

This prospectus supplement together with the short form base shelf prospectus to which it relates dated September 28, 2006, as amended or supplemented, and each document deemed to be incorporated by reference in the short form base shelf prospectus, as amended or supplemented, constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

The medium term notes to be issued hereunder have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered, sold or delivered, directly or indirectly, in the United States of America, its territories, its possessions and other areas subject to its jurisdiction or to, or for the account or benefit of a U.S. person (as defined in Regulation S under the U.S. Securities Act) except in certain transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws.

Information has been incorporated by reference in this prospectus supplement from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the office of the Corporate Secretary of the Company at 480 de la Cité Boulevard, Gatineau, Québec, Canada, J8T 8R3, (819-561-2722), and are also available electronically at www.sedar.com. For the purposes of the Province of Québec, this simplified prospectus contains information to be completed by consulting the permanent information record. A copy of the permanent information record may be obtained from the office of the Corporate Secretary of the Company at the above mentioned address and telephone number and is also available electronically at www.sedar.com.

**PROSPECTUS SUPPLEMENT
To a Short Form Base Shelf Prospectus Dated September 28, 2006**

New Issue

October 27, 2006

Brookfield Power



BROOKFIELD POWER CORPORATION

\$450,000,000

Medium Term Notes

Unconditionally guaranteed as to payment of principal, premium (if any) and interest by

BROOKFIELD POWER INC.

Brookfield Power Corporation (the "**Company**") may offer from time to time up to \$450,000,000 aggregate principal amount in lawful money of Canada, or the equivalent thereof in one or more non-Canadian currencies, of its medium term notes (the "**Notes**"). Each Note will mature on a day not less than one year from the date of issue (the "**Stated Maturity Date**"), as specified in the applicable pricing supplement (each, a "**Pricing Supplement**") hereto. Each Note may be subject to redemption at the option of the Company, in whole or in part, prior to its Stated Maturity Date, as specified in the applicable Pricing Supplement. The Notes will be unsecured obligations of the Company and will rank equally with all of the Company's other unsecured and unsubordinated debt. The Notes will be issued as a separate series of debt securities under an indenture, dated as of December 16, 2004, between the Company and BNY Trust Company of Canada (the "**Trustee**") and the Bank of New York, each as trustee, as supplemented and amended from time to time and as supplemented by a second supplemental indenture to be entered into between the Company and the Trustee (collectively, the "**Indenture**").

The Notes will be fully and unconditionally guaranteed as to payment of principal, premium (if any) and interest by Brookfield Power Inc. (the “**Guarantor**”). See “Description of the Notes” herein and the short form base shelf prospectus of the Company dated September 28, 2006 for particulars of the material attributes of the Notes.

The Company’s head and registered office is at BCE Place, 181 Bay Street, Suite 300, P.O. Box 762, Toronto, Ontario, M5J 2T3.

The offering of the Notes hereunder (the “**Offering**”) will be made pursuant to the medium term note program of the Company (the “**MTN Program**”), as contemplated by a National Instrument of the Canadian Securities Administrators. Such instrument permits the omission from this prospectus supplement (“**Prospectus Supplement**”) of certain terms of the Notes, which will be established at the time of the offering and sale of the Notes and will be included in Pricing Supplements incorporated by reference herein, as more particularly described under the heading “Documents Incorporated by Reference”. Accordingly, the specific terms of the Notes to be offered and sold hereunder pursuant to the MTN Program, including the terms of the Notes which are within the options and parameters referred to above, will be set out in Pricing Supplements delivered to purchasers in conjunction with the sale of the Notes. Specific variable terms that are not within the options and parameters set forth herein may be set out in a Pricing Supplement. Where Notes are offered and sold in currencies other than Canadian dollars, the Canadian dollar equivalent of the offering price and the rate of exchange at the last feasible date will be included in the applicable Pricing Supplement.

RATES ON APPLICATION

The Notes will be offered severally by one or more of Scotia Capital Inc., CIBC World Markets Inc., RBC Dominion Securities Inc., TD Securities Inc., BMO Capital Markets Inc. and HSBC Securities (Canada) Inc. and other investment dealers that may be appointed by the Company from time to time (collectively, the “**Agents**”). Under an Agency Agreement dated October 27, 2006 (the “**Agency Agreement**”) among the Company and the Agents, the Notes may be purchased or offered at various times by any of the Agents, as agent or principal, at prices and commissions to be agreed upon, for sale to the public at prices to be negotiated with purchasers. Sale prices may vary during the distribution period and between purchasers. The Company may also offer the Notes to purchasers directly, pursuant to applicable registration exemptions, at prices and on terms to be negotiated. The applicable Pricing Supplement relating to each offering of Notes will identify each Agent with respect to that offering and will set forth the terms of such offering including, to the extent applicable, the proceeds to the Company, the underwriting discounts or commissions, and any other discounts or concessions to be allowed or reallocated to the Agents. See “Plan of Distribution”.

