THE ENERGY OF

enerPLUS

07
CORPORATE SUMMARY

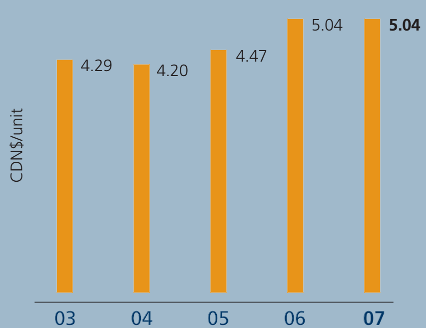
CORPORATE PROFILE

Enerplus is a high-yielding equity investment in the oil and natural gas business. We are one of Canada's oldest and largest independent oil and gas producers established in 1986. We have built a balanced and diversified portfolio of producing properties across western Canada and the United States with a focus on large resource plays that offer predictable production and repeatable, low-risk development opportunities in conventional oil and gas production as well as in Canada's oil sands. Enerplus creates value through development drilling, optimization and acquisitions that enhance the sustainability of our business over the long-term. Through our discipline of paying a significant portion of our cash flow to investors each month, we believe we offer an attractive investment in the oil and gas industry.

Key Performance Measures

Cash distributions to unitholders were maintained at $0.42 per unit during 2007.

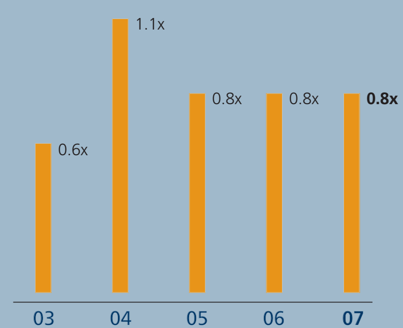
cash distributions to unitholders [1]



[1] Cash distributions from the Consolidated Statements of Cash Flows includes amounts paid or declared during the year.

Our strong balance sheet positions us for further acquisitions and growth.

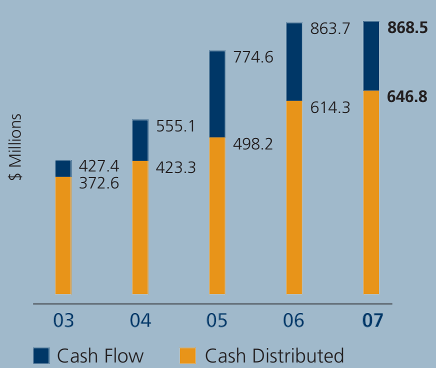
debt to cash flow ratio [1]



[1] Debt (net of cash)/trailing 12-month cash flow ratio.

Cash flow from operations was maintained year-over-year.

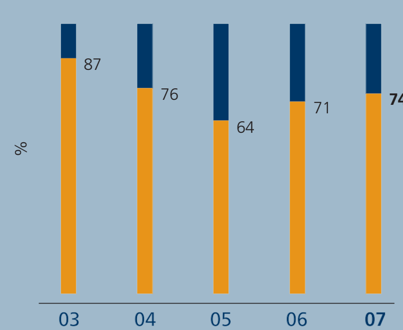
cash flow from operations [1]



[1] Cash flow from operations includes changes in non-cash working capital.

We continued to reinvest a significant amount of cash flow into our assets.

payout ratio [1]



[1] Calculated as cash distributions to unitholders divided by cash flow from operating activities.

PRESIDENT'S MESSAGE

As we move forward into 2008 it's important to reflect on the events that took place in 2007 that significantly impacted our business and that will continue to shape our activities going forward. 2007 was filled with many challenges:

