

A copy of this preliminary short form prospectus has been filed with the securities regulatory authorities in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Nova Scotia and New Brunswick but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary short form prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the short form prospectus is obtained from the securities regulatory authorities.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. The securities to be offered 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 the securities laws of any state of the United States. Accordingly, these securities may not be offered or sold within the United States (as such term is defined in Regulation S under the U.S. Securities Act) except in accordance with the Agency Agreement (as defined herein) and pursuant to transactions exempt from registration under the U.S. Securities Act and under the securities laws of any applicable state. This short form prospectus does not constitute an offer to sell or a solicitation or an offer to buy any of these securities within the United States. See "Plan of Distribution."

Information has been incorporated by reference in this short form prospectus from documents filed with the securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Financial Officer of Enablenet Technologies Inc. at 400 March Road, Ottawa, Ontario K2K 3H4, Telephone: 1-613-270-7888 and are also available electronically at www.sedar.com.

PRELIMINARY SHORT FORM PROSPECTUS

New Issue

November 22, 2010



ENABLENCE TECHNOLOGIES INC.

Up to \$●

Up to ● Common Shares

This short form prospectus qualifies the distribution (the "Offering") of up to ● common shares ("Offered Shares") of Enablenet Technologies Inc. (the "Company" or "Enablenet") at a price of \$● per share (the "Offering Price"). The Offering Price was determined by negotiation between the Company and Paradigm Capital Inc. (the "Lead Agent") and TD Securities Inc., Raymond James Ltd. and Fraser Mackenzie Limited (together with the Lead Agent, the "Agents"). The Offered Shares will be issued and sold pursuant to the terms of an agency agreement (the "Agency Agreement") dated as of November ●, 2010 between the Company and the Agents.

The common shares of the Company (the "Common Shares") are listed and posted for trading on the TSX Venture Exchange (the "TSX-V") under the symbol "ENA". On November 19, 2010, the last trading day prior to the date hereof, the closing price of the Common Shares on the TSX-V was \$0.61. The Company has applied to list the Offered Shares on the TSX-V as well as the Common Shares issuable upon the exercise of the Compensation Options (defined below). Listing of the shares will be subject to fulfilling all of the requirements of the TSX-V.

	Price: \$● per Offered Share		Net Proceeds to the Company ⁽²⁾
	Price to the Public	Agents' Commission ⁽¹⁾	
Per Offered Share	\$●	\$●	\$●
Total ⁽³⁾	\$●	\$●	\$●

Notes:

- (1) The Agents will receive compensation options (the "Compensation Options") entitling the Agents to subscribe for that number of Common Shares equal to 4% of the aggregate number of Offered Shares sold under the Offering, including any Additional Common Shares (defined below) sold pursuant to the exercise of the Over-Allotment Option (defined below). Each Compensation Option is exercisable to purchase one Common Share at the Offering Price for a period of 24 months following the Closing Date (defined below). This short form prospectus also qualifies the distribution of the Compensation Options. See "Plan of Distribution".

- (2) After deducting the commission payable to the Agents equal to 6% of the aggregate proceeds of the Offering (the “Agents’ Commission”), but before deducting expenses of the Offering (including listing fees) estimated to be approximately \$200,000, which will be paid from the proceeds of the Offering.
- (3) The Company has granted to the Agents an option (the “Over-Allotment Option”) exercisable in whole or in part at any time for a period of 30 days following the Closing Date of the Offering, at the discretion of the Agents, enabling it to arrange for the purchase of that number of additional Common Shares (the “Additional Common Shares”) equal to the lesser of (i) 15% of the Offered Shares issued pursuant to the Offering, namely, ● Common Shares, and (ii) the Agents’ over-allocation position, at the Offering Price per Additional Common Share to cover over-allotments, if any, and for market stabilization purposes. If the Over-Allotment Option is exercised in full, the price to the public, the Agents’ Commission and the net proceeds to the Company will be approximately \$●, \$● and \$●, respectively. This short form prospectus also qualifies the grant of the Over-Allotment Option and the distribution of the Additional Common Shares. References to Offered Shares shall include the Additional Common Shares, if any. See “Plan of Distribution”.

The price of the Offered Shares under this short form prospectus was determined by negotiation between the Company and the Agents. The Agents conditionally offer the Offered Shares on a best efforts basis and, subject to prior sale, if, as and when issued by the Company and delivered and accepted by the Agents in accordance with the conditions contained in the Agency Agreement referred to under the “Plan of Distribution”. Certain legal matters relating to the Offered Shares will be passed upon by Fasken Martineau DuMoulin LLP, on behalf of the Company, and by Wildeboer Dellelce LLP, on behalf of the Agents.

A purchaser who acquires Offered Shares forming part of the Agents’ over-allocation position acquires such Offered Shares under this short form prospectus regardless of whether the Agents’ over-allocation position is separately filled through the exercise of the Over-Allotment Option or secondary market purchases. See “Plan of Distribution”.

Subscriptions for the Offered Shares will be received by the Agent subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. Other than Offered Shares sold in the United States or to U.S. persons (as defined in Regulation S under the U.S. Securities Act), which will be represented by individual certificates, one or more book entry-only certificates representing the Offered Shares will be issued in registered form to CDS Clearing and Depository Services Inc. (“CDS”) or its nominee and deposited with CDS on the date of the closing of the Offering (the “Closing Date”), which is expected to take place on or about December ●, 2010 or on such other date as may be agreed upon by the Company and the Agents. A purchaser of Offered Shares (other than a purchaser of Offered Shares in the United States or a U.S. person) will receive only a customer confirmation from the registered dealer through which the Offered Shares are purchased. See “Plan of Distribution”.

Subject to applicable laws, the Agents may, in connection with the Offering, effect transactions which stabilize or maintain the market price of the Common Shares at levels other than those which might otherwise prevail on the open market. Such transactions, if commenced, may be discontinued at any time. See “Plan of Distribution”.

An investment in the Offered Shares involves a high degree of risk. An investment in the Offered Shares should be considered speculative due to various factors, including the nature of the Company’s business. An investment in the Offered Shares should only be made by persons who can afford the total loss of their investment. See “Note Regarding Forward-Looking Statements” and “Risk Factors”.

Agents’ Position	Maximum Size or Number of Securities Held	Exercise Period	Exercise Price
Over-Allotment Option	●	30 days from the Closing Date	Offering Price
Compensation Options ⁽¹⁾	●	24 months from Closing Date	Offering Price
Total Securities under Option	●		

Notes:

(1) Assuming exercise in full of the Over-Allotment Option.

The head and registered office of the Company is 400 March Road, Ottawa, Ontario K2K 3H4.

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DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar regulatory authorities in Canada. Copies of the documents incorporated by reference herein may be obtained on request without charge from the Chief Financial Officer of the Company at 400 March Road, Ottawa, Ontario K2K 3H4, Telephone: 1-613-270-7888. A copy of the permanent information record may be obtained from the Chief Financial Officer of the Company at the above-mentioned address and telephone number. These documents are also available through the internet on the System for Electronic Document Analysis and Retrieval ("SEDAR") which can be accessed at www.sedar.com.

The following documents filed with the securities commissions or similar regulatory authorities in each of the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Nova Scotia and New Brunswick are specifically incorporated by reference in, and form an integral part of, this short form prospectus, provided that such documents are not incorporated by reference to the extent that their contents are modified or superseded by a statement contained in this short form prospectus or in any other subsequently filed document that is also incorporated by reference in this short form prospectus:

- (a) the annual information form of the Company for the year ended April 30, 2010 dated August 26, 2010 (the "AIF");
- (b) the management proxy circular of the Company dated September 17, 2010 relating to the annual and special meeting of shareholders of the Company held on October 28, 2010;
- (c) the audited consolidated financial statements of the Company as at and for the years ended April 30, 2010 and April 30, 2009 together with the notes thereto and the auditors' report thereon;
- (d) management's discussion and analysis of financial condition and results of operations of the Company for the year ended April 30, 2010;
- (e) the unaudited consolidated financial statements of the Company for the three and five month periods ended September 30, 2010 and three and six month periods ended October 31, 2009, together with the notes thereto;
- (f) management's discussion and analysis of financial condition and results of operations of the Company for the three and five month periods ended September 30, 2010;
- (g) the business acquisition report of the Company dated September 14, 2010 relating to the acquisition of Teledata Networks Ltd.; and
- (h) the following material change reports dated:
 - (i) January 6, 2010 in respect of the appointment of Tim Thorsteinson as President and Chief Operating Officer of the Company;
 - (ii) February 5, 2010 in respect of the completion by the Company of a public offering of an aggregate of 71,875,000 Common Shares;
 - (iii) April 9, 2010 in respect of the appointment of Tim Thorsteinson as CEO of the Company and Arvind Chhatbar retaining the position of Chairman of the Board of Directors;
 - (iv) April 23, 2010 in respect of the signing of a definitive merger agreement to acquire Teledata Networks Ltd.;
 - (v) June 25, 2010 in respect of the completion of the merger with Teledata Networks Ltd.;

- (vi) July 20, 2010 in respect of the finalization of a US\$5,000,000 note payable with a California chartered bank to restructure the Company's debt facility; and
- (vii) September 28, 2010 in respect of the appointment of David Toews as Chief Financial Officer of the Company replacing Ron Benn.

Any documents of the type referred to above (except confidential material change reports) filed by the Company with the various securities commissions or similar regulatory authorities in the provinces of Canada subsequent to the date of this short form prospectus and prior to the termination of the Offering shall be deemed to be incorporated by reference into this short form prospectus.

Any statement contained in this short form prospectus or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded, for purposes of this short form prospectus, to the extent that a statement contained herein or in any other subsequently filed document which also is, or is deemed to be, incorporated by reference herein modifies or supersedes such 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. Any statement so modified or superseded shall not constitute a part of this short form prospectus, except as so modified or superseded. Information on the website maintained by the Company does not constitute a part of this short form prospectus.

CURRENCY AND EXCHANGE RATES

Unless otherwise specifically stated herein, all references to "\$" and "dollars" are to Canadian currency. References to "US\$" are to United States dollars.

The following table sets out the exchange rates for currencies expressed in terms of equivalent Canadian dollars for one U.S. dollar in effect at the end of the following periods, and the average exchange rates:

**Three months ended
September 30**

	Canadian Dollars			
	<u>High</u>	<u>Low</u>	<u>Average</u>	<u>End of Period</u>
2010	1.04001	1.01080	1.04001	1.02940
2009	1.17230	1.05900	1.09988	1.08610

**Nine months ended
September 30**

	Canadian Dollars			
	<u>High</u>	<u>Low</u>	<u>Average</u>	<u>End of Period</u>
2010	1.08460	0.99280	1.03655	1.02940

**Years ended
December 31**

	Canadian Dollars			
	<u>High</u>	<u>Low</u>	<u>Average</u>	<u>End of Period</u>
2009	1.30630	1.02060	1.14172	1.04940
2008	1.30130	0.97090	1.06669	1.22280
2007	1.18730	0.90570	1.07440	0.98200

Exchange rates are the interbank foreign exchange rates for the appropriate period as quoted by OANDA Corporation ("OANDA") on its website at www.oanda.com. On November 19, 2010, the exchange rate quoted on OANDA for one United States dollar expressed in Canadian dollars was US\$1.00 = \$1.02010.

