

Brookfield Asset Management Inc.

NOTICE OF CONVERSION PRIVILEGE

**TO: All Holders of Class A Preference Shares, Series 8 (the "Series 8 Preferred Shares")
of Brookfield Asset Management Inc.**

NOTICE IS HEREBY GIVEN THAT:

Conversion Right

1. Holders of Series 8 Preferred Shares of Brookfield Asset Management Inc. (the "Corporation") have the right to convert all or part of their shares into Class A Preference Shares, Series 9 of the Corporation (the "Series 9 Preferred Shares") on a one-for-one basis effective Tuesday, November 1, 2011. Information on the dividend payable on the Series 9 Preferred Shares after November 1, 2011 is set out below in paragraph 4.
2. Holders who do not wish to convert or who do not comply with the instructions set out in paragraphs 6 or 7 below by the appropriate deadline will, subject to paragraph 8 below, retain their Series 8 Preferred Shares and, accordingly, will continue to receive a monthly floating-rate dividend, as set out below in paragraph 5. On November 1, 2016 and every five years thereafter, holders of the Series 8 Preferred Shares will have the right to convert their shares into Series 9 Preferred Shares.

Dividend for the Series 9 Preferred Shares

3. The Series 9 Preferred Shares currently pay a fixed annual dividend of 4.35% applied to \$25.00 per share, payable quarterly. The final quarterly dividend payable at this rate of \$0.271875 per share in Canadian funds is payable on November 1, 2011 to shareholders of record on October 15, 2011.
4. After November 1, 2011, the Series 9 Preferred Shares will pay, on a quarterly basis, as and when declared by the Board of Directors of the Corporation, a fixed annual dividend of \$0.95 per share in Canadian funds for the following five years, representing a yield of 3.80% applied to \$25.00 per share. This is equal to the current yield to maturity compounded semi-annually, computed by Scotia Capital Inc. and CIBC World Markets Inc., that would be carried by non-callable Government of Canada bonds with a five-year maturity, multiplied by a "Selected Percentage Rate" of approximately 265%. The actual Selected Percentage Rate applicable to the Series 9 Preferred Shares will be confirmed on October 11, 2011 and posted with the annual dividend rate on the Corporation's web site, *www.brookfield.com*, as well as published in the national edition of The Globe and Mail, the Montreal Gazette and La Presse. However, in no circumstance will the annual dividend rate applicable to the Series 9 Preferred Shares after November 1, 2011 be other than 3.80%.

Dividend for the Series 8 Preferred Shares

5. The Series 8 Preferred Shares pay a floating dividend based on a dividend rate that fluctuates between 50% and 100% of the prime rate for each month. More specifically, the holders of the Series 8 Preferred Shares are entitled to receive monthly floating cumulative preferential cash dividends, accruing daily, as and when declared by the board of directors on the 12th day of each month in an amount per share equal to the product of \$25.00 per share, in Canadian funds, and one-

twelfth of the annual floating dividend rate applicable to the month, being (a) the average Prime Rate for the month multiplied by (b) a Designated Percentage based on the trading price of the Series 8 Preferred Shares as provided in the share conditions. The initial Designated Percentage for November 2001 was 85% and since then it has been adjusted from time to time. The Designated Percentage for August 2011 was 100% of the Average Prime Rate and the dividend paid for August 2011 was \$0.06250 per share in Canadian funds, representing an annualized dividend rate of 3.00%.

Conversion Procedure

6. **Registered holders** who elect to convert all or part of their Series 8 Preferred Shares into Series 9 Preferred Shares must complete and sign the conversion panel on the back of their Series 8 Preferred Share certificate or certificates and deliver them, along with the enclosed Letter of Transmittal (blue form), to CIBC Mellon Trust Company no later than **5:00 p.m.** (Toronto time) **on October 18, 2011.**
7. **Beneficial owners** of Series 8 Preferred Shares who wish to convert all or part of their shares into Series 9 Preferred Shares are hereby requested to communicate as soon as possible with their broker or other nominee and follow their instructions. It is important that beneficial owners follow such instructions and act within the time frame indicated to them so as to provide enough time to their broker or other nominee to meet the October 18, 2011 deadline.

Automatic Conversion or No Conversion

8. If, after the close of business on October 18, 2011, the Corporation determines that there would be fewer than 500,000 Series 8 Preferred Shares outstanding after the conversion date (November 1, 2011), the Corporation will automatically convert all remaining Series 8 Preferred Shares into Series 9 Preferred Shares on a one-for-one basis. However, if the Corporation determines that there would be fewer than 500,000 Series 9 Preferred Shares outstanding after the conversion date, then no Series 8 Preferred Shares will be permitted to be converted into Series 9 Preferred Shares and any Series 8 Preferred Shares surrendered for conversion will be returned.

Other Information

9. The Corporation's Series 8 and Series 9 Preferred Shares are listed on the Toronto Stock Exchange under the symbols, BAM.PR.E and BAM.PR.G, respectively.
10. A summary of the terms and conditions for the Series 8 Preferred Shares and Series 9 Preferred Shares and information on the dividends recently declared on these preferred shares is available in the Investor Relations section of the Corporation's web site at www.brookfield.com under "Stock and Dividend Information".

DATED at Toronto, this 12th day of September, 2011.

BROOKFIELD ASSET MANAGEMENT INC.



Jeffrey A. Haar
Senior Vice-President, Legal,
Corporate and Secretary