- The Canadian government's announcement of a tax to be imposed on trusts commencing in 2011 was enacted in mid 2007.
- The Alberta government announced changes to its royalty regime to commence in 2009. Those most affected are oil and gas producers in the province with deep exploration targets where provincial royalty taxes could increase by 66% compared to the existing regime. The government has indicated it will review for unintended consequences relative to deep and multi-lateral wells, however there is no assurance a change will be made. Given the nature of our operations in the province we have estimated the impact on our 2007 cash flow, had the new rules been in place, would have been approximately a 2% reduction.
- Green house gas emission management and associated climate change initiatives continued to garner global and local attention. Governments are continuing to move forward to put regimes in place intended to reduce GHG emissions.
- Concerns over a U.S. led recession were compounded by the sub prime credit crisis.
- Low natural gas prices continued while oil prices continued to rise with the WTI reference price hitting US$100 albeit this rise was partially offset by a weakened U.S. dollar.
- Increased global demand for energy continued as supplies tightened and were further impacted by political tensions and government interventions.
- Natural gas continued to become more of a global commodity through expanding markets for liquefied natural gas.

All of these events influenced Enerplus in 2007 and will shape our actions as we move forward in 2008. Our highlights for 2007 included:

- Cash distributions maintained at CDN$0.42 per month and our 28th consecutive month at this level.
- We replaced 90% of our produced reserves resulting in a 1% reduction in our proved plus probable reserves year-over-year and a reserve life index of 14.0 years post the Focus transaction.
- Achieved a finding, development and acquisition cost including future development costs of under $20/BOE and a recycle ratio of 1.6 times in respect of our conventional operations.
- Daily production averaged 82,319 BOE/day compared to our guidance of 82,500 BOE/day. We did experience a disappointment with our year-end exit production at 79,800 BOE/day versus our target of 83,000 BOE/day. Exit production was impacted by a fire at our Giltedge facility shutting in 2,000 BOE/day of production. As well, deferred tie-ins and a line break primarily on non-operated properties resulted in a further reduction of 1,200 BOE/day from our exit target. We expect all of these volumes to be re-established through the first half of 2008.

Gordon J. Kerr
President & Chief Executive Officer

$1.7 Billion
the acquisition of Focus Energy is the largest in our history

- Acquired a 100% working interest in the Kirby oil sands lease for $203 million. Kirby is an operated in situ opportunity which we believe has the potential to add 30,000 to 40,000 bbls/day of production to Enerplus over time.
- Closed the $1.7 billion merger with Focus Energy Trust, the largest acquisition in our history, on February 13, 2008.
- Maintained our financial strength with a debt to trailing cash flow ratio of 0.8x, raised $210.6 million of equity in conjunction with our acquisition of Kirby and increased our unsecured bank credit facility to $1.4 billion concurrent with the closing of our Focus acquisition.

In 2008 our key objectives are to:

- Fully integrate and achieve the expected benefits of our combination with Focus.
  - production targeted to average 98,000 BOE/day, split 61% natural gas and 39% oil and natural gas liquids, and exit at 100,000 BOE/day.
  - execute on our capital projects with targeted spending of $580 million including $475 million allocated to our conventional oil and gas assets and $105 million to our oil sands assets at Kirby and Joslyn.
  - control costs with operating expenses targeted at $8.65/BOE and general administration costs at $2.20/BOE, both down slightly from 2007 and finding and development costs, including future costs, at under $20 per BOE.

- Continue to develop our existing portfolio of properties.
- We currently have identified over $2.3 billion of potential projects on our conventional oil and gas assets alone. This includes over 4,000 net wells and would represent 4-5 years of spending at current levels.
- Continue to advance our oil sands projects at both Kirby and Joslyn. At Kirby we are targeting to file our regulatory application for a 10,000 barrel per day SAGD (in situ) facility by year-end. At Joslyn we expect to reach conclusions with our operating partner, Total, on full lease development plans. The key questions to be answered in respect of Joslyn will be to determine whether to expand mining with a smaller (10,000 bbls/day) SAGD development or pursue a smaller mine with a larger (25,000 bbls/day) SAGD development. We continue to review our options for financing our oil sands opportunities, which could include the sale of a portion of our oil sands portfolio, debt, partnering opportunities or special purpose equity.
- Seek additional acquisition opportunities in and around our existing areas of operations (Canada and U.S.) to help replace produced reserves and expand future development opportunities.

