
GENESIS PIPELINE CANADA LTD

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April 29, 2013

To the National Energy Board of Canada:

We have prepared the N.E.B. Regulated Asset Division (8" Pipeline only) Statement of Division Income for the year ending December 31, 2012.

Ernst & Young has attached a letter stating that the financial information in these statements was prepared from the trial balance of Genesis Pipeline Canada Limited, which was incorporated in the consolidated financial statements of NOVA Chemicals Corporation for the year ending December 31, 2012.

Yours sincerely,



Lisa Vanderveeken
Plant Accountant

NOVA CHEMICALS (CANADA) LTD.

GENESIS PIPELINE CANADA LTD.
N.E.B. REGULATED ASSETS DIVISION (8" Pipeline only)
STATEMENT OF DIVISION INCOME
For the year ended December 31

| | <u>2012</u> | <u>2011</u> |
|-----------------------------------|-----------------------|-------------------------|
| Total Revenue | <u>\$964,120</u> | <u>\$1,110,814</u> |
| Operating Costs | | |
| Operating expenses (Note 3) | 101,475 | 115,873 |
| Depreciation | <u>96,288</u> | <u>96,288</u> |
| | <u>197,763</u> | <u>212,161</u> |
| Division Operating Income | 766,357 | 898,653 |
| Income Tax Expense (Note 1.c) | <u>203,085</u> | <u>253,869</u> |
| Division Income | <u><u>563,272</u></u> | <u><u>\$644,784</u></u> |

See Accompanying Notes

GENESIS PIPELINE CANADA LTD.
N.E.B. REGULATED ASSETS DIVISION (8" Pipeline only)
NOTES TO STATEMENT OF DIVISION INCOME
For the year ended December 31, 2012

1) Summary of Significant Accounting Policies

Genesis Pipeline Canada Ltd. ("the Corporation") was incorporated under the Canada Business Corporations Act on Dec. 16, 1988. The Corporation is a wholly owned subsidiary of NOVA Chemicals (Canada) Ltd. ("NCCL"), which is ultimately a wholly owned subsidiary of NOVA Chemicals Corporation. Genesis Pipeline Canada Ltd. owns several different types of pipelines. This Statement reports only on the activity of the international, common carrier hydrocarbon pipelines of the Corporation that are regulated by the National Energy Board. (The Division N.E.B. Regulated Asset Division (8" Pipeline only))

The Statement of Division Income of Genesis Pipeline Canada Ltd. has been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

All dollar figures used in the Statement of Division Income and the accompanying notes are in Canadian dollars.

(a) Property, Plant and Equipment

As permitted by IFRS 1, the Corporation elected to use fair value as deemed cost, as at the date of International Petroleum Investment Company's acquisition of the Corporation (July 6, 2009) for all its assets and liabilities that can be recognized under IFRS, which includes property, plant and equipment.

(b) Depreciation

The Corporation reviews the estimated useful lives of its pipeline assets and make adjustments when appropriate. The Corporation made no changes to the estimated useful lives of its pipeline assets during 2012, 2011 or 2010.

(c) Income Taxes

The responsibility for income taxes is that of the Corporation. Income taxes for the division have been calculated at the effective rate for the Corporation of 26.50% (2011 - 28.25%) assuming there is no difference between depreciation for accounting and tax purposes.

GENESIS PIPELINE CANADA LTD.
N.E.B. REGULATED ASSETS DIVISION (8" Pipeline only)
NOTES TO STATEMENT OF DIVISION INCOME
For the year ended December 31, 2012

2) Property, Plant and Equipment

| | <u>2012</u> | <u>2011</u> |
|------------------------------------|------------------|------------------|
| Pipelines, cost | \$962,884 | \$962,884 |
| Accumulated Depreciation | 337,009 | 240,721 |
| Property, Plant and Equipment, net | <u>\$625,875</u> | <u>\$722,163</u> |

3) Operating Expenses

Operating expenses include allocations of salary, accounting, legal, capital tax, property tax, and maintenance expenses relating to the Division's operations. These allocations are based on the corporation's best estimates of the overall cost of operating the Division's assets.

4) Related Party Transactions

Transactions with related parties during the year are as follows:

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

| | <u>2012</u> | <u>2011</u> |
|--------------------------------|------------------|------------------|
| Transactions during the year | | |
| Sales - to NCCL | \$854,683 | \$1,021,864 |
| Operating Expenses - from NCCL | (72,474) | (86,600) |
| | <u>\$782,209</u> | <u>\$935,264</u> |



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April 29, 2013

PRIVATE AND CONFIDENTIAL

Ms. Lisa Vanderveeken
NOVA Chemicals (Canada) Ltd.
P.O. Box 3078
Sarnia ON N7T 8A3

Dear Ms. Vanderveeken:

Re: Genesis Pipeline Canada Ltd., N.E.B. Regulated Assets Division (the "Division")

We are the auditors for NOVA Chemicals Corporation, the parent company of Genesis Pipeline Canada Ltd. ("GPCL"). We have audited the consolidated financial statements of NOVA Chemicals Corporation for the year ended December 31, 2012 and reported to shareholders without reservation thereon on February 28, 2013.

We have not audited, reviewed or otherwise verified the accuracy and completeness of the information contained in the December 31, 2012 financial statements of the Division (the "Divisional financial statements"). At management's request, we agreed that the information in the attached 2012 Divisional financial statements was prepared from the December 31, 2012 trial balance for GPCL. Several account balances within this trial balance were based on allocations made by management of the Division. We have tested the mathematical accuracy of these allocations without exception. Amounts in the divisional financial statements which are allocations from the December 31, 2012 trial balance of GPCL are disclosed in the notes to the financial statements.

This letter should not be distributed to other third parties without our prior written consent, as it is not intended for any purpose other than meeting statutory N.E.B. filing requirements. Any use that a third party makes of our report, and any reliance or decisions made based on it, are the responsibility of such third party. We accept no responsibility for any loss or damages suffered by any third party as a result of decisions made or actions taken based on our report.

Yours sincerely,

Ernst & Young LLP

Robert Mitchell*

** Services provided through Robert Mitchell Professional Corporation, Partner*

CC: Angela Schuettler, CA, Vice President and Corporate Controller
NOVA Chemicals Corporation