

Spectra Energy Corp.  
 Form 424B2  
 February 11, 2009  
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Filed pursuant to Rule 424(b)(2)  
 Registration No. 333-141982

**CALCULATION OF REGISTRATION FEE**

| <b>Title of each Class of</b>             | <b>Amount</b>                   | <b>Proposed</b>       | <b>Proposed</b>       | <b>Amount of</b>                      |
|---|---------------------------------|-----------------------|-----------------------|---------------------------------------|
| <b>Securities to be Registered</b>        | <b>to be</b>                    | <b>Maximum</b>        | <b>Maximum</b>        | <b>Registration Fee<sup>(2)</sup></b> |
|   | <b>Registered<sup>(1)</sup></b> | <b>Offering Price</b> | <b>Aggregate</b>      |                                       |
|   |                                 | <b>Per Share</b>      | <b>Offering Price</b> |                                       |
| Common Stock, \$0.001 par value per share | 32,200,000                      | \$14.35               | \$462,070,000         | \$18,159.35                           |

<sup>(1)</sup> Includes shares of common stock that may be purchased by the underwriters pursuant to their option to purchase additional shares to cover over-allotments.

<sup>(2)</sup> Pursuant to Rule 457(p) under the Securities Act of 1933, the registration fee is being offset with \$18,159.35 of \$35,706 previously paid with respect to the unsold portion of the \$988,250,000 aggregate initial offering price of securities that were previously registered under registration statement No. 333-114645, which was filed on April 20, 2004 by Duke Capital LLC and has been terminated. In accordance with Rule 457(p), such unutilized filing fee may be applied to the filing fee payable pursuant to the registration statement related to this prospectus supplement.

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**PROSPECTUS SUPPLEMENT**

(To Prospectus dated March 26, 2008)

**28,000,000 Shares**

**Spectra Energy Corp**

**Common Stock**

We are offering 28,000,000 shares of common stock to be sold in this offering. Our common stock is listed on the New York Stock Exchange under the symbol SE. On February 10, 2009, the last sale price of our common stock as reported on the New York Stock Exchange was \$14.65 per share.

**Investing in the common stock involves risks that are described in the Risk Factors section beginning on page S-10 of this prospectus supplement.**

|                                  | <b>Per Share</b> | <b>Total</b>  |
|----------------------------------|------------------|---------------|
| Public offering price            | \$14.35          | \$401,800,000 |
| Underwriting discount            | \$.4305          | \$12,054,000  |
| Proceeds, before expenses, to us | \$13.9195        | \$389,746,000 |

The underwriters may also purchase up to an additional 4,200,000 shares from us at the public offering price, less the underwriting discount, within 30 days from the date of this prospectus supplement to cover overallocments.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The shares will be ready for delivery on or about February 13, 2009.

*Joint Book-Running Managers*

**Merrill Lynch & Co.**

**Morgan Stanley**

**UBS Investment Bank**

*Co-Managers*

**Deutsche Bank Securities**

**Wachovia Securities**

**SunTrust Robinson Humphrey**

**J.P.Morgan**

**Macquarie Capital Markets North America Ltd.**

The date of this prospectus supplement is February 10, 2009.

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**Prospectus**

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This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering. The second part, the accompanying prospectus, gives more general information, some of which may not apply to this offering. In the event that the description of this offering varies between this prospectus supplement and the accompanying prospectus, you should rely on the information contained in this prospectus supplement.

You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus or any free writing prospectus prepared by or on behalf of us. We have not, and the underwriters have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference is accurate only as of their respective dates. Our business, financial condition, results of operations and prospects may have changed since those dates.

NOTICE TO PROSPECTIVE INVESTORS IN THE DUBAI INTERNATIONAL FINANCIAL CENTRE: Please read Underwriting in this prospectus supplement for important information.