Enerplus is well positioned to continue to grow and add value for our unitholders. We have increased our position in high quality natural gas assets with the acquisition of Focus that together with our existing conventional assets have many years of further development opportunities. We have established a meaningful position in the Alberta oil sands with the opportunity to achieve net production of approximately 60,000 BOE/day over time. We've established a significant position in the Bakken oil play in Montana and an office in Denver to facilitate further growth in the U.S.

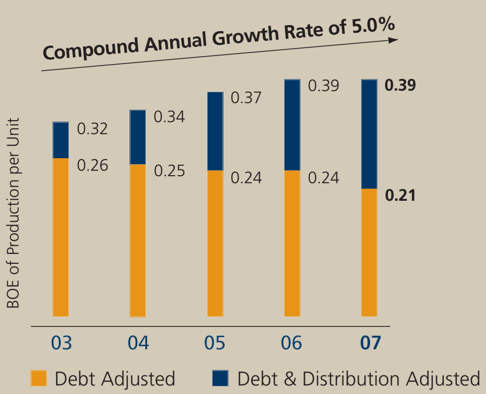
Once again, I extend my thanks to my fellow board members for their guidance, my fellow employees at Enerplus for their continued commitment to the success of Enerplus and to our unitholders for their support particularly over the trying period since the October 2006 announcement of the Canadian federal government. I also extend my welcome to our newest board members, Mr. Robert Hodgins, Mr. Clayton Woitas and Mr. David O'Brien who bring a wealth of experience and knowledge to Enerplus. Also my thanks to Mr. Robert Normand who will retire at our annual general and special meeting. Mr. Normand has served as a director at Enerplus since 1998.

Our opportunities for continued growth have been clearly articulated. We have re-iterated our ongoing commitment to our distributing business model and focus on being a top tier oil and gas organization. We are confident we will make significant advancement on our opportunities in 2008.

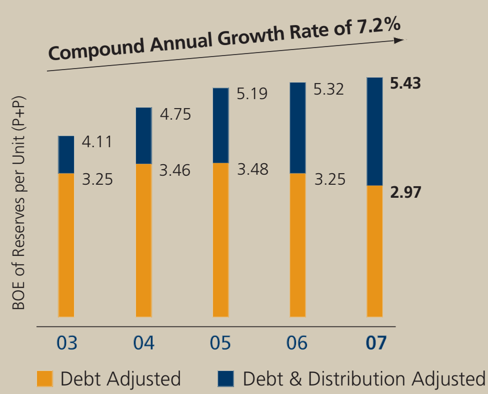
Gordon J. Kerr
President & Chief Executive Officer

Enerplus has enjoyed both growing reserves and production when adjusted for debt and distributions.

production per unit



reserves per unit



COMPETITIVE ADVANTAGE

Enerplus' resource play focus, deep inventory of development opportunities, execution capabilities and strong balance sheet have positioned us with a clear competitive advantage.

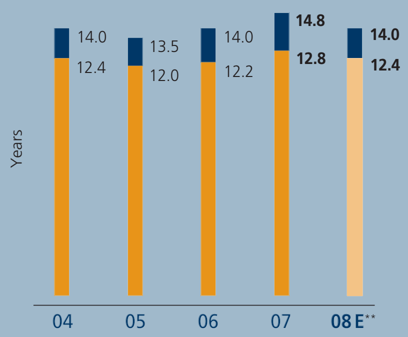
$2.3 Billion

of future development opportunities in our conventional asset base

Sustainability

We continue to have one of the longest reserve life indices in our sector.

reserve life index*



Conventional　Including Oil Sands

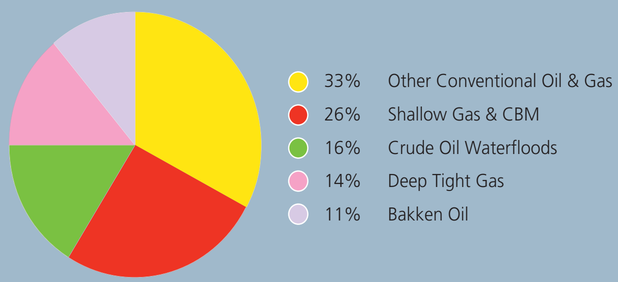
* Proved + Probable Reserves.

