold and purchasers may not be able to resell Preferred Shares purchased under this short form prospectus. This may affect the pricing of the Preferred Shares in the secondary market, the transparency and availability of trading prices, the liquidity of securities, and the extent of issuer regulation. See "Risk Factors".**

Price: \$25.00 per Series A Preferred Share to yield initially 5.00% per annum

	Price to the Public	Underwriters' Fee ⁽¹⁾	Net Proceeds to the Corporation ⁽²⁾
Per Series A Preferred Share	\$ 25.00	\$ 0.75	\$ 24.25
Total ⁽³⁾	\$75,000,000	\$2,250,000	\$72,750,000

Notes:

- (1) The Underwriters' (as defined herein) fee for the Series A Preferred Shares is \$0.25 for each share sold to certain institutions, and \$0.75 per share for all other Series A Preferred Shares sold. The Underwriters' fee indicated in the table and in note 3 below assumes that no Series A Preferred Shares are sold to such institutions.
- (2) After deducting the Underwriters' fee, but before deducting expenses of the Offering, estimated to be \$500,000, which will be paid from the proceeds of the Offering.
- (3) The Corporation has granted the Underwriters an over-allotment option exercisable in whole or in part by the Underwriters at any time up to 30 days after the Closing to purchase up to an additional 450,000 Series A Preferred Shares (the "Over-Allotment Option"). If the Over-Allotment Option is exercised in full, the total "Price to the Public", "Underwriters' Fee" and "Net Proceeds to the Corporation" will be \$86,250,000, \$2,587,500 and \$83,662,500, respectively. This short form prospectus qualifies the grant of the Over-Allotment Option and the issuance of Series A Preferred Shares on the exercise of the Over-Allotment Option. A purchaser who acquires Series A Preferred Shares forming part of the Underwriters' over-allocation position acquires those Series A Preferred Shares under this short form prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. See "Plan of Distribution".

Underwriters' Position	Maximum Size	Exercise Period	Exercise Price
Over-Allotment Option	450,000 Series A Preferred Shares, if exercised in full (being 15% of the Series A Preferred Shares sold pursuant to the Offering)	Up to 30 days after the Closing Date	\$25.00 per Series A Preferred Share

(continued from cover)

The terms and offering price of the Series A Preferred Shares were established by negotiation between TD Securities Inc., Macquarie Capital Markets Canada Ltd., RBC Dominion Securities Inc., BMO Nesbitt Burns Inc., CIBC World Markets Inc., Scotia Capital Inc., Canaccord Genuity Corp., Cormark Securities Inc., Jacob Securities Inc. and M Partners Inc. (collectively, the “**Underwriters**”) and the Corporation. The Underwriters, as principals, conditionally offer the Series A Preferred Shares, subject to prior sale, if, as and when issued by the Corporation and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement (as defined herein) referred to under “*Plan of Distribution*” and subject to the approval of certain legal matters by Blake, Cassels & Graydon LLP on behalf of the Corporation and Torys LLP on behalf of the Underwriters.

Subscriptions for Series A Preferred Shares will be received subject to rejection or allotment in whole or in part, and the Underwriters reserve the right to close the subscription books at any time without notice.

In connection with the Offering, the Underwriters may effect transactions that stabilize or maintain the market price of the Series A Preferred Shares at levels other than those which otherwise might prevail on the open market. Such transactions, if commenced, may be discontinued at any time. **The Underwriters may offer the Series A Preferred Shares at a price lower than that stated above. See “*Plan of Distribution*”.**

TD Securities Inc. is an affiliate of a Canadian chartered bank which is a lender to certain of the Corporation’s subsidiaries under a bank credit facility. Macquarie Capital Markets Canada Ltd. is an affiliate of Macquarie Power Management Ltd., the former manager of the Corporation and an affiliate of the manager of Macquarie European Infrastructure Fund II, the majority owner of a district heating business in which the Corporation has an approximate 33% ownership interest. See “*Recent Developments — Management Internalization*” and “*Recent Developments — Purchase of DH Business*”. Consequently, the Corporation may be considered to be a “connected issuer” of each of these Underwriters for the purposes of securities legislation in certain provinces. See “*Relationship Among the Corporation and Certain Underwriters*”.

The Preferred Shares will be available in book-entry only form through the facilities of CDS Clearing and Depository Services Inc. (“**CDS**”). Holders of beneficial interests in the Preferred Shares will not have the right to receive physical certificates evidencing their ownership of Preferred Shares. See “*Book-Entry Only System*”.

Closing is expected to occur on or about June 30, 2011, or such other date as the Corporation and the Underwriters may agree, but in any event no later than July 29, 2011.

The earnings coverage ratios of the Corporation for the year ended December 31, 2010 and the 12 months ended March 31, 2011 are less than one-to-one. See “*Earnings Coverage Ratios*”.

Standard & Poor’s Rating Services (“**S&P**”) has assigned a rating of P-3 for the Series A Preferred Shares. See “*Credit Ratings*”.

All monetary amounts used herein are in Canadian dollars, unless otherwise indicated.

The Corporation is a corporation incorporated under the laws of the Province of British Columbia. The head office of the Corporation is located at Brookfield Place, 181 Bay Street, Suite 3100, Toronto, Ontario, M5J 2T3.

TABLE OF CONTENTS

	Page		Page
ABOUT THIS PROSPECTUS	1	RELATIONSHIP AMONG THE	
DOCUMENTS INCORPORATED BY		CORPORATION AND CERTAIN	
REFERENCE	2	UNDERWRITERS	19
FORWARD-LOOKING STATEMENTS . . .	4	CERTAIN CANADIAN FEDERAL	
THE CORPORATION'S BUSINESS	5	INCOME TAX CONSIDERATIONS	20
RECENT DEVELOPMENTS	5	ELIGIBILITY FOR INVESTMENT	22
EARNINGS COVERAGE RATIOS	6	RISK FACTORS	23
CONSOLIDATED CAPITALIZATION	7	EXEMPTIONS FROM CERTAIN	
USE OF PROCEEDS	7	SECURITIES LAW REQUIREMENTS . .	26
DETAILS OF THE OFFERING	8	INTERESTS OF EXPERTS	26
BOOK-ENTRY ONLY SYSTEM	16	TRANSFER AGENT AND REGISTRAR . .	26
CREDIT RATINGS	17	AUDITORS	26
TRADING PRICE AND VOLUME OF		PURCHASER'S STATUTORY RIGHTS OF	
UNITS/Common Shares and 2016		WITHDRAWAL AND RESCISSION	27
DEBENTURES	17	AUDITORS' CONSENT	A-1
PLAN OF DISTRIBUTION	18	CERTIFICATE OF THE ISSUER	C-1
		CERTIFICATE OF UNDERWRITERS	C-2

ABOUT THIS PROSPECTUS

Readers should rely only on the information contained or incorporated by reference into this short form prospectus. The Corporation has not authorized any person to provide different information. The Series A Preferred Shares may be sold only in those jurisdictions where offers and sales are permitted. This short form prospectus is not an offer to sell or a solicitation of an offer to buy the Series A Preferred Shares in any jurisdiction where it is unlawful. The information contained in this short form prospectus is accurate only as of the date of this short form prospectus, regardless of the time of delivery of this short form prospectus or of any sale of the Series A Preferred Shares.

Unless otherwise indicated, all information in this short form prospectus assumes that the Underwriters do not exercise the Over-Allotment Option.

Throughout this short form prospectus, unless the context otherwise requires, all references to “the Corporation” include Capstone Infrastructure Corporation and its subsidiaries.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in each of the provinces and territories of Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Executive Vice President, General Counsel and Corporate Secretary of the Corporation, at Brookfield Place, 181 Bay Street, Suite 3100, Toronto, Ontario, M5J 2T3, telephone: 416-607-5200 and are also available electronically under the Corporation's profile on www.sedar.com.

On January 1, 2011, Macquarie Power & Infrastructure Income Fund (the "**Fund**") and the Corporation completed a transaction to convert the Fund's income trust structure into a corporate structure by way of a court-approved plan of arrangement under the *Business Corporations Act* (British Columbia) (the "**Conversion Transaction**"). Since the Corporation is the successor corporation to the Fund, certain of the documents incorporated herein by reference relate to the Fund.

The following documents of the Corporation, which have been filed with the securities commissions or similar authorities in each of the provinces and territories of Canada, are specifically incorporated by reference into and form an integral part of this short form prospectus:

- (a) the annual information form of the Corporation dated March 24, 2011 for the year ended December 31, 2010 (the "**AIF**");
- (b) the management information circular of the Corporation dated April 27, 2011 in connection with the annual meeting of shareholders held on June 10, 2011;
- (c) the management information circular of the Fund dated October 15, 2010 in connection with the special meeting of unitholders held on November 15, 2010 to consider the Conversion Transaction;
- (d) the audited consolidated annual financial statements of the Corporation and the notes thereto as at and for the year ended December 31, 2010 and 2009, together with the report of the auditors thereon;
- (e) the management's discussion and analysis of the results of operations and the financial condition of the Corporation for the year ended December 31, 2010 (the "**2010 Annual MD&A**");
- (f) the unaudited interim consolidated financial statements of the Corporation and the notes thereto as at and for the three month period ended March 31, 2011 and 2010;
- (g) the management's discussion and analysis of the results of operations and the financial condition of the Corporation for the three month period ended March 31, 2011 (the "**March 2011 Interim MD&A**");
- (h) the material change report of the Corporation dated January 6, 2011 relating to the completion of the Conversion Transaction (the "**Conversion Material Change Report**");
- (i) the material change report of the Corporation dated March 24, 2011 relating to the internalization of the management of the Corporation, including an agreement to terminate the management agreements between the Corporation, certain of its subsidiaries and Macquarie Power Management Ltd. (the "**Internalization Material Change Report**"); and
- (j) the business acquisition report of the Corporation dated June 14, 2011 (the "**DH BAR**") relating to the Corporation's acquisition of the Swedish district heating business (the "**DH Business**").

Any document of the type required by National Instrument 44-101 — *Short Form Prospectus Distributions* to be incorporated by reference in a short form prospectus, including any annual information forms, material change reports (except confidential material change reports), business acquisition reports, interim financial statements, annual financial statements and the auditor's report thereon, management's discussion and analysis and information circulars filed by the Corporation with securities commissions or similar authorities in Canada after the date of this short form prospectus but before the termination of the distribution of the securities to be distributed under this short form prospectus, shall be deemed to be incorporated by reference in this short form prospectus.

Any statement contained in this short form prospectus or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded, for the purposes of this short form prospectus, to the extent that a statement contained herein or in any other subsequently filed document which also is, or is deemed to be, incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not constitute a part of this short form prospectus, except as so modified or superseded.

FORWARD-LOOKING STATEMENTS

Certain of the statements contained in this short form prospectus are forward-looking and reflect management's expectations regarding the Corporation's future growth, results of operations, performance and business based on information currently available to the Corporation. Forward-looking statements are provided for the purpose of presenting information about management's current expectations and plans relating to the future and readers are cautioned that such statements may not be appropriate for other purposes. These statements use forward-looking words, such as "anticipate", "continue", "could", "expect", "may", "will", "estimate", "believe" or other similar words, and include, among other things, statements found in "*The Corporation's Business*", "*Use of Proceeds*" and "*Plan of Distribution*". These statements are subject to known and unknown risks and uncertainties that may cause actual results or events to differ materially from those expressed or implied by such statements and, accordingly, should not be read as guarantees of future performance or results. The forward-looking statements in this short form prospectus are based on information currently available and what the Corporation currently believes are reasonable assumptions, including the material assumptions for each of the Corporation's assets set out in the 2010 Annual MD&A under the heading "Asset Performance", as updated in subsequently filed quarterly financial reports of the Corporation (such documents are available under the Corporation's profile on www.sedar.com). Other material factors or assumptions that were applied in formulating the forward-looking statements contained herein include the assumption that the business and economic conditions affecting the Corporation's operations will continue substantially in their current state, including, with respect to industry conditions, general levels of economic activity, regulations, weather, taxes and interest rates, and that there will be no unplanned material changes to the Corporation's facilities, equipment or contractual arrangements.