Scotia Capital Inc., CIBC World Markets Inc., RBC Dominion Securities Inc. and TD Securities Inc. are each a subsidiary or affiliate of a Canadian chartered bank or other financial institution which is a member of the banking syndicate that is lender to the Company and the Guarantor. Consequently, each of the Company and the Guarantor may be considered a “connected issuer” of Scotia Capital Inc., CIBC World Markets Inc., RBC Dominion Securities Inc. and TD Securities Inc. within the meaning of applicable securities legislation. See “Plan of Distribution”.

In connection with any offering of Notes, the Agents may, with the consent of the Company prior to any Offering, when acting as agent or purchasing as principal, over-allot or effect transactions which stabilize or maintain the market price of the Notes at levels other than those that might otherwise prevail on the open market. Such transactions, if commenced, may be discontinued at any time.

The Notes are being offered on a continuous basis by the Company through the Agents. Unless otherwise specified in the applicable Pricing Supplement relating to a series of Notes, **the Notes will not be listed on any securities or stock exchange. If the Notes are not listed on any securities or stock exchange, there will be no market through which the Notes may be sold and purchasers may not be able to resell Notes purchased hereunder. This may affect the pricing of the Notes in the secondary market, the transparency and**

availability of trading prices, the liquidity of the Notes and the extent of issuer regulation. See “Risk Factors”. The Company reserves the right to cancel or modify the offer made hereby without notice. The Company or any Agent, if it solicits the offer on an agency basis, may reject any offer to purchase Notes in whole or in part. See “Plan of Distribution”.

The earnings coverage ratios of the Company for the 12-month periods ended June 30, 2006 and December 31, 2005 are less than one-to-one. See “Earnings Coverage Ratios”.

Unless otherwise specified in the applicable Pricing Supplement, the Notes will bear interest at fixed rates or at floating rates. Notes will be issued in minimum denominations of \$1,000 unless otherwise specified in the applicable Pricing Supplement. Interest on each Note will accrue from its date of issue and will be payable as specified in the applicable Pricing Supplement. The interest rate, or the formula for the determination of any such interest rate, applicable to each Note and the other variable terms thereof as described herein will be established by the Company on the date of issue of such Note and will be set forth therein and specified in the applicable Pricing Supplement. Interest rates, interest rate formulae and such other variable terms are subject to change by the Company, but no change will affect any Note already issued or as to which an offer to purchase has been accepted by the Company.

The Notes to be issued pursuant to this Prospectus Supplement and any applicable Pricing Supplement have not been and will not be registered under the U.S. Securities Act or any state securities laws and may not be offered, sold or delivered, directly or indirectly, in the United States of America, its territories, its possessions and other areas subject to its jurisdiction or to, or for the account or benefit of, a U.S. person (as defined in Regulation S under the U.S. Securities Act) except in certain transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws.

Each Note will be issued in fully registered book entry form (a “**Book Entry Note**”). Each Book Entry Note will be represented by one or more fully registered global securities (the “**Global Notes**”) deposited with, or on behalf of, The Canadian Depository for Securities Limited (“**CDS**”) (or such other depository as is identified in the applicable Pricing Supplement) and registered in the name of CDS or its nominee. Interests in the Global Notes will be shown on, and transfers thereof will be effected only through, records maintained by CDS (with respect to its participants) and CDS’s participants (the “**CDS Participants**”) (with respect to beneficial owners).

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You should rely only on the information contained in or incorporated by reference in this prospectus supplement and accompanying short form base shelf prospectus or to which we have referred you. We have not authorized anyone to provide you with information that is different. This document may only be used where it is legal to sell these securities. The information in this document may only be accurate on the date of this document.

IMPORTANT NOTICE ABOUT INFORMATION IN THIS PROSPECTUS SUPPLEMENT AND THE ACCOMPANYING SHORT FORM BASE SHELF PROSPECTUS

This document is in two parts. The first is the Prospectus Supplement, which describes the specific terms of the Notes. The second part, the accompanying short form base shelf prospectus dated September 28, 2006, gives more general information, some of which may not apply to the Notes. The accompanying short form base shelf prospectus is referred to as the “**Prospectus**” in this Prospectus Supplement.