** Post Focus.

Diversity

Our resource play focus and diverse portfolio help mitigate risk.

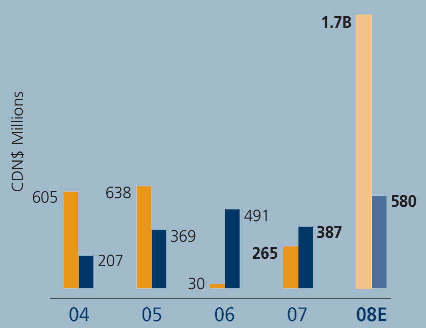
production by resource play



Execution Capability

The proficiency of our staff allows us to acquire and develop increasingly technical assets.

capital investments



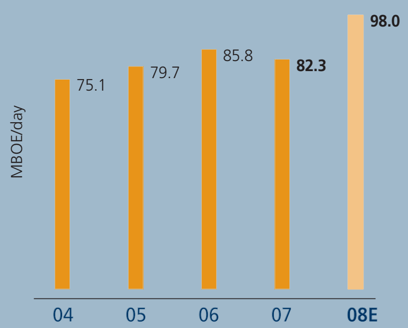
Acquisitions (net of divestments)

Capital Expenditures

Growth

With forcasted annual average production approaching 100,000 BOE/day, we have seen continued growth over the past five years.

annual average production



Our Resource Plays

Crude Oil Waterfloods
- Represents 16% of daily production and 19% of proved plus probable reserves
- Significant original oil in place provides attractive future development potential

Shallow Natural Gas & CBM
- Together these two resource plays account for 26% of our daily production and 26% of proved plus probable reserves
- Both shallow gas and CBM are characterized by low risk, repeatable drilling opportunities

Bakken Oil
- Produces approximately 11% of daily production and 8% of proved plus probable reserves
- Highest netback property with 42 degree API crude oil

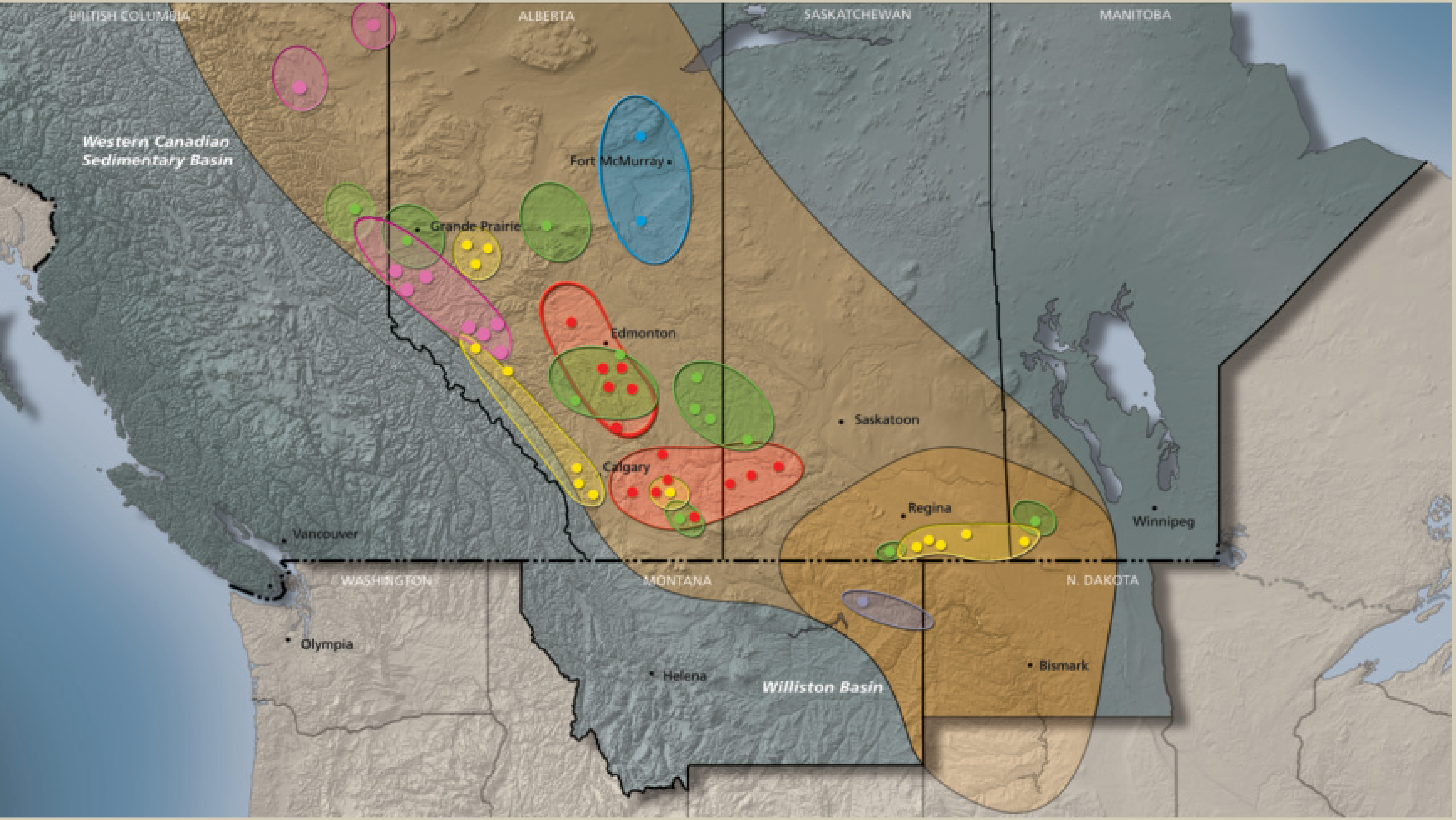
Deep Tight Gas
- Represents 14% of daily production and 12% of proved plus probable reserves
- Tommy Lakes is the main property in this play