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**CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION**

This prospectus supplement and the accompanying prospectus contain or incorporate by reference statements that do not directly or exclusively relate to historical facts. Such statements are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. You can typically identify forward-looking statements by the use of forward-looking words, such as anticipate, believe, intend, estimate, expect, continue, should, could, may, plan, project, predict, will, potential, forecast, and other similar expressions. Those statements reflect our intentions, plans, expectations, assumptions and beliefs about future events. Our ability to predict results or the actual effect of future plans or strategies is inherently uncertain. Forward-looking statements involve risks and uncertainties that may cause actual results to be materially different from the results predicted. Factors that could cause actual results to differ materially from those indicated in any forward-looking statement include, but are not limited to, those factors set forth in the section entitled Risk Factors and the section captioned Risk Factors in our Quarterly Report on Form 10-Q for the quarter ended September 30, 2008, which has been filed with the Securities and Exchange Commission, or the SEC, and is incorporated by reference into this prospectus supplement, as well as the following:

state, federal and foreign legislative and regulatory initiatives that affect cost and investment recovery, have an effect on rate structure, and affect the speed at and degree to which competition enters the natural gas industries;

outcomes of litigation and regulatory investigations, proceedings or inquiries;

weather and other natural phenomena, including the economic, operational and other effects of hurricanes and storms;

the timing and extent of changes in commodity prices, interest rates and foreign currency exchange rates;

general economic conditions, which can affect the long-term demand for natural gas and related services;

potential effects arising from terrorist attacks and any consequential or other hostilities;

changes in environmental, safety and other laws and regulations;

results of financing efforts, including the ability to obtain financing on favorable terms, which can be affected by various factors, including credit ratings and general market and economic conditions;

increases in the cost of goods and services required to complete capital projects;

declines in the market prices of equity securities and resulting funding requirements for defined benefit pension plans;

growth in opportunities, including the timing and success of efforts to develop U.S. and Canadian pipeline, storage, gathering, processing and other infrastructure projects and the effects of competition;

the performance of natural gas transmission and storage, distribution, and gathering and processing facilities;

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the extent of success in connecting natural gas supplies to gathering, processing and transmission systems and in connecting to expanding gas markets;

the effects of accounting pronouncements issued periodically by accounting standard-setting bodies;

conditions of the capital markets during the periods covered by the forward-looking statements; and

the ability to successfully complete merger, acquisition or divestiture plans; regulatory or other limitations imposed as a result of a merger, acquisition or divestiture; and the success of the business following a merger, acquisition or divestiture.

In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements might not occur or might occur to a different extent or at a different time than we have described. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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**PROSPECTUS SUPPLEMENT SUMMARY**

*This summary highlights selected information from this prospectus supplement and the accompanying prospectus, but does not contain all information that may be important to you. You should read carefully the entire prospectus supplement, the accompanying prospectus, the documents incorporated by reference and the other documents to which we refer you for a more complete understanding of this offering and our business. You should also read Risk Factors beginning on page S-10 of this prospectus supplement and the section captioned Risk Factors in our Quarterly Report on Form 10-Q for the quarter ended September 30, 2008, which has been filed with the SEC and is incorporated by reference into this prospectus supplement, for more information about important risks that you should consider before making a decision to purchase any shares of common stock in this offering. The information presented in this prospectus supplement assumes that the underwriters do not exercise their overallotment option, unless otherwise indicated. References to Spectra, us, we, our, and like terms refer to Spectra Energy Corp together with its subsidiaries and unconsolidated affiliates.*

**Spectra Energy Corp**

We own and operate a large and diversified portfolio of complementary natural gas-related energy assets and are one of North America's leading natural gas infrastructure companies. For close to a century, we and our predecessor companies have developed critically important pipelines and related energy infrastructure connecting natural gas supply sources to premium markets. We operate in three key areas of the natural gas industry: gathering and processing, transmission and storage, and distribution. Based in Houston, Texas, we provide transportation and storage of natural gas to customers in various regions of the northeastern and southeastern United States, the Maritime Provinces in Canada and the Pacific Northwest in the United States and Canada, and in the province of Ontario, Canada. We also provide natural gas sales and distribution service to retail customers in Ontario, and natural gas gathering and processing services to customers in western Canada. We also have a 50% ownership interest in DCP Midstream, LLC, or DCP Midstream, one of the largest natural gas gatherers and processors in the United States, based in Denver, Colorado. Our business includes an 84% equity interest in Spectra Energy Partners, LP, or Spectra Energy Partners, a natural gas infrastructure master limited partnership. Spectra Energy Partners is a separate, publicly traded entity which trades on the New York Stock Exchange under the symbol SEP.