Although the Corporation believes that it has a reasonable basis for the expectations reflected in these forward-looking statements, actual results may differ from those suggested by the forward-looking statements for various reasons, including risks related to: power infrastructure (operational performance; power purchase agreements; fuel costs and supply; contract performance; development risk; technology risk; default under credit agreements; land tenure and related rights; regulatory regime and permits; environmental, health and safety; climate change and the environment; and force majeure) and the Corporation (tax-related risks; variability and payment of dividends, which are not guaranteed; geographic concentration and non-diversification; insurance; environmental, health and safety regime; availability of financing; shareholder dilution; and the unpredictability and volatility of the common share price of the Corporation). There are also a number of risks related to the Corporation's investment in the DH Business, including: general business risks inherent in the district heating sector; fuel costs and availability; industrial and residential contracts; geographic concentration; regulatory environment; environmental, health and safety; reliance on key personnel; labour relations; assumption of liabilities; minority interest; and foreign exchange. There is also a risk that the DH Business may not achieve expected results.

For a more comprehensive description of these and other possible risks, please see the "Risk Factors" section of the AIF, as updated in subsequently filed quarterly financial reports and other filings of the Corporation with the Canadian securities regulatory authorities (available under the Corporation's profile on www.sedar.com) as well as the "*Risk Factors*" section of this short form prospectus. The assumptions, risks and uncertainties described above are not exhaustive and other events and risk factors could cause actual results to differ materially from the results and events discussed in the forward-looking statements. These forward-looking statements reflect current expectations of the Corporation as at the date of this short form prospectus and speak only as at the date of this short form prospectus. Except as may be required by law, the Corporation does not undertake any obligation to publicly update or revise any forward-looking statements.

THE CORPORATION'S BUSINESS

The Corporation's mission is to build and responsibly manage a high quality portfolio of infrastructure businesses in Canada and internationally in order to deliver a superior total return to shareholders through a combination of stable dividends and capital appreciation. The Corporation's portfolio currently includes investments in gas cogeneration, wind, hydro and biomass power generating facilities, representing approximately 350 MW of installed capacity, and a 33.3% interest in a district heating business in Sweden. The Corporation is also currently developing a 20 MW solar power facility in Ontario.

The Corporation's strategy is to (a) pursue additional investments and other direct and indirect rights in infrastructure projects with an emphasis on power infrastructure and such other businesses or activities as may be approved from time to time by a majority of the Board of Directors, including investments and other direct and indirect rights in other forms of energy-related projects and utility projects and (b) improve the profitability of the existing investments of the Corporation. While the Corporation focuses on making additional investments in and acquisitions of operating power generation facilities, the Board of Directors is aware that potentially attractive investment and acquisition opportunities may emerge in the broader infrastructure sector and intends to pursue such opportunities as they arise.

Any additional investments or acquisitions by the Corporation may be financed by the issuance of the Corporation's common shares (the "**Common Shares**"), the issuance of other securities of the Corporation, from the Corporation's cash on hand or through indebtedness. It is expected that any future acquisition or investment will be made by the Corporation through one or more of its direct or indirect subsidiaries.

RECENT DEVELOPMENTS

Conversion of the Fund to a Corporate Structure

On January 1, 2011, the Fund completed the Conversion Transaction and became a dividend-paying corporation named Macquarie Power and Infrastructure Corporation. The conversion was completed pursuant to a plan of arrangement under the *Business Corporations Act* (British Columbia) and involved an exchange of the units of the Fund ("**Units**") for Common Shares, on a one-for-one basis. In connection with the Conversion Transaction, an internal reorganization involving many of the Corporation's subsidiaries was completed which included, among other things, the wind-up of the Fund. Further information regarding the Conversion Transaction is contained in the Conversion Material Change Report (available under the Corporation's profile on www.sedar.com), which is incorporated herein by reference.

Transition to International Financial Reporting Standards

The Corporation prepares its financial statements in accordance with Canadian generally accepted accounting principles as set out in The Canadian Institute of Chartered Accountants Handbook ("**CICA Handbook**"). In 2010, the CICA Handbook was revised to incorporate International Financial Reporting Standards ("**IFRS**"), and to require publicly accountable enterprises to apply IFRS for years beginning on or after January 1, 2011.

Consequently, the Corporation commenced using IFRS applicable to the preparation of interim financial statements, including International Accounting Standard 34 Interim Financial Reporting and IFRS 1—First-time Adoption of IFRS in initial application of IFRS in its unaudited consolidated financial statements for the three month period ended March 31, 2011.

Purchase of the DH Business

On March 31, 2011, the Corporation, through an indirect wholly-owned subsidiary, acquired a 33.3% ownership interest in a portfolio of district heating operations located in Sweden. The purchase price for the Corporation's 33.3% ownership interest in the district heating operations was approximately \$109 million, including transaction costs, which was funded using cash on hand. The remaining 66.7% ownership interest was acquired by an indirect wholly-owned subsidiary of Macquarie European Infrastructure Fund II, which is managed by an indirect wholly-owned subsidiary of Macquarie Group Limited. The vendors of the district heating businesses were subsidiaries of Fortum Corporation, whose shares are quoted on NASDAQ OMX Helsinki.

The district heating operations, which have been branded as Värmevärdén, operate as an integrated business with a dedicated management team, and comprise a 100% ownership interest in seven district heating operations, a

majority ownership interest in three district heating operations (in which local municipalities hold minority ownership interests ranging from 5% to 49%) and an off-take arrangement with an industrial customer (which arrangement is expected to expire in accordance with its terms in the fourth quarter of 2011). Värmevärden's facilities include both heat production, with a total capacity of 786 megawatt thermal, and distribution. In 2010, Värmevärden's heat sales were approximately 1.4 terawatt hours and its revenue was approximately \$114 million.

Further information regarding the purchase of the DH Business is contained in the DH BAR (available under the Corporation's profile on www.sedar.com), which is incorporated herein by reference.

Management Internalization

On March 14, 2011, the Corporation and certain of its subsidiaries (collectively, the "**Managed Parties**") reached an agreement (the "**Internalization Agreement**") with Macquarie Power Management Ltd. (the "**Manager**") to internalize all management and administrative functions provided to the Managed Parties pursuant to administration or management agreements between the Manager and the relevant Managed Party (the "**Management Agreements**") in exchange for a payment by the Managed Parties to the Manager of \$14 million (plus applicable tax) (the "**Internalization Transaction**"). The Corporation also agreed to be responsible for approximately \$2 million of expenses over and above its contractual obligations to the Manager. One-time costs related to the Internalization Transaction totalled approximately \$20 million. Macquarie Infrastructure and Real Assets Canada Ltd. ("**MIRACL**"), an affiliate of the Manager, also agreed to provide transitional services to the Corporation, including the provision of premises, information technology support and tax and accounting services, until December 15, 2011 at no cost to the Corporation.

Prior to closing, the Manager assigned the Management Agreements and its rights under the Internalization Agreement to one of its affiliates (the "**Manager Assignee**").

The Internalization Transaction was completed on April 15, 2011. As part of the Internalization Agreement, immediately following the completion of the Internalization Transaction the Manager Assignee subscribed for 855,746 Common Shares, valued at approximately \$7 million, and agreed that it or one of its affiliates will hold such Common Shares for at least 12 months following such date.

Effective upon the termination of the Management Agreements on April 15, 2011 and in connection with the Internalization Transaction, the senior management team of the Corporation, all of whom were employees of MIRACL, became employees of the Corporation and continued in their previous roles. Certain employees of other affiliates of the Manager who had provided services to the Corporation also became employees of the Corporation as part of the Internalization Transaction.

After completion of the Internalization Transaction, the Corporation changed its name to Capstone Infrastructure Corporation.

Further information regarding the Internalization Transaction is contained in the Internalization Material Change Report (available under the Corporation's profile on www.sedar.com), which is incorporated herein by reference.

EARNINGS COVERAGE RATIOS

The following consolidated earnings coverage ratios are calculated for the 12 month periods ended March 31, 2011 and December 31, 2010. The ratios for the periods ended March 31, 2011 and December 31, 2010 give effect to the issuance of 3,450,000 Series A Preferred Shares (assuming that the Over-Allotment Option is fully exercised) as if such issuance had occurred on April 1, 2010 and January 1, 2010, respectively. Accordingly, the Corporation's adjusted interest and dividend requirements, as set out below, have been determined on the basis that the Corporation issued 3,450,000 Series A Preferred Shares. In all cases, the earnings assume that no additional earnings are derived from the net proceeds of the 3,450,000 Series A Preferred Shares.

On January 1, 2011, the Fund and the Corporation completed the Conversion Transaction, whereby the Units were exchanged, on a one-for-one basis, for Common Shares, effecting the Fund's conversion to a corporation. Therefore, the Corporation's results for the 12 months ended December 31, 2010 are based entirely on the historical financial results of the Fund and the Corporation's results for the 12 months ended March 31, 2011 are based partially on the historical financial results of the Fund. The earnings coverage ratios presented in this short form prospectus are derived from such historical results and do not take into account the Corporation prior to January 1, 2011, as it was a wholly-owned inactive subsidiary of the Fund until completion of the Conversion Transaction. See "*Recent Developments*".

The Corporation's dividend requirements on all of its preferred shares, after giving effect to the issue of the Series A Preferred Shares to be distributed under this short form prospectus (assuming that the Over-Allotment Option is fully exercised), and adjusted to a before-tax equivalent, amounted to \$5,973,000 for the 12 months ended December 31, 2010, using an effective income tax rate of 27.8%, and \$5,973,000 for the 12 months ended March 31, 2011, using an effective income tax rate of 27.8%. The Corporation's borrowing cost requirements, excluding dividends on the Series A Preferred Shares, for the 12 months ended December 31, 2010 and the 12 months ended March 31, 2011 amounted to \$18,930,000 and \$26,658,000, respectively. The Corporation's earnings before borrowing costs and income tax for the 12 months ended December 31, 2010 and the 12 months ended March 31, 2011 were \$9,480,000 and \$10,490,000, respectively, which is 0.38 times and 0.32 times, respectively, the Corporation's aggregate dividend and borrowing cost requirements for such periods.

The earnings coverage ratios for the 12 months ended December 31, 2010 and the 12 months ended March 31, 2011 were below one-to-one. The amount of additional earnings required to achieve a ratio of one-to-one for the 12 months ended December 31, 2010 and the 12 months ended March 31, 2011 were \$15,424,000 and \$22,141,000, respectively.

As the Corporation converted to IFRS effective January 1, 2011, the earnings coverage ratio for the 12 months ended March 31, 2011 was prepared based on unaudited IFRS financial information. In addition, prior to completion of the Conversion Transaction, Class B exchangeable units of MPT LTC Holding LP, a subsidiary of the Corporation, were accounted for as debt and impact on the earnings coverage ratio for the nine months to December 31, 2010.