Oil Sands
- Over 500 million BOE of contingent resources, 60,000+ bbls/day of future production potential
- Sizeable mining and SAGD development potential

Other Conventional Oil & Gas
- Represents 33% of daily production and 23% of proved plus probable reserves
- Diverse property set provides numerous development opportunities

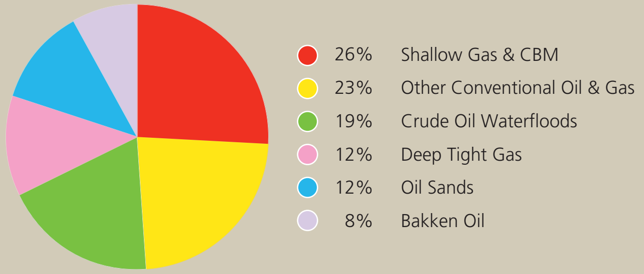
Key Statistics

2008 Daily Production Outlook	98,000 BOE/day
2008 Exit Production	100,000 BOE/day
Reserve Life Index	14.0 Years
2008 Planned Capital Expenditures	$580 Million
Trading Symbols	TSX:ERF.un NYSE: ERF
Payment Frequency	Monthly
Payment Date	20th Day



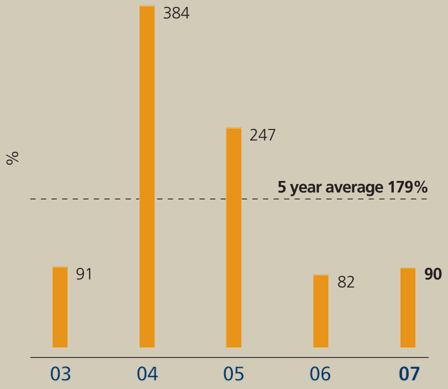
Resource plays comprise roughly 75% of our P+P reserves.

proved plus probable reserves by resource play



We replaced 90% of 2007 production through internal development and acquisitions. This excludes the Focus Energy acquisition which closed in February 2008.

production replacement



OPPORTUNITIES TODAY...