Our natural gas pipeline systems consist of approximately 18,300 miles of transmission pipelines. For 2008, our proportional throughput for our pipelines totaled 3,733 trillion British thermal units, or TBtu, compared to 3,642 TBtu in 2007. These amounts include throughput on wholly owned U.S. and Canadian pipelines and our proportional share of throughput on pipelines that are not wholly owned. Our storage facilities provide approximately 272 billion cubic feet, or Bcf, of storage capacity in the United States and Canada.

**Business Strategy**

Our primary business objective is to provide value-added, reliable and safe services to customers, which we believe will create opportunities to deliver increased earnings and dividends per share to our stockholders. We intend to accomplish this objective by executing the following overall business strategies:

Deliver on 2009 financial commitments.

Enhance and solidify our profile and position as a premier natural gas infrastructure company.

Develop new opportunities and projects that add long-term stockholder value.



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Enhance core competencies of customer service, reliability, cost management and compliance.

Build on our high-performance culture by focusing on safety, diversity, inclusion, leadership and employee development.

Continue to focus on the future. We must be able to quickly change course when opportunities present themselves in order to be the effective and proactive partner that our customers expect and the industry leader that we aspire to be.

Through the continued execution of these strategies, we expect to grow and strengthen the overall business, capture new growth opportunities and deliver value to our stakeholders.

**Our Businesses**

We manage our business in four reportable segments: U.S. Transmission, Distribution, Western Canada Transmission & Processing, and Field Services. The remainder of our business operations is presented as Other and consists of unallocated corporate costs, wholly owned captive insurance subsidiaries, employee benefit plan assets and liabilities, and other miscellaneous activities. The following sections describe the operations of each of our businesses.

**U.S. Transmission**

Our U.S. Transmission business provides transportation and storage of natural gas for customers in various regions of the northeastern and southeastern United States and the Maritime Provinces in Canada. Our U.S. pipeline systems consist of more than 13,800 miles of transmission pipelines with six primary transmission

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systems: Texas Eastern Transmission, LP, or Texas Eastern; Algonquin Gas Transmission, LLC, or Algonquin; East Tennessee Natural Gas, LLC, or East Tennessee; Maritimes & Northeast Pipeline, LLC and Maritimes & Northeast Pipeline Limited Partnership, or collectively, Maritimes & Northeast Pipeline; Gulfstream Natural Gas System, LLC, or Gulfstream; and Southeast Supply Header, LLC, or SESH, which began operations in September 2008. The pipeline systems in our U.S. Transmission business receive natural gas from major North American producing regions for delivery to their respective markets. U.S. Transmission's proportional throughput for its pipelines totaled 2,218 TBtu in 2008 compared to 2,202 TBtu in 2007. This includes throughput on wholly owned pipelines and its proportional share of throughput on pipelines that are not wholly owned. A majority of contracted transportation volumes are under long-term firm service agreements. Interruptible transportation services are provided on a short-term or seasonal basis. U.S. Transmission provides storage services through Saltville Gas Storage Company, L.L.C., or Saltville, Market Hub Partners Holdings, or Market Hub, Moss Bluff and Egan storage facilities, and Texas Eastern's facilities. In the course of providing transportation services, U.S. Transmission also processes natural gas on its Texas Eastern system. Demand on the pipeline systems is seasonal, with the highest throughput occurring during colder periods in the first and fourth calendar quarters.

## **Distribution**

We provide distribution services in Canada through our subsidiary, Union Gas Limited, or Union Gas. Union Gas owns pipeline, storage and compression facilities used in the transportation, storage and distribution of natural gas. Union Gas's system consists of approximately 37,000 miles of distribution main and service pipelines. Union Gas's underground natural gas storage facilities have a working capacity of approximately 155 Bcf in 21 underground facilities located in depleted gas fields. Its transmission system consists of approximately 3,000 miles of high-pressure pipeline and six mainline compressor stations.

