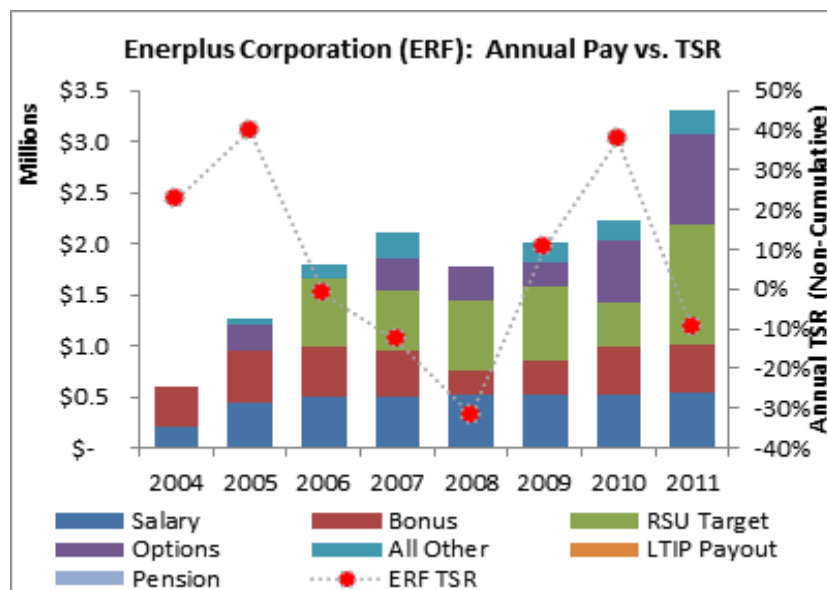
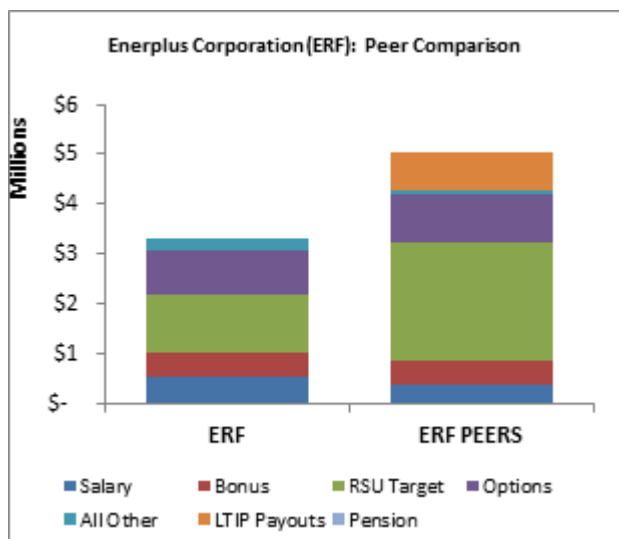


Enerplus Corporation (ERF): 2004-2011 Pay for Performance

PAY FOR PERFORMANCE SCORE				
1 YEAR = 0	4 YEAR = 0	6 YEAR = 0	8 YEAR = 5	TOTAL: 5/24

ERF's annual bonus payouts are based on three factors: oil production, TSR and individual goals. Although TSR performance was below target, most production targets were met, resulting in a bonus payout nearly equal to 2010, when share performance was much stronger. **Equity grants, both options and RSUs, were much larger than in 2010. The board has discretion over the size of these grants and it is unclear what drove this increase, which resulted in an overall 35% year-over-year bump in CEO pay in a year when TSR was -10%.**

CEO pay has outpaced TSR in each of our observation periods, a misalignment that resulted in a very low Pay for Performance Score of 5 out of 24. ERF placed in the bottom 4 out of 11 peers in each of ROE, ROA and TSR, and in the top 3 in total CEO pay.



COMPANY'S DISCLOSED PEER FIRMS	
TICKER	NAME
TSE:ARX	ARC Resources Ltd.
TSE:CPG	Crescent Point Energy Corp
TSE:PGF	Pengrowth Energy Corporation
TSE:PRQ	Progress Energy Resources Corp
TSE:ZAR	Zargon Oil & Gas Ltd
TSE:BTE	Baytex Energy Corporation
TSE:BNP	Bonavista Energy Corporation
TSE:PWT	Penn West Petroleum Ltd.
TSE:CR	Crew Energy Inc.