Our asset base has a deep inventory of attractive development prospects which help to maintain production volumes and offset natural declines. Our acquisition activity replenishes our inventory ensuring that we have on-going organic production replacement opportunities.

70 %

of our 2008 capital program is dedicated to resource plays

2008 Development Capital Budget

- Shallow Gas & CBM
  $128 million
- Crude Oil Waterfloods
  $105 million
- Bakken Oil
  $47 million
- Deep Tight Gas
  $53 million
- Other Conventional Oil & Gas
  $142 million
- Oil Sands
  $105 million

$580 million

Our portfolio of resource plays offer significant development potential, relatively predictable decline rates and lower risk.

AND FOR THE FUTURE

Oil Sands

Enerplus has a portfolio of oil sands assets that feature both steam assisted gravity drainage and mining potential. Through this portfolio we have over 500 million barrels of contingent oil sands resources and future production potential of over 60,000 bbls/day of bitumen.

60,000

bbls per day of production growth potential from oil sands

Kirby

- 100% operated working interest steam assisted gravity drainage project
- Strategic oil sands asset in the Athabasca fairway in close proximity to existing oil sands projects and infrastructure
- Initial development plans – 10,000 bbls/day of bitumen with first production in 2012
- Best estimate contingent bitumen resource of 244 MMBOE
- Geologic characteristics of the bitumen reservoirs show channel and valley fill deposits in the McMurray and Wabiskaw 'D' formations without any "thief" zones
- Expansion capability to 30,000 – 40,000 bbls/day

Joslyn

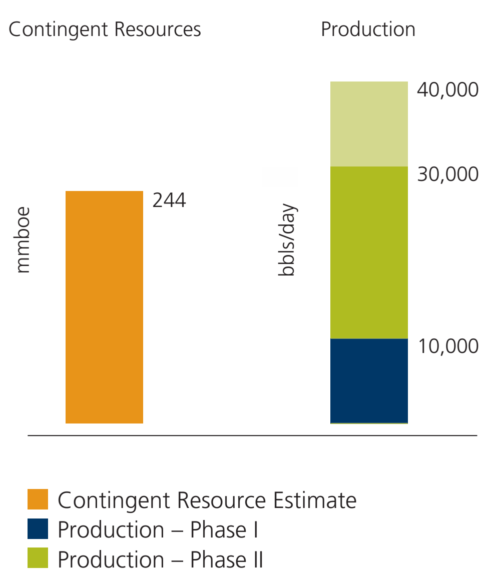
- 15% non-operated working interest steam assisted gravity drainage and mining project
- New third party mining report indicates increased contingent resource estimate as entire lease could be deemed mineable

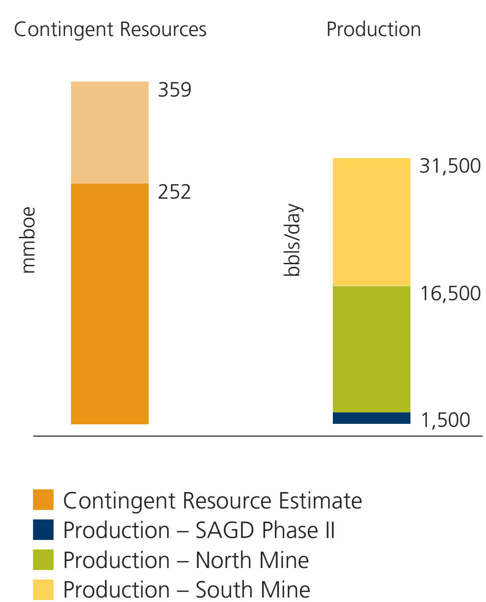
SAGD Phase II

- 10,000 bbls/day gross production project (1,500 bbls/day net to Enerplus) with commercial production expected in 2009
- Additional well-pairs required to achieve production targets

Mining

- Two 100,000 bbl/day gross mining projects currently planned for the lease (30,000 bbls/day net to Enerplus)
- Full lease development plan including capital investment estimates expected later in 2008





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