This document is important and requires your immediate attention. If you are in any doubt as to how to deal with it, you should consult your investment dealer, broker, lawyer or other professional advisor. This document does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful. If you have any questions relating to the voting of the proxies, you may contact Enercapita's proxy tabulation agent, Alliance Trust Company by email at inquiries@alliancetrust.ca.

NOTICE OF SPECIAL MEETING OF PREFERRED UNITHOLDERS OF ENERCAPITA ENERGY TRUST

AND

NOTICE OF SPECIAL MEETING OF PREFERRED UNITHOLDERS AND COMMON A UNITHOLDERS OF ENERCAPITA ENERGY L.P.

AND

JOINT INFORMATION CIRCULAR

The Board of Directors unanimously recommends that you vote

IN FAVOUR

of the Declaration of Trust Amendment Resolution

and the Partnership Agreement Amendment Resolution, as applicable

JUNE 24, 2019

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LETTER TO UNITHOLDERS

June 24, 2019

Dear Unitholder:

You are invited to attend a special meeting (the "**Trust Meeting**") of each class of holders of PTUs (defined below) and a special meeting (the "**LP Meeting**") of each class of holders of Preferred LP Units (defined below) and Common A LP Units (defined below), to consider and approve the Amendments (defined below). The Trust Meeting and the LP Meeting will both be held at the offices of Norton Rose Fulbright Canada LLP, 400 3rd Avenue S.W., Suite 3700, Calgary, Alberta on August 7, 2019 at 11:00 a.m. (Calgary time).

The board of directors (the "**Board**") of Enercapita Energy GP Ltd., the administrator of Enercapita Energy Trust (the "**Trust**") and the general partner of Enercapita Energy L.P. (the "**Partnership**", and together with the Board, the Trust and Enercapita Energy Ltd., "**Enercapita**"), would like holders of preferred units of the Trust ("**PTUs**"), preferred units of the Partnership ("**Preferred LP Units**") and common A units of the Partnership ("**Common A LP Units**") to consider a proposal to make certain amendments to the declaration of trust of the Trust (the "**Declaration of Trust**") and the limited partnership agreement of the Partnership (the "**Partnership Agreement**") (collectively, the "**Amendments**").

The Board unanimously recommends that the holders of PTUs vote for the special resolutions attached as "*Schedule A*" hereto approving the Amendments. The Board unanimously recommends that the holders of Preferred LP Units and Common A LP Units vote for the special resolutions attached as "*Schedule B*" hereto approving the Amendments.

Full details of the Amendments are set out in the accompanying Notice of Special Meeting of Preferred Unitholders of the Trust, Notice of Special Meeting of Preferred Unitholders and Common A Unitholders of the Partnership, and Joint Information Circular dated June 24, 2019 (the "**Information Circular**").

THE AMENDMENTS

The following is a summary of the relevant terms of the Amendments (if approved):

- the Partnership Agreement will be amended to, among other things, provide that:
  - the general partner of the Partnership may, as an extraordinary measure, suspend the redemption of Preferred LP Units or payment of redemption proceeds if the general partner of the Partnership determines the suspension to be appropriate in the circumstances;
  - the maturity date for redemption notes issued by the Partnership shall be five years or less from the date of issuance;
  - holders of Preferred LP Units will be entitled to distributions that reflect the cash flow available for distribution of Enercapita Energy Ltd. (up to a maximum), rather than being fully discretionary;
  - in the event that any Preferred LP Units are redeemed by the Partnership or tendered for redemption by a holder of Preferred LP Units (including for greater certainty, a redemption by the Trust in connection with PTUs being tendered for redemption), the Partnership is entitled to also redeem any Common A LP Units that were issued in connection with the Preferred LP Units being redeemed (including for greater certainty, Preferred LP Units that were issued to the Trust in connection with the issuance by the Trust of PTUs); and
  - the existing cap on indebtedness that can be incurred by the Partnership be removed; and
- the Declaration of Trust will be amended to, among other things, provide that:
  - the trustees of the Trust (the "**Trustees**") may, as an extraordinary measure, suspend the redemption of PTUs or payment of redemption proceeds if the Trustees, taking into account the advice of the administrator of the Trust, determine the suspension to be appropriate in the circumstances; and
  - the maturity date for redemption notes issued by the Trust shall be five years or less from the date of issuance;

The changes to the terms of the Partnership Agreement and the Declaration of Trust which would allow the suspension of the redemption of Preferred LP Units and/or PTUs are intended to permit the general partner of the Partnership and the Trustees

to protect the Partnership, the Trust and/or their unitholders, as the case may be, from the harm that would be caused by allowing redemptions when extraordinary and unusual circumstances are present. It is not intended to generally restrict the ability of unitholders to redeem their units.

In the event that the Amendments are approved, holders of PTUs and Preferred LP Units (all of which are currently entitled to a maximum distribution of eight percent (8%) annualized) will begin to receive the amended distributions in respect of the 2nd quarter of 2019, which is expected to be $0.015 per unit (six percent (6%) annualized) and paid on or about August 15, 2019.

Further, if the Amendments are approved, the advisory services fee payable by Enercapita Energy Ltd. in the amount equal to two percent (2%) per annum of the net asset value of the Partnership will be reduced to $0 effective at the end of April 2019 and replaced by market-based compensation for each of the advisors, provided that, if redemptions are not suspended and the value of the PTUs and Preferred LP Units are at par, such advisory services fee may be restored in lieu of other compensation to the advisors for any quarter at the same proportion as the distribution paid or payable to holders of PTUs and Preferred LP Units, relative to the maximum preferred return payable in respect of such PTUs or Preferred LP Units prior to the Amendments.

In the event that the Amendments are not approved, Enercapita expects that it will suspend distributions and, to the extent permitted, pay the redemption price of any units tendered for redemption with Redemption Notes (as defined in the Information Circular) until market conditions improve. Redemption Notes are not qualified investments for Exempt Plans (as defined in the Information Circular). See "*Certain Canadian Federal Income Tax Considerations*".

After a review of the business and careful consideration of a number of factors, including the rationale and market conditions described below, the Board unanimously determined that, subject to the approval of the holders of PTUs, Preferred LP Units and Common A LP Units, the Amendments are in the best interests of the Trust and the Partnership.

RATIONALE FOR THE AMENDMENTS

The Board makes its recommendations to the holders of PTUs, Preferred LP Units and Common A LP Units for the following reasons:

- **Liquidity event is not in best interests of unitholders at the current time due to the extreme disconnect between the underlying business and market valuations**: Enercapita has aggregated a strong portfolio of long-life, low-decline, light oil producing assets which generate sustainable free cash flow, and has had tremendous success executing its strategy. However, the Canadian oil and gas sector has been facing considerable challenges and significant headwinds remain. This has led to an exodus of capital from the sector, pushing valuations to historic lows and causing M&A activity to stagnate. There is currently a major disconnect between cash flows and valuations of companies in the Canadian oil and gas sector. Given these low valuations and the lack of capital and transaction activity in the marketplace, the time for Enercapita to monetize its assets is not now.

- **Manage redemption schedule:** Enercapita has reached the fifth anniversary of its initial capital raise and understands that certain investors desire liquidity in the near term. However, absent a liquidity event, redemptions pose a significant risk to Enercapita's cash flow, ability to pay distributions, and ultimately its balance sheet and sustainability, potentially jeopardizing Enercapita. This risk can be mitigated by allowing the administrator of the Trust and the general partner of the Partnership to suspend redemptions when it is prudent to do so, and allowing redemptions/retractions when cash flows and the balance sheet can support them. Similarly, the maturity date of the Redemption Notes issued in connection with the redemption of units of the Trust or the Partnership will be amended from the first anniversary of the date of issuance of such Redemption Note (or the sixth anniversary of the date that the unit being redeemed was issued, whichever is later) to the fifth anniversary of the date of issuance of such Redemption Note in order to permit the general partner of the Partnership and the Trustees to protect the balance sheet of the Trust and Partnership until market conditions improve.

- **Amended distributable cash flow model protects the balance sheet and replaces discretionary distribution:** The current distribution is 100% discretionary. The proposed distributable cash flow formula links the distribution with the cash flows of Enercapita Energy Ltd. up to a maximum. This protects Enercapita's balance sheet by ensuring distributions do not result in negative cash flow resulting in increased debt. It also ensures positive cash flow is used first for distributions.

- **Advisor support:** The advisors of Enercapita have agreed to suspend advisory services fees after April 2019 provided that the Amendments are approved, until such time as redemptions are restored and the PTU value is at par. The cost savings associated with the suspension of the advisory services fees will accrue to the benefit of all unitholders and further endorses the Trustees' intentions to maximize unitholder value.

- **Greater access to Capital:** The removal of the existing 30% cap on indebtedness is expected to allow Enercapita to obtain debt financing at rates and market levels similar and competitive with comparable entities. Currently, there are revolving and operating loan facilities established in favour of Enercapita Energy Ltd. of up to $120 million from a syndicate of lenders.

Your vote is very important. Whether or not you attend the Trust Meeting and the LP Meeting, please take the time to vote your PTUs, Preferred LP Units and/or Common A LP Units in accordance with the instructions contained in the applicable form of proxy for the Trust Meeting and the LP Meeting and submit your proxy via the internet, by fax or through the mail in the enclosed envelope as soon as possible to ensure your representation in the votes. If you are a non-registered unitholder and hold your PTUs, Preferred LP Units and/or Common A LP Units through a broker, bank, trust company or other intermediary, you should carefully follow the instructions of your intermediary to ensure that your PTUs, Preferred LP Units and/or Common A LP Units are voted at the Trust Meeting and the LP Meeting, as applicable, in accordance with your instructions.

For the Amendments to become effective, the special resolutions of the holders of PTUs (the "**Trust Resolutions**") and the special resolutions of the holders of Preferred LP Units and Common A LP Units (the "**LP Resolutions**") described in the accompanying Notice of Special Meeting of Preferred Unitholders of the Trust and Notice of Special Meeting of Preferred Unitholders and Common A Unitholders of the Partnership must each be approved by the affirmative vote of more than 66⅔% of the votes cast by holders of PTUs (in the case of the Trust Resolutions) and by the affirmative vote of more than 66⅔% of the votes cast by holders of Preferred LP Units and Common A LP Units (in the case of the LP Resolutions), in each case by holders of each class of PTUs, Preferred LP Units and Common A LP Units, who are entitled to vote and do vote on the resolutions.

If all necessary approvals are obtained and all other conditions to the implementation of the Amendments are satisfied or waived, then the Trust and the Partnership anticipate that the Amendments will become effective on or about August 9, 2019.

As the holders of PTUs are not direct holders of Preferred LP Units, if the Trust Resolutions are approved by holders of PTUs, Enercapita Energy GP Ltd., as administrator of the Trust, shall either: (i) vote all of the Preferred LP Units held by the Trust in favour of the LP Resolutions; or (ii) execute and deliver a written resolution approving the LP Resolutions in respect of the Preferred LP Units held by the Trust.

The accompanying Information Circular contains detailed information about the Trust, the Partnership, Enercapita Energy GP Ltd. and their respective businesses. Please consider this material carefully and, if you require assistance, consult your financial, legal, tax and other professional advisors.

Yours very truly,

"*Craig Hruska"*
Director

"*Greg Tisdale*"
Director

"*Stephen Johnston"*
Director

"*Michael Cook*"
Director

"*Greg Tooth*"
Director

ENERCAPITA ENERGY TRUST

NOTICE OF SPECIAL MEETING OF PREFERRED UNITHOLDERS
TO BE HELD ON AUGUST 7, 2019

NOTICE IS HEREBY GIVEN that a special meeting of holders (the "**Preferred Trust Unitholders**") of each class of preferred units ("**PTUs**") of Enercapita Energy Trust (the "**Trust**"), of which Preferred Units of the Trust are outstanding, will be held at the offices of Norton Rose Fulbright Canada LLP, 400 3rd Avenue S.W., Suite 3700, Calgary, Alberta on August 7, 2019 at 11:00 a.m. (Calgary time) (each meeting of a class of PTUs referred to as the "**Meeting**"), for the following purpose:

1 to seek the approval of the Preferred Trust Unitholders of each class of PTUs to pass a special resolution to approve all necessary amendments to the amended and restated declaration of trust of the Trust dated October 27, 2015 (the "**Declaration of Trust**") and such other steps as may be necessary or desirable to:

(a) provide that the trustees of the Trust ("**Trustees**") may, as an extraordinary measure, suspend the redemption of PTUs or payment of redemption proceeds if the Trustees, taking into account the advice of the administrator of the Trust, determine the suspension to be appropriate in the circumstances;

(b) provide that the maturity date for redemption notes issued by the Trust shall be five years or less from the date of issuance; and

(c) make certain other amendments;

(collectively, the "**Declaration of Trust Amendment Resolution**"), as more fully set forth in the accompanying Joint Information Circular dated June 24, 2019 (the "**Information Circular**"); and

2 to transact such other business, including amendments to the foregoing, as may properly be brought before the Meeting and any postponements or adjournments thereof.

Further, as the holders of PTUs are not direct holders of Preferred LP Units (as defined in the Information Circular), the Declaration of Trust Amendment Resolution, if approved, shall also direct Enercapita Energy GP Ltd., as the administrator of the Trust, to: (i) vote all of the Preferred LP Units of Enercapita Energy L.P. (the "**Partnership**") held by the Trust in favour of the Partnership Agreement Amendment Resolution (as described in the Information Circular); or (ii) execute and deliver a written resolution approving the Partnership Agreement Amendment Resolution in respect of the Preferred LP Units held by the Trust. The Trust holds a sufficient number of Preferred C1 LP Units (as defined in the Information Circular) of the Partnership to approve the Partnership Agreement Amendment Resolution on behalf of the holders of Preferred C1 LP Units.

The Information Circular and a form of proxy to be used by the Preferred Trust Unitholders accompany this notice. A complete description of the matters to be considered at the Meeting is provided in the Information Circular. The full text of the Declaration of Trust Amendment Resolution to be considered at the Meeting is set out in "*Schedule A*" to the Information Circular. A blackline copy of the form of Declaration of Trust (as would be amended by the Declaration of Trust Amendment Resolution), compared to the current Declaration of Trust is included as "*Schedule C*" to the Information Circular.

The Trust has fixed June 17, 2019 as the record date for the determination of the holders of PTUs entitled to receive notice of and vote at the Meeting. Only unitholders whose names were entered in the registers of the holders of PTUs as at 5:00 p.m. (Calgary time) on June 17, 2019 will be entitled to notice of, and to vote at, the Meeting or any postponements or adjournments thereof.

To be valid, proxies and other voting instructions must be received by Alliance Trust Company, the scrutineer for the Meeting, by not later than 5:00 p.m. (Calgary time) on August 5, 2019, or if the Meeting is postponed or adjourned, no later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the Province of Alberta) before the Meeting. The time limit for the deposit of proxies and other voting instructions may be waived or extended by Enercapita Energy GP Ltd. in its sole and absolute discretion.

Your vote is very important. Whether or not you attend the Meeting, please take the time to vote your PTUs in accordance with the instructions contained in the applicable form of proxy. If you require assistance completing the form of proxy for the Meeting or other voting instruction form, please contact Alliance Trust Company by email at inquiries@allliancetrust.ca.

In order for a beneficial holder of PTUs to have its PTUs voted at the Meeting, it must complete and sign the voting instruction form provided by its broker, bank, trust company or other intermediary and return such voting instruction form in accordance with the instructions provided therein in advance of the Meeting. Failure to do so will result in such PTUs not being voted at the Meeting.

Enercapita is posting electronic versions of the Information Circular on Alliance Trust Company's website for review. Electronic copies of Meeting materials including the Information Circular can be accessed at www.alliancetrust.ca/shareholders/.

If you would like paper copies of the Information Circular, please contact the Trust by email at info@enercapita.com and the Information Circular will be mailed to you free of charge within five business days of your request, provided the request is made before the date of the Meeting or any adjournment thereof. In order to receive such paper copy in advance of the deadline to submit your vote, the Trust recommends that you submit your request before 5:00 p.m. (Calgary Time) on July 22, 2019.

The Information Circular provides additional information relating to matters to be dealt with at the Meeting and is deemed to form part of this notice.

DATED as of June 24, 2019.

BY ORDER OF THE BOARD OF DIRECTORS OF ENERCAPITA ENERGY GP LTD., THE ADMINISTRATOR OF THE TRUST

Per: "*Craig Hruska*"
Craig Hruska
Director

ENERCAPITA ENERGY L.P.

NOTICE OF SPECIAL MEETING OF PREFERRED UNITHOLDERS AND COMMON A UNITHOLDERS TO BE HELD ON AUGUST 7, 2019

NOTICE IS HEREBY GIVEN that a special meeting of holders (the "**Preferred LP Unitholders**") of each class of preferred units ("**Preferred LP Units**") of Enercapita Energy L.P. (the "**Partnership**"), of which Preferred C Units of the Partnership and Preferred C1 Units of the Partnership are outstanding, and holders (the "**Common A LP Unitholders**") of common A units ("**Common A LP Units**") of the Partnership will be held at the offices of Norton Rose Fulbright Canada LLP, 400 3rd Avenue S.W., Suite 3700, Calgary, Alberta on August 7, 2019 at 11:00 a.m. (Calgary time) (each meeting of a class of Preferred LP Units and Common A LP Units referred to as the "**Meeting**"), for the following purpose:

1 to seek the approval of the Preferred LP Unitholders of each class of Preferred LP Units and the Common A LP Unitholders to pass a special resolution to approve all necessary amendments to the amended and restated limited partnership agreement of the Partnership dated May 11, 2015 (the "**Partnership Agreement**") to:

(a) provide that the general partner of the Partnership may, as an extraordinary measure, suspend the redemption of Preferred LP Units or payment of redemption proceeds if the general partner of the Partnership determines the suspension to be appropriate in the circumstances;

(b) provide that the maturity date for redemption notes issued by the Partnership shall be five years or less from the date of issuance;

(c) provide that holders of Preferred LP Units will be entitled to distributions that reflect the cash flow available for distribution of Enercapita Energy Ltd. (up to a maximum), rather than being fully discretionary;

(d) provide that in the event that any Preferred LP Units are redeemed by the Partnership or tendered for redemption by a holder of Preferred LP Units (including for greater certainty, a redemption by Enercapita Energy Trust (the "**Trust**") in connection with preferred units of the Trust ("**PTUs**") being tendered for redemption), the Partnership is entitled to also redeem any Common A LP Units that were issued in connection with the Preferred LP Units being redeemed (including for greater certainty, Preferred LP Units that were issued to the Trust in connection with the issuance by the Trust of PTUs);

(e) provide that the existing cap on indebtedness that can be incurred by the Partnership be removed; and

(f) make certain other amendments,

(collectively, the "**Partnership Agreement Amendment Resolution**"), as more fully set forth in the accompanying Joint Information Circular dated June 24, 2019 (the "**Information Circular**"); and

2 to transact such other business, including amendments to the foregoing, as may properly be brought before the Meeting and any postponements or adjournments thereof.

The Information Circular and a form of proxy to be used by the Preferred LP Unitholders and Common A LP Unitholders accompany this notice. A complete description of the matters to be considered at the Meeting is provided in the Information Circular. The full text of the Partnership Agreement Amendment Resolution to be considered at the Meeting is set out in "*Schedule B*" to the Information Circular. A blackline copy of the form of Partnership Agreement (as would be amended by the Partnership Agreement Amendment Resolution), compared to the current Partnership Agreement is included as "*Schedule D*" to the Information Circular.

The Partnership has fixed June 17, 2019 as the record date for the determination of the holders of Preferred LP Units and Common A LP Units entitled to receive notice of and vote at the Meeting. Only unitholders whose names were entered in the registers of the holders of Preferred LP Units and Common A LP Units as at 5:00 p.m. (Calgary time) on June 17, 2019 will be entitled to notice of, and to vote at, the Meeting or any postponements or adjournments thereof.

To be valid, proxies and other voting instructions must be received by Alliance Trust Company, the scrutineer for the Meeting, by not later than 5:00 p.m. (Calgary time) on August 5, 2019, or if the Meeting is postponed or adjourned, no later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the Province of Alberta) before the Meeting. The time limit for the deposit of proxies and other voting instructions may be waived or extended by Enercapita Energy GP Ltd. in its sole and absolute discretion.

Your vote is very important. Whether or not you attend the Meeting, please take the time to vote your Preferred LP Units and/or Common A LP Units in accordance with the instructions contained in the applicable form of proxy. If you require assistance completing the form of proxy for the Meeting or other voting instruction form, please contact Alliance Trust Company by email at inquiries@alliance.trust.ca.

In order for a beneficial holder of Preferred LP Units and/or Common A LP Units to have its Preferred LP Units and/or Common A LP Units voted at the Meeting, it must complete and sign the voting instruction form provided by its broker, bank, trust company or other intermediary and return such voting instruction form in accordance with the instructions provided therein in advance of the Meeting. Failure to do so will result in such Preferred LP Units and/or Common A LP Units not being voted at the Meeting.

Enercapita is posting electronic versions of the Information Circular on Alliance Trust Company's website for review. Electronic copies of Meeting materials including the Information Circular can be accessed at www.alliancetrust.ca/shareholders/.

If you would like paper copies of the Information Circular, please contact the Partnership by email at info@enercapita.com and the Information Circular will be mailed to you free of charge within five business days of your request, provided the request is made before the date of the

Meeting or any adjournment thereof. In order to receive such paper copy in advance of the deadline to submit your vote, the Partnership recommends that you submit your request before 5:00 p.m. (Calgary Time) on July 22, 2019.

The Information Circular provides additional information relating to matters to be dealt with at the Meeting and is deemed to form part of this notice.

DATED as of June 24, 2019.

BY ORDER OF THE BOARD OF DIRECTORS OF ENERCAPITA ENERGY GP LTD., THE GENERAL PARTNER OF THE PARTNERSHIP

Per: "*Craig Hruska*"
Craig Hruska
Director

JOINT INFORMATION CIRCULAR

INTRODUCTORY INFORMATION

General

This Information Circular is furnished in connection with the solicitation of proxies from: (i) the holders of PTUs of the Trust, of which Preferred Trust Units are outstanding; (ii) the holders of Preferred LP Units of the Partnership, of which Preferred C LP Units and Preferred C1 LP Units are outstanding; and (iii) the holders of Common A LP Units of the Partnership; by and on behalf of the Administrator/GP in its capacity as the administrator of the Trust and the general partner of the Partnership, for use at the Meeting and any adjournments or postponements thereof.

No person has been authorized to give any information or make any representation in connection with the Amendments or any other matters to be considered at the Meeting other than those contained in this Information Circular and, if given or made, any such information or representation must not be relied upon as having been authorized by the Trust, the Partnership or the Administrator/GP.

Unless the context otherwise requires, all references in this Information Circular to "we", "us", "our" or "Enercapita" refer collectively to the Trust, the Partnership, Management and Investco.

All capitalized terms used in this Information Circular but not otherwise defined herein have the meanings set forth under "*Glossary*". Information contained in this Information Circular is given as of June 24, 2019, unless otherwise specifically stated.

All summaries of, and references to, the Declaration of Trust, the Partnership Agreement, the Declaration of Trust Amendment Resolution or the Partnership Agreement Amendment Resolution in this Information Circular are qualified in their entirety by reference to the complete text of these documents, each of which is included as a schedule to this Information Circular.

This Information Circular and the matters contemplated herein have not been approved or disapproved by any securities regulatory authority nor has any securities regulatory authority passed upon the fairness or merits of such transactions or upon the accuracy or adequacy of the information contained in this Information Circular. Any representation to the contrary is unlawful.

Unitholders should not construe the contents of this Information Circular as legal, tax or financial advice and should consult with their own legal, tax, financial or other professional advisors.

Unless otherwise indicated, all references to "$" or "dollars" set forth in this Information Circular are to Canadian dollars.

Cautionary Statement Regarding Forward Looking Information

This Information Circular contains "forward-looking statements" and "forward-looking information" within the meaning of applicable securities laws (forward-looking statements and forward-looking information being collectively referred to as "**forward-looking information**") that are based on expectations, estimates and projections as at the date of this Information Circular. This forward-looking information includes, but is not limited to, statements and information concerning: the Amendments; the anticipated timing for completion of the Amendments; the anticipated benefits of the Amendments; the principal steps of the Amendments; the anticipated timing for completion of the Amendments; statements relating to the business and future activities of Enercapita after the completion of the Amendments; the occurrence and outcome of the Meeting; the timing and duration of the suspension of the redemption of PTUs and Preferred LP Units; the timing for the restoration of redemptions of PTUs and Preferred LP Units; the payment by the Trust or Partnership of the redemption price of any Units tendered for redemption by Unitholders, as applicable; the amount of Advisory Services Fee payable by Investco to each of the Advisors; treatment of the Trust, the Partnership and the Unitholders under governmental regulatory regimes, securities laws and tax laws, including the Trust's qualification as a "mutual fund trust", the Trust and the Partnership not being a "SIFT trust" or "SIFT partnership", respectively, under the Tax Act and the Trust's and the Partnership's ability to remain exempt from being subject to U.S. withholding tax on U.S. and certain non-U.S. source income and gross proceeds; timing for the reduction and restoration of Advisory Services Fee; timing, amount and payment of distributions; the reimbursement of certain expenses as between the Enercapita entities; the incurrence of indebtedness by the Trust, the Partnership or Investco; the ability of the Partnership and Investco to continue to fund their operations and satisfy their obligations when due; and other statements that are not historical facts.

To the extent any forward-looking information constitutes future-oriented financial information or financial outlook, as those terms are defined under applicable securities laws, such statements are being provided to describe the current anticipated effect of the Amendments, and readers are cautioned that these statements may not be appropriate for any other purpose, including investment decisions.

Any statements that involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often, but not always, using words or phrases such as "expects" or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "budget", "scheduled", "forecasts", "estimates", "believes" or "intends" or variations of such words and phrases or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved) are not statements of historical fact and may be forward-looking statements and are intended to identify forward-looking information. This forward-looking information is based on the beliefs of the Administrator/GP's management, as well as on assumptions and other factors, which management believes to be reasonable based on information available at the time such information was given. Such assumptions include, among other things, the approval of the Amendments.

By its nature, forward-looking information, including future-oriented financial information or financial outlook, is based on assumptions and involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements expressed or implied herein to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information, including, without limitation, the risks and uncertainties described in "*Certain Risk Factors Relating to the Amendments*" and "*Schedule E - Certain Risk Factors Related to Enercapita"*. These lists are not exhaustive of the factors that may affect any of the forward-looking information contained herein.

Forward-looking information is information about the future and is inherently uncertain. There can be no assurance that the forward-looking information will prove to be accurate. Actual results could differ materially from those reflected in the forward-looking information as a result of, among other things, the matters set out or incorporated by reference in this Information Circular generally and economic and business factors, some of which may be beyond the control of Enercapita.

Enercapita expressly disclaims any intention or obligation to update or revise any information contained in this Information Circular (including forward-looking information) except as required by applicable laws, and Unitholders should not assume that any lack of update to information contained in this Information Circular means that there has been no change in that information since the date of this Information Circular and should not place undue reliance on forward-looking information.

Market and Industry Data

This Information Circular may contain statistical data, market research and industry forecasts that were obtained from government or other industry publications and reports or are based on estimates derived from such publications and reports. Government and industry publications and reports generally indicate that they have obtained their information from sources believed to be reliable, but do not guarantee the accuracy and completeness of their information. While Enercapita believes this data to be reliable, market and industry data is subject to variations and cannot be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey. Enercapita has not independently verified any of the data from independent third party sources referred to in this Information Circular or ascertained the underlying assumptions relied upon by such sources.

GLOSSARY

In this Information Circular, unless the context otherwise requires, the following words and terms have the indicated meanings:

"**ABCA**" means the *Business Corporations Act* (Alberta).

"**Acquisitions**" means, collectively, 26 asset acquisitions and one corporate acquisition, completed between May, 2014 and October, 2018.

"**Administration Agreement**" means the administration agreement dated February 27, 2014, between the Administrator/GP and the Trust, as amended, supplemented or amended and restated from time to time.

"**Administrator/GP**" means Enercapita Energy GP Ltd., a corporation incorporated under the laws of Alberta, and all successors and permitted assigns thereof.

"**Advisory Services Agreement**" means the amended and restated advisory services agreement dated effective May 1, 2019, between Investco and the Advisors, as amended, supplemented or amended and restated from time to time.

"**Advisory Services Fee**" means the advisory services fee in an amount equal to two percent (2%) per annum of the Asset Value of the Partnership less Partnership Debt and Short Term Acquisition Funding payable by Investco to the Advisors pursuant to the Advisory Services Agreement. See "*Fees and Expenses – Advisory Services Fees*" and "*Interests of Certain Persons or Companies in the Amendments*".

"**Advisors**" means collectively, 1843307 Alberta Ltd., Westkal Energy Inc., Tooth Holdings Ltd., Lexbury Holdings Ltd. and J2 Holdings Ltd. and each of them, an "**Advisor**".

"**affiliate**" of a person means any other person controlling, controlled by, or under common control with, such person.

"**Amendments**" the proposal to, among other things, (a) amend the preferred return in respect of the Preferred LP Units (which affects distributions to holders of both Preferred LP Units and PTUs), (b) allow the Partnership to retract certain Common A LP Units in the event that Preferred LP Units or PTUs that were issued in connection with such Common A LP Units are redeemed, and (c) allow Enercapita to suspend redemptions, as described in this Information Circular.

"**Assets**" means, collectively, the assets held by Investco including operated and non-operated working interests in oil and natural gas wells, facilities and pipelines located in Alberta and British Columbia, which were aggregated through acquisitions and execution of capital projects.

"**Asset Value**" means, with respect to the Partnership on any particular valuation date, the market value on the valuation date of the Partnership Property as determined by the Administrator/GP.

"**associate**" means, in relation to another person ("**Other Person**"): (a) a person of which the Other Person beneficially owns or controls, directly or indirectly, (1) voting securities of such person (or securities currently convertible into voting securities) carrying more than ten percent (10%) of the voting rights attached to outstanding securities of the person, or (2) a currently exercisable option or right to purchase those voting securities or those convertible securities; (b) any person who is a partner of the Other Person; (c) any trust or estate in which the Other Person has a substantial beneficial interest; or (d) in the case where the Other Person is an individual, a relative of that individual if the relative has the same home as that individual, including (1) the spouse of that individual; or (2) a relative of that individual's spouse.

"**Board**" means the board of directors of the Administrator/GP.

"**Business**" means the business of engaging in the exploration, acquisition, development and production of petroleum and natural gas in western Canada and investing in assets that have demonstrated an ability to generate sustainable cash flow. The Partnership will invest for the purpose of exercising, or seeking to exercise, control of assets or will, through the Administrator/GP, participate actively in the management of the businesses or assets in which it invests. The Partnership may, but is not obliged to, make some or all of its investments through intermediary vehicles, such as Investco.

"**business day**" means any day other than a Saturday, Sunday, a statutory holiday in the Province of Alberta or a day on which the principal chartered banks located at Calgary, Alberta are not generally open for the transaction of commercial business.

"**Cash Flow Available for Distribution**" means, for a particular Distribution Period, an amount calculated as follows:

(a) the revenue of Investco;

(b) plus/minus hedging gains/losses of Investco;

(c) minus the sum of: (i) royalties of Investco; (ii) transportation expenses of Investco; (iii) operating expenses of Investco; (iv) general and administrative expenses of the Trust, the Partnership and Investco; (v) interest expenses of Investco (other than interest payable by Investco to the Partnership); (vi) taxes of Investco; (vii) non-discretionary principal repayments on indebtedness by Investco; and (viii) 25% of annualized non-discretionary capital expenditures of Investco, including production replacement capital reservoir and decline maintenance capital, facility and pipeline maintenance capital and asset retirement obligation costs.

"**CCIR**" means the *Carbon Competitiveness Incentive Regulation*, the accompanying regulation to the *Climate Change and Emissions Management Act* introduced by the Government of Alberta, which imposes GHG emissions limits.

"**Common A LP Unit**" means a common A unit of beneficial interest in the Partnership issued from time to time in accordance with the Partnership Agreement and having the rights, privileges, restrictions and conditions set out in the Partnership Agreement.

"**Common A LP Unitholder**" or "**holder of Common A LP Units**" means a person whose name appears on the register of the Partnership as a holder of Common A LP Units.

"**Common B LP Unit**" means a common B unit of beneficial interest in the Partnership issued from time to time in accordance with the Partnership Agreement and having the rights, privileges, restrictions and conditions set out in the Partnership Agreement.

"**Common C LP Unit**" means a common C unit of beneficial interest in the Partnership issued from time to time in accordance with the Partnership Agreement and having the rights, privileges, restrictions and conditions set out in the Partnership Agreement.

"**Common LP Units**" means the Common A LP Units, Common B LP Units or Common C LP Units, as the case may be, and references in this Information Circular to Common LP Units shall mean a reference to Common A LP Units, Common B LP Units and/or Common C LP Units, as the context so requires.

"**Common LP Unitholder**" or "**holder of Common LP Units**" means a person whose names appears on the register of the Partnership as a holder of one or more Common LP Units.

"**Common Trust Unit**" means a common unit of beneficial interest in the Trust issued from time to time in accordance with the Declaration of Trust and having the rights, privileges, restrictions and conditions set out in the Declaration of Trust.

"**Common Trust Unitholder**" means a person whose name appears on the register of the Trust as a holder of one or more Common Trust Units.

"**control**", and related terms including "**controlling**" and "**controlled**", shall mean the possession by or on behalf of a person, or group of persons acting jointly or in concert, of the following in respect of another person: (i) in the case where the other person is a corporation, the power to vote more than 50% of the securities having ordinary voting power for the election of directors of such corporation; (ii) in the case where the other person is a limited partnership, the power to control the general partner of the limited partnership; and (iii) in the case where the other person is other than a corporation or limited partnership, any of: (1) the power to exercise more than 50% of the voting rights in such person; or (2) the right to receive more than 50% of the distributions made by that person.

"**Corresponding Partnership Unit**" means, with respect to a PTU, the Unit of the Partnership that is acquired by the Trust with the proceeds the Trust receives from the issuance of such PTU.

"**Credit Facilities**" means, collectively, the revolving and operating loan facilities established in favour of Investco of up to $120 million, as amended, supplemented or restated from time to time. The secured Credit Facilities consist of a $20 million operating credit facility from the National Bank of Canada and a $100 million revolving credit facility from a syndicate of four lenders, with a maturity date of June 30, 2021. See "*Detailed Information about Enercapita - Debt of the Trust, the Partnership and Investco*".

"**Declaration of Trust**" means the amended and restated declaration of trust dated October 27, 2015 among the Trustees, the Administrator/GP, the settlor of the Trust and each person who is or becomes a unitholder of the Trust, as such Declaration of Trust has been and may hereafter be amended from time to time.

"**Declaration of Trust Amendment Resolution**" means the Special Resolution to approve the amendments to the Declaration of Trust to be considered at the Trust Meeting, substantially in the form set out in "*Schedule A*".

"**Distributable Cash**" of each class or series of PTUs for, or in respect of, a Distribution Period shall be equal to:

(a) all cash or cash equivalents which are received by the Trust for such class or series of PTUs for, or in respect of, such Distribution Period, including amounts on account of interest, income, dividends, returns of capital, amounts paid on debt held by the Trust, capital gains, and such other amounts as may be determined from time to time by the Trustees or the Administrator/GP to be included in "Distributable Cash" of such class or series of PTUs (which may include amounts taken, in the discretion of the Trustees or the Administrator/GP, out of the Trust's reserves as well as amounts from the proceeds of any offering);

less the sum of:

(b) all amounts paid on account of expenses and liabilities attributable to such class or series of PTUs for, or in respect of, such Distribution Period as well as an amount for all expenses and liabilities of the Trust which, in the opinion of the Trustees or Administrator/GP, may reasonably be considered to have accrued and become owing in respect of, or which relate to, such Distribution Period or a prior Distribution Period if not accrued in such prior period including, without limitation, any accrued liability in respect of undeclared and accumulated distributions on such class or series of PTUs;

(c) all amounts which relate to the repayment of any amount (principal or interest) in respect of any indebtedness of the Trust during such Distribution Period attributable to such class or series of PTUs;

(d) all cash amounts used during such Distribution Period for or in connection with loans, advances, investments or other acquisitions of assets by the Trust attributable to such class or series of PTUs;

(e) the aggregate amount of all cash amounts used, or to be used, in respect of the redemption or repurchase of such class or series of PTUs called for redemption or repurchase;

(f) any amount, in addition to those amounts set forth in (b) to (d) (inclusive), which the Administrator/GP may reasonably consider to be necessary to provide for the payment of any liabilities which have been or will be incurred by the Trust attributable to such class or series of PTUs, including any tax liability of the Trust (to the extent that such liabilities have not otherwise been taken into account in determining the Distributable Cash hereunder), or for pursuing any purpose or activity of the Trust; and

(g) an amount as determined in the discretion of the Trustees or the Administrator/GP for reasonable reserves to be maintained for the purposes of satisfying payment of any amounts or liabilities of the Trust attributable to such class or series of PTUs.

"**Distribution Amount**" means, in respect of any Distribution Period, the portion of Distributable Cash declared payable by the Trust to the holders of each class or series of PTUs of record as at the close of business on the Distribution Record Date for such Distribution Period.

"**Distribution Period**" means each three month period ending March 31, June 30, September 30 and December 31 in each calendar year, or such other periods as may be hereafter determined from time to time by the Trustees or the Administrator/GP.

"**Distribution Per PTU**" means an equal share of the amount of the Distribution Amount in respect of such class or series of PTUs which is declared payable to the holders of such class or series of PTUs pursuant to the Declaration of Trust for such particular Distribution Period, which share shall be determined by dividing the amount of such Distribution Amount in respect of such class or series of PTUs declared payable to the holders of such class or series of PTUs by the number of issued and outstanding PTUs of such class or series on the Distribution Record Date.

"**Distribution Record Date**" means the last business day in each Distribution Period or such other date as may be determined from time to time by the Trustees or the Administrator/GP.

"**DRIP**" means the distribution reinvestment plan that the Trust has adopted that will allow eligible holders of PTUs to elect to have their quarterly cash distributions reinvested in additional PTUs at a purchase price equal to $1.00 per PTU (or such other price as may be determined by the Trustees from time to time). As at the date hereof, the DRIP has been suspended by the Trust.

"**Effective Date**" means the effective date of the Amendments.

"**Enercapita**" means collectively, Management, the Trust, the Partnership and Investco.

"**Equivalent Entitlement**" means securities of any kind issued by the Partnership convertible into or exchangeable for Common C LP Units or options, warrants or other rights to purchase or subscribe for or securities convertible into or exchangeable for Common C LP Units.

"**Exempt Plans**" means trusts governed by registered retirement savings plans ("**RRSP**"), registered retirement income funds ("**RRIF**"), deferred profit sharing plans ("**DPSP**"), registered education savings plans ("**RESP**"), registered disability savings plans ("**RDSP**") and tax free savings accounts ("**TFSA**"), all as defined in the Tax Act; individually herein referred to as an "**Exempt Plan**".

"**GHG**" means greenhouse gases.

"**Information Circular**" means this joint information circular of the Trust and the Partnership dated June 24, 2019, together with all Schedules hereto.

"**Insider**" has the meaning ascribed thereto in "*Interest of Management and Others in Material Transactions*".

"**Investco**" means Enercapita Energy Ltd., a wholly-owned subsidiary of the Partnership.

"**Limited Partners**" means holders of Preferred LP Units or Common LP Units whose names and other prescribed information appear on the record of limited partners of the Partnership pursuant to the Partnership Act.

"**LP Distributable Cash**" for, or in respect of, an LP Distribution Period shall be equal to (without duplication):

(a) all cash or cash equivalents which are received by the Partnership for, or in respect of, such LP Distribution Period, including amounts on account of interest, income, dividends, returns of capital, amounts paid on debt held by the Partnership, capital gains, and such other amounts as may be determined from time to time by the Administrator/GP to be included in "**LP Distributable Cash**" (which may include amounts taken, in the discretion of the Administrator/GP, out of the Partnership's reserves as well as amounts from the proceeds of any debt or equity financing by the Partnership);

less the sum of:

(b) all amounts paid on account of expenses and liabilities for, or in respect of, such LP Distribution Period as well as an amount for all expenses and liabilities of the Partnership which, in the opinion of the Administrator/GP, may reasonably be considered to have accrued and become owing in respect of, or which relate to, such LP Distribution Period or a prior LP Distribution Period if not accrued in such prior period including, without limitation, any accrued liability in respect of undeclared and accumulated distributions on the Preferred LP Units;

(c) all amounts which relate to the repayment, during the LP Distribution Period, of any amount (principal or interest) in respect of any indebtedness of the Partnership;

(d) all cash amounts used during such LP Distribution Period for or in connection with loans, advances, investments or other acquisitions of assets by the Partnership;

(e) the aggregate amount of all cash amounts used, or to be used, in respect of the redemption or repurchase of Preferred LP Units called for redemption or repurchase;

(f) any amount, in addition to those amounts set forth in (b) to (d) above (inclusive), which the Administrator/GP may reasonably consider to be necessary to provide for (i) the payment of any liabilities which have been or will be incurred by the Partnership to the extent that such liabilities have not otherwise been taken into account in determining the LP Distributable Cash hereunder, or (ii) for pursuing any purpose or activity of the Partnership; and

(g) an amount, as determined in the discretion of the Administrator/GP, for reasonable reserves (or increases thereto) to be maintained in connection with the prudent operation of the business of the Partnership.

"**LP Distribution Amount**" means, in respect of any LP Distribution Period, the portion of LP Distributable Cash declared payable by the Administrator/GP to Preferred LP Unitholders of record as at the close of business on the LP Distribution Record Date for such LP Distribution Period.

"**LP Distribution Payment Date**" means, unless otherwise determined in the discretion of the Administrator/GP, the 45th day which immediately follows an LP Distribution Period; and also refers to such other dates as may be hereafter determined from time to time by the Administrator/GP.

"**LP Distribution Period**" means each three month period ending March 31, June 30, September 30 and December 31 in each calendar year, or such other periods as may be hereafter determined from time to time by the Administrator/GP.

"**LP Distribution Record Date**" means the last business day in each LP Distribution Period or such other date as may be determined from time to time by the Administrator/GP.

"**LP Form of Proxy**" means the form of proxy to be used by Preferred LP Unitholders and/or Common A LP Unitholders in connection with the LP Meeting accompanying this Information Circular.

"**LP Meeting**" means, collectively, the special meetings of Preferred LP Unitholders of each class of Preferred LP Units and Common A LP Unitholders to be held on August 7, 2019 and any adjournment(s) or postponement(s) thereof, to consider and to vote on the Partnership Agreement Amendment Resolution and the other matters referred to in the LP Notice of Meeting.

"**LP Notice of Meeting**" means the Notice of Special Meeting of Preferred Unitholders and Common A Unitholders of the Partnership accompanying this Information Circular.

"**Management**" means the Administrator/GP and its directors and officers.

"**Meeting**" means, collectively, the Trust Meeting and the LP Meeting.

"**NGLs**" means those hydrocarbon components that can be recovered from natural gas as a liquid including, but not limited to, ethane, propane, butanes, pentanes plus, and condensates.

"**Non-Resident**" means a person who, at the relevant time, is not resident in Canada within the meaning of the Tax Act and any applicable tax convention entered into by the Government of Canada and includes a partnership that is not a Canadian partnership within the meaning of the Tax Act.

"**Partnership**" means the limited partnership formed under the laws of the Province of Alberta pursuant to the Partnership Agreement, and which is known as "Enercapita Energy L.P.".

"**Partnership Act**" means the *Partnership Act* (Alberta) as amended and in force from time to time.

"**Partnership Agreement**" means the amended and restated limited partnership agreement governing the Partnership dated May 11, 2015 among the Administrator/GP, as the general partner, the Trust and such other persons who become Limited Partners in accordance with the terms of such agreement, as the same may be amended, supplemented or amended and restated from time to time.

"**Partnership Agreement Amendment Resolution**" means the Special Resolution to approve the amendments to the Partnership Agreement to be considered at the LP Meeting, substantially in the form set out in "*Schedule B*".

"**Partnership Debt**" means (i) all indebtedness of the Partnership for borrowed money, including borrowings of commodities, bankers' acceptances, letters of credit or letters of guarantee, (ii) all current liabilities of the Partnership evidenced by a note, bond, debenture or other evidence of debt, (iii) all obligations under leases that have been or should be, in accordance with applicable accounting rules, recorded as capital leases in respect of which such the Partnership is liable as lessee; and (iv) all obligations guaranteed by the Partnership, but shall not include (A) Short Term Acquisition Funding; (B) the Preferred LP Units; or (C) deferred purchase price liabilities or obligations, earnouts, contingency payments, installment payments, seller notes, promissory notes, or similar liabilities and obligations, in each case, related to acquisitions by the Partnership in conducting the Business.

"**Partnership Property**", at any time, means all of the money, properties, securities and other assets of any nature or kind whatsoever as are, at such time, held by the Partnership or by the Administrator/GP on behalf of the Partnership, and any reference to "**property of the Partnership**" or "**assets of the Partnership**" includes, in each case, the Partnership Property.

"**Preferred A LP Unit**" means a preferred A unit of beneficial interest in the Partnership issued from time to time in accordance with the Partnership Agreement and having the rights, privileges, restrictions and conditions set out in the Partnership Agreement.

"**Preferred A1 LP Unit**" means a preferred A1 unit of beneficial interest in the Partnership issued from time to time in accordance with the Partnership Agreement and having the rights, privileges, restrictions and conditions set out in the Partnership Agreement.

"**Preferred A Trust Unit**" means a preferred A unit of beneficial interest in the Trust issued from time to time in accordance with the Declaration of Trust and having the rights, privileges, restrictions and conditions set out in the Declaration of Trust.

"**Preferred B LP Unit**" means a preferred B unit of beneficial interest in the Partnership issued from time to time in accordance with the Partnership Agreement and having the rights, privileges, restrictions and conditions set out in the Partnership Agreement.

"**Preferred B1 LP Unit**" means a preferred B1 unit of beneficial interest in the Partnership issued from time to time in accordance with the Partnership Agreement and having the rights, privileges, restrictions and conditions set out in the Partnership Agreement.

"**Preferred B Trust Unit**" means a preferred B unit of beneficial interest in the Trust issued from time to time in accordance with the Declaration of Trust and having the rights, privileges, restrictions and conditions set out in the Declaration of Trust.

"**Preferred C LP Unit**" means a preferred C unit of beneficial interest in the Partnership issued from time to time in accordance with the Partnership Agreement and having the rights, privileges, restrictions and conditions set out in the Partnership Agreement.

"**Preferred C1 LP Unit**" means a preferred C1 unit of beneficial interest in the Partnership issued from time to time in accordance with the Partnership Agreement and having the rights, privileges, restrictions and conditions set out in the Partnership Agreement.

"**Preferred D LP Unit**" means a preferred D unit of beneficial interest in the Partnership issued from time to time in accordance with the Partnership Agreement and having the rights, privileges, restrictions and conditions set out in the Partnership Agreement.

"**Preferred D1 LP Unit**" means a preferred D1 unit of beneficial interest in the Partnership issued from time to time in accordance with the Partnership Agreement and having the rights, privileges, restrictions and conditions set out in the Partnership Agreement.

"**Preferred D Trust Unit**" means a preferred D unit of beneficial interest in the Trust issued from time to time in accordance with the Declaration of Trust and having the rights, privileges, restrictions and conditions set out in the Declaration of Trust.

"**Preferred E LP Unit**" means a preferred E unit of beneficial interest in the Partnership issued from time to time in accordance with the Partnership Agreement and having the rights, privileges, restrictions and conditions set out in the Partnership Agreement.

"**Preferred E1 LP Unit**" means a preferred E1 unit of beneficial interest in the Partnership issued from time to time in accordance with the Partnership Agreement and having the rights, privileges, restrictions and conditions set out in the Partnership Agreement.

"**Preferred E Trust Unit**" means a preferred E unit of beneficial interest in the Trust issued from time to time in accordance with the Declaration of Trust and having the rights, privileges, restrictions and conditions set out in the Declaration of Trust.

"**Preferred LP Units**" means, collectively, the Preferred A LP Units, the Preferred A1 LP Units, the Preferred B LP Units, the Preferred B1 LP Units, the Preferred C LP Units, the Preferred C1 LP Units, the Preferred D LP Units, the Preferred D1 LP Units, the Preferred E LP Units and the Preferred E1 LP Units (including, for greater certainty, any series of the foregoing) and any other class or series of Units created by the Administrator/GP and designated as a preferred unit of the Partnership, and each of them, a "**Preferred LP Unit**".

"**Preferred LP Unitholder**" or "**holder of Preferred LP Units**" means a person whose name appears on the register of the Partnership as a holder of Preferred LP Units of the Partnership.

"**Preferred Return**" means, after the completion of the Amendments, a cumulative distribution per LP Distribution Period equal to the lesser of: (A) the applicable Specified Rate per Preferred LP Unit; and (B) the Cash Flow Available for Distribution for such LP Distribution Period divided by the aggregate number of Preferred LP Units issued and outstanding as of the LP Distribution Record Date for such LP Distribution Period.

In the event that a Preferred LP Unit was not issued and outstanding on each day within such LP Distribution Period, then the Preferred Return in respect of such Preferred LP Unit shall be adjusted to be the product obtained when (i) the number of days in the LP Distribution Period during which such Preferred LP Unit was issued and outstanding is divided by (ii) the total number of days in the LP Distribution Period.

"**Preferred Trust Unit**" means a preferred unit of beneficial interest in the Trust issued from time to time in accordance with the Declaration of Trust and having the rights, privileges, restrictions and conditions set out in the Declaration of Trust.

"**Preferred Trust Unitholder**" or "**holder of PTUs**" means a person whose name appears on the register of the Trust as a holder of one or more PTUs.

"**PTUs**" means, collectively, the Preferred A Trust Units, the Preferred B Trust Units, the Preferred Trust Units, the Preferred D Trust Units and the Preferred E Trust Units (including, for greater certainty, any series of the foregoing) and any other class or series of Units created by the Trustees and designated as a preferred unit of the Trust, and each of them, a "**PTU**".

"**Record Date**" means June 17, 2019, the date for determining which Unitholders are entitled to receive notice of, and to vote at, the Meeting.

"**Redemption Notes**" means, after the completion of the Amendments, with respect to a redemption of PTUs or Preferred LP Units, as applicable, promissory notes issued in series, or otherwise, by the Trust or the Partnership, as applicable, which may be issued pursuant to a note indenture or otherwise, and issued to redeeming Preferred Trust Unitholders or Preferred LP Unitholders, as applicable, in principal amounts equal to all or a portion of the redemption price of each of the PTUs or Preferred LP Units, as applicable, to be redeemed and having the following terms and conditions:

(a) unsecured and bearing interest from and including the issue date of each such note at a market rate determined by the Trustees or the Administrator/GP for the Trust, and the Administrator/GP for the Partnership, as applicable, at the time of issuance, based on the advice of an independent financial advisor, with such interest payable only at the maturity date of the note (with interest after as well as before maturity, default and judgment at such rate);

(b) subordinated and postponed to (1) all Senior Indebtedness (and which for greater certainty may be subject to specific subordination and postponement agreements to be entered into with holders of such Senior Indebtedness) and (2) all payments and other obligations owed by the Trust in respect of the PTUs, or the Partnership in respect of the Preferred LP Units, as applicable, including distribution entitlements and amounts payable on liquidation, dissolution or winding up of the Trust or the Partnership, as applicable;

(c) except as otherwise set forth herein, due and payable on or prior to the fifth anniversary of the date of issuance, subject to earlier prepayment without premium or penalty; and

(d) subject to such other customary terms and conditions as would be included in a note indenture for short-term promissory notes of this kind, as may be approved by the Trustees or the Administrator/GP, as applicable.

"**Reimbursement Agreement**" means the amended and restated reimbursement agreement, dated effective June 27, 2014, between the Trust, the Partnership, the Administrator/GP and Investco, as amended, supplemented or amended and restated from time to time.

"**Senior Indebtedness**" shall mean, at any time, all indebtedness, liabilities and obligations of the Trust, or the Partnership, as applicable, which, by the terms of the instrument creating or evidencing the same, is not expressed to rank in right of payment in subordination to or *pari passu* with the indebtedness evidenced by the Redemption Notes or any of them.

"**Short Term Acquisition Funding**" means all indebtedness of the Partnership for borrowed money which are incurred in connection with an acquisition by the Partnership in conducting the Business which has a term or maturity of one year or less.

"**Special Resolution**" means:

(a) a resolution passed by more than 66⅔% of the votes cast by those Unitholders who were entitled to vote and did vote on such resolution, whether cast in person or by proxy, at a meeting of Unitholders, at which a quorum was present, called (at least in part) for the purpose of approving such resolution; or

(b) a resolution approved in writing, in one or more counterparts, by Unitholders carrying more than 66⅔% of the votes represented by those Units entitled to be voted on such resolution.

"**Specified Rate**" means, after the completion of the Amendments:

(a) in respect of the Preferred A LP Units and Preferred A1 LP Units, $0.01;

(b) in respect of the Preferred B LP Units and Preferred B1 LP Units, $0.0125;

(c) in respect of the Preferred C LP Units and Preferred C1 LP Units, $0.015;

(d) in respect of the Preferred D LP Units and Preferred D1 LP Units, $0.0175; and

(e) in respect of the Preferred E LP Units and Preferred E1 LP Units, $0.02.

"**Tax Act**" means the *Income Tax Act* (Canada) and the regulations promulgated thereunder, as amended from time to time.

"**Trust**" means Enercapita Energy Trust, formed and governed pursuant to the Declaration of Trust.

"**Trust Form of Proxy**" means the form of proxy to be used by Preferred Trust Unitholders in connection with the Trust Meeting accompanying this Information Circular.

"**Trust Meeting**" means, collectively, the special meetings of Preferred Trust Unitholders of each class of PTUs to be held on August 7, 2019 and any adjournment(s) or postponement(s) thereof, to consider and to vote on the Declaration of Trust Amendment Resolution and the other matters referred to in the Trust Notice of Meeting.

"**Trust Notice of Meeting**" means the Notice of Special Meeting of Preferred Unitholders of the Trust accompanying this Information Circular.