## **Western Canada Transmission & Processing**

Our Western Canada Transmission & Processing business is comprised of the BC Pipeline and BC Field Services operations, the Midstream operations and the natural gas liquids, or NGL, marketing operations.

BC Pipeline and BC Field Services provide natural gas transportation and gas gathering and processing services. BC Pipeline is regulated by Canada's National Energy Board, or NEB, under full cost of service regulation, and transports processed natural gas from facilities primarily in northeast British Columbia to markets in the lower mainland of British Columbia and the U.S. Pacific Northwest. The BC Pipeline has approximately 1,800 miles of transmission pipeline in British Columbia and Alberta, as well as 18 mainline compressor stations. Throughput for the BC Pipeline totaled 615 TBtu in 2008 compared to 596 TBtu in 2007.

The BC Field Services business, which is regulated by the NEB under a light-handed regulatory model, consists of raw gas gathering pipelines and gas processing facilities, located primarily in northeast British Columbia. These facilities provide services to natural gas producers to remove impurities from the raw gas stream including water, carbon dioxide, hydrogen sulfide and other substances. Where required, these facilities also remove various NGLs for subsequent sale. The BC Field Services business includes five gas processing plants located in British Columbia, 17 field compressor stations and approximately 1,500 miles of gathering pipelines. The Midstream business provides similar gas gathering and processing services in British Columbia and Alberta and consists of 11 natural gas processing plants and approximately 600 miles of gathering pipelines.

The Empress NGL marketing business provides NGL extraction, fractionation, transportation, storage and marketing services to western Canadian producers and NGL customers throughout Canada and the northern

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tier of the United States. Assets include, among other things, a majority ownership interest in an NGL extraction plant, an integrated NGL fractionation facility, an NGL transmission pipeline, seven terminals where propane, butane and condensate are loaded for shipping or transferred into product sales pipelines, two NGL storage facilities and an NGL marketing and gas supply business. The Empress extraction and fractionation plant is located in Empress, Alberta.

**Field Services**

Field Services consists of our 50% investment in DCP Midstream, which is accounted for as an equity investment. DCP Midstream gathers and processes natural gas, and fractionates, markets and trades NGLs. ConocoPhillips owns the remaining 50% interest in DCP Midstream.

DCP Midstream operates in 29 states in the United States. DCP Midstream's gathering systems include connections to several interstate and intrastate natural gas and NGL pipeline systems and one natural gas storage facility. DCP Midstream gathers raw natural gas through gathering systems located in nine major natural gas producing regions: Mid-Continent, Rocky Mountain, East Texas-North Louisiana, Barnett Shale, Gulf Coast, South Texas, Central Texas, Antrium Shale and Permian Basin. DCP Midstream owns or operates approximately 60,000 miles of gathering and transmission pipe, with approximately 38,000 active receipt points.

**Our Principal Executive Offices**

Our corporate headquarters are located at 5400 Westheimer Court, Houston, Texas 77056. We were incorporated in 2006 and are a Delaware corporation. Our telephone number is (713) 627-5400.

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**Corporate Structure**

**Our Business Segments**

Percentages indicate our ownership interest in less than wholly owned entities.

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**Recent Developments**

*2008 Results*

Throughout 2008, we continued to execute on the strategies and objectives we outlined for our stockholders. These included exceeding our earnings objectives and the execution on significant capital expansion plans that underlie our growth objectives. On February 5, 2009, we reported our unaudited financial results for the quarter and year ended December 31, 2008. We reported 2008 net income of \$1.13 billion, or \$1.81 diluted earnings per share, an increase from net income of \$957 million, or \$1.51 diluted earnings per share, for 2007. Operating revenues in 2008 were \$5.07 billion compared to \$4.70 billion in 2007. The annual results for 2008 reflect strong earnings and sound operating performance from all underlying businesses. We benefited from expansion projects placed into service in both 2007 and 2008 and higher commodity prices during the year. We also reported fourth quarter 2008 net income of \$171 million, or \$0.28 diluted earnings per share, compared to net income of \$291 million, or \$0.46 diluted earnings per share, for the fourth quarter of 2007. Fourth quarter 2008 operating revenues were \$1.26 billion compared to \$1.39 billion for the fourth quarter of 2007. The quarterly results reflect lower commodity prices, a lower Canadian dollar and a \$44 million charge (\$30 million after-tax) for an impairment of our Islander East project caused by adverse legal rulings and unfavorable economic conditions.