If the description of the Notes varies between this Prospectus Supplement and the accompanying Prospectus, you should rely on the information in this Prospectus Supplement.

DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus Supplement is deemed to be incorporated by reference into the accompanying Prospectus solely for the purpose of the Notes issued hereunder. Other documents are also incorporated, or are deemed to be incorporated, by reference into the Prospectus and reference should be made to the Prospectus for full particulars thereof.

A Pricing Supplement containing the specific variable terms for an issue of Notes will be delivered to purchasers of such Notes together with the Prospectus and this Prospectus Supplement and will be deemed to be incorporated by reference into the Prospectus and this Prospectus Supplement as of the date of the Pricing Supplement, solely for the purpose of the Notes issued thereunder.

The following documents, filed with the securities regulatory authorities in each of the provinces and territories of Canada, are specifically incorporated by reference in, and form an integral part of, this Prospectus:

- (a) the Company’s renewal annual information form dated July 21, 2006 (the “**AIF**”);

- (b) the Company's audited comparative financial statements and the notes thereto for the financial periods ended December 31, 2005 and 2004, together with the report of the auditors thereon;
- (c) the management's discussion and analysis for the audited comparative financial statements referred to in paragraph (b) above;
- (d) the Company's unaudited comparative interim financial statements and the notes thereto for the six months ended June 30, 2006 and 2005;
- (e) the management's discussion and analysis for the unaudited comparative interim financial statements referred to in paragraph (d) above;
- (f) the Guarantor's audited comparative consolidated financial statements and the notes thereto for the financial years ended December 31, 2005 and 2004, together with the report of the auditors thereon;
- (g) the management's discussion and analysis for the audited comparative consolidated financial statements referred to in paragraph (f) above;
- (h) the Guarantor's unaudited comparative interim consolidated financial statements and the notes thereto for the six months ended June 30, 2006 and 2005; and
- (i) the management's discussion and analysis for the unaudited comparative interim consolidated financial statements referred to in paragraph (h) above.

All documents of the Company and the Guarantor of the type referred to above and any material change reports (excluding confidential reports) which are required to be filed by the Company with the Ontario Securities Commission after the date of this Prospectus Supplement and prior to the termination of the offering shall be deemed to be incorporated by reference into this Prospectus Supplement.

Any statement contained in this Prospectus Supplement, the Prospectus or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this Prospectus Supplement to the extent that a statement contained in this Prospectus Supplement, the Prospectus or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes that statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus Supplement.

Copies of the documents incorporated herein by reference may be obtained on request without charge from the office of the Corporate Secretary of the Company at 480 de la Cité Boulevard, Gatineau, Québec, Canada, J8T 8R3, (819-561-2722), and are also available electronically at www.sedar.com. For the purposes of the Province of Québec, this simplified prospectus contains information to be completed by consulting the permanent information record. A copy of the permanent information record may be obtained from the office of the Corporate Secretary of the Company at the above mentioned address and telephone number and is also available electronically at www.sedar.com.

FORWARD-LOOKING INFORMATION

This Prospectus Supplement may contain forward-looking statements concerning the business and operations of the Company and the Guarantor. Forward-looking statements can be identified by the use of words, such as “plans”, “expects”, or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, or “does not anticipate”, or “believes” or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. Forward-looking statements involve assumptions and known and unknown risks, uncertainties and other factors which may cause the actual results or performance to be materially different from any future results or performance expressed or implied by the forward-looking statements.

Examples of such statements include, but are not limited to factors relating to production and the business, financial position, operations and prospects for the Company and the Guarantor. They include (1) the level of generation; (2) energy prices; (3) the cost of production; (4) interest rates as they bear on indebtedness; (5) planned capital expenditures; (6) the impact of changes in the exchange rate on costs and results of operations; (7) the negotiation of collective agreements with unionized employees; (8) business and economic conditions; (9) the legislation governing air emissions, discharges into water, waste, hazardous materials and workers’ health and safety as well as the impact of future legislation and regulations on expenses, capital expenditures and restrictions on operations; and (10) regulatory investigations, claims, lawsuits and other proceedings. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied in the forward-looking statements contained herein and as such, you are cautioned not to place undue reliance on these forward-looking statements.

These forward-looking statements represent our views as of the date of this Prospectus Supplement. While the Company and the Guarantor anticipate that subsequent events and developments may cause their views to change, the Company and the Guarantor disclaim any obligation to update these forward-looking statements. These forward-looking statements should not be relied upon as representing the Company’s or the Guarantor’s views as of any date subsequent to the date of this Prospectus Supplement.