"**Trust Property**", at any time, means all of the money, properties and other assets of any nature or kind whatsoever as are, at such time, held by the Trust or by the Trustees on behalf of the Trust, and any reference to "**property of the Trust**" or "**assets of the Trust**" includes, in each case, the Trust Property.

"**Trust Unit**" means a Common Trust Unit or PTU, as the case may be.

"**Trust Unitholder**" means a Common Trust Unitholder and/or Preferred Trust Unitholder, as the case may be.

"**Trustee**" means at any time, a person who is, in accordance with the provisions of the Declaration of Trust, a trustee of the Trust at that time, and "**Trustees**" means all of them collectively, who are currently Gregory Tisdale, Craig Hruska, Greg Tooth, Michael Cook and Stephen Johnston.

"**Unit**" means a Trust Unit, Preferred LP Unit, or Common LP Unit, as the case may be.

"**Unitholder**" means a Trust Unitholder, Preferred LP Unitholder and/or Common LP Unitholder, as the case may be.

SUMMARY

The following is a summary of certain information contained elsewhere in this Information Circular, including the schedules hereto, and is provided for convenience only and is qualified in its entirety by reference to the more detailed information contained or referred to elsewhere in this Information Circular or in the Schedules hereto. Unitholders are urged to review this Information Circular in its entirety. All capitalized terms used in this summary have the meanings set forth under "Glossary".

Meeting

The Meeting will be held at the offices of Norton Rose Fulbright Canada LLP, 400 3rd Avenue S.W., Suite 3700, Calgary, Alberta on August 7, 2019 at 11:00 a.m. (Calgary time), for the purposes set forth in the accompanying Trust Notice of Meeting and LP Notice of Meeting.

The business of the Trust Meeting will be for the Preferred Trust Unitholders to consider and, if deemed advisable, to pass, the Declaration of Trust Amendment Resolution. The full text of the Declaration of Trust Amendment Resolution is set out in "*Schedule A*" to this Information Circular.

The business of the LP Meeting will be for the Preferred LP Unitholders and Common A LP Unitholders to consider and, if deemed advisable, to pass, the Partnership Agreement Amendment Resolution. The full text of the Partnership Agreement Amendment Resolution is set out in "*Schedule B*" to this Information Circular.

Record Date

The Administrator/GP has fixed June 17, 2019 as the record date for the determination of the Unitholders entitled to receive notice of and vote at the Meeting. Only Unitholders whose names were entered in the registers of the holders of PTUs, Preferred LP Units and/or Common A LP Units as at 5:00 p.m. (Calgary time) on June 17, 2019 will be entitled to notice of, and to vote at, the Meeting or any postponements or adjournments thereof. See "*General Proxy Matters – Appointment and Revocation of Proxies*".

Summary of the Amendments

The following is a summary of the relevant terms of the Amendments (if approved):

- the Partnership Agreement will be amended to, among other things, provide that :
  - the Administrator/GP may, as an extraordinary measure, suspend the redemption of Preferred LP Units or payment of redemption proceeds if the Administrator/GP determines the suspension to be appropriate in the circumstances;
  - the maturity date for Redemption Notes issued by the Partnership shall be five years or less from the date of issuance;
  - holders of Preferred LP Units will be entitled to distributions that reflect the cash flow available for distribution of Investco (up to a maximum), rather than being fully discretionary;
  - in the event that any Preferred LP Units are redeemed by the Partnership or tendered for redemption by a holder of Preferred LP Units (including for greater certainty, a redemption by the Trust in connection with PTUs being tendered for redemption), the Partnership is entitled to also redeem any Common A LP Units that were issued in connection with the Preferred LP Units being redeemed (including for greater certainty, Preferred LP Units that were issued to the Trust in connection with the issuance by the Trust of PTUs);
  - the existing cap on indebtedness that can be incurred by the Partnership be removed; and
- the Declaration of Trust will be amended to, among other things, provide that:
  - the Trustees may, as an extraordinary measure, suspend the redemption of PTUs or payment of redemption proceeds if the Trustees, taking into account the advice of the Administrator/GP, determine the suspension to be appropriate in the circumstances; and
  - the maturity date for Redemption Notes issued by the Trust shall be five years or less from the date of issuance.

The changes to the terms of the Partnership Agreement and the Declaration of Trust which would allow the suspension of the redemption of Preferred LP Units and/or PTUs are intended to permit the Administrator/GP and the Trustees to protect the Partnership, the Trust and/or their Unitholders, as the case may be, from the harm that would be caused by allowing redemptions when extraordinary and unusual circumstances are present. It is not intended to generally restrict the ability of Unitholders to redeem their Units.

In the event that the Amendments are approved, holders of PTUs and Preferred LP Units (all of which are currently entitled to a maximum distribution of eight percent (8%) annualized) will begin to receive the amended distributions in respect of the 2nd quarter of 2019, which is expected to be $0.015 per unit (six percent (6%) annualized) and paid on or about August 15, 2019.

Further, if the Amendments are approved, the Advisory Services Fee payable by Investco in the amount equal to two percent (2%) per annum of the Asset Value of the Partnership will be reduced to $0 effective at the end of April 2019 and replaced by market-based compensation for each of the Advisors, provided that, if redemptions are not suspended and the value of the PTUs and Preferred LP Units are at par, such Advisory Services Fee may be restored in lieu of other compensation to the Advisors for any quarter at the same proportion as the distribution paid or payable to holders of PTUs and Preferred LP Units, relative to the maximum preferred return payable in respect of such PTUs or Preferred LP Units prior to the Amendments (e.g. if the maximum preferred return for currently outstanding PTUs or Preferred

LP Units after the Amendment (six percent (6%) annualized) was paid in respect of such quarter to holders of such Units, then the Advisory Services Fee may be restored at a rate of one and one half percent (1.5%) per annum for such quarter).

In the event that the Amendments are not approved, Enercapita expects that it will suspend distributions and, to the extent permitted, pay the redemption price of any Units tendered for redemption with Redemption Notes until market conditions improve. Redemption Notes are not qualified investments for Exempt Plans. See "*Certain Canadian Federal Income Tax Considerations*".

See "*The Amendments*".

Comparison of the Enercapita Before and After the Amendments

The following is a summary of certain features of an investment in PTUs, Preferred LP Units and Common A LP Units before and after the Amendments. Unitholders should also review the sections in this Information Circular with respect to the terms of the PTUs, Preferred LP Units and Common A LP Units. See "*Terms of Securities*" and "*Material Agreements - Partnership Agreement - Attributes of the Units of the Partnership*". This summary is qualified in its entirety by the more detailed disclosure found elsewhere in this Information Circular and the full text of the Declaration of Trust and the Partnership Agreement attached hereto.

A blackline copy of the form of Declaration of Trust (as would be amended by the Declaration of Trust Amendment Resolution), compared to the current Declaration of Trust is included as "*Schedule C*" to the Information Circular. A blackline copy of the form of Partnership Agreement (as would be amended by the Partnership Agreement Amendment Resolution), compared to the current Partnership Agreement, is included as "*Schedule D*" to the Information Circular.

	Certain Features of Enercapita	
	Before the Amendments	**After the Amendments**
Rights of Redemption	**The Trust:** *PTUs* A Preferred Trust Unitholder is entitled to require the Trust to redeem, at any time at the demand of the holder, all or any part of the PTUs registered in the name of the Unitholder. There are certain procedural requirements, set forth in the Declaration of Trust, which must be adhered to in connection with any redemption of PTUs. The Trustees, at any time and from time to time, have the right to redeem the whole or any part of the then outstanding PTUs from any one or more of the holders thereof as the Trustees may in their sole discretion determine. The Trust is entitled at any time and from time to time, redeem all or any part of the issued and outstanding PTUs. There are certain procedural requirements, set forth in the Declaration of Trust, which must be adhered to by the Trust in connection with any redemption of PTUs.	Same, with the added provision that the Trustees may, as an extraordinary measure, suspend the redemption of PTUs or payment of redemption proceeds if the Trustees, taking into account the advice of the Administrator/GP, determine the suspension to be appropriate in the circumstances. The changes to the terms of the Declaration of Trust which would allow the suspension of the redemption of PTUs are intended to permit the Trustees to protect the Trust and/or their Unitholders from the harm that would be caused by allowing redemptions when extraordinary and unusual circumstances are present. It is not intended to generally restrict the ability of Unitholders to redeem their Units.
	The Partnership: *Common A LP Units* Common A LP Unitholders have no redemption rights associated with their Common A LP Units. *Preferred LP Units* The Partnership is entitled at any time, and from time to time, to redeem all or any part of the issued and outstanding Preferred LP Units. There are certain procedural requirements, set forth in the Partnership Agreement, which must be adhered to by the Partnership in connection with any redemption of Preferred LP Units.	Same, but in the event that any Preferred LP Units are redeemed by the Partnership or tendered for redemption by a Preferred LP Unitholder (including for greater certainty, a redemption by the Trust in connection with PTUs being tendered for redemption), the Partnership is entitled to also redeem any Common A LP Units that were issued in connection with the Preferred LP Units being redeemed (including for greater certainty, Preferred LP Units that were issued to the Trust in connection with the issuance by the Trust of PTUs), in accordance with the terms and conditions set forth in the Partnership Agreement. Same, with the added provision that the Administrator/GP may, as an extraordinary measure, suspend the redemption of Preferred LP Units or payment of redemption proceeds if the Administrator/GP determines the suspension to be appropriate in the circumstances. The changes to the terms of the Partnership Agreement which would allow the suspension of the redemption of Preferred LP Units are intended to permit the Administrator/GP to protect the Partnership and/or

	Certain Features of Enercapita	
	Before the Amendments	**After the Amendments**
		their Unitholders from the harm that would be caused by allowing redemptions when extraordinary and unusual circumstances are present. It is not intended to generally restrict the ability of Unitholders to redeem their Units.
Redemption Price	**The Trust:** *PTUs* The redemption price per PTU to be received on redemption by Preferred Trust Unitholders: (i) in the case of PTUs that were issued on a date that was five years or less prior to the date upon such PTUs were tendered for redemption, is the lesser of: (A) 90% of the fair market value of such redemption unit as at the date upon which such redemption unit was tendered for redemption; and (B) $0.90; and (ii) in the case of PTUs that were issued on a date that was more than five years prior to the date upon such PTUs were tendered for redemption, the lesser of: (A) the fair market value of such redemption unit as at the date upon which such redemption unit was tendered for redemption; and (B) $1.00. The redemption price per PTU to be received upon such redemption by the Trust is the lesser of: (A) the fair market value of such redemption unit as at the date of the redemption notice; and (B) $1.00.	The redemption price per PTU to be received on redemption by Preferred Trust Unitholders is the redemption proceeds received by the Trust from the Partnership with respect to a redemption by the Trust of the Corresponding Partnership Unit. The redemption price per PTU to be received upon such redemption by the Trust is the redemption proceeds received by the Trust from the Partnership with respect to a redemption by the Partnership of the Corresponding Partnership Unit.
	The Partnership: *Common A LP Units* N/A	The redemption price per Common A LP Unit to be received on redemption of such Common A LP Unit in connection with the Partnership's redemption of corresponding Preferred LP Units is the fair market value of such Common A LP Unit as at the date of the redemption notice. The redemption price per Common A LP Unit to be received on redemption of such Common A LP Unit in connection with corresponding Preferred LP Units being tendered for redemption, is the lesser of: (A) the fair market value of such Common A LP Unit as at the date of the redemption notice; and (B) the purchase price of such Common A LP Unit.
	Preferred LP Units The redemption price per Preferred LP Unit to be received on redemption by the Preferred LP Unitholder pursuant to the right being exercised by the Preferred LP Unitholder to tender such Preferred LP Unit for redemption, is the lesser of: (A) 90% of the fair market value of such Preferred LP Unit as at the date of the redemption notice; and (B) $0.90, if such Preferred LP Unit was issued on a date that was 5 years or less prior to the date of the redemption notice, or (A) the fair market value of such Preferred LP Unit as at the date of the redemption notice; and (B) $1.00, if such Preferred LP Unit was issued on a date that was more than 5 years prior to the date of the redemption notice. The redemption price per Preferred LP Unit to be received on redemption by the Partnership, is the lesser of: (A) the fair market value of such redemption unit as at the date of the redemption notice; and (B) $1.00.	Same.

	Certain Features of Enercapita	
	Before the Amendments	**After the Amendments**
Redemption Notes	The maturity date of Redemption Notes issued in connection with the redemption of units of the Trust or the Partnership shall be payable prior to the first anniversary of the date of issuance (or the sixth anniversary of the date that the unit being redeemed was issued, whichever is later).	The maturity date of Redemption Notes issued in connection with the redemption of units of the Trust or the Partnership shall be payable on or prior to the fifth anniversary of the date of issuance.
Distributions by the Trust	**PTUs:** The Trustees, on behalf of the Trust, in respect of each Distribution Period, shall declare payable to holders of each class of PTUs of record as at the close of business on the Distribution Record Date for such Distribution Period, all, any part, or none of the Distributable Cash in respect of such class of PTUs for such Distribution Period. Each PTU issued and outstanding on the Distribution Record Date for a particular Distribution Period shall be entitled, without preference or priority, to the Distribution Per PTU in respect of such class of PTUs. The share of such Distribution Amount in respect of such class of PTUs distributable to a particular holder of PTUs shall be an amount equal to the Distribution Per PTU multiplied by the number of PTUs owned of record by such holder of PTUs on such Distribution Record Date. In the event that a PTU was not issued and outstanding on each day within such Distribution Period then the Distribution Amount in respect of such PTU shall be adjusted to be the product obtained when the Distribution Amount is multiplied by the quotient obtained when (i) the number of days in the Distribution Period during which such PTU was issued and outstanding, is divided by (ii) the total number of days in the Distribution Period, and such amount shall be payable as the distribution in respect of PTU. Such adjustment calculation shall be made in respect of each PTU which was not issued and outstanding on each day within the Distribution Period.	Same, provided that when determining the Distribution Per PTU, the Trustees may make any variation or adjustment so as to ensure where possible that Trust Unitholders are treated equitably and fairly taking into account such considerations as the Trustees, in their discretion, acting reasonably and in good faith, deem appropriate in the circumstances and determine to be equitable and fair (including for greater certainty, the distributions from the Partnership).
Distributions by the Partnership	**Preferred LP Units:** Preferred LP Unitholders shall be entitled to receive non-cumulative distributions if, as and when declared by the Administrator/GP. The Administrator/GP, in respect of any LP Distribution Period, may in its discretion declare payable to Preferred LP Unitholders of record as at the close of business on the LP Distribution Record Date for such LP Distribution Period, all or any part of the LP Distributable Cash for such LP Distribution Period. First, the LP Distribution Amount shall be distributed to: (a) the holders of Preferred A LP Units and Preferred A1 LP Units, a fixed distribution at the rate of $0.06 per unit per year, as adjusted (if necessary) to properly reflect the duration of the LP Distribution Period if other than 12 months; (b) the holders of Preferred B LP Units and Preferred B1 LP Units, a fixed distribution at the rate of $0.07 per unit per year, as adjusted (if necessary) to properly reflect the duration of the LP Distribution Period if other than 12 months;	Preferred LP Unitholders shall be entitled to receive distributions if, as and when declared by the Administrator/GP. The Administrator/GP, in respect of any LP Distribution Period, may in its discretion declare payable to Preferred LP Unitholders of record as at the close of business on the LP Distribution Record Date for such LP Distribution Period, all or any part of the LP Distributable Cash for such LP Distribution Period. First, the Administrator/GP will, to the extent possible based on the amount of the LP Distribution Amount, pay to the Preferred LP Unitholders an amount equal to the outstanding and accrued Preferred Return with respect to such Preferred LP Unit. If the Distribution Amount is not sufficient to pay all outstanding and accrued Preferred Return on all Preferred LP Units, then each Preferred LP Unit shall receive an amount equal to such Preferred LP Unit's pro rata portion of the Distribution Amount based on the outstanding and accrued Preferred Return owed to such Preferred LP Unit relative to the aggregate outstanding and accrued Preferred Returns owed to all Preferred LP Units.

	Certain Features of Enercapita	
	Before the Amendments	**After the Amendments**
	(c) the holders of Preferred C LP Units and Preferred C1 LP Units, a fixed distribution at the rate of $0.08 per unit per year, as adjusted (if necessary) to properly reflect the duration of the LP Distribution Period if other than 12 months; (d) the holders of Preferred D LP Units and Preferred D1 LP Units, a fixed distribution at the rate of $0.09 per unit per year, as adjusted (if necessary) to properly reflect the duration of the LP Distribution Period if other than 12 months; (e) the holders of Preferred E LP Units and Preferred E1 LP Units, a fixed distribution at the rate of $0.10 per unit per year, as adjusted (if necessary) to properly reflect the duration of the LP Distribution Period if other than 12 months; to be distributed rateably among the holders of Preferred A LP Units, Preferred A1 LP Units, Preferred B LP Units, Preferred B1 LP Units, Preferred C LP Units, Preferred C1 LP Units, Preferred D LP Units, Preferred D1 LP Units, Preferred E LP Units and Preferred E1 LP Units, *pari passu* without preference or priority. In the event that a Preferred LP Unit was not issued and outstanding on each day within such LP Distribution Period then the LP Distribution Amount in respect of such Preferred LP Unit shall be adjusted to be the product obtained when the LP Distribution Amount in respect of such Preferred LP Unit is multiplied by the quotient obtained when (i) the number of days in the LP Distribution Period during which such Preferred LP Unit was issued and outstanding, is divided by (ii) the total number of days in the LP Distribution Period, and such amount shall be payable as the distribution in respect of such Preferred LP Unit. Such adjustment calculation shall be made in respect of each Preferred LP Unit which was not issued and outstanding on each day within the LP Distribution Period. **Common LP Units:** For a particular LP Distribution Period, any remaining LP Distribution Amount from the distribution to Preferred LP Units pursuant to the Partnership Agreement shall be distributed to the holders of Common A LP Units, Common B LP Units and Common C LP Units. Each Common A LP Unit, Common B LP Unit and Common C LP Unit issued and outstanding on the LP Distribution Record Date for a particular LP Distribution Period shall be entitled to an equal proportionate share of the remaining LP Distribution Amount, which share shall be determined by dividing such remaining LP Distribution Amount by the number of Common A LP Units, Common B LP Units and Common C LP Units issued and outstanding as of the LP Distribution Record Date.	Same.
Advisory Services Fees	An amount equal to two percent (2%) per annum of the Asset Value of the Partnership less Partnership Debt and Short Term Acquisition Funding payable to the Advisors.	If the Amendments are approved, the Advisory Services Fee will be reduced to $0 effective at the end of April 2019 and replaced by market-based compensation for each of the Advisors, provided that, if redemptions are not suspended and the value of the PTUs and Preferred LP Units are at par, such Advisory Services Fee may be restored in lieu of other compensation to the Advisors for any quarter at the same proportion as the distribution paid or payable to holders of PTUs and Preferred LP Units, relative to the maximum preferred return payable in respect of such PTUs or Preferred LP Units prior to the Amendments

	Certain Features of Enercapita	
	Before the Amendments	**After the Amendments**
		(e.g. if the maximum preferred return for currently outstanding PTUs or Preferred LP Units after the Amendment (six percent (6%) annualized) was paid in respect of such quarter to holders of such units, then the advisory services fee may be restored at a rate of one and one half percent (1.5%) per annum for such quarter).
Indebtedness	The Partnership Debt shall not exceed 30% of the Asset Value of the Partnership.	Removal of the 30% cap on indebtedness.

Recommendation of the Board

After a review of the business and careful consideration of a number of factors, including the rationale and market conditions described below, the Board unanimously determined that, subject to the approval of the holders of PTUs, Preferred LP Units and Common A LP Units, the Amendments are in the best interests of the Trust and the Partnership.

The Board unanimously recommends that the holders of PTUs vote <u>for</u> the special resolutions attached as "*Schedule A*" hereto approving the Amendments. The Board unanimously recommends that the holders of Preferred LP Units and Common A LP Units vote <u>for</u> the special resolutions attached as "*Schedule B*" hereto approving the Amendments.

See "*The Amendments –Recommendation of the Board of Directors*".

Rationale for the Amendments

The Board makes its recommendations to the holders of PTUs, Preferred LP Units and Common A LP Units for the following reasons:

- **<u>Liquidity event is not in best interests of Unitholders at the current time due to the extreme disconnect between the underlying business and market valuations</u>**: Enercapita has aggregated a strong portfolio of long-life, low-decline, light oil producing assets which generate sustainable free cash flow, and has had tremendous success executing its strategy. However, the Canadian oil and gas sector has been facing considerable challenges and significant headwinds remain. This has led to an exodus of capital from the sector, pushing valuations to historic lows and causing M&A activity to stagnate. There is currently a major disconnect between cash flows and valuations of companies in the Canadian oil and gas sector. Given these low valuations and the lack of capital and transaction activity in the marketplace, the time for Enercapita to monetize its assets is not now.

- **<u>Manage redemption schedule</u>**: Enercapita has reached the fifth anniversary of its initial capital raise and understands that certain investors desire liquidity in the near term. However, absent a liquidity event, redemptions pose a significant risk to Enercapita's cash flow, ability to pay distributions, and ultimately its balance sheet and sustainability, potentially jeopardizing Enercapita. This risk can be mitigated by allowing the administrator of the Trust and the general partner of the Partnership to suspend redemptions when it is prudent to do so, and allowing redemptions/retractions when cash flows and the balance sheet can support them. Similarly, the maturity date of the Redemption Notes issued in connection with the redemption of units of the Trust or the Partnership will be amended from the first anniversary of the date of issuance of such Redemption Note (or the sixth anniversary of the date that the unit being redeemed was issued, whichever is later) to the fifth anniversary of the date of issuance of such Redemption Note in order to permit the general partner of the Partnership and the Trustees to protect the balance sheet of the Trust and Partnership until market conditions improve.

- **<u>Amended distributable cash flow model protects the balance sheet and replaces discretionary distribution</u>**: The current distribution is 100% discretionary. The proposed distributable cash flow formula links the distribution with the cash flows of Investco, up to a maximum. This protects Enercapita's balance sheet by ensuring distributions do not result in negative cash flow resulting in increased debt. It also ensures positive cash flow is used first for distributions.

- **<u>Advisor support</u>**: The Advisors of Enercapita have agreed to suspend Advisory Services Fees after April 2019 provided that the Amendments are approved, until such time as redemptions are restored and the PTU value is at par. The cost savings associated with the suspension of the Advisory Services Fees will accrue to the benefit of all Unitholders and further endorses the Trustees' intentions to maximize unitholder value.

- **<u>Greater access to Capital</u>**: The removal of the existing 30% cap on indebtedness is expected to allow Enercapita to obtain debt financing at rates and market levels similar and competitive with comparable entities. Currently, there are revolving and operating loan facilities established in favour of Investco of up to $120 million from a syndicate of lenders.

See "*The Amendments – Rationale for the Amendments*".

Steps for the Amendments

The Amendments, if approved, generally involves two (2) major implementation steps, the first of which will take place at the Trust level and the second of which will take place at the Partnership level, as follows:

Trust Level Step

1 Pursuant to the Declaration of Trust Amendment Resolution, the Declaration of Trust will be amended to, *inter alia*:

(a) provide that:

(i) the Trustees may, as an extraordinary measure, suspend the redemption of PTUs or payment of redemption proceeds if the Trustees, taking into account the advice of the Administrator/GP, determine such suspension to be appropriate under the circumstances;

(ii) the maturity date for Redemption Notes issued by the Trust shall be five years or less from the date of issuance; and

(b) make certain other amendments;

A blackline copy of the form of Declaration of Trust (as would be amended by the Declaration of Trust Amendment Resolution), compared to the current Declaration of Trust is included as "*Schedule C*" to the Information Circular.

Partnership Level Steps

2 Pursuant to the Partnership Agreement Amendment Resolution, the Partnership Agreement will be amended to, *inter alia*:

(a) provide that:

(i) the Administrator/GP may, as an extraordinary measure, suspend the redemption of Preferred LP Units or payment of redemption proceeds if the Administrator/GP determines the suspension to be appropriate in the circumstances;

(ii) the maturity date for redemption notes issued by the Partnership shall be five years or less from the date of issuance;

(iii) holders of Preferred LP Units will be entitled to distributions that reflect the cash flow available for distribution of Investco (up to a maximum), rather than being fully discretionary;

(iv) in the event that any Preferred LP Units are redeemed by the Partnership or tendered for redemption by a holder of Preferred LP Units (including for greater certainty, a redemption by the Trust in connection with PTUs being tendered for redemption), the Partnership is entitled to also redeem any Common A LP Units that were issued in connection with the Preferred LP Units being redeemed (including for greater certainty, Preferred LP Units that were issued to the Trust in connection with the issuance by the Trust of PTUs); and

(v) the existing cap on indebtedness that can be incurred by the Partnership be removed; and

(b) make certain other amendments.

A blackline copy of the form of Partnership Agreement (as would be amended by the Partnership Agreement Amendment Resolution), compared to the current Partnership Agreement, is included as "*Schedule D*" to the Information Circular.

See "*The Amendments – Steps*".

Fees and Expenses

Advisory Services Fees

Pursuant to the Advisory Services Agreement, the Advisory Services Fee is payable by Investco to the Advisors.

If the Amendments are approved, the Advisory Services Fee will be reduced to $0 effective at the end of April 2019 and replaced by market-based compensation for each of the Advisors, provided that, if redemptions are not suspended and the value of the PTUs and Preferred LP Units are at par, such Advisory Services Fee may be restored in lieu of other compensation to the Advisors for any quarter at the same proportion as the distribution paid or payable to holders of PTUs and Preferred LP Units, relative to the maximum preferred return payable in respect of such PTUs or Preferred LP Units prior to the Amendments (e.g. if the maximum preferred return for currently outstanding PTUs or Preferred LP Units after the Amendment (six percent (6%) annualized) was paid in respect of such quarter to holders of such units, then the advisory services fee may be restored at a rate of one and one half percent (1.5%) per annum for such quarter).

The Advisory Services Fees are payable by Investco to the Advisors. Messrs. Tisdale, Hruska, Tooth, Cook and Johnston are beneficiaries of trusts or shareholders of corporations that beneficially own, or exercise control or direction over, directly or indirectly, the Advisors.

See "*Fees and Expenses – Advisory Services Fees*" and "*Interests of Certain Persons or Companies in the Amendments*".

Expenses

The Administrator/GP will be entitled to the reimbursement of all costs and expenses reasonably incurred by the Administrator/GP in carrying out its obligations and duties under the Administration Agreement, including payroll and payroll related costs, overhead, general and administrative costs, and out-of-pocket and third party fees and expense.

Under the terms of the Reimbursement Agreement, Investco has agreed to reimburse the Trust, the Administrator/GP and the Partnership for, or pay directly, all costs and expenses to be incurred by them, for and on behalf of Investco, in connection with the Trust, the Administrator/GP and the Partnership obtaining financing for Investco.

See "*Fees and Expenses – Expenses*" and "*Material Agreements - Reimbursement Agreement*".

Required Unitholder Approval

For the Amendments to become effective:

(a) the Declaration of Trust Amendment Resolution must be approved by the affirmative vote of more than 66⅔% of the votes cast by holders of PTUs by unitholders of each class of PTUs who are entitled to vote and do vote on the resolutions (each class of PTUs voting separately as a class);

(b) the Partnership Agreement Amendment Resolution must be approved by the affirmative vote of more than 66⅔% of the votes cast by holders of Preferred LP Units by unitholders of each class of Preferred LP Units who are entitled to vote and do vote on the resolutions (each class of Preferred LP Units voting separately as a class); and

(c) the Partnership Agreement Amendment Resolution must be approved by the affirmative vote of more than 66⅔% of the votes cast by holders of Common A LP Units who are entitled to vote and do vote on the resolutions.

Further, as the holders of PTUs are not direct holders of Preferred LP Units, the Declaration of Trust Amendment Resolution, if approved, shall also direct the Administrator/GP, as the administrator of the Trust, to: (i) vote all of the Preferred LP Units held by the Trust in favour of the Partnership Agreement Amendment Resolution; or (ii) execute and deliver a written resolution approving the Partnership Agreement Amendment Resolution in respect of the Preferred LP Units held by the Trust. The Trust holds a sufficient number of Preferred C1 LP Units to approve the Partnership Agreement Amendment Resolution on behalf of the holders of Preferred C1 LP Units. See "*Voting Securities and Principal Holders Thereof*".

Notwithstanding the foregoing, the Declaration of Trust Amendment Resolution and Partnership Agreement Amendment Resolution proposed for consideration by the Preferred Trust Unitholders, Preferred LP Unitholders and Common A LP Unitholders authorizes the Board, without further notice to, or approval of, such Preferred Trust Unitholders, Preferred LP Unitholders and Common A LP Unitholders, to decide not to proceed with the Amendments at any time prior to the Amendments becoming effective.

Timing

The Administrator/GP currently expects the Effective Date to occur on or about August 9, 2019, however, it is not possible to determine with certainty when the Effective Date will occur.

Interests of Certain Persons or Companies in the Amendments

Trustees, Directors and Officers

In considering the Amendments and the recommendation of the Board with respect to the Amendments, Unitholders should be aware that Gregory Tisdale, Craig Hruska, Greg Tooth, Michael Cook and Stephen Johnston are currently the Trustees of the Trust and the directors and officers of the Administrator/GP and Investco. Messrs. Tisdale, Hruska, Johnston, Tooth and Cook have interests in connection with the Amendments that may present them with actual or potential conflicts of interest in connection with the Amendments. See "*Interests of Certain Persons or Companies in the Amendments*" for a description of such interests and benefits.

Canadian Federal Income Tax Considerations

This Information Circular contains a summary of the principal Canadian federal income tax considerations applicable to Unitholders with respect to the Amendments and the comments below are qualified in their entirety by reference to such summary. For a more detailed discussion of the Canadian federal income tax consequences of the Amendments, please see the discussion under the heading "*Certain Canadian Federal Income Tax Considerations*".

The Trust has been advised that, provided that the Trust qualifies as a "mutual fund trust" for purposes of the Tax Act at all relevant times, the PTUs will generally be qualified investments for Exempt Plans. Preferred LP Units will not be qualified investments for Exempt Plans. The holder, annuitant or subscriber of such Exempt Plan may, together with such Exempt Plan, have adverse tax consequences if they hold a non-qualified investment.

Certain of the tax consequences of holding the PTUs, Common A LP Units and Preferred LP Units are also set forth herein under "*Certain Canadian Federal Income Tax Considerations*".

The foregoing summary does not identify all tax considerations associated with the Amendments and is subject to the limitations and qualifications presented in, and should be read in conjunction with, the section under the heading, "*Certain Canadian Federal Income Tax Considerations*".

Certain Risk Factors

There is a risk that the Amendments may not be completed. If the Amendments are not completed, Enercapita will continue to face the risks that it currently faces with respect to its affairs, business and operations and future prospects.

You should carefully consider the risk factors described under the heading "*Certain Risk Factors Relating to the Amendments*" and "*Schedule E - Certain Risk Factors Related to Enercapita*" in evaluating how you should vote your PTUs, Preferred LP Units and/or Common A LP Units.

GENERAL PROXY MATTERS

Solicitation of Proxies

This Information Circular of the Trust and the Partnership is furnished in connection with the solicitation of proxies from the holders of Preferred Trust Units and from the holders of Common A LP Units, Preferred C LP Units and Preferred C1 LP Units, by and on behalf of the Administrator/GP, the administrator of the Trust and the general partner of the Partnership.

The accompanying Trust Form of Proxy for Preferred Trust Unitholders is for use at the Trust Meeting and at any adjournment or postponement thereof and for the purposes set forth in the Trust Notice of Meeting.

The accompanying LP Form of Proxy for Preferred LP Unitholders and/or Common A LP Unitholders is for use at the LP Meeting and at any adjournment or postponement thereof and for the purposes set forth in the LP Notice of Meeting.

Enercapita will bear the costs of soliciting proxies. While it is expected that the solicitation will be primarily by mail, proxies may also be solicited personally, or by telephone, email or other electronic means, by trustees, directors, officers and employees of Enercapita who will not be specifically remunerated for such efforts. If you require assistance completing the form of proxy or other voting instruction form, please contact Alliance Trust Company by email at inquiries@alliancetrust.ca.

Appointment and Revocation of Proxies

A Unitholder may attend the Meeting in person or may be represented by proxy. Both Unitholders who are unable to attend the Meeting and Unitholders planning to attend the Meeting, are encouraged to return a completed proxy using one of the following methods so that such Unitholder's PTUs, Preferred LP Units and/or Common A LP Units can be voted at the Meeting (or at any adjournments or postponements thereof) in accordance with such Unitholder's instructions:

VOTE BY MAIL	VOTE USING THE INTERNET	VOTE BY FAX
Alliance Trust Company #1010, 407 - 2nd Street S.W. Calgary, Alberta T2P 2Y3 Attention: Proxy Department	www.alliancetrust.ca You will need to provide your Control Number, which is found on the form of proxy	(403) 237-6181 Attention: Proxy Department

In order to be voted, the completed form of proxy must be received by Alliance Trust Company, the scrutineer for the Meeting, by not later than 5:00 p.m. (Calgary time) on August 5, 2019, or if the Meeting is postponed or adjourned, no later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the Province of Alberta) before the Meeting. The time limit for the deposit of proxies and other voting instructions may be waived or extended by the Administrator/GP in its sole and absolute discretion.

The persons named in the Trust Form of Proxy and LP Form of Proxy accompanying this Information Circular are representatives of the Administrator/GP. A Unitholder has the right to appoint a person other than the persons specified in such proxy (who need not be a Unitholder) to attend and act on behalf of such Unitholder at the Meeting. Such right may be exercised by expressly striking out the names of the persons specified in the proxy, expressly inserting the name of the person to be appointed in the blank space so provided, clearly signing the proxy and returning it in the reply envelope or by facsimile in compliance with the applicable timing requirements.

Any Unitholder who executes and returns a proxy may revoke it: (i) by depositing an instrument in writing (including another proxy) executed by him or her or by his or her lawful attorney expressly authorized in writing with the Administrator/GP, at any time up to and including the last business day preceding the Meeting or any adjournment thereof; (ii) by depositing such instrument in writing with the secretary of the Meeting on the day of such meeting or any adjournment thereof; or (iii) in any other manner permitted by law.

Electronic Delivery

Enercapita is providing Meeting materials electronically for both registered and non-registered Unitholders. Instead of mailing Meeting materials to Unitholders, Enercapita has posted this Information Circular and form of proxy on Alliance Trust Company's website at www.alliancetrust.ca/shareholders/. Enercapita has sent the Trust Notice of Meeting, LP Notice of Meeting and a form of proxy to all Unitholders informing them that this Information Circular is available online and explaining how this Information Circular may be accessed.

Enercapita has elected to utilize electronic delivery of Meeting materials because it is more environmentally friendly and also significantly lowered printing and mailing costs associated with this Meeting.

Voting of Proxies

PTUs, Preferred LP Units and Common A LP Units represented by properly executed proxies in favour of the persons designated by the Administrator/GP will be voted at the Meeting in accordance with the instructions contained therein. **In the absence of such instructions, such PTUs, Preferred LP Units and Common A LP Units WILL BE VOTED FOR the Declaration of Trust Amendment Resolution and the Partnership Agreement Amendment Resolution, as applicable.**

The enclosed Trust Form of Proxy and LP Form of Proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to the matters identified in the Trust Notice of Meeting and LP Notice of Meeting and with respect to other matters which may properly come before the Meeting in respect of which the proxy is granted or any adjournments of such meeting. As of the date hereof, the Administrator/GP knows of no such amendments, variations or other matters to come before the Meeting.

Record Date and Quorum

The Administrator/GP has fixed the close of business on June 17, 2019 as the Record Date for the purpose of determining which Unitholders are entitled to receive notice of and to vote at the Meeting. Holders of PTUs, Preferred LP Units and/or Common A LP Units on the Record Date will be entitled to vote at the Meeting, and no holder of PTUs, Preferred LP Units and/or Common A LP Units coming to hold PTUs, Preferred LP Units and/or Common A LP Units after the Record Date shall be entitled to vote, unless, in the case of a holder of Preferred LP Units and/or Common A LP Units only, the Administrator/GP determines otherwise. If your Preferred LP Units and/or Common A LP Units were transferred to you from another unitholder after June 17, 2019, and you wish to be entitled to vote at the Meeting, you should contact the Administrator/GP. Any holder of PTUs, Preferred LP Units and/or Common A LP Units who was a holder of PTUs, Preferred LP Units and/or Common A LP Units at the Record Date shall be entitled to receive notice of and to vote at the Meeting, even though he or she has since the Record Date disposed of the PTUs, Preferred LP Units and/or Common A LP Units.

The quorum for the Meeting of holders of PTUs is one or more holders of PTUs present in person or by proxy representing not less than five percent (5%) of all the outstanding PTUs of such class of PTUs. If within one-half hour from the time appointed for the Trust Meeting, a quorum is not present, then the meeting shall stand adjourned to a day not less than seven (7) days later. If at such adjourned meeting a quorum as defined above is not present, the holders of PTUs entitled to vote at such meeting and present either personally or by proxy shall form a quorum.

The quorum for the Meeting of holders of Preferred LP Units is one or more holders of Preferred LP Units present in person or by proxy representing not less than 50% of the outstanding Preferred LP Units of such class of Preferred LP Units. If within one-half hour from the time appointed for the LP Meeting a quorum is not present, then the Meeting shall stand adjourned for not less than seven (7) days or more than twenty-one (21) days later. At the adjourned meeting, the holders of Preferred LP Units present in person or by proxy shall constitute quorum.

The quorum for the Meeting of holders of Common A LP Units is one or more holders of Common A LP Units present in person or by proxy representing not less than 50% of the outstanding Common A LP Units. If within one-half hour from the time appointed for the LP Meeting a quorum is not present, then the Meeting shall stand adjourned for not less than seven (7) days or more than twenty-one (21) days later. At the adjourned meeting, the holders of Common A LP Units present in person or by proxy shall constitute quorum.

If the quorum is not present for the Meeting, the Meeting will be adjourned to August 14, 2019 at 11:00 a.m. (Calgary time), at the offices of Norton Rose Fulbright Canada LLP, 400 3rd Avenue S.W., Suite 3700, Calgary, Alberta.

Advice for Non-Registered Unitholders

The information set forth in this section is of significant importance to many Unitholders, as a substantial number of the Unitholders do not hold their PTUs, Preferred LP Units and/or Common A LP Units, as applicable, in their own name.

Unitholders who do not hold their PTUs, Preferred LP Units and/or Common A LP Units, as applicable, in their own name should note that only proxies deposited by the Unitholders whose name appears on the records of the Trust or the Partnership, as applicable, as a registered holder of PTUs, Preferred LP Units and/or Common A LP Units can be recognized and acted upon at the Meeting. If PTUs, Preferred LP Units and/or Common A LP Units are listed in an account statement provided to a Unitholder by a broker, bank, trust company or other intermediary, then in almost all cases those PTUs, Preferred LP Units and/or Common A LP Units will not be registered in the Unitholder's name on the records of the Trust or the Partnership. Such PTUs, Preferred LP Units and/or Common A LP Units will more likely be registered under the name of the Unitholder's broker, bank, trust company or other intermediary or an agent of that intermediary.

In order for a beneficial holder of PTUs, Preferred LP Units and/or Common A LP Units to have its PTUs, Preferred LP Units and/or Common A LP Units voted at the Meeting, it must complete and sign the voting instruction form provided by its broker, bank, trust company or other intermediary and return such voting instruction form in accordance with the instructions provided therein in advance of the Meeting. Failure to do so will result in such PTUs, Preferred LP Units and/or Common A LP Units not being voted at the Meeting.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

Outstanding Voting Securities

Trust

As at the Record Date, the number of units of the Trust issued and outstanding are: 7 Common Trust Units and 261,024,603 Preferred Trust Units. As at the Record Date, there were no Preferred A Trust Units, Preferred B Trust Units, Preferred D Trust Units and Preferred E Trust Units issued and outstanding. Each PTU will entitle the holder of record thereof to one vote at the Meeting.

To the knowledge of Management, there are no Unitholders that beneficially own, directly or indirectly, or exercise control or direction over, more than ten percent (10%) of the voting rights attached to each class of PTUs entitled to be voted at the Meeting.

Partnership

As at the Record Date, the number of units of the Partnership issued and outstanding are: 144,537,743 Common A LP Units, 125,053,243 Common B LP Units, 7,735,500 Common C LP Units, 7,960,524 Preferred C LP Units and 261,024,603 Preferred C1 LP Units. As at the Record Date, there were no Preferred A LP Units, Preferred A1 LP Units, Preferred B LP Units, Preferred B1 LP Units, Preferred D LP Units, Preferred D1 LP Units, Preferred E LP Units and Preferred E1 LP Units issued and outstanding. Each Preferred LP Unit and Common A LP Unit will entitle the holder of record thereof to one vote at the Meeting.

To the knowledge of Management, the following persons beneficially own, directly or indirectly, or exercise control or direction over, more than ten percent (10%) of the voting rights attached to each class of Units of the Partnership entitled to be voted at the Meeting.

Name	Class of Securities	Number of Securities Owned or Controlled	Percentage of class of Outstanding Voting Securities
Enercapita Energy Trust	Preferred C1 LP Units	261,024,603	100%

As the holders of PTUs are not direct holders of Preferred LP Units, the Declaration of Trust Amendment Resolution, if approved, shall also direct the Administrator/GP, as the administrator of the Trust, to: (i) vote all of the Preferred LP Units of the Partnership held by the Trust in favour of the Partnership Agreement Amendment Resolution; or (ii) execute and deliver a written resolution approving the Partnership Agreement Amendment Resolution in respect of the Preferred LP Units held by the Trust. The Trust holds a sufficient number of Preferred C1 LP Units to approve the Partnership Agreement Amendment Resolution on behalf of the holders of Preferred C1 LP Units.

Each outstanding class of PTUs is invested in the corresponding class of Preferred LP Units shown adjacent to such class of PTUs in the chart below.

Class of PTUs	Corresponding Class of Preferred LP Units
Preferred Trust Units	Preferred C1 LP Units

THE AMENDMENTS

At the Meeting:

- the Preferred Trust Unitholders will be asked to consider and, if deemed advisable, to pass, the Declaration of Trust Amendment Resolution to approve the Amendments; and
- the Preferred LP Unitholders and Common A LP Unitholders will be asked to consider and, if deemed advisable, to pass, the Partnership Agreement Amendment Resolution to approve the Amendments.

The following is a summary of the relevant terms of the Amendments (if approved):

- the Partnership Agreement will be amended to, among other things, provide that:
  - the Administrator/GP may, as an extraordinary measure, suspend the redemption of Preferred LP Units or payment of redemption proceeds if the Administrator/GP determines the suspension to be appropriate in the circumstances;
  - the maturity date for Redemption Notes issued by the Partnership shall be five years or less from the date of issuance;
  - holders of Preferred LP Units will be entitled to distributions that reflect the cash flow available for distribution of Investco (up to a maximum), rather than being fully discretionary;
  - in the event that any Preferred LP Units are redeemed by the Partnership or tendered for redemption by a holder of Preferred LP Units (including for greater certainty, a redemption by the Trust in connection with PTUs being tendered for redemption), the Partnership is entitled to also redeem any Common A LP Units that were issued in connection with the Preferred LP Units being redeemed (including for greater certainty, Preferred LP Units that were issued to the Trust in connection with the issuance by the Trust of PTUs);
  - the existing cap on indebtedness that can be incurred by the Partnership be removed; and
- the Declaration of Trust will be amended to, among other things, provide that:
  - the Trustees may, as an extraordinary measure, suspend the redemption of PTUs or payment of redemption proceeds if the Trustees, taking into account the advice of Administrator/GP, determine the suspension to be appropriate in the circumstances; and
  - the maturity date for Redemption Notes issued by the Trust shall be five years or less from the date of issuance.

The changes to the terms of the Partnership Agreement and the Declaration of Trust which would allow the suspension of the redemption of Preferred LP Units and/or PTUs are intended to permit the Administrator/GP and the Trustees to protect the Partnership, the Trust and/or their Unitholders, as the case may be, from the harm that would be caused by allowing redemptions when extraordinary and unusual circumstances are present. It is not intended to generally restrict the ability of Unitholders to redeem their Units.

In the event that the Amendments are approved, holders of PTUs and Preferred LP Units (all of which are currently entitled to a maximum distribution of eight percent (8%) annualized) will begin to receive the amended distributions in respect of the 2nd quarter of 2019, which is expected to be $0.015 per unit (six percent (6%) annualized) and paid on or about August 15, 2019.

Further, if the Amendments are approved, the Advisory Services Fee payable by Investco in the amount equal to two percent (2%) per annum of the Asset Value of the Partnership will be reduced to $0 effective at the end of April 2019 and replaced by market-based compensation for each of the Advisors, provided that, if redemptions are not suspended and the value of the PTUs and Preferred LP Units are at par, such Advisory Services Fee may be restored in lieu of other compensation to the Advisors for any quarter at the same proportion as the distribution paid or payable to holders of PTUs and Preferred LP Units, relative to the maximum preferred return payable in respect of such PTUs or Preferred LP Units prior to the Amendments (e.g. if the maximum preferred return for currently outstanding PTUs or Preferred

LP Units after the Amendment (six percent (6%) annualized) was paid in respect of such quarter to holders of such Units, then the Advisory Services Fee may be restored at a rate of one and one half percent (1.5%) per annum for such quarter).

In the event that the Amendments are not approved, Enercapita expects that it will suspend distributions and, to the extent permitted, pay the redemption price of any units tendered for redemption with Redemption Notes until market conditions improve. Redemption Notes are not qualified investments for Exempt Plans. See "*Certain Canadian Federal Income Tax Considerations*".

Comparison of the Enercapita Before and After the Amendments

The following is a summary of certain features of an investment in PTUs, Preferred LP Units and Common A LP Units before and after the Amendments. Unitholders should also review the sections in this Information Circular with respect to the terms of the PTUs, Preferred LP Units and Common A LP Units. See "*Terms of Securities*" and "*Material Agreements - Partnership Agreement - Attributes of the Units of the Partnership*". This summary is qualified in its entirety by the more detailed disclosure found elsewhere in this Information Circular and the full text of the Declaration of Trust and the Partnership Agreement attached hereto.

A blackline copy of the form of Declaration of Trust (as would be amended by the Declaration of Trust Amendment Resolution), compared to the current Declaration of Trust is included as "*Schedule C*" to the Information Circular. A blackline copy of the form of Partnership Agreement (as would be amended by the Partnership Agreement Amendment Resolution), compared to the current Partnership Agreement, is included as "*Schedule D*" to the Information Circular.

	Certain Features of Enercapita	
	Before the Amendments	**After the Amendments**
Investment Objectives	Engaging in the acquisition, exploration, development and production of petroleum, natural gas and NGLs in western Canada and investing in assets that have demonstrated an ability to generate sustainable cash flow.	Same.
Summary of Key Investment Strategies	Management seeks acquisitions based on the following investment criteria: • target lower risk, conventional assets; • target assets with low operating and royalty cost structures; • acquiring predictable assets, with long term production profiles; • preference to own long-life assets with high working interests; • focus on exploitation and optimization, not drillings.	Same.
Administrator/GP	Enercapita Energy GP Ltd.	Same.
Creation of Additional Classes or Series of Units	**By Trustee**: N/A	Provided the rights of the Trust Unitholders are not materially prejudiced thereby, the Trustees shall have sole discretion in creating additional classes or series of Trust Units and determining the attributes that shall attach to such classes or series of Trust Units and whether any class or series of Trust Units may or will be re-designated as a different class or series of Trust Units from time to time.
	By Administrator/GP: N/A	Provided the rights of the Limited Partners are not materially prejudiced thereby, the Administrator/GP shall have sole discretion in creating additional classes or series of Units of the Partnership and determining the attributes that shall attach to such class or series of Units of the Partnership and whether any class or series of Units of the Partnership may or will be re-designated as a different class or series of Units of the Partnership from time to time.

	Certain Features of Enercapita	
	Before the Amendments	**After the Amendments**
Rights of Redemption	**The Trust:** *PTUs* A Preferred Trust Unitholder is entitled to require the Trust to redeem, at any time at the demand of the holder, all or any part of the PTUs registered in the name of the Unitholder. There are certain procedural requirements, set forth in the Declaration of Trust, which must be adhered to in connection with any redemption of PTUs. The Trustees, at any time and from time to time, have the right to redeem the whole or any part of the then outstanding PTUs from any one or more of the holders thereof as the Trustees may in their sole discretion determine. The Trust is entitled at any time and from time to time, redeem all or any part of the issued and outstanding PTUs. There are certain procedural requirements, set forth in the Declaration of Trust, which must be adhered to by the Trust in connection with any redemption of PTUs.	Same, with the added provision that the Trustees may, as an extraordinary measure, suspend the redemption of PTUs or payment of redemption proceeds if the Trustees, taking into account the advice of the Administrator/GP, determine the suspension to be appropriate in the circumstances. The changes to the terms of the Declaration of Trust which would allow the suspension of the redemption of PTUs are intended to permit the Trustees to protect the Trust and/or their Unitholders from the harm that would be caused by allowing redemptions when extraordinary and unusual circumstances are present. It is not intended to generally restrict the ability of Unitholders to redeem their Units.
	The Partnership: *Common A LP Units* Common A LP Unitholders have no redemption rights associated with their Common A LP Units.	Same, but in the event that any Preferred LP Units are redeemed by the Partnership or tendered for redemption by a Preferred LP Unitholder (including for greater certainty, a redemption by the Trust in connection with PTUs being tendered for redemption), the Partnership is entitled to also redeem any Common A LP Units that were issued in connection with the Preferred LP Units being redeemed (including for greater certainty, Preferred LP Units that were issued to the Trust in connection with the issuance by the Trust of PTUs), in accordance with the terms and conditions set forth in the Partnership Agreement.
	Preferred LP Units The Partnership is entitled at any time, and from time to time, to redeem all or any part of the issued and outstanding Preferred LP Units. There are certain procedural requirements, set forth in the Partnership Agreement, which must be adhered to by the Partnership in connection with any redemption of Preferred LP Units.	Same, with the added provision that the Administrator/GP may, as an extraordinary measure, suspend the redemption of Preferred LP Units or payment of redemption proceeds if the Administrator/GP determines the suspension to be appropriate in the circumstances. The changes to the terms of the Partnership Agreement which would allow the suspension of the redemption of Preferred LP Units are intended to permit the Administrator/GP to protect the Partnership and/or their Unitholders from the harm that would be caused by allowing redemptions when extraordinary and unusual circumstances are present. It is not intended to generally restrict the ability of Unitholders to redeem their Units.

	Certain Features of Enercapita	
	Before the Amendments	**After the Amendments**
Redemption Price	**The Trust:** *PTUs* The redemption price per PTU to be received on redemption by Preferred Trust Unitholders: (i) in the case of PTUs that were issued on a date that was five years or less prior to the date upon such PTUs were tendered for redemption, is the lesser of: (A) 90% of the fair market value of such redemption unit as at the date upon which such redemption unit was tendered for redemption; and (B) $0.90; and (ii) in the case of PTUs that were issued on a date that was more than five years prior to the date upon such PTUs were tendered for redemption, the lesser of: (A) the fair market value of such redemption unit as at the date upon which such redemption unit was tendered for redemption; and (B) $1.00. The redemption price per PTU to be received upon such redemption by the Trust is the lesser of: (A) the fair market value of such redemption unit as at the date of the redemption notice; and (B) $1.00.	The redemption price per PTU to be received on redemption by Preferred Trust Unitholders is the redemption proceeds received by the Trust from the Partnership with respect to a redemption by the Trust of the Corresponding Partnership Unit. The redemption price per PTU to be received upon such redemption by the Trust is the redemption proceeds received by the Trust from the Partnership with respect to a redemption by the Partnership of the Corresponding Partnership Unit.
	The Partnership: *Common A LP Units* N/A *Preferred LP Units* The redemption price per Preferred LP Unit to be received on redemption by the Preferred LP Unitholder pursuant to the right being exercised by the Preferred LP Unitholder to tender such Preferred LP Unit for redemption, is the lesser of: (A) 90% of the fair market value of such Preferred LP Unit as at the date of the redemption notice; and (B) $0.90, if such Preferred LP Unit was issued on a date that was 5 years or less prior to the date of the redemption notice or (A) the fair market value of such Preferred LP Unit as at the date of the redemption notice; and (B) $1.00, if such Preferred LP Unit was issued on a date that was more than 5 years prior to the date of the redemption notice. The redemption price per Preferred LP Unit to be received on redemption by the Partnership, is the lesser of: (A) the fair market value of such redemption unit as at the date of the redemption notice; and (B) $1.00.	The redemption price per Common A LP Unit to be received on redemption of such Common A LP Unit in connection with the Partnership's redemption of corresponding Preferred LP Units is the fair market value of such Common A LP Unit as at the date of the redemption notice. The redemption price per Common A LP Unit to be received on redemption of such Common A LP Unit in connection with corresponding Preferred LP Units being tendered for redemption, is the lesser of: (A) the fair market value of such Common A LP Unit as at the date of the redemption notice; and (B) the purchase price of such Common A LP Unit. Same.

