

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 Income Fund

- (i) **CUSIP:** 48213T108
- (ii) **Type of Security:** trust units
- (iii) **Ticker symbol:** TSE: JE.UN

(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 Restructuring, all persons, including all U.S. persons, who held interests in the Fund either (a) exchanged them for Just Energy common stock or, (b) in the case of dissenters, for cash. Certain other transfers of subsidiary corporations and one subsidiary trust of the Fund also occurred in the Restructuring. 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.

A discussion 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 44 of the same, “[t]here is no legal authority directly addressing the U.S. federal income tax treatment of a transaction such as the [Restructuring].” However, the Fund and Just Energy believe that the Restructuring “should qualify as a tax-deferred “reorganization” within the meaning of Section 368(a) of the [Internal Revenue] Code.” The foregoing is a limited summary of certain material U.S. federal income tax considerations only. A U.S. unitholder should read carefully the information in “Certain U.S. Federal Income Tax Consequences” in the Management Information Circular, which qualifies the summary set forth above.

As noted on page 41 of the same, neither the Fund nor Just Energy obtained “a ruling from the IRS or an opinion from legal counsel regarding any of the U.S. federal income tax consequences of the [Restructuring]” and the summary “is not binding on the Internal Revenue Service 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.” Each U.S. shareholder should consult its own tax advisor to determine the effect of the Restructuring on the basis of their Just Energy common shares.

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

Assuming that the Restructuring 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. unitholder will not recognize any gain or loss on the Restructuring and (b) under Section 358(a) of the Code, a U.S. unitholder will transfer its basis in its Fund units to its Just Energy common shares.

(10) Supporting Documentation.

All information pertinent to the Restructuring can be found on www.SEDAR.com.

The documents relevant to Just Energy Income Fund 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 Group Inc. include:

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