CDIC

CANADA DEVELOPMENT INVESTMENT CORPORATION

2012 to 2016
CORPORATE PLAN SUMMARY

and

2012 CAPITAL BUDGET

CDIC

CORPORATE PLAN SUMMARY
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1.0 EXECUTIVE SUMMARY

WHO WE ARE

Canada Development Investment Corporation ("the Corporation" or "CDIC") was incorporated in 1982 under the provisions of the *Canada Business Corporations Act* and is wholly-owned by Her Majesty in Right of Canada. The Corporation is an agent Crown corporation listed in Schedule III, Part II of the *Financial Administration Act* and is not subject to the provisions of the *Income Tax Act*. CDIC reports to Parliament through the Minister of Finance.

WHAT WE DO

CDIC has historically been used as a means of ensuring that the Government's interests that are assigned to it have been managed with a commercial focus. To date we have managed and sold some fifteen companies for the Government with total proceeds exceeding $3 billion. We continue to manage Canada's interest in the Hibernia oil field, the preferred and common shares in General Motors and liabilities of Canada Eldor Inc.

In addition we are continuing to provide financial, legal and technical analysis of those corporate holdings of the Government of Canada as requested by the Minister of Finance to assist with the Government's review of corporate assets in its endeavour to ensure the Government's use of resources is efficient, effective and focused on priorities.

The Minister has indicated that the future operations of CDIC "should reflect a future focused on the ongoing management of its current holdings in a commercial manner, providing assistance to the Government in new policy directions suited to CDIC's capabilities, while maintaining the capacity to divest CDIC's existing holdings, and any other government interests assigned to it for divestiture, upon the direction of the Minister of Finance".

OUR RECENT ACTIVITIES

In November 2010 Canada GEN, our wholly owned subsidiary participated in one of the largest Initial Public Offerings (IPO) in history, as General Motors re-emerged as a public company. Canada GEN sold 20% of its common share holding for proceeds of over $1.1 billion.

In July 2011 we sold our entire interest in Chrysler to Fiat for US$140 million. This followed a refinancing by Chrysler, which permitted them to repay loans outstanding to Canada and the US Government.

We have been active in the Government's Corporate Asset Management Review (CAMR) programme.

Canada Hibernia Holding Corporation (CHHC) continues to deliver better than budgeted results for its shareholder through continued strong oil prices and solid performance from the Hibernia Development Project. In 2011, the Project was enhanced with the sanction of the Hibernia Southern Extension (HSE) Unit. Two wells were drilled and placed on production in the new unit, and work continues to take place to fully develop the unit so that full production can be realized in 2013-2014. In 2011, forecasted dividends will be more than double that of its original budget.

CHHC continues to follow its mandate to have the company ready for divestiture on the consent of the Minister of Finance.

Canada Eldor continues to manage the liabilities resulting from past activities of Eldorado Nuclear, the assets of which were merged with Saskatchewan Mining and Development Corporation in 1988 to form Cameco Corporation. In 2010, we agreed with Cameco that certain differences of opinion relating to costs of dealing with historic wastes would be sent to arbitration. We expect the arbitration hearing to be in December 2011.

WHAT WE PLAN TO DO IN THE NEXT FIVE YEARS

Our holdings in General Motors are available for sale. The exact timing and form of any transaction will be subject to market conditions at the time and the agreements existing between the United States Treasury, General Motors, The UAW Retiree Medical Benefits Trust and us. We anticipate that General Motors will redeem our 16 million GM Series A preferred shares in December 2014, though they are not obliged to do so. In the meantime we expect to continue to receive 9% dividends.

Our holding in the Hibernia oil field, managed by our subsidiary the Canada Hibernia Holding Corporation (CHHC), will continue to be available for sale should the Government wish to divest of this asset. In the meantime we will participate actively in endeavouring to maximize the return on this asset. Recent results have been very encouraging, increasing the reserves of the field significantly and providing the likelihood of production remaining at the current high level for a number of years.

The CAMR process is continuing and we will maintain the management capability to provide service to assist the Minister of Finance in whatever role he deems fit. We have assembled a number of expert consultants to supplement our management and assist us in the process. This enables us to carry out our primary functions which are to prepare (together with staff from the Department of Finance) well defined statements of work, conduct a thorough and fair advisor selection process, manage relationships with the advisor and the management of the asset under review and ensure that the process produces insightful reports on a timely basis that will provide a sound basis for decision making by the Government.

2.0 MANDATE AND FUTURE ROLE

The Articles of Incorporation give CDIC a broad mandate. We were incorporated to provide a commercial vehicle for Government equity investment and to manage commercial holdings of Canada. Our primary objective is to carry out our activities in the best interests of Canada, operating in a commercial manner.

In November 2007, the Minister of Finance wrote the Chairman and indicated that the future operations of CDIC "should reflect a future focused on the ongoing management of its current holdings in a commercial manner, providing assistance to the Government in new policy directions suited to CDIC's capabilities, while maintaining the capacity to divest CDIC's existing holdings, and any other government interests assigned to it for divestiture, upon the direction of the Minister of Finance".

2.1 Corporate Governance

CDIC is managed by a staff based in Toronto headed by the Executive Vice-President, who work closely with consultants, legal counsel, the Board and management of its subsidiaries to ensure the effective functioning of the Corporation and all subsidiaries. CHHC has separate management based in Calgary. In order to manage the investments in GM, additional expert advisory consultants have been hired. Consultants are hired as required for CAMR projects.

The Nominating and Governance Committee assesses the effectiveness of the Board, with input from all of the directors. None of the directors of the Corporation are employees of CDIC or its subsidiaries. The Board carries out its responsibilities for the financial statements of the Corporation through its Audit Committee. Attendance at Board and committee meetings is outstanding and each director dedicates appropriate time outside of board meetings to the supervision of the Corporation. See Appendix A for the Corporation's organization chart and current listing of CDIC's Board and officers.

Corporate governance is dealt with by the Nominating and Governance Committee, which continues to review CDIC's governance practices in the spirit of continuous improvement and to address new requirements. In addition, the committee assists in determining the composition and structure of the Board and recommending to the Governor in Council candidates for Board membership and for the position of Chair.

The Corporation reports to Parliament through the Minister of Finance. CDIC maintains a website and holds an annual public stakeholder meeting.

3.0 CORPORATE PROFILE

CDIC was incorporated in 1982 and has historically been used as a means of ensuring that the Government's interests have been managed with a commercial focus and made more effectively accountable. Accordingly, we were given responsibility for the Government's investments in:

- Massey Ferguson
- Canadair Limited
- The de Havilland Aircraft of Canada Limited
- Eldorado Nuclear Limited (now Canada Eldor Inc. (CEI))
- Teleglobe Canada
- Canada Development Corporation
- Fishery Products International Limited, National Sea Products Limited and Pecheries Cartier Inc.
- Chrysler Group LLC (interests sold in 2011)

In 1984, we began to divest these holdings as directed by the Minister of Finance ("the Minister"). Since this time, we have successfully divested the above assets and have assisted the Government in the divestiture of other holdings. Our accomplishments can be summarized as follows:

Company	Year	Proceeds ($millions)
Canadair Limited	1986	$ 140
De Havilland Aircraft of Canada Ltd.	1986	90
Teleglobe Canada	1987	505
Fishery Products International Limited	1987	104
Canada Development Corporation	1986/87	361
Nordion International Inc.	1991	165
Varity Corp. (warrants/ common shares)	1987/91	9
Telesat Canada	1992	155
Cameco Corporation ("Cameco")	1992-1995	320
Co-Enerco Resources Ltd.	1993	74
Ginn Publishing Canada Inc.	1994	10
Varity Corp. (preferred shares)	1996	31
Theratronics International Limited	1998	15
Air Canada warrants	2010	2
General Motors Company	2010	1,172
Chrysler Group LLC	2011	132
		$ 3,285

In 1993 CHHC was created to acquire, hold and manage an 8.5% interest in the Hibernia offshore oil development project ("Hibernia"). This holding has been held ready for sale since 1999 and the Board of CDIC has informed the Minister of its readiness for sale on several occasions since that date.