CONSOLIDATED CAPITALIZATION

The table below sets out the consolidated capitalization of the Corporation as at March 31, 2011 and the *pro forma* consolidated capitalization of the Corporation as at March 31, 2011 after giving effect to the issuance of 855,746 Common Shares, valued at approximately \$7 million, as part of the Internalization Transaction completed on April 15, 2011 and after giving effect to the Offering (with and without the exercise of the Over-Allotment Option). The historical amounts are derived from the unaudited interim consolidated financial statements of the Corporation as at March 31, 2011 prepared in accordance with IFRS.

(\$000s)	As at March 31, 2011	As at March 31, 2011 after giving effect to the Offering	
		(without giving effect to the Over-Allotment Option)	(if the Over-Allotment Option is exercised in full)
Long-term debt	314,737	314,737	314,737
Preferred shares	—	72,250	83,162
Shareholders' equity	342,498	349,498	349,498
Total Capitalization	657,235	736,485	747,397

USE OF PROCEEDS

The net proceeds to be received by the Corporation from the sale of the Series A Preferred Shares are estimated to be approximately \$72.3 million (\$83.2 million if the Over-Allotment Option is exercised in full) after deduction of the Underwriters' fee and the estimated expenses of the Offering. The Underwriters' fee and the expenses of the Offering will be paid out of the gross proceeds of the Offering.

The Corporation intends to use approximately \$30 million of the net proceeds of the Offering to fund its final equity commitment to its Amherstburg solar power facility on or before July 4, 2011. The balance of the net proceeds in the amount of approximately \$42.3 million (\$53.2 million if the Over-Allotment Option is exercised in full) will be used by the Corporation to fund future acquisitions and for general corporate purposes. There are no agreements or understandings with respect to such purposes at this time. The Corporation will retain broad discretion in allocating the net proceeds not applied to the Amherstburg solar power facility. The Corporation's actual use of such net proceeds will vary depending on its operating and capital needs from time to time.

DETAILS OF THE OFFERING

Description of the Series A Preferred Shares

The following is a summary of certain provisions of the Series A Preferred Shares as a series.

Definition of Terms

The following definitions are relevant to the Series A Preferred Shares:

“**Annual Fixed Dividend Rate**” means, for any Subsequent Fixed Rate Period, the rate (expressed as a percentage rate rounded to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up to 0.00001%)) equal to the sum of the Government of Canada Yield on the applicable Fixed Rate Calculation Date plus 2.71%.

“**Bloomberg Screen GCAN5YR Page**” means the display designated as page “GCAN5YR<INDEX>” on the Bloomberg Financial L.P. service (or such other page as may replace the GCAN5YR page) for purposes of displaying Government of Canada Yields.

“**Business Day**” means a day, other than a Saturday, Sunday or statutory holiday, when banks are generally open in Toronto, Ontario for the transaction of banking business.

“**Fixed Rate Calculation Date**” means, for any Subsequent Fixed Rate Period, the 30th day prior to the first day of such Subsequent Fixed Rate Period.

“**Government of Canada Yield**” on any date means the yield to maturity on such date (assuming semi-annual compounding) of a Canadian dollar denominated non-callable Government of Canada bond with a term to maturity of five years as quoted as of 10:00 a.m. (Toronto time) on such date and which appears on the Bloomberg Screen GCAN5YR Page on such date; provided that, if such rate does not appear on the Bloomberg Screen GCAN5YR Page on such date, the Government of Canada Yield will mean the average of the yields determined by two registered Canadian investment dealers, selected by the Corporation, as being the yield to maturity on such date (assuming semi-annual compounding) which a Canadian dollar denominated non-callable Government of Canada bond would carry if issued in Canadian dollars at 100% of its principal amount on such date with a term to maturity of five years.

“**Initial Fixed Rate Period**” means the period from and including the Closing Date up to, but excluding, July 31, 2016.

“**Subsequent Fixed Rate Period**” means for the initial Subsequent Fixed Rate Period, the period from and including July 31, 2016 up to, but excluding, July 31, 2021 and for each succeeding Subsequent Fixed Rate Period, the period from and including the day immediately following the end of the immediately preceding Subsequent Fixed Rate Period up to, but excluding, July 31 in the fifth year thereafter.

Issue Price

The Series A Preferred Shares will have an issue price of \$25.00 per share.

Dividends

During the Initial Fixed Rate Period, the holders of the Series A Preferred Shares will be entitled to receive fixed, cumulative, preferential cash dividends, if, as and when declared by the Board of Directors, payable quarterly on the last day of January, April, July and October in each year during the Initial Fixed Rate Period, at an annual rate equal to \$1.25 per share. If any such date is not a Business Day, the dividend will be paid on the next succeeding Business Day. The initial dividend, if declared, will be payable on October 31, 2011 and will be \$0.4212 per share, based on the anticipated Closing Date of June 30, 2011.

During each Subsequent Fixed Rate Period after the Initial Fixed Rate Period, the holders of Series A Preferred Shares will be entitled to receive fixed, cumulative, preferential cash dividends, if, as and when declared by the Board of Directors, payable quarterly on the last day of January, April, July and October in each year during the Subsequent Fixed Rate Period, in an annual amount per share determined by multiplying the

Annual Fixed Dividend Rate applicable to such Subsequent Fixed Rate Period by \$25.00. If any such date is not a Business Day, the dividend will be paid on the next succeeding Business Day.

The Annual Fixed Dividend Rate applicable to a Subsequent Fixed Rate Period will be determined by the Corporation as of the Fixed Rate Calculation Date. Such determination will, in the absence of manifest error, be final and binding on the Corporation and all holders of Series A Preferred Shares. The Corporation will, on the Fixed Rate Calculation Date (or the next following Business Day), give written notice of the Annual Fixed Dividend Rate for the next succeeding Subsequent Fixed Rate Period to the registered holders of the then outstanding Series A Preferred Shares.

Payments of dividends and other amounts in respect of the Series A Preferred Shares will be made by the Corporation to CDS, or its nominee, as the case may be, as registered holder of the Series A Preferred Shares. As long as CDS, or its nominee, is the registered holder of the Series A Preferred Shares, CDS, or its nominee, as the case may be, will be considered the sole owner of the Series A Preferred Shares for the purpose of receiving payment on the Series A Preferred Shares.

Redemption

Except as noted below, the Series A Preferred Shares will not be redeemable by the Corporation prior to July 31, 2016. On July 31, 2016 and on July 31 every five years thereafter (or, if such date is not a Business Day, the immediately following Business Day), and subject to certain other restrictions set out below under the heading “—*Description of the Series A Preferred Shares — Restrictions on Dividends and Retirement of Shares*”, the Corporation may, at its option, on at least 30 days and not more than 60 days prior written notice, redeem all or any number of the outstanding Series A Preferred Shares by payment in cash of a per share sum equal to \$25.00, in each case together with all accrued and unpaid dividends thereon up to, but excluding, the date fixed for redemption (less any tax required to be deducted or withheld by the Corporation).

If less than all of the outstanding Series A Preferred Shares are at any time to be redeemed, the particular shares to be redeemed shall be selected on a pro rata basis (disregarding fractions) or, if such shares are at such time listed on a stock exchange, with the consent of any applicable stock exchange, in such other manner as the Board of Directors may, in its sole discretion, determine by resolution.

The Series A Preferred Shares do not have a fixed maturity date and are not redeemable at the option of the holders of Series A Preferred Shares. See “*Risk Factors*”.

Conversion of Series A Preferred Shares into Series B Preferred Shares

Subject to the right of the Corporation to redeem the Series A Preferred Shares as described above, each holder of Series A Preferred Shares will have the right, at its option, on July 31, 2016 and on July 31 every five years thereafter (a “**Series A Conversion Date**”), to convert, subject to the restrictions on conversion described below and the payment or delivery to the Corporation of evidence of payment of the tax (if any) payable, all or any of the Series A Preferred Shares into Series B Preferred Shares on the basis of one Series B Preferred Share for each Series A Preferred Share converted. If a Series A Conversion Date falls on a day that is not a Business Day, such Series A Conversion Date will be the immediately following Business Day. The conversion of Series A Preferred Shares may be effected upon written notice (each notice, an “**Election Notice**”) given by the registered holder of the Series A Preferred Shares not earlier than the 30th day prior to, but not later than 5:00 p.m. (Toronto time) on the 15th day preceding the applicable Series A Conversion Date. Once received by the Corporation, an Election Notice is irrevocable. If the Corporation does not receive an Election Notice from a holder of Series A Preferred Shares during the time fixed therefor, the Series A Preferred Shares are deemed not to have been converted (except in the case of automatic conversion described below).

The Corporation will, at least 30 days and not more than 60 days prior to the applicable Series A Conversion Date, give notice in writing to the then registered holders of the Series A Preferred Shares of the Series A Conversion Date and a form of Election Notice. On the 30th day prior to each Series A Conversion Date (or the next following Business Day), the Corporation will give notice in writing to the then registered holders of the Series A Preferred Shares of the Annual Fixed Dividend Rate for the next succeeding Subsequent

Fixed Rate Period and the Floating Quarterly Dividend Rate applicable to the Series B Preferred Shares for the next succeeding Quarterly Floating Rate Period (as these terms are defined below).

If the Corporation gives notice to the registered holders of the Series A Preferred Shares of the redemption on a Series A Conversion Date of all the Series A Preferred Shares, the Corporation will not be required to give notice as provided hereunder to the registered holders of the Series A Preferred Shares of the Annual Fixed Dividend Rate, the Floating Quarterly Dividend Rate or of the conversion right of holders of Series A Preferred Shares and the right of any holder of Series A Preferred Shares to convert such Series A Preferred Shares will cease and terminate in that event.

Holders of Series A Preferred Shares will not be entitled to convert their shares into Series B Preferred Shares if the Corporation determines that there would remain outstanding on a Series A Conversion Date fewer than 1,000,000 Series B Preferred Shares, after having taken into account the Election Notice in respect of all Series A Preferred Shares tendered for conversion into Series B Preferred Shares and the Election Notice in respect of all Series B Preferred Shares tendered for conversion into Series A Preferred Shares. The Corporation will give notice in writing to all affected holders of Series A Preferred Shares of their inability to convert their Series A Preferred Shares at least seven days prior to the applicable Series A Conversion Date. Furthermore, if the Corporation determines that there would remain outstanding on a Series A Conversion Date fewer than 1,000,000 Series A Preferred Shares, after having taken into account all Election Notices in respect of Series A Preferred Shares tendered for conversion into Series B Preferred Shares and all Election Notices in respect of Series B Preferred Shares tendered for conversion into Series A Preferred Shares, then all, but not part, of the remaining outstanding Series A Preferred Shares will be automatically converted into Series B Preferred Shares, on the basis of one Series B Preferred Share for each Series A Preferred Share, on the applicable Series A Conversion Date. The Corporation will give notice in writing to this effect to the then registered holders of such remaining Series A Preferred Shares at least seven days prior to the applicable Series A Conversion Date.

Upon exercise by a registered holder of its right to convert Series A Preferred Shares into Series B Preferred Shares (and upon an automatic conversion), the Corporation reserves the right not to issue Series B Preferred Shares to any person whose address is in, or whom the Corporation or its transfer agent has reason to believe is a resident of, any jurisdiction outside Canada, to the extent that such issue would require the Corporation to take any action to comply with the securities or analogous laws of such jurisdiction.