During 2008, we invested approximately \$1.5 billion in expansion capital, representing the successful completion of our 2008 expansion plans, with returns on these projects expected to be slightly above our targeted 10% to 12% range. At year end, we had total debt of \$10.05 billion, stockholders' equity of \$5.54 billion and minority interest of \$695 million, with a debt-to-total capitalization ratio of 62%.

*2009 Capital Budget*

As we execute on our strategic objectives around organic growth and expansion projects, expansion capital could range from \$500 million to \$1 billion per year over the next few years. The timing and extent of these expenditures are likely to vary significantly from year to year, depending primarily on general economic conditions and market requirements. We project our expansion capital for 2009 to be approximately \$500 million, which reflects a reduction of approximately \$300 million from previous estimates. The reduction is largely in response to our customers' needs in the current market environment. Declines in general market conditions in late 2008 have continued in 2009, and we will continue to monitor market requirements and adjust our long-term plans accordingly. In addition, we expect to place approximately \$650 million of major projects into service during 2009.

We will rely primarily upon cash flows from operations and additional financing transactions to fund our liquidity and capital requirements for 2009. We have access to four revolving credit facilities, which as of December 31, 2008 had total combined capacities of approximately \$2.6 billion and availability of approximately \$1.4 billion. These facilities are used principally as back-stops for commercial paper programs. Given that we expect to continue to pursue expansion opportunities through 2009 as well as over the next several years and also given the normal scheduled maturities of our existing debt instruments, capital resources will continue to include significant long-term borrowings. We remain committed to maintaining a capital structure and liquidity profile that continues to support an investment-grade credit rating and therefore will continue to monitor market requirements and our available liquidity and make adjustments to these long-term plans as needed.

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**The Offering**

|   |   |
|---|---|
| <b>Common stock offered</b>                   | 28,000,000 shares   |
| <b>Shares outstanding after this offering</b> | 639,114,036 shares(1)   |
| <b>Use of proceeds</b>                        | We estimate that our net proceeds from this offering without exercise of the over-allotment option will be approximately \$389 million. We expect to use the net proceeds of this offering to fund capital expenditures and for other general corporate purposes. Pending the use of proceeds for such purposes, we expect to use the net proceeds to repay commercial paper and other short-term borrowings as they mature or invest them temporarily in short-term marketable securities. |
| <b>Risk factors</b>                           | Please read Risk Factors and the other information contained in or incorporated by reference into this prospectus supplement and the accompanying prospectus for a discussion of factors you should carefully consider before deciding to invest in shares of our common stock.   |
| <b>New York Stock Exchange symbol</b>         | SE  |

- (1) The number of shares outstanding after the offering is based on 611,114,036 shares outstanding as of February 5, 2009 and excludes shares of common stock potentially issuable upon the exercise of stock options, which as of December 31, 2008, included 12,846,807 shares potentially issuable upon the exercise of outstanding stock options at a weighted average price of \$25.45 and 32,785,868 shares of common stock reserved for issuance under our stock compensation plans. If the over-allotment option is exercised in full, we will issue and sell an additional 4,200,000 shares of our common stock.