	Certain Features of Enercapita	
	Before the Amendments	**After the Amendments**
Redemption Notes	The maturity date of Redemption Notes issued in connection with the redemption of units of the Trust or the Partnership shall be payable prior to the first anniversary of the date of issuance (or the sixth anniversary of the date that the unit being redeemed was issued, whichever is later).	The maturity date of Redemption Notes issued in connection with the redemption of units of the Trust or the Partnership shall be payable on or prior to the fifth anniversary of the date of issuance.
Distributions by the Trust	**PTUs:** The Trustees, on behalf of the Trust, in respect of each Distribution Period, shall declare payable to holders of each class of PTUs of record as at the close of business on the Distribution Record Date for such Distribution Period, all, any part, or none of the Distributable Cash in respect of such class of PTUs for such Distribution Period. Each PTU issued and outstanding on the Distribution Record Date for a particular Distribution Period shall be entitled, without preference or priority, to the Distribution Per PTU in respect of such class of PTUs. The share of such Distribution Amount in respect of such class of PTUs distributable to a particular holder of PTUs shall be an amount equal to the Distribution Per PTU multiplied by the number of PTUs owned of record by such holder of PTUs on such Distribution Record Date. In the event that a PTU was not issued and outstanding on each day within such Distribution Period then the Distribution Amount in respect of such PTU shall be adjusted to be the product obtained when the Distribution Amount is multiplied by the quotient obtained when (i) the number of days in the Distribution Period during which such PTU was issued and outstanding, is divided by (ii) the total number of days in the Distribution Period, and such amount shall be payable as the distribution in respect of PTU. Such adjustment calculation shall be made in respect of each PTU which was not issued and outstanding on each day within the Distribution Period.	Same, provided that when determining the Distribution Per PTU, the Trustees may make any variation or adjustment so as to ensure where possible that Trust Unitholders are treated equitably and fairly taking into account such considerations as the Trustees, in their discretion, acting reasonably and in good faith, deem appropriate in the circumstances and determine to be equitable and fair (including for greater certainty, the distributions from the Partnership).
Distributions by the Partnership	**Preferred LP Units:** Preferred LP Unitholders shall be entitled to receive non-cumulative distributions if, as and when declared by the Administrator/GP. The Administrator/GP, in respect of any LP Distribution Period, may in its discretion declare payable to Preferred LP Unitholders of record as at the close of business on the LP Distribution Record Date for such LP Distribution Period, all or any part of the LP Distributable Cash for such LP Distribution Period. First, the LP Distribution Amount shall be distributed to: (a) the holders of Preferred A LP Units and Preferred A1 LP Units, a fixed distribution at the rate of $0.06 per unit per year, as adjusted (if necessary) to properly reflect the duration of the LP Distribution Period if other than 12 months; (b) the holders of Preferred B LP Units and Preferred B1 LP Units, a fixed distribution at the rate of $0.07 per unit per year, as adjusted (if necessary) to properly reflect the duration of the LP Distribution Period if other than 12 months; (c) the holders of Preferred C LP Units and Preferred C1 LP Units, a fixed distribution at the rate of $0.08 per unit per year, as adjusted (if necessary) to properly reflect the duration of the LP Distribution Period if other than 12 months;	Preferred LP Unitholders shall be entitled to receive distributions if, as and when declared by the Administrator/GP. The Administrator/GP, in respect of any LP Distribution Period, may in its discretion declare payable to Preferred LP Unitholders of record as at the close of business on the LP Distribution Record Date for such LP Distribution Period, all or any part of the LP Distributable Cash for such LP Distribution Period. First, the Administrator/GP will, to the extent possible based on the amount of the LP Distribution Amount, pay to the Preferred LP Unitholders an amount equal to the outstanding and accrued Preferred Return with respect to such Preferred LP Unit. If the Distribution Amount is not sufficient to pay all outstanding and accrued Preferred Return on all Preferred LP Units, then each Preferred LP Unit shall receive an amount equal to such Preferred LP Unit's pro rata portion of the Distribution Amount based on the outstanding and accrued Preferred Return owed to such Preferred LP Unit relative to the aggregate outstanding and accrued Preferred Returns owed to all Preferred LP Units.

	Certain Features of Enercapita	
	Before the Amendments	**After the Amendments**
	(d) the holders of Preferred D LP Units and Preferred D1 LP Units, a fixed distribution at the rate of $0.09 per unit per year, as adjusted (if necessary) to properly reflect the duration of the LP Distribution Period if other than 12 months; (e) the holders of Preferred E LP Units and Preferred E1 LP Units, a fixed distribution at the rate of $0.10 per unit per year, as adjusted (if necessary) to properly reflect the duration of the LP Distribution Period if other than 12 months; to be distributed rateably among the holders of Preferred A LP Units, Preferred A1 LP Units, Preferred B LP Units, Preferred B1 LP Units, Preferred C LP Units, Preferred C1 LP Units, Preferred D LP Units, Preferred D1 LP Units, Preferred E LP Units and Preferred E1 LP Units, *pari passu* without preference or priority. In the event that a Preferred LP Unit was not issued and outstanding on each day within such LP Distribution Period then the LP Distribution Amount in respect of such Preferred LP Unit shall be adjusted to be the product obtained when the LP Distribution Amount in respect of such Preferred LP Unit is multiplied by the quotient obtained when (i) the number of days in the LP Distribution Period during which such Preferred LP Unit was issued and outstanding, is divided by (ii) the total number of days in the LP Distribution Period, and such amount shall be payable as the distribution in respect of such Preferred LP Unit. Such adjustment calculation shall be made in respect of each Preferred LP Unit which was not issued and outstanding on each day within the LP Distribution Period. **Common LP Units:** For a particular LP Distribution Period, any remaining LP Distribution Amount from the distribution to Preferred LP Units pursuant to the Partnership Agreement shall be distributed to the holders of Common A LP Units, Common B LP Units and Common C LP Units. Each Common A LP Unit, Common B LP Unit and Common C LP Unit issued and outstanding on the LP Distribution Record Date for a particular LP Distribution Period shall be entitled to an equal proportionate share of the remaining LP Distribution Amount, which share shall be determined by dividing such remaining LP Distribution Amount by the number of Common A LP Units, Common B LP Units and Common C LP Units issued and outstanding as of the LP Distribution Record Date.	Same.

	Certain Features of Enercapita	
	Before the Amendments	**After the Amendments**
Advisory Services Fees	An amount equal to two percent (2%) per annum of the Asset Value of the Partnership less Partnership Debt and Short Term Acquisition Funding payable to the Advisors.	If the Amendments are approved, the Advisory Services Fee will be reduced to $0 effective at the end of April 2019 and replaced by market-based compensation for each of the Advisors, provided that, if redemptions are not suspended and the value of the PTUs and Preferred LP Units are at par, such Advisory Services Fee may be restored in lieu of other compensation to the Advisors for any quarter at the same proportion as the distribution paid or payable to holders of PTUs and Preferred LP Units, relative to the maximum preferred return payable in respect of such PTUs or Preferred LP Units prior to the Amendments (e.g. if the maximum preferred return for currently outstanding PTUs or Preferred LP Units after the Amendment (six percent (6%) annualized) was paid in respect of such quarter to holders of such units, then the advisory services fee may be restored at a rate of one and one half percent (1.5%) per annum for such quarter).
Voting Rights	**The Trust:** *PTUs* No holder of PTUs has any right to receive notice of or to attend or vote at any meeting of Unitholders in respect of any matter whatsoever requiring Unitholder approval. The Trust shall call and hold a meeting at which only holders of PTUs may attend and vote separately as a class in certain circumstances including where such matter would be materially prejudicial to holders of PTUs.	Same.
	The Partnership: *Common LP Units* (a) *Common A LP Units*: Except as provided in the Partnership Agreement, no holder of Common A LP Units shall be entitled to receive notice of or to attend any meeting of Limited Partners or to vote at any such meeting or to vote in respect of any matter whatsoever requiring Limited Partner approval pertaining to the Partnership (whether at a meeting or by written resolution). The Partnership shall call and hold a meeting of Limited Partners, at which only holders of Common A LP Units may attend and vote separately as a class for certain fundamental matters in respect of the Common A LP Units. (b) *Common B LP Units*: Holders of Common B LP Units shall be entitled to receive notice of and to attend all meetings of the Unitholders and to one (1) vote in respect of each Common B LP Unit held at all such meetings, except for meetings of only holders of Common A LP Units, Common C LP Units or Preferred LP Units called for the purposes set forth in the Partnership Agreement. In addition to the above, the Partnership shall call and hold a meeting of Unitholders, at which only holders of Common B LP Units may attend and vote separately as a class for certain fundamental matters in respect of the Common B LP Units.	Same.

	Certain Features of Enercapita	
	Before the Amendments	**After the Amendments**
	(c) *Common C LP* Units: Except as provided in the Partnership Agreement, no holder of Common C LP Units shall be entitled to receive notice of or to attend any meeting of Limited Partners or to vote at any such meeting or to vote in respect of any matter whatsoever requiring Limited Partner approval pertaining to the Partnership (whether at a meeting or by written resolution). The Partnership shall call and hold a meeting of Limited Partners, at which only holders of Common C LP Units may attend and vote separately as a class for certain fundamental matters in respect of the Common C LP Units. <u>*Preferred LP Units*</u> No holder of Preferred LP Units has any right to receive notice of or to attend or vote at any meeting of Unitholders in respect of any matter whatsoever requiring Unitholder approval. The Partnership shall call and hold a meeting at which only holders of Preferred LP Units may attend and vote separately as a class in certain circumstances including where such matter would be materially prejudicial to holders of Preferred LP Units.	Same.
Dissolution	**The Trust:** <u>*PTUs*</u> Each holder of PTUs shall, subject to the right of the holders of any other class of units of the Trust entitled to receive assets of the Trust upon such a distribution in priority to, or concurrently with, the holders of the PTUs, be entitled to participate in the distribution. Each class of PTU shall be entitled to a portion of such distribution, determined in the accordance with the Declaration of Trust. The distribution to which the holders of each class of PTUs are entitled shall be made in equal amounts per PTU of such class on all the PTUs of such class at the time outstanding without preference or distinction.	<u>*PTUs*</u> Each holder of PTUs shall, subject to the right of the holders of any other class of units of the Trust entitled to receive assets of the Trust upon such a distribution in priority to, or concurrently with, the holders of the PTUs, be entitled to participate in the distribution. Each class of PTU shall be entitled to a portion of such distribution, determined in the accordance with the Declaration of Trust. Each class or series of PTUs shall be entitled to a portion of such distribution determined in the same manner as set forth in the Declaration of Trust.
	The Partnership: <u>*Common LP Units*</u> (a) *Common A LP Units*: In the event of the liquidation, dissolution or winding up of the Partnership or other distribution of assets of the Partnership among the Unitholders for the purpose of winding up its affairs, the holders of the Common A LP Units shall, subject to the rights of the holders of any other class of Units entitled to receive assets of the Partnership upon such distribution in priority to, or concurrently with, the holders of the Common A LP Units, be entitled to participate in the distribution. Such distribution to which the holders of the Common A LP Units are entitled shall be made in equal amounts per Common A LP Unit, Common B LP Unit and Common C LP Unit on all the Common A LP Units, Common B LP Units and Common C LP Units at the time outstanding without preference or distinction.	Same.

	Certain Features of Enercapita	
	Before the Amendments	**After the Amendments**
	(b) *Common B LP Units*: In the event of the liquidation, dissolution or winding up of the Partnership or other distribution of assets of the Partnership among the Unitholders for the purpose of winding up its affairs, the holders of the Common B LP Units shall, subject to the rights of the holders of any other class of Units entitled to receive assets of the Partnership upon such distribution in priority to, or concurrently with, the holders of the Common B LP Units, be entitled to participate in the distribution. Such distribution to which the holders of the Common B LP Units are entitled shall be made in equal amounts per Common A LP Unit, Common B LP Unit and Common C LP Unit on all the Common A LP Units, Common B LP Units and Common C LP Units at the time outstanding without preference or distinction. (c) *Common C LP* Units: In the event of the liquidation, dissolution or winding up of the Partnership or other distribution of assets of the Partnership among the Unitholders for the purpose of winding up its affairs, the holders of the Common C LP Units shall, subject to the rights of the holders of any other class of Units entitled to receive assets of the Partnership upon such distribution in priority to, or concurrently with, the holders of the Common C LP Units, be entitled to participate in the distribution. Such distribution to which the holders of the Common C LP Units are entitled shall be made in equal amounts per Common A LP Unit, Common B LP Unit and Common C LP Unit on all the Common A LP Units, Common B LP Units and Common C LP Units at the time outstanding without preference or distinction. <u>*Preferred LP Units*</u> Each Preferred LP Unitholder shall be entitled to receive from the assets of the Partnership, an amount of $1.00 per Preferred LP Unit held by such holder, and all such amounts shall be paid before any amount shall be paid to any holders of Common A LP Units, Common B LP Units, Common C LP Unit or holders of any Units of any other class ranking junior to the Preferred LP Units. After all payments as provided in the Partnership Agreement have been made to the holders of the Preferred LP Units, such holders shall have no further entitlement to participate in any further distributions of the Partnership Property upon any such liquidation, dissolution or winding up of the affairs of the Partnership.	Each Preferred LP Unitholder shall be entitled to receive from the assets of the Partnership, an amount of $1.00 per Preferred LP Unit held by such holder plus any accrued but unpaid Preferred Return in respect of such Preferred LP Units, and all such amounts shall be paid before any amount shall be paid to any holder of Common A LP Units, Common B LP Units, Common C LP Units or partnership units of any other class or series ranking junior to the Preferred LP Units. After all payments as provided in the Partnership Agreement have been made to the holders of the Preferred LP Units, such holders shall have no further entitlement to participate in any further distributions of the partnership's property upon any such liquidation, dissolution or winding up of the affairs of the Partnership.
Indebtedness	The Partnership Debt shall not exceed 30% of the Asset Value of the Partnership.	Removal of the 30% cap on indebtedness.
Term	Subject to earlier termination in accordance with the other provisions of the Declaration of Trust, the Trust shall continue for a term ending 21 years after the date of death of the last surviving issue of Her Majesty, Queen Elizabeth II, alive on February 27, 2014. The Partnership will exist until it is dissolved in accordance with the Partnership Agreement.	Same.

Recommendation of the Board of Directors

After a review of the business and careful consideration of a number of factors, including the rationale and market conditions described below, the Board unanimously determined that, subject to the approval of the holders of PTUs, Preferred LP Units and Common A LP Units, the Amendments are in the best interests of the Trust and the Partnership.

The Board unanimously recommends that the holders of PTUs vote for the special resolutions attached as "*Schedule A*" hereto approving the Amendments. The Board unanimously recommends that the holders of Preferred LP Units and Common A LP Units vote for the special resolutions attached as "*Schedule B*" hereto approving the Amendments.

Rationale for the Amendments

The Board makes its recommendations to the holders of PTUs, Preferred LP Units and Common A LP Units for the following reasons:

- **Liquidity event is not in best interests of Unitholders at the current time due to the extreme disconnect between the underlying business and market valuations**: Enercapita has aggregated a strong portfolio of long-life, low-decline, light oil producing assets which generate sustainable free cash flow, and has had tremendous success executing its strategy. However, the Canadian oil and gas sector has been facing considerable challenges and significant headwinds remain. This has led to an exodus of capital from the sector, pushing valuations to historic lows and causing M&A activity to stagnate. There is currently a major disconnect between cash flows and valuations of companies in the Canadian oil and gas sector. Given these low valuations and the lack of capital and transaction activity in the marketplace, the time for Enercapita to monetize its assets is not now.

- **Manage redemption schedule**: Enercapita has reached the fifth anniversary of its initial capital raise and understands that certain investors desire liquidity in the near term. However, absent a liquidity event, redemptions pose a significant risk to Enercapita's cash flow, ability to pay distributions, and ultimately its balance sheet and sustainability, potentially jeopardizing Enercapita. This risk can be mitigated by allowing the administrator of the Trust and the general partner of the Partnership to suspend redemptions when it is prudent to do so, and allowing redemptions/retractions when cash flows and the balance sheet can support them. Similarly, the maturity date of the Redemption Notes issued in connection with the redemption of units of the Trust or the Partnership will be amended from the first anniversary of the date of issuance of such Redemption Note (or the sixth anniversary of the date that the unit being redeemed was issued, whichever is later) to the fifth anniversary of the date of issuance of such Redemption Note in order to permit the general partner of the Partnership and the Trustees to protect the balance sheet of the Trust and Partnership until market conditions improve.

- **Amended distributable cash flow model protects the balance sheet and replaces discretionary distribution**: The current distribution is 100% discretionary. The proposed distributable cash flow formula links the distribution with the cash flows of Investco, up to a maximum. This protects Enercapita's balance sheet by ensuring distributions do not result in negative cash flow resulting in increased debt. It also ensures positive cash flow is used first for distributions.

- **Advisor support**: The Advisors of Enercapita have agreed to suspend Advisory Services Fees after April 2019 provided that the Amendments are approved, until such time as redemptions are restored and the PTU value is at par. The cost savings associated with the suspension of the Advisory Services Fees will accrue to the benefit of all Unitholders and further endorses the Trustees' intentions to maximize unitholder value.

- **Greater access to Capital**: The removal of the existing 30% cap on indebtedness is expected to allow Enercapita to obtain debt financing at rates and market levels similar and competitive with comparable entities. Currently, there are revolving and operating loan facilities established in favour of Investco of up to $120 million from a syndicate of lenders.

Steps for the Amendments

The Amendments, if approved, generally involves two (2) major implementation steps, the first of which will take place at the Trust level and the second of which will take place at the Partnership level, as follows:

Trust Level Step

1 Pursuant to the Declaration of Trust Amendment Resolution, the Declaration of Trust will be amended to, *inter alia*:

(a) provide that:

(i) the Trustees may, as an extraordinary measure, suspend the redemption of PTUs or payment of redemption proceeds if the Trustees, taking into account the advice of the Administrator/GP, determine such suspension to be appropriate under the circumstances;

(ii) the maturity date for Redemption Notes issued by the Trust shall be five years or less from the date of issuance; and

(b) make certain other amendments.

A blackline copy of the form of Declaration of Trust (as would be amended by the Declaration of Trust Amendment Resolution), compared to the current Declaration of Trust is included as "*Schedule C*" to the Information Circular.

Partnership Level Steps

2 Pursuant to the Partnership Agreement Amendment Resolution, the Partnership Agreement will be amended to, *inter alia*:

(a) provide that:

(i) the Administrator/GP may, as an extraordinary measure, suspend the redemption of Preferred LP Units or payment of redemption proceeds if the Administrator/GP determines the suspension to be appropriate in the circumstances;

(ii) the maturity date for redemption notes issued by the Partnership shall be five years or less from the date of issuance;

(iii) holders of Preferred LP Units will be entitled to distributions that reflect the cash flow available for distribution of Investco (up to a maximum), rather than being fully discretionary;

(iv) in the event that any Preferred LP Units are redeemed by the Partnership or tendered for redemption by a holder of Preferred LP Units (including for greater certainty, a redemption by the Trust in connection with PTUs being tendered for redemption), the Partnership is entitled to also redeem any Common A LP Units that were issued in connection with the Preferred LP Units being redeemed (including for greater certainty, Preferred LP Units that were issued to the Trust in connection with the issuance by the Trust of PTUs); and

(v) the existing cap on indebtedness that can be incurred by the Partnership be removed; and

(b) make certain other amendments.

A blackline copy of the form of Partnership Agreement (as would be amended by the Partnership Agreement Amendment Resolution), compared to the current Partnership Agreement, is included as "*Schedule D*" to the Information Circular.

The following provides further information on what actions will occur pursuant to each Step:

Step 1

Pursuant to Step 1 of the Amendments, the Declaration of Trust will be amended to effect certain changes, notably the suspension of redemptions of PTUs by the Trustees when extraordinary and unusual circumstances are present, to change the maturity date of redemption notes issued by the Trust to a date that is five years or less from the date of issuance, as well as to authorize the creation of additional classes or series of Trust Units in the Trustee's sole discretion.

Under the current Declaration of Trust, the Preferred Trust Unitholders are entitled to require the Trust to redeem all or any part of the PTUs registered in the name of such Preferred Trust Unitholder, as applicable, subject to certain restrictions.

If the Declaration of Trust Amendment Resolution is approved, the Trustees may, as an extraordinary measure, from time to time, suspend the redemption of PTUs or payment of redemption proceeds if the Trustees, taking into account the advice of the Administrator/GP, determine the suspension to be appropriate in the circumstances. Examples of circumstances which may require a suspension of redemptions include, without limitation, if the Trustees reasonably determine that: (i) the Trust's assets are invested in such a manner so as to not reasonably permit immediate liquidation of sufficient assets; (ii) there exists a state of affairs that constitutes circumstances under which liquidation by the Trust of part or all of its investments is not reasonable or practicable, or would be prejudicial to the Trust or Trust Unitholders generally; (iii) not suspending redemptions would have an adverse effect on continuing Trust Unitholders; or (iv) they are unable to value the assets of the Trust. The Trustees may also suspend the redemption of PTUs upon an announcement by the Trustees that the Trust will be terminated.

The changes to the terms of the Declaration of Trust which would allow the suspension of the redemption of PTUs are intended to permit the Trustees to protect the Trust and/or their Unitholders from the harm that would be caused by allowing redemptions when extraordinary and unusual circumstances are present. It is not intended to generally restrict the ability of Unitholders to redeem their Units.

In addition, the maturity date of the Redemption Notes issued in connection with the redemption of units of the Trust will be amended from the first anniversary of the date of issuance of such Redemption Note (or the sixth anniversary of the date that the unit being redeemed was issued, whichever is later) to the fifth anniversary of the date of issuance of such Redemption Note in order to permit the Trustees to protect the balance sheet of the Trust until market conditions improve.

Lastly, if the Declaration of Trust Amendment Resolution is approved, the Trustees shall have sole discretion in creating additional classes or series of Trust Units and determining the attributes that shall attach to such classes or series of Trust Units and whether any class of series of Trust Units may or will be re-designated as a different class or series of Trust Units. However, this authority provided to the Trustees are conditioned on the restriction that such creation and determination of the Trustees shall not materially prejudice the rights of Trust Unitholders. This is anticipated to result in greater access to capital for Enercapita as the Trustees would have more flexibility to tailor future offerings to the needs of prospective investors.

A blackline copy of the form of Declaration of Trust (as would be amended by the Declaration of Trust Amendment Resolution), compared to the current Declaration of Trust is included as "*Schedule C*" to the Information Circular.

Step 2

Pursuant to Step 2 of the Amendments, the Partnership Agreement will be amended to effect certain changes, notably the right to redeem the Common A LP Units under certain circumstances, the suspension of redemptions of Preferred LP Units by the Administrator/GP when extraordinary and unusual circumstances are present, to change the maturity date of redemption notes issued by the Partnership to a date that is five years or less from the date of issuance, to authorize for the creation of additional classes or series of Units of the Partnership in Administrator/GP's sole discretion, as well as change the economic entitlements of the Preferred LP Units.

Under the current Partnership Agreement, the Administrator/GP is entitled to redeem all or any part of the issued and outstanding Preferred LP Units pursuant to the Partnership Agreement.

If the Partnership Agreement Amendment Resolution is approved, the Administrator/GP will be entitled to also redeem any Common A LP Units in so far as such Common A LP Units being redeemed by the Partnership were issued in connection with the Preferred LP Units being redeemed (including for greater certainty, Preferred LP Units that were issued to the Trust in connection with the issuance by the Trust of PTUs).

If the Partnership Agreement Amendment Resolution is approved, the Administrator/GP may, as an extraordinary measure, from time to time, suspend the redemption of Preferred LP Units or payment of redemption proceeds if the Administrator/GP determines the suspension to be appropriate in the circumstances. Examples of circumstances which may require a suspension of redemptions include, without limitation, if the Administrator/GP reasonably determines that: (i) the Partnership's assets are invested in such a manner so as to not reasonably permit immediate liquidation of sufficient assets; (ii) there exists a state of affairs that constitutes circumstances under which liquidation by the Partnership of part or all of its investments is not reasonable or practicable, or would be prejudicial to the Partnership or Limited Partners generally; (iii) not suspending redemptions would have an adverse effect on continuing Limited Partners; or (iv) it is unable to value the assets of the Partnership. The Administrator/GP may also suspend the redemption of Preferred LP Units upon an announcement by the Administrator/GP that the Partnership will be dissolved.

In addition, the maturity date of the Redemption Notes issued in connection with the redemption of units of the Partnership will be amended from the first anniversary of the date of issuance of such Redemption Note (or the sixth anniversary of the date that the unit being redeemed was issued, whichever is later) to the fifth anniversary of the date of issuance of such Redemption Note.

The reason for the change in respect of the suspension of redemptions of Preferred LP Units and the maturity date of the Redemption Notes are the same as the similar changes in respect of the PTUs. See "*The Amendments – Steps – Step 1*" above.

If the Partnership Agreement Amendment Resolution is approved, the Administrator/GP shall have sole discretion in creating additional classes or series of Units of the Partnership and determining the attributes that shall attach to such classes or series of Units of the Partnership and whether any class of series of Units of the Partnership may or will be re-designated as a different class or series of Units of the Partnership. However, this authority provided to the Administrator/GP is conditioned on the restriction that such creation and determination of the Administrator/GP shall not materially prejudice the rights of Limited Partners. This is anticipated to result in greater access to capital for Enercapita as the Administrator/GP would have more flexibility to tailor future offerings to the needs of prospective investors.

Under the current Partnership Agreement, distributions are based on the Administrator/GP's sole discretion. If the Partnership Agreement Amendment Resolution is approved, holders of Preferred LP Units will be entitled to distributions that reflect the cash flow available for distribution of Investco (up to a maximum).

The reason for the change is because the Administrator/GP wishes to protect the balance sheet of Enercapita by ensuring distributions do not result in negative cash flow resulting in increased debt. It also ensure positive cash flow is used first for distributions to holders of Preferred LP Units.

The removal of the limit on indebtedness is expected to allow Enercapita to obtain debt financing at rates and market levels similar and competitive with comparable entities. Currently, there are revolving and operating loan facilities established in favour of Investco of up to $120 million from a syndicate of four lenders. See "*Detailed Information about Enercapita - Debt of the Trust, the Partnership and Investco*".

A blackline copy of the form of Partnership Agreement (as would be amended by the Partnership Agreement Amendment Resolution), compared to the current Partnership Agreement, is included as "*Schedule D*" to the Information Circular.

Required Unitholder Approval

For the Amendments to become effective:

(a) the Declaration of Trust Amendment Resolution must be approved by the affirmative vote of more than 66⅔% of the votes cast by holders of PTUs by unitholders of each class of PTUs who are entitled to vote and do vote on the resolutions (each class of PTUs voting separately as a class);

(b) the Partnership Agreement Amendment Resolution must be approved by the affirmative vote of more than 66⅔% of the votes cast by holders of Preferred LP Units by unitholders of each class of Preferred LP Units who are entitled to vote and do vote on the resolutions (each class of Preferred LP Units voting separately as a class); and

(c) the Partnership Agreement Amendment Resolution must be approved by the affirmative vote of more than 66⅔% of the votes cast by holders of Common A LP Units who are entitled to vote and do vote on the resolutions.

Further, as the holders of PTUs are not direct holders of Preferred LP Units, the Declaration of Trust Amendment Resolution, if approved, shall also direct the Administrator/GP, as the administrator of the Trust, to: (i) vote all of the Preferred LP Units held by the Trust in favour of the Partnership Agreement Amendment Resolution; or (ii) execute and deliver a written resolution approving the Partnership Agreement

Amendment Resolution in respect of the Preferred LP Units held by the Trust. The Trust holds a sufficient number of Preferred C1 LP Units to approve the Partnership Agreement Amendment Resolution on behalf of the holders of Preferred C1 LP Units. See "*Voting Securities and Principal Holders Thereof*".

Notwithstanding the foregoing, the Declaration of Trust Amendment Resolution and Partnership Agreement Amendment Resolution proposed for consideration by the Preferred Trust Unitholders, Preferred LP Unitholders and Common A LP Unitholders authorizes the Board, without further notice to, or approval of, such Preferred Trust Unitholders, Preferred LP Unitholders and Common A LP Unitholders, to decide not to proceed with the Amendments at any time prior to the Amendments becoming effective.

Timing

The Administrator/GP currently expects the Effective Date to occur on or about August 9, 2019, however, it is not possible to determine with certainty when the Effective Date will occur.

INTERESTS OF CERTAIN PERSONS OR COMPANIES IN THE AMENDMENTS

Trustees, Directors and Officers

In considering the Amendments and the recommendation of the Board with respect to the Amendments, Unitholders should be aware that Gregory Tisdale, Craig Hruska, Greg Tooth, Michael Cook and Stephen Johnston are currently the Trustees of the Trust and the directors and officers of the Administrator/GP and Investco. Messrs. Tisdale, Hruska, Johnston, Tooth and Cook have interests in connection with the Amendments that may present them with actual or potential conflicts of interest in connection with the Amendments. These interests and benefits are described below.

Ownership of Common LP Units by Management

As at the Record Date, Gregory Tisdale, Craig Hruska, Greg Tooth, Michael Cook and Stephen Johnston are beneficiaries of trusts or shareholders of corporations that beneficially own, or exercise control or direction over, directly or indirectly, 941,526 Common A LP Units, representing 0.65% of the Common A LP Units of the Partnership.

As at the Record Date, Gregory Tisdale, Craig Hruska, Greg Tooth, Michael Cook and Stephen Johnston are beneficiaries of trusts or shareholders of corporations that beneficially own, or exercise control or direction over, directly or indirectly, 125,053,243 Common B LP Units, representing all of the Common B LP Units of the Partnership.

Advisory Services Fees

Further, if the Amendments are approved, the Advisory Services Fee payable by Investco in the amount equal to two percent (2%) per annum of the Asset Value of the Partnership will be reduced to $0 effective at the end of April 2019 and replaced by market-based compensation for each of the advisors, provided that, if redemptions are not suspended and the value of the PTUs and Preferred LP Units are at par, such Advisory Services Fee may be restored in lieu of other compensation to the Advisors for any quarter at the same proportion as the distribution paid or payable to holders of PTUs and Preferred LP Units, relative to the maximum preferred return payable in respect of such PTUs or Preferred LP Units prior to the Amendments (e.g. if the maximum preferred return for currently outstanding PTUs or Preferred LP Units after the Amendment (six percent (6%) annualized) was paid in respect of such quarter to holders of such Units, then the Advisory Services Fee may be restored at a rate of one and one half percent (1.5%) per annum for such quarter).

The Advisory Services Fees are payable by Investco to the Advisors. Messrs. Tisdale, Hruska, Tooth, Cook and Johnston are beneficiaries of trusts or shareholders of corporations that beneficially own, or exercise control or direction over, directly or indirectly, the Advisors.

See "*The Amendments – Rationale for the Amendments*".

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

General

The following summary has been prepared by Norton Rose Fulbright Canada LLP ("**Counsel**") and describes the principal Canadian federal income tax considerations pursuant to the Tax Act relating to the Amendments and the holding of (i) PTUs (together with Common Trust Units, "**Trust Units**"), and (ii) Preferred LP Units and Common A LP Units ("**Partnership Units**" and collectively with PTUs, "**Units**") generally applicable to an individual (other than a trust) who, for purposes of the Tax Act, is resident in Canada, beneficially owns the Units, holds the Units as capital property and deals at arm's length, and is not affiliated with the Trust or the Partnership, as applicable. Generally, Units will be capital property of a Unitholder provided the Unitholder does not hold the Units in the course of carrying on a business of trading or dealing in securities and has not acquired them in one or more transactions considered to be an adventure in the nature of trade.

Certain Unitholders who might not otherwise be considered to hold their PTUs as capital property may, in certain circumstances, be entitled to make the irrevocable election permitted by subsection 39(4) of the Tax Act to have their PTUs and each other "Canadian security" (as defined in the Tax Act) owned by the person in the year in which the election is made and in each subsequent year, treated as capital property.

This summary is not applicable to a person: (i) an interest in which would be a "tax shelter investment" as defined in section 143.2 of the Tax Act; (ii) that is a "financial institution" as defined in section 142.2 of the Tax Act; (iii) that has elected to determine its Canadian tax results in a "functional currency" other than the Canadian dollar; or (iv) that has entered or will enter into a "synthetic disposition arrangement" or "derivative forward agreement" with respect to the Units, all within the meaning of the Tax Act. Such Unitholders should contact their own tax advisors having regard to their own particular circumstances.

This summary is based upon information set out in this Information Circular, the provisions of the Tax Act in force as of the date hereof, all specific proposals to amend the Tax Act that have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Proposed Amendments**") and Counsel's understanding of the current published administrative and assessing policies of the Canada Revenue Agency (the "**CRA**") that have been made publicly available as of the date hereof. There can be no assurance that the Proposed Amendments will be enacted in the form proposed, or at all. This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to the Trust, the Partnership or the Amendments and, except for the Proposed Amendments, does not take into account or anticipate any changes in the law, whether by legislative, governmental or judicial action or changes in the administrative policies or assessing practices of the CRA. This summary does not take into account provincial, territorial or foreign tax considerations, which may differ significantly from those discussed herein.

This summary is of a general nature only and is not intended to be relied on as legal or tax advice or representations to any particular Unitholder. Consequently, Unitholders are urged to seek independent tax advice in respect of the consequences to them of an investment in Units having regard to their particular circumstances.

Taxation of the Trust, the Partnership and Investco

Status of the Trust

This summary assumes that the Trust qualifies as a "mutual fund trust" for purposes of the Tax Act at all relevant times.

Although the matter is not free from doubt, based in part on the published administrative policies of the CRA, Management is of the view that the proposed amendments to the terms of the PTUs should not result in the Trust ceasing to qualify as a mutual fund trust for purposes of the Tax Act. If the Trust were to not qualify as a mutual fund trust at any particular time, the income tax considerations for the Trust and the Trust Unitholders would be materially different from those contained herein.

This summary assumes that "investments", within the meaning of the Tax Act, in the Trust are not, and will not be, listed or traded on a stock exchange or other public market. If investments in the Trust are listed or traded on a stock exchange or other public market the Trust may be taxable as a "SIFT trust" under the Tax Act and the Canadian federal tax considerations will be materially different from those described herein.

Taxation of the Trust

The Trust is subject to tax under Part I of the Tax Act on its income for each taxation year, including net realized taxable capital gains, dividends, accrued interest and other income paid or payable to it, less the portion thereof that is paid or payable in the year by the Trust to Trust Unitholders and which is deducted by the Trust in computing its income for purposes of the Tax Act. An amount will be considered to be payable to a Trust Unitholder in a taxation year if it is paid in the year by the Trust or the Trust Unitholder is entitled in that year to enforce payment of the amount. The taxation year of the Trust will end on December 31 of each year.

The Trust generally intends to deduct, in computing its income, the full amount available for deduction in each taxation year to the extent of its taxable income for the year otherwise determined and to make payable to Trust Unitholders an amount equal to its remaining taxable income. Counsel has been advised by the Trust that it is expected that the Trust will not be liable for any material amount of tax under the Tax Act; however, Counsel can provide no assurance in this regard.

Computation of Partnership Income

The Partnership is not itself liable for income tax, however, the income or loss of the Partnership will be computed for each fiscal period as if the Partnership were a separate person resident in Canada. The fiscal period of the Partnership ends on December 31.

In computing its income or loss for income tax purposes, the Partnership will be entitled to deduct its expenses in its fiscal period in which they are incurred provided that such expenses are reasonable and their deduction is permitted by the Tax Act.

The income or loss of the Partnership for each fiscal period will be allocated among those persons who are Limited Partners, including the Trust, at the end of the Partnership's fiscal period, in accordance with the provisions of the Partnership Agreement.

In general, a Limited Partner's share of any income or loss of the Partnership from a particular source will retain its character and any provisions of the Tax Act applicable to that type of income will also apply to each Limited Partner.

Each Limited Partner will be entitled to deduct in the computation of income (or loss) for tax purposes the Limited Partner's share of any losses allocated by the Partnership for the fiscal period of the Partnership ending in the taxation year of the Limited Partner to the extent that the Limited Partner's investment is "at risk" within the meaning of the Tax Act. To the extent that the loss is not deductible in the year and is not subject to the "at-risk" rules discussed below, it will be available for a twenty-year carry-forward and three-year carry-back as a deduction in computing the taxable income of a Limited Partner. Losses from the Partnership which are not deductible by a Limited Partner because they exceed the "at-risk" amount at the particular time generally may be carried forward indefinitely for deduction against any source of income in a subsequent year to the extent that a Limited Partner's "at-risk" amount in the Partnership is otherwise positive for that year.

In general, the amount "at-risk" for an investor in a limited partnership at any time in a taxation year will be the adjusted cost base of the investor's limited partnership interest at that time (plus, where that time is the end of the limited partnership's fiscal period, income allocated to the limited partner for the fiscal period) less any amount owing by the limited partner (or a person with whom the limited partner does not deal at arm's length) to the limited partnership (or a person or partnership not dealing at arm's length with the limited partnership) and less the amount of any benefit, guarantee or indemnity provided to a limited partner to protect the limited partner against any loss of the limited partner's investment in the limited partnership.

Taxation of Investco

Investco will be subject to tax under the Tax Act in each taxation year on its taxable income for the year. In calculating its taxable income, Investco will generally be entitled to deduct reasonable expenses incurred to earn income, including interest paid on loans from the Partnership.

Taxation of Trust Unitholders

Trust Distributions

A Trust Unitholder will generally be required to include in computing their income for a particular taxation year any amount paid or made payable to the Trust Unitholder in that year, whether in cash, additional Units, Trust Property or otherwise.

Provided that appropriate designations are made by the Trust, the portion of its taxable capital gains and taxable dividends received from taxable Canadian corporations that are paid or made payable to a Trust Unitholder will retain their character as taxable capital gains and taxable dividends to the Trust Unitholder for purposes of the Tax Act. Such dividends, when designated to a Trust Unitholder that is an individual, will be subject to the gross-up and dividend tax credit provisions normally applicable to taxable dividends received from taxable Canadian corporations, including the enhanced gross-up and dividend tax credit for eligible dividends. Income of the Trust that is designated as taxable dividends from taxable Canadian corporations or as net realized capital gains may affect an individual Trust Unitholder's liability for alternative minimum tax.

The non-taxable portion of net realized capital gains of the Trust that is paid or made payable to a Trust Unitholder in a taxation year will not be included in computing the Trust Unitholder's income for the year and will not reduce the adjusted cost base of the Trust Unitholder's Units. Any other amount in excess of the net income of the Trust that is paid or made payable by the Trust to a Trust Unitholder in a year will generally not be included in the Trust Unitholder's income for the year but will reduce the adjusted cost base of the Units held by such Trust Unitholder. To the extent that the adjusted cost base to a Trust Unitholder of a Unit is less than zero at any time in a taxation year, such negative amount will be deemed to be a capital gain of the Trust Unitholder from the disposition of the Unit in that year. The amount of such capital gain will be added to the adjusted cost base of such Unit.

The adjusted cost base of a Unit to a Trust Unitholder will include all amounts paid or payable by the Trust Unitholder for the Unit, with certain adjustments. Units issued to a Trust Unitholder as a non-cash distribution of income will have a cost amount equal to the amount of such income. A Trust Unitholder will generally be required to average the cost of all newly-acquired Units with the adjusted cost base of Units held by the Trust Unitholder as capital property in order to determine the adjusted cost base of the Trust Unitholder's Units at any particular time.

Disposition of Units

On the disposition or deemed disposition of Units, a Trust Unitholder will generally realize a capital gain (or a capital loss) equal to the amount by which the Trust Unitholder's proceeds of disposition are greater (or less) than the aggregate of the Trust Unitholder's adjusted cost base of the Units and any reasonable costs incurred by the Trust Unitholder in connection with the disposition. The taxation of capital gains or capital losses is described below under "*Certain Canadian Federal Income Tax Considerations – Capital Gains and Capital Losses".*

Redemption of Units

The redemption of Units in consideration for cash, Trust Property or Redemption Notes, as the case may be, will be a disposition of such Units for proceeds equal to the amount of such cash or the fair market value of such Trust Property or Redemption Notes, less any portion thereof that is considered to be a distribution of the income of the Trust. Redeeming Trust Unitholders will consequently realize a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition (less any portion thereof that is considered a distribution of the Trust's income) is greater (or less) than the Trust Unitholder's aggregate adjusted cost base of the Units so redeemed and any reasonable costs of disposition.

If a Trust Unitholder redeems PTUs, the Trust may distribute income or capital gains realized by the Trust in the year to the Unitholder as partial payment of the redemption price. Any income or capital gains so distributed must be included in the calculation of the Trust Unitholder's income in the manner described above. Proposed Amendments to the Tax Act announced on March 19, 2019, if enacted, would deny the Trust a deduction for (i) the portion of a capital gain of the Trust distributed to a Trust Unitholder on a redemption of PTUs that is greater than the Trust Unitholder's accrued gain, and (ii) any income distributed to a Trust Unitholder on a redemption of PTUs, where, in each case, the Trust Unitholders' proceeds of disposition are reduced by the distribution. If enacted as proposed, these Proposed Amendments will be effective for taxation years of the Trust that begin on or after March 19, 2019.

Amendments to Declaration of Trust

Although the matter is not free from doubt, Management is of the view that Trust Unitholders who hold PTUs should not be considered to have disposed of their PTUs by reason only of the proposed amendments to the terms of the PTUs. In the event that such a disposition is considered to occur, Management is of the view that the proceeds would not exceed the original issue price of the PTUs. However, there can be no assurance that the CRA or a Canadian court will concur in this view and, accordingly, Trust Unitholders should consult their own tax advisors in this regard.

Capital Gains and Capital Losses

Generally, one-half of any capital gain realized or deemed to be realized by a Trust Unitholder in a taxation year will be included in the Trust Unitholder's income for the year as a taxable capital gain. Subject to specific rules in the Tax Act, one-half of any capital loss realized or deemed to be realized by a Trust Unitholder in a taxation year is an allowable capital loss which is deducted from any taxable capital gain realized by the holder in the year of disposition. Allowable capital losses for a taxation year in excess of taxable capital gains for that year generally may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years to the extent and under the circumstances provided for in the Tax Act. Capital gains realized by a Trust Unitholder may affect a Trust Unitholder's liability for alternative minimum tax.

If a Trust Unitholder disposes of PTUs, and the Trust Unitholder, the Trust Unitholder's spouse or another person affiliated with the Trust Unitholder (including a corporation controlled by the Trust Unitholder) has also acquired Trust Units of any class or series within 30 days before or after the Trust Unitholder disposes of the Trust Unitholder's Units (such newly acquired Trust Units being considered "substituted property"), the Trust Unitholder's capital loss may be deemed to be a "superficial loss". If so, the Unitholder's loss will be deemed to be nil and the amount of the loss will instead be added to the adjusted cost base of the Trust Units which are "substituted property".

Exempt Plan Eligibility

Provided that the Trust is a "mutual fund trust" for purposes of the Tax Act at all relevant times, PTUs, when issued, will be a qualified investment under the Tax Act for Exempt Plans.

Notwithstanding the foregoing, an annuitant under a RRSP or RRIF or the holder of a TFSA or RDSP, or subscriber of a RESP, as the case may be, who holds PTUs will be subject to a penalty tax if PTUs are a "prohibited investment" (as defined in the Tax Act) for the RRSP, RRIF, RDSP, RESP or TFSA, as the case may be. PTUs will generally not be a prohibited investment for a trust governed by a RRSP, TFSA, RRIF, RESP or RDSP if the annuitant, holder or subscriber of such plan deals at "arm's length" with the Trust for the purposes of the Tax Act and such annuitant, holder or subscriber does not have a "significant interest" (within the meaning of the Tax Act) in the Trust. Trust Unitholders should consult their own tax advisors as to whether PTUs will be a prohibited investment in their particular circumstances.

Trust Property, Redemption Notes, Units of the Partnership or any other securities received as a result of a distribution or redemption of Units of the Trust will not be a qualified investment for Exempt Plans, which may result in adverse tax consequences to an Exempt Plan or the annuitant, holder or subscriber thereof. Trust Unitholders holding Units in an Exempt Plan should consult with their own tax advisors prior to redeeming their Units to determine the tax consequences to them of a redemption satisfied by Trust Property or Redemption Notes.

Taxation of Partnership Unitholders

Disposition of Units

The disposition by a Limited Partner of a Partnership Unit will result in the realization of a capital gain (or capital loss) by such Limited Partner to the extent the proceeds of disposition of the Partnership Unit, less reasonable costs of disposition, exceed (or are exceeded by) the adjusted cost base of the Partnership Unit. In general, the adjusted cost base of a Limited Partner's Partnership Unit will be equal to the cost of the Unit (excluding, in certain circumstances, the portion thereof financed with limited recourse indebtedness) plus the Limited Partner's share of the income of the Partnership allocated to the Limited Partner for the fiscal periods ending before the relevant time less the aggregate of: (i) the Limited Partner's share of losses of the Partnership allocated to the Limited Partner (other than losses which cannot be deducted because they exceed the Limited Partner's "at-risk" amount) for the fiscal years ending before the relevant time; and (ii) the distributions from the Partnership to the Limited Partner made before the relevant time. The adjusted cost base of each Partnership Unit will be the average of the adjusted cost base of all Partnership Units held by a Limited Partner. On the cancellation of a Limited Partner's Partnership Units for no consideration pursuant to the Partnership's retraction right, a Limited Partner will generally realize a capital loss equal to the adjusted cost base of such Partnership Units.

If a Limited Partner disposes of all of the Limited Partner's Partnership Units, that person will no longer be a Limited Partner of the Partnership and will be deemed to have disposed of the Units either at such time or, if the Limited Partner has a residual interest in the Partnership, on the later of: (i) the end of the fiscal period of the Partnership during which the disposition has occurred; and (ii) the date of the last distribution made by the Partnership to which the Limited Partner was entitled.

A Limited Partner will be deemed to realize a capital gain if the adjusted cost base of the Limited Partner's Partnership Unit is negative at the end of any fiscal period of the Partnership. If the adjusted cost base of a Limited Partner's Partnership Unit becomes negative and a capital gain is realized, the adjusted cost base of the Limited Partner's Partnership Unit will be deemed to be nil at the beginning of the next fiscal period of the Partnership. If the adjusted cost base of a Limited Partner's Partnership Unit is positive in a subsequent taxation year, then, to the extent that the Limited Partner has realized a deemed capital gain, the Limited Partner can elect to reduce the adjusted cost base of the Partnership Unit by the lesser of the adjusted cost base of the Unit and the amount of the deemed capital gain. The amount elected can be carried back to offset a deemed capital gain realized when the adjusted cost base of a Unit is negative.

Generally, one-half of any capital gain realized or deemed to be realized by a Limited Partner in a taxation year will be included in the Limited Partner's income for the year as a taxable capital gain. Subject to specific rules in the Tax Act, one-half of any capital loss realized or deemed to be realized by a Limited Partner in a taxation year is an allowable capital loss which is deducted from any taxable capital gain realized by the holder in the year of disposition. Allowable capital losses for a taxation year in excess of taxable capital gains for that year generally may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years to the extent and under the circumstances provided for in the Tax Act. Capital gains realized by a Limited Partner may affect an individual Limited Partner's liability for alternative minimum tax.

Amendments to Partnership Agreement

Although the matter is not free from doubt, Management is of the view that Limited Partners should not be considered to have disposed of their Partnership Units by reason only of the proposed amendments to the terms of the Partnership Agreement. In the event that such a disposition is considered to occur, Management is of the view that the proceeds would not exceed the original issue price of the Partnership Units. However, there can be no assurance that the CRA or a Canadian court will concur in this view and, accordingly, Limited Partners should consult their own tax advisors in this regard.

Filing Requirements

A person that is a Limited Partner at any time in a fiscal period of the Partnership is required to make an information return in the prescribed form containing specified information for that year, including the income or loss of the Partnership and the names and shares of such income or loss of all the Limited Partners. The filing of an annual information return by the Administrator/GP on behalf of the Limited Partners will satisfy this requirement and the Administrator/GP has agreed to make such filings. The Administrator/GP will also provide the Limited Partners with information relevant to the allocation of the Partnership's income earned.

Exempt Plan Eligibility

Partnership Units will not be qualified investments for Exempt Plans. The holder, annuitant or subscriber of such Exempt Plan may, together with such Exempt Plan, have adverse tax consequences if they hold a non-qualified investment.

International Information Reporting Requirements

Under the terms of the intergovernmental agreement between Canada and the U.S. (the "**Canada-U.S. IGA**") to provide for the implementation of the Foreign Account Tax Compliance provisions of the U.S. Hiring Incentives to Restore Employment Act of 2010 (or "**FATCA**"), and its implementing provisions under the Tax Act, the Trust and the Partnership, respectively, will be treated as complying with FATCA and not subject to the 30% withholding tax if the Trust and the Partnership, respectively comply with the terms of the Canada-U.S. IGA. Under the terms of the Canada-U.S. IGA, the Trust and the Partnership will each be required to identify and report information, including certain financial information, on accounts held by investors that fail to provide information to their financial advisor or dealer related to their citizenship and residency for tax purposes and/or investors that are identified as, or in the case of certain entities as having one or more controlling persons who are U.S. persons owning, directly or indirectly, an interest in the Trust or the Partnership, respectively, to the CRA. The CRA will in turn provide such information to the U.S. Internal Revenue Service (the "**IRS**").

The Trust and the Partnership will endeavor to comply with the requirements imposed under the Canada-U.S. IGA and its implementing provision under the Tax Act. However, if the Trust and/or the Partnership cannot satisfy the applicable requirements under the Canada-U.S. IGA or its implementing provisions under the Tax Act and is unable to comply with the requirements under FATCA, the Trust and/or the Partnership may be subject to U.S. withholding tax on U.S. and certain non-U.S. source income and gross proceeds. The Trust and/or the Partnership may also be subject to the penalty provisions of the Tax Act. Any potential U.S. withholding taxes or penalties associated with such failure to comply would reduce the value of the Trust's and/or the Partnership's assets.

In addition, to meet the objectives of the Organisation for Economic Co-operation and Development Common Reporting Standards (the "**CRS**"), the Trust and the Partnership are each required under the Tax Act to identify to report to the CRA certain information (including residency details and financial information such as account balances) relating to investments held by Unitholders or by the "controlling persons" of certain entities who are resident in a country other than Canada or the United States. The information would then be available for sharing with CRS participating jurisdiction in which the securityholder resides for tax purposes under the provision and safeguards of the Multilateral Administrative Assistance in Tax Matters or the relevant bilateral tax treaty.

CERTAIN RISK FACTORS RELATING TO THE AMENDMENTS

Unitholders should carefully consider the risk factors relating to the Amendments before deciding to vote or instruct their vote to be cast to approve the matters relating to the Amendments. In addition to the risk factors relating to the Amendments set out below, Unitholders should also carefully consider the risk factors that are applicable to Enercapita's business before and after the completion of the Amendments, as set out in "*Schedule E - Certain Risk Factors Related to Enercapita*". **All of the risk factors described below and in "Schedule *E*" to this Information Circular should be considered by Unitholders in conjunction with the other information included in this Information Circular.**

Completion Risk

The completion of the Amendments are subject to a number of conditions precedent, some of which are outside the control of Enercapita, including, without limitation, approval of the Declaration of Trust Amendment Resolution and the Partnership Agreement Amendment Resolution at the Meeting. There can be no certainty that these conditions will be satisfied or, if satisfied, when they will be satisfied. If the Amendments does not proceed, it may have an adverse effect on the business and affairs of Enercapita. For example, Enercapita may have to pursue a liquidity event that is not in best interests of Unitholders.

Possible Failure to Realize Anticipated Benefits of the Amendments

There can be no assurance that the anticipated benefits of the Amendments as described under "*The Amendments – Rationale for the Amendments*" will be realized.

Costs

Enercapita expects to incur a number of non-recurring costs associated with completing the Amendments which will be incurred whether or not the Amendments are completed, including accounting, legal fees and costs of the preparation, printing and mailing of this Information Circular. Such costs may offset any expected benefits from the Amendments.

The Amendments May Divert the Attention of Management

The pending Amendments could cause the attention of Management to be diverted from day-to-day operations. These disruptions could be exacerbated by a delay in the completion of the Amendments and could have an adverse effect on the business, operating results or prospects of Enercapita regardless of whether the Amendments are ultimately completed.

Interests of Certain Persons

In considering the recommendation of the Board to vote for the Declaration of Trust Amendment Resolution and the Partnership Agreement Amendment Resolution, Unitholders should be aware that Gregory Tisdale, Craig Hruska, Stephen Johnston, Greg Tooth and Michael Cook are currently the Trustees of the Trust and the directors and officers of the Administrator/GP and Investco. Messrs. Tisdale, Hruska, Johnston, Tooth and Cook have interests in connection with the Amendments that may present them with actual or potential conflicts of interest in connection with the Amendments. See "*The Amendments – Interests of Certain Persons or Companies in the Amendments*".

Legal Risks

Enercapita may be exposed to legal risks resulting from the Amendments, including under securities or other laws and pursuant to disputes regarding the terms of the Amendments. There is also the possibility that Unitholders may claim that the Trust and/or the Partnership improperly failed to inform them of the risks involved in the Amendments or that the Amendments was not properly authorized and as such, is not enforceable. These risks are often difficult to assess or quantify and their existence and magnitude may remain unknown for substantial periods of time. Enercapita could incur significant legal costs and other expenses in defending against litigation involved with any of these risks and may be required to pay substantial damages for settlement and/or adverse judgments. Substantial legal liability could affect the ability of the Trust and the Partnership to realize the potential benefits of the Amendments.

Tax Risks

The Declaration of Trust Amendment Resolution will permit the suspension by the Trustee of the right to redeem PTUs. Although the matter is not free from doubt, based in part of the published administrative policies of the CRA, Management is of the view that the addition of this suspension right should not cause the Trust to cease to qualify as a mutual fund trust for purposes of the Tax Act. Further, based on the published administrative policies of the CRA, if the right to redeem PTUs is suspended by the Trustee, the Trust should not cease to qualify as a mutual fund trust for purposes of the Tax Act provided that the suspension lasts for no more than 12 months. If the Trust were to cease to qualify as a mutual fund trust for purposes of the Tax Act, there could be adverse income tax consequences to the Trust and Trust Unitholders. See "*Schedule E - Certain Risk Factors Related to Enercapita"*.