In 2009 we implemented Governor in Council directives to establish two new subsidiaries, Canada CH Investment Corporation ("CH") and Canada GEN Investment Corporation ("GEN") to hold Canada's equity interest in Chrysler and GM respectively.

In November 2010 GM completed an initial public offering (IPO) through which GM raised US$5 billion and three of the initial GM shareholders (U.S. Treasury, the UAWs health care trust or VEBA and Canada (GEN)) sold US$18 billion of their combined holdings at a price of US$33/share. Approximately 1/3 of the outstanding common shares in GM were sold into the public market. GEN sold 20% of its GM common share holdings for net proceeds of $1.2 billion. These proceeds were paid out in dividends in Q4 of 2010.

The Chrysler interest was sold in 2011 for $132 million.

4.0 CORPORATE PERFORMANCE

4.1 Assessment of Previous Year's Results

Our actual performances in 2011 as compared to the objectives, outlined in our 2011-2015 Corporate Plan are as follows:

Canada Development Investment Corporation

a) We sold our interests in Chrysler to Fiat for US$140 million on July 21, 2011. CAD proceeds equalled $132.3 million. Cost of the interests sold were $20 million based on a valuation of the interest upon receipt in 2009, for a net gain of $112.3 million.

b) We continued to manage our investment in GM preferred and common shares. There has been no sale of GM common shares to date in 2011. We continue to retain legal and financial advisors to allow us to manage a divestment strategy and be able to react to any potential sales opportunity, and to negotiate with relevant parties including GM and the other major shareholders with respect to procedural issues for any potential sale.

c) In 2011, GEN is forecast to receive US$36 million in preferred share dividends from GM, translated at $36 million. We continued our management of CAMR projects in 2011.

d) We continued to manage, as shareholder, CHHC's 8.5% interest in Hibernia pursuant to a Memorandum of Understanding with the government ("the MOU").

e) CHHC paid $134 million in dividends to CDIC up to September 30, 2011.

Canada Eldor Inc.

Port Hope – Welcome Waste Site & Port Granby Waste Site

Since 2007 CEI has challenged Cameco's interpretation of "Joint Wastes" under the 1988 Purchase and Sale Agreement. CEI has not paid 2005-2010 invoices from Cameco due to this disagreement. CEI has sought arbitration with Cameco in order to resolve this disagreement.

An arbitrator has been agreed upon and hearings are slated for December 2011.

Beaverlodge

Cameco continues to monitor and manage the Beaverlodge site and provides CEI with monthly invoices indicating costs incurred. These have been paid after review by CEI. Several peripheral sites have been transferred to the Province of Saskatchewan and more sites will be transferred in the future. At the end of 2010, the total provision for site restoration increased approximately $2.4 million based on an increase in the estimate for the project, net of payments in 2010.

Eldorado retirees

CEI paid $116,000 as at September 30, 2011 and will pay approximately $230,000 for the year to cover claims and premiums for the benefit plan of retired employees.

4.2 Analysis of External Business Environment

The ongoing management of our holdings will depend on market conditions specific to the underlying company or investment.

CEI will be affected by ongoing changes in the regulatory requirements enacted in particular by the Canadian Nuclear Safety Commission ("CNSC") and the Government of Saskatchewan.

The preferred shares of GM owned by GEN are impacted by foreign exchange movements. The shares cannot be purchased back by GM until December 2014. The price of the common shares of GM is affected by fluctuating stock market prices.

The performance of CHHC is impacted by the world price of crude oil, specifically the "Brent" price of crude and the CAD/USD foreign exchange rate.

5.0 OBJECTIVES, STRATEGIES AND PERFORMANCE MEASURES FOR THE PERIOD JANUARY 2012 TO DECEMBER 2016

Our holdings in General Motors are available for sale. The exact timing and form of any transaction will be subject to market conditions at the time and the agreements existing between the United States Treasury, General Motors, The UAW Retiree Medical Benefits Trust and us. We anticipate that General Motors will redeem our preferred shares in December 2014 though they are not obliged to do so. In the meantime we expect to continue to receive dividends at a rate of 9%.

Our holding in the Hibernia oil field, managed by CHHC, will continue to be available for sale should the Government so wish. In the meantime we will participate actively in maximizing the return on this asset.

The CAMR programme is continuing and we will maintain the managerial capability to provide service to assist the Minister of Finance in whatever role he deems fit.

Section 6.3 further discusses key financial assumptions for the Proforma Financial schedules included as part of this Corporate Plan. CHHC's plan is attached as Appendix B.

5.1 Canada Eldor Inc. (previously known as Eldorado Nuclear Limited)

We will continue to provide management services to CEI. Pursuant to the sale of its operating assets to Cameco in 1988, CEI is responsible for certain liabilities and outstanding litigation.

i) Historic Waste – Port Hope

Port Hope is the site of a uranium refinery formerly operated by Eldorado and now by Cameco as a result of the Purchase and Sale agreement in 1988. The historic waste in Port Hope originated from radium and uranium operations of Eldorado Nuclear Limited, from the 1930's. As a result of these past refinery operations, CEI had accumulated significant quantities of waste materials prior to the Purchase and Sale Agreement in 1988. CEI has a financial obligation to Cameco to share the cost of disposal of waste existing at that time. This waste is primarily located in the Welcome Waste Site and the Port Granby Waste Site, near Port Hope, Ontario. Neither of these sites has accepted additional waste material since 1988. There is a formula in the agreement for sharing costs related to these wastes whereby Cameco assumed liability for the first $2 million of joint costs. The next $98 million in joint costs will be shared 23/98ths by Cameco, and 75/98ths by CEI. CEI is liable for joint costs in excess of $100 million. Cameco manages the handling and treatment of all wastes and invoices CEI its portion of the costs.

In March 2004, an agreement was signed by Canada, Cameco and CEI which allows the federal government to acquire the Port Granby and Welcome Waste Sites from Cameco. The government has acquired the Welcome Site and will likely acquire Port Granby upon completion of the environmental assessment process in 2011. On exercise of that option, the agreement stipulates that Cameco would make payments to CEI for the remaining portion of their joint cost obligation (i.e. the balance of $25 million) in five equal annual instalments. When the federal government assumes ownership of the waste sites, all future costs of decommissioning and clean up will be borne by the government and CEI will no longer have any obligation for these costs.

CEI would, though, continue to have an obligation to fund the cost of other historic waste. The definition of what constitutes this waste is under dispute between CEI and Cameco

ii) Site Restoration – Beaverlodge

Beaverlodge is a former uranium mine site which has been inactive since prior to the sale of Eldorado assets to Cameco. Pursuant to the Purchase and Sale Agreement, CEI is responsible for all costs associated with the decommissioning of this site which was transferred to Cameco at the time of the sale. Cameco is responsible for the monitoring and management of the site. The Province of Saskatchewan has set up a process whereby it assumes management of sites in exchange for a payment once the sites have been deemed to meet certain standards and are stable. Eventually the whole Beaverlodge site is planned to be transferred to the Province. Several of the peripheral sites have been transferred to the Province. Future transfers are not likely until late 2012.

The current lease between Cameco and the Province of Saskatchewan has been extended to December 2026. It can be cancelled once Cameco has met, to the satisfaction of the Province of Saskatchewan, the specified targets for decommissioning and reclamation.

On an annual basis Cameco updates its work plan and cost estimate for the balance of this project. As at September 30, 2011 costs are estimated at $13.0 million and the project is scheduled to be completed in 2019. CEI has hired independent consultants to assist it in monitoring Cameco's performance.

iii) Retiree Benefits - Eldorado Retirees

Pursuant to the Purchase and Sale Agreement, CEI is responsible for the management of the benefit plan for all Eldorado and Eldor employees who retired prior to October 1988. These benefits include life insurance, health and dental benefits.