THE COMPANY AND THE GUARANTOR

The Company was incorporated and organized under the *Business Corporations Act* (Ontario) on June 20, 2002. The Company is a wholly-owned subsidiary of the Guarantor. At present, the Company has no significant assets or liabilities other than subordinated promissory notes and term debentures. The Company has no employees and no subsidiaries.

Due to the strategic importance of the power business to Brookfield Asset Management Inc. (formerly Brascan Corporation) (“**Brookfield**”), the Guarantor’s parent, and its substantial growth, Brookfield established the Company as a subsidiary of the Guarantor, and the Company intends to acquire all of the Guarantor’s power operations as part of a reorganization (the “**Reorganization**”). Following the Reorganization, the Guarantor will retain ownership of the non-core investment assets that are not related to the power operations and the Company will be a “pure play” power company. The Reorganization will enhance investor clarity and lower the Company’s cost of capital.

The Guarantor was amalgamated on March 2, 2001 with 1458103 Ontario Limited under the *Business Corporations Act* (Ontario) to become Great Lakes Power Inc. The articles were subsequently amended to change its authorized capital and its name to Brascan Power Inc. and subsequently to Brookfield Power Inc. The Guarantor’s assets are comprised of a blend of power generating and investment assets. Following the Reorganization, the Guarantor will retain ownership of its non-core investment assets that are not related to the power operations.

For further information relating to the business of the Company and the Guarantor and further detail regarding the Reorganization and the business that the Company will acquire from the Guarantor, please refer to the Company’s AIF incorporated by reference in the Prospectus.

RISK FACTORS

An investment in the Notes is subject to a number of risks. Before deciding whether to invest in the Notes, investors should consider carefully the risks relating to the Company described below, the risk factors set forth in the Prospectus and the information incorporated by reference in the Prospectus and this Prospectus Supplement. Specific reference is made to the sections entitled “Business Environment and Risks” in the AIF and in the management’s discussion and analysis of the Company, which are incorporated by reference in the Prospectus.

Risks Associated with Floating Rate Notes

Investments in floating rate Notes entail risks not associated with investments in fixed rate Notes. The resetting of the applicable rate on a floating rate Note may result in lower interest compared to a fixed rate Note issued at the same time. The applicable rate on a floating rate Note will fluctuate in accordance with fluctuations in the instrument or obligation on which the applicable rate is based, which in turn may fluctuate and be affected by a number of interrelated factors, including economic, financial and political events over which the Company and the Guarantor have no control.

Redemption of Notes

If the Notes are redeemable at the Company’s option, as provided in the applicable Pricing Supplement, the Company may choose to redeem the Notes from time to time, especially when prevailing interest rates are lower than the rate borne by the Notes. If prevailing rates are lower at the time of redemption, a purchaser would not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as the interest rate on the Notes being redeemed. The Company’s redemption right also may adversely impact a purchaser’s ability to sell Notes as the optional redemption date or period approaches.

EARNINGS COVERAGE RATIOS

The Company’s interest requirements for the 12-month period ended June 30, 2006 amounted to \$25.0 million, and for the 12-month period ended December 31, 2005 amounted to \$24.1 million. The Company’s earnings before interest and income tax for the 12-month period ended June 30, 2006 was \$23.5 million, and for the 12-month period ended December 31, 2005 was \$22.8 million, which is approximately 0.94 and 0.95 times the Company’s aggregate interest requirements for the respective periods (without giving effect to any offering of Notes under this Prospectus Supplement). In order to achieve an earnings coverage ratio of one-to-one, the Company would need to have earned an additional \$1.5 million and \$1.3 million for the respective periods.

The Guarantor’s interest requirements for the 12-month period ended June 30, 2006 amounted to US\$361 million, and for the 12-month period ended December 31, 2005 amounted to US\$348 million. The Guarantor’s earnings before interest and income tax for the 12-month period ended June 30, 2006 was US\$438 million, and for the 12-month period ended December 31, 2005 was US\$393 million, which is approximately 1.21 and 1.13 times the Guarantor’s aggregate interest requirements for the respective periods (without giving effect to any offering of Notes under this Prospectus Supplement).