Increased Indebtedness

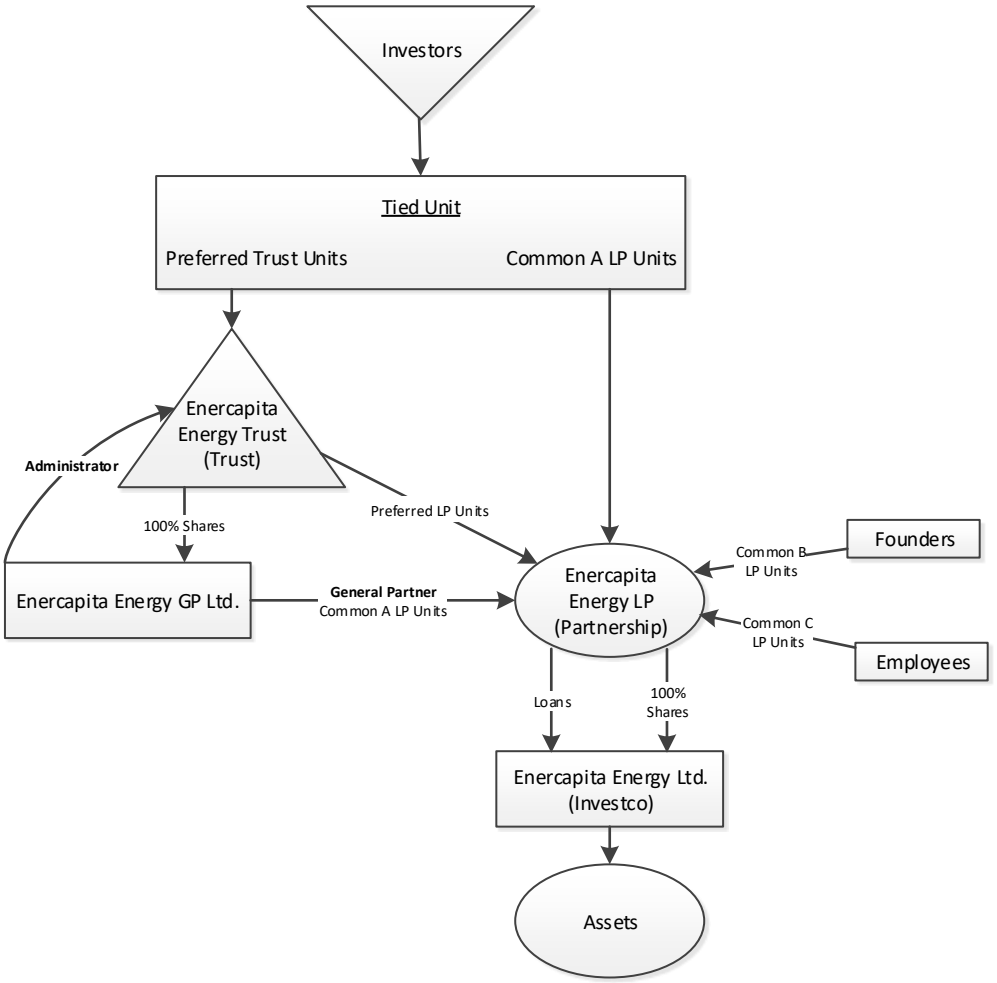
Following the Amendments, the Partnership will be permitted to take on greater debt than currently permitted under the Partnership Agreement. The increased debt allowance may result in financial risk to Unitholders.

DETAILED INFORMATION ABOUT ENERCAPITA

Corporate Structure

Structure Diagram

The following diagram sets out the relationship between the Trust, the Partnership, the Administrator/GP and Investco.



The head office of the Trust, the Partnership and the Administrator/GP is located at #2210, 8561 - 8A Avenue S.W., Calgary, Alberta, T3H 0V5. The head office of Investco is located at #600, 435 - 4th Avenue S.W., Calgary, Alberta, T2P 3A8.

The Trust

The Trust is an unincorporated open ended trust, governed by the laws of the Province of Alberta and Canada applicable thereto. The Trust was created on February 27, 2014, pursuant to the Declaration of Trust. Although it is intended that the Trust qualify as a "mutual fund trust" pursuant to the Tax Act, the Trust will not be a "mutual fund" under applicable securities laws.

The Trustees

Gregory Tisdale, Craig Hruska, Greg Tooth, Michael Cook and Stephen Johnston are the Trustees of the Trust. The Trustees are responsible for the management and control of the business and affairs of the Trust on a day-to-day basis in accordance with the terms of the Declaration of Trust. However, the Trustees, on behalf of the Trust, have retained the Administrator/GP to carry out the duties of the Trustees under the Declaration of Trust and have delegated to the Administrator/GP the power and authority to manage and direct the day-to-day business, operations and affairs of the Trust.

The Administrator/GP

The Administrator/GP, the administrator of the Trust, was incorporated on February 6, 2014, pursuant to the ABCA and manages, together with the Trustees, the affairs of the Trust.

The Administrator/GP provides and performs certain administrative, management and governance services as may be required or advisable from time to time in order to administer, manage and govern the operations of the Trust pursuant to the terms of the Declaration of Trust and the Administration Agreement. The Trustees are not at arm's length to the Administrator/GP. The directors and officers of the Administrator/GP are Gregory Tisdale, Craig Hruska, Greg Tooth, Michael Cook and Stephen Johnston, who are also the Trustees.

The Administrator/GP is also the general partner of the Partnership. The Administrator/GP controls and has responsibility for the business of the Partnership, to bind the Partnership and to admit Limited Partners and do or cause to be done, in a prudent and reasonable manner, any and all acts necessary, appropriate or incidental to the business of the Partnership. The Administrator/GP has exclusive authority to manage and control the activities of the Partnership and is liable by law, as a general partner, for the debts of the Partnership. The directors and officers of the Administrator/GP are Gregory Tisdale, Craig Hruska, Greg Tooth, Michael Cook and Stephen Johnston.

The Partnership

The Partnership was formed in the Province of Alberta on February 27, 2014 pursuant to the Partnership Act, by the filing of the certificate of limited partnership in accordance with the Partnership Act.

The Partnership is in the business of engaging in the exploration, acquisition, development and production of petroleum, natural gas and NGLs in western Canada and investing in assets that have demonstrated an ability to generate sustainable cash flow. The current commodity price environment in western Canada is challenging for many producers which has provided an opportunity to acquire high quality, lower risk conventional oil and gas assets at historically low valuations. The objective of the Partnership has been to acquire these high quality assets and develop incremental production through optimization, exploitation and operational excellence. The key to this approach is to protect downside commodity risk through a disciplined price risk management strategy to create long term stable free cash flow for investors, with potential upside from production enhancement, optimization and higher commodity prices.

The Partnership will invest for the purpose of exercising, or seeking to exercise, control of assets or will, through the Administrator/GP, participate actively in the management of the businesses or assets in which it invests. The Partnership may, but is not obliged to, make some or all of its investments through one or more intermediary vehicles, such as Investco.

Investco

Investco was incorporated on February 27, 2014, pursuant to the ABCA and is a subsidiary of the Partnership. The Business of the Partnership is expected to be conducted through Investco. Investco holds the Assets and is expected to hold and have responsibility for all of the assets of the Business. The Partnership may acquire and hold shares, debt or other securities of Investco from time to time, and Investco may, from time to time, issue securities to additional investors. If the Partnership makes all of its investment in the Business through Investco, the ability of the Partnership to make cash distributions on Preferred LP Units and Common LP Units would be principally dependent upon the Partnership receiving payments from Investco pursuant to the securities of Investco acquired by the Partnership. If the Partnership does not receive payment from Investco pursuant to the securities of Investco held by it, the Partnership will likely not have sufficient cash flow to make cash distributions to Preferred LP Unitholders and Common LP Unitholders. See "*Schedule E - Certain Risk Factors Related to Enercapita*".

Business of Enercapita

The Trust has been established with the objective of investing indirectly in the Business through its acquisition of Preferred LP Units. The Partnership has been established with the objective of investing in the Business.

Business Strategy

After the completion of the Amendments, the Partnership intends to continue to engage in the exploration, development and production of petroleum, natural gas and NGLs in western Canada and investing in assets that have demonstrated an ability to generate sustainable cash flow. The current commodity price environment in western Canada is challenging for many producers and has provided the opportunity to acquire high quality, lower risk conventional oil and gas assets at historically low valuations. The objective of the Partnership has been to acquire these high quality assets and develop incremental production through optimization, exploitation and operational excellence. Key to this approach is to protect downside commodity risk through a disciplined price risk management strategy to create long term stable free cash flow for investors, with potential upside from production enhancement, optimization and higher commodity prices.

The Partnership intends to continue to invest for the purpose of exercising, or seeking to exercise, control of assets or will, through the Administrator/GP, participate actively in the management of the businesses or assets in which it invests. The Partnership may, but is not obliged to, make some or all of its investments through intermediary vehicles, such as Investco.

Investco conducts hedging activity to provide increased certainty over cash flow. Investco has approximately 40% of forecasted production hedged for the balance of 2019, and approximately 20% of forecasted production hedged in 2020. Investco hedges through a combination of swaps, collars and puts. Hedges are designed to protect against commodity price downside while allowing for participation in increases in commodity prices.

The Partnership will continue to seek investments in other assets in accordance with its investment strategy and criteria. See "*Schedule E - Certain Risk Factors Related to Enercapita*".

Acquisition, Strategy and Investment Criteria

Management believes that there will be significant opportunities to make accretive acquisitions based on its investment criteria that will generally include the following:

- target lower risk, conventional assets;
- target assets with low operating and royalty cost structures;
- acquiring predictable assets, with long term production profiles;
- preference to own long-life assets with high working interests; and
- focus on exploitation and optimization, not drilling.

It is within the Administrator/GP's sole discretion to determine the utilization of available cash flow from the business and operations of the Partnership for matters beyond satisfying all mandatory liabilities and other payment obligations of the Partnership.

Assets of the Business

The Assets held by Investco as at the date hereof include oil and natural gas wells, facilities and pipelines in Alberta and British Columbia. These Assets were aggregated through 26 asset acquisitions and one corporate acquisition, completed between May, 2014 and October, 2018 and execution of capital projects to develop, grow, and optimize the acquired assets. The Assets are located along the Montney and Charlie Lake trends of the Peace River Arch and characteristics include: long-life; low-decline; approximately 70% light oil and natural gas liquids/30% natural gas; high working interest; predominantly operated; significant reserves and original oil in place with low recovery factors to date; significant undeveloped land and large inventory of drilling locations and low risk development projects; ownership and control of key facility infrastructure. Currently, the Assets are producing over 7,000 boe/d and generating strong netbacks over $20.00 per boe based on West Texas Intermediate oil price of US$55/bbl.

Debt of the Trust, the Partnership and Investco

Trust

The Trust may incur indebtedness, and such indebtedness may be secured by the Trust's assets. Such indebtedness, if any, will be undertaken in the discretion of the Administrator/GP and upon such terms and conditions as the Administrator/GP determines appropriate or acceptable.

Partnership

The Partnership may incur additional indebtedness, and such indebtedness may be secured by the Partnership's assets. Such additional indebtedness, if any, will be undertaken in the discretion of the Administrator/GP and upon such terms and conditions as it determines appropriate or acceptable. After the completion of the Amendments, the existing cap on indebtedness that can be incurred by the Partnership will be removed.

Investco

The Credit Facilities in favour of Investco consists of a $20,000,000 operating credit facility and $100,000,000 revolving credit facility. As of the date of this Information Circular, the amount outstanding under the Credit Facilities is approximately $51 million.

The available lending limits of the Credit Facilities are reviewed semi-annually and are based on the bank syndicate’s interpretation of the Partnership’s reserves and future commodity prices. The next review date is November 30, 2019. There can be no assurance that the amount of the available Credit Facilities will not be adjusted at the next scheduled review date. The Credit Facilities are secured by a floating charge debenture and a general security agreement on the assets of the Partnership.

The Credit Facilities bears interest at a rate based on the prime rate and the Partnership’s net debt to cash flow ratio. The Credit Facilities will be available for Investco's general corporate purposes, including capital expenditures, and provides for customary positive and negative covenants, including limitations on debt, liens, dispositions, reorganizations, distributions, hedging and dissolutions. A failure to comply with any of the covenants could result in an event of default which, if not cured or waived, would permit the bank to cancel the availability of the Credit Facilities and demand repayment of the outstanding loans in full, together with all accrued and unpaid interest thereon, to become immediately due and payable. Compliance with the terms of the covenants under the Credit Facilities could adversely impact the free cash flow of Investco.

The maturity date of the Credit Facilities is June 30, 2021 and may be extended with the consent of the lenders. The commitments of lenders that do not consent to an extension may, if proposed by Investco and at the election of lenders that consent to such an extension, be assigned in whole or in part to such extending lenders.

See "*Schedule E – Certain Risk Factors Related to* Enercapita".

MATERIAL AGREEMENTS

Declaration of Trust

The rights and obligations of Preferred Trust Unitholders and Common Trust Unitholders are governed by the Declaration of Trust. A blackline copy of the form of Declaration of Trust (as would be amended by the Declaration of Trust Amendment Resolution), compared to the current Declaration of Trust is included as "*Schedule C*" to the Information Circular.

The following is a summary only of certain terms in the Declaration of Trust (as would be amended by the Declaration of Trust Amendment Resolution) which, together with other summaries of additional terms of the Declaration of Trust appearing elsewhere in this Information Circular, are qualified in their entirety by reference to the actual text of the Declaration of Trust, a review of which is recommended to Unitholders.

Undertaking of the Trust

The Declaration of Trust provides that the activities and undertaking of the Trust is restricted to:

(a) acquiring, holding, transferring, disposing of, investing in, lending to, and otherwise dealing with, assets, securities (whether debt or equity) and other interests or properties of whatever nature or kind of (except for real property or an interest in real property unless any such real property or interest in real property is capital property of the Trust), or issued by, any person (including the Partnership) and making such other investments as the Trustees determine;

(b) holding cash and other investments in connection with and for the purposes of the Trust's activities, including paying liabilities of the Trust (including administration expenses), paying any amounts required in connection with the redemption of Units, and making distributions to Unitholders;

(c) disposing of all or any part of the Trust Property;

(d) issuing Units, installment receipts, and other trust securities (including debt instruments, securities convertible into or exchangeable for Units or other securities of the Trust, or warrants, options or other rights to acquire Units or other securities of the Trust) ("**Other Trust Securities**"), for the purposes of, without limitation: (i) conducting, or facilitating the conduct of, the activities and undertaking of the Trust (including for the purpose of raising funds for acquisitions); (ii) repayment of any indebtedness or borrowings of the Trust or any affiliate thereof; (iii) establishing and implementing unitholder rights plans, distribution reinvestment plans, Trust Unit purchase plans, and incentive option and other compensation plans of the Trust, if any; (iv) satisfying obligations to deliver securities of the Trust, including Units, pursuant to the terms of securities convertible into or exchangeable for such securities of the Trust, whether or not such convertible or exchangeable securities have been issued by the Trust; (v) carrying out any of the transactions contemplated by any offering documents and satisfying all obligations in connection with such transactions; and (vi) making non-cash distributions to unitholders, including in specie redemptions as well as distributions;

(e) repurchasing or redeeming Units or Other Trust Securities, subject to the provisions of the Declaration of Trust and applicable law;

(f) issuing debt securities or otherwise borrowing funds, as well as mortgaging, pledging, charging, granting a security interest in or otherwise encumbering all or any part of the Trust Property, whether as security for obligations of the Trust or otherwise;

(g) guaranteeing (whether as guarantor, surety or co-principal obligor, or otherwise) any obligations, indebtedness or liabilities, present or future, direct or indirect, absolute or contingent, matured or not of any person for, or in pursuit of pursuing or facilitating the business and purposes of the Trust, and mortgaging, pledging, charging, granting a security interest in or otherwise encumbering all or any part of the Trust Property as security for such guarantee;

(h) carrying out any of the transactions, and exercising, performing and satisfying any of the rights, liabilities and obligations of the Trust under any agreements or arrangements, entered into in connection with pursuing the business and purposes of the Trust; and

(i) engaging in all activities, and taking all such actions, ancillary or incidental to any of those activities set forth in (a) through (h) above.

Different Investments

Each class or series of PTUs will be invested in a separate class or series of securities of the Partnership, as may be further provided in an offering memorandum of the Trust from time to time. The Trustees or the Administrator/GP may take any actions that it, in their sole discretion, considers necessary in order to equitably reflect the fact that different classes or series of PTUs are invested in a separate class or series of securities of the Partnership. Such actions include, but are not limited to, making such adjustments to the amounts distributable to Preferred Trust Unitholders pursuant to the Declaration of Trust as is necessary to permit the Trustees or the Administrator/GP, to the extent possible, to take into account the assets, liabilities, income (including realized capital gains), losses and expenses determined by the Trustee or the Administrator/GP to be attributable to each class or series of PTUs.

Trustees

Trustees are appointed for a term of office which shall expire upon their resignation or removal in accordance with the Declaration of Trust. If there are no Trustees, an appointment of Trustees shall be made by Ordinary Resolution (as defined in the Declaration of Trust) of the Common Trust Unitholders. The maximum number of Trustees shall be fixed at seven (7). Trustees may appoint one or more Trustees to fill

a vacancy among the Trustees. The Declaration of Trust provides that, subject to the specific limitations contained in the Declaration of Trust, the Trustees have full, absolute and exclusive power, control and authority over the Trust Property and over the affairs of the Trust to the same extent as if the Trustees were the sole owners of such property in their own right and may do all such acts and things as they, in their sole judgment and discretion, deem necessary or incidental to, or desirable for, the carrying out of the terms of the trust created by the Declaration of Trust. All determinations of the Trustees and any agent to whom the Trustees have delegated duties (including the Administrator/GP), where such determinations are made in good faith with respect to any matters relating to the Trust, shall be final and conclusive and shall be binding upon the Trust and all Unitholders.

The Declaration of Trust provides that the Trustees must act honestly and in good faith with a view to the best interests of the Trust and, in connection therewith, exercise that degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances (herein the "**Standard of Care**"). In general, each Trustee shall be indemnified against all liabilities or claims against them or the Trust, and they shall have no liability to any Unitholders, where such liabilities or claims arise out of being or having been a trustee of the Trust, unless such liabilities or claims arise as a result of the Trustee failing to satisfy the Standard of Care or, in the case of a criminal or administrative action or proceeding that is enforced by monetary penalty, where such Trustee did not have reasonable grounds for believing that his conduct was lawful. A Trustee shall not be required to devote his entire time to the affairs of the Trust.

The Administrator

The Trustees have delegated to the Administrator/GP, under the terms of the Administration Agreement, the obligation to provide and perform for and on behalf of the Trust essentially all services that are or may be required or advisable, from time to time, in order to manage, administer and govern the operations of the Trust. The Administration Agreement sets forth all of the rights, restrictions and limitations (including, without limitation, limitations of liability and indemnification rights) which pertain to the performance by the Administrator/GP of the duties delegated to it by the Trustees. Pursuant to the terms of the Declaration of Trust, those rights, restrictions and limitations also apply in all respects to the Administrator/GP in the exercise and performance by it of all powers, duties and authorities conferred upon or delegated to the Administrator/GP under the terms of the Declaration of Trust. See "*Material Agreements – Administration Agreement*".

Conflict of Interest

In addition to his interest as a Trustee of the Trust, a Trustee may have other interests or associations of whatever nature or kind. Without limiting the foregoing, the Declaration of Trust expressly provides that each Trustee is permitted: (a) to be an associate, affiliate, securityholder, director, officer, trustee, employee, agent or consultant of, or otherwise involved with, a person from or to whom assets of the Trust have been or are to be purchased or sold; (b) to be a person, or to be an associate, affiliate, securityholder, director, officer, trustee, employee, agent or consultant of (or otherwise involved with) a person, with whom the Trust contracts or deals or which supplies services to the Trust; (c) to acquire, hold and dispose of, for such Trustee's own account, any property (real, personal, tangible or intangible) even if such property is of a character which could be held by the Trust, and to exercise all rights of an owner of such property as if such Trustee were not a Trustee; (d) to acquire, hold and sell Units as principal, or as an affiliate or associate of or fiduciary for any other person, and to exercise all rights of a holder thereof as if such Trustee was not a Trustee; and (e) to have business interests of any nature and to continue such business interests while a Trustee.

Under the terms of the Declaration of Trust, the Unitholders acknowledge and accept that there are, and will continue to be, potential or actual interests of one or more of the Trustees, or their associates or affiliates (including conflicts of interest) with respect to business or other interests held directly or indirectly by, and/or contractual arrangements or transactions directly or indirectly involving, one or more of the Trustees, or their respective associates or affiliates, and the Unitholders agree that: (a) any Trustee is permitted (notwithstanding any liability which might otherwise be imposed by law or in equity upon such Trustee as a trustee of the Trust) to derive direct or indirect benefit, profit or advantage from time to time as a result of dealing with the Trust or its affiliates or as a result of the relationships, matters, contracts, transactions, affiliations or other interests it may have and such Trustee shall not be liable in law or in equity to pay or account to the Trust, or to any Unitholder (whether acting individually or on behalf of itself and other Unitholders as a class) for any such direct or indirect benefit, profit or advantage nor, in such circumstances, will any contract or transaction be void or voidable at the instance of the Trust of any Unitholder or any other person; and (b) interests of any Trustee, or their respective associates or affiliates, including any conflicts of interest, will not form the basis for any claim against such Trustee, or their respective affiliate or associate, or for any attempt to challenge or attack the validity of any contract, transaction or arrangement (or renewal, extension or amendments of same) which the Trustees may enter into on behalf of the Trust; provided, in each case, that the Trustee in question has otherwise exercised its powers and discharged its duties, as set out in the Declaration of Trust, honestly and in good faith in respect to the matter, contract, transaction or interest in question.

Attributes of the Units of the Trust

The beneficial interests in the Trust shall be represented and constituted by six classes of units, being the Common Trust Units, Preferred A Trust Units, Preferred B Trust Units, Preferred Trust Units, Preferred D Trust Units and Preferred E Trust Units. Following the completion of the Amendments, provided that the rights of the Trust Unitholders are not materially prejudiced thereby, the Trustees shall have sole discretion in creating additional classes or series of Trust Units and determining the attributes that shall attach to such class or series of Trust Units and whether any class or series of Trust Units may or will be re-designated as a different class or series of Trust Units from time to time.

The Common Trust have certain rights, privileges, restrictions and conditions, a summary of which is set out below:

<u>Common Trust Units</u>

(a) *Voting Rights*: The holders of the Common Trust Units shall be entitled to receive notice of and to attend all meetings of Unitholders and to one (1) vote in respect of each Common Trust Unit held at all such meetings, except for meetings of holders of PTUs called for the purposes set forth in the Declaration of Trust.

(b) *Participation upon Liquidation, Dissolution or Winding Up*: In the event of the liquidation, dissolution or winding up of the Trust, or other distribution of assets of the Trust among Unitholders for the purpose of winding up the affairs of the Trust: (1) each Common Trust Unitholder shall be entitled to receive from the assets of the Trust, for and in respect of each Common Trust Unit held by such Common Trust Unitholder, a sum equivalent to the quotient obtained when (A) the aggregate gross proceeds from the issuance of all Common Trust Units issued by the Trust since formation and still outstanding at the time of winding up the affairs of the Trust, is divided by (B) the aggregate number of Common Trust Units issued and outstanding at the time of winding up the affairs of the Trust, and all such amounts shall be paid before any amount shall be paid, or any Trust Property shall be distributed, to any holder of PTUs or trust units of any other class ranking junior to the Common Trust Units. After all payments as provided have been made to the Common Trust Units, such Common Trust Unitholders shall have no further entitlement to participate in any further distributions of the Trust Property upon any such liquidation, dissolution or winding up of the affairs of the Trust, and (2) each holder of PTUs shall, subject to the right of the holders of any other class or series of units of the Trust entitled to receive assets of the Trust upon such a distribution in priority to, or concurrently with, the holders of the PTUs, be entitled to participate in the distribution. Each class or series of PTU shall be entitled to a portion of such distribution, determined in the accordance with the Declaration of Trust.

For the rights, privileges, restrictions and conditions in respect of the PTUs, see "*Terms of Securities – PTUs*".

Distribution Entitlement

The Common Trust Unitholders shall not be entitled to distributions.

For the distribution entitlements in respect of the PTUs, see "*Terms of Securities – PTUs - Distributions*".

Redemption Rights

Each Common Trust Unitholder shall be entitled to require the Trust to redeem at any time and from time to time at the demand of the holder, in accordance with the terms and conditions set forth in the Declaration of Trust, all or any part of the Common Trust Units registered in the name of the Common Trust Unitholder. There are certain procedural requirements, set forth in the Declaration of Trust, which must be adhered to by the Common Trust Unitholder in connection with any redemption of Common Trust Units. The redemption price per Common Trust Unit to be received upon such redemption by the Common Trust Unitholder is the lesser of: (A) the fair market value of such redemption unit as at the date upon which such redemption unit was tendered for redemption; and (B) $1.00.

For the rights of redemption in respect of the PTUs, see "*Terms of Securities – PTUs – Redemption Rights*".

The Administrator/GP may suspend the redemption of PTUs or payment of redemption proceeds in certain circumstances, see "*Terms of Securities – PTUs – Redemption Rights - Suspension of Redemption Rights in Certain Circumstances*".

Fair Market Value

The fair market value of a redemption unit shall be determined by the Administrator/GP in its sole discretion, acting reasonably, but having regard to:

(a) all prices at which trades of Units of the same class or series as the redemption units have been transacted, as reported to the Trust, and which have occurred during the 6 month period (or such other period as the Administrator/GP determines relevant and reasonable) immediately preceding the date on which such redemption units tendered for redemption or the date the Trust gives notice of the redemption, as applicable;

(b) the issue prices for Units of the same class or series as the redemption units issued in any offering during the 6 month period (or such other period as the Administrator/GP determines relevant and reasonable) immediately preceding the date on which such redemption units tendered for redemption or the date the Trust gives notice of the redemption, as applicable;

(c) the fair market value of equity interests in, or enterprise values of, comparable entities substantially similar to the Trust; and

(d) any other considerations which the Administrator/GP, in its discretion, determines relevant for purposes of determining the fair market value of such redemption units.

Meetings of Unitholders of the Trust

There is no requirement to hold annual meetings of the Unitholders. Except for certain limited circumstances, no holder of PTUs shall be entitled to receive notice of or to attend any meeting of Unitholders or to vote at any such meeting or to vote in respect of any matter whatsoever requiring Unitholder approval. See "*Terms of Securities*".

Limitation on Non-Resident Ownership

It is in the best interest of the Unitholders that the Trust always qualifies as a "mutual fund trust" under the Tax Act and this requires, among other things, that the Trust shall not be established or maintained primarily for the benefit of Non-Residents. Accordingly, for so long as it is required by the Tax Act for the Trust to maintain its status as a "mutual fund trust", at no time may Non-Residents be the beneficial owners of more than 49% of the outstanding Units, on both a non-diluted and fully-diluted basis and it shall be the responsibility of the Administrator/GP to monitor compliance by the Trust with this Non-Resident restriction in accordance with the published policies of the relevant taxation authority. The Declaration of Trust grants the Administrator/GP the power and authority to take all such action as it determines in its discretion is reasonable and practicable in the circumstances in order to ensure compliance by the Trust with the Non-Resident restriction, including the ability of the Administrator/GP to sell Units beneficially owned by Non-Residents.

Transfer of Units

No Unitholder shall transfer or dispose of its Units to any other person except with the consent of the Administrator/GP and in compliance with applicable securities laws and the Declaration of Trust. The Declaration of Trust provides that no transfer or other disposition of Units shall be effective unless certain terms and conditions are met, including: (a) delivery to the transfer agent of a duly executed instrument of transfer and accompanied by all necessary transfer or other taxes imposed by law, and the Unit certificate(s) representing such Units being transferred (if certificates representing such Units have been issued) properly endorsed and accompanied by evidence of the genuineness of such endorsement, execution and authorization; (b) reporting to the Trustees or the Administrator/GP the details concerning the transfer, including name, address, citizenship and country of residence of the transferee, as well as the price per Unit at which the sale and transfer has occurred together with such other information as the Trustee or Administrator/GP may reasonably request, and evidenced by appropriate documentation; and (c) all outstanding liabilities of the transferor to the Trust shall have been paid, or arrangements made satisfactory to the Administrator/GP for the assumption of such liabilities by the transferee.

Amendments to the Declaration of Trust

Except in certain limited circumstances where the Trustees are entitled without the approval of the Unitholders to make amendments to the Declaration of Trust (refer to full text of Declaration of Trust), the Declaration of Trust may only be amended or altered by Special Resolution. Holders of PTUs will not be entitled to vote in respect of such Special Resolution unless the nature of the proposed amendment triggers the limited voting rights of the holders of PTUs. See "*Terms of Securities – PTUs*".

Power of Attorney

Upon becoming a unitholder of the Trust, each unitholder, pursuant to the terms of the Declaration of Trust, grants to the Trustees a power of attorney constituting the Trustees (whether acting individually or collectively), with full power of substitution, as the true and lawful attorney of such Unitholder to act on his behalf, with full power and authority to execute, under seal or otherwise, swear to, acknowledge, deliver, make, file or record (and to take all requisite actions in connection with such matters), when, as and where required: (a) the Declaration of Trust and any other instrument required or desirable to qualify, continue and keep in good standing the Trust as a mutual fund trust in all jurisdictions that the Trustees deem appropriate and to ensure that the Trust is not a SIFT trust in all jurisdictions that the Trustees deem appropriate; (b) any instrument, deed, agreement or document in connection with carrying on the affairs of the Trust; (c) all conveyances, transfers and other documents required in connection with the dissolution, liquidation or termination of the Trust; (d) any and all elections, determinations or designations whether jointly with third parties or otherwise, under the Tax Act or any other taxation or other legislation or similar laws of Canada or of any other jurisdiction in respect of the affairs of the Trust or of a Unitholder's interest in the Trust; (e) any instrument, certificate and other documents necessary or appropriate to reflect and give effect to any amendment to the Declaration of Trust which is authorized from time to time as contemplated by the terms of the Declaration of Trust; (f) all transfers, conveyances and other documents required to deal with Units of non-tendering offerees pursuant to take-over bid, but subject to the provisions respect same as contained in the Declaration of Trust; and (g) any instrument, deed, agreement or document as may be necessary or appropriate in connection with carrying on the business and undertaking of the Trust; and, for further certainty, it is acknowledged and agreed by each Unitholder that the Trustees may exercise any of the powers granted under this power of attorney irrespective of whether the Administrator/GP has been expressly authorized herein to take any such actions referred to above, and that the Trustees may substitute the Administrator/GP as a delegate, in whole or in part, of the powers granted herein.

Under the Declaration of Trust, each unitholder of the Trust is agreeing that the power of attorney is, to the extent permitted by applicable law, irrevocable and is a power coupled with an interest and shall survive the insolvency, death, mental incompetence, disability and any subsequent legal incapacity of the unitholder and shall survive the assignment by the unitholder of all or part of the holder's interest in the Trust and will extend to and bind the heirs, executors, administrators and other legal representatives and successors and assigns of the unitholder. Each unitholder of the Trust agrees to be bound by any representations or actions made or taken by the Trustees or its delegate pursuant to the power of attorney and waives any and all defences which may be available to contest, negate or disaffirm any actions taken by the Trustees in good faith under the power of attorney. The power of attorney survives and continues not only in respect of the Trustees but also in respect of any successor trustee.

Accounting and Reporting

The Trust's fiscal year end is December 31. The Trust shall distribute to each Unitholder, within 140 days after the end of each fiscal year, annual audited consolidated financial statements of the Trust. The auditors of the Trust shall be a recognized firm of chartered accountants which has an office in Canada and which is independent of the Trust, the Trustees and the Administrator/GP.

Term of the Trust and Distribution on Wind-Up

Subject to earlier termination in accordance with the Declaration of Trust, the Trust shall continue for a term ending 21 years after the date of the death of the last surviving issue of Her Majesty, Queen Elizabeth II, alive on February 27, 2014. The Trust shall commence its wind-up and termination upon the first of the following to occur: (a) a proposal by the Trustees or the Administrator/GP to wind up and terminate the Trust, which proposal is approved by way of Special Resolution of the holders of Common Trust Units, or (b) the date upon which each of the material entities in which the Trust holds an interest, or has otherwise invested, have been liquidated; which generally means such entities have been wound-up and their net assets distributed to those so entitled upon a wind-up, dissolution or termination of such entities.

Partnership Agreement

The rights and obligations of Limited Partners (including the Trust and Preferred LP Unitholders) are governed by the Partnership Agreement. A blackline copy of the form of Partnership Agreement (as would be amended by the Partnership Agreement Amendment Resolution), compared to the current Partnership Agreement, is included as "*Schedule D*" to the Information Circular.

The following is a summary only of certain provisions in the Partnership Agreement (as would be amended by the Partnership Agreement Amendment Resolution) which, together with other summaries of additional terms of the Partnership Agreement

appearing elsewhere in this Information Circular, are qualified in their entirety by reference to the actual text of the Partnership Agreement, a review of which is recommended to Unitholders.

Purpose

The Partnership was formed on February 27, 2014 under the Partnership Act and is governed by the Partnership Agreement. The Partnership was formed for the purpose of engaging in the exploration, acquisition, development and production of petroleum, natural gas and NGLs in western Canada and investing in assets that have demonstrated an ability to generate sustainable cash flow. The Partnership will invest for the purpose of exercising, or seeking to exercise, control of assets or will, through the Administrator/GP, participate actively in the management of the businesses or assets in which it invests. The Partnership may, but is not obliged to, make some or all of its investments through intermediary vehicles, such as Investco. The Partnership has an indefinite term as it is to continue in existence until an event of dissolution occurs.

Attributes of the Units of the Partnership

The interests in the Partnership shall be represented and constituted by thirteen classes of Units, being the Common LP Units and the Preferred LP Units. The Partnership is authorized to issue an unlimited number of units. Following completion of the Amendments, provided that the rights of the Limited Partners are not materially prejudiced thereby, the Administrator/GP shall have sole discretion in creating additional classes or series of Units of the Partnership and determining the attributes that shall attach to such classes or series of Units of the Partnership and whether any class of series of Units of the Partnership may or will be re-designated as a different class or series of Units of the Partnership from time to time.

In respect of any issuance of Units, other than the initial issuance of Units to the Administrator/GP and the initial Limited Partners, an equal number of Common LP Units and Preferred LP Units shall be issued such that, for every ten Preferred LP Units issued by the Partnership, the Partnership shall also issue ten Common LP Units in a combination of Common A LP Units and Common B LP Units. The ratio of Common A LP Units to Common B LP Units shall be determined from time to time by the Administrator/GP in its sole discretion. Unless otherwise determined by the Administrator/GP, the Common A LP Units and Common B LP Units shall be issued for nominal consideration. The Units have certain rights, privileges, restrictions and conditions, a summary of which is set out below.

In respect of any issuance of Common B LP Units, other than the initial issuance of Common B LP Units to the initial Limited Partners, the Partnership may, at the sole discretion of the Administrator/GP, issue a number of Common C LP Units or Equivalent Entitlements such that the aggregate number of Common C LP Units issued or issuable pursuant to the Equivalent Entitlements does not exceed ten percent (10%) of the number of Common B LP Units issued. For greater certainty, there is no obligation on the Partnership to issue any Common C LP Units or any Equivalent Entitlements. Unless otherwise determined by the Administrator/GP, the Common C LP Units or Equivalent Entitlements, as applicable, shall be issued for nominal consideration.

Common LP Units have certain rights, privileges, restrictions and conditions, a summary of which is set out below:

Voting Rights of the Common LP Units

(a) *Common A LP Units*: Except as provided in the Partnership Agreement, no holder of Common A LP Units shall be entitled to receive notice of or to attend any meeting of Limited Partners or to vote at any such meeting or to vote in respect of any matter whatsoever requiring Limited Partner approval pertaining to the Partnership (whether at a meeting or by written resolution). The Partnership shall call and hold a meeting of Limited Partners, at which only holders of Common A LP Units may attend and vote separately as a class for certain fundamental matters in respect of the Common A LP Units.

(b) *Common B LP Units*: Holders of Common B LP Units shall be entitled to receive notice of and to attend all meetings of the Unitholders and to one (1) vote in respect of each Common B LP Unit held at all such meetings, except for meetings of only holders of Common A LP Units, Common C LP Units or Preferred LP Units called for the purposes set forth in the Partnership Agreement. In addition to the above, the Partnership shall call and hold a meeting of Unitholders, at which only holders of Common B LP Units may attend and vote separately as a class for certain fundamental matters in respect of the Common B LP Units.

(c) *Common C LP* Units: Except as provided in the Partnership Agreement, no holder of Common C LP Units shall be entitled to receive notice of or to attend any meeting of Limited Partners or to vote at any such meeting or to vote in respect of any matter whatsoever requiring Limited Partner approval pertaining to the Partnership (whether at a meeting or by written resolution). The Partnership shall call and hold a meeting of Limited Partners, at which only holders of Common C LP Units may attend and vote separately as a class for certain fundamental matters in respect of the Common C LP Units.

Participation upon Liquidation or Winding Up

(a) *Common A LP Units*: In the event of the liquidation, dissolution or winding up of the Partnership or other distribution of assets of the Partnership among the Unitholders for the purpose of winding up its affairs, the holders of the Common A LP Units shall, subject to the rights of the holders of any other class of Units entitled to receive assets of the Partnership upon such distribution in priority to, or concurrently with, the holders of the Common A LP Units, be entitled to participate in the distribution. Such distribution to which the holders of the Common A LP Units are entitled shall be made in equal amounts per Common A LP Unit, Common B LP Unit and Common C LP Unit on all the Common A LP Units, Common B LP Units and Common C LP Units at the time outstanding without preference or distinction.

(b) *Common B LP Units*: In the event of the liquidation, dissolution or winding up of the Partnership or other distribution of assets of the Partnership among the Unitholders for the purpose of winding up its affairs, the holders of the Common B LP Units shall, subject to the rights of the holders of any other class of Units entitled to receive assets of the Partnership upon such distribution in priority to, or concurrently with, the holders of the Common B LP Units, be entitled to participate in the distribution. Such distribution to which the holders of the Common B LP Units are entitled shall be made in equal

amounts per Common A LP Unit, Common B LP Unit and Common C LP Unit on all the Common A LP Units, Common B LP Units and Common C LP Units at the time outstanding without preference or distinction.

(c) *Common C LP* Units: In the event of the liquidation, dissolution or winding up of the Partnership or other distribution of assets of the Partnership among the Unitholders for the purpose of winding up its affairs, the holders of the Common C LP Units shall, subject to the rights of the holders of any other class of Units entitled to receive assets of the Partnership upon such distribution in priority to, or concurrently with, the holders of the Common C LP Units, be entitled to participate in the distribution. Such distribution to which the holders of the Common C LP Units are entitled shall be made in equal amounts per Common A LP Unit, Common B LP Unit and Common C LP Unit on all the Common A LP Units, Common B LP Units and Common C LP Units at the time outstanding without preference or distinction.

Rights of Redemption of the Common LP Units

(a) *Common A LP Units*: Holders of Common A LP Units have no redemption rights associated with Common A LP Units.

(b) *Common B LP Units*: Holders of Common B LP Units have no redemption rights associated with Common B LP Units.

(c) *Common C LP* Units: Holder of Common C LP Units have no redemption rights associated with Common C LP Units.

Common A LP Units may be redeemed by the Partnership in certain circumstances, see "*Terms of Securities – Preferred LP Units and Common A LP Units - Redemption Rights*".

Each holder of a Preferred LP Unit shall be entitled to the rights and privileges and be subject to the limitations, restrictions and conditions pertaining to the Preferred LP Units as set out in the Partnership Agreement, and the proportionate interest in the Partnership of each holder of a particular class or series of Preferred LP Units, in relation to the aggregate interest of all holders of such class or series of Preferred LP Units, shall be determined by the number of Preferred LP Units registered in the name of such holder and recorded on the register of the Partnership for the Preferred LP Units.

For the rights, privileges, restrictions and conditions in respect of the Preferred LP Units, see "*Terms of Securities – Preferred LP Units and Common A LP Units*".

Fair Market Value

The fair market value of a redemption unit shall be determined by the Administrator/GP in its sole discretion, acting reasonably, but having regard to:

(a) all prices at which trades of Preferred LP Units or Common A LP Units, as applicable, have been transacted, as reported to the Administrator/GP, and which have occurred during the 6 month period (or such other period as the Administrator/GP determines relevant and reasonable) immediately preceding the date on which such redemption units tendered for redemption or the date the Partnership gives notice of the redemption, as applicable;

(b) the issue prices for Preferred LP Units or Common A LP Units, as applicable, issued in any offering during the 6 month period (or such other period as the Administrator/GP determines relevant and reasonable) immediately preceding the date on which such redemption units tendered for redemption or the date the Partnership gives notice of the redemption, as applicable;

(c) the fair market value of equity interests in, or enterprise values of, comparable entities substantially similar to the Partnership; and

(d) any other considerations which the Administrator/GP, in its discretion, determines relevant for purposes of determining the fair market value of such redemption units.

Distributions

For the distribution entitlements in respect of the Preferred LP Units and the Common LP Units, see "*Terms of Securities – Preferred LP Units* and Common A LP Units - *Distributions*".

Management and Control of the Partnership

Subject to the Partnership Act and to the limitations expressly set forth in the Partnership Agreement, the Administrator/GP (which is wholly-owned by the Trust) will have exclusive authority to direct and manage the affairs of the Partnership, with full power and authority to administer, manage, control and operate the business carried on by the Partnership and to do any act, take any proceedings, make any decisions and execute and deliver any instrument, deed, agreement or document necessary for or incidental to carrying on the Business.

The Partnership Agreement provides that the Administrator/GP must act honestly, in good faith and in the best interests of the Partnership and, in connection therewith, exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Removal of General Partner

The Limited Partners have no right to remove the Administrator/GP as general partner of the Partnership except upon the occurrence of any one of the following defaults (herein a "**General Partner Default**") by the Administrator/GP:

(a) the Administrator/GP (i) files a voluntary petition in bankruptcy or makes any assignment for the benefit of creditors of the Administrator/GP, or (ii) consents to or acquiesces to the appointment of a trustee, receiver or liquidator of the Administrator/GP;

(b) the Administrator/GP has commenced against it (i) the institution of any proceeding or the taking of any action seeking to adjudicate it bankrupt, or seeking liquidation, dissolution, winding-up, reorganization or protection of its property, (ii) the making of a proposal with respect to it under any law related to bankruptcy, insolvency, reorganization or other similar law, or (iii) the seeking of the appointment of a receiver, trustee, agent or other similar official for it for a substantial part of its assets, provided that any such proceeding, petition or action under this paragraph (b) has been commenced against the Administrator/GP or any of its assets by a bona fide party and is not stayed, vacated or dismissed within 90 days; or

(c) the Administrator/GP breaches or fails to observe or perform any of the Administrator/GP's material obligations, covenants or responsibilities under the Partnership Agreement, and if such breach or failure is reasonably remediable within sixty (60) days of having received written notice from the Limited Partners specifying the nature of such breach or failure, the Administrator/GP fails to cure such breach or failure within such sixty (60) day period, or if such breach or failure is not reasonably remediable within such sixty (60) day period, the Administrator/GP fails to commence within such sixty (60) day period to take steps to remedy such default and to thereafter proceed diligently to cure or remedy such breach or failure.

Upon the occurrence of a General Partner Default, the holders of Common B LP Units may remove the Administrator/GP by passage of a Special Resolution of the holders of Common B LP Units in favour of such removal, provided that such Special Resolution shall only be effective if it includes provision for the appointment of a substitute general partner of the Partnership to be appointed concurrent with the removal of the Administrator/GP. The Limited Partners must provide the Administrator/GP with written notice stating the effective date of the removal, provided that the removal of the Administrator/GP shall only take effect, notwithstanding the Special Resolution, once the following has occurred: (i) the full and unconditional release of the Administrator/GP and its affiliates or associates (as the case may be) is obtained in respect of any mortgage or other indebtedness, liability or obligation of the Partnership to which they are subject, whether as a guarantor, co-covenantor or otherwise; (ii) the payment of all money owing to the Administrator/GP as of the effective date of the resignation; and (iii) where the general partner being removed is Enercapita Energy GP Ltd., the repayment in full of all outstanding indebtedness of the Partnership to the Trust, howsoever and whensoever incurred.

Reimbursement of Administrator/GP

The Partnership will reimburse the Administrator/GP, when and as invoiced, for all direct and indirect operating, general and administrative costs and expenses (including all costs of administration, overhead and remuneration paid to officers and employees of the Partnership or Administrator/GP), as well as other costs and expenses whatsoever, that the Administrator/GP or its affiliates or associates incur which are related to or in connection howsoever with the operation and conduct of the business and affairs of the Partnership.

Business Interests of the General Partner

The Partnership Agreement provides that Management, as well as their respective affiliates and associates, are permitted to have business and other interests or associations of whatever nature or kind apart from their activities related to the Partnership's business, including business and other interests or associations which consist of the Business. Management presently has, and may in the future have, other business interests and associations which consist of the Business.

Under the Partnership Agreement, Limited Partners acknowledge that there are and will continue to be potential or actual interests of Management (or their associates or affiliates), including conflicts of interest, with respect to business or other interests held directly or indirectly by, and/or contractual arrangements or transactions directly or indirectly involving, one or more of Management, the Partnership, the Administrator/GP or any of the respective affiliates and associates of any of them, and the Limited Partners agree that (a) interests of the Administrator/GP or any member of Management or their respective associates or affiliates ("**Interested Persons**"), including any conflicts of interest, will not form the basis for any claim against Management, the Administrator/GP or any respective affiliate or associate thereof, or their respective shareholders, directors, officers or employees, nor will they form the basis for any attempt to challenge or attack the validity of any contract, transaction, arrangement or payment (or renewal, extension or amendments of same), and (b) any Interested Person is hereby expressly permitted to derive direct or indirect benefit, profit or advantage from time to time as a result of dealing with the Partnership or its affiliates or as a result of the relationships, matters, contracts, transactions, affiliations or other interests it may have and such Interested Person shall not be liable in law or in equity to pay or account to the Partnership, or to any Unitholder for any such direct or indirect benefit, profit or advantage nor, in such circumstances, will any contract or transaction be void or voidable at the instance of the Partnership, Unitholder or any other person; provided, in each case, that the Administrator/GP has otherwise exercised its powers and discharged its duties under the Partnership Agreement honestly and in good faith in respect to the matter, contract, transaction or interest in question.

The Administrator/GP may employ or retain, on behalf of the Partnership, an affiliate or associate of the Administrator/GP or any member of Management to provide goods or services to the Partnership, provided that the terms of such agreements or contracts are no less favourable to the Partnership than those that would be obtained from an independent third party.

Allocation of Net Income and Net Loss

Subject to the discretion of the Administrator/GP as outlined in the Partnership Agreement, the net income or net loss of the Partnership (as the case may be) for each fiscal year, as well as its income or loss from a particular source or a source in a particular place, and its capital gains and capital losses, shall each be allocated among the Limited Partners by the Administrator/GP in a manner consistent with the

distribution provisions set out in the Partnership Agreement. In so allocating net income or loss, the Administrator/GP shall act reasonably and fairly, taking into account the amount, timing and underlying character or source (whether as income or capital) of the actual and anticipated distributions to each of the partners with a view to ensuring that, over the term of the Partnership, each partner is allocated a portion of the net income or net loss that substantially corresponds to the amounts that are and are anticipated to be distributed to that partner.

Terms of Additional Financing

The Partnership is authorized to issue an unlimited number of Units, each of which has the rights, privileges, restrictions and conditions set forth in the Partnership Agreement. The Administrator/GP has complete discretion in determining the timing, terms and conditions of any additional financing and may do all things which it deems necessary, convenient, appropriate or advisable in connection with any additional financing, including: (a) determine to whom to issue debt securities, or other securities of the Partnership, in connection with such additional financing; and (b) mortgage, pledge, charge, grant a security interest in or otherwise encumber all or any part of the Partnership Property, whether as security for obligations of the Partnership under any additional financing or otherwise. After the completion of the Amendments, the existing cap on indebtedness that can be incurred by the Partnership will be removed.

Without limiting the generality of the foregoing the terms and conditions of any additional financing, as determined by the Administrator/GP, may be set forth in a written agreement, instrument or other document to which the Partnership and the other persons involved with, participating in, or otherwise purchasing securities in connection with, such additional financing are together bound.

Distributions on Dissolution

Upon the dissolution of the Partnership, the net proceeds from the liquidation of the assets of the Partnership will be distributed in the following order of priority: (a) to pay the expenses of liquidation and the debts and liabilities of the Partnership to its creditors; and then (b) to provide for such reserves as the receiver considers reasonably necessary for any contingent or unforeseen liabilities or obligations of the Partnership; and then (c) to pay to the Administrator/GP the amount of its capital account balance together with the amount of any costs and expenses that the Administrator/GP is entitled to receive from the Partnership; and (d) to pay to the Limited Partners the balance of the net proceeds in accordance with the rights of the respective Units held by the Limited Partners.

Restriction on Transfer

No Limited Partner may transfer any of the Units owned by it except to persons and in the manner expressly permitted in the Partnership Agreement. Any attempted transfer of Units made without compliance with, or in violation of, the Partnership Agreement will be null and void, and the Administrator/GP will not approve any such transfer of Units and will not register, or permit the registration of, any such transfer.

No Unit may be transferred except in conformity with the following provisions: (i) A Limited Partner wishing to transfer any Units must deliver to the Administrator/GP a transfer form (in form acceptable to the Administrator/GP) duly completed and executed by the transferring partner and the intended transferee of the Units. The form of transfer must specify, *inter alia*, the number of Units to be transferred; (ii) Units may not be transferred to a person that is a "non-resident" of Canada within the meaning of the Tax Act or that is a "tax shelter" within the meaning of the Tax Act or an interest in which would be a "tax shelter investment" within the meaning of the Tax Act, and the transferee must deliver to the Administrator/GP such instruments or other documents (including a statutory declaration of residency) as the Administrator/GP may require to evidence the foregoing; and (iii) each transferee must, unless already a party hereto, become a party to and must become bound by the Partnership Agreement, and in connection therewith each transferee must deliver to the Administrator/GP such instruments and other documents as the Administrator/GP may request, including a duly authorized and executed signed counterpart of the Partnership Agreement, and no transfer will be effective unless such instruments and other documents are delivered.

Where the transferring Limited Partner and the transferee comply with all applicable provisions of the Partnership Agreement, the Administrator/GP is authorized to admit, and the Limited Partners shall be deemed to consent to the admission of and will admit, the transferee to the Partnership as a Limited Partner, without further acts of the partners. A transferee who becomes a Limited Partner will be subject to the obligations and be entitled to the rights of a Limited Partner under the Partnership Agreement according to the class or series of Units of which it is the transferee.

Notwithstanding anything herein contained, the Administrator/GP may refuse to effect a transfer if it determines that, among other things, giving effect to such transfer may adversely affect the Partnership.

Tag-Along Rights

If any individual holder of Common B LP Units or group of holders of Common B LP Units (the "**Common B Selling Group**") proposes to transfer some or all of its Common B LP Units issued and outstanding ("**Offered Units**") to any person dealing at arm's length with the Common B Selling Group ("**Third Party Purchaser**") pursuant to a *bona fide* offer from the Third Party Purchaser to purchase the Offered Units (the "**Third Party Offer**"), that Common B Selling Group must first send a written notice (in accordance with the Partnership Agreement) ("**Tag-Along Notice**") to all holders of Common B LP Units stating: (i) the number of Offered Units proposed to be transferred to the Third Party Purchaser; (ii) the proposed purchase price per Offered Unit; (iii) the date on which the proposed transfer is to occur; (iv) all other material terms and conditions of the Third Party Offer; (v) that the tag-along holder may exercise tag-along rights in accordance with the Partnership Agreement; and (vi) contact information for the Common B Selling Group to which notice of an exercise of tag-along rights can be delivered. If the number of Offered Units proposed to be transferred by the Common B Selling Group to the Third Party Purchaser represents more than 50% of the Common B LP Units then outstanding, then the Tag-Along Notice shall also be given to the holders of Common A LP Units and/or Common C LP Units. Upon satisfying certain requirements in accordance with the Partnership Agreement, each Unitholder receiving the Tag-Along Notice may sell a number of Common A LP Units, Common B LP Units or Common C LP Units, as applicable, held by such Unitholder up to its proportionate interest on the same terms and conditions (including price per unit) offered to the Common B Selling Group pursuant to the Third Party Offer.

Drag-Along Rights

In the event that any Common B Selling Group proposes to transfer some or all of its Offered Units to a Third Party Purchaser pursuant to a Third Party Offer, then, notwithstanding the tag-along rights described above, the Common B Selling Group shall have the right to require all holders of Common A LP Units and/or Common C LP Units to transfer to the Third Party Purchaser such number of Common A LP Units or Common C LP Units held by the holder of Common A LP Units or holder of Common C LP Units, as applicable, as is equal to its proportionate interest, upon the same terms and conditions offered to the Common B Selling Group as set forth in an offering notice delivered to all holders of Common A LP Units in respect of such proposed transfer. If such a proposed transfer represents more than 50% of the issued and outstanding Common B LP Units, the Common B Selling Group shall also have the right to require all other holders of Common B LP Units to transfer such number of Common B LP Units held by the other holder of Common B LP Units as is equal to its proportionate interest, all in accordance with the Partnership Agreement.

Administration Agreement

The Trust has entered into an Administration Agreement with the Administrator/GP dated February 27, 2014, pursuant to which the Trustees have delegated to the Administrator/GP the obligation to provide and perform for and on behalf of the Trust essentially all services that are or may be required or advisable, from time to time, in order to manage and administer the operations of the Trust. The Administration Agreement sets forth all of the rights, restrictions and limitations (including, without limitation, limitations of liability and indemnification rights) which pertain to the performance by the Administrator/GP of the duties delegated to it by the Trustees.

Limitation of Liability

In general, the Administrator/GP's liability will be limited, and it will be entitled to indemnification from the Trust, in respect of demands, claims and liabilities of any nature provided that the Administrator/GP has acted honestly and in good faith.

Permitted Interests

The Administrator/GP and its directors and officers, as well as their respective affiliates and associates, are permitted to have business and other interests or associations of whatever nature or kind apart from their activities related to the Trust. The Trust and the Administrator/GP have each acknowledged that there are and will continue to be potential or actual interests of the Administrator/GP and its management, or their respective associates or affiliates, including conflicts of interest, with respect to interests held by, and/or contractual arrangements or transactions involving, one or more of the Administrator/GP, the Administrator/GP's management, the Trust or the Trustees, and any of the respective affiliates and associates of any of them, and the Trust has agreed that: (a) the Administrator/GP's management (or their respective associates or affiliates), is expressly permitted to derive direct or indirect benefit, profit or advantage from time to time as a result of dealing with the Trust of its affiliates or as a result of the relationships, matters, contracts, transactions, affiliations or other interests whatsoever which it or they (as the case may be) may have, and the Administrator/GP, one or more members of the Administrator/GP's management, or their respective associates or affiliates (as the case may be) shall not be liable in law or equity to pay or account to the Trust, its affiliates or to any Unitholders for any direct or indirect, profit or advantage derived nor, in such circumstances, will any contract or transaction be void or voidable at the instance of the Trust or any Unitholder or any other person; and (b) interests of the Administrator/GP or the Administrator/GP's management (or their respective associates or affiliates), including any conflicts of interest, will not form the basis for any claim against the Administrator/GP, the Administrator/GP's management or any respective affiliate or associate thereof, or their respective shareholders, directors, officers or employees, or for any attempt to challenge or attack the validity of any contract, transaction or arrangement (or renewal, extension or amendments of same), in each case, provided that the Administrator/GP has otherwise exercised its powers and discharged its duties under the Administration Agreement honestly and in good faith.