5.2 Canada GEN Investment Corporation

GEN holds approximately 9% of the common shares of GM (a Delaware U.S.A. corporation) and US$402 million of the 9% cumulative series A preferred shares of that company.

We supervise the management of this investment through general oversight by its Board of Directors and senior staff, and direct oversight by the Board of Directors of GEN.

GEN receives US$9.06 million in preferred dividends each quarter.

GEN remains capable of reacting to potential sale opportunities, if deemed acceptable.

In the planning period, GEN has not forecast any specific date of GM common share sales nor quantity of sales.

5.3 Risks and risk mitigation

We and our subsidiaries are subject to a number of risks.

CEI is subject to considerable liabilities, as discussed above, due to its undertakings to Cameco as part of the 1988 Purchase and Sale agreement. CEI has approximately $9 million in short term investments and $39 million in funds deposited with the CRF. Whether these funds are adequate reserves is unknown due to the potential liabilities related to the 1988 agreement and other lawsuits which CEI faces including historic waste, site restoration, and retiree benefits.

GEN's holdings of 140 million GM common shares (or approximately 9% of the outstanding GM common shares) are exposed to market pricing risk and foreign exchange risk. For every US$1/share change in price, the resulting value of our investment changes the CAD equivalent of US$140 million. Similarly a C$0.01 change in the CAD/USD exchange rate affects the value of our GM holdings by $33 million at September price levels. Given the significant swings in the share price of GM common shares in the first nine months of 2011 from a high of US$39.48 to a low of US$19.77, this risk in value is material.

We have no significant known liabilities at present. However we are undertaking significant work for the Minister under the CAMR programme. As the level and type of activity under this programme is hard to project, we maintain a working capital level of $20 million to provide for possible costs.

6.0 FINANCIAL SECTION

6.1 International Financial Reporting Standards (IFRS)

The Accounting Standards Board (AcSB) has mandated all publicly accountable enterprises to report under International Financial Reporting Standards (IFRS) by January 1, 2011, including comparative figures for the prior year. CDIC developed an implementation plan to ensure compliance and a smooth transition. For purposes of the 2012 planning period, IFRS will be fully implemented with publication of the December 31, 2011 Financial Statements and no further IFRS implementation issues are expected. We will continue to monitor new pronouncements for IFRS. In the unaudited quarterly financial statements issued as at June 30, 2011 CDIC undertook to calculate and disclose all known IFRS conversion requirements with respect to its financial statements.

The Interim financial statements as well as year-end financial statements provide up to date information regarding IFRS and its impact on our financial statements.

6.2 Financial Overview for 2011

Our dividend income from CHHC for 2011 is forecast at $234 million. In Q3 2011 we have a cash reserve of approximately $20 million to fund our obligations including those expected under the CAMR. CDIC forecasts annual dividend income at GEN in the amount of US$36 million.

Included in this corporate plan summary are five-year proforma financial projections as follows which have been prepared in accordance with IFRS:

Schedule 1 – Summary Statements of Financial Position
Schedule 2 – Summary Statements of Cash Flows
Schedule 3 – Summary Statements of Changes in Equity
Schedule 4 – Summary Statements of Comprehensive Income
Schedule 5 – Schedule of Operations

Key assumptions put forth in this Corporate Plan are outlined below in Section 6.4.

6.3 Quarterly Financial Reporting

Starting with the financial period ended June 30, 2011, we issued Quarterly Financial Statements, which are in accordance with IFRS. This first set of Quarterly Financial Statements included significant disclosure around our conversion to IFRS. The financial statements are posted in both English and French on our website (www.cdiccei.ca) within 60 days of a quarter end.

6.4 Key Assumptions in Financial Projections

This Corporate Plan is based on the following assumptions:

Canada Development Investment Corporation (non-consolidated)

1) Operating Costs - Financial projections assume management and the Board continue to closely manage costs. Forecast administration costs are $2 million annually throughout the planning period. The increase from 2010 is primarily due to additional human resource requirements, contractor, and legal fees to manage additional responsibilities. The decrease from the 2011 forecast is due to decreased audit and office expenses.

2) Dividend Revenue– CDIC will receive dividends from CHHC and GEN. The projected amounts to be received from CHHC for the five year period are as follows:

2012	$129 million
2013	$168 million
2014	$158 million
2015	$131 million
2016	$146 million

GEN's annual dividend income is projected to be US$36 million ($35 million) to the end of 2014. CDIC will pass on proceeds of dividends received from subsidiaries in the form of dividends, subject to maintaining a cash position approximating $20 million.

3) Foreign Exchange Rate – For the plan period, 2012 to 2016, an exchange rate of US$1.00 equals C$0.9671 is used for CDIC and all of its subsidiaries.

Canada Hibernia Holding Corporation

4) Operating Revenues and Costs – CHHC's revenues and costs are discussed in detail in Appendix B.

5) Dividends paid – CHHC will forward dividends to its parent as discussed above.

Canada Eldor Inc.

6) Operating Costs - CEI's operating costs are projected at $480,000 in 2012 and $330,000 per year for 2013 to 2016. Ongoing costs are in line with previous years including the anticipated costs of arbitration where much of the work effort has been undertaken already, ongoing monitoring costs for the Beaverlodge site, and legal fees.

7) Historic Waste - Financial projections estimate the current liability of $11.1 million being paid out after 2011. As noted in section 5.3, the definition of

"Joint Costs" is in dispute and invoices for 2005-2010 have not been paid, however, we are projecting that the settlement will be reasonably close to the current accrued liability as this is based on the best available information.

Canada has exercised some of its rights under the 2004 agreement allowing it to take over the Welcome and Port Granby Waste sites from Cameco. The financial effect thereof is not reflected in the financial projections, however, due to the uncertain timing of completion.

8) Site Restoration (Beaverlodge) - CEI has accrued anticipated costs of approximately $13.4 million for the decommissioning of the Beaverlodge site which is anticipated to be completed by 2019.

9) Retiree Benefits - Benefits paid annually are estimated at $230,000 which consists of $200,000 for benefits and $30,000 for administration expense.

10) Litigation - No payments are assumed for lawsuits which CEI is defending other than to legal advisors.

11) CRF - Interest is accrued on CEI's funds on deposit in the CRF at a rate equal to 90% of the government's 90-day Treasury Bill rate.

Canada GEN Investment Corporation

12) GEN is not predicting any share sale timing as this will be dependent on the market.

13) Dividend Income – GEN expects to receive annual dividends of US$36 million or approximately CAD$35 million assuming an exchange rate of CAD$0.9671 per US$1.00 until the shares are redeemed in 2014.

14) Dividends Paid – GEN will pay dividends to CDIC in the amount of $33 million annually until 2014.

15) GM Preferred shares – Preferred shares are expected to be redeemed by GM at the end of 2014 at par value of US$ 25 per share or US$ 403 million.

6.5 Capital Budget

Neither we, nor our wholly owned subsidiaries CHHC, CEI or GEN, require any capital funding for the 2012 fiscal year.