FORWARD LOOKING STATEMENTS

This short form prospectus and the documents incorporated by reference herein contain “forward-looking information” concerning anticipated developments and events which the Company has a reasonable basis to believe may occur in the future. These forward-looking statements are made as of the date of this short form prospectus or, in the case of documents incorporated by reference herein, as of the date of such documents. These forward-looking statements may concern anticipated developments in the Company’s operations in future periods, product developments, the adequacy of the Company’s financial resources and other events or conditions that may occur in the future. Forward-looking statements are frequently, but not always, identified by words such as “expects”, “expectation”, “anticipates”, “believes”, “intends”, “estimates”, “predicts”, “potential”, “targeted”, “plans”, “possible” and similar expressions, or statements that events, conditions or results “will”, “may”, “could” or “should” occur or be achieved. These forward-looking statements include, without limitation, statements about the Company’s market opportunities, strategies, competition, expected activities and expenditures as the Company pursues its business plan, the adequacy of the Company’s available cash resources and other statements about future events, conditions or results. Forward-looking statements are statements about the future and are inherently uncertain, and actual results of the Company or other future events or conditions may differ materially from those reflected in the forward-looking statements due to a variety of risks, uncertainties and other factors, such as the significant future capital requirements of the Company and the need for significant additional financing, fluctuations in quarterly and annual operating results, gross margins, customer spending patterns, sales cycles, dependence on third party suppliers and contract manufacturers, managing growth and integration, the current global economic conditions, spending patterns and new orders from customers, the competitive market and well financed competitors, the Company’s history of negative cash flow, product demand and new services, rapidly changing markets, product development and technological change, business combinations and restructuring of service providers, consolidation of manufacturing operations, manufacturing requirements and inventory, undetected product defects, payment defaults by the Company’s customers, international operations and expansion, retention of key and qualified personnel, future acquisitions, share price volatility, regulatory inquiries, protection of intellectual property rights and potential related litigation, accounting and tax rule changes, and significant number of common shares owned by a limited number of existing shareholders, including, without limitation, those referred to and incorporated by reference in this short form prospectus under the heading “Risk Factors”. Although the Company has attempted to identify important factors (which it believes are reasonable) that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, investors should not place undue reliance on forward-looking statements. Such statements are based on a number of assumptions which may prove to be incorrect, including but not limited to assumptions about: general business and current global economic conditions, interest rates and foreign exchange rates, market competition, the availability of financing, changes to tax rates and benefits, the Company’s costs of production and operations as well as those of the Company’s competitors, the Company’s ability to attract and retain skilled employees, and the Company’s ongoing relations with its suppliers and business partners. Other than as specifically required by law, the Company undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made, or to reflect the occurrence of unanticipated events, whether as a result of new information, future events or results or otherwise.

ELIGIBILITY FOR INVESTMENT

In the opinion of Fasken Martineau DuMoulin LLP, counsel for the Company, and Wildeboer Dellelce LLP, counsel for the Agents, provided that, on the date hereof, the Offered Shares are listed on a designated stock exchange (which includes the TSX-V) or the Company is a “public corporation” within the meaning of the *Income Tax Act* (Canada) (the “Tax Act”), the Offered Shares will, on the date of issue, be qualified investments under the current provisions of the Tax Act and the regulations thereunder for trusts governed by registered retirement savings plans, registered education savings plans, registered retirement income funds, registered disability savings plans, deferred profit sharing plans and tax-free savings accounts (“TFSA”), all within the meaning of the Tax Act.

Notwithstanding the foregoing, if the Offered Shares are a “prohibited investment” (within the meaning of the Tax Act) for a particular TFSA, the holder will be subject to penalty taxes under the Tax Act. The Offered Shares will be a “prohibited investment” for a TFSA if the holder has a “significant interest” (within the meaning of the Tax Act)

in, or does not deal at arm's length with, the Company for purposes of the Tax Act, or if the holder has a "significant interest" in a corporation, partnership or trust with which the Company does not deal at arm's length for the purposes of the Tax Act.

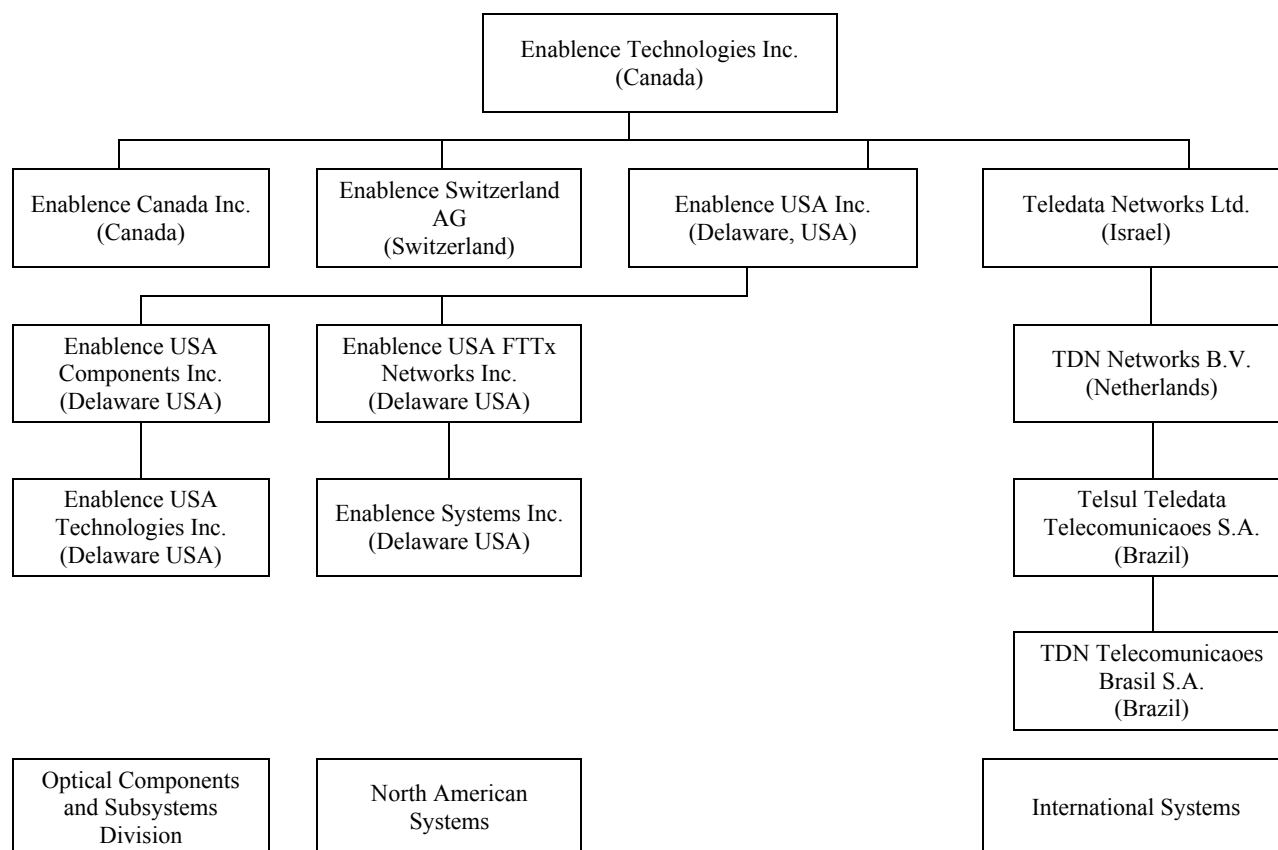
THE COMPANY

The Company is a corporation continued under the *Canada Business Corporations Act*. The head and registered office of the Company is at 400 March Road, Ottawa, Ontario K2K 3H4, telephone: 1-613-270-7888.

On May 15, 2006, Pacific Northwest Partners Limited entered into a share exchange agreement with Enablence Inc. and certain shareholders of Enablence Inc. pursuant to which Pacific Northwest Partners Limited acquired all the issued and outstanding securities of Enablence Inc. On July 21, 2006, Pacific Northwest Partners Limited completed a reverse take over transaction of Enablence Inc. (the "RTO"). Subsequent to the completion of the RTO, articles of continuance were filed whereby Pacific Northwest Partners Limited was continued under the *Canada Business Corporations Act* and the name of the Company was changed to Enablence Technologies Inc.

Intercorporate Relationships

As of November 22, 2010, the Company had 11 subsidiaries. All the Company's subsidiaries are wholly-owned either directly or indirectly. Set out below are the jurisdiction in which they are incorporated and organized.



As used in this short form prospectus, unless the context otherwise requires, references to the "Company" or "Enablence" mean Enablence Technologies Inc. and its subsidiaries.

GENERAL DEVELOPMENT BUSINESS OF ENABLENCE

History

Acquisitions

On February 7, 2008, the Company completed the acquisition of ANDevices, Inc. (“ANDevices”, now Enablence USA Components Inc.) whereby the Company acquired all the shares of ANDevices for a cash consideration of US\$13,500,000 and the issuance of 9,085,113 Common Shares. The operations of ANDevices are an integral part of the Components Division of the Company.

On May 5, 2008, the Company completed the acquisition of Wave7 Optics, Inc. (“Wave7”, now Enablence USA FTTx Networks Inc.) pursuant to which Enablence acquired all the shares of Wave7 for a cash consideration of US\$10,500,000 and the issuance of 2,078,385 Common Shares. Wave7 is an integral part, along with the operations of Pannaway Technologies Inc. and Teledata (see below) of the Systems Division of the Company.

On July 31, 2008, the Company and its wholly-owned subsidiary, Enablence Technologies USA Inc., completed an asset acquisition from DuPont Photonics and its parent, E.I. DuPont de Nemours and Company (“DuPont”) to acquire certain assets of DuPont Photonics. The consideration was the issuance of 6,847,638 Common Shares and an investment by DuPont of US\$5,000,000 in Enablence.

On November 18, 2008, the Company completed the acquisition of Pannaway Technologies Incorporated (“Pannaway”, now Enablence Systems Inc.) for cash consideration of US\$200,000, the issuance of 20,250,000 Common Shares to Pannaway shareholders, and the issuance of 5,500,000 Common Shares to a Pannaway debt holder in respect of the cancellation of certain Pannaway debt at a price of \$0.30 per common share. The Company also issued 10 year convertible notes in the aggregate of US\$3,000,000 bearing interest of 5% per annum to four Pannaway debtholders. The Pannaway operations are an integral part of the Systems Division, along with the Wave7 operations.

On June 23, 2010, the Company completed the acquisition of all the shares of Teledata Networks Ltd. (“Teledata”), a high speed broadband provider based in Tel Aviv, Israel. In consideration of the acquisition, the Company paid US\$10,000,000 in cash consideration, issued US\$10,000,000 of subordinated secured, 5%, two year promissory notes and issued 54,932,143 Common Shares, to the shareholders of Teledata.

Corporate

On September 22, 2010, the Company announced the appointment of David Toews as Chief Financial Officer of the Company replacing Ron Benn who resigned at the end of October 2010.

BUSINESS OF ENABLENCE

Enablence is a vertically integrated business, which utilizes its innovations in the production of an array of optical components and broadband equipment that address the long-haul, metro loop and access markets. Enablence is organized into two divisions, the Optical Components and Subsystems division, and, the Systems division.

The Optical Components and Subsystems division has a broad portfolio of products using planar lightwave circuit (“PLC”) technology that allows the Company to supply high value-added products to its customers. The Systems division provides a complete broadband system solution to allow for increased broadband deployments worldwide using Enablence’s products.