Term and Termination

The Administration Agreement remains in effect until wind-up and dissolution of the Trust unless terminated earlier by either party. Early termination may occur under the following conditions:

(a) The Administration Agreement is terminable by either the Trust or the Administrator/GP upon 30 days prior written notice of such termination to the other party.

(b) In the event that the Administrator/GP (i) files a voluntary petition in bankruptcy or makes any assignment for the benefit of creditors of the Administrator/GP, (ii) is involuntarily dissolved and commences its winding-up, or (iii) consents to or acquiesces to the appointment of a trustee, receiver or liquidator of the Administrator/GP, the Trust may immediately terminate the Administration Agreement by prior written notice of such termination delivered to the Administrator/GP.

(c) In the event that Trust shall (i) institute proceedings to be adjudicated a voluntary bankrupt or consent to the filing of a bankruptcy proceeding against it; or (ii) file a petition or answer or consent, or take other proceedings, seeking reorganization, re- adjustment, arrangement, composition or similar relief under any Canadian federal or provincial law available for the protection of bankrupt or insolvent debtors; or (iii) consent to the appointment of a receiver, liquidator, trustee or assignee in bankruptcy of Trust; or (iv) be voluntarily liquidated or wound up; or (v) otherwise take any action that acknowledges its insolvency, the Administrator/GP may immediately terminate the Administration Agreement by prior written notice of such termination delivered to the Trust.

If the Trust elects to terminate the Administration Agreement pursuant to (a) or (b) above, the removal of the Administrator/GP shall only take effect once the following has occurred: (i) the full and unconditional release of the Administrator/GP and its affiliates or associates (as the case may be) is obtained in respect of any mortgage or other indebtedness, liability or obligation of the Trust to which they are subject, whether as a guarantor, co-covenantor or otherwise; and (ii) the payment of all money owing by the Trust to the Administrator/GP and its affiliates and associates.

Remuneration

There is no fee payable to the Administrator/GP under the terms of the Administration Agreement but the Administrator/GP will be entitled to the reimbursement of all costs and expenses reasonably incurred by the Administrator/GP in carrying out its obligations and duties under the Administration Agreement, including payroll and payroll related costs, overhead, general and administrative costs, and out-of-pocket and third party fees and expenses.

Advisory Services Agreement

Investco has appointed the Advisors as advisors of Investco, and in such capacity, to provide the services described in the Advisory Services Agreement. The Advisors accepts such appointment and represents and covenants that it will provide the functions and perform the services in a reasonable and prudent manner.

Services

The Advisors will provide the following services to Investco:

(a) identifying, examining and screening potential properties or assets for acquisition by Investco, advising Investco with respect to the acquisition of properties or assets, and negotiating and carrying out the acquisition of the properties;

(b) provide advice on appropriate legal and accounting systems for the proper control of the assets owned by Investco;

(c) maintaining ongoing liaison with any lenders to Investco and using commercial efforts to arrange financing for Investco as required;

(d) conducting ongoing analysis of market conditions to monitor Investco's investment in its properties and assets; and

(e) advising Investco with respect to the ongoing operation and disposition of its properties or assets.

Term

The Advisory Services Agreement will continue in full force and effect until it is terminated on the occurrence of a Termination Event.

A "**Termination Event**" shall occur in the following circumstances:

(a) the date the Advisory Services Agreement is terminated by written agreement of the parties;

(b) the date on which the Partnership is dissolved in accordance with the Partnership Agreement and applicable law;

(c) the date on which Investco is wound up or dissolved;

(d) the date of termination hereof by Investco by written notice to the Advisors, where the Advisors commit a breach of any material obligation in the Advisory Services Agreement which is not remedied within thirty (30) business days after the giving of notice of such breach by Investco; and

(e) upon not less than ninety (90) days prior written notice by the Advisors to Investco.

Fees

In consideration of the provision of the services, Investco will pay to the Advisors, on the last day of each month during the term of the Advisory Services Agreement (the "**Advisory Services Fee**"). Each of the Advisors will receive a portion of the Advisory Services Fee equal to the amount obtained by multiplying the Advisory Services Fee by the fraction applicable to each Advisor, as set forth below:

(a) 1843307 Alberta Ltd.: 1/3;

(b) Westkal Energy Inc.: 1/3;

(c) Tooth Holdings Ltd.: 1/9;

(d) Lexbury Holdings Ltd.: 1/9; and

(e) J2 Holdings Ltd.: 1/9.

If the Amendments are approved, the Advisory Services Fee will be reduced to $0 effective at the end of April 2019 and replaced by market-based compensation for each of the Advisors, provided that, if redemptions are not suspended and the value of the PTUs and Preferred LP Units are at par, such Advisory Services Fee may be restored in lieu of other compensation to the Advisors for any quarter at the same proportion as the distribution paid or payable to holders of PTUs and Preferred LP Units, relative to the maximum preferred return payable in respect of such PTUs or Preferred LP Units prior to the Amendments (e.g. if the maximum preferred return for currently outstanding PTUs or Preferred LP Units after the Amendment (six percent (6%) annualized) was paid in respect of such quarter to holders of such units, then the advisory services fee may be restored at a rate of one and one half percent (1.5%) per annum for such quarter). See "*Fees and Expenses –Advisory Services Fees*" and "*Interests of Certain Persons or Companies in the Amendments*".

Indemnification

Investco will indemnify the Advisors and their affiliates, trustees directors, officers, servants, consultants, subcontractors, agents, and employees from and against all claims which may be brought, incurred or suffered in connection with, or arising out of the performance of the Advisor's obligations under the Advisory Services Agreement, save and except such claims resulting from the gross negligence and willful misconduct of the Advisors and their affiliates, trustees, directors, officers, servants, consultants, subcontractors, agents, and employees.

The Advisors will indemnify Investco and its affiliates, directors, officers, servants, consultants, subcontractors, agents, and employees from and against all claims brought, incurred or suffered by Investco and its affiliates, directors, officers, servants, consultants, subcontractors, agents, and employees in connection with, or arising out of, the gross negligence or willful misconduct of the Advisors.

Limitation of Liability

The Advisors and their affiliates, trustees, directors, officers, servants, consultants, subcontractors, agents and employees are not liable to Investco for any loss, expense, injury, death or damage (including indirect, incidental, consequential, special or punitive), whether contractual or tortuous, suffered or incurred by Investco resulting from or in any way attributable to or arising out of any act or omission, whether negligent or otherwise, of the Advisors or their affiliates, trustees, directors, officers, servants, consultants, subcontractors, agents and employees in conducting or carrying out the services, except when and to the extent that such loss, expense, injury, death or damage is a direct result of, or is directly attributable to, the gross negligence or willful misconduct of the Advisors or their affiliates, trustees, directors, officers, servants, consultants, subcontractors, agents and employees, provided that an act or omission of the Advisors or their affiliates, trustees, directors, officers, servants, consultants, subcontractors, agents and employees shall not be deemed to be gross negligence or willful misconduct, insofar as such act or omission was done or was omitted to be done in accordance with the instructions of or with the concurrence of Investco.

The total aggregate liability of the Advisors or their affiliates, trustees, directors, officers, servants, consultants, subcontractors, agents and employees to Investco shall not exceed the aggregate amount of any Advisory Services Fees paid pursuant to the Advisory Services Agreement.

Reimbursement Agreement

As the Trust and the Partnership are intended to be vehicles to obtain financing for Investco from time to time as may be required by Investco to enable it to invest in the Business, Investco has entered into the Reimbursement Agreement with the Trust, the Administrator/GP and the Partnership dated effective June 27, 2014.

Under the terms of the Reimbursement Agreement, Investco has agreed to reimburse the Trust, the Administrator/GP and the Partnership for, or pay directly, all costs and expenses to be incurred by them, for and on behalf of Investco, in connection with the Trust, the Administrator/GP and the Partnership obtaining financing for Investco, including: (i) establishing the Trust's, the Administrator/GP's and the Partnership's existence so as to be in a position to undertake such financings; (ii) maintaining the Trust's, the Administrator/GP's and the Partnership's existence, which includes, but is not limited to, the Trust's obligations to unitholders under the Declaration of Trust and the Partnership's obligations to its unitholders under the Partnership Agreement, all accounting and legal costs and all costs of compliance with the Tax Act or any applicable taxation laws or regulations; (iii) costs and expenses incurred by the Trust, the Administrator/GP and the Partnership in respect of an offering of securities including legal and selling agents' fees; (iv) marketing and related services associated with the distribution and sale of securities; (v) administration of any unitholder rights plans, distribution reinvestment plans, unit purchase plans, incentive options and other compensation plans; and (vi) costs of ongoing compliance by the Trust, the Administrator/GP and the Partnership of applicable laws.

Summary of Distribution Reinvestment Plan

The Trust has adopted a DRIP that will allow eligible holders of PTUs to elect to have their cash distributions reinvested in additional PTUs of the same class on the distribution payment date at a purchase price equal to $1.00 per PTU (or such other price as may be determined by the Trust from time to time). All holders of PTUs resident in Canada are eligible to participate in the DRIP. Holders of PTUs who do not enroll in the DRIP will receive their regular cash distributions. The Trust reserves the right to limit the amount of new equity available under the DRIP on any particular distribution payment date. Accordingly, participation may be prorated in certain circumstances. In the event of proration, or if for any other reason all or a portion of the distributions cannot be reinvested under the DRIP, holders of PTUs enrolled in the DRIP will receive their regular cash distributions.

All PTUs acquired under the DRIP on the reinvestment of cash distributions will be issued from treasury of the Trust on the applicable distribution payment date. No commissions, service charges or brokerage fees will be payable in connection with the purchase of PTUs from treasury under the DRIP. Participation in the DRIP does not relieve holders of PTUs of any liability for any income or other taxes that may be payable on or in respect of the distributions that are reinvested for their account under the DRIP.

No Common A LP Units will be issued to, or made available for purchase by, a participant in connection with its acquisition of PTUs under the DRIP. Cash distributions that are reinvested under the DRIP may be used by the Trust to purchase additional Preferred LP Units, but no Common A LP Units will be issued therewith.

An account will be maintained by the Administrator/GP, or such other party as may be appointed by the Trust as plan agent, on behalf of the Trust, for each participant with respect to purchases of PTUs made under the DRIP for the participant's account.

The Administrator/GP, or such other party as may be appointed by the Trust as plan agent, will send or otherwise make available to each participant (other than CDS) an annual unaudited statement regarding cash distributions credited and reinvested for the participant's account under the DRIP during the period. These statements are a participant's continuing record of purchases of PTUs made for their account and should be retained for income tax purposes. Beneficial owners who participate in the DRIP indirectly through a broker, investment dealer,

financial institution or other nominee will not receive such statements and should consult such nominee to confirm what statements or reports (if any) will be provided by the nominee, whether for tax reporting or otherwise.

As at the date hereof, the DRIP has been suspended by the Trust.

FEES AND EXPENSES

Advisory Services Fees

If the Amendments are approved, the Advisory Services Fee will be reduced to $0 effective at the end of April 2019 and replaced by market-based compensation for each of the Advisors, provided that, if redemptions are not suspended and the value of the PTUs and Preferred LP Units are at par, such Advisory Services Fee may be restored in lieu of other compensation to the Advisors for any quarter at the same proportion as the distribution paid or payable to holders of PTUs and Preferred LP Units, relative to the maximum preferred return payable in respect of such PTUs or Preferred LP Units prior to the Amendments (e.g. if the maximum preferred return for currently outstanding PTUs or Preferred LP Units after the Amendment (six percent (6%) annualized) was paid in respect of such quarter to holders of such units, then the advisory services fee may be restored at a rate of one and one half percent (1.5%) per annum for such quarter).

The Advisory Services Fees are payable by Investco to the Advisors. Messrs. Tisdale, Hruska, Tooth, Cook and Johnston are beneficiaries of trusts or shareholders of corporations that beneficially own, or exercise control or direction over, directly or indirectly, the Advisors.

See "*The Amendments – Rationale for the Amendments*".

There is no fee payable to the Administrator/GP under the terms of the Administration Agreement.

Expenses

The Administrator/GP will be entitled to the reimbursement of all costs and expenses reasonably incurred by the Administrator/GP in carrying out its obligations and duties under the Administration Agreement, including payroll and payroll related costs, overhead, general and administrative costs, and out-of- pocket and third party fees and expense. See "*Material Agreements - Reimbursement Agreement*".

TERMS OF SECURITIES

PTUs

After the completion of the Amendments, the PTUs will have those rights, privileges, restrictions and conditions ascribed thereto as set forth in the Declaration of Trust (as amended), including the following:

Voting Rights

Except as provided in the Declaration of Trust, no Preferred Trust Unitholder shall be entitled to receive notice of or to attend any meeting of unitholders of the Trust or to vote at any such meeting or to vote in respect of any matter whatsoever requiring unitholder approval pertaining to the Trust (whether at a meeting or by written resolution). The Trust shall call and hold a meeting of unitholders, at which only Preferred Trust Unitholders may attend and vote separately as a class, where the matter for which approval is being sought is:

(a) to amend the rights, privileges, restrictions and conditions attaching to the PTUs, including amendments to:

  (i) remove or change rights to distributions in a manner materially prejudicial to holders of PTUs;

  (ii) add, remove or change, redemption rights in a manner materially prejudicial to holders of PTUs;

  (iii) reduce or remove a distribution preference or a liquidation preference; or

  (iv) add, remove or change, in a manner materially prejudicial to holders of PTUs, voting, transfer or pre-emptive rights, or rights to acquire other securities.

(b) to carry out and give effect to any of the following actions if the resulting effect to the holders of PTUs would be materially prejudicial thereto:

  (i) effect an exchange, reclassification or cancellation of all or part of the PTUs;

  (ii) increase the rights or privileges of any Units of the Trust having rights or privileges equal or superior to the PTUs;

  (iii) create a new class or series of units of the Trust equal or superior to the PTUs;

  (iv) make any class or series of units of the Trust having rights or privileges inferior to the PTUs equal or superior to the PTUs; or

  (v) effect an exchange or create a right of exchange of all or part of the units of another class or series of units of the Trust into the PTUs;

  provided however, that all matters set forth above must also be approved by the Common Trust Unitholders, voting separately as a class, in accordance with the terms of the Declaration of Trust.

At all such meetings of Preferred Trust Unitholders, matters put forth at such meetings, to be approved, must be approved by Special Resolution of the holders of PTUs, voting separately as a class. At all such meetings, each Preferred Trust Unitholder shall be entitled to one (1) vote in respect of each PTU held thereby.

Distributions

The holders of the PTUs shall be entitled to receive distributions out of the Distributable Cash on the following terms:

(a) The Trustees, on behalf of the Trust, in respect of each Distribution Period, shall declare payable to holders of each class or series of PTUs of record as at the close of business on the Distribution Record Date for such Distribution Period, all, any part, or none of the Distributable Cash in respect of such class or series of PTUs for such Distribution Period.

(b) Each PTU issued and outstanding on the Distribution Record Date for a particular Distribution Period shall be entitled, without preference or priority, to the Distribution Per PTU in respect of such class or series of PTUs. The share of such Distribution Amount in respect of such class or series of PTUs distributable to a particular holder of PTUs shall be an amount equal to the Distribution Per PTU multiplied by the number of PTUs owned of record by such holder of PTUs on such Distribution Record Date.

(c) In the event that a PTU was not issued and outstanding on each day within such Distribution Period then the Distribution Amount in respect of such PTU shall be adjusted to be the product obtained when the Distribution Amount is multiplied by the quotient obtained when (i) the number of days in the Distribution Period during which such PTU was issued and outstanding, is divided by (ii) the total number of days in the Distribution Period, and such amount shall be payable as the distribution in respect of PTU. Such adjustment calculation shall be made in respect of each PTU which was not issued and outstanding on each day within the Distribution Period.

(d) Notwithstanding the above, when determining the Distribution Per PTU, the Trustees may make any variation or adjustment so as to ensure where possible that Trust Unitholders are treated equitably and fairly taking into account such considerations as the Trustees, in their discretion, acting reasonably and in good faith, deem appropriate in the circumstances and determine to be equitable and fair (including for greater certainty, the distributions from the Partnership).

Each class of PTUs is or would be invested in the corresponding class of Preferred LP Units shown adjacent to such class of PTUs in the chart below. The Distributable Cash of each class of PTUs is entirely dependent on the class of Preferred LP Units in which such class of PTUs invests. See "*Terms of Securities – Preferred LP Units and Common A LP Units*" below.

Class of PTUs	Corresponding Class of Preferred LP Units
Preferred A Trust Units	Preferred A1 LP Units
Preferred B Trust Units	Preferred B1 LP Units
Preferred Trust Units	Preferred C1 LP Units
Preferred D Trust Units	Preferred D1 LP Units
Preferred E Trust Units	Preferred E1 LP Units

The ability of the Trust to make cash distributions on the PTUs is dependent upon the Trust receiving payment from the Partnership in respect of the Preferred LP Units held by the Trust. If the Trust does not receive payment from the Partnership in respect of the Preferred LP Units held by it, the Trust will likely not have sufficient cash flow to make cash distributions to Preferred Trust Unitholders.

Redemption Rights

Right of the Preferred Trust Unitholder: A Preferred Trust Unitholder is entitled to require the Trust to redeem, at any time from time to time at the demand of the holder, all or any part of the PTUs registered in the name of the Preferred Trust Unitholder. There are certain procedural requirements, set forth in the Declaration of Trust, which must be adhered to in connection with any redemption of PTUs. Subject to an aggregate maximum of $10,000 in cash in respect of all redemptions in any calendar month as described below, the Trust shall pay the redemption price in respect of the PTUs accepted for redemption within forty-five (45) days after receipt of the notice of redemption.

Upon completion of the Amendments, the redemption price per PTU to be received on redemption by Preferred Trust Unitholders is the redemption proceeds received by the Trust from the Partnership with respect to a redemption by the Trust of the Corresponding Partnership Unit. See "*Terms of Securities – Preferred LP Units and Common A LP Units – Redemption Rights*" below.

In the case of a redemption of PTUs by a Trust Unitholder, the payment of the redemption price shall be paid by cash, provided that the Trust shall only be obligated to pay up to $10,000 in cash in respect of redemptions in any calendar month, unless the Administrator/GP determines a greater cash amount. Such cash amount shall be paid *pro rata* to redeeming Trust Unitholders. After the completion of the Amendments, the balance of the redemption price will be paid through the issuance of Redemption Notes and/or distribution, *in specie*, of Trust Property.

Upon the tender of PTUs for redemption, the Preferred Trust Unitholder shall thereafter cease to have any rights with respect to the PTUs tendered for redemption (including no right to receive distributions in respect of units where such distributions are declared payable to Preferred Trust Unitholders of record on a date which is on or subsequent to the date upon which such PTUs were tendered for redemption), other than to receive the redemption price, and the right to receive any distributions thereon which have been declared payable to Preferred Trust Unitholders of record on a date which is prior to the date upon which such PTUs have been tendered for redemption.

Notwithstanding the above paragraph, upon completion of the Amendments, a Preferred Trust Unitholder may advise the Trust that such Unitholder only wishes to receive cash in payment of the redemption price pursuant to the Declaration of Trust. In such event, only the Units tendered for redemption by such Unitholder for which the redemption price can be satisfied by the $10,000 cash amount limit (or a greater cash amount as the Administrator/GP so determines) in respect of such calendar month will be redeemed by the Trust and the remainder of the Units tendered for redemption by such Unitholder that have not been redeemed by the Trust shall be deemed not to have been tendered for redemption by such Unitholder. The Preferred Trust Unitholder may request that the remainder of the Units that were previously tendered for redemption that have not been redeemed by the Trust be automatically re-tendered for redemption each month until all such Units have been redeemed for cash, or withdraw its request for redemption with respect to such Units.

Right of the Trust: The Trust is entitled at any time and from time to time, to redeem all or any part of the issued and outstanding PTUs. There are certain procedural requirements, set forth in the Declaration of Trust, which must be adhered to by the Trust in connection with any redemption of PTUs. The Trust shall pay the redemption price in respect of the PTUs to be redeemed within forty-five (45) days after the date specified for redemption by the Trust.

Upon completion of the Amendments, the redemption price per PTU to be received upon such redemption by the Trust is the redemption proceeds received by the Trust from the Partnership with respect to a redemption by the Partnership of the Corresponding Partnership Unit.

See "*Terms of Securities – Preferred LP Units and Common A LP Units – Redemption Rights*" below.

In the case of a redemption of PTU by the Trust. the payment of the redemption price shall be paid by any combination of cash, the issuance of Redemption Notes and/or distribution, *in specie*, of Trust Property, provided that any cash amount shall be paid *pro rata* to redeeming Trust Unitholders.

From and after the date specified for redemption by the Trust, such PTUs being redeemed shall cease to be entitled to distributions or any other participation in the assets of the Trust and the holders thereof shall not be entitled to exercise any of their other rights as Trust Unitholders in respect thereof.

Suspension of Redemption Rights in Certain Circumstances: The Trustees may, as an extraordinary measure, from time to time, suspend the redemption of PTUs or payment of redemption proceeds if the Trustees, taking into account the advice of the Administrator/GP, determine the suspension to be appropriate in the circumstances. Examples of circumstances which may require a suspension of redemptions include, without limitation, if the Trustees reasonably determine that: (i) the Trust's assets are invested in such a manner so as to not reasonably permit immediate liquidation of sufficient assets; (ii) there exists a state of affairs that constitutes circumstances under which liquidation by the Trust of part or all of its investments is not reasonable or practicable, or would be prejudicial to the Trust or Trust Unitholders generally; (iii) not suspending redemptions would have an adverse effect on continuing Trust Unitholders; or (iv) they are unable to value the assets of the Trust. The Trustees may also suspend the redemption of PTUs upon an announcement by the Trustees that the Trust will be terminated. For greater certainty, the intention of the suspension is not to generally restrict the ability of Trust Unitholders to redeem PTUs, but rather to permit the Trustees to protect the Trust and/or its Unitholders from the harm that would be caused by permitting redemptions when extraordinary and unusual circumstances are present.

With respect to any suspension as a result of the above, such suspension shall also apply to all requests for redemption received prior to the suspension date but as to which payment has not been made, as well as to all requests received while the suspension is in effect. All Trust Unitholders making such requests shall be advised by the Administrator/GP, on behalf of the Trustees, of the suspension.

During the suspension period, requests for redemptions of PTUs may be withdrawn. To the extent that a request for redemption is not withdrawn, such request will be acted upon on the first business day following the recommencement of redemptions, as determined by the Trustees. All such non-withdrawn requests for redemption shall be treated on a *pro rata* basis regardless of when the original notice of redemption was provided.

Participation upon Liquidation, Dissolution or Winding Up:

After the completion of the Amendments, in the event of the liquidation, dissolution or winding up of the Trust or other distribution of assets of the Trust among its Unitholders for the purpose of winding up its affairs, the holders of the PTUs shall, subject to the rights of the holders of any other class or series of Units entitled to receive assets of the Trust upon such a distribution in priority to, or concurrently with, the holders of the PTUs, be entitled to participate in the distribution. Each class or series of PTUs shall be entitled to a portion of such distribution determined in the same manner as set forth in the Declaration of Trust.

Reference should be made to the Declaration of Trust for a complete description of all the terms of the PTUs. See also "*Terms of Securities – PTUs – Distributions*" above.

Rights of Unitholders

Unitholders of the Trust do not have the protections, rights and remedies as an investor would have as a shareholder of a corporation (such as one governed by the ABCA). Unlike shareholders of an ABCA corporation, unitholders of the Trust do not have a comparable right to make a unitholder proposal at a meeting of unitholders of the Trust. The matters in respect of which unitholder approval is required under the Declaration of Trust are generally less extensive than the rights conferred on the shareholders of an ABCA corporation. Unitholders of the Trust do not have recourse to a dissent right under which shareholders of an ABCA corporation are entitled to receive the fair value of their shares where certain fundamental changes affecting the corporation are undertaken. As an alternative, unitholders of the Trust seeking to terminate their investment in the Trust are entitled to redeem their Units, as described above. Unitholders of the Trust similarly do not have recourse to the statutory oppression remedy that is available to shareholders of an ABCA corporation where the corporation undertakes actions that are oppressive, unfairly prejudicial or in disregard to the interests of securityholders and certain other parties. Shareholders of an ABCA corporation may apply to a court to order the liquidation and dissolution of the corporation in those circumstances, whereas unitholders of the Trust can rely only on the general provisions of the Declaration of Trust or any applicable common law rights. Finally, unlike unitholders, shareholders of an ABCA corporation can bring a "derivative action" in the name of the corporation or may apply to a court for the appointment of an inspector, subject to court oversight and other investigative procedures, to investigate the manner in which

the business of the corporation and its affiliates is being carried on where there is reason to believe that fraudulent, dishonest or oppressive conduct has occurred.

Preferred LP Units and Common A LP Units

After the completion of the Amendments, the Preferred LP Units and Common A LP Units will have those rights, privileges, restrictions and conditions ascribed thereto as set forth in the Partnership Agreement (as amended), including the following:

Voting Rights

Except as provided in the Partnership Agreement, no holder of Preferred LP Units or Common A LP Units shall be entitled to receive notice of or to attend any meeting of Limited Partners or to vote at any such meeting or to vote in respect of any matter whatsoever requiring Limited Partner approval pertaining to the Partnership (whether at a meeting or by written resolution). The Partnership shall call and hold a meeting of the Limited Partners, at which only holders of Preferred LP Units or Common A LP Units, as applicable, may attend and vote separately as a class, where the matter for which approval is being sought is:

(a) to amend the rights, privileges, restrictions and conditions attaching to the Preferred LP Units or Common A LP Units, as applicable, including amendments to:

  (i) remove or change rights to distributions in a manner materially prejudicial to holders of Preferred LP Units or Common A LP Units;

  (ii) add, remove or change, redemption rights in a manner materially prejudicial to holders of Preferred LP Units or Common A LP Units;

  (iii) reduce or remove a distribution preference or a liquidation preference; or

  (iv) add, remove or change, in a manner materially prejudicial to holders of Preferred LP Units or Common A LP Units, voting, transfer or pre-emptive rights, or rights to acquire other securities.

(b) to carry out and give effect to any of the following actions if the resulting effect to the holders of Preferred LP Units or Common A LP Units, as applicable, would be materially prejudicial thereto:

  (i) effect an exchange, reclassification or cancellation of all or part of the Preferred LP Units or Common A LP Units;

  (ii) increase the rights or privileges of any Units of the Partnership having rights or privileges equal or superior to the Preferred LP Units or Common A LP Units;

  (iii) create a new class or series of units of the Partnership equal or superior to Preferred LP Units or Common A LP Units;

  (iv) make any class or series of Units of the Partnership having rights or privileges inferior to Preferred LP Units or Common A LP Units equal or superior to the Preferred LP Units or Common A LP Units;

  (v) effect an exchange or create a right of exchange of all or part of the units of another class or series of Units of the Partnership into the Preferred LP Units or Common A LP Units;

  provided however, that all matters set forth above must also be approved by the holders of Common B LP Units, voting separately as a class, in accordance with the terms of the Partnership Agreement.

At all such meetings of holders of Preferred LP Units or Common A LP Units, matters put forth at such meetings, to be approved, must be approved by Special Resolution of the holders of Preferred LP Units or Common A LP Units, as applicable, each voting separately as a class. At all such meetings, each holder of Preferred LP Units or Common A LP Units shall be entitled to one (1) vote in respect of each Preferred LP Unit or Common A LP Unit held thereby, respectively.

Distributions

Preferred LP Unitholders and Common A LP Unitholders shall be entitled to receive distributions if, as and when declared by the Administrator/GP. The Administrator/GP, in respect of any LP Distribution Period, may in its discretion declare payable to Preferred LP Unitholders and/or Common A LP Unitholders of record as at the close of business on the LP Distribution Record Date for such LP Distribution Period, all or any part of the LP Distributable Cash for such LP Distribution Period.

All distributions of the LP Distribution Amount will be distributed in the following amounts and order of priority and, in all cases, without duplication:

(a) first, the Administrator/GP will, to the extent possible based on the amount of the LP Distribution Amount, pay to the Preferred LP Unitholders an amount equal to the outstanding and accrued Preferred Return with respect to such Preferred LP Unit. If the LP Distribution Amount is not sufficient to pay all outstanding and accrued Preferred Return on all Preferred LP Units, then each Preferred LP Unit shall receive an amount equal to such Preferred LP Unit's *pro rata* portion of the LP Distribution Amount based on the outstanding and accrued Preferred Return owed to such Preferred LP Unit relative to the aggregate outstanding and accrued Preferred Returns owed to all Preferred LP Units; and

(b) second, the remaining LP Distribution Amount shall be distributed to the holders of Common A LP Units, Common B LP Units and Common C LP Units. Each Common A LP Unit, Common B LP Unit and Common C LP Unit issued and

outstanding on the LP Distribution Record Date for a particular LP Distribution Period shall be entitled to an equal proportionate share of the remaining LP Distribution Amount, which share shall be determined by dividing the remaining LP Distribution Amount by the number of Common A LP Units, Common B LP Units and Common C LP Units issued and outstanding as of the LP Distribution Record Date.

The distributions per Unit payable to Unitholders in respect of an LP Distribution Period shall be paid in cash on or before the LP Distribution Payment Date which immediately follows an LP Distribution Record Date attributable to such LP Distribution Period, provided that if the LP Distribution Record Date is on or after October 1 in any calendar year then the distributions payable to Unitholders in respect of such distributions for the LP Distribution Period pertaining to such LP Distribution Record Date shall be due and payable as of 5:00 p.m. (Calgary time) on December 31 in such year and shall be paid forthwith.

Redemption Rights

Right of the Preferred LP Unitholder: For so long as the Preferred LP Units are not a security that is an "exchange-traded security" or a "foreign exchange-traded security" (as those terms are defined in National Instrument 21-101 of the Canadian Securities Administrators), each Preferred LP Unitholder shall be entitled to require the Partnership to redeem at any time and from time to time at the demand of the holder, all or any part of the Preferred LP Units registered in the name of the Preferred LP Unitholder. There are certain procedural requirements, set forth in the Partnership Agreement, which must be adhered to by the Preferred LP Unitholder in connection with any redemption of Preferred LP Units. The redemption price per Preferred LP Unit, to be received on redemption by Preferred LP Unitholders is: (i) in the case of a Preferred LP Unit that was issued on a date that was five years or less prior to the date upon which such Preferred LP Unit was tendered for redemption, the lesser of: (A) 90% of the fair market value of such Preferred LP Unit as at the date upon which such Preferred LP Unit was tendered for redemption; and (B) $0.90; and (ii) in the case of a Preferred LP Unit that was issued on a date that was more than five years prior to the date upon which such Preferred LP Unit was tendered for redemption, the lesser of: (A) the fair market value of such Preferred LP Unit as at the date upon which such Preferred LP Unit was tendered for redemption; and (B) $1.00.

In the case of a redemption of Preferred LP Units by a Preferred LP Unitholder, the payment of the redemption price shall be paid by cash, provided that the Partnership shall only be obligated to pay up to $10,000 in cash in respect of redemptions in any calendar month, unless the Administrator/GP determines a greater cash amount. Such cash amount shall be paid *pro rata* to redeeming Preferred LP Unitholders. After the completion of the Amendments, the balance of the redemption price will be paid through the issuance of Redemption Notes and/or distribution, *in specie*, of Partnership Property.

Upon the tender of Preferred LP Units for redemption, the Preferred LP Unitholder shall thereafter cease to have any rights with respect to the Preferred LP Units tendered for redemption (including no right to receive distributions in respect of units where such distributions are declared payable to Preferred LP Unitholders of record on a date which is on or subsequent to the date upon which such Preferred LP Units were tendered for redemption), other than to receive the redemption price, and the right to receive any distributions thereon which have been declared payable to Preferred LP Unitholders of record on a date which is prior to the date upon which such Preferred LP Units have been tendered for redemption.

Notwithstanding the above paragraph, upon completion of the Amendments, a Preferred LP Unitholder may advise the Partnership that such Unitholder only wishes to receive cash in payment of the redemption price pursuant to the Partnership Agreement. In such event, only the Units tendered for redemption by such Unitholder for which the redemption price can be satisfied by the $10,000 cash amount limit (or a greater cash amount as the Administrator/GP so determines) in respect of such calendar month will be redeemed by the Partnership and the remainder of the Units tendered for redemption by such Unitholder that have not been redeemed by the Partnership shall be deemed not to have been tendered for redemption by such Unitholder. The Preferred LP Unitholder may request that the remainder of the Units that were previously tendered for redemption that have not been redeemed by the Partnership be automatically re-tendered for redemption each month until all such Units have been redeemed for cash, or withdraw its request for redemption with respect to such Units.

Right of the Partnership: The Partnership is entitled at any time, and from time to time, to redeem all or any part of the issued and outstanding Preferred LP Units. There are certain procedural requirements, set forth in the Partnership Agreement, which must be adhered to by the Partnership in connection with any redemption of Preferred LP Units. The redemption price per Preferred LP Unit to be received on redemption by the Partnership, is the lesser of: (A) the fair market value of such Preferred LP Unit as at the date of the redemption notice; and (B) $1.00.

In the case of a redemption of Preferred LP Units by the Partnership. the payment of the redemption price shall be paid by any combination of cash, the issuance of Redemption Notes and/or distribution, *in specie*, of Partnership Property, provided that any cash amount shall be paid *pro rata* to redeeming Preferred LP Unitholders.

From and after the date specified for redemption by the Partnership, such Preferred LP Units being redeemed shall cease to be entitled to distributions or any other participation in the assets of the Partnership and the holders thereof shall not be entitled to exercise any of their other rights as Preferred LP Unitholders in respect thereof.

In the event that any Preferred LP Units are redeemed by the Partnership or tendered for redemption by a holder of Preferred LP Units (including for greater certainty, a redemption by the Trust in connection with PTUs being tendered for redemption), the Partnership is entitled to also redeem any Common A LP Units that were issued in connection with the Preferred LP Units being redeemed (including for greater certainty, Preferred LP Units that were issued to the Trust in connection with the issuance by the Trust of PTUs), in accordance with the terms and conditions set forth in the Partnership Agreement. In the event less than all of the Preferred LP Units held by a Preferred LP Unitholder (and where the Preferred LP Unitholder is the Trust, less than all of the Preferred LP Units that were issued to the Trust in connection with subscriptions of PTUs by a particular Unitholder) are redeemed, then the Partnership may redeem up to such number of Common A LP Units that were issued in connection with such Preferred LP Units, which number shall be determined by multiplying the number of Common A LP Units that were issued in connection with the Preferred LP Units being redeemed by a fraction, (A) the numerator of which is the number of Preferred LP Units held (or to be held) by such Preferred LP Unitholder (or a particular unitholder of the Trust, as applicable) subsequent to the redemption; and (B) the denominator of which is the number of Preferred LP Units held by such Preferred LP Unitholder (or a particular unitholder of the Trust, as applicable) immediately prior to such redemption.

Upon completion of the Amendments, the redemption price per Common A LP Unit to be received on redemption of such Common A LP Unit in connection with the Partnership's redemption of corresponding Preferred LP Units is the fair market value of such Common A LP Unit as at the date of the redemption notice.

Upon completion of the Amendments, the redemption price per Common A LP Unit to be received on redemption of such Common A LP Unit in connection with corresponding Preferred LP Units being tendered for redemption, is the lesser of: (A) the fair market value of such Common A LP Unit as at the date of the redemption notice; and (B) the purchase price of such Common A LP Unit.

In the case of a redemption of Common A LP Units by the Partnership. the payment of the redemption price shall be paid by any combination of cash, the issuance of Redemption Notes and/or distribution, *in specie*, of Partnership Property, provided that any cash amount shall be paid *pro rata* to redeeming Common A LP Unitholders.

From and after the date specified for redemption by the Partnership, such Common A LP Units being redeemed shall cease to be entitled to distributions or any other participation in the assets of the Partnership and the holders thereof shall not be entitled to exercise any of their other rights as Common A LP Unitholders in respect thereof.

Suspension of Redemption Rights in Certain Circumstances: The Administrator/GP may, as an extraordinary measure, from time to time, suspend the redemption of Preferred LP Units or payment of redemption proceeds if the Administrator/GP determines the suspension to be appropriate in the circumstances. Examples of circumstances which may require a suspension of redemptions include, without limitation, if the Administrator/GP reasonably determines that: (i) the Partnership's assets are invested in such a manner so as to not reasonably permit immediate liquidation of sufficient assets; (ii) there exists a state of affairs that constitutes circumstances under which liquidation by the Partnership of part or all of its investments is not reasonable or practicable, or would be prejudicial to the Partnership or Limited Partners generally; (iii) not suspending redemptions would have an adverse effect on continuing Limited Partners; or (iv) it is unable to value the assets of the Partnership. The Administrator/GP may also suspend the redemption of Preferred LP Units upon an announcement by the Administrator/GP that the Partnership will be dissolved. For greater certainty, the intention of the suspension is not to generally restrict the ability of Limited Partners to redeem Preferred LP Units, but rather to permit the Administrator/GP to protect the Partnership and/or its Limited Partners from the harm that would be caused by permitting redemptions when extraordinary and unusual circumstances are present.

With respect to any suspension as a result of the above, such suspension shall also apply to all requests for redemption received prior to the suspension date but as to which payment has not been made, as well as to all requests received while the suspension is in effect. All Unitholders making such requests shall be advised by the Administrator/GP of the suspension.

During the suspension period, requests for redemptions of Units may be withdrawn. To the extent that a request for redemption is not withdrawn, such request will be acted upon on the first business day following the recommencement of redemptions, as determined by the Trustees. All such non-withdrawn requests for redemption shall be treated on a *pro rata* basis regardless of when the original notice of redemption was provided.

Participation upon Liquidation or Winding Up

In the event of the liquidation, dissolution or winding up of the Partnership, or other distribution of assets of the Partnership among Unitholders for the purpose of winding up the affairs of the Partnership, each holder of Preferred LP Units shall be entitled to receive from the assets of the Partnership, an amount of $1.00 per Preferred LP Unit held by such holder plus any accrued but unpaid Preferred Return in respect of such Preferred LP Units, and all such amounts shall be paid before any amount shall be paid to any holder of Common A LP Units, Common B LP Units, Common C LP Units or partnership units of any other class or series ranking junior to the Preferred LP Units. After all payments as provided in the Partnership Agreement have been made to the holders of the Preferred LP Units, such holders shall have no further entitlement to participate in any further distributions of the Partnership Property upon any such liquidation, dissolution or winding up of the affairs of the Partnership.

In the event of the liquidation, dissolution or winding up of the Partnership or other distribution of assets of the Partnership among its Unitholders for the purpose of winding up its affairs, the holders of the Common A LP Units shall, subject to the rights of the holders of any other class or series of Units entitled to receive assets of the Partnership upon such a distribution in priority to, or concurrently with, the holders of the Common A LP Units, be entitled to participate in the distribution. Such distribution to which the holders of Common A LP Units are entitled shall be made in equal amounts per Common A LP Unit, Common B LP Unit and Common C LP Unit on all the Common A LP Units, Common B LP Units and Common C LP Units at the time outstanding without preference or distinction.

See "*Terms of Securities – Preferred LP Units and Common A LP Units – Distributions*" above.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as otherwise disclosed herein, no: (a) director or officer of the Administrator/GP, (b) Trustee of the Trust, (c) person or company who beneficially owns, directly or indirectly, units of the Trust or the Partnership, or who exercises control or direction of units of the Trust or the Partnership, carrying more than ten percent (10%) of the voting rights attached to a class of the outstanding units of the Trust or the Partnership (an "**Insider**"), or (d) associate or affiliate of any of the directors or officers of the Administrator/GP, Trustees or Insiders, has had any material interest, direct or indirect, in any transaction since the commencement of the Trust's or the Partnership's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Trust or the Partnership or their subsidiaries.

OTHER BUSINESS

Management is not aware of any matters to come before the Meeting other than those referred to in the Trust Notice of Meeting and LP Notice of Meeting. If any other matters which are not known to Management should properly come before the Meeting, the persons named on the enclosed form of proxy are authorized to vote in accordance with their discretion on such matters.

AUDITOR

The auditor of the Trust and the Partnership is KPMG LLP. KPMG LLP was first appointed auditor of the Trust and the Partnership on December 7, 2016.

APPROVAL

The contents of this Information Circular and its distribution to Unitholders have been approved by the Board of the Administrator/GP, as administrator of the Trust and the general partner of the Partnership.

DATED as of June 24, 2019.

BY ORDER OF THE BOARD OF DIRECTORS OF ENERCAPITA ENERGY GP LTD., THE ADMINISTRATOR OF THE TRUST

Per: "*Craig Hruska*"
Craig Hruska
Director

BY ORDER OF THE BOARD OF DIRECTORS OF ENERCAPITA ENERGY GP LTD., THE GENERAL PARTNER OF THE PARTNERSHIP

Per: "*Craig Hruska*"
Craig Hruska
Director

SCHEDULE A
DECLARATION OF TRUST AMENDMENT RESOLUTION

BE IT RESOLVED AS A SPECIAL RESOLUTION OF PREFERRED UNITS (THE "PTUs") OF ENERCAPITA ENERGY TRUST (THE "TRUST"):

1. Any one director or officer of Enercapita Energy GP Ltd., the administrator of the Trust (the "**Administrator**"), be and is hereby authorized, for and on behalf of the Trust, to execute, deliver and perform the proposed amended and restated declaration of trust of the Trust (the "**Amended and Restated Declaration of Trust**"), substantially in the form presented to the holders of PTUs of the Trust, pursuant to which the existing amended and restated declaration of trust of the Trust dated October 27, 2015 shall be amended in the manner more particularly described in the Joint Information Circular dated June 24, 2019 (the "**Information Circular**");

2. The Administrator be and is hereby directed to: (i) vote all of the preferred limited partnership units ("**Preferred LP Units**") of Enercapita Energy L.P. (the "**Partnership**") held by the Trust in favour of the Partnership Agreement Amendment Resolution (as described in the Information Circular); or (ii) execute and deliver a written resolution approving the Partnership Agreement Amendment Resolution in respect of the Preferred LP Units held by the Trust;

3. Notwithstanding that this special resolution has been duly passed, the board of directors of the Administrator is hereby authorized, in its discretion, if it deems such action necessary, without further notice to, or approval of, the holders of PTUs, to revoke this special resolution or any part thereof at any time prior to the execution of the Amended and Restated Declaration of Trust; and

4. Any one director or officer of the Administrator, for and on behalf of the Trust, be and is hereby authorized and directed to do all such further acts and things and to execute and deliver all such further agreements, instruments, notices, consents, acknowledgements, certificates and other documents (including without limitation any documents required under applicable laws or regulatory policies), as such director or officer may in good faith consider to be necessary or advisable to implement the Amended and Restated Declaration of Trust and the Amendments (as defined in the Information Circular) and such documents shall be binding upon the Trust without further authorization or formality.

SCHEDULE B
PARTNERSHIP AGREEMENT AMENDMENT RESOLUTION

BE IT RESOLVED AS A SPECIAL RESOLUTION OF THE HOLDERS OF PREFERRED C UNITS, PREFERRED C1 UNITS, AND COMMON A UNITS (COLLECTIVELY, THE "PARTNERSHIP UNITS") OF ENERCAPITA ENERGY L.P. (THE "PARTNERSHIP"), EACH VOTING SEPARATELY AS A CLASS THAT:

1. Any one director or officer of Enercapita Energy GP Ltd., the general partner of the Partnership (the "**General Partner**"), be and is hereby authorized, for and on behalf of the Partnership, to execute, deliver and perform the proposed amended and restated limited partnership agreement of the Partnership (the "**Amended and Restated Partnership Agreement**"), substantially in the form presented to the holders of Partnership Units, pursuant to which the existing amended and restated limited partnership agreement of the Partnership dated May 11, 2015 shall be amended in the manner more particularly described in the Joint Information Circular dated June 24, 2019 (the "**Information Circular**");

2. Notwithstanding that this special resolution has been duly passed, the board of directors of the General Partner is hereby authorized, in its discretion, if it deems such action necessary, without further notice to, or approval of, the holders of Partnership Units, to revoke this special resolution or any part thereof at any time prior to the execution of the Amended and Restated Partnership Agreement; and

3. Any one director or officer of the General Partner, for and on behalf of the Partnership, be and is hereby authorized and directed to do all such further acts and things and to execute and deliver all such further agreements, instruments, notices, consents, acknowledgements, certificates and other documents (including without limitation any documents required under applicable laws or regulatory policies), as such director or officer may in good faith consider to be necessary or advisable to implement the Amended and Restated Partnership Agreement and the Amendments (as defined in the Information Circular), and such documents shall be binding upon the Partnership without further authorization or formality.

SCHEDULE C
DECLARATION OF TRUST (AS AMENDED) (BLACKLINE COPY)

ENERCAPITA ENERGY TRUST

AMENDED AND RESTATED DECLARATION OF TRUST

~~October 27~~●, 201~~5~~9

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ENERCAPITA ENERGY TRUST

AMENDED AND RESTATED DECLARATION OF TRUST

THIS DECLARATION OF TRUST is amended and restated as of the ~~27th~~● day of ~~October~~●, 201~~5~~9.

BETWEEN:

THE TRUSTEES of the trust constituted by this Declaration of Trust (the "**Trust**"), being GREGORY TISDALE, an individual resident in Cochrane, Alberta, ~~and~~ CRAIG HRUSKA, an individual resident in Calgary, Alberta, GREG TOOTH, an individual resident in Calgary, Alberta, MICHAEL COOK, an individual resident in Calgary, Alberta, and STEPHEN JOHNSTON, an individual resident in Calgary, Alberta as the trustees (the "**Trustees**") of the Trust, and each individual who after the date hereof becomes a trustee of the Trust as herein provided (each of the foregoing named or unnamed individuals, while a trustee of the Trust as herein provided, being hereinafter individually called a "**Trustee**", and all such individuals, each of whom is at the time a Trustee, being hereinafter collectively called the "**Trustees**")

– and –

GREG TOOTH, an individual resident in Calgary, Alberta

(hereinafter called the "**Settlor**")

– and –

UNITHOLDERS, being all persons who are, or after the date hereof become, holders of Trust Units (as hereinafter defined) as herein provided.