Schedule 1 - Proforma Summary Statements of Financial Position

$ millions

	2010 Actual	2011 Plan	2011 Forecast	2012 Plan	2013 Plan	2014 Plan	2015 Plan	2016 Plan
Assets								
Currents assets:								
Cash and cash equivalents	129.88	93.49	93.49	93.46	89.40	89.25	90.54	87.16
Other	48.14	57.71	47.08	32.48	4.79	4.38	4.05	3.98
	178.02	**151.20**	**140.57**	**125.94**	**94.19**	**93.63**	**94.59**	**91.14**
Non-current assets:								
Cash on deposit in CRF	31.79	29.74	26.85	17.77	18.33	18.92	14.38	14.58
Abandonment and risk fund	94.11	94.91	94.92	95.87	96.83	97.80	98.78	99.77
Capital Assets	117.46	113.36	116.77	119.45	113.52	94.90	91.95	89.58
Cash held in Escrow	5.69	5.69	4.23	4.23	4.23	4.23	4.23	4.23
Investments	5,244.29	3,691.97	3,326.36	3,245.00	3,240.00	2,845.00	2,845.00	2,845.00
	5,493.34	**3,935.67**	**3,569.13**	**3,482.32**	**3,472.91**	**3,060.85**	**3,054.34**	**3,053.16**
	5,671.36	**4,086.87**	**3,709.70**	**3,608.26**	**3,567.10**	**3,154.48**	**3,148.93**	**3,144.30**
Liabilities and Shareholder's Equity								
Current liabilities	**49.98**	**41.25**	**87.72**	**50.20**	**37.56**	**37.18**	**36.86**	**40.02**
Long-term liabilities	**71.63**	**48.73**	**68.55**	**58.87**	**57.99**	**65.11**	**68.18**	**71.01**
Shareholder's Equity								
Capital stock	-	-	-	-	-	-	-	-
Contributed surplus	3,912.18	3,912.18	3,892.18	3,892.18	3,892.18	3,503.18	3,503.18	3,503.18
Accumulated deficit	(1,021.72)	84.71	(1,107.10)	(1,093.98)	(1,121.62)	(1,151.97)	(1,160.27)	(1,170.89)
Accumulated Other Comprehensive Income	2,659.29	-	768.35	700.98	700.98	700.98	700.98	700.98
	5,549.75	**3,996.89**	**3,553.43**	**3,499.18**	**3,471.54**	**3,052.19**	**3,043.89**	**3,033.27**
	5,671.36	**4,086.87**	**3,709.70**	**3,608.26**	**3,567.10**	**3,154.48**	**3,148.93**	**3,144.30**

Note - see Appendix B for CHHC detailed Financial Statement

Schedule 2 - Proforma Summary Statements of Cashflow

$ millions

	2010 Actual	2011 Plan	2011 Forecast	2012 Plan	2013 Plan	2014 Plan	2015 Plan	2016 Plan
Cash provided by (used in):								
Operating activities:								
Net income (loss)	761.01	174.95	324.18	170.13	168.61	153.30	117.65	130.10
Items not involving cash:								
Gain on sale of investments	(637.39)	-	(112.31)	-	-	-	-	-
Non cash deductons - CHHC	40.64	31.03	41.51	32.46	47.11	62.23	46.77	39.83
Change in fair value held-for-trading assets	26.00	-	7.00	14.00	5.00	6.00	-	-
Abandonment obligation settled	(2.37)	(6.85)	(1.61)	(3.83)	(1.70)	-	-	-
	187.89	199.13	258.77	212.76	219.02	221.53	164.42	169.93
Change in non-cash working capital	(20.21)	(55.57)	36.04	(30.83)	8.08	(1.78)	(1.38)	2.16
	167.68	**143.56**	**294.81**	**181.93**	**227.10**	**219.75**	**163.04**	**172.09**
Financing activities:								
Dividends paid	(1,289.13)	(129.55)	(409.56)	(157.00)	(196.24)	(183.65)	(125.95)	(140.72)
Contributed Surplus repaid			(20.00)			(389.00)		
Net change in CRF	4.39	9.78	4.67	9.79	4.83	(0.17)	4.87	(0.13)
Lease obligation payments	(0.97)	(1.26)	(1.63)	(1.82)	(1.82)	-	-	-
	(1,285.71)	**(121.03)**	**(426.52)**	**(149.03)**	**(193.23)**	**(572.82)**	**(121.08)**	**(140.85)**
Investing:								
Proceeds on sale of investments	1,174.03	-	132.34	-	-	389.00	-	-
Purchase of property and equipment	(27.96)	(33.60)	(37.67)	(31.98)	(36.97)	(35.11)	(39.70)	(33.64)
Cash and cash equivalents held in escrow	(3.14)	(0.86)	1.46	-	-	-	-	-
Abandonment and risk fund	(0.43)	-	(0.81)	(0.95)	(0.96)	(0.97)	(0.98)	(0.99)
	1,142.50	**(34.46)**	**95.32**	**(32.93)**	**(37.93)**	**352.92**	**(40.68)**	**(34.63)**
Increase (decrease) in cash & cash equivalen	24.46	(11.93)	(36.39)	(0.03)	(4.06)	(0.15)	1.28	(3.39)
Cash, beginning of year	105.42	105.42	129.88	93.49	93.46	89.40	89.26	90.55
Cash, end of year	**129.88**	**93.49**	**93.49**	**93.46**	**89.40**	**89.25**	**90.54**	**87.16**

Schedule 3 - Proforma Summary Statements of Changes in Equity
$ millions

	2010 Actual	2011 Plan	2011 Forecast	2012 Plan	2013 Plan	2014 Plan	2015 Plan	2016 Plan
Share Capital	-	-	-	-	-	-	-	-
Contributed surplus, beginning	**3,912.18**	**3,912.18**	**3,912.18**	**3,892.18**	**3,892.18**	**3,892.18**	**3,503.18**	**3,503.18**
Sale of Investment in CH	-	-	(20.00)	-	-	(389.00)	-	-
Contributed surplus, closing	**3,912.18**	**3,912.18**	**3,892.18**	**3,892.18**	**3,892.18**	**3,503.18**	**3,503.18**	**3,503.18**
Accumulated deficit, beginning	(486.73)	39.31	(1,021.72)	(1,107.10)	(1,093.98)	(1,121.62)	(1,151.97)	(1,160.27)
IFRS adj	(6.87)							
Net income (loss)	761.01	174.95	324.19	170.12	168.60	153.30	117.65	130.10
Dividends	(1,289.13)	(129.55)	(409.56)	(157.00)	(196.24)	(183.65)	(125.95)	(140.72)
Accumulated deficit, ending	**(1,021.72)**	**84.71**	**(1,107.10)**	**(1,093.98)**	**(1,121.62)**	**(1,151.97)**	**(1,160.27)**	**(1,170.89)**
Accumulated OCI, beginning	1,000.78	-	2,659.29	768.35	700.98	700.98	700.98	700.98
OCI - CH	56.80	-	(74.50)	-	-	-	-	-
OCI - GEN	1,601.71	-	(1,816.44)	(67.37)	-	-	-	-
Accumulated OCI, ending	**2,659.29**	**-**	**768.35**	**700.98**	**700.98**	**700.98**	**700.98**	**700.98**
Shareholder's equity, ending	**5,549.75**	**3,996.89**	**3,553.43**	**3,499.18**	**3,471.54**	**3,052.19**	**3,043.89**	**3,033.27**

Schedule 4 - Proforma Summary Statements of Comprehensive Income
$ millions

	2010 Actual	2011 Plan	2011 Forecast	2012 Plan	2013 Plan	2014 Plan	2015 Plan	2016 Plan
Proforma Statements of Comprehensive Income (loss)								
CDIC								
Net operating income (loss) (1)	(3.83)	(5.83)	(5.17)	(6.17)	(6.17)	(5.17)	(5.17)	(5.17)
Gain on sale of Air Canada warrants	1.23	-	-	-	-	-	-	-
Gain on sale of CH	-	-	112.31	-	-	-	-	-
	(2.60)	**(5.83)**	**107.14**	**(6.17)**	**(6.17)**	**(5.17)**	**(5.17)**	**(5.17)**
CEI								
Net operating income (loss) (1)	(0.17)	-	(0.04)	(0.08)	0.07	0.07	0.07	0.07
Historic waste	-	-	-	-	-	-	-	-
Retiree benefit costs	(0.19)	(0.16)	(0.12)	(0.12)	(0.12)	(0.12)	(0.12)	(0.12)
Site restoration costs	(4.48)	-	-	-	-	-	-	-
	(4.84)	**(0.16)**	**(0.16)**	**(0.20)**	**(0.05)**	**(0.05)**	**(0.05)**	**(0.05)**
CH								
Net operating income (loss) (1)	(0.55)	(0.33)	(1.17)	-	-	-	-	-
	(0.55)	**(0.33)**	**(1.17)**	**-**	**-**	**-**	**-**	**-**
GEN								
Net operating income (loss) (1)	31.74	32.58	34.23	33.04	33.04	33.04	(1.99)	(1.99)
Gain (loss) on sale of investments	636.16	-	-	-	-	-	-	-
Change in fair value of held of trading assets	(26.00)	(8.33)	(7.00)	(14.00)	(5.00)	(6.00)	-	-
	641.90	**24.25**	**27.23**	**19.04**	**28.04**	**27.04**	**(1.99)**	**(1.99)**
CHHC (1)								
Net operating income	**127.10**	**157.02**	**191.15**	**157.45**	**146.78**	**131.48**	**124.86**	**137.31**
Net income	**761.01**	**174.95**	**324.19**	**170.12**	**168.60**	**153.30**	**117.65**	**130.10**
Other Comprehensive Income								
Unrealized change in fair value - CH	56.80	-	(74.50)	-	-	-	-	-
Unrealized change in fair value - GM	1,601.71	-	(1,816.44)	(67.37)	-	-	-	-
Unrealized change in fair value - Total	**1,658.51**	**-**	**(1,890.94)**	**(67.37)**	**-**	**-**	**-**	**-**