Enablence Optical Components and Subsystems Division

The core competencies of the Optical Components and Subsystems division are:

- an experienced sales team that has developed relationships with many Tier 1 customers;

- design and integration of PLC-based optical components, subsystems and custom integrated solutions, an activity led by the product innovation team in Ottawa, Canada;
- design and production of PLC-based arrayed waveguide grating devices (“WGD”), using the Company’s silica-on-silicon fabrication facilities in Fremont, California;
- design and production of proprietary PLC-based tunable and reconfigurable optical add drop multiplexer (“ROADMs”) using silica-on-silicon technology from the Company’s Fremont, California operations and polymer PLC from the technology acquired from DuPont Photonics in July 2008; and
- design and production of advanced photodetectors using gallium arsenide and indium phosphide from its fabrication facility near Zurich, Switzerland.

With these capabilities within the Optical Components and Subsystem division, Enablence is one of the few companies that are able to make telecom commercial products with silica-on-silicon, polymer and indium phosphide PLC technologies. Enablence’s PLC optical chip technology enables the integration of sub-components (waveguides, photodetectors, lasers and transimpedance amplifiers) onto one platform to produce next generation high speed (100Gbps and beyond) devices.

Enablence’s core technology is portable to numerous markets including long-haul and metro area fibre optic networks that require filtering technology to separate and multiplex various optical signals. The chip-based integration capabilities of the Enablence platform technology makes it also suitable for an array of biomedical and aerospace applications, instrumentation, and sensor systems which are experiencing growing demand due in part to infrastructure projects worldwide.

Enablence Systems Division

The core competencies of the Systems division are:

- a broad offering in the industry (ADSL2+, VDSL2, EPON, GPON and Active Point to Point);
- multi-service Access Platforms built around a high performance architecture, which are designed to accommodate next generation 10Gbps access technologies;
- 28 years of experience delivering field-proven access solutions to an installed base in over 55 countries enabling a smooth migration path to next generation networks;
- an experienced global sales team with a history of success in selling high speed broadband solutions in established and emerging markets that has achieved an impressive record of wins in Europe, Asia and North and South America;
- an innovator with more than 40 patents issued, with additional patents pending; and
- leadership in the relevant standards bodies with strong industry affiliations (IEEE, FSAN, FTTH Council, SCTE, Cablelabs etc.)

The Systems division has installed broadband solutions with over 400 customers, worldwide including telco, MSO (cable), municipal power and real estate (smart buildings). With a broad array of access platforms, the Systems division is able to deliver its solutions to any geography for virtually any broadband infrastructure application. Whether the customers are trying to maximize their investment in their copper infrastructure or building a new state of the art FTTx network, the Systems Division can provide a solution. Using a common architecture across its product portfolio and sharing common hardware and software building blocks, the Company can efficiently service a large customer base across a worldwide market.

The Company uses contract manufacturers worldwide, including those in the United States, China, Taiwan and Israel to assist in the production of its various product lines. Management continues to assess these relationships to ensure that the arrangements and agreements are cost effective and meet the on-going needs and requirements consistent with market and competitive circumstances.

As of September 30, 2010, the Company had 358 employees as compared to 219 employees as of April 30, 2010, of which 132 employees are employed in the Optical Components and Subsystems Division, 216 employees are employed in the Systems Division which includes 119 employees based in Israel, and 10 employees are employed at the Company’s office headquarters in Ottawa and Toronto, Ontario.

Growth Strategy

The Company believes the markets in which it participates are growing and are expected to continue to grow.

The Company's initiatives to drive revenue growth include:

- strengthening the North American sales team;
- leveraging Teledata's BroadAccess products in the North American market;
- leveraging the sale of Trident 7 optical products into Teledata's markets; and
- targeting opportunities that will allow the Company to enter new and growing markets.

A number of product developments are planned for 2011 fiscal year, including:

- integration of VDSL capability across the Company's product offering;
- integration of the Company's optical capability across the Company's product offering;
- integration of multi-channel traffic management tools into the Company's Optical Line Terminal's ("OLT"), to offer a higher value solution to the high speed broadband access markets; and
- development of multi-channel 100Gbps optical components, aimed at the long haul and metro loop optical fibre markets.

These development programs are expected to be funded by a combination of third party funded design contracts and internal resources.

CONSOLIDATED CAPITALIZATION

The following table sets forth the consolidated capitalization of the Company as at the dates indicated, and as adjusted to give effect to the issue of the Offered Shares under the Offering, but not the exercise of the Over-Allotment Option or the Compensation Options. This table should be read in conjunction with the Company's audited consolidated financial statements for the fiscal year ended April 30, 2010, together with the notes thereto and the Company's unaudited consolidated interim financial statements for the three and five month periods ended September 30, 2010 together with the notes thereto, incorporated by reference in this short form prospectus. Except as set forth below, there have been no material changes in the share and loan capital of the Company since April 30, 2010. All amounts are in thousands of Canadian dollars and shares except for per share data and except as otherwise stated.

	As at September 30, 2010 (Actual) (000s)	As at April 30, 2010 ⁽⁴⁾ (Actual) (000s)	As at September 30, 2010 After Giving Effect to the Offering ⁽¹⁾ ^{(2) (3)} (As Adjusted) (000s)
Note payable ^{(5) (6)}	\$15,435	\$2,095	\$15,435
Convertible note ⁽⁴⁾	\$3,087	\$3,047	\$3,087
Common Shares	\$202,231 (384,428 Common Shares)	\$170,269 (327,174 Common Shares)	\$● (● Common Shares)
Contributed surplus	\$10,355	\$10,399	\$●
Cumulative other comprehensive income (loss)	\$4,226	\$3,898	\$●
Deficit	\$(144,498)	\$(131,802)	\$(144,498)
Total Shareholders' Equity	\$72,314	\$52,764	\$●
Stock options outstanding	30,847	19,213	30,847
Warrants outstanding	2,605	3,977	2,605

Notes:

- (1) Assuming the issue of ● Offered Shares under the Offering and the Over-Allotment Option, after deduction of the Agents' Commission and estimated expenses for the Offering, the net proceeds of the Offering to the Company will be approximately \$●. Assuming the issue of ● Offered Shares under the Offering, the exercise of the Over-Allotment Option in full, and the issuance of ● Common Shares pursuant to the exercise of options on ●, 2010, the outstanding Common Shares would be ● Common Shares.
- (2) After deduction of the Agents' Commission and the estimated expenses of the Offering.
- (3) Pursuant to the Agency Agreement, the Agents will be issued Compensation Options entitling the Agents to subscribe for that number of Common Shares equal to 4% of the aggregate number of Offered Shares sold under the Offering, including any Additional Common Shares sold pursuant to the exercise of the Over-Allotment Option. The Common Shares issuable upon the exercise of the Compensation Options are not included in the table.
- (4) On November 19, 2008, as part of the acquisition of Pannaway Technologies Inc., the Company issued 10-year convertible notes in the aggregate of US\$3.0 million, bearing interest at 5% per annum, to four debtholders. The notes are convertible, at the option of the holder, from the third anniversary until the fifth anniversary of the date of issuance, or in the event of a default, at a conversion price equal to the greater of (i) the closing market price on the last trading day prior to the date of the conversion notice, and (ii)(A) the conversion price of US\$0.317 (CAD\$0.365) in the first two years, (B) US\$0.349 (CAD\$0.402) in the third year, (C) US\$0.384 (CAD\$0.442) in the fourth year, and (D) US\$0.422 (CAD\$0.486) in the fifth year. The maximum number of Common Shares issuable by the Company pursuant to the convertible notes is 9,463,722 Common Shares, which Common Shares are not included in the Common Share totals noted above.
- (5) On July 16, 2010, a note payable, in the principal amount of US\$1,879,000 was repaid from the proceeds of a new US\$5,000,000 note payable with a different lending institution. This US\$5,000,000 note payable matures on July 20, 2013 and bears interest at 1.5% over the prime rate published in the Wall Street Journal. The note is repayable as to interest only for the first six months, then monthly payments of US\$181,000 per month for interest and principal thereafter. The note is secured by the assets of one of the Company's subsidiaries and is subject to certain financial performance and asset coverage covenants of such subsidiary.
- (6) On June 23, 2010, the Company acquired Teledata. As part of the consideration of the acquisition, the Company issued subordinated secured 5% notes payable in the aggregate principal amount of \$10,384,000 (US\$10,000,000) with a maturity date of June 23, 2012.

DESCRIPTION OF SHARE CAPITAL

The authorized capital of the Company consists of an unlimited number of Common Shares and an unlimited number of preferred shares, issuable in series. As of November 19, 2010, there were 384,446,394 Common Shares and no preferred shares issued and outstanding.

The holders of Common Shares are entitled to receive notice of and to attend all annual and special meetings of the Company's shareholders and to one vote in respect of each common share held at all such meetings. The holders of Common Shares are entitled, at the discretion of the Board of Directors, to receive out of any or all of the Company's profits or surplus properly available for the payment of dividends, any dividend declared by the Board of Directors and payable by the Company on the Common Shares. The holders of the Common Shares will participate rateably in any distribution of the assets of the Company upon liquidation, dissolution or winding-up or other distribution of the assets of the Company. Such participation will be subject to the rights, privileges, restrictions and conditions attached to any of the Company's securities issued and outstanding at such time ranking in priority to the Common Shares upon the liquidation, dissolution or winding-up of the Company.

The Board of Directors has the authority to issue an unlimited number of preferred shares, issuable in series, and to determine prior to any such issuance the price, rights, preferences, privileges and restrictions, including voting rights, of those shares without any further vote or action by the shareholders. Preferred shares may, at the discretion of the Board of Directors, be entitled to preference over the Common Shares and any other shares ranking junior to the preferred shares with respect to the payment of dividends and distribution of assets in the event of liquidation, dissolution or winding up. If any cumulative dividends or amounts payable on a return of capital are not paid in full, preferred shares of all issued series would participate rateably in accordance with the amounts that would be payable on such shares if all such dividends were declared and paid in full or the sums which would be payable on such shares on the return of capital if all amounts so payable were paid in full, as the case may be. The Company has no plans at present to issue preferred shares.

PRIOR SALES

The following tables summarize the Common Shares or securities convertible into, or exercisable to acquire, Common Shares that have been issued by the Company during the 12 months prior to the date of this short form prospectus:

Common Shares issued:

<u>Date</u>	<u>Price Per Common Share (\$)</u>	<u>Number of Common Shares Issued</u>
February 4, 2010	\$0.37	71,875,000 ⁽¹⁾
March 9, 2010	\$0.30	75,000 ⁽²⁾
April 9, 2010	\$0.30	234,775 ⁽³⁾
April 14, 2010	\$0.40	287,500 ⁽³⁾
April 30, 2010	\$0.30	10,000 ⁽³⁾
May 5, 2010	\$0.30	73,912 ⁽³⁾
May 25, 2010	\$0.30	3,750 ⁽²⁾
June 2, 2010	\$0.37	945,946 ⁽²⁾
June 23, 2010	\$0.56	54,932,143 ⁽⁴⁾
July 16, 2010	\$0.30	1,288,000 ⁽³⁾
September 23, 2010	\$0.30	10,000 ⁽³⁾
October 21, 2010	\$0.30	14,563 ⁽³⁾
November 10, 2010	\$0.30	3,000 ⁽³⁾

Notes:

- (1) On February 4, 2010, the Company closed a public offering of an aggregate of 71,875,000 common shares at a price of \$0.40 per share for gross proceeds of \$28,750,000 (net proceeds of \$26,771,810). As partial compensation for the financing transaction 2,875,000 broker warrants of the Company were issued.
- (2) Common Shares issued upon the exercise of options.
- (3) Common Shares issued upon the exercise of warrants.
- (4) Common Shares issued upon the acquisition of Teledata. In consideration of acquisition, the Company paid US\$10 million in cash, issued US\$10 million of subordinated secured, 5%, two year promissory notes and 54,932,143 Common Shares to the shareholders of Teledata.