RECITALS

WHEREAS on February 27, 2014, the Trust was created and settled pursuant to the Original Declaration of Trust;

AND WHEREAS the Trustees have agreed to hold and use the Initial Contribution and all amounts and assets subsequently received pursuant to this Declaration of Trust upon the trusts and in accordance with and subject to the provisions hereinafter set forth;

AND WHEREAS the Settlor and the Trustees desire that the beneficiaries of the Trust, including the Initial Unitholders, shall be the holders of Trust Units;

AND WHEREAS the Settlor and the Trustees desire that the Trust shall at all times qualify as a "unit trust" and as a "mutual fund trust" within the meaning of paragraph 108(2)(a) and subsection 132(6) of the Income Tax Act (as defined herein);

AND WHEREAS the Trustees ~~wishes to~~ further amended and restated this agreement on May 11, 2015 in order to make certain amendments to create additional classes of preferred units to raise additional capital to be invested in Enercapita Energy L.P. at prevailing market rates;

AND WHEREAS the Trustees ~~wishes to~~ further amended and restated this agreement on October 27, 2015 in order to increase the maximum number of Trustees;

AND WHEREAS the Trustees, with the approval of each class of Trust Units by Special Resolution, wish to further amend and restate this agreement on ●, 2019 in order to, among other things, provide for the suspension of redemption rights as an extraordinary measure and amend the maturity date of the Redemption Notes;

AND WHEREAS the parties hereto desire to set out the agreements, terms and conditions that shall govern their mutual and respective rights, powers and obligations with respect to the settlement and administration of the Trust;

NOW THEREFORE THIS DECLARATION OF TRUST WITNESSES THAT, in consideration of the premises and the mutual and respective covenants and agreements contained herein, the Trustees declare, and covenant and agree with the Settlor and the Unitholders, and the Settlor and the Unitholders covenant and agree with the Trustees, as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Declaration of Trust and in the Unit Certificates, unless the context otherwise requires, the following terms shall have the following meanings:

(a) "**Administration Agreement**" means the administration agreement entered into on February 27, 2014 between the Administrator and the Trust, as amended, supplemented, restated or amended and restated from time to time, pursuant to which the Administrator will provided administrative services to the Trust;

(b) "**Administrator**" means Enercapita Energy GP Ltd., a corporation formed under the laws of the Province of Alberta, and any successor or permitted assign thereof; provided that where there is no person acting as administrator of the Trust then the Trustees shall be responsible for all matters in connection with the administration and operation of the Trust, including all matters referred to in this Declaration of Trust as being duties, responsibilities or obligations of the Administrator;

(c) "**affiliate**" of any person (first person) means any other person controlling, controlled by, or under common control with, such first person;

(d) "**annuitant**" means an annuitant, subscriber, holder or beneficiary under a registered retirement savings plan, a registered retirement income fund, a registered education savings plan, a registered pension plan, a registered pension fund, a registered disability savings plan, a tax-free savings account or a deferred profit sharing plan, all as defined in the Income Tax Act, or an annuitant, subscriber, holder or beneficiary of any other plan, account or fund, of which a Unitholder, Beneficial Unitholder or holder of Other Trust Securities acts as trustee or carrier;

(e) "**associate**" means, in relation to another person (other person):

(i) a person of which the other person beneficially owns or controls, directly or indirectly (1) voting securities of such person (or securities currently convertible into voting securities) carrying more than 10% of the voting rights attached to outstanding securities of the person, or (2) a currently exercisable option or right to purchase those voting securities or those convertible securities;

(ii) any person who is a partner of the other person;

(iii) any trust or estate in which the other person has a substantial beneficial interest; or

(iv) where the other person is an individual, a relative of the other person if the relative has the same home as the other person, including (1) the other person's spouse; or (2) a relative of the other person's spouse;

(f) "**Auditors**" means the firm of chartered accountants as may be appointed as the auditors of the Trust from time to time in accordance with the provisions hereof;

(g) "**Beneficial Unitholder**" means the beneficial owner of a Trust Unit;

(h) "**Beneficiary**" has the meaning ascribed thereto in Section 12.5(a);

(i) "**Bid Units**" has the meaning ascribed thereto in Section 3.28(b);

(j) "**Book-Entry System**" means the record-entry securities transfer and pledge system known, as of the date hereof, by such name, which is administered by CDS in accordance with the operating rules and procedures of the trade, clearing and settlement service of CDS in force from time to time, or any successor system which CDS may offer from time to time;

(k) "**Business Day**" means any day other than a Saturday, Sunday, a statutory holiday in the Province of Alberta or a day on which the principal chartered banks located at Calgary, Alberta are not generally open for the transaction of commercial business;

(l) "**Cash Amount**" has the meaning ascribed thereto in Section 6.5(a)(i);

(m) "**CDS**" means CDS Clearing and Depository Services Inc., or a successor thereof;

(n) "**CDS Participant**" means an investment dealer, bank, trust company, other financial institution or other person who, directly or indirectly, from time to time, effects book-based transfers with CDS and pledges of securities deposited with CDS;

(o) "**Common Unit**" means a common unit of beneficial interest in the Trust issued from time to time in accordance with this Declaration of Trust and having the rights, privileges, limitations, restrictions and conditions set out in this Declaration of Trust;

(p) "**Common Unitholder**" or "**holder of Common Units**" means a person whose name appears on the Register as a holder of Common Units;

(q) "**control**" and related terms, including "**controlling**" and "**controlled**", shall mean, with respect to any person (first person), the possession, directly or indirectly, by or on behalf of another person or group of persons acting jointly or in concert, of the following in respect of such first person:

(i) where the first person is a corporation, the power to vote more than 50% of the securities having ordinary voting power for the election of directors of the first person;

(ii) where the first person is a limited partnership, the power to control the general partner of the first person; and

(iii) where the first person is other than a corporation or limited partnership, any of:

(A) the power to exercise more than 50% of the voting rights in the first person; or

(B) the right to receive more than 50% of the distributions made by the first person;

(r) "**Corresponding Partnership Unit**" means, with respect to a Preferred Trust Unit, the limited partnership unit of the Partnership that is acquired by the Trust with the proceeds the Trust receives from the issuance of such Preferred Trust Unit;

(s) "**Counsel**" means a barrister and solicitor or firm of barristers and solicitors, or other lawyer or firm of lawyers, in an appropriate jurisdiction retained by or on behalf of the Trust;

(t) ~~(s)~~ "**Declaration of Trust**", "**hereto**", "**herein**", "**hereof**", "**hereby**", "**hereunder**" and similar expressions refer to this Amended and Restated Declaration of Trust dated ~~October 27~~●, 201~~5~~9, as the same may be amended, supplemented, restated or amended and restated from time to time, including the Schedules hereto, and, except where the context otherwise requires, does not refer to any particular Article, Section or other portion hereof or thereof;

(u) ~~(t)~~ "**Depositary**" has the meaning ascribed thereto in Section 3.10;

(v) ~~(u)~~ "**Distributable Cash**" has the meaning ascribed thereto in Section 5.1;

(w) ~~(v)~~ "**Distribution Amount**" has the meaning ascribed thereto in Section 5.3(a);

(x) ~~(w)~~ "**Distribution Payment Date**" means, unless otherwise determined in the discretion of the Trustees or the Administrator, the 45th day that immediately follows a Distribution Period; and also refers to such other dates as may be hereafter determined from time to time by the Trustees or the Administrator;

(y) ~~(x)~~ "**Distribution Period**" means each three month period ending March 31, June 30, September 30 and December 31 in each calendar year, or such other periods as may be hereafter determined from time to time by the Trustees or the Administrator;

(z) ~~(y)~~ "**Distribution Per Preferred Trust Unit**" has the meaning ascribed thereto in Section 5.3(b)(i);

(aa) ~~(z)~~ "**Distribution Record Date**" means the last Business Day in each Distribution Period or such other date as may be hereafter determined from time to time by the Trustees or the Administrator;

(bb) ~~(aa)~~ "**Event of Termination**" has the meaning ascribed thereto in Section 11.2;

(cc) ~~(bb)~~ "**Exchangeable Security**" means a unit, share, option, right, warrant or other security, whether or not issued by the Trust, that is convertible into, exchangeable for, or carries the right of the holder to purchase or otherwise acquire (or of the issuer of such security to cause the purchase or other acquisition of) Trust Units or units, shares, options, rights, warrants or other securities, whether or not issued by the Trust, that are convertible into, exchangeable for, or carry the right of the holder to purchase or otherwise acquire (or of the issuer of such security to cause the purchase or acquisition of) Trust Units;

(dd) ~~(cc)~~ "**Experts**" has the meaning ascribed thereto in Section 12.2(a);

(ee) ~~(dd)~~ "**Governing Authority**" means any stock exchange or any court, regulatory body or governmental department, commission, board, bureau, branch, agency or instrumentality of Canada, or of any province, territory, state, county, municipality or other political sub-division or jurisdiction, whether domestic or foreign and whether now or in the future constituted or existing;

(ff) ~~(ee)~~ "**Income of the Trust**" has the meaning ascribed thereto in Section 5.2(a);

(gg) ~~(ff)~~ "**Income Tax Act**" means the *Income Tax Act* (Canada) and the regulations thereunder, as amended from time to time;

(hh) ~~(gg)~~ "**Indemnified Party**" has the meaning ascribed thereto in Section 12.6(a);

(ii) ~~(hh)~~ "**Initial Contribution**" means the silver coin delivered by the Settlor to the Initial Trustees for the purpose of settling the trust constituted by the Trust;

(jj) ~~(ii)~~ "**Initial Trustees**" means Gregory Tisdale and Craig Hruska;

(kk) ~~(jj)~~ "**Initial Unitholders**" means, collectively, Tisdale Family Trust, Hruska Family Trust, Tooth Family Trust, J1 Trust and Lexbury Family Trust and "**Initial Unitholder**" means any one of them, as applicable in the context;

(ll) ~~(kk)~~ "**Internal Reorganization**" means the sale, lease, exchange, transfer or other disposition of the assets of a person (whether or not involving all or substantially all of the assets of such person), in one transaction or a series of connected transactions, as a result of which such person has substantially the same interest, whether direct or indirect, in such assets that it had prior to such transaction or series of connected transactions and, for greater certainty, may include an amalgamation, arrangement or merger of such person and its affiliates with any other entities;

(mm) ~~(ll)~~ "**Listed Securities**" has the meaning ascribed thereto in Section 6.6(a);

(nn) ~~(mm)~~ "**market price**" has the meaning ascribed thereto in Section 6.6(b);

(oo) ~~(nn)~~ "**meeting of Unitholders**" shall mean and include, as the circumstances require, both an annual meeting of Unitholders and any other meeting of Unitholders called and conducted in accordance with the provisions of this Declaration of Trust;

(pp) ~~(oo)~~ "**mutual fund trust**" means a mutual fund trust as defined in section 132 of the Income Tax Act;

(qq) ~~(pp)~~ "**Net Realized Capital Gains**" has the meaning ascribed thereto in Section 5.2(b);

(rr) ~~(qq)~~ "**Non-Resident**" means a person who at the relevant time, for the purposes of the Income Tax Act and any applicable tax convention entered into by the Government of Canada, is not resident in Canada or is deemed not to be a resident in Canada, or is a partnership that is not a "Canadian partnership" within the meaning of the Income Tax Act;

(ss) ~~(rr)~~ "**Non-Resident Restriction**" has the meaning ascribed thereto in Section 3.8(a);

(tt) ~~(ss)~~ "**non-tendering offeree**" means, in the case of a take-over bid made for Bid Units, a holder of Bid Units who does not accept the take-over bid, and includes a subsequent holder of such Bid Units who acquires them from the first mentioned holder;

(uu) ~~(tt)~~ "**Notice**" has the meaning ascribed thereto in Section 15.1(a);

(vv) ~~(uu)~~ "**offeree**" means a person to whom a take-over bid is made;

(ww) ~~(vv)~~ "**Offering**" means any issuance, offering or sale of Trust Units or Other Trust Securities;

(xx) ~~(ww)~~ "**Offering Documents**" means any one or more of a prospectus, information memorandum, private placement offering memorandum and similar public or private offering document concerning an Offering, or any written understanding, commitment or agreement to issue or offer Units or any Other Trust Securities;

(yy) ~~(xx)~~ "**offeror**" means a person, other than an agent, who makes a take-over bid, and includes two or more persons who, directly or indirectly, make a take-over bid jointly or in concert;

(zz) ~~(yy)~~ "**Ordinary Resolution**" means:

(i) a resolution passed by more than 50% of the votes cast by those Unitholders who were entitled to and did vote on such resolution, whether cast in person or by proxy, at a meeting of Unitholders, at which a quorum was present, called (at least in part) for the purpose of approving such resolution; or

(ii) a resolution approved in writing, in one or more counterparts, by holders of Trust Units carrying more than 50% of the votes represented by those Trust Units entitled to be voted on such resolution;

(aaa) ~~(zz)~~ "**Original Declaration of Trust**" means the declaration of trust dated February 27, 2014, between the Settlor, and the Initial Trustees, pursuant to which the Trust was settled;

(bbb) ~~(aaa)~~ "**Other Trust Securities**" means any type of securities of the Trust other than Trust Units, including notes (including Redemption Notes), bonds and other debt securities, any other equity security, voting securities, Exchangeable Securities and options, rights, warrants or other securities convertible into, exchangeable for or carrying the right of the holder to purchase or otherwise acquire, or of the Trust to cause the purchase or other acquisition of, other securities of the Trust (including convertible debt securities, subscription receipts and installment receipts);

(ccc) ~~(bbb)~~ "**Partnership**" means Enercapita Energy L.P., a limited partnership formed pursuant to the laws of the Province of Alberta;

(ddd) ~~(ccc)~~ "**person**" includes an individual, corporation, limited partnership, general partnership, joint stock company, limited liability company, joint venture, society, syndicate, association, company, trust, bank, trust company, pension fund, labour union, business trust and other organization, whether or not a legal entity, and government and agency or political subdivision thereof;

(eee) ~~(ddd)~~ "**Preferred A Unit**" means a preferred A unit of beneficial interest in the Trust issued from time to time in accordance with this Declaration of Trust and having the rights, privileges, limitations, restrictions and conditions set out in this Declaration of Trust;

(fff) ~~(eee)~~ "**Preferred B Unit**" means a preferred B unit of beneficial interest in the Trust issued from time to time in accordance with this Declaration of Trust and having the rights, privileges, limitations, restrictions and conditions set out in this Declaration of Trust;

~~(fff) "Preferred D Unit" means a preferred D unit of beneficial interest in the Trust issued from time to time in accordance with this Declaration of Trust and having the rights, privileges, limitations, restrictions and conditions set out in this Declaration of Trust;~~

(ggg) "**Preferred ~~E~~D Unit**" means a preferred ~~E~~D unit of beneficial interest in the Trust issued from time to time in accordance with this Declaration of Trust and having the rights, privileges, limitations, restrictions and conditions set out in this Declaration of Trust;

(hhh) "**Preferred E Unit**" means a preferred E unit of beneficial interest in the Trust issued from time to time in accordance with this Declaration of Trust and having the rights, privileges, limitations, restrictions and conditions set out in this Declaration of Trust;

(iii) ~~(hhh)~~ "**Preferred Trust Unit**" means, collectively, the Preferred A Units, the Preferred B Units, Preferred Units, Preferred D Units and Preferred E Units (including, for greater certainty, any series of the foregoing) and any other classes or series of Trust Units created by the Trustees and designated as a "Preferred Trust Unit";

(jjj) ~~(iii)~~ "**Preferred Unit**" means a preferred unit of beneficial interest in the Trust issued from time to time in accordance with this Declaration of Trust and having the rights, privileges, limitations, restrictions and conditions set out in this Declaration of Trust;

(kkk) ~~(jjj)~~ "**Preferred Unitholder**" or "**holder of Preferred Units**" means a person whose name appears on the Register as a holder of Preferred Trust Units;

(lll) ~~(kkk)~~ "**Principal Market**" has the meaning ascribed thereto in Section 6.6(a);

(mmm) ~~(lll)~~ "**Redemption Gains**" has the meaning ascribed thereto in Section 5.2(c);

(nnn) ~~(mmm)~~ "**Redemption Income**" has the meaning ascribed thereto in Section 5.2(c);

(ooo) ~~(nnn)~~ "**Redemption Notes**" means, with respect to a redemption of Trust Units as provided herein, promissory notes issued in series, or otherwise, by the Trust, which may be issued pursuant to a note indenture or otherwise, and issued to holders of Redemption Units in principal amounts equal to all or a portion of the Redemption Price of the Trust Units to be redeemed and having the following terms and conditions:

(i) unsecured and bearing interest from and including the issue date of each such note at a market rate determined by the Trustees or the Administrator at the time of issuance, based on the advice of an independent financial advisor, with such interest payable only at the maturity date of the note (with interest after as well as before maturity, default and judgment at such rate);

(ii) subordinated and postponed to (1) all Senior Indebtedness (and which for greater certainty may be subject to specific subordination and postponement agreements to be entered into with holders of such Senior Indebtedness) and (2) all payments and other obligations owed by the Trust in respect of the Preferred Trust Units, including distribution entitlements and amounts payable on liquidation, dissolution or winding up of the Trust;

(iii) except as otherwise set forth herein, due and payable on or prior to the fi~~rs~~fth anniversary of the date of issuance, subject to earlier prepayment without premium or penalty; and

(iv) subject to such other customary terms and conditions as would be included in a note indenture for short-term promissory notes of this kind, as may be approved by the Trustees;

(ppp) ~~(ooo)~~ "**Redemption Notice**" has the meaning ascribed thereto in Section 6.3(a);

(qqq) ~~(ppp)~~ "**Redemption Price**" has the meaning ascribed thereto in Section 6.4(a);

(rrr) ~~(qqq)~~ "**Redemption Units**" has the meaning ascribed thereto in Section 6.1(a);

(sss) ~~(rrr)~~ "**Register**" or "**Registers**" has the meaning ascribed thereto in Section 3.16;

(ttt) ~~(sss)~~ "**Remainder Amount**" has the meaning ascribed thereto in Section 6.5(a)(ii);

(uuu) ~~(ttt)~~ "**Resident**" means a person who, at the relevant time, is resident in Canada within the meaning of the Income Tax Act and any applicable tax convention entered into by the Government of Canada and includes a partnership that is a "Canadian partnership" within the meaning of the Income Tax Act;

(vvv) ~~(uuu)~~ "**Responsible Party**" or "**Responsible Parties**" has the meaning ascribed thereto in Section 12.4(a);

(www) ~~(vvv)~~ "**security**", as applicable in the particular context, has the meaning ascribed thereto in the *Securities Act* (Alberta), and "securities" has a corresponding meaning;

(xxx) ~~(www)~~ "**Senior Indebtedness**" shall mean, at any time, all indebtedness, liabilities and obligations of the Trust which, by the terms of the instrument creating or evidencing the same, is not expressed to rank in right of payment in subordination to or pari passu with the indebtedness evidenced by the Redemption Notes or any of them;

(yyy) ~~(xxx)~~ "**Settlor**" has the meaning as set forth in the preamble;

(zzz) ~~(yyy)~~ "**SIFT trust**" means a SIFT trust as defined in section 122.1 of the Income Tax Act;

(aaaa) ~~(zzz)~~ "**Special Resolution**" means:

(i) a resolution passed by more than $66^2/_3\%$ of the votes cast by those Unitholders who were entitled to and did vote on such resolution, whether cast in person or by proxy, at a meeting of Unitholders, at which a quorum was present, called (at least in part) for the purpose of approving such resolution, or

(ii) a resolution approved in writing, in one or more counterparts, by holders of Trust Units carrying more than $66^2/_3\%$ of the votes represented by those Trust Units entitled to be voted on such resolution;

(bbbb) ~~(aaaa)~~ "**take-over bid**" has the meaning ascribed to such term in the *Securities Act* (Alberta), but without reference to the jurisdiction of residence of the person to whom an offer to acquire securities is made;

(cccc) ~~(bbbb)~~ "**tax**" or "**taxes**" means all income, capital gain, profit, withholding, and capital taxes, charges, fees, levies, imposts and other assessments, including all other charges in the nature of a tax, together with any installments, and any interest, fines and penalties, imposed by any Governmental Authority, whether disputed or not;

(dddd) ~~(cccc)~~ "**Transfer Agent**" means such person as may from time to time be appointed by the Trust to act as registrar and transfer agent of the Common Units or the Preferred Trust Units, or both, as applicable, together with any sub-transfer agent appointed by such Transfer Agent and, as the context requires, means, collectively, each Transfer Agent appointed by the Trust where separate transfer agents are appointed in respect of the Common Units and the Preferred Trust Units; provided that where the Trust has not appointed a person to act as registrar and transfer agent of the Common Units or the Preferred Trust Units, as the case may be, then the Administrator shall act as registrar and transfer agent of the Common Units or the Preferred Trust Units, as the case may be;

(eeee) ~~(dddd)~~ "**Transferee**" has the meaning ascribed thereto in Section 3.8(b);

(ffff) ~~(eeee)~~ "**Trust**" means the trust constituted by this Declaration of Trust;

(gggg) ~~(ffff)~~ "**Trust Liabilities**" has the meaning ascribed thereto in Section 12.5(a);

(hhhh) ~~(gggg)~~ "**Trust Property**", at any time, means all of the money, properties, securities and other assets of any nature or kind whatsoever as are, at such time, held by the Trust or by the Trustees on behalf of the Trust, and any reference to "**property**" or "**property of the Trust**" or "**assets**" or "**assets of the Trust**" includes, in each case, the Trust Property;

(iiii) ~~(hhhh)~~ "**Trustee**" means at any time, a person who is, in accordance with the provisions hereof, a trustee of the Trust at that time, who are currently Gregory Tisdale ~~and~~, Craig Hruska, Greg Tooth, Michael Cook and Stephen Johnston, and "**Trustees**" means all of them collectively;

(jjjj) ~~(iiii)~~ "**Trustees' Regulations**" has the meaning ascribed thereto in Section 8.3;

(kkkk) ~~(jjjj)~~ "**Trust Units**" or "**Units**" means the Common Units or Preferred Trust Units, as the case may be, and references in this Declaration of Trust to Trust Units or Units shall be a reference to Common Units and/or Preferred Trust Units, as the context so requires; and "**Trust Unit**" or "**Unit**" means one Common Unit or one Preferred Trust Unit, as the case may be;

(llll) ~~(kkkk)~~ "**Unit Certificate**" means a certificate, in the form attached to this Declaration of Trust or otherwise approved by the Trustees, evidencing one or more Units, issued and certified in accordance with the provisions hereof;

(mmmm) ~~(llll)~~ "**Unitholder**" means, at any time, a holder at that time of one or more Units, as shown on any of the Registers (but shall also be deemed to include, for the purposes and in the circumstances set forth in Section 2.9(a), a holder of Voting Exchangeable Securities), and such holders are collectively called "Unitholders";

(nnnn) ~~(mmmm)~~ "**Voting Exchangeable Securities**" means, collectively, Exchangeable Securities that, in accordance with the rights, privileges, limitations, restrictions and conditions attaching thereto, provide (among other things) the holder thereof with the right to vote at all meetings of Unitholders, provided that an Exchangeable Security that is not issued by the Trust shall not (regardless of the rights, privileges, limitations, restrictions and conditions attaching thereto) be entitled to any voting rights in connection with the Trust except as may be provided pursuant to an agreement or other instrument entered into by the Trust in connection with or pertaining to the issuance of such Exchangeable Security;

(oooo) ~~(nnnn)~~ "**Year-End Distribution Amount**" has the meaning ascribed thereto in Section 5.4(b); and

(pppp) ~~(oooo)~~ "**Year-End Distribution Date**" has the meaning ascribed thereto in Section 5.4(b).

1.2 Acts and Obligations of the Trust

For greater certainty, where any reference is made in this Declaration of Trust to actions, rights or obligations of the Trustees, such reference shall be construed and applied for all purposes to refer to actions, rights or obligations of the Trustees in their capacity as Trustees of the Trust, and not in any other capacity, unless the context clearly requires otherwise, and where any actions or obligations of the Trustee are delegated to the Administrator or some other person, then the Administrator or such other person shall also be entitled to the rights of the Trustee associated with such actions and obligations.

1.3 Extended Meanings

In this Declaration of Trust, unless herein otherwise expressly provided or unless the context otherwise requires, words importing the singular number include the plural, and vice-versa and words importing a gender shall include the feminine, masculine and neuter genders. Where the word "including" or "includes" is used in this Declaration of Trust it means "including without limitation" or "includes without limitation", respectively. Any reference to any document shall include a reference to any schedule, amendment or supplement thereto or any agreement in replacement thereof, all as permitted under such document.

1.4 Determinations of the Trustees or the Administrator

In this Declaration of Trust, all decisions, determinations, judgments, elections and actions (including any exercise of any discretion) to be made by the Trustees or the Administrator, unless otherwise expressly provided herein and subject to applicable laws, shall be made in the Trustees' or the Administrator's sole discretion, as applicable.

1.5 Statutory References

A reference herein to any statute includes every regulation (and other similar ancillary instrument having the force of law) made pursuant thereto, all amendments to the statute or to any such regulation (or other similar ancillary instrument) in force from time to time, and any statute or regulation (or other similar ancillary instrument) which supplements or supersedes such statute or regulation (or other similar ancillary instrument); and a reference to any section or provision of a statute or regulation (or other similar ancillary instrument) includes all amendments to such section or provision, as made from time to time, and all sections or provisions which supplement or supersede such section or provision referred to herein.

1.6 Headings for Reference Only

The division of this Declaration of Trust into Articles, Sections and Schedules, the provision of a Table of Contents and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Declaration of Trust. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles and Sections are to Articles and Sections of this Declaration of Trust.

1.7 Day Not a Business Day

Except as otherwise set out herein, in the event that any day on which any amount is to be determined or any other determination is to be made or any action is required to be taken hereunder is not a Business Day, then such amount shall be determined, or such other determination shall be made, or such action shall be required to be taken, at or before the requisite time on the next succeeding day that is

a Business Day. This Section is not applicable to Sections 5.1, 5.2, 5.3, 5.4, and 5.8 and to defined terms used in such Sections (except for purposes of Section 5.3 and 5.4(a) with respect to the definition of, and action to be taken on, any Distribution Payment Date).

1.8 Schedules

The Schedules attached hereto are incorporated by reference herein and form an integral part of this Declaration of Trust.

1.9 Currency and Payments

Unless otherwise specified, all references herein to currency shall be references to currency of Canada and all cash payments to be made by the Trust hereunder (whether in respect of distributions, redemptions, or otherwise) shall be paid in Canadian funds.

ARTICLE 2
DECLARATION OF TRUST

2.1 Settlement of Trust

The delivery of the Initial Contribution by the Settlor to the Initial Trustees, concurrent with the execution of the Original Declaration of Trust, for the purpose of settling the Trust, is hereby acknowledged and confirmed.

2.2 Declaration of Trust

The Trustees hereby declare and agree to act as trustees of the Trust on behalf of, and to hold, use and administer the Trust Property in trust for the benefit of, the Unitholders and their successors, permitted assigns and personal representatives, upon the trusts and in accordance with and subject to the terms and conditions hereinafter declared and set forth, such trust to constitute the Trust hereunder.

2.3 Initial Unitholders

(a) Concurrently with the execution and delivery of the Original Declaration of Trust, Tisdale Family Trust, as an Initial Unitholder, subscribed for two (2) Common Units at a price of $1.00 per unit, and concurrently paid the aggregate subscription price of $2.00 to the Trust, and in consideration therefor Tisdale Family Trust was issued, and was entered on the Register of Common Units as the holder of, two (2) Common Units.

(b) Concurrently with the execution and delivery of the Original Declaration of Trust, Hruska Family Trust, as an Initial Unitholder, subscribed for two (2) Common Units at a price of $1.00 per unit, and concurrently paid the aggregate subscription price of $2.00 to the Trust, and in consideration therefor Hruska Family Trust was issued, and was entered on the Register of Common Units as the holder of, two (2) Common Units.

(c) Concurrently with the execution and delivery of the Original Declaration of Trust, each of J1 Trust, Lexbury Family Trust and Tooth Family Trust, as Initial Unitholders, subscribed for one (1) Common Unit at a price of $1.00 per unit, and concurrently paid the aggregate subscription price of $1.00 to the Trust, and in consideration therefor each of J1 Trust, Lexbury Family Trust and Tooth Family Trust shall be issued, and was entered on the Register of Common Units as the holder of, one (1) Common Unit.

2.4 Name of Trust

The Trust shall be known and designated as "Enercapita Energy Trust" and, whenever lawful and convenient, the Trust Property shall be held and the affairs of the Trust shall be conducted and transacted under that name. The Trust may use such other designation or may adopt such other name as the Trustees deem appropriate, and the Trust may hold property and conduct and transact its affairs under such other designation or name. The Trustees or the Administrator may approve and use a version of any name or designation used by the Trust in any language other than English.

2.5 Situs and Head Office

The situs of the Trust shall be the Province of Alberta and the head office of the Trust shall be located at Calgary, Alberta, or such other place or places in Canada as the Trustees may from time to time designate ~~and will initially be located at #803 – 5920 Macleod Trail S.W., Calgary, Alberta T2H 0K2.~~ .

2.6 Nature of the Trust

The Trust is an unincorporated open ended trust, established for the purposes specified in Section 4.1. The Trust is not, is not intended to be, shall not be deemed to be and shall not be treated as, a general partnership, limited partnership, society, syndicate, association, joint venture, company, corporation or joint stock company; and none of the Trustees, the Administrator or the Unitholders, or any of them, shall be, or be deemed to be, treated in any way whatsoever as liable or responsible hereunder as partners or joint venturers. Except as expressly specified herein, neither the Trustees nor the Administrator shall be, or be deemed to be, agents of the Unitholders. The relationship of the Unitholders to the Trustees shall be solely that of beneficiaries of the Trust, and their rights shall be limited to those expressly conferred upon them by this Declaration of Trust and applicable laws.

2.7 Mutual Fund Trust Election

In filing a return of income for the Trust's first taxation year, the Trust shall elect, provided that the Trust has become a mutual fund trust at any particular time before the 91st day after the end of the Trust's first taxation year, to be deemed to be a mutual fund trust from the beginning of its first taxation year until the particular time.

2.8 Rights of Unitholders and Ownership of Assets of the Trust

(a) Except as otherwise expressly provided herein, no Unitholder shall be entitled to interfere with, or give any direction to, the Trustees or the Administrator with respect to the affairs of the Trust or in connection with the exercise of any powers or authorities conferred upon the Trustees or the Administrator under, or by virtue of, this Declaration of Trust or the Administration Agreement.

(b) The legal ownership of the Trust Property and the right to conduct the affairs of the Trust are, subject to the terms hereof, vested exclusively in the Trustees, or such other persons as the Trustees may determine or as are permitted in accordance with the terms hereof, and the Unitholders shall have no interest therein other than the interest specifically set forth in this Declaration of Trust, and no Unitholder shall have any right to compel or call for any redemption of Trust Units or any partition, division, dividend or distribution of the Trust Property, except as specifically provided herein.

(c) Trust Units shall be personal property and shall confer upon the holders thereof only the interest and rights as specifically set forth in this Declaration of Trust.

2.9 Rights of Holders of Voting Exchangeable Securities

(a) For the purposes of any and all provisions of this Declaration of Trust which entitle Unitholders to (i) vote in respect of a matter, whether at a meeting of Unitholders or by written resolution of Unitholders, or (ii) exercise rights in connection with voting at meetings of Unitholders (including, attending meetings and requisitioning meetings), any use of the defined term "Unitholders" as used within such a provision (including all uses of the term within Article 10) shall, for purposes of construing the meaning of such defined term, be deemed to include, and shall be construed as including, holders of Voting Exchangeable Securities in addition to holders of Units. Each holder of Voting Exchangeable Securities, subject to the terms of the instrument creating the particular Voting Exchangeable Securities, shall be entitled to that number of votes equal to the number of votes attached to the number of Trust Units for which the Voting Exchangeable Securities held by such holder are exchangeable, exercisable or convertible.

(b) The Administrator shall be responsible to prepare, for each meeting of Unitholders, a list showing, as of the record date for a meeting of Unitholders, those persons who are holders of Voting Exchangeable Securities together with the number of votes which each such holder is entitled to exercise at such meeting, and the Trustees are entitled to rely on such list for purposes of determining the holders of Voting Exchangeable Securities entitled to attend and vote at meetings of Unitholders (and to exercise other rights in connection with voting at meetings of Unitholders, such as requisitioning meetings). In preparing such list of holders of Voting Exchangeable Securities the Administrator shall use and rely on the information appearing in the books and records of the Trust, and where information pertaining to one or more holders of Voting Exchangeable Securities is known by the Administrator to not be contained in the books and records of the Trust, then the Administrator shall use commercially reasonable efforts to ascertain the required information pertaining to such holder(s); provided that the Administrator shall have no liability whatsoever to the Trust, the Trustees, Unitholders or any holder of Voting Exchangeable Securities for the completeness or accuracy of such list of holders of Voting Exchangeable Securities that is compiled in accordance with the foregoing.

(c) All notices, documents and other communications required to be given or otherwise sent to holders of Trust Units under this Declaration of Trust or by applicable law, shall be concurrently given or sent to each holder of Voting Exchangeable Securities in the same manner as is provided pursuant to Section 15.1 for the sending of notices, documents or other communications to Unitholders; provided that for addressing purposes, where a mailing address, facsimile number or email address is required in light of the method of communication undertaken in accordance with Section 15.1, there shall be used the mailing address, facsimile number or email address for such holder last appearing in the books and records of the Trust or, where the holder does not appear in the books and records of the Trust, the mailing address, facsimile number or email address last known to the Trust or contained on the records of, or last known to, the affiliates of the Trust, failing which the Trust shall exercise such other commercially reasonable efforts to bring the notice, communication or other documentation to the attention of the holder.

(d) Notwithstanding anything contained herein, no holder of Voting Exchangeable Securities, solely in the capacity as such, shall be entitled to any interest or share in any distribution from the Trust (whether of net income, net realized capital gains or other amounts, including additional Units) or to any assets of the Trust in the event of termination or winding-up of the Trust or otherwise. Further, no Voting Exchangeable Security shall constitute, or be construed as constituting, a Unit.

(e) With respect to the rights conferred upon holders of Voting Exchangeable Securities under this Declaration of Trust, in particular the rights contained in this Section 2.9, all parties hereto acknowledge and agree that the Administrator is acting as agent for and on behalf of each such holder of Voting Exchangeable Securities, and that such rights of a holder of Voting Exchangeable Securities, as herein contained, are not only intended to be exercisable and enforceable directly by each such holder of a Voting Exchangeable Security but shall be exercisable and enforceable by the Administrator, upon direction from such holder, for the benefit of the holder.

2.10 Unitholders Bound

This Declaration of Trust shall be binding upon all persons who become Unitholders from time to time. Upon completion of a purchase of any Trust Units by a subscriber, as evidenced by the Trust's acceptance of the subscriber's subscription for Units and receipt of the subscription price therefore, the subscriber becomes a Unitholder hereunder and shall be deemed to agree to be bound, and shall be so bound, by this Declaration of Trust. Furthermore, where applicable, this Declaration of Trust shall be binding upon all persons who from time to time hold Other Trust Securities, and upon issuance of a certificate thereto for such Other Trust Securities or confirmation of purchase of such Other Trust Securities in whatever manner, the holder of Other Trust Securities shall be deemed to agree to be bound, and shall be so bound, by the applicable provisions of this Declaration of Trust.

ARTICLE 3
CREATION, ISSUE AND SALE OF UNITS

3.1 Nature of Units

(a) The beneficial interests in the Trust shall be represented and constituted by six classes of units described and designated herein as "Common Units", "Preferred A Units", ~~"~~"Preferred B Units", ~~"~~"Preferred Units~~"~~", ~~"~~"Preferred D Units~~"~~" and ~~"Preferred E Units", respectively.~~"Preferred E Units", respectively. Each class may be divided into one or more series. Provided that the rights of the Unitholders are not materially prejudiced thereby, the Trustees shall have sole discretion in creating additional classes or series of Units and determining the attributes that shall attach to such classes or series of Units and whether any class or series of Units may or will be redesignated as a different class or series of Units from time to time. Any class or series of Units created and authorized for the Trust and not set out above shall be as shown from time to time in a supplemental document pursuant to Article 14.

(b) Each holder of a Common Unit shall be entitled to the rights and privileges and be subject to the limitations, restrictions and conditions pertaining to the Common Units as set out in this Declaration of Trust, including those set forth in Schedule C hereto, and the proportionate interest in the Trust of each holder of Common Units, in relation to the aggregate interest of all holders of Common Units, shall be determined by the

number of Common Units registered in the name of such holder and recorded on the Register for the Common Units.

(c) Each holder of a Preferred Trust Unit shall be entitled to the rights and privileges and be subject to the limitations, restrictions and conditions pertaining to the Preferred Trust Units as set out in this Declaration of Trust, including those set forth in Schedule C hereto, and except as set forth herein, the proportionate interest in the Trust of each holder of Preferred Trust Units of a particular class or series, in relation to the aggregate interest of all holders of such class or series of Preferred Trust Units, shall be determined by the number of Preferred Trust Units registered in the name of such holder and recorded on the Register for the Preferred Trust Units.

3.2 Authorized Number of Securities

The aggregate number of Common Units which are authorized and may be issued hereunder is unlimited. The aggregate number of Preferred Trust Units which are authorized and may be issued hereunder is unlimited. The aggregate number of Other Trust Securities which are authorized and may be issued hereunder is unlimited.

3.3 Issue of Securities

Trust Units and Other Trust Securities may be created, issued, sold and delivered at the times, to the persons (subject to Section 3.8), in the jurisdictions, for the consideration and otherwise on the terms and conditions (including, in the case of Exchangeable Securities, the applicable conversion or exercise price thereof) that the Trustees determine in their absolute discretion, including pursuant to Unitholder rights plans, distribution reinvestment plans, unit purchase plans or incentive option or other compensation plans. The Trustees may provide for the payment by the Trust of commissions in connection with the distribution of Trust Units and/or Other Trust Securities from the Trust or from any other person or procuring or agreeing to procure purchasers for Trust Units or Other Trust Securities, or may allow for discounts to persons as consideration for such persons subscribing, or agreeing to subscribe, whether absolutely or conditionally, for Trust Units or Other Trust Securities or as consideration for such persons agreeing to procure subscriptions for Trust Units or Other Trust Securities, whether absolute or conditional, all of the foregoing on such terms and conditions as the Trustees determined in their discretion.

3.4 Subdivision or Consolidation of Trust Units

The Trustees may, in their discretion at any time and from time to time, (a) subdivide each class or series, or any one of the classes or series, of Trust Units outstanding at any time so that the number of outstanding Trust Units in such class or series may be increased, or (b) consolidate each class or series, or any one of the classes or series, of Trust Units outstanding at any time so that the number of outstanding Trust Units in such class or series may be decreased.

3.5 Trust Units Fully Paid and Non-Assessable

(a) Subject to allowable discounts (if any) as referred to in Section 3.3, Trust Units are only to be issued when fully paid, and are not to be subject to future calls or assessments; provided that any Trust Units issued under any Offering may be issued for consideration payable in installments and that the Trust may take security over any Trust Units as security for unpaid installments and assign the benefit of all or part of such security.

(b) The consideration for any Trust Unit issued by the Trust may be paid in money, property (which may include a promissory note or a promise to pay given by the allottee, including an obligation to pay consideration in installments) or past services that are not less in value than the fair equivalent of the money that the Trust would have received if the Trust Unit had been issued for money, provided that property may include a promissory note or promise to pay given by the allottee. In determining whether property or past services are the fair equivalent of monetary consideration, the Trustees or the Administrator may take into account reasonable charges and expenses of organization and reorganization and payments for property and past services reasonably expected to benefit the Trust, and the resolution of the Trustees or the Administrator allotting and issuing those Units shall express the fair equivalent in money of the non-cash consideration received.

3.6 No Conversion, Retraction, Redemption or Pre-Emptive Rights

No person shall be entitled, as a matter of right, to subscribe for or purchase any Trust Unit, and except as expressly set forth herein, there are no conversion, retraction, redemption or pre-emptive rights attaching to either the Common Units or the Preferred Trust Units as a class.

3.7 Exchangeable Securities

Concurrent with the issuance of any Exchangeable Securities, the Trust may enter into such agreements, including exchange agreements and exchangeable security support agreements, as may be necessary or desirable to properly provide for the terms and conditions of the Exchangeable Securities, including voting rights at meetings of Unitholders, coattail provisions for the Trust Units in the event of a non-exempt take-over bid for the Exchangeable Securities and the conversion, exercise, redemption or exchange of such Exchangeable Securities for Trust Units.

3.8 Limitation on Non-Resident Ownership

(a) It is in the best interest of the Unitholders that the Trust always qualify as a mutual fund trust and this requires, among other things, that the Trust shall not be established or maintained primarily for the benefit of Non-Residents. Accordingly, for so long as it is required by the Income Tax Act for the Trust to maintain its status as a mutual fund trust, at no time may Non-Residents be the beneficial owners of more than 49% of the outstanding Trust Units, on a non-diluted basis, on a fully-diluted basis (which includes, for greater certainty, Trust Units issuable pursuant to outstanding Other Trust Securities) and on a fair market value basis. The Trustees shall inform the Transfer Agent of this restriction (the "**Non-Resident Restriction**"), and it shall be the responsibility of the Administrator to monitor compliance by the Trust with the Non-Resident Restriction in accordance with the published policies of the relevant taxation authority, and to take all such actions as may be reasonably be undertaken on behalf of the Trust to cause the Trust to retain its mutual fund trust status.

(b) Notwithstanding anything herein contained, the Trustees or Administrator (or any delegate thereof) may (at the expense of the Trust), at any time and from time to time, take all such actions as it determines in its discretion to be reasonable and practicable in the circumstances in order to maintain and facilitate compliance by the Trust with the Non-Resident Restriction, including (i) obtaining declarations from Unitholders, Beneficial Unitholders and holders of Other Trust Securities as to whether such securities held thereby are held by or for the benefit of Non-Residents, or declarations

from Unitholders, Beneficial Unitholders and holders of Other Trust Securities as to the jurisdictions in which beneficial owners of such securities of the Trust are resident for Canadian income tax purposes, (ii) performing residency searches of securityholder and beneficial holder mailing address lists to determine or estimate, to the extent practicable, the residence for Canadian income tax purposes of Beneficial Unitholders and beneficial holders of Other Trust Securities, and (iii) placing such other limits on ownership of Units and Other Trust Securities by Non-Residents as the Trustees or Administrator may deem necessary or appropriate in their sole discretion to maintain the Trust's status as a mutual fund trust.

(c) If at any time the Administrator determines that it is in the interest of the Trust, the Administrator may:

(i) require the Trust and the Transfer Agent (if one has been appointed) to refuse to accept a subscription for securities of the Trust from, or issue or register a transfer of securities of the Trust to, a person unless the person provides a declaration to the Administrator and the Transfer Agent (if appointed), in form and substance satisfactory to the Administrator, that the securities of the Trust to be issued or transferred to such person will not when issued or transferred be beneficially owned by a Non-Resident;

(ii) send a notice to registered holders of securities of the Trust that are beneficially owned by Non-Residents, chosen in inverse order to the order of acquisition or registration of such securities beneficially owned by Non-Residents, or chosen in such other manner as the Administrator may consider equitable and practicable, requiring such Non-Resident holders to sell or redeem their securities of the Trust, or a specified portion thereof, to a Resident or Residents within a specified period of not less than 60 days or such shorter period as may be, in the Administrator's opinion, required to preserve the status of the Trust as a mutual fund trust. The Administrator may also refuse the issuance of Units to facilitate a conversion, exchange or exercise of Other Trust Securities if to do so might, in the Administrator's opinion, cause the Trust to lose its status as a mutual fund trust. If the holders of securities of the Trust receiving such notice have not, within such specified period, sold the specified number of such securities or provided the Administrator and the Transfer Agent (if appointed) with evidence satisfactory to the Administrator that such securities are not beneficially owned by Non-Residents, the Administrator may, on behalf of such registered holder of securities of the Trust, sell such securities and, in the interim and to the extent applicable, the voting and distribution rights attached to such securities of the Trust shall, notwithstanding anything to the contrary contained herein, be deemed to have been suspended. Any such sale shall be made in such manner the Administrator shall determine, and upon such sale, the affected securityholders shall cease to be holders of such securities so disposed of and their rights shall be limited to receiving the net proceeds of sale (net of applicable taxes, withholding taxes and costs of sale) upon surrender of the certificates representing such securities, if applicable;

(iii) redeem Trust Units in accordance with Article 6 hereof, *mutatis mutandis*; and

(iv) take any and all such other actions as the Administrator determines may be necessary or appropriate in the circumstances to reduce or limit the number of

securities of the Trust held by Non-Residents to ensure that the Trust is not established or maintained primarily for the benefit of Non-Residents.

(d) None of the Administrator, the Trustees or the Transfer Agent, or any of their respective directors, officers, employees or agents, shall have any liability in connection with sales of securities of the Trust made pursuant to this Section 3.8 and 5.9, including in respect of the amounts received upon such sales and the costs incurred in connection with such sales, or otherwise be liable for any determinations whatsoever made pursuant to this Section 3.8, and no such liability shall accrue to or be borne by the Trust.

(e) Notwithstanding anything contained herein, none of the Administrator, the Trustees or the Transfer Agent, or any of their respective directors, officers, employees or agents, or any Unitholder, Beneficial Unitholder or annuitant, shall be liable for a determination that the Trust is established or maintained primarily for the benefit of Non-Residents during the term of the Trust, and no such liability shall accrue to or be borne by the Trust.

(f) It is acknowledged that at any time that Units are registered in the name of depositories or other non-beneficial holders, the ability of the Administrator to monitor compliance by the Trust with the Non-Resident Restriction will be limited, and in this regard the Administrator shall be entitled to rely on information respecting the residency of Unitholders and Beneficial Unitholders provided to the Administrator by the Transfer Agent and CDS Participants and the Administrator may exercise its discretion in making any determination or taking any action under this Section 3.8, and any reasonable and bona fide exercise of such discretion shall be binding for the purpose of this Section 3.8.

(g) Neither the Trustees nor the Administrator shall be deemed to have notice of any violation of this Section 3.8 unless and until it has been provided with written notice of such violation. The Trustees shall only be required to act in respect of this Section 3.8 upon first being provided with a satisfactory indemnity from the Trust in addition to that provided pursuant to Article 12.

(h) Notwithstanding any other provision of this Declaration of Trust, unless determined otherwise by the Administrator, Non-Residents, whether registered holders or beneficial holders of securities of the Trust, shall not be entitled to vote in respect of any Special Resolution to amend this Section 3.8.

(i) The Trustees, upon determining at any time that it is advisable to do so to assist maintaining the status of the Trust as a mutual fund trust, may proceed to reclassify the outstanding Units of each class of Units of the Trust into two separate classes of units such that the ownership of one such class would be restricted to Residents while ownership of the other such class would not be subject to any restriction on ownership. If the Trustees were to proceed with this amendment, the Trustees may also amend the Declaration of Trust to provide that the number of outstanding Units owned by Residents must at all times exceed the number of outstanding Units owned by Non-Residents for so long as such restriction may be required by the Income Tax Act for the Trust to maintain its status as a mutual fund trust.

(j) The Trustees, upon determining at any time that it is advisable to do so because classification of the outstanding Units of each class of Units of the Trust into two

separate classes of units, as described above, is no longer advisable or necessary to assist the Trust in maintaining its status as a mutual fund trust, may proceed to declassify the Units of each class of Units of the Trust.

(k) If the Income Tax Act is (or is proposed to be) amended in a manner which places new restrictions on Non-Residents beneficially owning Units, the Trustees may take any action they consider necessary to ensure, to the extent practicable, that the Trust maintains its status as a mutual fund trust.

3.9 Declaration as to Beneficial Owner

The Trustees or Administrator may require any Unitholder as shown on the register of Unitholders to provide a declaration, in a form prescribed by the Trustees, as to the beneficial owner of Trust Units registered in such Unitholder's name and as to the jurisdiction in which such beneficial owner is resident for Canadian income tax purposes, and the Unitholder shall comply with any such request.

3.10 Use of Book-Entry System

The Trustees may, at any time that they so determine and without the necessity for any prior approval by Unitholders, commence utilization of the Book-Entry System with respect the Common Units, Preferred Trust Units or both, and thereupon the Units (whether Common Units, Preferred Trust Units or both, as the case may be) shall be represented in the form of one or more global unit certificates which shall be registered in the name of, and deposited with, CDS or a nominee thereof (collectively, the "**Depositary**"), as custodian of such global unit certificate. Beneficial interests in such global unit certificate will be represented only through the Book-Entry System and transfers of Units between CDS Participants shall occur in accordance with the Depositary's rules and procedures.

Global unit certificate(s) shall be in such form as is from time to time authorized by the Trustees or Administrator and may be in English only and may be engraved, printed or lithographed, or partly in one form and partly in another, as the Trustees or Administrator may determine, and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may be required hereunder, or as may be necessary to comply with applicable laws, or as may be determined by the Administrator or Trustees. In connection with any removal, or request for removal, of any legend or endorsement on a global unit certificate(s), the Administrator shall be entitled to require, among other things, such declarations and such opinions, from appropriate persons, as it considers prudent or necessary.

3.11 Unit Certificates

Each Unitholder, with respect to each class or series of Trust Units held thereby while not held within the Book-Entry System, shall be entitled to a Unit Certificate bearing an identifying serial number in respect of the Trust Units of such class(es) or series held by it and signed in the manner hereinafter prescribed. The Trust is not obligated to issue a Unit Certificate to a Unitholder for the Trust Units owned thereby until such Unitholder requests receipt of a Unit Certificate to evidence the Trust Units owned thereby. The non- issue of a Unit Certificate to evidence Trust Units owned by a Unitholder shall not affect the interest of that Unitholder in the Trust, which interest shall be determined by the number of Units owned by such Unitholder as recorded on the Registers.

The Trust is not bound to issue more than one Unit Certificate in respect of any Trust Unit(s) held jointly or in common by two or more persons, and delivery of a Unit Certificate to one of them shall be sufficient delivery to all.

3.12 Execution of Unit Certificates

Unit Certificates for Trust Units shall be signed on behalf of the Trust by the Trustees or the Administrator and by the Transfer Agent, if one has been appointed by the Trust, in respect of the particular class or series of Trust Units in question. The signature of the Trustees or Administrator required on Unit Certificates may be printed or otherwise mechanically reproduced thereon and Unit Certificates so signed are as valid as if they had been signed manually. If a Unit Certificate contains a printed or mechanically reproduced signature of a person, then the Trust may issue the Unit Certificate even though the person has ceased to be an authorized representative of the Trustees or Administrator, as the case may be, and such Unit Certificate is as valid as if the person continued to be an authorized representative of the Trustees or Administrator at the date of its issue. Provided a Transfer Agent has been appointed by the Trust, no Unit Certificates representing Trust Units shall be valid unless countersigned by or on behalf of the applicable Transfer Agent.

3.13 Certificate Fee

The Trustees may establish a reasonable fee to be charged for every Unit Certificate issued.

3.14 Form of Unit Certificate

Unit Certificates shall be in such form as is from time to time authorized by the Trustees. The definitive form(s) of the Unit Certificates for each class or series of Trust Units may be in English only or, in the discretion of the Trustees, in the English and French languages. Unit Certificates may be engraved, printed or lithographed, or partly in one form and partly in another, as the Trustees may determine and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may be required hereunder or as may be necessary to comply with applicable law and the rules of any securities regulatory authority or marketplace, or as may otherwise be determined by the Trustees or the Administrator. In connection with any removal, or request for removal, of any legend or endorsement on the Unit Certificates the Trustees or the Administrator shall be entitled to require, among other things, such declarations as to residency and such opinions, from appropriate persons (including Unitholders), as it considers necessary or desirable.

Until another form of Unit Certificate for the Common Units is authorized by the Trustees, the form of Unit Certificate set forth in Schedule A is hereby approved as the Unit Certificate for the Common Units issued hereunder.

Until another form of Unit Certificate for the Preferred Trust Units is authorized by the Trustees, the form of Unit Certificate set forth in Schedule B is hereby approved as the Unit Certificate for the Preferred Trust Units issued hereunder.

3.15 Fractional Units

If as a result of any act of the Trustees hereunder any person becomes entitled to a fraction of a Trust Unit, such person shall not be entitled to receive a Unit Certificate therefor. Fractional Trust Units of a class or series which entitle the holders thereof to vote at meetings of Unitholders shall not, except to the extent that they may represent in the aggregate one or more whole Trust Units held by the same holder, entitle the holders thereof to notice of, or to attend or to vote at, meetings of Unitholders. Subject to the foregoing, fractional Trust Units of a particular class or series shall have attached thereto the rights, restrictions, conditions and limitations attaching to whole Trust Units of such class or series in the proportion that they bear to a whole Trust Unit.

3.16 Trust Unit Register

A register (the "**Register**" and where more than one, the "**Registers**") shall be kept by, or on behalf and under the direction of, the Trustees in respect of each class of Trust Units, and each Register shall contain the names and addresses of Unitholders, the respective numbers of Trust Units held by such Unitholders, a record of all transfers of such Trust Units, and the certificate numbers of the Unit Certificates held by each such Unitholder if, in accordance with Section 3.11, a Unit Certificate has been requested and issued to a Unitholder in respect of the Trust Units held thereby.

There shall be a Transfer Agent to act as transfer agent and registrar for each class or series of Units and to provide for the transfer of Units in Alberta and at such other places in Canada as the Trustees may request and the Transfer Agent has offices. The Trustees shall designate which branch registers will be maintained, if any. The Trustees may, in their discretion, remove and replace the Transfer Agent for the Units.

The Transfer Agent shall keep all necessary registers and other books (which may be kept in a bound or loose-leaf book or may be entered or recorded by any system of mechanical or electronic data processing or any other information storage device) for recording original issues and registering and transferring those Trust Units in respect of which it acts as registrar and transfer agent. Except as may otherwise be provided in this Declaration of Trust, only persons whose Trust Units are recorded on the Registers shall be entitled to vote or to receive distributions, as the case may be, or otherwise exercise or enjoy the rights of Unitholders.

3.17 Entry on Register

Upon any issue of Trust Units, the name of the subscriber or other person entitled to such Trust Units shall be promptly entered on the appropriate Register as the owner of the number of Trust Units issued to such subscriber or other person, or if the subscriber is already a Unitholder, the Register(s) shall be amended to include such subscriber's additional Trust Units.

3.18 Transfer of Units

(a) Subject to the provisions of this Article 3, Trust Units shall be transferable on the applicable Register or one of the branch transfer registers of Unitholders of the Trust only by the Unitholders of record thereof or their executors, administrators or other legal representatives or by their agents hereunto duly authorized in writing.

(b) No Unitholder shall sell, transfer, assign or otherwise dispose of its Units, in whole or in part, to any other person (herein a "**Transferee**") except with the consent of the Administrator and in compliance with applicable securities laws and this Declaration of Trust. No such sale, transfer, assignment or other disposition of Trust Units shall be effective as against the Trustees or shall be in any way binding upon the Trustees unless the following terms and conditions are met:

(i) delivery to the Transfer Agent of (i) a duly executed instrument of transfer and accompanied by all necessary transfer or other taxes imposed by law, and (ii) the Unit Certificate(s) representing such Trust Units being transferred (if certificates representing such Trust Units have been issued) properly endorsed, and, in each case, accompanied by evidence of the genuineness of such endorsement, execution and authorization;

(ii) reporting to the Trustees or Administrator the details concerning the transfer, including name, address, citizenship and country of residence of the Transferee, as well as the price per Unit at which the sale and transfer has occurred together with such other information as the Trustees or Administrator may reasonably request, and evidenced by appropriate documentation;

(iii) any outstanding liabilities of the transferor to the Trust shall have been paid, or arrangements made satisfactory to the Trustees or Administrator for the assumption of such liabilities by the Transferee; and

(iv) the transfer has been recorded on the applicable Register or one of the branch transfer registers maintained by the Transfer Agent.

(c) The Trustees or Administrator may, in their discretion, waive any or all of the aforementioned terms and conditions, in whole or in part, in respect to a transfer of Units.

3.19 Successors in Interest to Unitholders

Upon a person becoming entitled to any Trust Units as a consequence of the death, bankruptcy or incapacity of any Unitholder or otherwise by operation of law, and upon production by such person of such documentation as the Trustees may reasonably require in order to evidence such entitlement of such person, such person shall be recorded in the Registers as the holder of such Trust Units and shall receive (subject to the Book-Entry System not being applicable to such Trust Units), upon request, a new Unit Certificate therefor upon production of evidence of such entitlement satisfactory to the Trustees and delivery of the existing Unit Certificate to the Transfer Agent (if certificates representing such Trust Units have been issued), but until such record is made, the Unitholder of record shall continue to be and be deemed to be the holder of such Trust Units for all purposes whether or not the Trust, the Trustees, the Administrator or the Transfer Agent shall have actual or other notice of such death, bankruptcy, incapacity or other event.

3.20 Trust Units Held Jointly or in Fiduciary Capacity

The Trust may treat two or more persons holding any Trust Unit as joint owners of the entire interest therein unless the ownership is expressly otherwise recorded on the Registers, but no entry shall be made in the Registers or on any Unit Certificate that any person is in any other manner entitled to any future, limited or contingent interest in any Unit; provided, however, that any person recorded in the Registers as a Unitholder may, subject to the provisions herein contained, be described in the Registers or on any Unit Certificate as a fiduciary of any kind and any customary words may be added to the description of the holder to identify the nature of such fiduciary relationship; provided further that none of the Trust, the Trustees, the Administrator or the Transfer Agent shall be required to recognize a person as having any interest in the Unit, other than the person recorded in the Registers as the holder of such Unit.

3.21 Performance of Trusts

None of the Trustees, the Administrator, the Unitholders, the Transfer Agent or other agent of the Trust shall have a duty to inquire into any claim that a transfer of a Trust Unit was or would be wrongful or that a particular adverse person is the owner of or has an interest in the Trust Unit or any other adverse claim, or be bound to see to or ensure the performance of any trust, express, implied or constructive, or of any charge, pledge or equity to which any of the Trust Units or any interest therein are

or may be subject, or to ascertain or inquire whether any sale or transfer of any such Trust Units or interest therein by any Unitholder or their personal representatives is authorized by or under such trust, charge, pledge or equity, or to recognize any person as having any interest therein except for the person recorded as Unitholder of such Unit.

3.22 Lost Unit Certificates

In the event that any Unit Certificate is lost, stolen, destroyed or mutilated, the Trustees may authorize the issuance of a new Unit Certificate for the same number and class or series of Trust Units *in lieu* thereof and the Trustees may in their discretion, before the issuance of such new Unit Certificate, require the owner of the lost, stolen, destroyed or mutilated Unit Certificate, or the legal representative of the owner, to make such affidavit or statutory declaration, setting forth such facts as to the loss, theft, destruction or mutilation as the Trustees deem necessary and may require the applicant to supply to the Trust a "lost certificate" or similar bond in such reasonable amount as the Trustees direct indemnifying the Trustees and the Transfer Agent for so doing. The Trustees shall have the power to acquire from an insurer or insurers a blanket lost certificate security bond or bonds in respect of the replacement of lost, stolen, destroyed or mutilated Unit Certificates. The Trust shall pay all premiums and other sums of money payable for such purpose out of the property of the Trust with such contribution by the owner of the lost, stolen, destroyed or mutilated Unit Certificate as may be determined by the Trustees. If such blanket lost certificate security bond is acquired, the Trustees may authorize and direct (upon such terms and conditions as they may from time to time impose) the Transfer Agent, the Trustees, or others to whom the indemnity of such bond extends, to take such action to replace such lost, stolen, destroyed or mutilated Unit Certificates without further action or approval by the Trustees.

3.23 Death of Unitholders

The death of a Unitholder during the continuance of the Trust shall not terminate the Trust or any of the mutual or respective rights and obligations created by or arising under this Declaration of Trust nor give such Unitholder's personal representatives, or the heirs of the estate of the deceased Unitholder, a right to an accounting or to take any action in the courts or otherwise against other Unitholders or the Trustees or the property of the Trust, but shall only entitle the personal representatives or the heirs of the estate or succession of the deceased Unitholder, in accordance and upon compliance with the provisions of Section 3.19, to succeed to all rights of the deceased Unitholder under this Declaration of Trust.

3.24 Unclaimed Payments

In the event that the Trustees shall hold any money or property distributable or otherwise payable hereunder which is unclaimed or which cannot be paid for any reason, neither the Trustees nor any distribution disbursing agent shall be under any obligation to invest or reinvest the same and they shall only be obliged to hold the same in a current or other non-interest-bearing account pending payment to the person or persons entitled thereto. The Trustees may at any time pay all or part of such amounts so held, net of any amount required to be withheld by the Income Tax Act, to the public trustee or a court in the province where the Trust has its head office (or to such other appropriate government official or agency) whose receipt shall be a good release, acquittance and discharge of the obligations of the Trustees with respect thereto. If any such amount of money or property distributable or otherwise payable hereunder is not claimed by and paid to the person entitled thereto within two (2) years from the date on which the amount became distributable or payable, the amount, to the extent not lodged with the public trustee, court or other government official or agency (as aforesaid), shall be forfeited to, and retained by, the Trust and any right or claim to payment of such amount by the person previously entitled thereto shall cease to represent a right or claim of any kind or nature by such person.