USE OF PROCEEDS

The Notes will be issued from time to time at the discretion of the Company with an aggregate offering amount not to exceed \$450,000,000. The net proceeds derived from the issue of Notes under this Prospectus Supplement will be the aggregate offering amount thereof less any commission and other issuance costs paid in connection therewith. The net proceeds cannot be estimated as the amount thereof will depend on the extent to which Notes are issued under this Prospectus Supplement. Unless otherwise specified in the applicable Pricing Supplement, the net proceeds will be used by the Company for general corporate purposes which may include the loan of funds to the Guarantor and the repayment of corporate debt of the Company.

DESCRIPTION OF THE NOTES

The following description of the particular terms and provisions of the Notes supplements and, to the extent inconsistent therewith, replaces, the description of the Debt Securities set forth in the Prospectus under “Description of Debt Securities”, to which reference is hereby made. Other capitalized terms used and not defined in this Prospectus Supplement have the meanings ascribed to them in the Prospectus or in the Indenture, as the case may be. The following description of the Notes will apply to each Note offered hereby unless otherwise specified in the applicable Pricing Supplement.

A copy of the Indenture will be available on the Company’s SEDAR profile at www.sedar.com. The following statements relating to the Notes and the Indenture are summaries and should be read in conjunction with the statements under “Description of Debt Securities” in the Prospectus. Such information does not purport to be complete and is qualified in its entirety by reference to all of the provisions of the Notes and the Indenture, including the definition of certain terms therein.

General

All Debt Securities, including the Notes, issued and to be issued under the Indenture will be direct unsecured obligations of the Company. The Notes will rank equally and rateably with all other unsecured indebtedness of the Company, from time to time issued and outstanding, which is not subordinated. The Indenture does not limit the aggregate principal amount of Debt Securities which may be issued thereunder and Debt Securities may be issued thereunder from time to time in one or more series up to the aggregate principal amount from time to time authorized by the Company for each series. The Company may, from time to time, without the consent of the holders of the Notes, provide for the issuance of Notes or other Debt Securities under the Indenture in addition to the \$450,000,000 aggregate offering amount of Notes offered hereby and any other Debt Securities previously issued.

The Notes are currently limited to \$450,000,000 aggregate offering amount. The Notes will be offered on a continuous basis and will mature on any day more than one year from their dates of issue, as specified in the applicable Pricing Supplement.

Unless otherwise specified in the applicable Pricing Supplement, the principal of and interest on the Notes will be payable in lawful money of Canada.

Interest rates offered by the Company with respect to the Notes may differ depending upon the aggregate principal amount of Notes purchased in any transaction, and the Company expects generally to distinguish, with respect to such offered rates, between purchases which are for less than, and purchases which are equal to or greater than, an agreed upon amount. Specific variable terms which are not within the options and parameters set forth herein may be set out in a Pricing Supplement. Interest rates, interest rate formulae and other variable terms of the Notes are subject to change by the Company from time to time, but no such change will affect any Note already issued or as to which an offer to purchase has been accepted by the Company.

The Notes will be unconditionally guaranteed by the Guarantor as to the payment of principal, premium, if any, and interest thereon when and as the same shall become due and payable pursuant to a guarantee agreement made as of December 16, 2004 between the Guarantor and the Trustee, (the “**Guarantee**”). The Guarantee will remain in place until such time as certain conditions with respect to its release are met. All covenants and obligations of the Guarantor in relation to the Guarantee shall apply only so long as the Guarantee remains in place.

The Indenture and the Guarantee are governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

Specific Variable Terms

The specific variable terms of any offering of a series of Notes (including, where applicable and without limitation, the aggregate principal amount of Notes being offered, the currency or currency unit, the issue and

delivery date, the Maturity Date, the issue price, the interest rate (either fixed or floating and, if floating, the manner or calculation thereof), the Interest Payment Date(s), any extension, exchange, sinking fund or repurchase provisions, the name of any Agents, the Agents' compensation, the method of distribution, and the proceeds to the Company) will be set forth in one or more Pricing Supplements which will accompany this Prospectus Supplement. The Company reserves the right to set forth in a Pricing Supplement specific variable terms of any offering of a series of Notes which are not within the options and parameters set forth in this Prospectus Supplement.

Form and Denomination

The Notes will be issued in fully-registered form only, in denominations of \$1,000 and integral multiples thereof, unless otherwise specified in the applicable Pricing Supplement.