Warrants issued:

<u>Date</u>	<u>Exercise Price (\$)</u>	<u>Number of Warrants Granted</u>
February 4, 2010	\$0.40	2,875,000

Options Granted

<u>Date</u>	<u>Exercise Price (\$)</u>	<u>Number of Stock Options Granted</u>
December 22, 2009	\$0.50	1,550,000
December 30, 2009	\$0.49	1,000,000
April 20, 2010	\$0.72	1,500,000
September 10, 2010	\$0.60	13,215,000

MARKET FOR SECURITIES OF THE COMPANY

The Common Shares are listed and posted for trading on the TSX-V under the trading symbol “ENA”. The following table sets forth the price range per share and trading volume for the Common Shares since November 2009:

	Common Shares		
	Volume	High (\$)	Low (\$)
2009			
November	4,112,211	0.275	0.225
December	13,392,303	0.220	0.710
2010			
January	16,631,638	0.500	0.400
February	8,690,263	0.580	0.390
March	10,431,102	0.660	0.530
April	13,768,713	0.770	0.520
May	6,011,402	0.650	0.410
June	5,259,629	0.580	0.520
July	7,784,172	0.710	0.500
August	3,528,267	0.600	0.540
September	20,237,573	0.630	0.550
October	5,411,481	0.750	0.600
November 1 to 19, inclusive ⁽¹⁾	3,915,856	0.700	0.560

Notes:

(1) November 19, 2010 was the last trading day prior to the date hereof.

USE OF PROCEEDS

The estimated net proceeds to the Company of the Offering will be approximately \$●, after deducting the Agents’ Commission and estimated expenses of the Offering of approximately \$200,000 assuming that the Agents do not exercise the Over-Allotment Option. If the Over-Allotment Option is exercised in full, the estimated net proceeds of the Offering to the Company will be approximately \$●, after deducting Agents’ Commission and estimated expenses of the Offering.

The addition of the net proceeds of the Offering will strengthen the Company’s balance sheet and better position the Company to execute its growth strategy. Management has noted that some of its customers have stated that they prefer that their suppliers demonstrate financial strength with larger cash, cash equivalent and short-term investment balances to provide the customers with the confidence in the security of supply and product support. Accordingly, a portion of the proceeds may remain invested in cash equivalents, short-term, interest-bearing investments or bankers’ acceptances with Schedule A Canadian banks or their wholly-owned subsidiaries, and in Government of Canada short-term treasury notes (in accordance with the Company’s investment policy) for an unspecified period of time in order to provide the Company’s customers with the confidence they seek in the financial strength of their suppliers. See “Risk Factors – Competitive Pressures”.

It is anticipated that approximately 60% of the net proceeds of the Offering will be used for working capital and general corporate purposes which may include supply chain improvements, targeted sales and marketing expenditures and expansion of product lines. It is anticipated that approximately 40% of the net proceeds of the Offering will be used for targeted growth initiatives, including funding international expansion of sales, marketing and manufacturing capabilities, continued gross margin expansion and new product introduction through research and development activities. Management believes that each of these activities will assist the Company in enhancing its competitive edge and product offering. There are no definitive plans for the expenditure of these funds as of the

date of this short form prospectus. Accordingly, all allocations will be at the sole discretion of the management of the Company. See “Risk Factors – Unallocated Proceeds of the Offering”.

While the Company intends to use the net proceeds as stated above, there may be circumstances where a reallocation of funds may be advisable for business reasons that management believes are in the best interests of the Company. There are no definitive plans for the expenditure of these funds as of the date of this short form prospectus. Accordingly, all allocations will be at the sole discretion of the management of the Company. See “Risk Factors – Unallocated Proceeds of the Offering”.

The Company has an investment policy setting out the guidelines for investment which require the Company to consider, in order, safety, liquidity and yield and provides a list of eligible investments with a credit rating of a minimum of R1 by Dominion Bond Rating Service, A1 by Standard & Poor or P1 by Moody Corporation. Any unallocated proceeds of the Offering will be invested in accordance with the investment policy.

DIRECTORS AND OFFICERS

Set out below are the names, committee memberships (as at the date hereof), municipalities of residence, principal occupations and periods of service of the directors and executive officers of the Company.

Name and Municipality of Residence	Current Position as a Director or as an Officer	Director Since	Principal Occupation During Past Five Years	No. of Fully Diluted common shares (common shares and options) owned directly or indirectly at November 22, 2010
Arvind Chhatbar ⁽³⁾⁽⁴⁾ Ottawa, Ontario	Director, Chair of the Board of Directors	July 24, 2006	Chair of the Board of Directors from July 2006 to present; CEO, Enablence from July 2006 to April 2010; President and CEO, Enablence Inc. from December 2003 to July 2006; Director, Regional Innovation Centre, and other various positions at the National Research Council of Canada, from August 1987 to February 2005.	15,550,603 fully diluted common shares (includes 11,824,549 common shares and 3,726,054 options)
John J. Ryan, III ⁽¹⁾ West Palm Beach, Florida	Director	July 24, 2006	President, CISA Trust Company (Switzerland) – Investment Advisory Services from January 2000 to September 2004; Director and Chairman of Audit Committee, Evergreen Resources Inc. from January 2000 to September 2004	5,490,390 fully diluted common shares (includes 4,840,390 common shares and 650,000 options)
Nishith Goel ⁽¹⁾⁽²⁾ Ottawa, Ontario	Director	February 1, 2007	President, Cistel Technology Inc. from June 1995 to present	100,000 fully diluted common shares (includes nil common shares and 100,000 options)
Stephan Guerin ⁽²⁾ co-resident France and Thailand	Director, Chair of the Compensation Committee	January 9, 2007	Managing Director, Onslow Consulting Ltd. from December 1998 to present	100,000 fully diluted common shares (includes nil common shares and 100,000 options)
R. Stephen Bower ⁽¹⁾ North York, Ontario	Director, Chair of the Audit Committee	August 27, 2008	CFO of The Consumers’ Waterheater Income Fund from 2007 to September 2010; CFO and acting CFO of Wi-LAN (TSX: WIN) from 2006 to 2007; CFO of SiGe Semiconductor from 1999 to 2005.	145,833 fully diluted common shares (includes 45,833 common shares and 100,000 options)

Name and Municipality of Residence	Current Position as a Director or as an Officer	Director Since	Principal Occupation During Past Five Years	No. of Fully Diluted common shares (common shares and options) owned directly or indirectly at November 22, 2010
Tim Thorsteinson ⁽²⁾⁽³⁾⁽⁴⁾ Toronto, Ontario	Director, Chief Executive Officer	November 6, 2009	CEO, Enablence from April 15, 2010 to present; President and COO, Enablence from December 30, 2009 to April 15, 2010; President of the Broadcast Division of Harris Corporation from April 2006 to October 2009; President and CEO of Leitch Technology Corporation from November 2003 to April 2006.	2,500,000 fully diluted common shares (includes nil common shares and 2,500,000 options)
David Toews, Toronto, Ontario	Chief Financial Officer		CFO of Enablence from September 22, 2010 to present; VP and Controller for the Broadcast Division of Harris Corporation from October 2005 to September 2010. CFO of Leitch Technology Corporation from February 2004 to October 2005, and VP Finance for Leitch from December 2000 to February 2004.	735,000 fully diluted shares (includes 35,000 common shares and 700,000 options)
Jacob Sun Fremont, California	President, Components and Subsystems Division		President, Components and Subsystems Division since the acquisition of ANDevices in February 2008. Previously, President and CEO of ANDevices from 2003 to 2008.	1,260,000 fully diluted shares (including nil common shares and 1,260,000 options)

Notes:

- (1) Member of the Audit Committee.
- (2) Member of the Compensation Committee.
- (3) Arvind Chhatbar ceased to be a member of the Compensation Committee on April 15, 2010. Mr. Thorsteinson became a member of the Compensation Committee on April 15, 2010.
- (4) Arvind Chhatbar ceased to be the Chief Executive Officer on April 15, 2010. Mr. Thorsteinson became the Chief Executive Officer on April 15, 2010.

The term of office for each director is from the date of the meeting at which he or she is elected until the next annual meeting of shareholders of the Corporation or until his or her successor is elected or appointed, unless his or her office is vacated before that time in accordance with the by-laws of the Corporation.

The following sets out additional information with respect to the education, experience and employment history of each of the directors and officers referred to above during the past five years.

Tim Thorsteinson
Director and Chief Executive Officer

Tim Thorsteinson was appointed a director of the Corporation in November 2009, as the President and Chief Operating Officer of the Corporation on December 30, 2009, and as the Chief Executive Officer on April 15, 2010. From April 2006 to October 2009, Mr. Thorsteinson was the President of the Broadcast Division of Harris Corporation where he also served as a Harris Corporate Officer and member of the Harris Executive Committee. Prior to joining Harris Corporation, from November 2003 to April 2006, Mr. Thorsteinson was the President and CEO of Leitch Technology where he helped to turnaround and restructure Leitch Technology. Mr. Thorsteinson also held several senior and executive management positions at Thomson Broadcast & Media Solutions, the Grass Valley Group and the video and networking division at Tektronix.

R. Stephen Bower, FCA, ICD.D
Director and Chair of the Audit Committee

Steve Bower is a Chartered Accountant and was Chief Financial Officer of The Consumers' Waterheater Income Fund (TSX: CWI.UN) through September 2010, where he supported the CEO in completing a number of acquisitions and supported a successful \$50 million financing and a refinancing of \$570 million in publicly-traded debt. Previously he was CFO and acting CFO of Wi-LAN Inc. (TSX: WIN) from 2006 to 2007 and CFO of SiGe Semiconductor, Inc. from 1999 to 2005. He has held several Board roles, including Director and Chair of the Audit Committee of FisherCast Global Corporation from 2004 to 2008, as well as the Boards of Financial Executives International – Canada and the Accounting Standards Board of the CICA. Mr. Bower graduated with a Bachelor of Commerce from McGill University, is a Chartered Accountant and was awarded his FCA by the Institute of Chartered Accountants of Ontario in 2006. He successfully completed the Institute of Corporate Directors course in the fall of 2010, and was awarded the ICD.D designation.

Arvind Chhatbar
Director and Chair of the Board of Directors

Arvind Chhatbar is the Chair of the Board of Directors. Mr. Chhatbar was the Chief Executive Officer of Enablence from inception to April 15, 2010. Mr. Chhatbar has significant experience in the field of technology commercialization, and has pioneered the creation of several technology spin-off companies from the National Research Council. He helped to create SiGe Semiconductor, Inc., Iridian Spectral Technologies Ltd., CrossLight Software Inc., Toth Information Systems, Inc. and several other successful startups. He has been the President of Vitesse Re-Skilling Inc. from its inception in 1996 to 2007. He was elected Chair of the Indo Canada Ottawa Business Chamber from 2006 to 2008, and joined the Board of Governors of Carleton University in 2010. Mr. Chhatbar holds two post-graduate degrees in public and business administration.