(1) see schedule 5 for detail

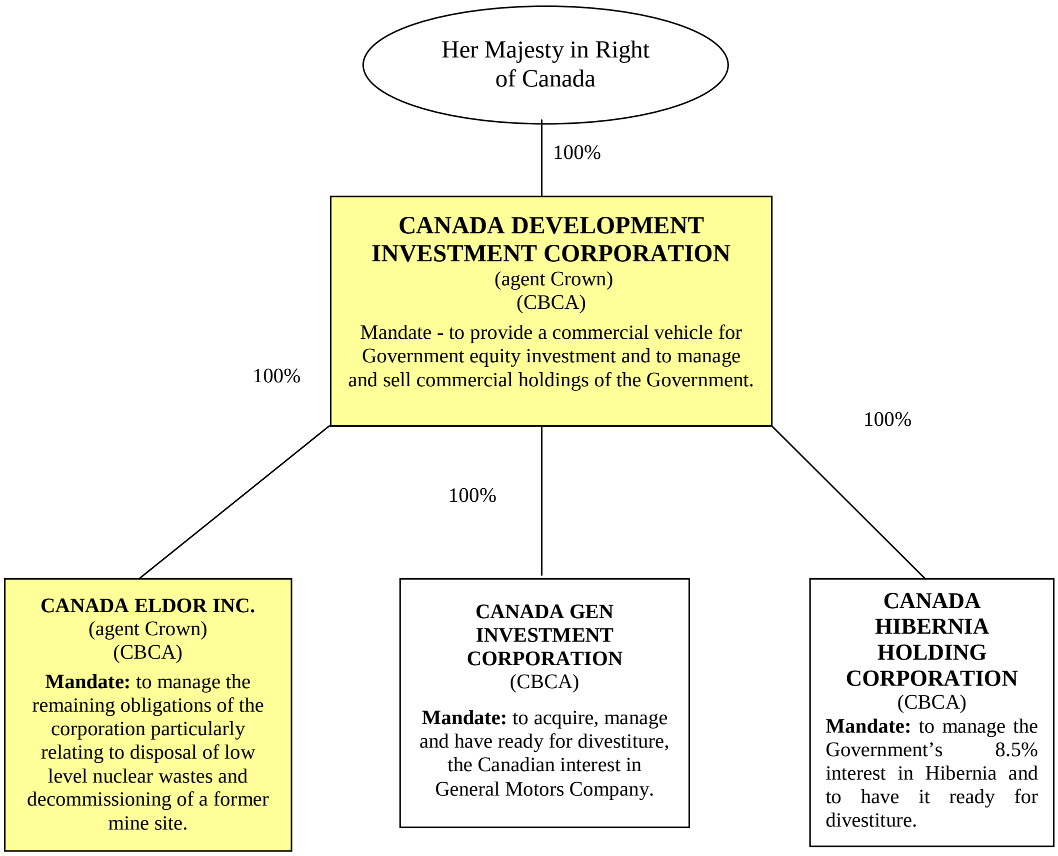
Schedule 5 - Proforma Schedule of Operations
$ millions

	2010 Actual	2011 Plan	2011 Forecast	2012 Plan	2013 Plan	2014 Plan	2015 Plan	2016 Plan
CDIC								
Operating income								
Interest income	0.07	0.15	0.57	0.20	0.20	0.20	0.20	0.20
Management fees	0.30	0.15	0.14	0.12	0.12	0.12	0.12	0.12
	0.37	0.30	0.71	0.32	0.32	0.32	0.32	0.32
Operating expense								
Administration	1.63	1.63	2.33	1.99	1.99	1.99	1.99	1.99
Divestiture and asset review costs	2.57	4.50	3.55	4.50	4.50	3.50	3.50	3.50
	4.20	6.13	5.88	6.49	6.49	5.49	5.49	5.49
Net operating income (loss)	**(3.83)**	**(5.83)**	**(5.17)**	**(6.17)**	**(6.17)**	**(5.17)**	**(5.17)**	**(5.17)**
CEI								
Operating income								
Interest income	0.07	0.08	0.10	0.10	0.10	0.10	0.10	0.10
Interest on CRF	0.18	0.22	0.33	0.30	0.30	0.30	0.30	0.30
	0.25	0.30	0.43	0.40	0.40	0.40	0.40	0.40
Operating expense - administration	0.42	0.30	0.48	0.48	0.33	0.33	0.33	0.33
Net operating income (loss)	**(0.17)**	**-**	**(0.05)**	**(0.08)**	**0.07**	**0.07**	**0.07**	**0.07**
CH								
Operating expense - administration	0.55	0.33	1.17	-	-	-	-	-
Net operating income (loss)	**(0.55)**	**(0.33)**	**(1.17)**	**-**	**-**	**-**	**-**	**-**
GEN								
Dividend income	36.86	36.95	35.93	35.03	35.03	35.03	-	-
Interest income	0.01	-	-	-	-	-	-	-
	36.87	36.95	35.93	35.03	35.03	35.03	-	-
Operating expense - administration	5.13	4.37	1.70	1.99	1.99	1.99	1.99	1.99
Net operating income (loss)	**31.74**	**32.58**	**34.23**	**33.04**	**33.04**	**33.04**	**(1.99)**	**(1.99)**
CHHC								
Total revenue	249.82	262.66	350.19	291.81	290.64	282.66	252.13	264.44
Total expense	63.81	45.14	62.79	58.58	71.73	81.29	72.01	68.96
Income taxes	58.91	60.50	96.25	75.78	72.13	69.89	55.26	58.17
Net operating income (loss)	**127.10**	**157.02**	**191.15**	**157.45**	**146.78**	**131.48**	**124.86**	**137.31**
Total net operating income (loss)	**154.29**	**183.44**	**218.99**	**184.24**	**173.72**	**159.42**	**117.77**	**130.22**

Note -see Appendix B for CHHC's operating budget

Appendix A

CANADA DEVELOPMENT INVESTMENT CORPORATION



Note - PPP Canada Inc has been proclaimed a parent Crown Corporation and although CDIC is its sole shareholder it has no further management responsibility for this company.

Appendix A (cont.)