3.25 Exchanges of Trust Unit Certificates

Unit Certificates representing any number of Trust Units may be exchanged for Unit Certificates representing an equivalent number of Trust Units of the same class or series, in the aggregate. Any exchange of Unit Certificates may be made at the offices of the Trustees or at the offices of any Transfer Agent where registers are maintained for the Unit Certificates pursuant to the provisions of this Article 3. Any Unit Certificates tendered for exchange shall be surrendered to the Trustees or appropriate Transfer Agent and shall be cancelled. The Unitholder shall be responsible for all transfer and exchange fees associated with any such exchange.

3.26 Adjustments and Lien

If any Unitholder receives a distribution of Distributable Cash or otherwise receives monies from the Trust which exceed its entitlement hereunder, then that Unitholder shall forthwith repay to the Trust such excess amount upon demand by the Trustees or Administrator and, in the absence of such repayment, the Trust shall be entitled to deduct such excess amount from any subsequent distribution from the Trust to such Unitholder. Further, where any Unitholder is indebted to the Trust for any reason, the Trustees or the Administrator shall be entitled to set off such indebtedness in whole or in part as against any distribution such Unitholder would otherwise be entitled to hereunder. In the event that a Unitholder is indebted to the Trust for any reason, the Trust shall have, without the necessity of any notice, demand, formality or act whatsoever, a lien and security interest against and in respect of the Trust Units and other securities of the Trust (if any) registered in the name of or beneficially owned by that Unitholder and the Trust shall be entitled to take all actions, in accordance with law, to protect and enforce such lien or security interest.

3.27 Repurchase of Securities

The Trust has the right and entitlement, and is authorized and empowered, to offer to any one or more holders of Trust Units or Other Trust Securities, as the Trustees determine, and upon acceptance of such offer by the holder of such Trust Units or Other Trust Securities (as the case may be) to whom such offer was made, to purchase for cancellation, at any time, by private agreement or otherwise, the whole or from time to time any part of the outstanding Trust Units, or Other Trust Securities, in respect of which the offer was accepted, at a price per security and on a basis as determined by the Trustees but in compliance with all applicable laws, rules, regulations or policies governing same. For greater certainty, such offers may be made to one or more holders of Trust Units to the exclusion of other holders of Trust Units. In addition, the Trust has the right to undertake and complete all purchases as may be necessitated as a result of subscribers exercising, in connection with any Offering, their statutory or contractual (as the case may be) rights of withdrawal or rescission. Trust Units purchased by the Trust will be cancelled. The Trustees may from time to time adopt policies governing the repurchase of Trust Units or Other Trust Securities by the Trust.

3.28 Take-Over Bids

(a) In the event of a take-over bid for any Units, any holder of Exchangeable Securities which are convertible, exercisable or exchangeable for Units (as provided for through agreements entered into by the Trust) may, unless prohibited by the terms and conditions of the Exchangeable Security, convert, exercise or exchange such Exchangeable Security, as applicable, for the purpose of tendering to the bid Units subject to the take-over bid on the condition that such Units are taken up under such bid, unless an identical offer (in terms of price per Unit issuable upon the conversion, exercise or exchange of the Exchangeable Security and percentage of outstanding

securities to be taken up exclusive of securities owned immediately prior to the offer by the offeror, or associates or affiliates of the offeror, and in all other material respects) is made concurrently by the offeror to purchase the Exchangeable Securities, which identical offer has no condition attached other than the right not to take up and pay for securities tendered if no securities are purchased pursuant to the offer for Units. In the event that a holder of Exchangeable Securities elects to conditionally convert, exercise or exchange such Exchangeable Securities for the purpose of tendering the underlying Units to such take-over bid, the tendering of a certificate issued by the Trust indicating that the Unit is issuable upon and subject to completion of the take-over bid shall be good delivery under such bid and after payment of the consideration therefor to the former holder of the Exchangeable Security such holder shall cease to have any rights as a holder of Exchangeable Securities or underlying Units to the extent that the Units issuable upon the conversion, exercise or exchange of such Exchangeable Securities have been taken up.

(b) If there is a take-over bid for all of the outstanding Units and, within 60 days after the date of such take-over bid, the bid is accepted by holders holding not less than 90% of the Units (which includes (i) where the bid includes a bid for Exchangeable Securities, Units issuable upon conversion, exercise or exchange of Exchangeable Securities, and (ii) where the bid does not include a bid for Exchangeable Securities, Units issuable upon conversion, exercise or exchange of Exchangeable Securities unless conversion, exercise or exchange of such Exchangeable Securities for the purpose of tendering the underlying Units to the bid is expressly prohibited by the terms and conditions of the Exchangeable Securities) (collectively such Units subject to the bid are herein referred to as the "**Bid Units**"), other than Bid Units held by or on behalf of, or issuable to, the offeror or an affiliate or associate of the offeror on the date of the take-over-bid, the offeror is entitled, on complying with this Section 3.28, to acquire the Bid Units held by the non-tendering offerees.

(c) An offeror may acquire Bid Units held by a non-tendering offeree by sending by registered mail within 30 days after the date of termination of the take-over bid, an offeror's notice to each non- tendering offeree stating that:

(i) offerees holding not less than 90% of the Bid Units accepted the take-over bid;

(ii) the offeror is bound to take up and pay for, or has taken up and paid for, the Bid Units of the offerees who accepted the take-over bid;

(iii) a non-tendering offeree is required to transfer his Bid Units to the offeror on the terms on which the offeror acquired the Bid Units of the offerees who accepted the take-over bid; and

(iv) a non-tendering offeree who is a Unitholder and who does not transfer his Bid Units within 21 days after it receives the offeror's notice hereunder is deemed to have elected to transfer, and to have transferred, his Bid Units on the same terms that the offeror acquired Bid Units from the offerees who accepted the take-over bid, and a non-tendering offeree who is a holder of Exchangeable Securities and who does not transfer his Bid Units underlying the Exchangeable Securities within 21 days after it receives the offeror's notice hereunder is deemed to have converted, exercised or exchanged such Exchangeable Securities and to have elected to transfer, and to have transferred, the underlying Bid Units to the

offeror on the same terms that the offeror acquired the Bid Units issuable pursuant to outstanding Exchangeable Securities from the offerees who accepted the take-over bid.

(d) Concurrent with sending the offeror's notice under Section 3.28(c), the offeror shall send to the Trust a notice of adverse claim disclosing the name and address of the offeror and the name of the non-tendering offeree with respect to each Bid Unit held by a non-tendering offeree.

(e) A non-tendering offeree to whom an offeror's notice is sent under Section 3.28(c) shall, within 21 days after it receives that notice, send its Bid Units and/or Exchangeable Securities which are convertible, exercisable or exchangeable for Bid Units (or, if the non-tendering offeree has converted, exercised or exchanges such Exchangeable Securities, the underlying Bid Units), or cause same to be sent, to the Trust.

(f) Within 21 days after the offeror sends an offeror's notice under Section 3.28(c), the offeror shall pay or transfer to the Trust the amount of money or other consideration that the offeror would have had to pay or transfer to a non-tendering offeree if the non-tendering offeree had tendered under the take-over bid.

(g) The Trust is deemed to hold on behalf of the non-tendering offeree the money or other consideration it receives under Section 3.28(f), and the Trust shall deposit the money in a separate account in a bank or other body corporate any of whose deposits are insured by the Canada Deposit Insurance Corporation (or any successor thereof), and shall place the other consideration in the custody of a bank or such other body corporate. No such monies or other consideration shall form any part of the Trust Property.

(h) If the money or other consideration is deposited with the Trust as required by Section 3.28(f) above, then:

(i) with respect to each of those non-tendering offerees who have complied with Section 3.28(e), (i) Bid Units held by a non-tendering offeree shall be deemed to be cancelled and the Trust shall, without delay upon being satisfied that the Bid Units have been received by or transferred to the Trust in accordance with Section 3.28(e), send to such non- tendering offeree the portion of the money or other consideration deposited with the Trust as required by Section 3.28(f) above and to which such non-tendering offeree is entitled, and (ii) Exchangeable Securities held by a non-tendering offeree shall be deemed converted, exercised or exchanged and the underlying Bid Units deemed to be cancelled and the Trust shall, without delay upon being satisfied that the Exchangeable Securities or the underlying Bid Units (where such non-tendering offeree has converted, exercised or exchanged such Exchangeable Securities) have been received by or transferred to the Trust in accordance with Section 3.28(e), send to such non-tendering offeree the portion of the money or other consideration deposited with the Trust as required by Section 3.28(f) above and to which such non-tendering offeree is entitled; and

(i) with respect to each of those non-tendering offerees who have not complied with Section 3.28(e), the Trust shall send to each such non-tendering offeree a notice stating that:

(A) his or her Bid Units and/or Exchangeable Securities have been transferred to the offeror;

(B) the Trustees or some other person designated in such notice are holding in trust the consideration for such Bid Units and/or Exchangeable Securities; and

(C) the Trustees, or such other person, will send the consideration to such non-tendering offeree as soon as practicable after receiving such non-tendering offeree's Bid Units and/or Exchangeable Securities which are convertible, exercisable or exchangeable for Bid Units (or, if the non-tendering offeree has converted, exercised or exchanges such Exchangeable Securities, the underlying Bid Units), together with such other documents as the Trustees or such other person may require;

and the Trustees (with the ability to act individually) are hereby appointed the agent and attorney of the non-tendering offerees for the purposes of giving effect to the foregoing provisions.

(ii) The Trust shall cause the terms, conditions, restrictions, rights and obligations of Exchangeable Securities to contain corresponding provisions as may be reasonably necessary or desirable to give effect to this Section 3.28, including, without limitation, provisions to effect the automatic conversion, exercise or exchange of Exchangeable Securities by a non-tendering offeree holder thereof or redemption by the issuer of such Exchangeable Securities.

3.29 Power of Attorney

Each Unitholder hereby grants to the Trustees a power of attorney constituting the Trustees (whether acting individually or collectively), with full power of substitution, as his true and lawful attorney to act on his behalf, with full power and authority in his name, place and stead, to execute, under seal or otherwise, swear to, acknowledge, deliver, make, file or record (and to take all requisite actions in connection with such matters), when, as and where required:

(a) this Declaration of Trust and any other instrument required or desirable to qualify, continue and keep in good standing the Trust as a mutual fund trust in all jurisdictions that the Trustees deem appropriate and to ensure that the Trust is not a SIFT trust in all jurisdictions that the Trustees deem appropriate;

(b) any instrument, deed, agreement or document in connection with carrying on the affairs of the Trust as authorized in this Declaration of Trust, including all conveyances, transfers and other documents required to effect any sale, transfer, repurchase or other disposition of Trust Units necessitated, required or permitted under Section 3.8, 3.18, 5.9 or 5.10;

(c) all conveyances, transfers and other documents required in connection with the dissolution, liquidation or termination of the Trust in accordance with the terms of this Declaration of Trust;

(d) any and all elections, determinations or designations whether jointly with third parties or otherwise, under the Income Tax Act or any other taxation or other legislation or similar laws of Canada or of any other jurisdiction in respect of the affairs of the Trust or of a Unitholder's interest in the Trust;

(e) any instrument, certificate and other documents necessary or appropriate to reflect and give effect to any amendment to this Declaration of Trust which is authorized from time to time as contemplated by Article 9; and

(f) all transfers, conveyances and other documents required to deal with Trust Units and/or Exchangeable Securities of non-tendering offerees pursuant to Section 3.28, including to facilitate transfers, acquisitions and dispositions of such securities; and

(g) any instrument, deed, agreement or document as may be necessary or appropriate in connection with carrying on the business and undertaking of the Trust;

and, for further certainty, it is acknowledged and agreed by each Unitholder that the Trustees may exercise any of the powers granted under this power of attorney irrespective of whether the Administrator has been expressly authorized herein to take any such actions referred to above, and that the Trustees may substitute the Administrator as a delegate, in whole or in part, of the powers granted herein.

The power of attorney granted herein is, to the extent permitted by applicable law, irrevocable, is a power coupled with an interest, and shall survive the insolvency, death, mental incompetence, disability and any subsequent legal incapacity of the Unitholder and shall survive the assignment by the Unitholder of all or part of the Unitholder's interest in the Trust and will extend to and bind the heirs, executors, administrators and other legal representatives and successors and assigns of the Unitholder. Each Unitholder agrees to be bound by any representations or actions made or taken by the Trustees or its delegate pursuant to this power of attorney and hereby waives any and all defences which may be available to contest, negate or disaffirm any actions taken by the Trustees in good faith under this power of attorney. The Trustee may require, in connection with the subscription for, or any transfer of, Units, that the subscription form or transfer form be accompanied by a certificate of legal advice signed by a lawyer or that the execution of the subscription form or transfer form be witnessed as may be required by any applicable laws. This power of attorney shall continue in respect of each and every one of the Initial Trustees so long as they are a Trustee of the Trust, and shall also continue in respect of a new Trustee as if the new Trustee was an Initial Trustee hereunder.

Without limiting any other manner in which this power of attorney may be exercised by the Trustees, whether acting individually or collectively, on behalf of one or more Unitholders (irrespective of class or series), the Trustees may (i) in executing any instrument on behalf of all Unitholders or all Unitholders of one class, execute such instrument (irrespective of whether the Unitholders are referred to collectively as "Unitholders", or whether there is a listing of all of the Unitholders on whose behalf the instrument is being executed) with the signature of one or more Trustees indicating such execution is as attorney and agent for all of such Unitholders, and (ii) in executing any instrument on behalf of one or more but less than all the Unitholders or all the Unitholders of one class or series, execute such instrument with the signature of one or more Trustees indicating such execution is as attorney and agent

for those Unitholders on whose behalf the instrument is being executed, and then listing the names of each such Unitholder.

ARTICLE 4
UNDERTAKING OF THE TRUST

4.1 Undertaking of the Trust

The activities and undertaking of the Trust is restricted to:

(a) acquiring, holding, transferring, disposing of, investing in, lending to, and otherwise dealing with, assets, securities (whether debt or equity) and other interests or properties of whatever nature or kind of (except for real property or an interest in real property unless any such real property or interest in real property is capital property of the Trust), or issued by, any person (including the Partnership) and making such other investments as the Trustees determine;

(b) holding cash and other investments in connection with and for the purposes of the Trust's activities, including paying liabilities of the Trust (including administration expenses), paying any amounts required in connection with the redemption of Trust Units, and making distributions to Unitholders;

(c) disposing of all or any part of the Trust Property;

(d) issuing Trust Units, installment receipts, and Other Trust Securities (including debt instruments, securities convertible into or exchangeable for Trust Units or other securities of the Trust, or warrants, options or other rights to acquire Trust Units or other securities of the Trust), for the purposes of, without limitation: (i) conducting, or facilitating the conduct of, the activities and undertaking of the Trust (including for the purpose of raising funds for acquisitions); (ii) repayment of any indebtedness or borrowings of the Trust or any affiliate thereof; (iii) establishing and implementing Unitholder rights plans, distribution reinvestment plans, Trust Unit purchase plans, and incentive option and other compensation plans of the Trust, if any; (iv) satisfying obligations to deliver securities of the Trust, including Trust Units, pursuant to the terms of securities convertible into or exchangeable for such securities of the Trust, whether or not such convertible or exchangeable securities have been issued by the Trust; (v) carrying out any of the transactions contemplated by any Offering Documents and satisfying all obligations in connection with such transactions; and (vi) making non-cash distributions to Unitholders, including *in specie* redemptions as well as distributions;

(e) repurchasing or redeeming Units or Other Trust Securities, subject to the provisions of this Declaration of Trust and applicable law;

(f) issuing debt securities or otherwise borrowing funds, as well as mortgaging, pledging, charging, granting a security interest in or otherwise encumbering all or any part of the Trust Property, whether as security for obligations of the Trust or otherwise;

(g) guaranteeing (whether as guarantor, surety or co-principal obligor, or otherwise) any obligations, indebtedness or liabilities, present or future, direct or indirect, absolute or contingent, matured or not of any person for, or in pursuit of pursuing or facilitating the

business and purposes of the Trust, and mortgaging, pledging, charging, granting a security interest in or otherwise encumbering all or any part of the Trust Property as security for such guarantee;

(h) carrying out any of the transactions, and exercising, performing and satisfying any of the rights, liabilities and obligations of the Trust under any agreements or arrangements, entered into in connection with pursuing the business and purposes of the Trust; and

(i) engaging in all activities, and taking all such actions, ancillary or incidental to any of those activities set forth in Sections 4.1(a) through (h) above.

4.2 Use of Funds

Money or other property received by the Trust or the Trustees on behalf of the Trust, including the net proceeds of any Offering, may be used at any time and from time to time for any purpose not inconsistent with this Declaration of Trust and the purposes of the Trust set out in Section 4.1 (including making distributions and redemptions under Article 5 and Article 6, respectively).

4.3 Investment Restrictions

The Trustees shall exercise commercially reasonable efforts to: (a) ensure that the Trust complies at all times with the requirements of paragraph 108(2)(a) and Section 132(6) and (7) of the Income Tax Act; (b) ensure that the Trust does not take any action, or acquire or retain any investment, that would result in the Trust not being considered either a unit trust or a mutual fund trust for purposes of the Income Tax Act; and (c) ensure that the Trust does not take any action, or acquire, retain, or hold any investment in any entity or other property that would result in the Trust being a SIFT trust, other than in connection with a transaction, or series of transactions in respect of the redemption or all or substantially all of the Preferred Trust Units, or the wind-up and termination of the Trust.

4.4 Different Investments

Each class or series of Preferred Trust Units will be invested in a separate class or series of securities of the Partnership, as may be further provided in an offering memorandum of the Trust from time to time. The Trustees or the Administrator may take any actions that it, in their sole discretion, considers necessary in order to equitably reflect the fact that different classes or series of Preferred Trust Units are invested in a separate class or series of securities of the Partnership. Such actions include, but are not limited to, making such adjustments to the amounts distributable to Preferred Unitholders pursuant to Article 5 as is necessary to permit the Trustees or the Administrator, to the extent possible, to take into account the assets, liabilities, income (including realized capital gains), losses and expenses determined by the Trustee or the Administrator to be attributable to each class or series of Preferred Trust Units.

ARTICLE 5
DISTRIBUTIONS

5.1 Computation of Distributable Cash of the Trust

The "**Distributable Cash**" of each class or series of Preferred Trust Units for, or in respect of, a Distribution Period shall be equal to:

(a) all cash or cash equivalents which are received by the Trust for such class or series of Preferred Trust Units for, or in respect of, such Distribution Period, including amounts on account of interest, income, dividends, returns of capital, amounts paid on debt held by the Trust, capital gains, and such other amounts as may be determined from time to time by the Trustees or the Administrator to be included in "Distributable Cash" of such class or series of Preferred Trust Units (which may include amounts taken, in the discretion of the Trustees' or the Administrator, out of the Trust's reserves as well as amounts from the proceeds of any Offering);

less the sum of:

(b) all amounts paid on account of expenses and liabilities attributable to such class or series of Preferred Trust Units for, or in respect of, such Distribution Period as well as an amount for all expenses and liabilities of the Trust which, in the opinion of the Trustees or Administrator, may reasonably be considered to have accrued and become owing in respect of, or which relate to, such Distribution Period or a prior Distribution Period if not accrued in such prior period including, without limitation, any accrued liability in respect of undeclared and accumulated distributions on such class or series of Preferred Trust Units;

(c) all amounts which relate to the repayment of any amount (principal or interest) in respect of any indebtedness of the Trust during such Distribution Period attributable to such class or series of Preferred Trust Units;

(d) all cash amounts used during such Distribution Period for or in connection with loans, advances, investments or other acquisitions of assets by the Trust attributable to such class or series of Preferred Trust Units;

(e) the aggregate amount of all cash amounts used, or to be used, in respect of the redemption or repurchase of such class or series of Preferred Trust Units called for redemption or repurchase;

(f) any amount, in addition to those amounts set forth in Sections 5.1(b) to 5.1(d) (inclusive), which the Administrator may reasonably consider to be necessary to provide for the payment of any liabilities which have been or will be incurred by the Trust attributable to such class or series of Preferred Trust Units, including any tax liability of the Trust (to the extent that such liabilities have not otherwise been taken into account in determining the Distributable Cash hereunder), or for pursuing any purpose or activity of the Trust; and

(g) an amount as determined in the discretion of the Trustees or the Administrator for reasonable reserves to be maintained for the purposes of satisfying payment of any

amounts or liabilities of the Trust attributable to such class or series of Preferred Trust Units.

5.2 Computation of Income and Net Realized Capital Gains

(a) The "**Income of the Trust**" for any taxation year shall be the income of the Trust for the year computed in accordance with the provisions of the Income Tax Act; provided, however, that capital gains and capital losses shall be excluded and provided further that:

(i) the portion of the Trust's income comprised of taxable dividends received from corporations resident in Canada shall be calculated on the basis that the amount included in the Trust's income is the actual amount of the dividend received, which excludes the gross-up adjustment provided in paragraph 82(1)(b) of the Income Tax Act;

(ii) no amount shall be deducted in respect of amounts paid or payable to Unitholders; and

(iii) the Trust shall deduct the maximum amount available to it as deductions under the relevant law, unless the Trustees or Administrator determines otherwise.

(b) The "**Net Realized Capital Gains**" of the Trust for any taxation year shall be determined as the amount, if any, by which the aggregate of the capital gains realized by the Trust in the year exceeds the aggregate of (i) the capital losses incurred by the Trust in the year, and (ii) the amount of any net capital losses for prior taxation years which the Trust is permitted by the Income Tax Act to deduct in computing the taxable income of the Trust for the year.

(c) Notwithstanding Sections 5.2(a) and (b), Income of the Trust and Net Realized Capital Gains shall not include any income ("**Redemption Income**") or capital gains ("**Redemption Gains**"), respectively, which are realized by the Trust, in accordance with the Income Tax Act, on a distribution of Trust Property to a Unitholder pursuant to an *in specie* redemption of a Unitholder's Trust Units under Section 6.5.

5.3 Distributions

(a) *Distribution to Holders of Preferred Trust Units:* The Trustees, on behalf of the Trust, in respect of each Distribution Period, shall declare payable to holders of each class or series of Preferred Trust Units of record as at the close of business on the Distribution Record Date for such Distribution Period, all any part, or none of the Distributable Cash in respect of such class or series of Preferred Trust Units for such Distribution Period (such aggregate amount so declared being herein referred to as the "**Distribution Amount**").

(b) *Distribution Policy:*

(i) Each Preferred Trust Unit issued and outstanding on the Distribution Record Date for a particular Distribution Period shall be entitled, without preference or priority, to an equal share of the amount of the Distribution Amount in respect of such class or series of Preferred Trust Units which is declared payable to the holders of such class or series of Preferred Trust Units pursuant to Section 5.3(a) above for such particular Distribution Period, which share shall be determined by dividing the amount of such Distribution Amount in respect of such class or series of Preferred Trust Units declared payable to the holders of such class or series of Preferred Trust Units by the number of issued and outstanding Preferred Trust Units of such class or series on such Distribution Record Date (the "**Distribution Per Preferred Trust Unit**"). The share of such Distribution Amount in respect of a class or series of Preferred Trust Units distributable to a particular Preferred Unitholder shall be an amount equal to the Distribution per Preferred Trust Unit multiplied by the number of Preferred Trust Units owned of record by such Preferred Unitholder on such Distribution Record Date.

(ii) In the event that a Preferred Trust Unit was not issued and outstanding on each day within such Distribution Period then the Distribution Amount in respect of such Preferred Trust Unit shall be adjusted to be the product obtained when the Distribution Amount is multiplied by the quotient obtained when (i) the number of days in the Distribution Period during which such Preferred Trust Unit was issued and outstanding, is divided by (ii) the total number of days in the Distribution Period, and such amount shall be payable as the distribution in respect of such Preferred Trust Unit. Such adjustment calculation shall be made in respect of each Preferred Trust Unit which was not issued and outstanding on each day within the Distribution Period.

(iii) Notwithstanding the above, when determining the Distribution Per Preferred Trust Unit, the Trustees may make any variation or adjustment so as to ensure where possible that Preferred Unitholders are treated equitably and fairly taking into account such considerations as the Trustees, in their discretion, acting reasonably and in good faith, deem appropriate in the circumstances and determine to be equitable and fair (including for greater certainty, the distributions from the Partnership).

(c) *Distribution to Common Unitholders*: The holders of the Common Units shall not be entitled to receive distributions.

(d) *Change of Distribution Period*: The Distribution Period in respect of distributions pursuant to Section 5.3(a) above may be changed at any time, and from time to time, by the Trustees or the Administrator in their discretion and without notice to the Unitholders.

5.4 Other Distributions

(a) In addition to the distributions which are payable to Preferred Unitholders pursuant to Section 5.3, the Trustees may, in their sole and absolute discretion, declare to be payable and pay distributions to Preferred Unitholders (in a manner consistent with Section 5.3 or as otherwise determined by the Trustees or the Administrator), who are

holders of record as at the close of business on the distribution record date established by the Trustees for purposes of such distribution, out of Income of the Trust, Net Realized Capital Gains, the capital of the Trust or otherwise, in any year, in such amount or amounts, and on such dates as the Trustees may determine.

(b) *Year-End*: So as to ensure the allocation and distribution, to Unitholders, of all of the Income of the Trust, Net Realized Capital Gains and any other applicable amounts so that the Trust will not have any material liability for tax under Part I of the Income Tax Act in any year, the amount, if any (hereinafter the "**Year-End Distribution Amount**") by which the aggregate of Income of the Trust, Net Realized Capital Gains, Redemption Income and Redemption Gains exceeds the aggregate of:

(i) such part of the taxable capital gains of the Trust for the calendar year required to be retained by the Trust to maximize its capital gains refund for such year, unless the Trustees have determined, by the end of the year, that this clause is not to apply to the Trust for that year; and

(ii) any amount that became payable by the Trust during the calendar year to Unitholders in respect of their Trust Units, including amounts that became payable to Unitholders on the redemption of their Trust Units and all distributions due and payable on or prior to December 31 pursuant to Section 5.3(a) or 5.4(a) above;

shall be allocated to the Preferred Unitholders in the same manner as a distribution made pursuant to Section 5.3, without any further action on the part of the Trustees or the Administrator and subject as hereinafter provided, be due and payable to the holders of Preferred Trust Units of record as of 5:00 p.m. (Calgary time) on December 31 in such year (the "**Year-End Distribution Date**") and shall be paid forthwith.

(c) All or part of the Year-End Distribution Amount may, at the option of the Trustees, be satisfied by the issuance of additional Trust Units in accordance with Section 5.8.

(d) Each Unitholder entitled to a distribution pursuant to Section 5.4(b) has the right to enforce payment of its share of such distribution on the Year-End Distribution Date.

5.5 Character of Distribution

(a) Distributions or amounts paid or payable to Unitholders pursuant to this Article 5 or Article 6 shall be deemed to be distributions out of Income of the Trust, Net Realized Capital Gains, trust capital or other items, in such amounts as the Trustees shall determine. For greater certainty, it is hereby declared that any distribution of Net Realized Capital Gains and Redemption Gains shall include the non-taxable portion of the capital gains of the Trust which are comprised in such distribution.

(b) In addition to the distributions which are made payable to Unitholders otherwise hereunder, the Trust shall allocate any Redemption Income and Redemption Gains realized by the Trust in connection with the redemption of Trust Units of a particular Unitholder, to that Unitholder, so that an amount equal to such Redemption Income and Redemption Gains shall be allocated to and shall be treated as an amount paid to the redeeming Unitholder. In addition, one-half (or any other proportion that may be provided for from time to time under section 38 of the Income Tax Act) of such

Redemption Gains shall be designated as taxable capital gains of that Unitholder under subsection 104(21) of the Income Tax Act, and any portion of the Redemption Income and Redemption Gains in respect of that Unitholder as may be income from a source in a country other than Canada, within the meaning of subsection 104(22) of the Income Tax Act, shall be designated as that Unitholder's income from that source in accordance with that subsection.

5.6 Designation of Taxable Capital Gains and Other Amounts

In accordance with and to the extent permitted by the Income Tax Act, the Trustees in each year shall make designations in respect of the amounts payable to holders of Trust Units in such amounts that the Trustees consider to be reasonable in all of the circumstances, including, without limitation, designations relating to taxable dividends received by the Trust in the year on shares of taxable Canadian corporations, net capital gains realized by the Trust in the year and foreign source income of the Trust for the year.

5.7 Enforceability of Right to Receive Distributions and Redemption Payments

For greater certainty, it is hereby declared that each Unitholder shall have the legal right to enforce payment of any amount payable to such Unitholder as a result of any distribution or amount which becomes due and payable to such Unitholder pursuant to this Article 5 or pursuant to Article 6, as of the date on which such amounts become payable.

5.8 Method of Payment of Distributions

(a) The Trust shall make payment, in cash, of distributions which have been declared or deemed to be payable pursuant to this Article 5, provided that where the Trustees determine that the Trust does not have cash in an amount sufficient to make payment of the full amount of any distribution which has been declared or deemed to be payable pursuant to this Article on the due date for such payment, or where cash payment is otherwise determined undesirable in the discretion of the Trustees, the payment may, at the option of the Trustees, include the issuance of additional Units, or fractions of Units, if necessary. In each case, such Trust Units so issued shall have an aggregate value equal to the difference between the amount of the distribution in question and the amount of cash (if any) which has been determined by the Trustees to be available for the payment of such distribution, provided, however, that a Unitholder is only entitled to receive Units of the same class or series as the class or series in respect of which such distribution to him was declared.

(b) The following shall be applicable in respect to the calculation of the value of each Trust Unit which is issued pursuant to Section 5.8(a):

(c) *Value of the Preferred Trust Units Issued*: The value of each Preferred Trust Unit which is issued pursuant to Section 5.8(a) shall be deemed to be the fair market value of a Preferred Trust Unit as calculated in accordance with Section 6.3 as at, (1) the applicable Distribution Record Date in respect of a distribution pursuant to Section 5.3 or 5.4(a), or (2) December 31 in respect of a distribution under Section 5.4(b).

5.9 Consolidation of Units

Unless the Trustees determined otherwise, immediately after any distribution of additional Trust Units of any class or series to Unitholders pursuant to Section 5.8(a), the number of the outstanding Trust Units of such class or series will be automatically consolidated without further act of the Trustees or Unitholders such that each Unitholder will hold after the consolidation the same number of Trust Units of such class or series as the Unitholder held before the distribution of such additional Trust Units. In this case, each issued Unit Certificate (if any) which represents a number of Trust Units of such class or series prior to the distribution of additional Trust Units of that class or series is deemed to represent the same number of Trust Units of that class or series after the distribution of such additional Trust Units and the consolidation. Notwithstanding the foregoing, where the Trust is required to withhold tax in respect of a Unitholder's share of the distribution the Trust may, as authorized pursuant to Section 5.10, withhold and sell all or a portion of the additional Trust Units otherwise to be distributed to such Unitholder, and the consolidation of the Trust Units held by such Unitholder will then result in such Unitholder holding that number of Trust Units of such class or series as is equal to (i) the number of Trust Units of the same class or series as is held by such Unitholder prior to the distribution of additional Trust Units plus the number of Trust Units received by such Unitholder in connection with the distribution (net of the number of whole and part Trust Units withheld on account of withholding taxes) multiplied by (ii) the fraction obtained by dividing the aggregate number of Trust Units of such class or series outstanding prior to the distribution by the aggregate number of Trust Units of such class or series that would be outstanding following the distribution and before the consolidation if no withholding were required in respect of any part of the distribution payable to such Unitholder. Such Unitholder will be required to surrender the Unit Certificates, if any, representing such Unitholder's original Units of such class or series, in exchange for a Unit Certificate representing such Unitholder's post-consolidation Units of such class or series.

5.10 Withholdings by the Trustees

The Trustees shall deduct or withhold from payments and distributions (including redemptions) payable to any Unitholder all amounts required by law to be withheld from such payment or distribution, whether such payment or distribution is in the form of cash, additional Units or otherwise. The Trustees may rely on advice of Counsel or the Administrator in making all such determinations. To the extent that amounts are so deducted or withheld, such amounts shall be treated for all purposes as having been paid to the Unitholder in respect of which such deduction and withholding was made. In the event of a distribution in the form of additional Units, the Trustees may sell such number of Units of those Unitholders required to pay those withholding taxes and to pay all of the Trustees' reasonable expenses with regard thereto and the Trustees shall have the power of attorney of the Unitholder to do so. Upon the sale being made, the affected Unitholder shall cease to be the holder of those Units. No liability shall accrue to the Trust, the Trustees or the Administrator, and no resort shall be had to the Trust Property, (i) for satisfaction of any obligation or claim against the Trustees or the Trust in connection with the sale of Units pursuant to this Section 5.10, (ii) if Units or other assets sold or disposed of pursuant to this Section 5.10 are sold at a loss to such affected Unitholder or the Beneficial Unitholder of such Units, or (iii) if Units or other assets so sold or disposed of are sold or disposed of for an amount which may be less than might otherwise have been obtained if sold or disposed of at a different point in time or in different circumstances. Any amounts realized on such sale of Units in excess of the amounts required to satisfy the obligations of the Trustees hereunder, including reasonable expenses, shall be paid to the applicable Unitholder.

5.11 Trust Unit Plans

Subject to any approvals required under applicable law, the Trustees may, in their discretion and at any time and from time to time, establish and implement Unitholder rights plans, distribution reinvestment plans, Trust Unit purchase plans, and incentive option and other compensation plans.

ARTICLE 6
REDEMPTION

6.1 Right of Redemption by the Trust and by Holders of Preferred Trust Units

(a) The Trust is entitled at any time and from time to time, in accordance with the terms and conditions set forth in this Article 6, to redeem all or any part of the issued and outstanding Preferred Trust Units (any Preferred Trust Units to be redeemed pursuant to this Section 6.1(a), 6.1(b) and Section 6.1(c) below, collectively referred to as the "**Redemption Units**").

(b) Each Preferred Unitholder shall be entitled to require the Trust to redeem at any time and from time to time at the demand of the holder, in accordance with the terms and conditions set forth in this Article 6, all or any part of the Preferred Trust Units registered in the name of the Preferred Unitholder**.**

(c) Each Common Unitholder shall be entitled to require the Trust to redeem at any time and from time to time at the demand of the holder, in accordance with the terms and conditions set forth in this Article 6, all or any part of the Common Units registered in the name of the Common Unitholder**.**

6.2 Exercise of Redemption Right

(a) For a Preferred Unitholder or Common Unitholder to exercise its right to require redemption under this Article 6, a duly completed and properly executed notice requiring the Trust to redeem such Redemption Units, in a form approved by the Trustees, which shall initially be in the form set forth in Schedule "D", shall be sent to the Trust at the head office of the Trust or any of the principal offices of the Transfer Agent at which it has agreed to act as registrar for the Units being redeemed, together with the Unit Certificate or Unit Certificates, if any, representing the Redemption Units. No form or manner of completion or execution shall be sufficient unless the same is in all respects satisfactory to the Trustees and is accompanied by any further evidence that the Trustees may reasonably require with respect to the identity, capacity or authority of the person giving such notice. The Trust shall pay the Redemption Price (as defined below) in respect of such Redemption Units accepted for redemption within forty-five (45) days after receipt of such notice.

(b) Upon the tender of Redemption Units for redemption, the Unitholder shall thereafter cease to have any rights with respect to the Redemption Units tendered for redemption (including no right to receive distributions in respect of Preferred Trust Units where such distributions are declared payable to Preferred Unitholders of record on a date which is on or subsequent to the date upon which such Preferred Trust Units of the Unitholder have been tendered for redemption), other than to receive the Redemption Price (as defined herein) therefor, and the right to receive any distributions thereon which have been declared payable to Preferred Unitholders of record on a date which is prior to the

date upon which such Preferred Trust Units of the Unitholder have been tendered for redemption. Units shall be considered to be tendered for redemption on the date the Trust has, to the satisfaction of the Trustees, received the notice, Unit Certificates, if any, and all other required documents or evidence as aforesaid.

(c) Notwithstanding Section 6.2(b), a Unitholder may advise the Trust that such Unitholder only wishes to receive cash in payment of the Redemption Price pursuant to Section 6.5(b). In such event, only the Redemption Units which Redemption Price can be satisfied by the Cash Amount determined as set forth in Section 6.5(b)(i) in respect of such calendar month will be redeemed by the Trust and the remainder of the Redemption Units that have not been redeemed by the Trust shall be deemed not to have been tendered for redemption by the Unitholder. The Unitholder may request that the remainder of the Redemption Units that have not been redeemed by the Trust be automatically re-tendered for redemption each month until all such Redemption Units have been redeemed for cash, or withdraw its request for redemption with respect to such units.

6.3 Exercise of Redemption Right by the Trust

(a) For the Trust to exercise its right to redeem all or any part of the issued and outstanding Preferred Trust Units under this Article 6, the Trust shall, at least 21 days before the date specified for redemption, send by prepaid mail or personally deliver (or, with the consent of any particular holder, otherwise deliver) a notice in writing of the intention of the Trust to redeem such Redemption Units ("**Redemption Notice**") to each person who, at the record date for the determination of Preferred Unitholders entitled to receive notice (to be a date no more than 10 days prior to the date of mailing or delivery of the Redemption Notice), is a registered holder of the Redemption Units. In the case of the mailing of such Redemption Notice, it shall (subject to the consent of any particular holder referred to above) be mailed by letter, postage prepaid, addressed to each such holder at the holder's address as it appears on the records of the Trust or in the event of the address of any such holder not so appearing then to the last known address of such holder; provided, however, that accidental failure or omission to give any such Redemption Notice to one or more of such holders shall not affect the validity of such redemption. Such Redemption Notice shall set out the Redemption Price, the date on which redemption is to take place, and if part only of the Preferred Trust Units held by the person to whom the Redemption Notice is addressed is to be redeemed the number thereof so to be redeemed. On or within forty-five (45) days after the date so specified for redemption, the Trust shall pay or cause to be paid to or to the order of the holders of the Redemption Units the Redemption Price thereof on presentation and surrender at the registered office of the Trust or any other place designated in the Redemption Notice of the certificates representing the Redemption Units. Such notice required to be given in this paragraph may be waived in writing by a registered holder of Redemption Units, and upon such waiver the Trust shall be relieved from the obligation of giving notice to such registered holder. If only a part of the Preferred Trust Units represented by any certificate are to be redeemed, a new certificate representing the balance of such Preferred Trust Units shall be issued to the holder thereof at the expense of the Trust upon presentation and surrender of the first mentioned certificate.

(b) From and after the date specified for redemption in any such Redemption Notice, such Redemption Units shall cease to be entitled to distributions or any other participation in

the assets of the Trust and the holders thereof shall not be entitled to exercise any of their other rights as Preferred Unitholders in respect thereof.

6.4 Calculation of Redemption Price

(a) A Preferred Unitholder whose Preferred Trust Units are being redeemed shall be entitled to receive a price per Redemption Unit (herein referred to as the "**Redemption Price**") equal to:

(i) In the case of a Redemption Unit being redeemed pursuant to Section 6.1(a) hereof, the ~~lesser of: (A) the fair market value of such Redemption Unit as at the date of the Redemption Notice; and (B) $1.00~~redemption proceeds received by the Trust from the Partnership with respect to a redemption by the Partnership of the Corresponding Partnership Unit;

(ii) in the case of a Redemption Unit being redeemed pursuant to Section 6.1(b) hereof ~~that was issued on a date that was five years or less prior to the date upon which such Redemption Units have been tendered for redemption, the lesser of: (A) 90% of the fair market value of such Redemption Unit as at the date upon which such Redemption Unit was tendered for redemption; and (B) $0.90;~~ , the redemption proceeds received by the Trust from the Partnership with respect to a redemption by the Trust of the Corresponding Partnership Unit;

~~(iii) in the case of a Redemption Unit being redeemed pursuant to Section 6.1(b) hereof that was issued on a date that was more than five years prior to the date upon which such Redemption Units have been tendered for redemption, the lesser of: (A) the fair market value of such Redemption Unit as at the date upon which such Redemption Unit was tendered for redemption; and (B) $1.00; and~~

(iii) ~~(iv)~~ in the case of a Redemption Unit being redeemed pursuant to Section 6.1(c) hereof, the lesser of: (A) the fair market value of such Redemption Unit as at the date upon which such Redemption Unit was tendered for redemption; and (B) $1.00;

(b) The fair market value of a Redemption Unit shall be determined by the Administrator in its sole discretion, acting reasonably, but having regard to:

(i) all prices at which trades of Trust Units of the same class or series as the Redemption Units have been transacted, as reported to the Trust pursuant to Section 3.18, and which have occurred during the 6 month period (or such other period as the Administrator determines relevant and reasonable) immediately preceding the date on which such Redemption Units tendered for redemption or the date of the Redemption Notice, as applicable;

(ii) the issue prices for Trust Units of the same class or series as the Redemption Units issued in any Offering during the 6 month period (or such other period as the Administrator determines relevant and reasonable) immediately preceding the date on which such Redemption Units tendered for redemption or the date of the Redemption Notice, as applicable;

(iii) the fair market value of equity interests in, or enterprise values of, comparable entities substantially similar to the Trust; and

(iv) any other considerations which the Administrator, in its discretion, determines relevant for purposes of determining the fair market value of such Redemption Units.

6.5 Payment of Redemption Price

(a) The Redemption Price payable in respect of the Redemption Units redeemed pursuant to Section 6.1(a) hereof shall be paid, at the discretion of the Trustees, by any combination of:

(i) An amount payable by cheque, drawn on a Canadian chartered bank or a trust company in lawful money of Canada, payable at par to or to the order of the Preferred Unitholder holding such Redemption Units (the amount of such payment being the "**Cash Amount**"), provided that the Cash Amount in respect of Redemption Units to be redeemed shall be paid *pro-rata* to Preferred Unitholders whose Preferred Trust Units are being redeemed based upon the proportion which the total redemption amount payable to a Preferred Unitholder bears in relation to the aggregate Redemption Price which is payable in respect of all Redemption Units to be redeemed in any calendar month; and

(ii) an amount equal to the difference between the Redemption Price payable in respect of the Redemption Units and the Cash Amount (the "**Remainder Amount**") through the issuance of Redemption Notes and/or distribution, *in specie*, of Trust Property to Preferred Unitholders holding such Redemption Units, with such notes and/or Trust Property (as the case may be) having an aggregate fair market value equal to the Remainder Amount.

(b) The Redemption Price payable in respect of the Units redeemed pursuant to Section 6.1(b) or 6.1(c) hereof shall be paid by:

(i) ~~the~~a Cash Amount, but in the event that the Cash Amount in respect of Redemption Units tendered for redemption in the same calendar month exceeds $10,000, then the Trust shall only be obligated to pay the Cash Amount up to a maximum of $10,000, unless the Trustees determines a greater Cash Amount, provided that the Cash Amount shall be paid *pro-rata* to redeeming Unitholders based upon the proportion which the total redemption amount payable to a redeeming Unitholder bears in relation to the aggregate Redemption Price which is payable in respect of all Redemption Units tendered for redemption in any calendar month; and

(ii) to the extent that the aggregate Redemption Price which is payable in respect of the Redemption Units tendered for redemption in such calendar month exceeds the Cash Amount~~:(A) in respect of any Redemption Units that were issued on a date that was five years or less prior to the date upon which such Redemption Units have been tendered for redemption~~, the difference shall be paid by the Trust to Unitholders via the Remainder Amount, through the issuance of Redemption Notes and/or distribution, *in specie*, of Trust Property to Unitholders holding such Redemption Units, with such notes and/or Trust

Property (as the case may be) having an aggregate fair market value equal to the Remainder Amount~~, provided however, that any Redemption Notes issued pursuant to this Section 6.5(b)(ii)(A) shall be due and payable prior to the sixth anniversary of the date of issuance of the Redemption Unit in respect of which such Redemption Note is issued;~~ .

~~(B) in respect of any Redemption Units that was issued on a date that was more than five years prior to the date upon which such Redemption Units have been tendered for redemption, then subject to receipt of any applicable regulatory approvals, the difference shall be paid by the Trust to Unitholders via the Remainder Amount, through the payment of cash, issuance of Redemption Notes and/or distribution, *in specie*, of Trust Property to Unitholders holding such Redemption Units, with such cash, notes and/or Trust Property (as the case may be) having an aggregate fair market value equal to the Remainder Amount.~~

(c) Payments of the Cash Amount by the Trust are conclusively deemed to have been made upon the mailing of a cheque in a postage pre-paid envelope addressed to the redeeming Unitholder at its last address appearing on the Register unless such cheque is dishonoured upon presentment. Upon such payment, the Trust shall be discharged from all liability to the redeeming Unitholder in respect of the Redemption Units so redeemed except with respect to any outstanding payments in respect of such Redemption Units pertaining to distributions payable thereon to such redeeming Unitholder(s) of record on a date which was prior to the date upon which such Redemption Units were tendered to the Trust for redemption.

(d) Payments of the Remainder Amount by the Trust are conclusively deemed to have been made, as applicable, upon the mailing of a cheque in a postage pre-paid envelope addressed to the redeeming Unitholder at its last address appearing on the Register unless such cheque is dishonoured upon presentment, upon issuance of the Redemption Notes or upon the mailing of the documents evidencing ownership of the property of the Trust so distributed by registered mail in a postage prepaid envelope addressed to the redeeming Unitholder at its last address appearing on the Register. Upon such occurrence, the Trust shall be discharged from all liability to the redeeming Unitholder in respect of the Redemption Units so redeemed except with respect to any outstanding payments in respect of such Redemption Units pertaining to distributions payable thereon to such redeeming Unitholder(s) of record on a date which was prior to the date upon which such Redemption Units were tendered to the Trust for redemption. In respect of any property of the Trust being transferred in respect of payments of the Remainder Amount by the Trust, the Trust shall be entitled to all interest paid or accrued and unpaid in respect of such property (if applicable and if any) to and including the date of transfer thereof.

6.6 Fair Market Value

(a) The fair market value of Trust Property distributed *in specie* as part of the Remainder Amount in satisfaction of the Redemption Price of any Redemption Units pursuant to Section 6.5 hereof, as at the date upon which such Redemption Units were tendered for redemption, shall be determined by the Trustees in their sole discretion, acting reasonably, provided that in the event that such Trust Property consist of securities ("**Listed Securities**") that are listed, traded or quoted on a stock exchange or market

which the Trustees consider, in their sole discretion, provides representative fair market value prices for such Trust Property (such exchange or market being herein referred to as the "**Principal Market**"), then the fair market value of such Listed Securities shall be the "market price" of such Listed Securities, as determined on the Principal Market on which such Listed Securities are listed and/or quoted for trading during the period of the last ten (10) trading days immediately prior to the date on which the Redemption Units were tendered for redemption.

(b) For the purposes of this Section 6.6, the "**market price**" of a Listed Security shall be: (i) an amount equal to the volume weighted average trading price of such Listed Security for each of the ten (10) trading days referred to in Section 6.6(a); (ii) if the Principal Market does not provide information necessary to compute a volume weighted average trading price, an amount equal to the volume weighted average of the closing prices of such a Listed Security for each of the ten (10) trading days on which there was a closing price; provided that if the Principal Market does not provide a closing price, but only provides the highest and lowest prices of such Listed Securities traded on a particular day, the "market price" shall be an amount equal to the volume weighted average of the average of the highest and lowest prices for each of the trading days on which there was a trade; and (iii) if there was trading on the Principal Market for fewer than five (5) of the ten (10) trading days, the "market price" shall be the volume weighted average of the following prices established for each of the ten (10) trading days; (1) the average of the last bid and last asking prices for each day on which there was no trading; (2) the closing price of such Listed Security for each day that there was trading if the Principal Market provides a closing price; and (3) the average of the highest and lowest prices of such Listed Security for each day that there was trading, if the Principal Market provides only the highest and lowest prices of such Listed Securities traded on a particular day.

(c) For the purposes hereof, (i) where there is more than one exchange or market on which the Listed Securities are listed or quoted for trading, the "**Principal Market**" shall be the exchange or market on which the Listed Securities are listed or quoted for trading as is designated by the Trustees, and (ii) if the Principal Market is not open for trading on the date on which the Listed Securities are tendered for redemption, then the reference date shall be the last day on which such Principal Market was open for trading.

6.7 Suspension of Redemption Rights in Certain Circumstances

(a) The Trustees may, as an extraordinary measure, from time to time, suspend the redemption of Units or payment of redemption proceeds if the Trustees, taking into account the advice of the Administrator, determine the suspension to be appropriate in the circumstances. Examples of circumstances which may require a suspension of redemptions include, without limitation, if the Trustees reasonably determine that: (i) the Trust's assets are invested in such a manner so as to not reasonably permit immediate liquidation of sufficient assets; (ii) there exists a state of affairs that constitutes circumstances under which liquidation by the Trust of part or all of its investments is not reasonable or practicable, or would be prejudicial to the Trust or Unitholders generally; (iii) not suspending redemptions would have an adverse effect on continuing Unitholders; or (iv) they are unable to value the assets of the Trust. The Trustees may also suspend the redemption of Trust Units upon an announcement by the Trustees that the Trust will be terminated. For greater certainty, the intention of this provision is not to generally restrict the ability of Unitholders to redeem Trust Units, but rather to permit the Trustees to protect the Trust and/or its Unitholders from the

harm that would be caused by permitting redemptions when extraordinary and unusual circumstances are present.

(b) With respect to any suspension as a result of Section 6.7(a) hereof, such suspension shall also apply to all requests for redemption received prior to the suspension date but as to which payment has not been made, as well as to all requests received while the suspension is in effect. All Unitholders making such requests shall be advised of the suspension by the Administrator on behalf of the Trustees. During the suspension period, requests for redemptions of Units may be withdrawn. To the extent that a request for redemption is not withdrawn, such request will be acted upon on the first business day following the recommencement of redemptions, as determined by the Trustees. All such non-withdrawn requests for redemption shall be treated on a *pro rata* basis regardless of when the original notice of redemption was provided.

6.8 ~~6.7~~ Cancellation of Certificates for all Redeemed Units

All Unit Certificates representing Redemption Units which are redeemed under this Article 6 shall be cancelled and such Redemption Units shall no longer be outstanding.

ARTICLE 7
TRUSTEES

7.1 Qualifications of a Trustee

A Trustee shall be an individual or a corporation duly authorized and registered to carry on the business of a trust company in Canada. The following persons are disqualified from being a Trustee of the Trust:

(a) an individual who is less than 18 years of age;

(b) a person who is Non-Resident; an individual who does not have the full exercise of his civil rights;

(c) an individual who is of unsound mind and has been so found by a court in Canada or elsewhere; and

(d) an individual who has the status of bankrupt.

7.2 Election or Appointment of Trustees

The Trustees are hereby appointed for a term of office which shall expire upon their resignation or removal in accordance with Section 7.4. If there are no Trustees, an appointment of Trustees shall be made ~~either~~ by Ordinary Resolution of the Common Unitholders. Notwithstanding the foregoing and Section 7.5:

(a) The maximum number of Trustees shall be fixed at seven (7).

(b) the Trustees may appoint one or more Trustees to fill a vacancy among the Trustees for a term to expire on their resignation or removal in accordance with Section 7.4.

(c) Except with respect to the Initial Trustees who became Trustees by virtue of their execution of the Original Declaration of Trust, upon the later of a person being elected or appointed as a Trustee hereunder and executing and delivering to the Trust an acceptance substantially as set forth in Section 7.3 below, such person shall become a Trustee hereunder and shall be deemed to be a party (as a Trustee) to this Declaration of Trust and they shall thereupon have all the rights, privileges, powers, authorities, obligations and immunities of a Trustee hereunder. No Trustee will be responsible or liable for any act or omission of any other Trustee where such act or omission precedes the date of election or appointment of such Trustee; and

(d) An act of a Trustee is valid notwithstanding an irregularity in the election or appointment of a Trustee or a defect in the qualifications of a Trustee.

7.3 Consent to Act

(a) The election or appointment of any Trustee (other than the Initial Trustees) shall not become effective unless and until such person has, either before or after such election or appointment, executed and delivered to the Trust an acceptance substantially as follows:

To: Enercapita Energy Trust (the "**Trust**")
And to: The Trustees of the Trust

The undersigned hereby accepts his or her election or appointment as a trustee of the Trust and hereby acknowledges and agrees that, upon the later of the date of this acceptance and the date of the undersigned's election or appointment as a trustee of the Trust, the undersigned shall become and will be deemed to be a party, as a trustee, to the Amended and Restated Declaration of Trust made as of ~~October 27~~●, 201~~5~~9, as the same may be amended from time to time, governing the Trust (the "Declaration of Trust"), and the undersigned further agrees to act as a trustee of the Trust pursuant to and in accordance with the terms of the Declaration of Trust.

The undersigned hereby certifies that he or she is not a non-resident of Canada within the meaning of the *Income Tax Act* (Canada), and agrees to advise the Trust forthwith upon his or her becoming a non-resident of Canada.

The undersigned hereby further certifies that he or she is not disqualified from being a trustee of the Trust for any of the reasons set forth in Section 7.1 of the Declaration of Trust.

Dated: _____, _____

_____
[Print Name]

_____
[Signature]

7.4 Resignation, Removal and Death of Trustees

(a) A Trustee may resign at any time by an instrument in writing signed by him and delivered to the Trust. Such resignation shall take effect on the later of (i) sixty (60)

days following the date that notice of such resignation is delivered to the Trust and (ii) any effective date of resignation as may be specified in the notice. Notwithstanding Section 7.2, in the case of a resignation, a majority of the Trustees remaining in office may appoint an individual as a replacement Trustee provided that should they fail to do so then the Administrator may appoint an individual as a replacement Trustee.

(b) Any Trustee may be removed at any time with or without cause by Ordinary Resolution of Common Unitholders passed in favour of the removal of such Trustee and such removal shall be effective upon the date stated in the Ordinary Resolution or upon the date of such Ordinary Resolution if not otherwise stated.

(c) If a Trustee dies, becomes disqualified from being a trustee hereunder, or otherwise becomes incapable of acting as a trustee hereunder, the remaining Trustees shall forthwith remove such Trustee and appoint a new Trustee to replace such deceased, disqualified or incapacitated Trustee. Upon the death or incapacity of any Trustee, his legal representative shall execute and deliver on his behalf such documents as the remaining Trustees may require as provided in this Section 7.4. In the event that a Trustee or his legal representatives, as applicable, are unable or unwilling to execute and deliver such required documents, each of the remaining Trustees is hereby appointed as the attorney of such Trustee for the purposes of executing and delivering such required documents.