Dr. Nishith Goel
Director

Dr. Goel is the Founder and President of Cistel Technology Inc. since June 1995, an IT and engineering company with operations in Canada and the United States. Dr. Goel is also the Co-Founder of CHIL Semiconductor Corp. and he was a co-founder of Ipine Networks Inc. which was acquired by Nakina Systems Inc. Dr. Goel was a Technical Advisor and Member of the Scientific Staff of Nortel Networks from 1984 until 1999. Dr. Goel holds an M.A. Science, Electrical Engineering and a Ph.D. Systems Engineering from the University of Waterloo.

Stephan Guerin
Director and Chair of the Compensation Committee

Stephan Guerin was an Executive Committee Member and the Vice President of Mergers and Acquisitions of Alcatel Alsthom. In this capacity, he was responsible for the negotiation and implementation of the major mergers of the group, including ITT Corporation, Rockwell Telecom, Telettra, STC Submarine Networks and AEG-Kable. Mr. Guerin was also responsible for developing international strategic alliances and played a key role in establishing the Alcatel Alsthom group in emerging markets such as Brazil, China, and India. Mr. Guerin was one of the seven members of the Alcatel Alsthom Group Executive Committee, responsible for the telecommunications, transportation, energy, industrial controls and media groups with a global work force of 220,000 in 120 different countries. He was also the Senior Executive vice president with ICO Global Communications (Holdings) Limited, a start-up in the field of global satellite communication. Mr. Guerin is currently the International Partner of Schwarz-Schilling and Partners, the Managing Director of Onslow Group and one of the founders and directors of Catrifarma Limitada.

John J. Ryan III
Director

John Ryan is a successful entrepreneur and investor in numerous industries from oil and gas to optical networking. Mr. Ryan founded Evergreen Resources Inc., a developer of coal bed methane reserves in the United States, which

in May 2004 merged with Pioneer Natural Resources in a US\$2.1 billion transaction. At Evergreen Resources Inc., he was a member of the Board of Directors and served as the Chairman of the Audit Committee. From January 2000 to September 2004, he was the President.

David Toews
Chief Financial Officer

David Toews has been the CFO of Enablence since September 22, 2010. Mr. Toews has more than 20 years experience in all aspects of accounting and financial management and was most recently VP and Controller for the Broadcast Division of Harris Corporation. Mr. Toews worked as CFO during the turnaround of Leitch Technology prior to its sale to Harris Corporation. Mr. Toews is a Chartered Accountant, and holds a Bachelor of Commerce (Honours) from McMaster University.

Jacob Sun
President, Components and Subsystems Division

Jacob Sun has been the President, Enablence Optical Components and Subsystems division since the acquisition of ANDevices in February 2008. Dr. Sun has over 20 years of experience in fiber optics and optical components. He was the President and CEO of ANDevices from 2003 to 2008 and joined Enablence when ANDevices was acquired by Enablence in 2008. Before co-founding ANDevices, Dr. Sun was Senior VP of Operations of Axon Photonics. Prior to joining Axon Photonics in 1999, he was Senior Director of Manufacturing & Engineering at PIRI, which was a joint venture between NTT, Batelle and Mitsubishi International. Dr. Sun was one of the three founding technical members that established PIRI and developed its core technology. PIRI was the leading supplier of fiber optic waveguide components. Dr. Sun holds a Ph.D. from the University of Rochester and an M.B.A. from Ohio State University.

Cease Trade Orders and Sanctions

None of the directors or officers of the Company is, or has, within the prior ten years, been a director or officer of any other issuer that, while that person was acting in that capacity, was the subject of a cease trade or similar order or an order that denied the issuer access to any statutory exemptions under securities legislation for a period of more than 30 consecutive days or was declared bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangements or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that issuer.

None of the directors or officers of the Company has been subject to any significant penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

None of the directors or officers of the Company has, within the prior ten years, become bankrupt, made a proposal under any legislation related to bankruptcy or insolvency or has been subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver-manager or trustee appointed to hold the assets of the director or officer.

ESCROWED SHARES

As a result of the Teledata acquisition completed by the Company in June 2010, the Common Shares issued to the shareholders of the acquired companies are subject to escrow arrangements, as of November 22, 2010, as follows:

Designation of Class	Number of securities held in escrow or that are subject to a contractual restriction on transfer	Percentage of Class
Common Shares	1,955,359 Common Shares ⁽¹⁾	0.005% of the issued and outstanding Common Shares

Notes:

- (1) The Company entered into an escrow agreement as of June 23, 2010 with Computershare Trust Company of Canada and Kardan Communications Ltd., as shareholder representative, whereby 1,955,359 Common Shares forming part of the consideration for the acquisition of Teledata are subject to escrow until June 23, 2011.

PLAN OF DISTRIBUTION

Pursuant to the Agency Agreement, the Company has agreed to sell and the Agents have agreed to arrange, on a best efforts basis, for purchasers of up to ● Offered Shares at a price of \$● per Offered Share, payable in cash to the Company against delivery of certificates representing the Offered Shares purchased. The Offering Price was determined by negotiations between the Company and the Agents. Closing of the Offering is anticipated to occur on or about ●, 2010 (the “Closing Date”).

Pursuant to the Agency Agreement, the Company appointed the Agents to offer the Offered Shares to the public in each of the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Nova Scotia and New Brunswick. In consideration of such services, the Company has agreed to pay Agents’ Commission of 6% of the gross proceeds of the Offering, including proceeds from the purchase of Additional Common Shares.

Further, subject to regulatory approval, the Company has agreed to issue to the Agents on the Closing Date, Compensation Options entitling the Agents to subscribe for 4% of the aggregate number of Offered Shares sold under the Offering, including any Additional Common Shares sold pursuant to the exercise of the Over-Allotment Option, at an exercise price equal to the Offering Price. The Compensation Options will have a term of 24 months from the Closing Date.

The Company has granted to the Agents the Over-Allotment Option, exercisable in whole or in part at any time for a period of 30 days following the Closing Date, at the discretion of the Agents, enabling it to arrange for the purchase of the Additional Common Shares at the Offering Price. If the Agents exercise the Over-Allotment Option in full, an aggregate of ● Offered Shares will be sold and the price to the public, Agents’ Commission and net proceeds of the Offering to the Company will be approximately \$●, \$● and \$●, respectively (before deducting expenses of the Offering). This short form prospectus also qualifies the grant of the Over-Allotment Option and the distribution of the Additional Common Shares. A purchaser who acquires Offered Shares forming part of the Agents’ over-allocation position acquires such Offered Shares under this short form prospectus regardless of whether the Agents’ over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchasers.

The obligations of the Agents under the Agency Agreement may be terminated at any time in its sole discretion on the basis of its assessment of the state of the financial markets and on the occurrence of certain stated events. While the Agent has agreed to use its best efforts to sell the Offered Shares offered hereby, the Agent is not obligated to purchase Offered Shares that are not sold. The Agency Agreement also provides that the Corporation will indemnify the Agent and its directors, officers, agents, shareholders, partners and employees against certain liabilities and expenses.

The Agents shall have the right to invite one or more investment dealers to form a selling group to participate in the soliciting of offers to purchase the Offered Shares.

Subscriptions for the Offered Shares will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. Other than Offered Shares sold in the United States or to U.S. persons (as defined in Regulation S under the U.S. Securities Act), which will be represented by individual certificates, one or more book entry-only certificates representing the Offered Shares will be issued in registered form to the CDS or its nominee and deposited with CDS on the Closing Date. A purchaser of Offered Shares (other than a purchaser of Offered Shares in the United States) will receive only a customer confirmation from the registered dealer through which the Offered Shares are purchased.

The Company has applied to list on the TSX-V the Common Shares offered hereby as well as the Common Shares issuable upon the exercise of the Compensation Options. Listing will be subject to fulfilling all of the listing requirements of the TSX-V.

During the period ending 90 days following the Closing Date of the Offering, the Company has agreed with the Lead Agent, subject to certain exceptions, that it will not offer, sell, distribute or issue for sale any securities of the Company, or agree to or announce any such offer, sale, distribution or issuance, without the prior written consent of the Lead Agent, on behalf of the Agents, not to be unreasonably withheld.

In addition, each of the executive officers, directors and their respective associates has agreed to enter into agreements with the Agents providing that they will not, directly or indirectly, offer, sell, contract to sell, lend, swap or enter into any other agreement to transfer the economic consequences of, or otherwise dispose of or deal with or publicly announce any intention to offer, contract to sell, grant or sell any option to purchase, hypothecate, pledge, transfer, assign, purchase any option or contract to sell, lend, swap or enter into any agreement to transfer the economic consequences of, or otherwise dispose of or deal with, whether through the facilities of a stock exchange, by private placement or otherwise, any Common Shares or other securities of the Company held by them for a period of 90 days following the Closing Date of the Offering without the prior written consent of the Lead Agent.

Pursuant to the rules and policy statements of certain Canadian securities regulators, the Agents may not, throughout the period of distribution under this short form prospectus, bid for or purchase Common Shares. The foregoing restriction is, subject to certain exceptions, on the condition that the bid or purchase is not engaged in for the purpose of creating actual or apparent active trading in or raising the price of the Common Shares. Such exceptions include a bid or purchase permitted under the by-laws and rules of the TSX-V 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. Subject to the foregoing and applicable laws in connection with the Offering, the Agents may over-allot Common Shares or effect transactions intended to stabilize or maintain the market price of the Common Shares at a higher level than that which might otherwise prevail on the open market. Such transactions, if commenced, may be discontinued at any time during the Offering.

The Offered Shares offered hereby have not been and will not be registered under the U.S. Securities Act or any securities or "blue sky" laws of any of the states of the United States. Accordingly, the Offered Shares may not be offered or sold within the United States except in accordance with an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws. The Agency Agreement provides that the Agents will offer and sell the Offered Shares outside the United States only in accordance with Regulation S under the U.S. Securities Act.

This short form prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any of the Offered Shares in the United States or to U.S. persons (as defined in Regulation S under the U.S. Securities Act). In addition, until 40 days after the commencement of the Offering, an offer or sale of the Offered Shares offered hereby within the United States by a dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act unless such offer or sale is made pursuant to Rule 144A under the U.S. Securities Act.

RISK FACTORS

An investment in the Offered Shares is subject to certain risks. The Company operates in a dynamic, rapidly changing environment that involves risks and uncertainties that could materially affect the Company's future results and could cause them to differ materially from those described in forward-looking statements relating to the Company. An investment in the Offered Shares is speculative and involves a high degree of risk and uncertainty. Before investing, a prospective purchaser of Offered Shares should carefully consider, in light of the purchaser's own financial circumstances, the information contained in and incorporated by reference in this short form prospectus. An investor should also consider carefully these risks and the risks and uncertainties that are detailed below and available from documents filed as part of the Company's continuous disclosure record available at www.sedar.com.

The following are the principal risk factors relating to Enablence and its business:

Significant Future Capital Requirements; Need for Significant Additional Financing

The Company's future capital requirements will be significant. Its recent and future acquisitions may also impose a financial strain requiring more capital. There can be no assurances that the Company will be able to raise the additional funds (on commercially reasonable terms or at all) that it will need to develop its products and remain competitive in its markets. Any inability to obtain additional financing when needed would have a material adverse effect on the Company. In addition, any additional equity financing may involve substantial dilution to Company's then existing shareholders.