Payment of Principal, Premium and Interest

As long as CDS or its nominee is the registered holder of a Global Note, CDS or its nominee, as the case may be, will be considered to be the sole owner of such Global Note for the purposes of receiving payments of interest on, premium, if any, on and principal of such Global Note. The Company expects that CDS or its nominee, upon receipt of any payment of principal, premium or interest in respect of a Global Note, will credit participants' accounts, on the date principal, premium or interest is payable, with payments in amounts proportionate to their respective interests in the principal amount of such Global Note as shown on the records of CDS or its nominee at the close of business on the second Business Day prior to the applicable interest payment date, with respect to the payment of interest, and at maturity, with respect to the payment of principal or premium, if any. The Company also expects that payments of principal, premium and interest by participants to the owners of beneficial interests in such Global Note held through such participants will be governed by standing instructions and customary practices, and will be the responsibility of such participants. The responsibility and liability of the Company in respect of Notes represented by a Global Note is limited to making payment of any principal, premium and interest due on such Global Note to the Trustee.

Redemption and Repurchase

The Notes will be redeemable at the option of the Company prior to the Stated Maturity Date only if an initial redemption date is specified in the applicable Pricing Supplement (the "**Initial Redemption Date**"). If an Initial Redemption Date is specified in the applicable Pricing Supplement, the Notes will be subject to redemption at the option of the Company on any date on and after the applicable Initial Redemption Date in whole or from time to time in part in increments of \$1,000 or the minimum denomination specified in such Pricing Supplement (provided that any remaining principal amount thereof shall be at least \$1,000 or such minimum denomination), at the applicable Redemption Price, as defined below, on notice given not more than 60 nor less than 30 days prior to the date of redemption and in accordance with the provisions of the Indenture.

"Applicable Spread" means the number of basis points as specified in the applicable Pricing Supplement.

"Canada Yield Price" means a price equal to the price of the Notes (or the portion thereof to be redeemed) calculated to provide a yield to maturity, equal to the sum of the Government of Canada Yield calculated at 10:00 a.m. (Toronto time) on the third Business Day preceding the redemption date, plus the Applicable Spread.

"Government of Canada Yield" means, on any date, with respect to any Notes, the yield to maturity on such date, compounded semi-annually, which an assumed new issue of non-callable Government of Canada Bonds denominated in Canada dollars would carry if issued in Canada at 100% of its principal amount on such date, with a term to maturity as nearly as possible equal to the remaining term to maturity of such Notes. The Government of Canada Yield will be the average (rounded to four decimal points) of the bid-side yields provided by two of the Investment Dealers in accordance with the terms of the Indenture.

"Investment Dealers" means two investment dealers selected by the Company and approved by the Trustee, acting reasonably, who are independent of the Company and are each members of the Investment Dealers Association of Canada (or if the Investment Dealers Association of Canada shall cease to exist, such other

independent investment dealer as the Company may select, with the approval of the Trustee, acting reasonably), which Investment Dealers shall be retained by and at the cost of the Company to determine the Government of Canada Yield. The two investment dealers shall be, unless the Company and the Trustee otherwise agree, Scotia Capital Inc. and CIBC World Markets Inc.

“Redemption Price”, with respect to a Note, means the greater of (i) the Canada Yield Price, and (ii) par, together in each case with the accrued and unpaid interest to the date fixed for redemption.

If less than all of the Notes with like tenor and terms are to be redeemed, the Notes to be redeemed shall be selected by the Trustee on a *pro rata* basis or by lot or such other method as the Trustee shall deem equitable and expedient.

The Company may purchase Notes in the open market or by tender or private contract at any price at any time if there does not exist an Event of Default at such time. Notes purchased or redeemed by the Company will be cancelled and may not be reissued.

Modification of the Indenture, Guarantee and Notes

The rights of holders of Notes under the Indenture and the Guarantee may be modified in certain circumstances. For that purpose, among others, the Indenture and the Guarantee contain provisions making resolutions passed (i) at meetings of holders of Notes by the affirmative votes of holders of 66⅔% of the outstanding Notes voting thereat, or (ii) by instruments in writing signed by the holders of 66⅔% of the outstanding Notes, binding upon holders of Notes subject to the provisions of the Indenture and the Guarantee. If any modification will especially affect the rights of the holders of Notes of a particular series in a manner or to an extent substantially differing from the effect on other series, that modification also will require separate approval as aforesaid by the holders of Notes of such series.

Transfer

Transfers of beneficial ownership in Notes represented by a Global Note must be effected through the records maintained by CDS or its nominee for such Global Note (with respect to interests of its participants) and the CDS Participants (with respect to beneficial owners). Beneficial owners who are not participants in the depository service of CDS, but who desire to purchase, sell or otherwise transfer ownership of or other interest in such Global Note, may do so only through participants in the depository service of CDS.