Board of Directors

N. William C. Ross, LL.M. (2) (3)
Chairman
Canada Development Investment Corporation
Chairman Emeritus and Partner
WeirFoulds LLP
Toronto, Ontario

Mary Beth Montcalm, PhD (2)
Director
Toronto, Ontario

John James Hillyard, MBA (3)
Director
St. John's, Newfoundland and Labrador

Mary Ritchie, FCA (1)
CEO
Richford Holdings Ltd.
Edmonton, Alberta

Ted Howell, CA, MBA (1) (3)
Chief Financial Officer
Bluedrop Performance Learning Inc.
St. John's, Newfoundland and Labrador

Benita M. Warmbold, FCA (1) (2)
Senior Vice-President and Chief Operations Officer
Canada Pension Plan Investment Board
Toronto, Ontario

Committees of the Board

(1) Audit Committee
(2) Nominating and Governance Committee
(3) Compensation Committee

Officers

Michael Carter
Executive Vice-President

Andrew Stafl, CA
Vice- President, Finance

Zoltan Ambrus
Vice-President

Patrice Walch-Watson
Corporate Secretary

Appendix B

CANADA HIBERNIA HOLDING CORPORATION

A wholly owned subsidiary of

Canada Development Investment Corporation

CORPORATE PLAN SUMMARY

FOR THE YEARS 2012 – 2016

CANADA HIBERNIA HOLDING CORPORATION

2012 CORPORATE PLAN SUMMARY

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1.0 Hibernia Project – Summary

Canada Hibernia Holding Corporation (CHHC) is a wholly owned subsidiary of Canada Development Investment Corporation (CDIC), a federal crown corporation.

CHHC was established in March 1993, for the sole purpose of holding, managing, administering and operating the 8.5% working interest that CHHC acquired as a consequence of Gulf Canada withdrawing from the Hibernia project. Although the Hibernia field was discovered in 1979, oil production did not commence until November 1997 with the completion of the field facilities earlier that year.

Hibernia has been a very successful venture. Cash in excess of operational requirements was initially used to repay the $431 million in appropriations from Canada and, subsequently, to pay dividends to its shareholder. CHHC forecasts that it will have paid cumulative dividends of $1.56 billion to the end of 2011. Based on the 2012 Plan estimates and the September 2011 oil price forecast, CHHC forecasts that $129 million in dividends will be paid to CDIC during 2012.

CHHC's goals are as follows:

- To manage CHHC's investment in the Hibernia offshore oil development project to achieve optimum return, while ensuring that the financial and other obligations associated with the investment are satisfied.

- To have the investment in the Hibernia project ready for divestiture when so instructed by the shareholder.

CHHC achieves the first of the above goals through fulfilling its role as a non-operating interest owner of the Hibernia project and its role in managing the marketing and transportation of its share of Hibernia crude oil. Part of the role is filled through participation on the Hibernia Executive Committee, the Unit Operating Committee and the business and technical committees that oversee planning and operations. Further, CHHC manages its 25% interest in the MT Mattea time charter, its contractual capacity interest at Newfoundland Transshipment Terminal Ltd. (NTL), the marketing of CHHC cargoes of Hibernia crude and the associated transportation logistics.

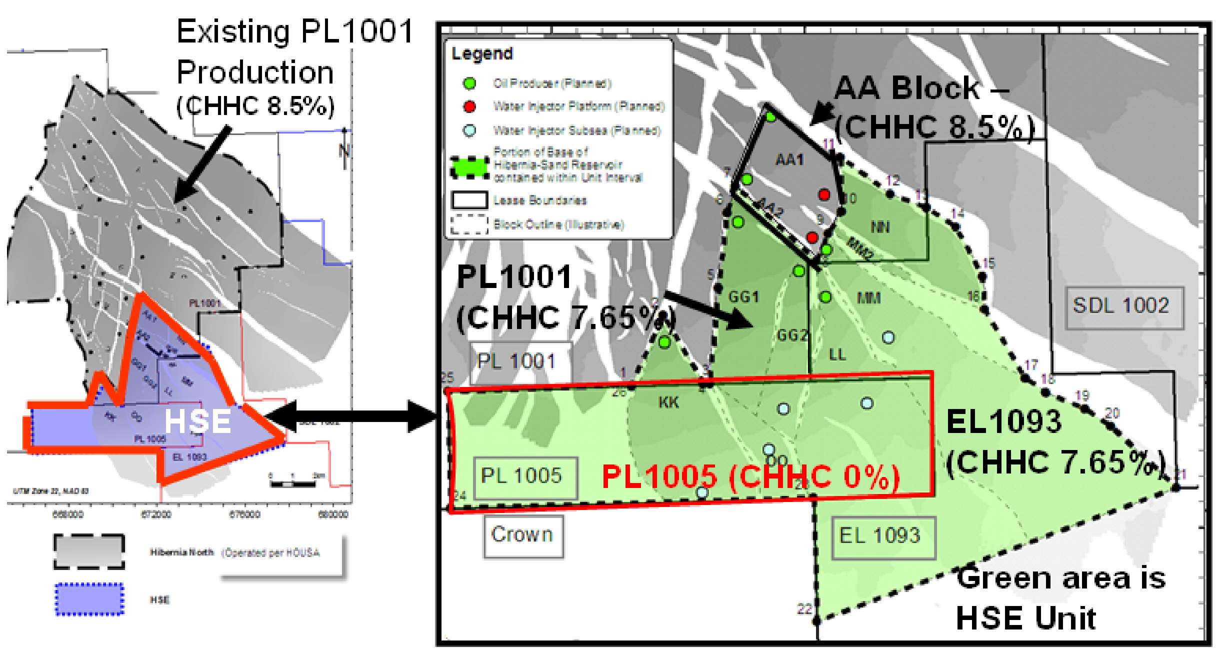
CHHC derives its cash flow solely from its Hibernia production operating activities and assets which include its share of Hibernia field production, Hibernia platform fees, and its tanker asset.

While CHHC's initial share of funding was obtained through appropriations from Canada, funding since 1998 has come from the sale of CHHC's portion of crude oil produced at Hibernia. CHHC is responsible for having sufficient cash available to fund its capital and operating costs, royalties, taxes, administrative costs and future abandonment costs without further appropriations from the shareholder. CHHC is also responsible for paying normal federal and provincial income taxes, royalties and the Net Profits Interest[1] (NPI) on the same basis as it would if CHHC was a private sector company.

The Hibernia field consists of the PL1001 production license area originally approved for development and the new Hibernia Southern Extension (HSE) area which comprises portions of PL1001, and all of PL1005 and EL1093. CHHC's interest in the existing production of PL1001 and the non-unit portions of the new HSE area in PL1001 is 8.5%. The other Owners in these PL1001 areas are: ExxonMobil (33.125%), Chevron (26.875%), Suncor (20.0%), Murphy (6.5%) and Statoil (5.0%).

In 2009, the Owners agreed to pool their ownership interests and form the Hibernia Southern Extension Unit (HSE Unit). In February 2010, Nalcor, the provincial oil company of the Province of Newfoundland and Labrador, acquired a 10% equity interest from all the Hibernia Owners, in certain defined HSE lands, proportional to each Hibernia Owners' working interest. Accordingly, Nalcor now has a 10% working interest in the HSE Unit.

The following diagram shows the CHHC working interests in the existing production PL1001 lease, the HSE non-Unit PL1001 AA block area and the resulting CHHC working interest in the Unit portion of PL1001 and EL1093 leases after the sale to Nalcor. CHHC's initial HSE Unit working interest is 5.08482% which will be redetermined according to the adjustment process in the Unit Agreement. The HSE Unit comprises the combination of the areas identified below as the PL1005 (CHHC 0%), EL1093 (CHHC 7.65%) and the PL1001 Unit (CHHC 7.65%) areas. The HSE Unit area is colored green below.



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1 In February 2009, CHHC began NPI payments of up to 10% to the Government of Canada. These payments will continue throughout the remaining life of the project on PL1001 production. Incidental Net Profits Interest payments began in 2011.

The project is operated by the Hibernia Management and Development Company (HMDC) on behalf of the owners, with the management, administrative and technical staff being provided under contract from ExxonMobil Corporation. The HSE Unit is operated in a similar manner.

All activities undertaken to date and contemplated in this Corporate Plan remain within the mandate of CHHC.

2.0 Review of 2011 Operations

The 2011 financial performance was strong due to the high production rates and a relatively stable oil price which is expected to average CAD $109.56 per barrel for the year. CHHC's 2011 revenue is forecasted at $582 million compared to $414 million in the budget. The 2011 dividend forecast is $234 million compared to $104 million in the budget.