The Company's revenue and operating results can be difficult to predict and can fluctuate substantially, which may harm its results of operations

The Company's revenue is difficult to forecast and is likely to fluctuate significantly from quarter to quarter. In addition, the Company's operating results may not follow any past trends. The factors affecting the Company's revenue and results, many of which are outside of its control, include:

- lack of long-term purchase commitments from customers;
- competitive conditions in the industry, including strategic initiatives by the Company or its competitors, new products, product announcements and changes in pricing policy by the Company or its competitors
- market acceptance of the Company's products;
- the Company's ability to maintain existing relationships and to create new relationships with channel partners;
- varying size, timing and contractual terms of orders for the Company's products, which may delay the recognition of revenue;
- the discretionary nature of purchase and budget cycles of the Company's customers;
- the length and variability of the sales cycles for the Company's products;
- strategic decisions by the Company or its competitors, such as acquisitions, divestitures, spin-offs, strategic investments or changes in business strategy; and
- timing of product development and new product initiatives.

With the addition of Teledata in June 2010, the Company's susceptibility to material changes in its quarterly revenue and operating results increased significantly because Teledata's customer base typically enters into larger value contracts than the customers that Enablence had prior to the acquisition of Teledata. Should a delay in the delivery of products due to a delay in the receipt of a purchase order cross a quarter end, the impact on the revenues and operating results for each of the quarters could vary materially.

The Company's gross margin and operating results may be adversely affected by pricing models required to compete successfully and/or if its product cost targets cannot be achieved

The intensely competitive market in which the Company conducts its business may require the Company to reduce its prices. If the Company's competitors offer deep discounts on certain products or services in an effort to recapture or gain market share or to sell other products and services, the Company may be required to lower prices

or offer other favourable terms to compete successfully. Any such changes or actions would reduce the Company's margins and could adversely affect the Company's operating results.

Many of the Company's competitors have significantly greater financial, technical, marketing or service resources than the Company. Many of these competitors also have a larger installed base of products, have longer operating histories or have greater name recognition than the Company. Customers and prospective customers of the Company are generally concerned that their suppliers will continue to operate and provide product support, maintenance and warranty services.

The Company's ability to compete successfully depends on a number of factors, including:

- the successful identification and development of new products for the Company's core market;
- the Company's ability to anticipate customer and market requirements and changes in technology and industry standards in a timely manner;
- the Company's ability to gain access to and use technologies in a cost-effective manner;
- the Company's ability to introduce cost-effective new products in a timely manner;
- the Company's ability to differentiate its products from its competitors' offerings;
- the Company's ability to gain customer acceptance of its products;
- the performance of the Company's products relative to its competitors' products;
- the Company's ability to market and sell the Company's products through effective sales channels;
- the Company's ability to establish and maintain effective internal financial and accounting controls and procedures;
- the protection of the Company's intellectual property, including its processes, trade secrets and know-how; and
- the Company's ability to attract and retain qualified technical, executive and sales personnel.

Dependence on Third Party Suppliers

The Company relies heavily on its suppliers and contract manufacturers. If third party suppliers or manufacturers lack sufficient quality control or if there are significant changes in the financial or business conditions of such third parties, it may have a material adverse effect on the Company's business. The Company's profit margins and time to market may be affected by factors beyond its immediate control. The Company's products also use other customized components that are procured from third parties. The performance and ability of these suppliers and the performance of their components are critical to its success. The hybridization of these active components onto the Company's PLC platform requires specialized equipment, the capacity of which cannot be assured through its outsourcing suppliers. The packaging of the Company's components is performed through contract manufacturers, and it relies on their ability to achieve the Company's pricing and capacity requirements.

Third Party Contract Manufacturing

The Company's Systems Division does not have internal manufacturing capabilities and relies on a small number of contract manufacturers to build its products, components and systems. The Company's reliance on a small number of contract manufacturers makes it vulnerable to possible capacity constraints and reduced control over component availability, delivery schedules, manufacturing yields and costs. The Company does not have long-term supply contracts with its primary contract manufacturers. Consequently, these manufacturers are not obligated to supply products to the Company for any specific period, in any specific quantity or at any certain price, except as may be provided by a particular purchase order. If any one of the Company's manufacturers was unable or unwilling to continue supplying its products in required volumes and at the requisite quality levels to the Company, the Company would have to identify, qualify and select acceptable alternative manufacturers. It is possible that an alternate source may not be available to the Company when needed or may not be in a position to satisfy its production requirements at commercially reasonable prices and quality. Any significant interruption in manufacturing would require the Company to reduce its supply of products to its customers, which in turn could have a material adverse effect on the Company's customer relations, business, consolidated financial condition and consolidated results of operations.

Managing Growth

The Company implemented a growth strategy that includes both organic growth and acquisitions. The Company has undertaken several acquisitions, including the recent acquisition of Teledata in June 2010, to allow the Company to expand its product offerings and customer base. The success with which the Company can integrate these newly acquired companies or companies acquired in the future will be critical in achieving the benefits from this strategy. Failure to properly integrate and save costs and achieve market leadership based on these acquisitions may hinder the Company's ability to be successful in its growth plans. On-going plans for further acquisitions will also be dependent on the Company's ability to identify suitable acquisition candidates, acquire such companies on acceptable terms, integrate the acquired operations and technology of such companies successfully with its own and maintain the goodwill of the acquired business. The Company is unable to predict whether it will be able to identify further suitable additional acquisition candidates or the likelihood that these potential additional acquisitions will be completed. In addition, while management of the Company believes it has the experience and know-how to integrate acquisitions, such efforts entail significant risks including, but not limited to, the possibility that the operations of the acquired business will not be profitable, diversion of the attention of the Company's management from day-to-day operation of the Company's business and the assumption of significant and/or unknown liabilities of the acquired business. An unsuccessful acquisition could reduce the Company's margins or otherwise harm its financial condition. Acquisitions could result in a dilutive issuance of equity securities, the incurrence of debt and the loss of key employees. The Company cannot ensure that the acquisitions made to date will be successfully integrated and future acquisitions will be successfully completed or that, if more acquisitions are completed, the acquired businesses, products or technologies will be integrated successfully or generate sufficient revenues to offset the associated costs of the acquisitions or other adverse effects.

The Company has experienced significant growth in its sales and operations in recent years. The Company expects to expand its research and development, sales, marketing and support activities depending on future business and economic conditions. The Company's historical growth has placed, and is expected to continue to place, significant demands on the management, as well as the financial and operational resources of the Company, as required to:

- implement and maintain effective financial disclosure controls and procedures;
- implement appropriate operational and financial systems;
- manage a larger organization;
- expand the Company's manufacturing and distribution capacity;
- increase the Company's sales and marketing efforts; and
- broaden the Company's customer support capabilities.

Inventory Management

Lead times for the materials and components that the Company orders through its contract manufacturers may vary significantly and depend on numerous factors, including the specific supplier, contract terms and market demand for a component at a given time. If the Company overestimates its production requirements, its contract manufacturers may purchase excess components and build excess inventory. If the Company's contract manufacturers purchase excess components that are unique to its products or build excess products, the Company could be required to pay for these excess parts or products and recognize related inventory write-down costs. If the Company underestimates its product requirements, its contract manufacturers may have inadequate component inventory, which could interrupt manufacturing of its products and result in delays or cancellation of sales. In prior periods the Company has experienced excess and obsolete inventory write downs which impact the Company's cost of revenue. This may continue in the future, which would have an adverse effect on the gross margins, consolidated financial condition and consolidated results of operations of the Company.

Accounts Receivables Management

In certain instances, the Company is limited in its ability to evaluate the creditworthiness of direct customers who decline to provide it with financial information. Any collection problems the Company may experience with these customers could have an adverse impact on the business, operating results, or financial condition of the Company. Any material collection issues with the Company's customers could result in increases in bad debt expense or collection costs, inventory impairments, or adjustments to its reported revenues or deferred revenues, any of which

could adversely affect the results of operations of the Company and could result in a decline in the price of the Common Shares.

International Operations

The Company generates a significant portion of its sales from customers outside of North America, including emerging markets, and is executing on a strategy to expand sales to more international markets. Regulations or standards adopted by other countries may require the Company to redesign its existing products or develop new products suitable for sale in those countries. If the Company invests substantial time and resources to expand its international operations and is unable to do so successfully and in a timely manner, the business, financial condition and results of operations of the Company will suffer. In the course of expanding the Company's international operations and operating overseas, it will be subject to a variety of risks, including:

- differing regulatory requirements, including tax laws, trade laws, labour regulations, tariffs, export quotas, custom duties or other trade restrictions and changes thereto;
- greater difficulty supporting and localizing the Company's products;
- different or unique competitive pressures as a result of, among other things, the presence of local equipment suppliers;
- challenges inherent in efficiently managing an increased number of employees over large geographic distances, including the need to implement appropriate systems, policies, benefits and compliance programs;
- limited or unfavourable intellectual property protection;
- changes in a specific country's or region's political or economic conditions; and
- restrictions on the repatriation of earnings.

Uncertain Global Economic Conditions

Current conditions in the domestic and global economies are uncertain. There continues to be a high level of market instability and market volatility with unpredictable and uncertain financial market projections. The impacts of a global recession or depression will have consequences on the Company's operations in North America and globally, preventing the roll out of fiber-to-the-home ("FTTH") deployments or other consequences such as the costs of such roll outs, unavailability of funds for roll outs of new products, or upgrades of the curtailment of expenditures on new broad band infrastructure. Global financial problems and lack of confidence in the strength of global financial institutions have created many economic and political uncertainties that have impacted the global economy. As a result, it is difficult to estimate the level of growth for the world economy as a whole. It is even more difficult to estimate growth in various parts of the world economy, including the markets in which the Company participates. All components of the Company's budgeting and forecasting are dependent on estimates of growth of the FTTH markets and the widespread acceptance of FTTH technology throughout the world. The prevailing economic uncertainties render estimates of future income and expenditures difficult.

Market Opportunities

The demand for the Company's products depends in large part on the continued growth of the industries in which it participates, particularly in the deployment of the FTTH market. A market decline could have an adverse effect on the Company's business. In the past, the sectors of the telecommunications industry in which the Company participates have seen higher growth and the speed of FTTH deployment may be affected by numerous factors including regulatory changes. However, companies in the telecommunications industry generally were negatively impacted by the economic slowdown and the corresponding reduction in capital spending by the telecommunications industry from 2001 to 2003 and are demonstrating similar symptoms in the current economic conditions. The rate at which the portions of the telecommunications industry and the FTTH market in which the Company participates continue to grow is critical to its ability to meet expectations and improve the Company's financial performance.

Sales Cycles are Long and Unpredictable

The timing of the Company's revenues is difficult to predict. The Company's sales efforts often involve educating its customer base about the use and benefits of its products. The Company's customers often undertake a significant evaluation process, which frequently involves not only the Company's products but also those of its competitors and this can result in a long sales cycle. The Company spends substantial time, effort and money in its sales efforts without any assurance that its efforts will produce any sales. In addition, product purchases are frequently subject to budget constraints, multiple approvals and unplanned administrative, processing and other delays. If sales from a specific customer for a particular quarter are not realized in that quarter or at all, the Company may not achieve its revenue forecasts and its business could be materially and adversely affected.