Purchase for Cancellation

Subject to applicable law and to the provisions described below under “—*Description of the Series A Preferred Shares — Restrictions on Dividends and Retirement of Shares*”, the Corporation may at any time purchase for cancellation all or any number of the Series A Preferred Shares.

Rights on Liquidation

In the event of the liquidation, dissolution or winding-up of the Corporation or any other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs, whether voluntary or involuntary, subject to the prior satisfaction of the claims of all creditors of the Corporation and of holders of shares of the Corporation ranking prior to the Series A Preferred Shares, the holders of the Series A Preferred Shares will be entitled to receive an amount equal to \$25.00 per share, together with an amount equal to all accrued and unpaid dividends up to but excluding the date of payment or distribution (less any tax required to be deducted or withheld by the Corporation), before any amount is paid or any assets of the Corporation are distributed to the holders of any shares ranking junior as to capital to the Series A Preferred Shares. Upon payment of such amounts, the holders of the Series A Preferred Shares will not be entitled to share in any further distribution of the assets of the Corporation.

Priority

The Series A Preferred Shares rank senior to the Common Shares with respect to priority in the payment of dividends and in the distribution of assets in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or in the event of any other distribution of assets of the

Corporation among its shareholders for the purpose of winding-up its affairs. The Series A Preferred Shares rank *pari passu* with every other series of preferred shares of the Corporation with respect to priority in the payment of dividends and in the distribution of assets in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or in the event of any other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs.

Restrictions on Dividends and Retirement of Shares

So long as any of the Series A Preferred Shares are outstanding, the Corporation will not, without the approval of the holders of the Series A Preferred Shares:

- (a) declare, pay or set apart for payment any dividends (other than stock dividends payable in shares of the Corporation ranking as to capital and dividends junior to the Series A Preferred Shares) on any shares of the Corporation ranking as to dividends junior to the Series A Preferred Shares;
- (b) except out of the net cash proceeds of a substantially concurrent issue of shares of the Corporation ranking as to capital and dividends junior to the Series A Preferred Shares, redeem or call for redemption, purchase for cancellation or otherwise pay off, retire or make any return of capital in respect of any shares of the Corporation ranking as to capital junior to the Series A Preferred Shares;
- (c) redeem or call for redemption, purchase for cancellation, or otherwise pay off or retire for value or make any return of capital in respect of less than all of the Series A Preferred Shares then outstanding; or
- (d) except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provisions attaching thereto, redeem or call for redemption, purchase or otherwise pay off or retire for value or make any return of capital in respect of any shares ranking as to dividends or capital on a parity with the Series A Preferred Shares,

unless, in each such case, all accrued and unpaid dividends on the Series A Preferred Shares up to and including the dividend payable for the last completed period for which dividends were payable on the Series A Preferred Shares and on all other shares of the Corporation ranking prior to or on a parity with the Series A Preferred Shares with respect to the payment of dividends have been declared and paid or moneys set apart for payment.

Shareholder Approvals

In addition to any other approvals required by law (including any approvals required by the TSX), the approval of all amendments to the rights, privileges, restrictions and conditions attaching to the Series A Preferred Shares as a series and any other approval to be given by the holders of the Series A Preferred Shares may be given by a resolution signed by all holders of the Series A Preferred Shares, or by a resolution passed by the affirmative vote of not less than two-thirds of the votes cast by the holders who voted in respect of that resolution at a meeting of the holders duly called for that purpose and at which the holders of at least 10% of the outstanding Series A Preferred Shares are present in person or represented by proxy or, if no quorum is present at such meeting, at an adjourned meeting at which the holders of Series A Preferred Shares then present in person or represented by proxy would form the necessary quorum. At any meeting of holders of Series A Preferred Shares as a series, each such holder as at the applicable record date shall be entitled to one vote in respect of each Series A Preferred Share held by such holder.

Issue of Additional Series of Preference Shares

The Corporation may issue other series of preferred shares ranking on parity with the Series A Preferred Shares without the authorization of the holders of the Series A Preferred Shares.

Voting Rights with Respect to the Corporation

The holders of the Series A Preferred Shares will not (except as otherwise provided by law and, except as noted below, in respect of meetings of the holders of preferred shares as a class and meetings of holders of Series A Preferred Shares as a series) be entitled to receive notice of, attend, or vote at any meeting of

shareholders of the Corporation, unless and until the Corporation shall have failed to pay eight quarterly dividends on the Series A Preferred Shares, whether or not consecutive and whether or not such dividends were declared and whether or not there are any moneys of the Corporation properly applicable to the payment of such dividends. In the event of such non-payment, and for only so long as any such dividends remain in arrears, the holders of the Series A Preferred Shares as at the applicable record date will be entitled to receive notice of and to attend each meeting of the Corporation's shareholders, other than meetings at which only holders of another specified class or series are entitled to vote, and be entitled to vote together with all of the voting shares of the Corporation on the basis of one vote in respect of each Series A Preferred Share held by such holder, until all such arrears of such dividends have been paid, whereupon such rights shall cease.

Subject to applicable law, holders of the Series A Preferred Shares will not be entitled to vote separately as a class or series on a proposal to amend the articles of the Corporation to (a) increase any maximum number of authorized shares of a class or series having rights or privileges equal to or superior to the Series A Preferred Shares or (b) create a new class or series of shares equal or superior to the Series A Preferred Shares.

Tax Election

The terms and conditions of the Series A Preferred Shares will require the Corporation to elect under subsection 191.2(1) of the *Income Tax Act* (Canada) (the "**Tax Act**"), in the manner and within the time provided under the Tax Act, to pay or cause payment of the tax, under Part VI.1 of the Tax Act at a rate such that the corporate holders of Series A Preferred Shares will not be required to pay tax under Part IV.1 of the Tax Act on dividends received (or deemed to be received) on such shares.

Business Day

If any action is required to be taken by the Corporation on a day that is not a Business Day, then such action will be required to be taken on the next succeeding day that is a Business Day.

Description of the Series B Preferred Shares

The following is a summary of certain provisions attaching to the Series B Preferred Shares as a series.

Definition of Terms

The following definitions are relevant to the Series B Preferred Shares:

"Business Day" means a day, other than a Saturday, Sunday or statutory holiday, when banks are generally open in Toronto, Ontario for the transaction of banking business.

"Floating Quarterly Dividend Rate" means, for any Quarterly Floating Rate Period, the rate (expressed as a percentage rate rounded to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up to 0.00001%) equal to the sum of the T-Bill Rate on the applicable Floating Rate Calculation Date plus 2.71% (calculated on the basis of the actual number of days in such Quarterly Floating Rate Period divided by 365).

"Floating Rate Calculation Date" means, for any Quarterly Floating Rate Period, the 30th day prior to the first day of such Quarterly Floating Rate Period.

"Quarterly Commencement Date" means the last day of each of January, April, July and October in each year.

"Quarterly Floating Rate Period" means, for the initial Quarterly Floating Rate Period, the period from and including July 31, 2016 up to, but excluding, October 31, 2016, and thereafter the period from and including the day immediately following the end of the immediately preceding Quarterly Floating Rate Period up to, but excluding, the next succeeding Quarterly Commencement Date.

"T-Bill Rate" means, for any Quarterly Floating Rate Period, the average yield expressed as a percentage per annum on three-month Government of Canada Treasury Bills, as reported by the Bank of Canada, for the most recent treasury bills auction preceding the applicable Floating Rate Calculation Date.

Dividends

The holders of the Series B Preferred Shares will be entitled to receive floating rate cumulative preferential cash dividends, if, as and when declared by the Board of Directors, payable quarterly on the last day of January, April, July and October in each year, in the amount per share determined by multiplying the applicable Floating Quarterly Dividend Rate by \$25.00. If any such date is not a Business Day, the dividend will be paid on the next succeeding Business Day.

The Floating Quarterly Dividend Rate for each Quarterly Floating Rate Period will be determined by the Corporation on the applicable Floating Rate Calculation Date. Such determination will, in the absence of manifest error, be final and binding upon the Corporation and upon all holders of Series B Preferred Shares. The Corporation will, on the relevant Floating Rate Calculation Date (or the next following Business Day), give written notice of the Floating Quarterly Dividend Rate for the ensuing Quarterly Floating Rate Period to the registered holders of the then outstanding Series B Preferred Shares.

Payments of dividends and other amounts in respect of the Series B Preferred Shares will be made by the Corporation to CDS, or its nominee, as the case may be, as registered holder of the Series B Preferred Shares. As long as CDS, or its nominee, is the registered holder of the Series B Preferred Shares, CDS, or its nominee, as the case may be, will be considered the sole owner of the Series B Preferred Shares for the purpose of receiving payment on the Series B Preferred Shares.

Redemption

Except as noted below, the Series B Preferred Shares will not be redeemable by the Corporation on or prior to July 31, 2021. Subject to certain other restrictions set out below under the heading “—*Description of the Series B Preferred Shares — Restrictions on Dividends and Retirement of Shares*”, the Corporation may, at its option, on at least 30 days and not more than 60 days prior written notice, redeem all or any number of the outstanding Series B Preferred Shares by payment in cash of a per share sum equal to (i) \$25.00 in the case of redemptions on July 31, 2021 and on July 31 every five years thereafter (each a “**Series B Conversion Date**”), or (ii) \$25.50 in the case of redemptions on any date which is not a Series B Conversion Date after July 31, 2016, in each case together with all accrued and unpaid dividends thereon up to, but excluding, the date fixed for redemption (less any tax required to be deducted or withheld by the Corporation). If a Series B Conversion Date falls on a day that is not a Business Day, such Series B Conversion Date will be the immediately following Business Day.

If less than all of the outstanding Series B Preferred Shares are at any time to be redeemed, the particular shares to be redeemed shall be selected on a pro rata basis (disregarding fractions) or, if such shares are at such time listed on a stock exchange, with the consent of any applicable stock exchange, in such other manner as the Board of Directors may, in its sole discretion, determine by resolution.

The Series B Preferred Shares do not have a fixed maturity date and are not redeemable at the option of the holders of Series B Preferred Shares. See “*Risk Factors*”.

Conversion of Series B Preferred Shares into Series A Preferred Shares

Subject to the right of the Corporation to redeem the Series B Preferred Shares as described above, each holder of Series B Preferred Shares will have the right, at its option, on any Series B Conversion Date, to convert, subject to the restrictions on conversion described below and the payment or delivery to the Corporation of evidence of payment of the tax (if any) payable, all or any of the Series B Preferred Shares into Series A Preferred Shares on the basis of one Series A Preferred Share for each Series B Preferred Share converted. If a Series B Conversion Date falls on a day that is not a Business Day, such Series B Conversion Date will be the immediately following Business Day. The conversion of Series B Preferred Shares may be effected upon an Election Notice given by the registered holder of the Series B Preferred Shares not earlier than the 30th day prior to, but not later than 5:00 p.m. (Toronto time) on the 15th day preceding the applicable Series B Conversion Date. Once received by the Corporation, an Election Notice is irrevocable. If the Corporation does not receive an Election Notice from a holder of Series B Preferred Shares during the time

fixed therefore, then the Series B Preferred Shares will be deemed not to have been converted (except in the case of automatic conversion described below).

The Corporation will, at least 30 days and not more than 60 days prior to the applicable Series B Conversion Date, give notice in writing to the then registered holders of the Series B Preferred Shares of the Series B Conversion Date and a form of Election Notice. On the 30th day prior to each Series B Conversion Date (or, if such date is not a Business Day, the next following Business Day), the Corporation will give notice in writing to the then registered holders of Series B Preferred Shares of the Floating Quarterly Dividend Rate for the next Quarterly Floating Rate Period and of the Annual Fixed Dividend Rate applicable to the Series A Preferred Shares for the next Subsequent Fixed Rate Period.

