

## Basis Reporting Information Return Under Internal Revenue Code Section 6045B and Treasury Regulations Section 1.6045B-1

**This Information Return is being reported to the Internal Revenue Service and to holders of record of Just Energy Group Inc. common shares pursuant to Internal Revenue Code Section 6045B and Treasury Regulations Section 1.6045B-1.**

**IRS CIRCULAR 230 NOTICE:** Any U.S. tax advice contained in this communication (including any attachments) is not intended or written to be used, and cannot be used, for the purpose of (a) avoiding penalties under the Internal Revenue Code or (b) promoting, marketing or recommending to another party any transaction or matter addressed herein.

(1) **Today's Date:** February 10, 2011

(2) **Issuer of securities:** Just Energy Group Inc.

(3) **Issuer's Taxpayer Identification Number or EIN:** N/A

(4) **Security identifiers:**

**(a) Just Energy Exchange Corp.**

(i) **CUSIP:** 48214A108  
(ii) **Type of Security:** exchangeable shares  
(iii) **Ticker symbol:** TSE:JEX

**(b) Just Energy Group Inc.**

(i) **CUSIP:** 48213W101  
(ii) **Type of Security:** common shares  
(iii) **Ticker symbol:** TSE:JE

(5) **Description of the class of securities.** Common shares with (1) one vote per share; (2) a right to dividends, subject to the discretion of and as declared by the board of directors; and (3) a right to the assets of the company upon liquidation or dissolution, subordinated to the rights in such assets which are held by creditors and holders of senior equity interests.

(6) **Contact information for a person at the issuer.**

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**(7) Date of Corporate Action:** January 1, 2011

**(8) Description of the corporate action.**

On January 1, 2011, Just Energy Income Fund, an open-end investment trust organized under the laws of the Province of Ontario, Canada which is taxed as a corporation for U.S. federal income tax purposes (the "Fund"), undertook an internal restructuring to convert itself into Just Energy Group Inc., a corporation organized under the Canada Business Corporations Act ("Just Energy") (the "Restructuring"). In the process, the publicly-held exchangeable shares of one of the Fund's subsidiaries, Just Energy Exchange Corp. ("JEEC"), were exchanged for common shares of Just Energy (the "Exchange").

In the Restructuring, all persons, including all U.S. persons, who held exchangeable shares in JEEC either (a) exchanged them for Just Energy common stock or, (b) in the case of dissenters, for cash. The Restructuring is described in full at Schedule C of the Management Information Circular, dated June 2, 2010, which is available at [www.SEDAR.com](http://www.SEDAR.com).

A summary of certain material U.S. federal income tax consequences of the Restructuring is discussed at pages 41 through 48 of the Management Information Circular. As noted on page 41 of the same, the "summary does not address the U.S. federal income tax consequences of the [Restructuring] to the ... JEEC Shareholders." Since no U.S. federal income tax analysis was performed in regard to the Exchange, the effect on basis given below is that which should occur if the Exchange was either (a) completely tax-deferred or (b) completely taxable.

Each U.S. shareholder should consult its own tax advisor to determine the effect of the Exchange on the basis of their Just Energy common shares. The information reported in this information return is not binding on the Internal Revenue Service (the "IRS") or the U.S. courts, and no assurance can be provided that the conclusions reached in this summary will not be challenged by the IRS or will be sustained by a U.S. court if so challenged.

**(9) Description of the quantitative effect on basis of affected security.**

If the Exchange qualifies as a tax-deferred reorganization under Section 368(a) of the Internal Revenue Code (the "Code"): (a) under Section 354(a) of the Code, a U.S. shareholder will not recognize any gain or loss on the Exchange and (b) under Section 358(a) of the Code, a U.S. shareholder will transfer its basis in its JEEC exchangeable shares to its Just Energy common shares.

If the Exchange is a fully taxable transaction, then under Section 1012 of the Code and its Treasury Regulations, a U.S. shareholder will have a fair market value basis in its Just Energy common shares. The fair market value per share is estimated at CDN\$14.84, which is the closing price for Just Energy common shares on the Toronto Stock Exchange on January 5, 2011, the first day after Just Energy common shares began trading. The spot exchange rate on January 5, 2011 was 1.00349 Canadian dollar to 1 U.S. dollar. Therefore, the U.S. dollar fair market value of each Just Energy common share on January 5, 2011 is estimated at US\$ 14.89. See Exhibit A.

**(10) Supporting Documentation.**

All information pertinent to the Restructuring can be found on [www.SEDAR.com](http://www.SEDAR.com).

The documents relevant to JEEC include:

- 1) Management Information Circular, dated June 2, 2010
- 2) Material Change Report, dated January 6, 2011
- 3) Notice, dated January 12, 2011

The documents relevant to Just Energy include:

- 1) Material Change Report, dated January 6, 2011
- 2) Notice, dated January 4, 2011

Exhibit A contains the Toronto Stock Exchange listing of historical prices of Just Energy common shares, including the closing price for January 5, 2011.

Exhibit A



Home > Quotes & Charts > Price History

### Just Energy Group Inc. (JE)

Exchange: Toronto Stock Exchange

**\$15.640** ↓

Feb 9, 2011, 4:00 PM EST

Change: -0.130 (-0.82%)

Volume: 238,543

Day Low: 15.560      Day High: 15.820

52 Week Low: 11.170      52 Week High: 16.130

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#### Price History for Just Energy Group Inc.

Enter date to view previous 30 days of price history (mm/dd/yyyy): 01/25/2011

Date	Open	High	Low	Close	Volume	Chg	% Chg
01/25/2011	15.600	15.630	15.390	15.550	268,217	-0.030	-0.19%
01/24/2011	15.650	15.820	15.460	15.580	397,107	-0.070	-0.45%
01/21/2011	15.450	16.130	15.380	15.650	4,730,914	0.160	1.03%
01/20/2011	15.250	15.500	15.170	15.490	545,692	0.210	1.37%
01/19/2011	15.120	15.280	14.970	15.280	768,481	0.220	1.46%
01/18/2011	14.960	15.140	14.900	15.060	696,880	0.160	1.07%
01/17/2011	15.000	15.040	14.860	14.900	249,492	-0.100	-0.67%
01/14/2011	14.980	15.000	14.910	15.000	446,614	0.050	0.33%
01/13/2011	14.930	15.000	14.900	14.950	325,427	-0.040	-0.27%
01/12/2011	15.000	15.000	14.760	14.990	370,117	-0.020	-0.13%
01/11/2011	15.050	15.150	14.920	15.010	515,936	-0.030	-0.20%

01/10/2011	14.920	15.040	14.870	15.040	336,170	0.190	1.28%
01/07/2011	14.850	14.850	14.750	14.850	272,169	0.000	0.00%
01/06/2011	15.000	15.000	14.840	14.850	266,352	0.010	0.07%
01/05/2011	15.060	15.140	14.840	14.840	645,316	-0.130	-0.87%
12/31/2010	14.970	15.190	14.950	14.970	152,495	0.020	0.13%
12/30/2010	14.920	14.990	14.850	14.950	215,083	0.090	0.61%
12/29/2010	14.790	14.990	14.760	14.860	269,694	0.280	1.92%

Results are limited to 1 month of history.

History Snapshot for Just Energy Group Inc.

Enter Date (mm/dd/yyyy):

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**Tuesday, February 8, 2011**

Closing Price: 15.770

Open: 15.680

High: 15.850

Low: 15.600

Volume: 285,357

Split Adjusted Price: No splits

Adjustment Factor: No splits



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