The ability of a beneficial owner of an interest in a Note represented by a Global Note to pledge the Note or otherwise take action with respect to such owner’s interest in a Note represented by a Global Note (other than through a participant) may be limited due to the lack of a physical certificate.

Holders’ Rights

Rights of a holder of a Note represented by a Global Note, including voting rights, must be exercised through a participant in accordance with the rules and procedures of CDS.

Trustee

BNY Trust Company of Canada, at its principal office in the City of Toronto, will be the Trustee for the holders of all Notes issued under the Indenture.

PLAN OF DISTRIBUTION

Under the Agency Agreement, the Notes may be purchased or offered at various times by any of the Agents, as agent or principal, at prices and commissions to be agreed upon, for sale to the public at prices to be negotiated with purchasers. Sale prices may vary during the distribution period and between purchasers. The Company may also offer the Notes to purchasers directly, pursuant to applicable registration exemptions, at prices and on terms to be negotiated.

One or more Pricing Supplements will set forth the terms of any offering of a series of Notes, including the name or names of any Agents, the issue price, the proceeds to the Company, any underwriting discount or commission or discount or commission to be paid to any Agents and any discounts, concessions or commissions allowed or reallocated or paid by any Agents to other investment dealers.

Under the Agency Agreement, Agents who participate in a distribution of Notes may be entitled to indemnification by the Company against certain liabilities, including liabilities under appropriate securities legislation or arising out of any misrepresentation in this Pricing Supplement and any documents incorporated by reference in this Pricing Supplement, or to contribution with respect to payments which the Agents may be required to make in respect thereof.

Unless otherwise indicated, any Agent or Agents will be acting on a best efforts basis for the period of its or their appointment. Any Agent participating in the distribution of Notes may be deemed to be an “underwriter”, as that term is defined in the securities legislation in each of the provinces of Canada, of the Notes so offered and sold. The Notes also may be sold to other Agents at the applicable price to the public set forth in the Pricing Supplement relating to a particular offering of a series of Notes who later resell the Notes to purchasers. Such Agents may be deemed to be “underwriters” within the meaning of the securities legislation in each of the provinces of Canada.

If underwriters are used in the sale, the Notes will be acquired by the underwriters for their own account and may be resold from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale, at market prices prevailing at the time of sale or at prices related to such prevailing market prices. The obligations of the underwriters to purchase such Notes will be subject to certain conditions precedent, and the underwriters will be obligated to purchase all the Notes offered by the Pricing Supplement if any of such Notes are purchased.

Scotia Capital Inc., CIBC World Markets Inc., RBC Dominion Securities Inc. and TD Securities Inc. are each a subsidiary or affiliate of a Canadian chartered bank or other financial institution which is a member of the banking syndicate (the “**Lenders**”) that is lender to the Company and the Guarantor under a credit facility for up to US\$350 million in aggregate amount. Consequently, each of the Company and the Guarantor may be considered a “connected issuer” of Scotia Capital Inc., CIBC World Markets Inc., RBC Dominion Securities Inc. and TD Securities Inc. within the meaning of applicable securities legislation. As of the date of this Prospectus Supplement, each of the Company and the Guarantor is in compliance with the terms of its indebtedness to the Lenders.

The decision to issue the Notes and the determination of the terms of the distribution were made through negotiation between the Company and the Agents. The Lenders of which Scotia Capital Inc., CIBC World Markets Inc., RBC Dominion Securities Inc. and TD Securities Inc. are subsidiaries or affiliates did not have any involvement in such decision or determination. Scotia Capital Inc., CIBC World Markets Inc., RBC Dominion Securities Inc. and TD Securities Inc. will not receive any benefit in connection with an offering of Notes other than the applicable fees as set out in the applicable Pricing Supplement and payable by the Company.

Each series of Notes will be a new issue of securities with no established trading market. Unless otherwise specified in the applicable Pricing Supplement relating to a series of Notes, the Notes will not be listed on any securities or stock exchange. If the Notes are not listed on any securities or stock exchange, there will be no market through which the Notes may be sold and purchasers may not be able to resell Notes purchased hereunder. This may affect the pricing of the Notes in the secondary market, the transparency and availability of trading prices, the liquidity of the Notes and the extent of issuer regulation. See “Risk Factors”. Any Agents to or through whom Notes are sold by the Company for public offering and sale may make a market in the Notes, but such Agents will not be obligated to do so and may discontinue any market making at any time without notice. No assurance can be

given that a trading market in the Notes of any series will develop or as to the liquidity of any trading market for the Notes.