If the Corporation gives notice to the registered holders of the Series B Preferred Shares of the redemption on a Series B Conversion Date of all the Series B Preferred Shares, the Corporation will not be required to give notice as provided hereunder to the registered holders of the Series B Preferred Shares of the Annual Fixed Dividend Rate, the Floating Quarterly Dividend Rate or of the conversion right of holders of Series B Preferred Shares and the right of any holder of Series B Preferred Shares to convert such Series B Preferred Shares will cease and terminate in that event.

Holders of Series B Preferred Shares will not be entitled to convert their shares into Series A Preferred Shares if the Corporation determines that there would remain outstanding on a Series B Conversion Date fewer than 1,000,000 Series A Preferred Shares, after having taken into account the Election Notice in respect of all Series B Preferred Shares tendered for conversion into Series A Preferred Shares and the Election Notice in respect of all Series A Preferred Shares tendered for conversion into Series B Preferred Shares. The Corporation will give notice in writing to all affected holders of Series B Preferred Shares of their inability to convert their Series B Preferred Shares at least seven days prior to the applicable Series B Conversion Date. Furthermore, if the Corporation determines that there would remain outstanding on a Series B Conversion Date fewer than 1,000,000 Series B Preferred Shares, after having taken into account all Election Notices in respect of Series B Preferred Shares tendered for conversion into Series A Preferred Shares and all Election Notices in respect of Series A Preferred Shares tendered for conversion into Series B Preferred Shares, then all, but not part, of the remaining outstanding Series B Preferred Shares will be automatically converted into Series A Preferred Shares, on the basis of one Series A Preferred Share for each Series B Preferred Share, on the applicable Series B Conversion Date. The Corporation will give notice in writing to this effect to the then registered holders of such remaining Series B Preferred Shares at least seven days prior to the applicable Series B Conversion Date.

Upon exercise by a registered holder of its right to convert Series B Preferred Shares into Series A Preferred Shares (and upon an automatic conversion), the Corporation reserves the right not to issue Series A Preferred Shares to any person whose address is in, or whom the Corporation or its transfer agent has reason to believe is a resident of, any jurisdiction outside Canada, to the extent that such issue would require the Corporation to take any action to comply with the securities or analogous laws of such jurisdiction.

Purchase for Cancellation

Subject to applicable law and to the provisions described below under “—*Description of the Series B Preferred Shares — Restrictions on Dividends and Retirement of Shares*”, the Corporation may at any time purchase for cancellation all or any number of the Series B Preferred Shares.

Rights on Liquidation

In the event of the liquidation, dissolution or winding-up of the Corporation or any other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs, whether voluntary or involuntary, subject to the prior satisfaction of the claims of all creditors of the Corporation and of holders of shares of the Corporation ranking prior to the Series B Preferred Shares, the holders of the Series B Preferred Shares will be entitled to receive an amount equal to \$25.00 per share, together with an amount equal to all accrued and unpaid dividends up to but excluding the date of payment or distribution (less any tax required to be deducted or withheld by the Corporation), before any amount is paid or any assets of the Corporation are distributed to the holders of any shares ranking junior as to capital to the Series B Preferred Shares. Upon

payment of such amounts, the holders of the Series B Preferred Shares will not be entitled to share in any further distribution of the assets of the Corporation.

Priority

The Series B Preferred Shares rank senior to the Common Shares with respect to priority in the payment of dividends and in the distribution of assets in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or in the event of any other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs. The Series B Preferred Shares rank *pari passu* with every other series of preferred shares of the Corporation with respect to priority in the payment of dividends and in the distribution of assets in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or in the event of any other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs.

Restrictions on Dividends and Retirement of Shares

So long as any of the Series B Preferred Shares are outstanding, the Corporation will not, without the approval of the holders of the Series B Preferred Shares:

- (a) declare, pay or set apart for payment any dividends (other than stock dividends payable in shares of the Corporation ranking as to capital and dividends junior to the Series B Preferred Shares) on any shares of the Corporation ranking as to dividends junior to the Series B Preferred Shares;
- (b) except out of the net cash proceeds of a substantially concurrent issue of shares of the Corporation ranking as to capital and dividends junior to the Series B Preferred Shares, redeem or call for redemption, purchase for cancellation or otherwise pay off, retire or make any return of capital in respect of any shares of the Corporation ranking as to capital junior to the Series B Preferred Shares;
- (c) redeem or call for redemption, purchase for cancellation, or otherwise pay off or retire for value or make any return of capital in respect of less than all of the Series B Preferred Shares then outstanding; or
- (d) except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provisions attaching thereto, redeem or call for redemption, purchase or otherwise pay off or retire for value or make any return of capital in respect of any shares ranking as to dividends or capital on a parity with the Series B Preferred Shares,

unless, in each such case, all accrued and unpaid dividends on the Series B Preferred Shares up to and including the dividend payable for the last completed period for which dividends were payable on the Series B Preferred Shares and on all other shares of the Corporation ranking prior to or on a parity with the Series B Preferred Shares with respect to the payment of dividends have been declared and paid or moneys set apart for payment.

Shareholder Approvals

In addition to any other approvals required by law (including any approvals required by the TSX), the approval of all amendments to the rights, privileges, restrictions and conditions attaching to the Series B Preferred Shares as a series and any other approval to be given by the holders of the Series B Preferred Shares may be given by a resolution signed by all holders of the Series B Preferred Shares, or by a resolution passed by the affirmative vote of not less than two-thirds of the votes cast by the holders who voted in respect of that resolution at a meeting of the holders duly called for that purpose and at which the holders of at least 10% of the outstanding Series B Preferred Shares are present in person or represented by proxy or, if no quorum is present at such meeting, at an adjourned meeting at which the holders of Series B Preferred Shares then present in person or represented by proxy would form the necessary quorum. At any meeting of holders of Series B Preferred Shares as a series, each such holder shall be entitled to one vote in respect of each Series B Preferred Share held by such holder.

Issue of Additional Series of Preference Shares

The Corporation may issue other series of preferred shares ranking on parity with the Series B Preferred Shares without the authorization of the holders of the Series B Preferred Shares.

Voting Rights with Respect to the Corporation

The holders of the Series B Preferred Shares will not (except as otherwise provided by law and, except as noted below, in respect of meetings of the holders of preferred shares as a class and meetings of holders of Series B Preferred Shares as a series) be entitled to receive notice of, attend, or vote at, any meeting of shareholders of the Corporation, unless and until the Corporation shall have failed to pay eight quarterly dividends on the Series B Preferred Shares, whether or not consecutive and whether or not such dividends were declared and whether or not there are any moneys of the Corporation properly applicable to the payment of such dividends. In the event of such non-payment, and for only so long as any such dividends remain in arrears, the holders of the Series B Preferred Shares as at the applicable record date will be entitled to receive notice of and to attend each meeting of the Corporation's shareholders, other than meetings at which only holders of another specified class or series are entitled to vote, and be entitled to vote together with all of the voting shares of the Corporation on the basis of one vote in respect of each Series B Preferred Share held by such holder, until all such arrears of such dividends shall have been paid, whereupon such rights shall cease.

Subject to applicable law, holders of the Series B Preferred Shares will not be entitled to vote separately as a class or series on a proposal to amend the articles of the Corporation to (a) increase any maximum number of authorized shares of a class or series having rights or privileges equal to or superior to the Series B Preferred Shares or (b) create a new class or series of shares equal or superior to the Series B Preferred Shares.

Tax Election

The terms and conditions of the Series B Preferred Shares will require the Corporation to elect under subsection 191.2(1) of the Tax Act, in the manner and within the time provided under the Tax Act, to pay or cause payment of the tax, under Part VI.1 of the Tax Act at a rate such that the corporate holders of Series B Preferred Shares will not be required to pay tax under Part IV.1 of the Tax Act on dividends received (or deemed to be received) on such shares.

Business Day

If any action is required to be taken by the Corporation on a day that is not a Business Day, then such action will be required to be taken on the next succeeding day that is a Business Day.

BOOK-ENTRY ONLY SYSTEM

The Preferred Shares will be issued in "book-entry only" form and must be purchased, transferred, converted or redeemed through participants ("**Participants**") in the depository service of CDS. Each of the Underwriters is a Participant or has arrangements with a Participant. On the Closing Date and on the first date of issuance of Series B Preferred Shares, the Corporation will cause a global certificate or certificates representing the Preferred Shares to be delivered to, and registered in the name of, CDS or its nominee. No holder of Preferred Shares will be entitled to a certificate or other instrument from the Corporation or CDS evidencing that holder of Preferred Share's ownership thereof, and no holder will be shown on the records maintained by CDS except through a book-entry account of a Participant acting on behalf of such holder. Each holder of Preferred Shares will receive a customer confirmation of purchase from the registered dealer from which the Preferred Shares are purchased in accordance with the practices and procedures of that registered dealer. The practices of registered dealers may vary, but generally customer confirmations are issued promptly after execution of a customer order. CDS will be responsible for establishing and maintaining book-entry accounts for its Participants having interests in the Preferred Shares.

The ability of a beneficial owner of Preferred Shares to pledge such shares or otherwise take action with respect to such owner's interest in such shares (other than through a Participant) may be limited due to the lack of a physical certificate.

The Corporation has the option to terminate registration of the Preferred Shares through the book-based system, in which event certificates for Preferred Shares in fully registered form will be issued to the beneficial owners of such shares or their nominees.

CREDIT RATINGS

The Series A Preferred Shares have received a rating of P-3 from S&P. A P-3 rating by S&P is the third highest of eight categories granted by S&P. According to the S&P rating system, while securities rated P-3 are regarded as having significant speculative characteristics, they are less vulnerable to non-payment than other speculative issues. However, it faces major ongoing uncertainties or exposure to adverse business, financial, or economic conditions which could lead to the obligor's inadequate capacity to meet its financial commitment on the obligation. The ratings from P-1 to P-5 may be modified by "high" and "low" grades which indicate relative standing within the major rating categories. The absence of either a "high" or "low" designation indicates the rating is in the middle of the category.

The credit rating accorded to the Series A Preferred Shares by S&P is not a recommendation to buy, sell or hold the Series A Preferred Shares inasmuch as such rating does not comment as to market price or suitability for a particular investor. There is no assurance that any rating will remain in effect for any given period of time or that any rating will not be revised upward or downward or withdrawn entirely by S&P in the future if, in its judgment, circumstances so warrant. The credit rating on the Series A Preferred Shares may not reflect the potential impact of all risks related to the value of the Series A Preferred Shares. In addition, real or anticipated changes in the credit rating assigned to the Series A Preferred Shares may affect the market value of the Series A Preferred Shares.