Customer Spending Patterns

Demand for the Company's products depends on the magnitude and timing of capital spending by telecom service providers as they construct, expand and upgrade their networks. The Company sells its components to customers that sell to the telecom service providers. The Company sells its broadband systems to telecom service providers. The Company has identified a weakening in new order activity that it believes relates to reductions in capital expenditures and capital equipment investment budgets resulting from the worldwide financial crisis and economic downturn. Continued macroeconomic weakness and uncertainty in 2010 or future periods could result in further weakness in the Company's new order activity, which would have an adverse effect on the business, revenues, operating results, and financial condition of the Company. In addition to the impact of macroeconomic factors, the Company believes that capital expenditures among a significant element of its customer base, independent telephone operating companies ("IOCs") have also been adversely affected as customers consider their investment and capital expenditure decisions in light of the industry transition from copper wire to fiber.

Other factors affecting the capital spending patterns of telecom service providers include the following:

- competitive pressures, including pricing pressures;
- consumer demand for new services;
- an emphasis on generating sales from services delivered over existing networks instead of new network construction or upgrades;
- the timing of annual budget approvals;
- evolving industry standards and network architectures;
- free cash flow and access to external sources of capital; and
- completion of major network upgrades.

Changes in government funding programs can also affect capital expenditures by the Company's customers or the customers' customers. Many of the Company's customers are American or U.S. based IOCs. Their revenues are particularly dependent upon inter-carrier payments (primarily interstate and intrastate access charges) and U.S. federal and state universal service subsidies. The U.S. Federal Communications Commission ("FCC") and some states are considering changes to both inter-carrier payments and universal service subsidies, and such changes could reduce IOC revenues, which would be expected to have an adverse impact on capital spending budgets. Furthermore, many IOCs use government supported loan programs or grants to finance capital spending. Changes to those programs, such as the U.S. Department of Agriculture's Rural Utilities Service loan program, and the U.S. Broadband Stimulus Program under the American Recovery and Reimbursement Act of 2009 could reduce the ability of IOCs to access capital and any uncertainties related to these programs may delay capital expenditure decisions by the IOCs. The availability of these programs may be beneficial in the short run, but may have a market distorting effect in the future resulting in lower investment by IOCs in the future. Any decision by telecom service providers to reduce capital expenditures, whether caused by the economic downturn, changes in government regulations and subsidies, or other reasons, would have a material adverse effect on the business, consolidated financial condition and results of operations of the Company.

Customers' Deployment Plans

Demand for the Company's products is dependent on the success of its customers in deploying and selling services to their subscribers. If end-user demand for IP-based services does not grow as expected or declines and the

Company's customers are unable or unwilling to deploy and market these newer services, demand for its products may decrease or fail to grow at rates currently anticipated.

The Company's strategy includes developing products for the local access network that EPON, GPON and Point-to-Point Ethernet technologies. If these technologies are not widely adopted by telecom service providers for use in local access networks, demand for the Company's products may decrease or not grow. As a result, the Company may be unable to sell its products to recoup its expenses related to the development of these products and the consolidated results of operations of the Company would be materially and adversely affected.

Unallocated Proceeds of the Offering

As of the date of this short form prospectus, the Company has no definitive plans for the expenditure of certain proceeds of the Offering. In addition, approximately 60% of net proceeds of the Offering have been allocated for working capital and general corporate purposes. All such expenditures of the net proceeds in connection with working capital and general corporate purposes will be at the sole discretion of the management of the Company, and there can be no assurance as to how such funds will be expended.

Competitive Pressures

Competition in the Company's markets is intense, and the Company expects competition to increase. The market for optical components and subsystems is susceptible to price reductions among competitors seeking relationships with large multinational, well capitalized businesses.

New products may be slow to be accepted into the market or may not be accepted at all. The Company is constantly exposed to the risk that its competitors may implement new technology before the Company does, or may offer lower prices, additional products or services or other incentives that Enablence cannot and will not offer. The Company can give no assurances that it will be able to compete successfully against existing or future competitors.

The market for broadband access equipment is dominated primarily by large, established suppliers. While these suppliers focus primarily on large service providers, they have competed, and may increasingly compete, in the IOC market segment. In addition, a number of companies have developed, or are developing, products that compete with the Company, including within its core IOC segment.

The Company's ability to compete successfully depends on a number of factors, including:

- the successful identification and development of new products for the Company's core market;
- the Company's ability to anticipate customer and market requirements and changes in technology and industry standards in a timely manner;
- the Company's ability to gain access to and use technologies in a cost-effective manner;
- the Company's ability to introduce cost-effective new products in a timely manner;
- the Company's ability to differentiate its products from its competitors' offerings;
- the Company's ability to gain customer acceptance of its products;
- the performance of the Company's products relative to its competitors' products;
- the Company's ability to market and sell the Company's products through effective sales channels;
- the Company's ability to establish and maintain effective internal financial and accounting controls and procedures;
- the protection of the Company's intellectual property, including its processes, trade secrets and know-how; and
- the Company's ability to attract and retain qualified technical, executive and sales personnel.

Many of the Company's existing and potential competitors are larger than the Company, with longer operating histories and substantially greater financial, technical, marketing or other resources, significantly greater name recognition, and a larger installed base of customers. Unlike some of the Company's competitors, the Company does not provide equipment financing to potential customers. In addition, many of the Company's competitors have broader product lines than it does, so they can offer bundled products, which may appeal to certain customers.

The products that the Company and its competitors sell require a substantial investment of time and funds to install. Customers are typically reluctant to switch equipment suppliers once a particular supplier's product has been installed. As a result, competition among equipment suppliers to secure contracts with potential customers is particularly intense and will continue to place pressure on product pricing. Some of the Company's competitors have resorted in the past, and may resort in the future, to offering substantial discounts to win new customers and generate cash flows. If the Company is forced to reduce prices in order to secure customers, the Company may be unable to sustain gross margins at desired levels or achieve profitability.

Product Defects and Warranty Obligations

Although the Company's products are tested prior to shipment, they may contain software or hardware errors, defects or interoperability issues (collectively described as "defects") that may only be detected when deployed in live networks that generate high amounts of communications traffic. In addition, defects or other malfunctions or quality control issues may not appear until the equipment has been deployed for an extended period of time. The Company also continues to introduce new products that may have undetected software or hardware defects. The Company's customers may discover defects in its products at any time after deployment or as their networks are expanded and modified. Any defects in the Company's products discovered in the future, or failures of its customers' networks, whether caused by its products or those of another vendor, could result in lost sales and market share and negative publicity regarding its products. The Company provides limited warranties on its products, components and systems. As a result, warranties on a product with a significant product defect could adversely affect the results of operations of the Company.

Product Development and Technological Change

The markets for the Company's products are characterized by rapidly changing technologies, frequent new product introductions and evolving industry standards. The Company's success will depend, in substantial part, on the timely and successful introduction of products and upgrades to those products to comply with emerging industry standards and to address competing technological and product developments carried out by its competitors. The research and development of technologically advanced products is a complex and uncertain process requiring high levels of innovation as well as the accurate anticipation of technological and market trends. The Company may focus its resources on technologies that do not become widely accepted and are not commercially viable. In addition, products may contain defects or errors that are detected only after deployment. If the Company's products are not competitive or do not work properly, its business will suffer. The Company's products are also intended to replace current technologies. Any improvements in the costs of production of current products in the market can negatively impact the Company's margins and its competitive position in the marketplace with prices for its products falling and reducing profit margins.

Product Obsolescence

The Company's market is characterized by rapid technological advances, frequent new product introductions, evolving industry standards and recurring changes in end-user requirements. The Company's future success will depend significantly on its ability to anticipate and adapt to such changes and to offer, on a timely and cost-effective basis, products and features that meet changing customer demands and industry standards. The timely development of new or enhanced products is a complex and uncertain process, and the Company may not be able to accurately anticipate market trends or have sufficient resources to successfully manage long development cycles. The Company may also experience design, manufacturing, marketing and other difficulties that could delay or prevent the development, introduction or marketing of new products and enhancements. The introduction of new or enhanced products also requires that the Company manages the transition from older products to these new or enhanced products in order to minimize disruption in customer ordering patterns and ensure that adequate supplies of new products are available for delivery to meet anticipated customer demand. If the Company is unable to develop new products or enhancements to its existing products on a timely and cost-effective basis, or if the new products or enhancements fail to achieve market acceptance, the business, consolidated financial condition and consolidated results of operations of the Company would be materially and adversely affected.

Development Stage Products and Customer Expectations

The Company may not be able to successfully demonstrate high yields on large volume production of its components and meet all of the specification requirements of all products in accordance with industry requirements for all of its product lines. There may be potential quality issues on the manufacture of these products resulting from the way the products are designed or manufactured or in the processes used for the design and manufacture of the product(s), or from the software or materials used in the product(s). These factors may cause delays in availability and shipping of products to potential customers, or even the cancellation of orders by customers. Quality issues in the products may have legal and financial implications for the Company, including delays in revenue recognition, loss of revenue or future orders, customer-imposed penalties for failure to meet contractual shipment deadlines, increased costs associated with repairing or replacing products, and a negative impact on goodwill and brand name reputation and higher manufacturing costs.

Intellectual Property

The Company depends on its proprietary technology for its success and ability to compete. The Company currently holds several issued patents and has several patent applications pending. The Company relies on a combination of patent, copyright, trademark and trade secret laws, as well as confidentiality agreements and licensing arrangements, to establish and protect its proprietary rights. Existing patent, copyright, trademark and trade secret laws will afford the Company only limited protection. In addition, the laws of some foreign countries do not protect proprietary rights to the same extent as do the laws of Canada. The Company cannot be assured that any pending patent applications will result in issued patents, and issued patents could prove unenforceable. Any infringement of the Company's proprietary rights could result in significant litigation costs. Further, any failure by the Company to adequately protect its proprietary rights could result in the Company's competitors offering similar products, resulting in the loss of its competitive advantage and decreased sales.

Despite the Company's efforts to protect its proprietary rights, attempts may be made to copy or reverse engineer aspects of its products, or to obtain and use information that the Company regards as proprietary. Accordingly, the Company may be unable to protect its proprietary rights against unauthorized third party copying or use. Furthermore, policing the unauthorized use of the Company's intellectual property would be difficult. Litigation may be necessary in the future to enforce the Company's intellectual property rights, to protect its trade secrets or to determine the validity and scope of the proprietary rights of others. Litigation could result in substantial costs and diversion of resources and could have a material adverse effect on the business, consolidated financial condition and consolidated results of operations of the Company.

Intellectual Property Litigation

The Company may be subject to intellectual property infringement claims that are costly to defend and could limit the Company's ability to use some technologies in the future. The Company's industry is characterized by frequent intellectual property litigation based on allegations of infringement of intellectual property rights. From time to time, third parties have asserted against the Company, and may assert against it in the future, patent, copyright, trademark or other intellectual property rights to technologies or rights that are important to the business. In addition, the Company has agreed, and may in the future agree, to indemnify its customers for any expenses or liabilities resulting from claimed infringements of patents, trademarks or copyrights of third parties. Any claims asserting that the Company's products infringe, or may infringe on, the proprietary rights of third parties, with or without merit, could be time-consuming, resulting in costly litigation and diverting the efforts of management. These claims could also result in product shipment delays or require the Company to modify its products or enter into royalty or licensing agreements. Such royalty or licensing agreements, if required, may not be available to the Company on acceptable terms, if at all.