The average production for 2011 is expected to be 154,000 barrels of oil per day (bopd), compared to 150,000 bopd in the budget, in spite of production being adversely affected by multiple storms and the difficulty in loading tankers during the first quarter. The production improvement is due primarily to better base production, well repairs and improved drilling performance. Total Hibernia operating costs were lower than forecast primarily due to lower field and overhead costs. The 2011 CHHC share of operating costs will be $17 million. Total Hibernia capital expenditures will be slightly higher than budgeted because of additional drilling costs due to an accelerated drilling schedule due to better than expected drilling performance. CHHC's 2011 share of capital will be $38 million.

The major initiative for the Hibernia Owners in 2011 was the continuing effort to pursue development of the Hibernia Southern Extension (HSE) Unit. In February 2011, a milestone event occurred in the development of the HSE Unit with the signing of remaining documents by the Government of Canada (Canada), the Government of Newfoundland and Labrador (the Province) and the Hibernia Owners. Project sanction by the Unit Owners followed.

In addition to the ongoing significant drilling expenditures at Hibernia, HSE Unit funding of major capital spending items was approved, significant contracts were awarded and the first two HSE Unit oil wells were drilled in 2011. These wells were drilled earlier than originally planned in order to gain technical, reservoir and well productivity data for project planning purposes. Hibernia Owners will continue to focus on the successful achievement of HSE Unit development in addition to optimizing recovery and production from the existing Hibernia field. The future drilling of additional producer-injector well pairs in the HSE Unit will add considerable incremental production. The HSE Unit development plan involves drilling water injection wells utilizing a floating drilling rig, pipeline tie-in of these wells back to the Hibernia platform and drilling oil producing wells from the platform.

A major investment in construction of a new offshore loading system at the Hibernia platform was completed in 2011. Construction of the new gas lift system to improve well productivity is continuing with completion scheduled for 2012.

During 2011, CHHC paid a 30% net royalty rate for Hibernia non-unit, a 42.5% net royalty rate for the AA blocks, a sliding scale net royalty rate up to 42.5% on the PL1001 portion of the HSE Unit and a 5% gross royalty rate on the EL1093 HSE Unit production to the Province. In addition, CHHC paid 10% NPI payments to Canada.

An Offshore Helicopter Safety Inquiry (OSHI) was established by the Canada - Newfoundland and Labrador Offshore Petroleum Board in respect of the tragic crash of a crew change helicopter offshore Newfoundland and Labrador on March 12, 2009, in which 17 people were killed, two of whom were en route to the Hibernia platform. The Inquiry began on October 19, 2009 with Phase 1. During 2011, further reports were delivered from the Commissioner, the Transportation Safety Board and Captain Turner. Implementation of the recommendations is being actively dealt with by the relevant parties.

3.0 Marketing

The price that CHHC receives for their product is linked to the Dated Brent[2] benchmark which is used for supply pricing for refineries with access to waterborne crude. Brent fluctuates with global supply and demand issues, including a wide range of geopolitical factors and is priced in U.S. dollars. In 2011, CHHC's crude oil marketing arrangement with Suncor entered its third year. The Suncor arrangement renews on an annual basis. Other Hibernia producers may participate in the marketing arrangements.

CHHC continues to discuss potential long term tanker cost sharing arrangements with other Hibernia and Grand Banks owners.

4.0 Risk

This Corporate Plan has the normal variability associated with crude pricing, capital expenditures, operating expenditures and reservoir performance. Of these variables, the following are deemed important to CHHC for the 2012 Corporate Plan:

- Operational and technical issues and risks
- Commodity price risk
- Foreign currency risk
- Regulations and royalties issues and risks
- Environmental issues and risks
- Abandonment and risk reserve

For expansion projects, the major unpredictable uncertainties are related to reservoir quality, reservoir thickness, connectivity in the reservoir between wells and oil-water contact depth.

[2] Dated Brent is the price of Brent crude on any given day based on assessments by Platts and done after the London market close. Brent is the general name given a basket of four North Sea crudes (from Brent, Forties, Oseberg and Ekofisk fields) that are priced at the Sullom Voe terminal – Shetlands, U.K. and used as a reference price for other crude oils (primarily those transported by water to seaboard located refineries or terminals).

5.0 Organization

Since its inception in 1992, CHHC has been staffed by a modest number of experienced energy industry professionals. At the end of 2011, the staff consisted of 6 full and part-time employees and 2 part-time consultants. Reservoir evaluation, legal, audit, insurance and other advisory services are also accessed when required.

6.0 Objectives for 2012

CHHC's objectives and strategies for 2012 will focus on all Hibernia operations, including drilling, facilities expansion and upgrades, production, transportation, marketing, BNA development, HSE Unit development and maximizing shareholder value. CHHC is committed to working in partnership with other Hibernia owners in all activities which preserve the working interest position which CHHC has in its Hibernia asset.

7.0 Financial Information – 2012 Plan

7.1 Financial Overview

In 2012, Hibernia production is forecasted by CHHC to average 140,000 bopd resulting in the sale for CHHC’s account of 4.3 million barrels.

Using a third party crude oil price and foreign exchange forecast as of September 2011, CHHC forecasts an average Dated Brent price of USD$115.00 per barrel and an exchange rate of $0.9671 USD to CAD, yielding a price of CAD$111.22 per barrel, resulting in revenues of $479 million.

CHHC’s share of project expenses for 2012 is forecast to be $25 million for operations (field & well, insurance, transportation & administration, less interest income). Net operating cash flow is forecast to be $190 million after royalty payments of $146 million, NPI payments of $42 million and taxes of $75 million. Operating costs for Hibernia are largely fixed costs that do not vary significantly with changing production volumes but are subject to inflationary pressures for oilfield services and the timing of well abandonments, maintenance and replacement of equipment.

CHHC’s share of forecast capital and abandonment expenditures is $36 million, composed of $10 million for drilling, $22 million for facility projects and $4 million for abandonment. The capital budget includes funds for drilling, for gas lift equipment, for the offshore loading system replacement, for commencement of the HSE Unit development, and for well abandonment costs.

Based on the above estimates and the September 2011 oil price forecast, CHHC forecasts that $129 million in dividends will be paid to CDIC during 2012.

CHHC’s cash flows are sensitive to crude oil price, exchange rates and production volumes. Sensitivities of these items on 2012 annual cash flows, after tax, are as follows:

Item	**Sensitivity**	**CHHC After Tax Cash Flow Change ($CAD Million)**
Oil Price	US$ 1.00/barrel	$1.80
US$ Exchange Rate	$ 0.01	$2.14
Hibernia Production Volume	10,000 barrels of oil per day	$14.99*

* Note: The amount shown assumes there is a cash flow change for every additional barrel produced during the year. CHHC shares crude oil shipments at the GBS in cargo increments. Therefore production increases do not always directly translate into cash flow increases within a given year. A 10,000 bopd increase in platform gross production equals 310,250 additional barrels over the year for CHHC's interest.

7.2 International Financial Reporting Standards (IFRS)

For purposes of the 2012 planning period, IFRS will be fully implemented with publication of the December 31, 2011 financial statements and no further IFRS implementation issues are expected. We will continue to monitor new pronouncements for IFRS in order to assess their impact on CHHC.

The Company's accounting policies under IFRS differ from those followed under previous Canadian GAAP.

The adjustments arising from the application of IFRS to amounts on the statement of financial position on the transition date and on transactions prior to that date, were recognized as an adjustment to the Company's opening retained earnings category on the statement of financial position.

7.3 2012 Proforma Financial Statements

See attached Schedules I, II and III.