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The following tables set forth summarized historical financial data as of the dates and for the periods indicated. The financial data as of December 31, 2007 and 2006 and for each of the three years ended December 31, 2007, 2006 and 2005 have been derived from our audited consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2007, which has been filed with the SEC and is incorporated by reference into this prospectus supplement. The financial data as of September 30, 2008 and for each of the nine months ended September 30, 2008 and 2007 have been derived from our unaudited interim consolidated financial statements included in our Quarterly Report on Form 10-Q for the quarter ended on September 30, 2008, which has been filed with the SEC and is incorporated by reference into this prospectus supplement. The unaudited interim consolidated financial statements have been prepared on a basis consistent with the audited consolidated financial statements and, in the opinion of management, include all adjustments (including normal recurring accruals) necessary for a fair presentation of such data. The results for the interim periods are not necessarily indicative of results for a full year. The financial data below should be read together with, and are qualified in their entirety by reference to, our historical consolidated financial statements and the accompanying notes and Management's Discussion and Analysis of Financial Condition and Results of Operations contained in our Annual Report on Form 10-K for the year ended December 31, 2007 and our Quarterly Report on Form 10-Q for the quarter ended September 30, 2008.

|  | Nine months ended<br>September 30,      |          | Years ended<br>December 31, |          |          |
|--|---|----------|-----------------------------|----------|----------|
|  | 2008                                    | 2007     | 2007                        | 2006     | 2005     |
|  | (in millions, except per share amounts) |          |                             |          |          |
| <b>Operating Revenues</b>                                      | \$ 3,813                                | \$ 3,317 | \$ 4,742                    | \$ 4,532 | \$ 9,454 |
| <b>Operating Expenses</b>                                      |   |          |                             |          |          |
| Operating costs and expenses                                   | 2,232                                   | 1,899    | 2,788                       | 2,845    | 7,512    |
| Depreciation and amortization                                  | 437                                     | 382      | 525                         | 489      | 611      |
| Total operating expenses                                       | 2,669                                   | 2,281    | 3,313                       | 3,334    | 8,123    |
| <b>Gains on Sales of Other Assets and Other, net</b>           | 32                                      | 6        | 13                          | 47       | 522      |
| <b>Operating Income</b>  | 1,176                                   | 1,042    | 1,442                       | 1,245    | 1,853    |
| <b>Other Income and Expenses</b>                               |   |          |                             |          |          |
| Equity in earnings of unconsolidated affiliates                | 725                                     | 394      | 596                         | 609      | 355      |
| Other income and expenses, net                                 | 30                                      | 37       | 53                          | 127      | 1,313    |
| Total other income and expenses                                | 755                                     | 431      | 649                         | 736      | 1,668    |
| <b>Interest Expense</b>  | 470                                     | 467      | 633                         | 605      | 675      |
| <b>Minority Interest Expense</b>                               | 46                                      | 41       | 71                          | 45       | 511      |
| <b>Earnings From Continuing Operations Before Income Taxes</b> | 1,415                                   | 965      | 1,387                       | 1,331    | 2,335    |
| <b>Income Tax Expense From Continuing Operations</b>           | 453                                     | 312      | 443                         | 395      | 926      |
| <b>Income From Continuing Operations</b>                       | 962                                     | 653      | 944                         | 936      | 1,409    |
| <b>Income (Loss) From Discontinued Operations, net of tax</b>  | (4)                                     | 17       | 13                          | 308      | (731)    |
| <b>Income Before Extraordinary Items</b>                       | 958                                     | 670      | 957                         | 1,244    | 678      |
| <b>Extraordinary Items, net of tax</b>                         |   | (4)      |                             |          | (4)      |
| <b>Net Income</b>  | \$ 958                                  | \$ 666   | \$ 957                      | \$ 1,244 | \$ 674   |

**Common Stock Data**

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|                                     |         |         |         |                    |                    |
|-------------------------------------|---------|---------|---------|--------------------|--------------------|
| Weighted-average shares outstanding |         |         |         |                    |                    |
| Basic                               | 626     | 632     | 632     | n/a <sup>(a)</sup> | n/a <sup>(a)</sup> |
| Diluted                             | 629     | 635     | 635     | n/a                | n/a                |
| Earnings per share total            |         |         |         |                    |                    |
| Basic                               | \$ 1.53 | \$ 1.05 | \$ 1.51 | n/a                | n/a                |
| Diluted                             | 1.52    | 1.05    | 1.51    | n/a                | n/a                |