Currency Fluctuations may Adversely Affect the Company

A substantial portion of the Company's revenue and operating costs are recognized in currencies other than Canadian dollars. Revenues are typically denominated in United States dollars, while operating costs are typically denominated in United States dollars and Israeli shekels. The Company carries certain monetary assets and liabilities in these and other currencies, which differ from the Company's Canadian dollar base reporting currency.

Fluctuations in the exchange rate between these currencies and the Canadian dollar may have a material adverse impact on the Company's business, financial condition and operating results. The Company has a natural currency hedge with its United States dollar revenues offsetting its United States dollar operating costs. Similarly, there is a natural currency hedge with the United States dollar monetary assets and monetary liabilities. However, neither of these natural currency hedges fully addresses the Company's exposure to the Canadian dollar and Israeli shekel denominated operating costs, monetary assets and monetary liabilities.

Earnings History

The Company has incurred significant losses since its inception. As of September 30, 2010, the Company had an accumulated deficit of \$144.5 million. The Company may continue to incur losses during the current and following fiscal years. The Company cannot predict with certainty that it will not continue to incur losses or experience negative cash flow in the future. The Company's continued inability to generate positive operating income and cash flow would materially and adversely affect the liquidity, consolidated results of operations and consolidated financial condition of the Company.

A significant portion of the Company's expenses are fixed, and the Company expects to continue to incur significant expenses for research and development, sales and marketing, customer support, and general and administrative functions. Given the rate of growth in the Company's customer base, its limited operating history and the intense competitive pressures it faces, the Company may be unable to adequately control operating costs. In order to achieve and maintain profitability, the Company must increase sales while maintaining control over expense levels.

Acquisitions

The Company may make acquisitions of businesses, products or technologies to expand its product offerings and capabilities, customer base and business. These transactions could be material to the consolidated financial condition and results of operations of the Company. The anticipated benefit of acquisitions may never materialize. In addition, the process of integrating an acquired business, products or technologies may create unforeseen operating difficulties and expenditures. Some of the areas where the Company may face acquisition related risks include:

- diversion of management time and potential business disruptions;
- expenses, distractions and potential claims resulting from acquisitions, whether or not they are completed;
- retaining and integrating employees from any businesses the Company may acquire;
- issuance of dilutive equity securities or incurrence of debt;
- integrating various accounting, management, information, human resource and other systems to permit effective management;
- incurring possible write-offs, impairment charges, contingent liabilities, amortization expense or write-offs of goodwill;
- difficulties integrating and supporting acquired products or technologies;
- unexpected capital equipment outlays and related costs;
- insufficient revenues to offset increased expenses associated with the acquisition;
- under performance problems associated with acquisitions;
- opportunity costs associated with committing capital to such acquisitions; and
- becoming involved in acquisition-related litigation.

Foreign acquisitions involve unique risks in addition to those mentioned above, including those related to integration of operations across different cultures and languages, currency risks and the particular economic, political and regulatory risks associated with specific countries. The Company cannot assure that it will be able to address these risks successfully, or at all, without incurring significant costs, delay or other operating problems. The Company's inability to resolve any of such risks could have a material adverse impact on the business, consolidated financial condition and consolidated results of operations of the Company.

Key Personnel

The Company's success depends, in large part, on the continued contributions of its key management, engineering, sales and marketing personnel, many of whom are highly skilled and would be difficult to replace. Competition for

skilled personnel, particularly those specializing in engineering and sales is intense. The Company cannot be certain that it will be successful in attracting and retaining qualified personnel, or that newly hired personnel, will function effectively, either individually or as a group. In particular, the Company must continue to expand its direct sales force, including hiring additional sales managers, to grow its customer base and increase sales. Even if the Company is successful in hiring additional sales personnel, new sales representatives often require up to a year to become effective. In addition, the industry is characterized by frequent claims relating to unfair hiring practices. The Company may become subject to such claims and may incur substantial costs in defending the Company against these claims, regardless of their merits. If the Company is unable to effectively hire, integrate and utilize new personnel, the execution of its business strategy and its ability to react to changing market conditions may be impeded, and the business, financial condition and results of operations of the Company could be materially and adversely affected.

Although the Company has entered into employment agreements with key officers, any incapacity or inability of one of these individuals to perform their services would have a material adverse effect on the Company.

Changes in Accounting and Tax Rules

The Company is subject to numerous tax and accounting requirements, and changes in existing accounting or taxation rules or practices, or varying interpretations of current rules or practices, could have a material adverse effect on the financial results of the Company or the manner in which the Company conducts its business. Effective July 1, 2011, the Company is required to present its financial statements in accordance with International Financial Reporting Standards (“IFRS”), which may have an adverse impact on results previously reported in accordance with Canadian generally accepted accounting principles. In recent years, the geographic scope of the Company’s business has expanded, and such expansion requires it to comply with the tax laws and regulations of multiple jurisdictions. Requirements as to taxation vary substantially among jurisdictions. Complying with the tax laws of these jurisdictions can be time consuming and expensive and could subject the Company to penalties and fees if it inadvertently fails to comply. In the event the Company inadvertently fails to comply with applicable tax laws, it could have a material adverse effect on the business, results of operations, and financial condition of the Company.

Regulatory Inquiries

The Company was informed on July 17, 2007 by the Enforcement Branch of the Ontario Securities Commission (the “OSC”) that the OSC was investigating the timing of the option grants to some directors, officers and employees made by the Company on December 12, 2006 and March 7, 2007. See heading “Legal Proceedings”. The Company has cooperated with the OSC and has provided the OSC with the information requested. The OSC has not requested any information or been in contact with the Company since November 2008 in respect of this matter.

The Company cannot predict what, if any, regulatory or other action may result from the investigation and inquiries. If the OSC determines that a violation of securities or other laws has occurred, the Company or its officers or directors could be subject to civil or criminal penalties or other remedies prescribed by law.

Changes in Government Policy

The Company’s results may be affected by changes in trade, monetary and fiscal policies, laws and regulations, or other activities of the Canadian and foreign governments, agencies and similar organizations. The Company’s results may be affected by social and economic conditions which impact its operations, including in emerging markets in Asia and in markets subject to ongoing political hostilities and war.

Share Price Volatility

The Common Shares trade on the TSX-V; however, the Company cannot predict the extent to which investor interest will lead to the development of an active and liquid trading market in its Common Shares and it is possible that an active and liquid trading market will not develop or be sustained. Some companies that have volatile market prices for their securities have had securities class action lawsuits filed against them. If a lawsuit were to be filed

against the Company, regardless of its outcome, it could result in substantial costs and a diversion of management's attention and resources.

The price of Common Shares may fluctuate in response to a number of events, including but not limited to:

- its quarterly operating results;
- sales of the Company's common shares by a principal shareholder;
- future announcements concerning the business of the Company or of its competitors;
- the failure of securities analysts to cover the Company and/or changes in financial forecasts and recommendations by securities analysts;
- actions of the Company's competitors;
- actions of the Company's suppliers;
- actions of directors and officers regarding purchase and sale of shares;
- the volatility of the telecommunications and technologies markets as a whole;
- general market, economic and political conditions;
- natural disasters, terrorist attacks and acts of war; and
- the other risks described in this section.

Future Share Sales

Future sales, or the availability for sale, of substantial amounts of Common Shares in the public market could adversely affect the prevailing market price of the Common Shares.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Company are Deloitte & Touche LLP, Chartered Accountants, Licensed Public Accountants, Ottawa, Ontario, Canada. Deloitte & Touche LLP, Chartered Accountants, Licensed Public Accountants, are independent of the Company within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario.

The transfer agent and registrar for the Common Shares is Computershare Investor Services Inc., at its principal office in Toronto, Ontario, Canada.

INTEREST OF EXPERTS

Certain legal matters relating to the Offering will be passed upon on behalf the Company by Fasken Martineau DuMoulin LLP and on behalf of the Agents by Wildeboer Dellelce LLP. As of the date of this short form prospectus, the partners and associates of Fasken Martineau DuMoulin LLP as a group and the partners and associates of Wildeboer Dellelce LLP as a group each beneficially own, directly or indirectly, less than 1.0% of the outstanding Common Shares.

LEGAL MATTERS

The Company has been advised that it is named in a patent infringements legal claim. However, the Company has not been served with the legal documents. The legal claim (the "Complaint") was filed on May 27, 2010 in the United States District Court for the Eastern District of Texas by Atwater Partners of Texas, LLC. In addition to Enablence Technologies Inc., there are 24 other defendants named in the Complaint, including AT&T, Inc.; Adtran, Inc.; Billion Electric Co. Ltd.; Broadcom Corporation; Cisco Systems; Mindspeed Technologies, Inc.; Motorola, Inc.; Occam Networks, Inc.; Tellabs Inc.; and Zhone Technologies, Inc. The Complaint alleges that each of the defendants has infringed on five separate patents. The copy of the Complaint does not specify the amount of the damages that the plaintiffs are seeking. A preliminary review by the Company of the allegations has determined that any claims by the Complaint against the Company in respect of patent infringements are without merit. The Company will continue to review the allegations.

On July 17, 2007, the OSC advised the Company that it was investigating the timing of the option grants to directors, officers and employees made by the Company on December 12, 2006 and March 7, 2007. The Company

cooperated with the OSC and provided the OSC with the information requested. The Company has not received any further communication from the OSC on this investigation since November 2008. See “Risk Factors – Regulatory Inquiries”.

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 short form prospectus and any amendment. In several of the provinces, securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, damages if the short form 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 province in which the purchaser resides for the particulars of these rights or consult with a legal advisor.

AUDITORS' CONSENT

We have read the short form prospectus of Enablece Technologies Inc. (the "Company") dated ●, 2010 qualifying the distribution of up to ● Common Shares of the Company. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference in the above-mentioned prospectus of our report to the shareholders of the Company on the consolidated balance sheets of the Company as at April 30, 2010 and 2009; and the consolidated statements of loss, other comprehensive income (loss) and comprehensive loss, shareholders' equity and cash flows for the years then ended. Our report is dated July 22, 2010.

We also consent to the incorporation by reference in the above-mentioned prospectus of our report to the directors of Teledata Networks Ltd. ("Teledata") on the consolidated balance sheet of Teledata as at December 31, 2009 and the consolidated statements of loss and comprehensive loss, shareholders' deficiency and cash flows for the year then ended. Our report is dated September 13, 2010.

Chartered Accountants
Licensed Public Accountants

Ottawa, Ontario
●, 2010

CERTIFICATE OF THE COMPANY

Dated: November 22, 2010

This short form prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Nova Scotia and New Brunswick.

ENABLENCE TECHNOLOGIES INC.

(SIGNED) TIM THORSTEINSON
Chief Executive Officer

(SIGNED) DAVID TOEWS
Chief Financial Officer

On behalf of the Board of Directors of Enablence Technologies Inc.

(SIGNED) R. STEPHEN BOWER
Director

(SIGNED) ARVIND CHHATBAR
Director

CERTIFICATE OF THE AGENTS

Dated: November 22, 2010

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Nova Scotia and New Brunswick.

PARADIGM CAPITAL INC.

(SIGNED) IAN JOSEPH

TD SECURITIES INC.

(SIGNED) RYAN D'SILVA

RAYMOND JAMES LTD.

(SIGNED) JIMMY LEUNG

FRASER MACKENZIE LIMITED

(SIGNED) PHILIP BENSON