Canada Hibernia Holding Corporation **Schedule I**
Proforma Statements of Financial Position
December 31, 2010 To 2016
CAD$ millions

	2010	2011	2012	2013	2014	2015	2016
Assets							
Current assets:							
Cash and investments operating	61.24	61.14	60.53	60.00	60.00	60.00	60.00
Accounts receivable	35.20	38.06	24.16	1.86	1.86	1.86	1.86
Prepaid and deferred	0.40	0.40	0.40	0.40	0.40	0.40	0.40
Inventory	4.11	0.61	0.61	0.61	0.61	0.61	0.61
Total current assets	**100.95**	**100.21**	**85.70**	**62.87**	**62.87**	**62.87**	**62.87**
Plant and equipment:							
Hibernia project facilities	645.37	683.04	715.02	751.99	787.10	826.80	860.44
Crude oil tanker	39.53	39.53	39.53	39.53	39.53	39.53	39.53
Total plant and equipment at cost	684.90	722.57	754.55	791.52	826.63	866.33	899.97
Less accumulated depletion and depreciation	(567.43)	(605.80)	(635.10)	(678.00)	(731.73)	(774.38)	(810.39)
Net plant and equipment	**117.47**	**116.77**	**119.45**	**113.52**	**94.90**	**91.95**	**89.58**
Other assets:							
Cash held in escrow	5.69	4.23	4.23	4.23	4.23	4.23	4.23
Abandonment and risk fund	94.11	94.92	95.87	96.83	97.80	98.78	99.77
Total other assets	**99.80**	**99.15**	**100.10**	**101.06**	**102.03**	**103.01**	**104.00**
	318.22	**316.13**	**305.25**	**277.45**	**259.80**	**257.83**	**256.45**
Liabilities And Shareholder's Equity							
Current liabilities:							
Accounts payable and accrued liabilities	27.28	44.89	41.07	34.04	35.65	35.65	35.65
Income taxes payable	10.04	33.21	-	-	-	-	3.21
Current lease obligation	1.55	1.63	1.82	1.59	-	-	-
Due to shareholder	0.29	0.29	0.29	0.29	0.29	0.29	0.29
Total current liabilities	**39.16**	**80.02**	**43.18**	**35.92**	**35.94**	**35.94**	**39.15**
Other liabilities:							
Long term lease obligation	5.04	3.41	1.59	-	-	-	-
Future income taxes	1.47	2.68	3.84	6.05	12.55	14.67	16.49
Asset retirement obligations	44.70	45.02	43.19	43.49	45.49	47.49	49.49
Total other liabilities	**51.21**	**51.11**	**48.62**	**49.54**	**58.04**	**62.16**	**65.98**
Shareholder's equity:							
Retained earnings	227.85	185.00	213.45	191.99	165.82	159.73	151.32
Total shareholder's equity	**227.85**	**185.00**	**213.45**	**191.99**	**165.82**	**159.73**	**151.32**
	318.22	**316.13**	**305.25**	**277.45**	**259.80**	**257.83**	**256.45**

Note: Cash flow fluctuates depending on Hibernia production volumes, on the price of crude oil, operating costs, royalties, taxes, major capital expenditures and third party revenues. Sensitivities of these items on 2012 annual cash flows, after tax, are shown in Section 7.1.

Canada Hibernia Holding Corporation — Schedule II
Proforma Statements Of Operations And Retained Earnings
Years Ended December 31, 2010 To 2016
CAD$ millions

	2010	2011	2012	2013	2014	2015	2016
Revenue							
Crude oil sales	389.47	582.44	478.80	492.67	477.32	424.10	444.62
Royalty	(106.19)	(178.62)	(146.38)	(157.75)	(152.04)	(134.47)	(140.84)
Net profits interest	(34.49)	(56.38)	(42.30)	(45.84)	(44.19)	(39.08)	(40.93)
Net crude oil sales	248.79	347.44	290.12	289.08	281.09	250.55	262.85
Interest income	1.03	2.75	1.69	1.56	1.57	1.58	1.59
Total revenue	**249.82**	**350.19**	**291.81**	**290.64**	**282.66**	**252.13**	**264.44**
Expenses							
Field operating	15.55	16.91	20.08	19.32	17.87	19.36	22.60
Transportation	3.87	4.98	4.80	5.29	5.55	5.83	6.12
Administration	2.34	2.33	2.27	2.15	2.12	2.17	2.23
Interest - capital lease	0.82	0.17	0.13	0.07	0.02	-	-
Depreciation & depletion	39.99	38.37	29.30	42.90	53.73	42.65	36.01
Accretion	1.58	1.93	2.00	2.00	2.00	2.00	2.00
Other	(0.34)	(1.90)	-	-	-	-	-
Total expenses	**63.81**	**62.79**	**58.58**	**71.73**	**81.29**	**72.01**	**68.96**
Net income before tax	**186.01**	**287.40**	**233.23**	**218.91**	**201.37**	**180.12**	**195.48**
Income taxes							
Future income tax	(1.81)	1.21	1.16	2.21	6.50	2.12	1.82
Actual current income tax	60.72	95.04	74.62	69.92	63.39	53.14	56.35
Total income taxes	58.91	96.25	75.78	72.13	69.89	55.26	58.17
Net income	**127.10**	**191.15**	**157.45**	**146.78**	**131.48**	**124.86**	**137.31**
Retained earnings:							
Beginning of year	222.87	227.84	184.99	213.44	191.98	165.81	159.72
IFRS conversion adjustments	(6.13)	-	-	-	-	-	-
Dividends	(116.00)	(234.00)	(129.00)	(168.24)	(157.65)	(130.95)	(145.72)
End of year	**227.84**	**184.99**	**213.44**	**191.98**	**165.81**	**159.72**	**151.31**

Note: Cash flow fluctuates depending on Hibernia production volumes, on the price of crude oil, operating costs, royalties, taxes, major capital expenditures and third party revenues. Sensitivities of these items on 2012 annual cash flows, after tax, are shown in Section 7.1.

Canada Hibernia Holding Corporation

Schedule III

Proforma Statements Of Cash Flow

Years Ended December 31, 2010 To 2016

CAD$ millions

	2010	2011	2012	2013	2014	2015	2016
Operating activities:							
Income for year	127.10	191.15	157.45	146.78	131.48	124.86	137.31
Non-cash deductions	39.76	41.51	32.46	47.11	62.23	46.77	39.83
Changes in non-cash working capital	(24.02)	41.50	(22.94)	15.27	0.02	-	3.21
Abandonment activities	(2.37)	(1.61)	(3.83)	(1.70)	-	-	-
	140.47	**272.55**	**163.14**	**207.46**	**193.73**	**171.63**	**180.35**
Investing activities:							
Hibernia project facilities	(27.96)	(37.67)	(31.98)	(36.97)	(35.11)	(39.70)	(33.64)
Cash held in escrow	(3.14)	1.46	-	-	-	-	-
Abandonment and risk fund	(0.43)	(0.81)	(0.95)	(0.96)	(0.97)	(0.98)	(0.99)
	(31.53)	**(37.02)**	**(32.93)**	**(37.93)**	**(36.08)**	**(40.68)**	**(34.63)**
Financing activities:							
Dividends paid to Canada	(116.00)	(234.00)	(129.00)	(168.24)	(157.65)	(130.95)	(145.72)
Lease obligation payments	(0.97)	(1.63)	(1.82)	(1.82)	-	-	-
	(116.97)	**(235.63)**	**(130.82)**	**(170.06)**	**(157.65)**	**(130.95)**	**(145.72)**
Change in cash	**(8.03)**	**(0.10)**	**(0.61)**	**(0.53)**	**-**	**-**	**-**
Cash, beginning of year	**69.27**	**61.24**	**61.14**	**60.53**	**60.00**	**60.00**	**60.00**
Cash, end of year	**61.24**	**61.14**	**60.53**	**60.00**	**60.00**	**60.00**	**60.00**

Note: Cash flow fluctuates depending on Hibernia production volumes, on the price of crude oil, operating costs, royalties, taxes, major capital expenditures and third party revenues. Sensitivities of these items on 2012 annual cash flows, after tax, are shown in Section 7.1.