TRADING PRICE AND VOLUME OF UNITS/COMMON SHARES AND 2016 DEBENTURES

Units/Common Shares

Until January 11, 2011, the Units were listed on the TSX under the symbol "MPT.UN". From January 11, 2011 to April 21, 2011, the Common Shares were listed on the TSX under the symbol "MPT". Since April 21, 2011, the Common Shares have been listed on the TSX under the symbol "CSE". The following table sets forth the high and low sales prices per outstanding Unit/Common Share and trading volumes for the outstanding Units/Common Shares on the TSX for the periods indicated:

	Price Per Unit/Common Share		Trading Volume (#)
	High (\$)	Low (\$)	
2010			
June	7.12	6.46	1,067,658
July	7.12	6.73	803,813
August	7.30	6.81	1,228,257
September	7.35	6.98	1,303,335
October	7.70	7.14	1,744,687
November	8.03	7.48	2,064,848
December	8.39	7.71	2,029,152
2011			
January	8.80	8.07	2,233,371
February	8.67	7.93	2,574,505
March	8.20	7.50	2,995,501
April	8.29	7.60	2,883,645
May	8.23	7.76	2,352,724
June (1 st to 22 nd)	8.20	7.73	1,899,626

2016 Debentures

Prior to January 1, 2011, the 6.50% convertible debentures due December 31, 2016 (the “**2016 Debentures**”) were obligations of the Fund and were listed on the TSX under the symbol “MPT.DB.A”. The 2016 Debentures became obligations of the Corporation on January 1, 2011, but remained listed on the TSX under the same symbol. Since April 21, 2011, the outstanding 2016 Debentures have been listed on the TSX under the symbol “CSE.DB.A”. The following table sets forth the high and low sales prices per outstanding 2016 Debenture and trading volumes for the outstanding 2016 Debentures on the TSX for the periods indicated:

	Price Per 2016 Debenture		Trading Volume (#)
	High	Low	
	(\$)	(\$)	
2010			
June	104.25	102.50	26,320
July	106.45	103.26	15,480
August	106.50	104.50	8,130
September	111.59	104.25	16,210
October	111.00	105.00	13,120
November	114.00	107.01	38,810
December	116.03	109.27	20,650
2011			
January	120.50	115.00	60,250
February	123.00	113.56	52,110
March	116.50	108.50	9,130
April	117.40	110.00	7,480
May	116.54	111.76	5,970
June (1 st to 22 nd)	116.00	111.00	26,100

PLAN OF DISTRIBUTION

Pursuant to an underwriting agreement (the “**Underwriting Agreement**”) dated June 16, 2011 between the Corporation and the Underwriters, the Corporation has agreed to sell and the Underwriters have severally agreed to purchase, subject to the terms and conditions contained in the Underwriting Agreement, on June 30, 2011 or on such other date as may be agreed between the Corporation and the Underwriters, but, in any event, not later than July 29, 2011, 3,000,000 Series A Preferred Shares at a price of \$25.00 per share, payable in cash to the Corporation against delivery of such Series A Preferred Shares. The Underwriting Agreement provides that, in consideration of the services of the Underwriters in connection with the Offering, the Corporation will pay the Underwriters a fee of \$0.25 per Series A Preferred Share sold to certain institutions, and \$0.75 per Series A Preferred Share for all other Series A Preferred Shares sold as part of the Offering. The obligations of the Underwriters under the Underwriting Agreement are several, and not joint and several, and may be terminated at their discretion on the occurrence of certain stated events. The Underwriters are, however, obligated to take up and pay for all of the Series A Preferred Shares if any of such Series A Preferred Shares are purchased under the Underwriting Agreement.

The Corporation has agreed to grant the Underwriters the Over-Allotment Option, exercisable in whole or in part at any time until 30 days after the Closing Date, to purchase up to an additional 450,000 Series A Preferred Shares on the same terms as set out above solely to cover over-allotments, if any. If the Over-Allotment Option is exercised in full, the total price to the public, the Underwriters’ fee and the net proceeds to the Corporation, before expenses and assuming that no Series A Preferred Shares are sold to certain institutions, will be \$86,250,000, \$2,587,500 and \$83,662,500, respectively. This short form prospectus qualifies the grant of the Over-Allotment Option and the issuance of Series A Preferred Shares on the exercise of the Over-Allotment Option.

The Offering is being made in each of the provinces and territories of Canada. The Series A Preferred Shares have not and will not be registered under the U.S. Securities Act or any state securities laws and, subject

to certain exceptions, may not be offered or sold in the United States. The Underwriters have agreed that they will not offer or sell the Series A Preferred Shares within the United States, its territories and possessions. This short form prospectus does not constitute an offer to sell or solicitation of an offer to buy any of the Series A Preferred Shares in the United States.

The Corporation has agreed to indemnify the Underwriters and their directors, officers and employees against certain liabilities pursuant to the Underwriting Agreement, including liabilities under Canadian securities legislation.

The Corporation has agreed that it will not, directly or indirectly, without the prior written consent of TD Securities Inc., on behalf of the Underwriters, issue, offer, sell, grant any option to purchase or otherwise dispose of (or announce any intention to do so) any preferred shares or securities convertible into or exchangeable for preferred shares (subject to certain exceptions) or enter into any swap transaction in respect of the preferred shares (other than the Series A Preferred Shares) for a period commencing on the date of the Underwriting Agreement and ending on the date that is 90 days after Closing.

The TSX has conditionally approved the listing of the Series A Preferred Shares and the Series B Preferred Shares. Listing of the Series A Preferred Shares is subject to the Corporation fulfilling all of the requirements of the TSX on or before September 14, 2011. Listing of the Series B Preferred Shares at the end of the Initial Fixed Rate Period is subject to the Corporation fulfilling all of the requirements of the TSX, including the public distribution requirements for the Series B Preferred Shares at that time. **There is currently no market through which the Preferred Shares may be sold and purchasers may not be able to resell Preferred Shares purchased under this short form prospectus. This may affect the pricing of the Preferred Shares in the secondary market, the transparency and availability of trading prices, the liquidity of securities, and the extent of issuer regulation.**

Subscriptions for Series A Preferred Shares will be received subject to rejection or allotment in whole or in part and the Underwriters reserve the right to close the subscription books at any time without notice.

The terms and offering price of the Series A Preferred Shares were established by negotiation between the Corporation and the Underwriters. The Underwriters propose to offer the Series A Preferred Shares initially at the offering price specified on the cover page of this short form prospectus. After the Underwriters have made a reasonable effort to sell all of the Series A Preferred Shares at the price specified on the cover page, the offering price may be decreased and may be further changed from time to time to an amount not greater than that set out on the cover page, and the compensation realized by the Underwriters will be decreased by the amount that the aggregate price paid by purchasers for the Series A Preferred Shares is less than the gross proceeds paid by the Underwriters to the Corporation. **The Underwriters may offer the Series A Preferred Shares at a price lower than that stated above.**

Pursuant to the policy statements of certain securities regulators, the Underwriters may not, throughout the period of distribution, bid for or purchase Series A Preferred Shares other than pursuant to the Underwriting Agreement. The foregoing restriction is subject to exceptions, including (i) a bid or purchase permitted under Universal Market Integrity Rules administered by the Investment Industry Regulatory Organization of Canada; and (ii) a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution, provided that the bid or purchase not be engaged in for the purpose of creating actual or apparent active trading in, or raising the price of, the Series A Preferred Shares. The Corporation has been advised that in connection with the Offering and pursuant to the first-mentioned exception, the Underwriters may effect transactions which stabilize or maintain the market price of the Series A Preferred Shares at levels other than those which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

RELATIONSHIP AMONG THE CORPORATION AND CERTAIN UNDERWRITERS

TD Securities Inc. is an affiliate of a Canadian chartered bank which is a lender to certain subsidiaries of the Corporation under a credit facility (the “**Credit Facility**”). Macquarie Capital Markets Canada Ltd. is an affiliate of the former manager of the Corporation. See “*Recent Developments — Management Internalization*”. Macquarie Capital Markets is also an affiliate of the manager of Macquarie European International Fund II, the majority owner of the DH Business in which the Corporation has an approximate 33% interest. See “Recent

Developments — Purchase of the DH Business”. Accordingly, under applicable securities laws, the Corporation may be a “connected issuer” of such Underwriters. As of March 31, 2011, \$85 million was drawn under the Credit Facility (excluding letters of credit issued under the facility). Borrowings under the Credit Facility are secured by, among other things, unconditional and unlimited guarantees from each of the guarantors thereunder, as more particularly described in the AIF. As at March 31, 2011, the Corporation was in compliance with all debt covenants under the Credit Facility. Except as otherwise disclosed herein, neither the financial position of the Corporation nor the value of the security under the Credit Facility has changed substantially since the indebtedness under the New Credit Facility was incurred. There has been no waiver of a breach of the agreement in respect of the Credit Facility since its execution. The terms of the Offering of the Series A Preferred Shares were negotiated at arm’s-length between the Underwriters and the Corporation. The Underwriters participated in the drafting of this short form prospectus, the negotiation of the terms and offering price of the Series A Preferred Shares and the due diligence process in respect of the Offering. TD Securities Inc. and Macquarie Capital Markets Canada Ltd. will not receive any benefit in connection with the Offering other than as described in this short form prospectus.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Blake, Cassels & Graydon LLP, counsel to the Corporation, and of Torys LLP, counsel to the Underwriters, the following is a summary of the principal Canadian federal income tax considerations under the Tax Act generally applicable to a holder of Series A Preferred Shares acquired pursuant to this short form prospectus and a holder of Series B Preferred Shares acquired upon the conversion of the Series A Preferred Shares so acquired (a “**Holder**”) who, for purposes of the Tax Act and at all relevant times, is or is deemed to be a resident of Canada, deals at arm’s length with and is not affiliated with the Corporation and holds any Series A Preferred Shares or Series B Preferred Shares as capital property and is not exempt from tax under Part I of the Tax Act. Generally, the Series A Preferred Shares and the Series B Preferred Shares will be capital property to a Holder provided the Holder does not hold such shares in the course of carrying on a business of trading or dealing in securities and does not acquire them as part of an adventure or concern in the nature of a trade. Certain Holders who might not otherwise be considered to hold Series A Preferred Shares or Series B Preferred Shares as capital property may, in certain circumstances, be entitled to have them and every other “Canadian security”, as defined in the Tax Act, owned by such Holder in the taxation year of the election or any subsequent taxation year, treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act.

This summary is not applicable to a Holder that is a “financial institution” for the purposes of the “mark-to-market-property” rules, to a Holder that is a “specified financial institution”, to a Holder an interest in which would be a “tax shelter investment” or to a Holder that has elected to report its “Canadian tax results” in a currency other than Canadian dollars, each as defined in the Tax Act. Such Holders should consult their own tax advisors. This summary assumes that all issued and outstanding Series A Preferred Shares and Series B Preferred Shares are listed on a designated stock exchange (as defined in the Tax Act) in Canada (which includes the TSX) at such times as dividends (including deemed dividends) are paid or received on such shares.

This summary is based upon the current provisions of the Tax Act, the regulations thereunder (the “**Regulations**”), all specific proposals to amend the Tax Act and the Regulations publicly announced by the Minister of Finance (Canada) prior to the date hereof (the “**Proposals**”) and counsel’s understanding of the current published administrative and assessing policies and practices of the Canada Revenue Agency (the “**CRA**”). No assurances can be given that the Proposals will be enacted as proposed or at all. This summary does not otherwise take into account or anticipate any change in law or administrative or assessing policies and practices, whether by legislative, governmental or judicial action, nor does it take into account or consider any provincial, territorial or foreign income tax legislation or considerations.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Holder. Accordingly, prospective Holders should consult their own tax advisors with respect to their particular circumstances.