Pursuant to policy statements of certain Canadian securities regulators, the Agents may not, throughout the period of distribution, bid for or purchase Notes. The foregoing restriction is subject to certain exceptions, on the conditions that the bid or purchase not be engaged in for the purpose of creating actual or apparent active trading in, or raising the price of, the Notes.

Such exceptions include a bid or purchase permitted under applicable by-laws and rules of the relevant self regulatory authorities relating to market stabilization and passive market making activities and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution.

Pursuant to the first mentioned exception, the Agents may, with the consent of the Company prior to any Offering, when acting as agent or purchasing as principal, over-allot or effect transactions which stabilize or maintain the market price of the Notes at levels other than those that might otherwise prevail on the open market. Such transactions, if commenced, may be discontinued at any time.

The Notes to be issued pursuant to this Prospectus Supplement and any applicable Pricing Supplement have not been and will not be registered under the U.S. Securities Act or any state securities laws and may not be offered, sold or delivered, directly or indirectly, in the United States of America, its territories, its possessions and other areas subject to its jurisdiction or to, or for the account or benefit of, a U.S. person (as defined in Regulation S under the U.S. Securities Act) except in certain transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws.

ELIGIBILITY FOR INVESTMENT

In the opinion of Torys LLP and McCarthy Tétrault LLP, the Notes offered hereby, if issued on the date of this Prospectus Supplement, would be qualified investments under the *Income Tax Act* (Canada) for a trust governed by a registered retirement savings plan, a registered retirement income fund, a registered education savings plan or a deferred profit sharing plan, other than a deferred profit sharing plan for which the Company, or a corporation with which the Company does not deal at arm's length, is the employer.

LEGAL MATTERS

Legal matters in connection with the issuance of the Notes being offered hereby will be passed upon for the Company by Torys LLP and for the Agents by McCarthy Tétrault LLP. As at the date hereof, the partners and associates of Torys LLP, as a group, and McCarthy Tétrault LLP, as a group, beneficially own, directly or indirectly, less than one percent of the outstanding securities of the Company.

STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

AUDITORS' CONSENT

We have read the prospectus supplement dated October 27, 2006 to a short form base shelf prospectus of Brookfield Power Corporation ("BPC") dated September 28, 2006 relating to the issue and sale of up to \$450,000,000 aggregate principal amount of medium term notes of BPC which will be unconditionally guaranteed as to payment of principal, premium (if any) and interest by Brookfield Power Inc. ("BPI"). We have complied with Canadian generally accepted standards for auditors' involvement with offering documents.

We consent to the incorporation by reference in the above-mentioned prospectus of our report to the shareholder of BPC on the balance sheets of BPC as at December 31, 2005 and 2004 and the statements of deficit, operations and cash flows for the year ended December 31, 2005 and for the period from December 16, 2004 to December 31, 2004. Our report is dated February 9, 2006.

We consent to the incorporation by reference in the above-mentioned prospectus of our report to the shareholders of BPI on the consolidated balance sheets of BPI as at December 31, 2005 and 2004 and the consolidated statements income, (deficit) retained earnings, and cash flows for each of the years in the two year period ended December 31, 2005. Our report is dated March 3, 2006.

Toronto, Ontario
October 27, 2006

(Signed) **DELOITTE & TOUCHE LLP**
Chartered Accountants

AGENTS' CERTIFICATE

Dated: October 27, 2006

To the best of our knowledge, information and belief, the short form base shelf prospectus of Brookfield Power Corporation dated September 28, 2006, together with the documents incorporated in the short form base shelf prospectus by reference, as supplemented by the foregoing, will, as of the date of the last supplement to the prospectus relating to the securities offered by the prospectus and the supplement(s), constitute full, true and plain disclosure of all material facts relating to the securities offered by the short form base shelf prospectus and this supplement as required by the securities laws of all the provinces of Canada. For the purpose of the Province of Québec, to our knowledge, this simplified prospectus; together with documents incorporated herein by reference and as supplemented by the permanent information record, will contain no misrepresentation that is likely to affect the value or the market price of the securities to be distributed.

SCOTIA CAPITAL INC.

(signed) D. GREGORY LAWRENCE

CIBC WORLD MARKETS INC.

(signed) JOHN R. GOUINLOCK

RBC DOMINION SECURITIES INC.

(signed) TUSHAR KITTUR

TD SECURITIES INC.

(signed) WILLIAM PERDUE

BMO CAPITAL MARKETS INC.

(signed) JEFFREY P. WATCHORN

HSBC SECURITIES (CANADA) INC.

(signed) JEFFREY B. ALLSOP