FY 2011 FINANCIAL PERFORMANCE RANKINGS						
#	PEER	TSR	PEER	ROE	PEER	ROA
1	TSE:BTE	27.9%	TSE:BTE	18.0%	TSE:BTE	8.9%
2	TSE:CPG	8.0%	TSE:ARX	9.1%	TSE:PRQ	5.6%
3	TSE:PRQ	7.3%	TSE:PRQ	7.6%	TSE:ARX	5.4%
4	TSE:ARX	3.6%	TSE:PWT	7.0%	TSE:PWT	4.1%
5	TSE:BNP	-4.7%	TSE:BNP	6.9%	TSE:BNP	3.5%
6	TSE:PGF	-9.7%	TSE:ZAR	4.6%	TSE:CPG	2.3%
7	TSE:ERF	-9.9%	TSE:CPG	3.4%	TSE:ZAR	2.2%
8	TSE:PWT	-10.8%	TSE:ERF	3.3%	TSE:ERF	1.9%
9	TSE:ZAR	-34.1%	TSE:PGF	2.5%	TSE:PGF	1.5%
10	TSE:CR	-41.1%	TSE:CR	-11.5%	TSE:CR	-7.1%
11						

CEO COMPENSATION RANKINGS AGAINST COMPANY'S DISCLOSED PEER FIRMS										
#	PEER	TOTAL PAY	PEER	SALARY	PEER	BONUS	PEER	TOTAL CASH	PEER	TOTAL EQUITY
1	TSE:CPG	\$9,429,754	TSE:ARX	\$550,000	TSE:ARX	\$850,000	TSE:ARX	\$1,400,000	TSE:CPG	\$8,743,840
2	TSE:BTE	\$4,616,660	TSE:ERF	\$545,833	TSE:PRQ	\$650,000	TSE:BTE	\$1,100,000	TSE:BTE	\$2,700,600
3	TSE:ERF	\$3,307,924	TSE:PWT	\$525,000	TSE:BTE	\$600,000	TSE:ERF	\$1,015,833	TSE:ERF	\$2,048,876
4	TSE:ARX	\$3,036,135	TSE:BTE	\$500,000	TSE:ERF	\$470,000	TSE:PRQ	\$1,003,000	TSE:CR	\$1,672,000
5	TSE:PWT	\$2,620,915	TSE:PGF	\$475,000	TSE:PGF	\$377,500	TSE:PWT	\$900,000	TSE:PWT	\$1,631,250
6	TSE:PRQ	\$2,512,468	TSE:CPG	\$386,900	TSE:PWT	\$375,000	TSE:PGF	\$852,500	TSE:ARX	\$1,588,585
7	TSE:CR	\$2,409,250	TSE:CR	\$360,000	TSE:CR	\$360,000	TSE:CR	\$720,000	TSE:PRQ	\$1,464,168
8	TSE:PGF	\$2,070,093	TSE:PRQ	\$353,000	TSE:CPG	\$292,000	TSE:CPG	\$678,900	TSE:PGF	\$1,045,000
9	TSE:ZAR	\$609,455	TSE:ZAR	\$316,092	TSE:ZAR	\$80,603	TSE:ZAR	\$396,695	TSE:ZAR	\$167,120
10	TSE:BNP	\$362,036	TSE:BNP	\$185,000	TSE:BNP	\$0	TSE:BNP	\$185,000	TSE:BNP	\$147,095
11										

PAY FOR PERFORMANCE SCORING

For 2012, the Clarkson Centre for Board Effectiveness (CCBE), prepared a Pay for Performance report for each firm currently listed on the TSX 60 Index that has at least 8 years of historical compensation or share price data available. The CCBE's Performance Score measures how closely CEO pay and TSR are aligned over four different time horizons. Compensation data is gathered from the firm's public filings, and valued at the time of grant. Options are valued using the binomial tree fair value method, and PSUs are valued at the grant date value of the target payout. TSR is calculated using a 30-day average start and end date share price, and assumes the reinvestment of dividends.

CCBE collected pay and performance data for up to ten peer companies for each TSX 60 constituent. Peer companies were selected from each TSX 60 constituent's performance benchmarking peer group, as disclosed in its most recent Management Information Circular. If a performance peer group was not disclosed, the CCBE collected information on the disclosed constituents of the total pay benchmarking peer group. If a peer group had more than 10 constituents, we randomly selected ten from among the disclosed list.

Our Pay for Performance Score takes into account alignment between change in CEO pay and TSR in 1-, 4-, 6- and 8-year observations. CEO pay change is 'smoothed' to account for outlying years. For example, in our 8-year observation we calculate CEO pay change as the percent change of the sum of total CEO pay from 2004-2007 against the sum of total CEO pay from 2008-2011. This helps to normalize our longer observations for unusual events like CEO turnover and large one-time payouts. The Pay for Performance Score gives significantly more weight to longer-term observations than shorter ones.

1-YEAR SCORE	4-YEAR SCORE	6-YEAR SCORE	8-YEAR SCORE
A = 3	A = 4	A = 7	A = 10
B = 3	B = 3	B = 5	B = 8
C = 2	C = 2	C = 3	C = 5
D = 1	D = 1	D = 1	D = 3
E = 0	E = 0	E = 0	E = 0