Dividends

Dividends received or deemed to be received on the Series A Preferred Shares or the Series B Preferred Shares by an individual (other than certain trusts) will be included in the individual's income and generally will be subject to the gross-up and dividend tax credit rules applicable to taxable dividends received by individuals from taxable Canadian corporations, including the enhanced dividend tax credit rules applicable to any dividends designated by the Corporation as "eligible dividends" in accordance with the Tax Act. Dividends received or deemed to be received by an individual (other than certain trusts) may give rise to a liability for alternative minimum tax.

Dividends received or deemed to be received on the Series A Preferred Shares or the Series B Preferred Shares by a corporation will be included in computing its income and will generally be deductible in computing its taxable income. A "private corporation", as defined in the Tax Act, or any other corporation controlled, whether by reason of a beneficial interest in one or more trusts or otherwise, by or for the benefit of an individual (other than a trust) or a related group of individuals (other than trusts), will generally be liable to pay refundable tax under Part IV of the Tax Act of 33 $\frac{1}{3}$ % on dividends received (or deemed to be received) on the Series A Preferred Shares and the Series B Preferred Shares to the extent such dividends are deductible in computing its taxable income.

The Series A Preferred Shares and the Series B Preferred Shares will be "taxable preferred shares" as defined in the Tax Act. The terms of the Series A Preferred Shares and the Series B Preferred Shares require the Corporation to make the necessary election under Part VI.1 of the Tax Act so that corporate Holders will not be subject to tax under Part IV.1 of the Tax Act on dividends received (or deemed to be received) on the Series A Preferred Shares and the Series B Preferred Shares.

Dispositions

A Holder who disposes of or is deemed to dispose of Series A Preferred Shares or Series B Preferred Shares (on redemption for cash or otherwise, but not on conversion of Series A Preferred Shares into Series B Preferred Shares or Series B Preferred Shares into Series A Preferred Shares, as the case may be) will generally realize a capital gain (or sustain a capital loss) to the extent that the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of such shares to such Holder. For this purpose, the adjusted cost base to a Holder of Series A Preferred Shares, or, as the case may be, Series B Preferred Shares, will be determined at any time by averaging the cost of such Series A Preferred Shares, or, as the case may be, Series B Preferred Shares, with the adjusted cost base of any other Series A Preferred Shares, or, as the case may be, Series B Preferred Shares, owned by the Holder as capital property at that time. The amount of any deemed dividend arising on the redemption or purchase for cancellation by the Corporation of Series A Preferred Shares or Series B Preferred Shares will not generally be included in computing the proceeds of disposition to a Holder for purposes of computing the capital gain or capital loss arising on the disposition of such shares (see "*— Redemption*").

Generally, one-half of any capital gain (a taxable capital gain) realized by a Holder for a taxation year must be included in the Holder's income in the year. A Holder is required to deduct one-half of any capital loss (an allowable capital loss) realized in the year from taxable capital gains realized in the year. Allowable capital losses in excess of taxable capital gains realized in a year may be carried back and deducted in any of the three preceding taxation years, or in any subsequent year, from net taxable capital gains realized in such years (but not against other income) to the extent and under the circumstances described in the Tax Act. If the Holder is a corporation, any such capital loss realized on a disposition of a Series A Preferred Shares, or as the case may be, Series B Preferred Shares, may in certain circumstances be reduced by the amount of any dividends which have been received or which are deemed to have been received on such Series A Preferred Shares, or, as the case may be, Series B Preferred Shares. Similar rules may apply where a corporation is a member of a partnership or a beneficiary of a trust that owns shares, directly or indirectly through a partnership or a trust. Taxable capital gains realized by a Holder who is an individual (other than certain trusts) may give rise to alternative minimum tax depending on the Holder's circumstances.

A Holder that is throughout the year a “Canadian-controlled private corporation” (as defined in the Tax Act) may be liable to pay a refundable tax on certain investment income, including taxable capital gains (as defined above), but excluding dividends or deemed dividends deductible in computing taxable income.

Redemption

If the Corporation redeems or otherwise acquires Series A Preferred Shares or Series B Preferred Shares, other than by a purchase in the open market in the manner in which shares are normally purchased by a member of the public in the open market, the Holder will be deemed to have received a dividend equal to the amount, if any, paid by the Corporation (including any redemption premium) in excess of the paid-up capital (as determined for purposes of the Tax Act) of such shares at such time. Generally, the difference between the amount paid by the Corporation and the amount of the deemed dividend will be treated as proceeds of disposition for the purposes of computing the capital gain or capital loss arising on the disposition of such shares. In the case of a corporate shareholder, it is possible that in certain circumstances all or part of the deemed dividend may be treated as proceeds of disposition and not a dividend.

Conversion

The conversion of a Series A Preferred Share into a Series B Preferred Share or a Series B Preferred Share into a Series A Preferred Share pursuant to the exercise of the Conversion Privilege will be deemed not to be a disposition of property and accordingly will not give rise to any capital gain or capital loss. The cost to a Holder of a Series B Preferred Share or Series A Preferred Share, as the case may be, received on the conversion will be deemed to be equal to the Holder’s adjusted cost base of the converted Series A Preferred Share or Series B Preferred Share, as the case may be, immediately before the conversion. The Holder’s adjusted cost base of each Series B Preferred Share or Series A Preferred Share, as the case may be, received on such conversion is determined by averaging the Holder’s cost of such share with the adjusted cost base to the Holder of all other Series B Preferred Shares or Series A Preferred Shares, as the case may be, owned as capital property immediately before such conversion.

ELIGIBILITY FOR INVESTMENT

In the opinion of Blake, Cassels & Graydon LLP, counsel to the Corporation, and Torys LLP, counsel to the Underwriters, the Series A Preferred Shares and Series B Preferred Shares, provided they are listed on a designated stock exchange (which currently includes the TSX), if issued on the date of this short form prospectus, would be qualified investments under the Tax Act and the Regulations thereunder for a trust governed by a registered retirement savings plan (“RRSP”), a registered retirement income fund (“RRIF”), a registered education savings plan, a deferred profit sharing plan, a registered disability savings plan and a tax-free savings account (collectively referred to as “**Deferred Income Plans**”).

Notwithstanding that the Series A Preferred Shares and the Series B Preferred Shares may be qualified investments for a trust governed by a tax-free savings account (“TFSA”), the holder of a TFSA will be subject to a penalty tax on the Series A Preferred Shares and the Series B Preferred Shares and other tax consequences may result if the Series A Preferred Shares and the Series B Preferred Shares are a “prohibited investment” for the TFSA. The Series A Preferred Shares and the Series B Preferred Shares will generally be a “prohibited investment” if the holder of a TFSA does not deal at arm’s length with the Corporation for purposes of the Tax Act or the holder of the TFSA has a “significant interest” (as defined in the Tax Act) in the Corporation or a corporation, partnership or trust with which the Corporation does not deal at arm’s length for purposes of the Tax Act. Holders are advised to consult their own tax advisors in this regard.

On June 6, 2011, the Minister of Finance (Canada) announced proposals to amend the Tax Act which would extend the application of the penalty tax for holding “prohibited investments” to an annuitant under an RRSP or RRIF. Such annuitants should consult their own tax advisors in this regard.

RISK FACTORS

An investment in the Preferred Shares is subject to a number of risks. Before making an investment decision, investors should carefully consider the risks described below and the risks described in the AIF and the March 2011 Interim MD&A, which are incorporated herein by reference. Prospective purchasers of the Preferred Shares should consider carefully these risks, the risk factors related to the Preferred Shares set forth below, as well as the other information contained in and incorporated by reference in this short form prospectus before purchasing or acquiring any Preferred Shares.

Risks Relating to the Preferred Shares

Credit rating may not reflect actual performance of the Corporation.

The credit rating applied to the Series A Preferred Shares is an assessment by the rating agency of the Corporation's ability to pay its obligations. The credit rating is based on certain assumptions about the future performance and capital structure of the Corporation that may or may not reflect the actual performance or capital structure of the Corporation. Changes in the credit rating of the Series A Preferred Shares or in any credit rating assigned to the Series B Preferred Shares in the future may affect the market price or value and the liquidity of the Series A Preferred Shares or the Series B Preferred Shares, as applicable. There is no assurance that any credit rating assigned to the Series A Preferred Shares or the Series B Preferred Shares will remain in effect for any given period of time or that any rating will not be lowered or withdrawn entirely by the rating agency.

The Corporation's ability to meet its financial obligations is dependent on the value of its underlying businesses and assets

As the Corporation operates as a holding company, the Corporation's ability to pay dividends and other operating expenses and to meet its obligations depends to a significant extent upon receipt of sufficient funds from its principal subsidiaries, the amount of intercompany debt between the Corporation and its subsidiaries, its ability to raise additional capital and the value of its underlying business and assets. Accordingly, the likelihood that holders of the Series A Preferred Shares or Series B Preferred Shares will receive dividends will depend to a significant extent upon the financial position and creditworthiness of the principal subsidiaries of the Corporation. Should the value of the underlying assets of the Corporation decrease substantially, the Corporation may not legally be in a position to declare or pay its dividends or pay amounts due upon redemption of the Series A Preferred Shares or the Series B Preferred Shares or upon liquidation, dissolution or winding up of the Corporation. See "Earnings Coverage Ratios".

The market value of Series A Preferred Shares and Series B Preferred Shares will be affected by a number of factors and, accordingly, their trading prices will fluctuate.

From time to time, the stock market experiences significant price and volume volatility that may affect the market price of the Series A Preferred Shares and the Series B Preferred Shares for reasons unrelated to the Corporation's performance. The value of the Series A Preferred Shares and the Series B Preferred Shares are also subject to market fluctuations based upon factors which influence the Corporation's operations, such as legislative or regulatory developments, competition, technological change and global capital market activity.

The value of Series A Preferred Shares and Series B Preferred Shares will be affected by the general creditworthiness of the Corporation. The Corporation's AIF, 2010 Annual MD&A and March 2011 Interim MD&A are incorporated by reference in this short form prospectus and discuss, among other things, known material trends and events, and risks or uncertainties that are reasonably expected to have a material effect on the Corporation's business, financial condition or results of operations. See also the discussion under "Earnings Coverage Ratios", which ratios are relevant to an assessment of the risk that the Corporation will be unable to pay dividends on the Series A Preferred Shares and the Series B Preferred Shares.

The market value of the Series A Preferred Shares and the Series B Preferred Shares, as with other preferred shares, is primarily affected by changes (actual or anticipated) in prevailing interest rates and in the credit rating assigned to such shares. The market price or value of the Series A Preferred Shares and the

Series B Preferred Shares will decline as prevailing interest rates for comparable instruments rise, and increase as prevailing interest rates for comparable instruments decline. Real or anticipated changes in credit ratings on the Series A Preferred Shares and the Series B Preferred Shares may also affect the cost at which the Corporation can transact or obtain funding, and thereby affect its liquidity, business, financial condition and/or results of operations.

Prevailing yields on similar securities will affect the market value of the Series A Preferred Shares and the Series B Preferred Shares. Assuming all other factors remain unchanged, the market value of the Series A Preferred Shares and the Series B Preferred Shares would be expected to decline as prevailing yields for similar securities rise and would be expected to increase as prevailing yields for similar securities decline. Spreads over the Government of Canada Bond Yield, T-Bill Rate and comparable benchmark rates of interest for similar securities may affect the market value of the Series A Preferred Shares and the Series B Preferred Shares.

The market value of Series A Preferred Shares and Series B Preferred Shares may also be influenced by similar factors that affect the trading prices of the Corporation's common shares, including the Corporation's financial results and political, economic, financial and other factors that can affect the capital markets generally, the stock exchanges on which the Corporation's common shares are traded and the market segment of which the Corporation is a part.

The Corporation may redeem Series A Preferred Shares and Series B Preferred Shares.

The Corporation may choose to redeem the Series A Preferred Shares and/or the Series B Preferred Shares from time to time, in accordance with its rights described under “*Details of the Offering — Description of the Series A Preferred Shares — Redemption*” and “*Details of the Offering — Description of the Series B Preferred Shares — Redemption*”, including when prevailing interest rates are lower than the yields borne by the Series A Preferred Shares and the Series B Preferred Shares. If prevailing rates are lower at the time of redemption, a purchaser would not be able to reinvest the redemption proceeds in a comparable security at an effective yield as high as the yields on the Series A Preferred Shares or the Series B Preferred Shares being redeemed. The Corporation's redemption right may also adversely impact a purchaser's ability to sell Series A Preferred Shares and Series B Preferred Shares as the optional redemption date or period approaches.

The Series A Preferred Shares and the Series B Preferred Shares do not have a fixed maturity date, may not be redeemed at the holder's option and may be liquidated by the holder only in limited circumstances.

Neither Series A Preferred Shares nor the Series B Preferred Shares have a fixed maturity date and are not redeemable or retractable at the option of the holders of Series A Preferred Shares or Series B Preferred Shares, as applicable. The ability of a holder to liquidate its holdings of Series A Preferred Shares or Series B Preferred Shares may be limited.

There is currently no trading market for the Series A Preferred Shares and the Series B Preferred Shares.

There is currently no trading market for the Series A Preferred Shares or the Series B Preferred Shares. There can be no assurance that an active trading market will develop for the Series A Preferred Shares after the Offering or for the Series B Preferred Shares following the issuance of any of those shares, or if developed, that such a market will be sustained at the offering price of the Series A Preferred Shares specified on the cover page of this short form prospectus or the issue price of the Series B Preferred Shares. If an active or liquid market for the Series A Preferred Shares and/or the Series B Preferred Shares fails to develop or be sustained, the prices at which the Series A Preferred Shares and the Series B Preferred Shares trade may be adversely affected.

The offering price of the Series A Preferred Shares specified on the cover page of this short form prospectus has been determined by negotiation between the Corporation and the Underwriters based on several factors and may bear no relationship to the prices at which the Series A Preferred Shares and the Series B Preferred Shares will trade in the public market subsequent to the Offering. See “*Plan of Distribution*”.

Creditors of the Corporation rank ahead of holders of Series A Preferred Shares and Series B Preferred Shares in the event of an insolvency or winding-up of the Corporation.

Creditors of the Corporation would rank ahead of holders of Series A Preferred Shares and Series B Preferred Shares in the event of an insolvency or winding-up of the Corporation.

The Series A Preferred Shares and the Series B Preferred Shares will rank equally with other preferred shares that may be outstanding in the event of an insolvency or winding-up of the Corporation. If the Corporation becomes insolvent or is wound up, the Corporation's assets must be used to pay debt, including inter-company debt, before payments may be made on Series A Preferred Shares, Series B Preferred Shares and other preferred shares.

The dividend rates on the Series A Preferred Shares and the Series B Preferred Shares will reset.

The dividend rate in respect of the Series A Preferred Shares will reset on July 31, 2016 and on July 31 every five years thereafter. The dividend rate in respect of the Series B Preferred Shares will reset quarterly. In each case, the new dividend rate is unlikely to be the same as, and may be lower than, the dividend rate for the applicable preceding dividend period.

Investments in the Series B Preferred Shares, given their floating interest component, entail risks not associated with investments in the Series A Preferred Shares.

Investments in the Series B Preferred Shares, given their floating interest component, entail risks not associated with investments in the Series A Preferred Shares. The resetting of the applicable rate on a Series B Preferred Share may result in a lower dividend compared to a fixed rate Series A Preferred Share. The applicable rate on a Series B Preferred Share will fluctuate in accordance with fluctuations in the T-Bill Rate on which the applicable rate is based, which in turn may fluctuate and be affected by a number of interrelated factors, including economic, financial and political events over which the Corporation has no control.

The Series A Preferred Shares and the Series B Preferred Shares may be converted or redeemed without the holders' consent in certain circumstances.

An investment in the Series A Preferred Shares or in the Series B Preferred Shares, as the case may be, may become an investment in Series B Preferred Shares or in Series A Preferred Shares, respectively, without the consent of the holder in the event of an automatic conversion in the circumstances described under "*Details of the Offering — Description of the Series A Preferred Shares — Conversion of Series A Preferred Shares into Series B Preferred Shares*" and "*Details of the Offering — Description of the Series B Preferred Shares — Conversion of Series B Preferred Shares into Series A Preferred Shares*". Upon the automatic conversion of the Series A Preferred Shares into Series B Preferred Shares, the dividend rate on the Series B Preferred Shares will be a floating rate that is adjusted quarterly by reference to the T-Bill Rate, which may vary from time to time, while, upon the automatic conversion of the Series B Preferred Shares into Series A Preferred Shares, the dividend rate on the Series A Preferred Shares will be, for each five-year period, a fixed rate that is determined by reference to the Government of Canada Yield on the 30th day prior to the first day of each such five-year period. In addition, holders may be prevented from converting their Series A Preferred Shares into Series B Preferred Shares, and vice versa, in certain circumstances.

The declaration of dividends on the Series A Preferred Shares and the Series B Preferred Shares is at the discretion of the Board of Directors.

Holders of Series A Preferred Shares and Series B Preferred Shares do not have a right to dividends on such shares unless declared by the Board of Directors. The declaration of dividends is at the discretion of the Board of Directors even if the Corporation has sufficient funds, net of its liabilities, to pay such dividends.

The Corporation may not, under corporate law, declare or pay a dividend if there are reasonable grounds for believing that the Corporation is, or would after the payment be, unable to pay its debts as they become due in the ordinary course of its business. Debts of the Corporation will include things such as liabilities arising in the course of its business, indebtedness (including inter-company debt) and amounts, if any, that are owing by

the Corporation under guarantees in respect of which a demand for payment has been made. See “*Consolidated Capitalization*”.

Although the Series A Preferred Shares and Series B Preferred Shares carry cumulative dividends, the Corporation may not be in a position at law to declare and pay such dividends as contemplated in this short form prospectus.

Holders of the Series A Preferred Shares and the Series B Preferred Shares do not have voting rights except under limited circumstances.

Holders of Series A Preferred Shares and Series B Preferred Shares will generally not have voting rights at meetings of the shareholders of the Corporation except under limited circumstances. Holders of Series A Preferred Shares and Series B Preferred Shares will have no right to elect the Board of Directors. See “*Details of the Offering*”.

EXEMPTIONS FROM CERTAIN SECURITIES LAW REQUIREMENTS

The Corporation has obtained relief exempting it from the requirement under National Instrument 44-101 — *Short Form Prospectus Distributions* (“**NI 44-101**”) to file, at the time of filing a preliminary short form prospectus, a Personal Information Form and Authorization to Collect, Use and Disclose Personal Information (in the form attached as Appendix A to National Instrument 41-101 — *General Prospectus Requirements*) for certain of the Corporation’s directors and executive officers (each, a “**Former PIF Filer**”) for whom the Fund had previously delivered any of the documents described in paragraphs 4.1(b)(i)(E) through (G) of NI 44-101 (a “**PIF**”) subject to the following conditions having been satisfied: (a) each Former PIF Filer authorized the securities regulatory authorities, in respect of this short form prospectus, to collect, use and disclose the personal information that was previously provided in such Former PIF Filer’s previously filed PIF; (b) at the time of the filing of this short form prospectus, the Corporation delivered to the securities regulatory authorities a certificate confirming the Former PIF Filers’ authorizations described in (a); (c) the Corporation delivered such further information from each Former PIF Filer as any securities regulatory authority required; and (d) the relief granted was in respect of this short form prospectus only and not any future offering by the Corporation.

INTERESTS OF EXPERTS

The matters referred to under “*Certain Canadian Federal Income Tax Considerations*” and “*Eligibility for Investment*”, as well as certain other legal matters relating to the issue and sale of the Preferred Shares, will be passed upon on behalf of the Corporation by Blake, Cassels & Graydon LLP and on behalf of the Underwriters by Torys LLP. As of the date of this short form prospectus, the partners and associates of Blake, Cassels & Graydon LLP, as a group, and the partners and associates of Torys LLP, as a group, each beneficially own, directly or indirectly, less than 1% of the outstanding securities of each of the Corporation, its affiliates and its associates.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Preferred Shares will be Computershare Investor Services Inc. at its principal office located in Montreal, Quebec.

AUDITORS

The auditor of the Corporation is PricewaterhouseCoopers LLP, Chartered Accountants, Toronto, Ontario, who has advised the Corporation that it is independent of the Corporation within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario.

PURCHASER'S STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces and territories, securities legislation further provides a purchaser with remedies for rescission, or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that such remedies for rescission, revision of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights or consult with a legal advisor.

AUDITORS' CONSENT

We have read the short form prospectus of Capstone Infrastructure Corporation (the “**Corporation**”) dated June 23, 2011 relating to the issue and sale of 3,000,000 Cumulative 5-Year Rate Reset Preferred Shares, Series A of the Corporation. We have complied with Canadian generally accepted standards for an auditor’s involvement with offering documents.

We consent to the use, through incorporation by reference in the above-mentioned short form prospectus, of our report to the shareholders of Macquarie Power and Infrastructure Corporation (formerly Macquarie Power & Infrastructure Income Fund) on the consolidated statements of financial position of Macquarie Power and Infrastructure Corporation (formerly Macquarie Power & Infrastructure Income Fund) as at December 31, 2010 and 2009 and the consolidated statements of operations, comprehensive income, unitholders’ equity and cash flows for the years then ended. Our report is dated March 10, 2011.

Toronto, Ontario
June 23, 2011

(Signed) PRICEWATERHOUSECOOPERS LLP
Chartered Accountants,
Licensed Public Accountants

CERTIFICATE OF THE ISSUER

June 23, 2011

This short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces and territories of Canada.

CAPSTONE INFRASTRUCTURE CORPORATION

By: (Signed) MICHAEL BERNSTEIN
President and Chief Executive Officer

By: (Signed) MICHAEL SMERDON
Executive Vice President and Chief Financial Officer

On behalf of the Board of Directors of Capstone Infrastructure Corporation:

By: (Signed) FRANÇOIS R. ROY
Director

By: (Signed) V. JAMES SARDO
Director

CERTIFICATE OF UNDERWRITERS

June 23, 2011

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces and territories of Canada.

TD SECURITIES INC.

By: (Signed) PETER GIACOMELLI

MACQUARIE CAPITAL MARKETS CANADA LTD.

By: (Signed) PAUL HUEBENER

RBC DOMINION SECURITIES INC.

By: (Signed) DAVID DAL BELLO

BMO NESBITT BURNS INC.

By: (Signed) JAMES A. TOWER

CIBC WORLD MARKETS INC.

By: (Signed) DAVID H. WILLIAMS

SCOTIA CAPITAL INC.

By: (Signed) CHRISTOPHER BLACKWELL

**CANACCORD GENUITY
CORP.**

By: (Signed) STEVEN
WINOKUR

**CORMARK
SECURITIES INC.**

By: (Signed) MARC
MURNAGHAN

**JACOB
SECURITIES INC.**

By: (Signed) DAN
PHAURE

M PARTNERS INC.

By: (Signed) THOMAS
KOFMAN