(d) Upon the resignation or removal of any Trustee, or his otherwise ceasing to be a Trustee, he shall:

(i) execute and deliver such documents as the remaining Trustees shall reasonably require for the conveyance of any Trust Property held in his name, and deliver all relevant accounts and records that such Trustee maintained for the Trust;

(ii) account to the remaining Trustees as they may require for all property which he held as Trustee;

(iii) if requested by the Trustees, resign from all representative or other positions held by him on behalf of the Trust; and

(iv) do all other things reasonably required by the remaining Trustees in connection with the resignation and removal of such Trustee;

at which time such Trustee shall be discharged as a Trustee and shall cease to be a party (as a Trustee) to this Declaration of Trust; provided, however, that such Trustee shall continue to be entitled to (i) payment of any amounts properly owing by the Trust to the Trustee which accrued prior to such Trustee vacating office as a trustee of the Trust, and (ii) the benefit of the indemnity provided in Section 12.6 for all matters occurring prior to such Trustee vacating office as a trustee of the Trust.

(e) The liabilities, duties and obligations of a Trustee automatically terminate when such Trustee is discharged as Trustee hereunder subject, however, to such Trustee continuing to be liable for the exercise of its powers and discharge of duties, as herein provided, while such Trustee was in office. The resignation or removal of a Trustee, or a Trustee otherwise ceasing to hold office as such hereunder, shall not operate to annul or

terminate the Trust or to revoke or invalidate any agreement made by or on behalf of the Trust hereunder.

7.5 Vacancies and Successor Trustees

No vacancy of the office of a Trustee shall operate to annul this Declaration of Trust or affect the continuity of the Trust. Until vacancies are filled, the remaining Trustee or Trustees (even if less than the minimum number required under this Declaration of Trust for the Trustees to act, or less than a quorum) may exercise the powers of the Trustees hereunder.

7.6 Vesting of Rights in Successor Trustees

In the event of person ceasing to be a Trustee, the rights of the Trustees to control and exclusively administer the Trust and to have the legal title to the Trust Property drawn up in their names, and all other rights of the Trustees hereunder, shall vest automatically in the remaining Trustees (including any successor Trustee upon due election or appointment and qualification in accordance with the terms hereof) without any further act and irrespective of whether or not conveyancing or transfer documents have been executed and delivered pursuant to Section 7.4 or otherwise.

7.7 Compensation and Other Remuneration

Trustees shall be entitled to receive for their services as Trustees such reasonable compensation as the Trustees may determine from time to time, as well as reimbursement of their out-of-pocket expenses incurred in acting as a Trustee. Such Trustees, either directly or indirectly, shall also be entitled to receive remuneration (in such amount as is determined in the discretion of the Trustees) for services rendered to the Trust in any other capacity.

7.8 Officers of the Trust

The Trust may (but need not) have a Chairman, a President, Chief Executive Officer, Chief Financial Officer, one or more Executive Vice-Presidents, one or more Senior Vice-Presidents, one or more Vice-Presidents and a Secretary and such other officers as the Trustees may appoint from time to time. Such officers shall have such powers, including such powers to bind the Trust, as the Trustees may determine from time to time, whether in any Trustees' Regulations or otherwise and, in the absence of such determination, shall be those usually applicable to the office held. One person may hold two or more offices. Any officer of the Trust may, but need not, be a Trustee. Officers of the Trust shall be appointed and discharged, and their remuneration determined by, the Trustees.

7.9 Committees

Trustees may appoint from their number one or more committees of Trustees for any purpose the Trustees deem advisable from time to time, and may delegate to any such committee any, but not all, of the powers of the Trustees. The Trustees shall adopt formal mandates for all such committees appointed, and such committees shall have access to such information as is necessary to permit such committees to carry out their respective mandates.

7.10 Trustees May Act Without Meeting

Any action of the Trustees may be taken at a meeting by vote or without a meeting by written consent or resolution signed by all the Trustees entitled to vote in respect of the matters brought before the Trustees for approval. Any such consent or resolution may be signed in counterpart. Execution and

delivery of a counterpart of a written consent or resolution may be effected by facsimile transmission. Any Trustee who executes and delivers a counterpart of a written consent or resolution by facsimile transmission shall thereafter forthwith deliver, to the Trust, an original counterpart execution page with their original execution located thereon; provided, however, that any failure by a Trustee to so deliver such original signature page shall not affect the validity or enforceability of the written consent or resolution, as the case may be.

7.11 Notice of Meeting

Meetings of the Trustees may be held from time to time upon the giving of notice by the Administrator or any two Trustees. Regular meetings of the Trustees may be held without notice at a time and place fixed in advance by the Trustees. Notice of the time and place of any meeting, other than a regular pre-scheduled meeting, shall be given to each Trustee not less than 48 hours before the meeting but may be waived in writing by a Trustee either before or after such meeting. The attendance of a Trustee at a meeting shall constitute a waiver of notice of such meeting except where a Trustee attends a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting has not been lawfully called or convened.

7.12 Quorum

A quorum for all meetings of the Trustees or any committee thereof shall be at least a majority of the Trustees then in office or being members of such committee, as the case may be, present in person.

7.13 Voting at Meetings

Questions arising at any meeting of the Trustees shall be decided by a majority of the votes cast. In the case of an equality of votes, the chairman of the meeting, who shall be the Chairman if present, shall not have a second or casting vote in addition to his original vote, if any.

7.14 Meeting by Telephone

Any Trustees may participate in a meeting of the Trustees or any committee thereof by means of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and a Trustee so participating shall be considered for the purposes of this Declaration of Trust to be present in person at that meeting.

ARTICLE 8
TRUSTEES' POWERS AND DUTIES

8.1 General Powers

The Trustees, subject only to the specific limitations and restrictions contained in this Declaration of Trust and to any grant of powers to the Administrator contained in this Declaration of Trust, are hereby vested with and have, without any further authorization, action or consent required, full, continuing, absolute and exclusive power, control and authority over the Trust Property and over the business and undertaking of the Trust to the same extent as if the Trustees were the sole and absolute beneficial owners of the Trust Property, to do all such acts and things as in their sole judgment and discretion are necessary or incidental to, or desirable for, carrying out the trust created hereunder. For greater certainty, the Trustees have the capacity and the rights, powers and privileges of a natural person.

In construing the provisions of this Declaration of Trust, presumption shall be in favour of the grant to the Trustees of any power or authority in question. The enumeration of any specific power or authority herein (including pursuant to Section 8.2) shall not be construed as limiting the general powers or authority of the Trustees or any other specified power or authority conferred herein on the Trustees.

To the maximum extent permitted by law, in exercise of the Trustees' powers, and in particular the carrying out of investment activities, the Trustees are not in any way limited, restricted or otherwise bound by the provisions of any law of any jurisdiction, now or hereafter in effect, limiting or otherwise in any way restricting investments which may be made, held or retained by trustees or other fiduciaries.

8.2 Specific Powers and Authorities

Subject only to the express limitations contained in this Declaration of Trust, and in addition to any powers and authorities conferred on the Trustees by this Declaration of Trust (including, without limitation, Section 8.1 hereof) or which the Trustees may have by virtue of any present or future statute or rule of law or in equity, the Trustees, without any action or consent by the Unitholders, shall have the following powers and authorities which may be exercised by them from time to time or delegated by them, as herein provided, in their sole judgment and discretion and in such manner and upon such terms and conditions as they may from time to time deem proper:

(a) to open, operate and close accounts and other similar credit, deposit and banking arrangements and to negotiate and sign banking and financing contracts and agreements;

(b) to borrow money and request the issuance of letters of credit upon the credit of the Trust and the Trust Property;

(c) to lend money to any person whomsoever, including the Partnership, and to acquire, hold, dispose of, invest in, and otherwise deal with, assets, securities (whether debt or equity) and other interests or properties of whatever nature or kind of, or issued by, any person;

(d) to hold cash and other investments in connection with and for the purposes of the Trust's activities, including paying management, administration and other expenses of the Trust, paying any amounts required in connection with the redemption of Trust Units and making distributions to Unitholders;

(e) to issue, reissue, sell or pledge debt obligations of the Trust and to make, accept, endorse, negotiate or otherwise deal with bonds, debentures, cheques, drafts, notes, orders for the payment of money, bills of exchange, bills of lading, acceptances and other similar instruments and obligations as may be necessary or useful to carry out the purpose of the Trust;

(f) to give a guarantee on behalf of the Trust to secure performance of an obligation of another person;

(g) to mortgage, hypothecate, pledge or otherwise create a security interest in all or any movable or immovable, personal or real or other property of the Trust, owned or subsequently acquired, to secure any obligation of the Trust;

(h) to obtain security, including encumbrances on assets, to secure the full payment of money owed to the Trust and the performance of obligations in favour of the Trust, and to exercise all of the rights of the Trust, and to perform all of the obligations of the Trust, under such security;

(i) to renew or extend or participate in the renewal or extension of any security, upon such terms as may be deemed advisable, and to agree to an increase or reduction in the rate of interest (or to agree to a waiver of interest) on any security or to any other modification or change in the terms of any security or of any guarantee pertaining thereto, in any manner and to any extent that they may deem advisable; and to waive any default whether in performance of any covenant or condition of any security, or in the performance of any guarantee or to enforce the rights in respect of any such default in such manner and to such extent that they may deem advisable;

(j) to exercise and enforce any and all rights of foreclosure, to bid on property on sale or foreclosure, to take a conveyance *in lieu* of foreclosure with or without paying a consideration therefor and in connection therewith to revive the obligation on the covenants secured by such security and to exercise and enforce in any action, suit or proceeding at law or in equity any rights or remedies with respect to any such security or guarantee;

(k) to obtain or render services for or on behalf of the Trust necessary or useful to carry out the purposes of the Trust;

(l) to obtain, prepare, compose, design, print, publish, issue and distribute marketing and public relations materials in connection with the Trust;

(m) to establish places pursuant to which the Trust can carry out the activities referred to herein;

(n) to manage the Trust Property;

(o) to invest, hold shares, securities, units, beneficial interests, partnership interests, joint venture interests or other interests in any person necessary or useful to carry out the purpose of the Trust;

(p) to cause legal title to any of the Trust Property to be held in the name of the Trustees or to be drawn up in the name of the Trustees or, to the extent permitted by applicable law, in the name of the Trust;

(q) to determine conclusively the allocation to capital, income or other appropriate accounts of all receipts, expenses and disbursements of the Trust;

(r) to determine, among other things, the amount of Distributable Cash, Income of the Trust and Net Realized Capital Gains for the purposes of distributions hereunder and to arrange for distributions to Unitholders pursuant to Article 5 and for redemptions of Trust Units pursuant to Article 6;

(s) to enter into any agreement or instrument to create or provide for the issue of Trust Units or Other Trust Securities (including any firm or best efforts underwriting agreement), to cause such Trust Units or Other Trust Securities to be issued for such

consideration (in cash or property in kind) as the Trustees, in their discretion, may deem appropriate and to do all such things and take all such actions (including preparing and executing any prospectus and any registration rights agreement) to qualify such Trust Units or Other Trust Securities for sale in whatever jurisdictions they will be sold or offered for sale;

(t) to enter into any agreement or instrument (including any firm or best efforts underwriting agreement, warrant agreement or other similar document) to create or provide for the issue of securities convertible into or exchangeable for any Trust Units or Other Trust Securities, or warrants, options or other rights to acquire any Trust Units or Other Trust Securities, and such agreements or instruments may provide for any matter determined by the Trustees to be necessary or useful including provisions pertaining to securities certificates (form, manner of execution, and certification), maintenance of registers, use of book-based versus certificated system, repurchases, redemptions and transfers;

(u) to issue or provide for the issuance of Other Trust Securities on terms and conditions and at such time or times as the Trustees may deem appropriate and to do such things and take all such actions (including preparing and executing any prospectus and any registration rights agreement) to qualify such Other Trust Securities for sale in whatever jurisdictions they are to be sold or offered for sale;

(v) to issue or provide for the issuance of Trust Units on terms and conditions and at such time or times as the Trustees may determine, including issuances in accordance with Section 5.8 and issuances in connection with Unitholder rights plans, incentive plans, and other plans established under Section 5.11;

(w) to redeem or repurchase Trust Units in accordance with the terms set forth in this Declaration of Trust;

(x) to make or cause to be made application for the listing or quotation on any stock exchange or market of any Trust Units or Other Trust Securities, and to do all things which in the opinion of the Trustees may be necessary or desirable to effect or maintain such listing or listings or quotation;

(y) to determine conclusively the value of any or all of the Trust Property from time to time and, in determining such value, to consider such information and advice as the Trustees in their sole judgment, may deem material;

(z) to pay, out of the Trust Property, all reasonable fees, costs and expenses incurred, from time to time, in the management and administration of the Trust, including those in connection with any Offering;

(aa) where reasonably required, to engage or employ on behalf of the Trust any persons as administrators, managers, agents, advisors, representatives, employees, independent contractors or subcontractors (including, without limitation, the Administrator, investment advisors, registrars, underwriters, accountants, lawyers, appraisers, brokers or otherwise) in one or more capacities;

(bb) to the extent not prohibited by law, to delegate any of the powers and duties of the Trustees to any one or more agents, representatives, officers, employees, independent

contractors, subcontractors or other persons (including the Administrator pursuant to the terms of the Administration Agreement or otherwise) without liability to the Trustees except as provided in this Declaration of Trust;

(cc) to appear and respond to all orders issued by a Governing Authority or claims made by another person, to make all affidavits, sworn declarations and solemn affirmations with respect to such matters, to put in default, sue for and receive all sums of money or obligations due to the Trust, and to engage in, intervene in, prosecute, join, defend, compromise, abandon or adjust, by arbitration or otherwise, any actions, suits, disputes, claims, demands or other litigation or proceedings, regulatory or judicial, relating to the Trust, the Trust Property or the Trust's affairs, to enter into agreements therefor, whether or not any suit or proceeding is commenced or claim asserted and to enter into agreements regarding the arbitration, adjudication or settlement thereof;

(dd) to arrange for insurance contracts and policies insuring the Trust, the Trust Property, the Trustees, the Unitholders, and directors, officers and/or trustees of any affiliates of the Trust (including insurance insuring against any and all claims and liabilities of any nature asserted by any person arising by reason of any action alleged to have been taken or omitted to have been taken by the Trust, the Administrator, the Trustees or Unitholders or otherwise), and to perform all of the obligations of the Trust under such insurance policies and contracts, the whole to the extent permitted by law;

(ee) to determine the amount and purposes of reserves to be maintained out of the Distributable Cash of the Trust, including for the purpose of undertaking future investments or acquisitions of assets by the Trust or for payment of distributions;

(ff) to do all such things and take all such action, and to negotiate, make, execute, acknowledge and deliver any and all deeds, instruments, contracts, waivers, releases or other documents, necessary or useful for the exercise or accomplishment of: (i) any of the powers herein granted to the Trustees, (ii) the purposes of the Trust as set forth in Section 4.1, and (iii) all of the rights and obligations of the Trustees hereunder; including, without limitation, the negotiation and execution of the Administration Agreement and agreements in connection with Offerings of the Trust;

(gg) to postpone and subordinate, in right of payment, all present and future indebtedness, liabilities and obligations of a person owed to the Trust to payment in full of all present and future indebtedness, liabilities and obligations of such person to lenders and other creditors of such person, and to enter into any agreement or instrument to create or provide for such postponement and subordination in favour of such lenders and creditors;

(hh) to indemnify, out of the Trust Property, any person against any and all liabilities, claims, actions, causes of action, judgments, orders, damages (including consequential damages), costs, expenses, fines, penalties and losses (including sums paid by such person in settlement of claims and all reasonable consultant, expert and legal fees and expenses) or any resulting damages, harm or injuries to such person or property of any third parties arising from the business carried on by the Trust;

(ii) to provide or cause to be provided to any bank, creditor, financial institution or any other person such guarantees, indemnities, postponements and subordinations, acknowledgements, assurances or other credit support, in any form whatsoever, as the

Trustees deem necessary, useful or desirable in connection with the establishment or arrangement of any and all debt or equity financings of affiliates and associates of the Trust, including any extensions, renewals, refinancings or replacements thereof, and to enter into any agreement, indenture, instrument or other document on such terms and conditions as the Trustees may deem appropriate in the circumstances in connection with such financings; and

(jj) to do all such other acts and things as are necessary, useful, incidental or ancillary to the foregoing and to exercise all powers and authorities which are necessary, useful, incidental or ancillary to carry on the affairs of the Trust, to promote any of the purposes for which the Trust is formed and to carry out the provisions of this Declaration of Trust, including, without limitation, the negotiation and execution of the Administration Agreement.

The Trustees shall, except as may be prohibited by applicable law, have the right to delegate authority for the above-referenced matters to a manager or administrator where the Trustees that such delegation is desirable to effect the management or administration of the Trust.

8.3 Further Powers of the Trustees

The Trustees shall have the power to prescribe any form of document or other instrument provided for or contemplated by this Declaration of Trust and the Trustees may make, adopt, amend, or repeal regulations containing provisions relating to the conduct of the affairs of the Trust not inconsistent with law or with this Declaration of Trust (the "**Trustees' Regulations**"). The Trustees shall also be entitled to make any decisions, designations or determinations not contrary to this Declaration of Trust which they may determine are necessary or desirable in interpreting, applying or administering this Declaration of Trust or in administering, managing or operating the Trust. Any Trustees' Regulations, decisions, designations or determinations made pursuant to this Section 8.3 shall be conclusive and binding upon all persons affected thereby. The Trustee shall also have such additional powers as may be approved by the Common Unitholders by Ordinary Resolution.

8.4 Securities Held by the Trust

Any securities of any person held from time to time by the Trustees as part of the Trust Property may be voted (whether at a meeting of security holders or by written action or consent of security holders) by the Trustees (or any one of them) in such manner as is determined by the Trustees.

8.5 Restrictions on the Trustees' Powers and their Exercise

(a) In addition to any other provisions herein expressly requiring the approval of Unitholders in respect to certain matters, it is agreed that the Trustees shall not:

(i) without the approval by Special Resolution of the Unitholders entitled to vote in respect of such amendment, amend this Declaration of Trust, except as permitted in Article 9; or

(ii) without the approval by Special Resolution of the Common Unitholders, authorize any sale, lease, exchange, transfer or other disposition of all or substantially all of the property of the Trust, other than (i) pursuant to the wind-up and termination of the Trust under Article 11; (ii) pursuant to redemptions or distributions permitted hereunder; (iii) in order to acquire

securities of the Partnership or other affiliate of the Trust; or (iv) in conjunction with an Internal Reorganization of the Trust.

(b) Except with respect to (i) any matters required by applicable law to be submitted to Unitholders for approval, (ii) the matters set out above in Section 8.5(a) requiring approval of the Unitholders, and (iii) the matters set forth elsewhere in this Declaration of Trust expressly requiring the approval of the Unitholders, no action taken by the Unitholders at any meeting or resolution of the Unitholders shall in any way bind the Trustees nor shall the Trustees be required to obtain the consent or approval of Unitholders with respect to any matter.

8.6 Standard of Care

Except where otherwise specified herein, the standard of care required of each Trustee in exercising their powers and carrying out their functions under this Declaration of Trust shall be that they exercise their powers and carry out their functions hereunder as a Trustee honestly and in good faith, with a view to the best interests of the Trust, and that in connection therewith they exercise that degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Unless otherwise required by law, the Trustees shall not be required to give bond, surety or security in any jurisdiction for the performance of any duties or obligations hereunder. A Trustee shall not be required to devote his entire time to the affairs of the Trust.

For greater certainty, to the extent that the performance of certain duties and activities has been granted to the Administrator in this Declaration of Trust, or that the Trustees have delegated the performance of certain duties and activities to the Administrator, the Trustees shall be deemed to have satisfied the aforesaid standard of care.

8.7 Reliance Upon the Trustees

Any person dealing with the Trust in respect of any matters pertaining to the Trust, the Trust Property or securities of the Trust shall be entitled to rely on a certificate or statutory declaration (including, without limitation, a certificate or statutory declaration as to the passing of a resolution of the Trustees) executed by the Trustees or the Administrator or, without limitation, such other person as may be authorized by the Trustees as to the capacity, power and authority of the Trustees, the Administrator, or any other person, to act for and on behalf and in the name of the Trust. No person dealing with the Trustees shall be bound to see to the application of any money or property passing into the hands or control of the Trustees. The receipt by or on behalf of the Trustees of money or other consideration shall constitute receipt by the Trust and be binding thereon.

8.8 Determinations Binding

All determinations of the Administrator and the Trustees and any person to whom the Trustees have delegated duties (including the Administrator), whether delegated hereunder or pursuant to any other agreement (including the Administration Agreement), where such determinations are made in good faith with respect to any matters relating to the Trust, including, without limitation, whether any particular investment or disposition meets the requirements of this Declaration of Trust, shall be final and conclusive and shall be binding upon the Trust and all Unitholders (and, where the Unitholder or Beneficial Unitholder is a "tax free savings account", "registered retirement savings plan", "registered retirement income fund", "registered education savings plan", "deferred profit sharing plan" (all within the meaning of the Income Tax Act), or such other fund or plan registered under the Income Tax Act, upon past, present or future fund, plan or account beneficiaries and fund, plan or account holders), and

Trust Units and Other Trust Securities shall be issued and sold on the condition and understanding that any and all such determinations shall be final, conclusive and binding as aforesaid.

8.9 Banking

Without limiting the generality of Sections 8.1 and 8.2, the banking activities of the Trust, or any part thereof, shall be transacted with such bank, trust company, or other firm or corporation carrying on a banking business as the Trustees may designate, appoint or authorize from time to time and all such banking activities, or any part thereof, shall be transacted on behalf of the Trust by the Trustees, the Administrator or such other persons as the Trustees may designate, appoint or authorize from time to time, including, without limitation, the following activities:

(a) the operation of the accounts of the Trust;

(b) the making, signing, drawing, accepting, endorsing, negotiation, lodging, depositing or transferring of any cheques, promissory notes, drafts, acceptances, bills of exchange and orders for the payment of money;

(c) the giving of receipts for orders relating to any property of the Trust;

(d) the execution of any agreement or instrument relating to any property of the Trust; and

(e) the execution of any agreement relating to any such banking activities and defining the rights and powers of the parties thereto, and the authorizing of any personnel of such banker to do any act or thing on the Trust's behalf to facilitate such banking activities.

8.10 Conditions Precedent to Commencing Action

The obligation of the Trustees to commence or continue any act, action or proceeding for the purpose of fulfilling their duties under this Declaration of Trust or enforcing the rights of the Trustees and of the Unitholders shall, if required by notice in writing by the Trustees, be conditional upon the Administrator, Unitholders or any other person furnishing sufficient funds to commence or continue such act, action or proceeding and furnishing an indemnity (in each case only to the extent sufficient funds for such purpose are not available, or might reasonably be expected not to be available, in the Trust) satisfactory to the Trustees, acting reasonably, to protect and hold harmless the Trustees against the costs, charges, expenses and liabilities to be incurred thereby and any loss and damage they may suffer by reason thereof. None of the provisions contained in this Declaration of Trust shall require the Trustees to expend or risk their own funds or otherwise incur financial liability in the performance of any of their duties or in the exercise of any of their rights or powers unless they are indemnified as aforesaid.

8.11 Fees and Expenses

As part of the expenses of the Trust, the Trustees may pay or cause to be paid reasonable fees, costs, charges and expenses incurred in connection with the administration and management of the Trust and in connection with the discharge of any of the Trustees' duties herein, including, without limitation, fees, costs, charges and expenses of auditors, accountants, lawyers, appraisers and other professional advisors employed by or on behalf of the Trust (including the Administrator) and the cost of reporting to and giving notices to Unitholders. All fees, costs, charges and expenses properly incurred by the Trustees on behalf of the Trust shall be payable out of the Trust Property.

8.12 Payments to Unitholders

Except as may be otherwise provided herein, any cash payment required under the terms of this Declaration of Trust to be made to a Unitholder shall be paid in Canadian dollars, unless otherwise determined by the Trustees or the Administrator, with such payment to be by cheque, bank draft or wire transfer to the order of the registered Unitholder and may be mailed by ordinary mail to the last address appearing on the books of the Trust in respect of such Unitholder but may also be paid in such other manner as such Unitholder has designated to the Trustees and the Trustees have accepted. In the case of joint registered Unitholders, any cash payment required hereunder to be made to such Unitholders may be made payable, in the discretion of the Trustees, to such Unitholders jointly or to any one of such joint Unitholders and shall be paid by cheque, bank draft or wire transfer but may also be paid in such other manner as the joint registered Unitholders or any one of the joint registered Unitholders has designated to the Trustees and the Trustees have accepted. For greater certainty, a Unitholder or any one of the joint Unitholders may designate and the Trustees may accept that any payment required to be made hereunder shall be made by deposit to an account of such Unitholder or to a joint account of such Unitholder and any other person or in the case of joint registered Unitholders to an account of joint registered Unitholders or to an account of any one of the joint registered Unitholders. In the case of joint Unitholders, if more than one address appears on the books of the Trust in respect of such joint unitholding, the cheque, bank draft, wire transfer or payment in other acceptable manner as aforesaid may be sent to the address of any one of the joint registered Unitholders whose name and address appears on the books of the Trust. All payments made in the aforesaid manner shall satisfy and be a valid and binding discharge of all liability of the Trustees or the Trust for the amount so required to be paid unless the cheque or bank draft is not paid at par on presentation at Calgary, Alberta, or at any other place where it is by its terms payable. In the event of non-receipt of any such cheque or bank draft by the person to whom it was sent, the Trustees on proof of the non-receipt and upon satisfactory indemnity being given to them and to the Trust, shall issue to the person a replacement cheque or bank draft for a like amount.

The receipt, by the registered Unitholder, of any payment not mailed or paid in accordance with this Section 8.12 shall nonetheless be a valid and binding discharge to the Trust and to the Trustees for any payment made in respect of the registered Units, and if several persons are registered as joint registered Unitholders or, in consequence of the death, bankruptcy or incapacity of a Unitholder, one or several persons are entitled so to be registered in accordance with Sections 3.19 and 3.20, respectively, receipt of payment by any one of them shall be a valid and binding discharge to the Trust and to the Trustees for any such payment.

8.13 Trustees May Have Other Interests

Subject to Section 8.14, Trustees may have other interests or associations of whatever nature or kind. For further certainty, and without limitation, and without affecting or limiting a Trustees' duties and responsibilities or the limitations rights and indemnities provided in this Declaration of Trust, each Trustee is hereby expressly permitted:

(a) to be an associate, affiliate, securityholder, director, officer, trustee, employee, agent or consultant of, or otherwise involved with, a person from or to whom assets of the Trust have been or are to be purchased or sold;

(b) to be a person, or to be an associate, affiliate, securityholder, director, officer, trustee, employee, agent or consultant of (or otherwise involved with) a person, with whom the Trust contracts or deals or which supplies services to the Trust;

(c) to acquire, hold and dispose of, for such Trustees' own account, any property (real, personal, tangible or intangible) even if such property is of a character which could be held by the Trust, and to exercise all rights of an owner of such property as if such Trustee were not a Trustee;

(d) to acquire, hold and sell Trust Units as principal, or as an affiliate or associate of or fiduciary for any other person, and to exercise all rights of a holder thereof as if such Trustee was not a Trustee; and

(e) to have business interests of any nature and to continue such business interests while a Trustee.

8.14 Retention of Benefits by Trustees

The Unitholders acknowledge and accept that there are, and will continue to be, potential or actual interests of one or more of the Trustees, or their associates or affiliates (including conflicts of interest) with respect to business or other interests held directly or indirectly by, and/or contractual arrangements or transactions directly or indirectly involving, one or more of the Trustees, or their respective associates or affiliates, and the Unitholders agree that:

(a) any Trustee is hereby expressly permitted (notwithstanding any liability which might otherwise be imposed by law or in equity upon such Trustee as a trustee) to derive direct or indirect benefit, profit or advantage from time to time as a result of dealing with the Trust or its affiliates or as a result of the relationships, matters, contracts, transactions, affiliations or other interests it may have (including of the nature stated in Section 8.13) and such Trustee shall not be liable in law or in equity to pay or account to the Trust, or to any Unitholder (whether acting individually or on behalf of itself and other Unitholders as a class) for any such direct or indirect benefit, profit or advantage nor, in such circumstances, will any contract or transaction be void or voidable at the instance of the Trust of any Unitholder or any other person; and

(b) interests of any Trustee, or their respective associates or affiliates, including any conflicts of interest, will not form the basis for any claim against such Trustee, or their respective affiliate or associate, or for any attempt to challenge or attack the validity of any contract, transaction or arrangement (or renewal, extension or amendments of same) which the Trustees may enter into on behalf of the Trust;

provided, in each case, that the Trustee in question has otherwise exercised its powers and discharged its duties hereunder honestly and in good faith in respect to the matter, contract, transaction or interest in question.

8.15 Documents Held by Trustees

Any securities, documents of title or other instruments that may at any time be held by the Trustees subject to the trusts hereof may be placed in the deposit vaults or safes of the Trustees or the Administrator or any chartered bank or trust company in Canada or deposited for safekeeping with any such bank or trust company.

ARTICLE 9
AMENDMENTS TO THE DECLARATION OF TRUST

9.1 Amendment

Except as otherwise provided in this Article 9 and Schedule C, this Declaration of Trust may only be amended in writing and only upon approval given by Special Resolution of Common Unitholders.

9.2 Amendment without Approval

Notwithstanding anything herein contained, the provisions of this Declaration of Trust may be amended by the Trustees at any time and from time to time, without the consent, approval or ratification of the Unitholders, any other person or any Governing Authority for the purpose of:

(a) ensuring continuing compliance, by the Trust, with applicable laws, regulations, requirements or policies of any Governing Authority having jurisdiction over the Trustees or the Trust;

(b) providing, in the opinion of the Trustees, additional protection for the Unitholders or to obtain, preserve or clarify the provision of desirable tax treatment to Unitholders;

(c) making amendments hereto which, in the opinion of the Trustees, are necessary or desirable in the interests of the Unitholders as a result of changes in taxation laws or in their interpretation or administration (including changes in the administrative practices and assessing policies of the Canada Revenue Agency);

(d) making corrections, or removing or curing any conflicts or inconsistencies between the provisions of this Declaration of Trust or any supplemental agreement and any other agreement of the Trust or any Offering document with respect to the Trust, or any applicable law or regulation of any jurisdiction, provided that in the opinion of the Trustees, the rights of the Unitholders are not materially prejudiced thereby;

(e) making amendments hereto as are necessary or desirable for correcting typographical mistakes or for curing, correcting or rectifying any ambiguities, defective or inconsistent provisions, errors, mistakes or omissions herein, provided that, in the opinion of the Trustees, the rights of the Unitholders are not materially prejudiced thereby;

(f) making amendments hereto as are required to undertake an Internal Reorganization of the Trust or its affiliates, provided that, in the opinion of the Trustees, the rights of the Unitholders are not materially prejudiced thereby; or

(g) making amendments hereto for any purpose in addition to those stated above, provided that, in the opinion of the Trustees, the rights of the Unitholders are not materially prejudiced thereby.

9.3 Further Acts Regarding Amendment

When a vote of the Common Unitholders approves an amendment to this Declaration of Trust or an amendment is to be made pursuant to Section 9.2, then the Trustees and the Administrator (as

applicable) shall sign such documents, on behalf of the Trust, as may be necessary to effect such amendment, provided that nothing herein contained shall be construed so as to:

(a) obligate the Trustees to give effect to any amendment to this Declaration of Trust which has an effect on any of the Trustees' rights, protections and obligations hereunder which is adverse to the Trustees or increases their responsibilities or liabilities; or

(b) obligate the Administrator, acting on its own behalf and for its own account, to agree to any amendment to this Declaration of Trust which has an effect on any of the Administrator's rights, protections and obligations hereunder or under the Administrative Services Agreement which is adverse to the Administrator or increases its responsibilities or liabilities.

9.4 No Termination

No amendment to or amendment and restatement of this Declaration of Trust shall be construed as a termination of the Trust and the settlement or establishment of a new trust.

ARTICLE 10
MEETINGS OF UNITHOLDERS

10.1 Meetings

There is no requirement or obligation to hold annual meetings of Unitholders.

10.2 Calling Meetings

(a) *Meetings of Preferred Unitholders*: The provisions of this Section 10.2 and the remainder of the provisions contained in this Article 10 shall not only have application to meetings of Common Unitholders but shall be equally applicable, as the context requires, to meetings of Preferred Unitholders which are held for the purposes authorized in Section 2(b) of Schedule C; and, accordingly, such provisions (including the use of the word "Unitholders" throughout) shall be so construed and applied, *mutatis mutandis*, so as to give effect to such interpretation.

(b) *Called by the Trustees*: The Trustees shall have the power, at any time and for any purpose, to call a meeting of the Unitholders (whether Common Unitholders or Preferred Unitholders) at such time and place as the Trustees may determine or the Administrator may request (and, for greater certainty, the Trustees shall call a meeting of Unitholders upon request of the Administrator). In addition, if a vote of holders of Preferred Trust Units is required pursuant to the rights, privileges, restrictions and conditions attaching to the Preferred Trust Units as set out in Schedule C hereto, the Trustees shall call a meeting of the holders of Preferred Trust Units.

(c) *Requisition by Common Unitholders*: Common Unitholders holding in the aggregate not less than 25% of all votes entitled to be voted at a meeting of Common Unitholders may requisition the Trustees to call a special meeting of Common Unitholders for the purposes stated in the requisition. The requisition shall (A) be in writing, (B) set forth the name and address of, and number of Trust Units and Voting Exchangeable Securities (and votes attached thereto which, in the aggregate, must not be less than 25% of all votes entitled to be voted at a meeting of Common Unitholders) held by,

each person who is supporting the requisition, (C) state in reasonable detail the business to be transacted at the meeting, and (D) shall be sent to the Trustees at the Trustees' principal place of business in Alberta. Upon receiving a requisition complying with the foregoing, the Trustees shall call a meeting of Unitholders to transact the business referred to in the requisition, unless:

(i) the Trustees have, within the preceding ninety (90) days, called a meeting of Common Unitholders and have given notice thereof pursuant to Section 10.3; or

(ii) in connection with the business as stated in the requisition:

(A) it clearly appears that a matter covered by the requisition is submitted by the Common Unitholder primarily for the purpose of enforcing a personal claim or redressing a personal grievance against the Trust, the Trustees, the Administrator (or any associate or affiliate of the Administrator), the Common Unitholders or any affiliate of the Trust, or primarily for the purpose of promoting general economic, political, religious, social or similar causes or primarily for a purpose that does not relate in a significant way to the business or affairs of the Trust;

(B) the Trust, at the Common Unitholder's request, had previously included a matter substantially the same as a matter covered by the requisition in a proxy circular relating to a meeting of Common Unitholders held within 30 months preceding the receipt of such requisition and the Common Unitholder failed to present the matter, in person or by proxy, at the meeting;

(C) substantially the same matter covered by the requisition was submitted to Common Unitholders in a proxy circular relating to a meeting of Common Unitholders held within 30 months preceding the receipt of such requisition and the matter covered by the requisition was defeated; or

(D) the rights conferred by this Section 10.2 are being abused to secure publicity.

(d) *Failure to Call Meeting*: If there shall be no Trustee or if the Trustees do not, within 21 days after receiving the requisition, call a meeting (except where the grounds for not calling the meeting are one or more of those set forth in Section 10.2(c) above), any Common Unitholder who signed the requisition or the Administrator, as the case may be, may call the meeting in accordance with the provisions of Article 10, *mutatis mutandis*.

10.3 Notice of Meeting of Unitholders

Notice of all meetings of the Unitholders shall be given or sent by unregistered mail postage prepaid addressed to each Unitholder at his registered address, mailed at least 21 days and not more than 60 days before the meeting (or within such other time periods as required or permitted by applicable securities laws). The attendance of a Unitholder at a meeting (whether in person or by proxy) shall constitute a waiver of notice, or defect therein, with respect to such meeting except where a Unitholder attends a meeting for the express purpose of objecting to the transaction of any business on the ground

that the meeting has not been lawfully called or convened. Such notice shall set out the time when, and the place where, such meeting is to be held and shall state the purposes of the meeting. The accidental omission to give notice to or the non-receipt of such notice by the Unitholders shall not invalidate any business undertaken or any resolution passed at any such meeting.

10.4 Quorum; Chairman

A quorum for any meeting of Unitholders shall be one or more persons present in person and being Unitholders or representing, by proxy, Unitholders, and who hold in the aggregate not less than 5% of all votes entitled to be voted at the meeting. In the event of such quorum not being present at the appointed place on the date for which the meeting is called within 30 minutes after the time fixed for the holding of such meeting, the meeting, if convened on requisition of Unitholders, shall be terminated and, if otherwise called, shall stand adjourned to a day not less than 7 days later and to such place and time as may be determined by the chairman of the meeting. At least three (3) Business Days' notice of the adjournment meeting shall be given to Unitholders, either in writing or verbally, but such notice need not set forth the matters to be considered at the adjourned meeting. If at such adjourned meeting a quorum as above defined is not present, the Unitholders entitled to vote at such meeting and present either personally or by proxy shall form a quorum, and any business may be brought before or dealt with at such an adjourned meeting which might have been brought before or dealt with at the original meeting in accordance with the notice calling the same. The President of the Administrator, or such other individual as may be appointed by the Trustees, shall be the chairman of any meeting of Unitholders failing which the Unitholders present in person or represented by proxy at the meeting and eligible to vote thereat shall appoint a chairman of the meeting of Ordinary Resolution.

10.5 Voting

(a) Except for meetings of Preferred Unitholders called for the purposes set forth in Section 2(b) of Schedule C, only the holders of the Common Units shall be entitled to receive notice of and to attend all meetings of the Unitholders of the Trust, either in person or by proxy, and shall be entitled to one (1) vote in respect of each Common Unit held at all such meetings.

(b) Every question submitted to a meeting, other than questions to be decided by Special Resolution, shall, unless a poll vote is demanded, be decided by a show of hands on which every person present and entitled to vote shall be entitled to one vote. On a poll vote at any meeting of Unitholders, each Trust Unit shall be entitled to the number of votes set out in Schedule C and each Voting Exchangeable Security shall be entitled to that number of votes equal to the number of votes attached to the number of Trust Units into which such Voting Exchangeable Security is exchangeable, exercisable or convertible. A poll vote may be demanded either before or after a vote by show of hands.

(c) Any action taken or resolution passed in respect of any matter at a meeting of Unitholders shall be by Ordinary Resolution, unless the contrary is otherwise expressly provided under any specific provision of this Declaration of Trust.

(d) The chairman of any meeting of Unitholders shall not have a second or casting vote.

10.6 Record Dates

For the purpose of determining the Unitholders who are entitled to receive notice of and vote at any meeting or any adjournment thereof, or for the purpose of any other action, the Trustees may from time to time, without notice to Unitholders, close the transfer books for such period, not exceeding 30 days, as the Trustees may determine. With or without closing the transfer books, the Trustees may fix a date not more than 60 days prior to the date of any meeting of Unitholders (whether a meeting of Common Unitholders or Preferred Unitholders, as the case may be) or any other action to be taken by the Trust, as a record date for the determination of Unitholders (whether Common Unitholders or Preferred Unitholders, as the case may be) entitled to receive notice of and to vote at such meeting or any adjournment thereof or to be treated as Unitholders of record for purposes of such other action, as the case may be. Any Unitholder who was a Unitholder (in respect of the class or series of Units in respect of which such meeting has been called) at the record date so fixed shall be entitled to receive notice of and vote at such meeting or any adjournment thereof, or to be treated as a Unitholder of record for purposes of such other action, even though he has since that date disposed of his Trust Units or Voting Exchangeable Securities, and no person who becomes a Unitholder after that date shall be entitled to receive notice of and vote at such meeting or any adjournment thereof, or to be treated as a Unitholder of record for purposes of such other action. In the event that the Trustees do not fix a record date for any meeting of Unitholders, the record date for such meeting shall be the Business Day immediately preceding the date upon which notice of the meeting is given in accordance with Article 10.

10.7 Proxies

Whenever the vote or consent of Unitholders is required or permitted under this Declaration of Trust, such vote or consent may be given either directly by the Unitholder or by a proxy in written form, electronic or other technologically enhanced form, or such other form as is acceptable to the Trustees acting reasonably. A proxy holder need not be a Unitholder. The Trustees may solicit such proxies from the Unitholders or any of them in respect of any matter requiring or permitting the Unitholders' vote, approval or consent in such manner as the Trustees determine, subject to applicable law.

Provided not contrary to applicable law, the Trustees may adopt, amend or repeal such rules relating to proxies, including pertaining to the appointment of proxy holders and the solicitation, execution, validity, revocation and deposit of proxies, as they in their discretion from time to time determine and such rules may be contained in the Trustees' Regulations.

10.8 Mandatory Solicitation of Proxies

The Trustees shall solicit proxies from Unitholders in connection with all meetings of Unitholders. In connection therewith, the Trustee shall comply with all mandatory provisions of applicable laws applicable to the solicitation of proxies.

10.9 Resolution in Lieu of Meeting

A resolution signed in writing by Unitholders holding such number of Units eligible to be voted at a meeting to which are attached such proportion of all votes eligible to be cast at the meeting as is equal to or greater than the proportion of votes required to be cast in favour such resolution at a meeting of Unitholders to approve that resolution, is as valid as if it had been passed at a meeting of Unitholders duly called and convened for the purpose of approving that resolution.

10.10 Voting of Trust Units by Administrator

Nothing herein contained shall prevent or diminish the right of the Administrator or its affiliates or associates to vote any Trust Units or Voting Exchangeable Securities which may be beneficially owned by it or them in its or their own capacity in its or their absolute discretion.

10.11 Binding Effect of Resolutions

Every Ordinary Resolution and every Special Resolution of a class or series of Unitholders passed in accordance with the provisions of this Declaration of Trust shall be binding upon all Unitholders of that class or series, and each and every such Unitholder shall be bound to give effect to every such Ordinary Resolution and Special Resolution.

10.12 No Breach

Notwithstanding any provisions of this Declaration of Trust, the Unitholders shall not have the power to effect any amendment hereto which would require the Trustees to take any action or conduct the affairs of the Trust in a manner which would constitute a breach or default by the Trust or the Trustees under any law or under any agreement binding on the Trust or the Trustees.

10.13 Resolutions Binding the Trustee

(a) Unitholders shall be entitled to pass resolutions that will bind the Trustee only with respect to the following matters:

(i) the election, appointment or removal of the Trustee by Common Unitholders;

(ii) the appointment or removal of the Administrator by Common Unitholders;

(iii) any other matter referred to in Section 8.5; and

(iv) any other matters required by applicable laws or this Declaration of Trust to be submitted to Unitholders for approval.

(b) Except with respect to the above matters set out in this Section 10.13, no action taken by the Unitholders or any resolution of the Unitholders at any meeting shall in any way bind the Trustees.

10.14 Conduct of Meetings

To the extent that the rules and procedures for the conduct of meetings of Unitholders are not prescribed in this Declaration of Trust or the Trustees' Regulations, such rules and procedures shall be determined by the chairman of the meeting.

10.15 Minutes of Meetings

Minutes, when signed by the chairman of the meeting at which resolutions are passed or proceedings held, or by the chairman of the next succeeding meeting of Unitholders, will be prima facie evidence of the matters therein stated until the contrary is proved. Every meeting in respect of which minutes are made and signed will be deemed, unless the contrary is proved, to have been duly held and convened, and all resolutions passed or proceedings taken as referred to in the minutes will be deemed to have been duly passed and taken in accordance with this Declaration of Trust.

ARTICLE 11
TERMINATION

11.1 Term of the Trust

Subject to earlier termination in accordance with the other provisions of this Declaration of Trust, the Trust shall continue for a term ending 21 years after the date of death of the last surviving issue of Her Majesty, Queen Elizabeth II, alive on February 27, 2014.

11.2 Events of Termination

The Trust shall commence its wind-up and termination upon the first of the following to occur:

(a) a proposal by the Trustees or the Administrator, to wind up and terminate the Trust, which proposal is approved by way of Special Resolution of the Common Unitholders; or

(b) the date upon which each of the material entities in which the Trust holds an interest, or has otherwise invested, have been liquidated; which generally means such entities have been wound-up and their net assets distributed to those so entitled upon a wind-up, dissolution or termination of such entities (hereinafter referred to as an "**Event of Termination**").

11.3 Wind-Up

(a) Upon the occurrence of an Event of Termination the Trustees shall commence the wind-up and termination of the affairs of the Trust and will use their reasonable commercial efforts to, as soon as practicable, liquidate and distribute (in accordance with the terms hereof) all the Trust Property and wind-up the Trust.

(b) The Administrator or, in the event the Administrator is unable or unwilling to act, the Trustees shall serve as the receiver of the Trust, provided that if neither are able or willing to act in such capacity then the Common Unitholders shall appoint by Ordinary Resolution an appropriate person to act as the receiver of the Trust. The receiver shall be paid its reasonable fees and disbursements in carrying out its duties.

(c) Except as specifically provided in this Declaration of Trust, in no event and under no circumstances shall a Unitholder be entitled to compel a partition, judicial or otherwise, of any of the assets of the Trust, either in kind or otherwise.

11.4 Powers of the Trustees Upon Wind-Up

During the wind-up of the affairs of the Trust, the Administrator and the Trustees shall carry on no activities on behalf of the Trust except those for the purpose of, and ancillary to, winding-up and terminating the affairs of the Trust as hereinafter provided and, for this purpose, the Administrator and the Trustees shall be vested with and may exercise all or any of the powers conferred upon the Trustees under this Declaration of Trust.

11.5 Liquidation of Investments

For the purposes of winding-up and terminating the affairs of the Trust the Administrator shall, subject to any direction to the contrary in respect of a wind-up and termination authorized under Section 11.2(a), sell and convert into money the Trust Property (to the extent not already then comprising cash or cash equivalents) and do all other acts appropriate to liquidate the Trust. If the Administrator is unable to sell all or any of the Trust Property or other assets which comprise part of the Trust within a reasonable period of time, the Administrator may, subject to obtaining all necessary regulatory or other approvals, distribute undivided interests in the remaining Trust Property or other assets directly to the holders of the Common Units and the Preferred Trust Units in accordance with their respective entitlements to the Trust Property on a wind-up or termination of the Trust, as such entitlements are determined in accordance with the rights, privileges, restrictions and conditions attaching to the Common Units and the Preferred Trust Units.

11.6 Distribution of Proceeds

(a) Once the Administrator is able to determine, with a reasonable degree of certainty, the time at which the Trust will be in a position to distribute the net assets of the Trust, then the Administrator shall give notice of the timing of such anticipated distribution. Such notice shall designate the time or times at which Unitholders may surrender their Trust Units for cancellation and the date at which the Registers of Trust Units of the Trust shall be closed.

(b) After paying, retiring or discharging or making provision for the payment, retirement or discharge of all known liabilities and obligations of the Trust (including expenses relating to the wind-up and termination of the Trust) and providing for an indemnity against any other outstanding liabilities and obligations, the Administrator shall distribute the remaining Trust Property to the holders of the Common Units and the Preferred Trust Units in accordance with their respective entitlements to the Trust Property on a wind-up or termination of the Trust, as such entitlements are determined in accordance with the rights, privileges, restrictions and conditions attaching to the Common Units and the Preferred Trust Units. Any such distribution to a class or series of Units shall be distributed *pro-rata* across the class or series.

11.7 Further Notice of Unitholders

In the event that less than all of the Unitholders have surrendered their Trust Units for cancellation within six (6) months after the time specified in the notice referred to in Section 11.6(a), the Administrator shall give further notice to the remaining Unitholders to surrender their Trust Units for cancellation and if, within six (6) months after the further notice, all the Trust Units shall not have been surrendered for cancellation, such remaining Trust Units shall be deemed to be cancelled without prejudice to the rights of the holders of such Trust Units to receive their proper entitlements to the Trust Property on a wind-up or termination of the Trust, as such entitlements are determined in accordance with the rights, privileges, restrictions and conditions attaching to the Common Units and the Preferred Trust Units, and the Administrator may either take appropriate steps, or appoint an agent to take appropriate steps, to contact such Unitholders (deducting all expenses thereby incurred from the amounts to which such Unitholders are entitled as aforesaid) or, in the discretion of the Administrator, the Administrator may at any time pay all or part of such amounts so held, net of any amount required to be withheld by the Income Tax Act, to the public trustee or a court in the province where the Trust has its head office (or to such other appropriate government official or agency) whose receipt shall be a good release, acquittance and discharge of the obligations of the Trustees and the Administrator with respect

thereto. If any such amount of money or property distributable or otherwise payable hereunder is not claimed by and paid to the Unitholder(s) entitled thereto within two (2) years from the date on which the amount became distributable or payable, the amount, to the extent not lodged with the public trustee, court or other government official or agency (as aforesaid), shall be forfeited to, and retained by, the Trust and any right or claim to payment of such amount by the person previously entitled thereto shall cease to represent a right or claim of any kind or nature by such person. Neither the Administrator nor the Trustees shall be under any obligation to invest or reinvest any such money and they shall only be obliged to hold the same in a current non-interest-bearing account pending payment to the Unitholder(s) entitled thereto.

11.8 Responsibility on Wind-Up

Neither the Administrator nor the Trustees shall be under any obligation to invest the proceeds of any sale of investments or other assets or cash forming part of the Trust Property after the date of commencement of the wind-up and termination of the Trust.

ARTICLE 12
LIABILITY OF TRUSTEES, ADMINISTRATOR, UNITHOLDERS AND OTHER MATTERS

12.1 Acting on Behalf of the Trust

The Trustees, the Administrator and the directors, officers, employees, shareholders, consultants and agents of the Trust, the Trustees and the Administrator, as the case may be, in incurring any debts, liabilities or obligations, or taking or omitting any other actions for or in connection with the affairs of the Trust are, and shall be conclusively deemed to be, acting for and on behalf of the Trust, and not in their own personal capacities.

12.2 General Limitations of Liability

(a) *Reliance on Experts*: The Trustees and the Administrator shall be entitled to rely on, and shall not be liable for acting or failing to act, in good faith, in relation to any matter relating to the Trust where such action or failure to act is based upon, statements from, the opinion or advice of, or information from the Auditor or Counsel or any valuator, engineer, surveyor, appraiser or other expert (herein "**Experts**") where it is reasonable to conclude that the matter in respect of which such statements are made, or opinion or advice given, ought to be within the expertise of such Expert, provided that, with respect to the retention of Experts, the Trustee or Administrator have satisfied its Standard of Care.

(b) *Good Faith Reliance*: The Trustees and the Administrator shall not be liable to any Beneficiary or other persons in relying in good faith upon statements or information from, the opinion or advice of, or instruments or directions given by an officer, director, trustee, employee or agent of the Administrator or by a broker, a custodian, Transfer Agent, or any Beneficiary, or by such other parties as may be authorized to give instructions or directions to the Trustees. If required by the Trustees, the Administrator shall file with the Trustees a certificate of incumbency setting forth the names and titles of parties authorized to give instructions or directions to the Trustees together with specimen signatures of such persons and the Trustees shall be entitled to rely on the latest such certificate of incumbency filed with them. The Trustees, the Administrator and each affiliate of the Trust and their respective directors, officers, trustees, shareholders, employees and agents shall not be liable to any Beneficiary or other

persons for, and shall each be fully protected from liability in respect to, acting upon any instrument, certificate or paper believed by it, in good faith, to be genuine and signed or presented by the proper person or persons.

(c) *Tax Matters*: None of the Trust, the Administrator, or the Trustees shall be accountable or liable to any Beneficiary by reason of any act or acts of any such person consistent with the carrying out of any obligations or responsibilities imposed upon any such person under the Income Tax Act.

12.3 Limitation of Liability and Indemnification of Trustees

(a) *Limit on Liability*: In addition to those limits on the liability of the Trustees set forth in Section 12.2, each Trustee, as a trustee of the Trust, shall to the greatest extent permitting by applicable laws, have no liability whatsoever (whether direct or indirect, absolute or contingent) in tort, contract or otherwise to any Beneficiary or any other person, and no resort shall be had to such Trustees' property or assets for satisfaction of any obligation, liability or claim against them or the Trust (and the Trust only shall be liable, and the Trust Property subject to levy or execution in respect thereof), where such obligation, liability or claim arises, directly or indirectly, out of or in connection with being or having been a trustee of the Trust, including (1) any action or failure to act by such Trustee in respect of their duties, responsibilities, powers, authorities and discretion under this Declaration of Trust, and (2) any depreciation of, or loss to, the Trust incurred by reason of the retention or sale of any Trust Property; provided that the limit of liability set forth in this Section 12.3(a) shall not apply if:

(i) the obligation, liability or claim arises from a criminal or administrative action or proceeding that is enforced by monetary penalty, and the Trustee did not have reasonable grounds for believing that his conduct was lawful; and

(ii) in all other circumstances other than that in subparagraph (i) above, the obligation, liability or claim arises from the breach by such Trustee of the standard of care and duty prescribed by Section 8.6.

(b) *Indemnity*: If a Trustee is held liable to any person, or the Trustees' property or assets are subject to levy, execution or other enforcement, resulting in personal loss to the Trustee in circumstances where there is to be no liability on a Trustee pursuant to the provisions of this Declaration of Trust (including Section 12.3(a) above), then the Trustee shall be entitled to indemnity and reimbursement out of the Trust Property, in accordance with Section 12.6, to the full extent of such liability and the costs of any action, suit or proceeding or threatened action, suit or proceeding, including without limitation, the reasonable legal fees and disbursements of its legal counsel on a solicitor and client basis, and this indemnity shall survive the termination of this Declaration of Trust or the resignation of the Trustee.

12.4 Limitation of Liability and Indemnity of Administrator

(a) *Limit on Liability*: In addition to those limits on the liability of the Administrator as set forth in Section 12.2 or elsewhere herein, neither the Administrator, nor any director, officer, employee, consultant or agent thereof nor person serving or having served as a director or officer of any entity at the request of the Trust or Administrator (collectively, "**Responsible Parties**" and individually, "**Responsible Party**") shall have

any liability whatsoever (whether direct or indirect, absolute or contingent) in tort, contract or otherwise to any person (including the Trust, the Trustees or any Beneficiary), arising out of or incurred, directly or indirectly, in connection with being or having been the Administrator of the Trust, or a director, officer employee, consultant or agent thereof, or serving or having served as a director or officer of any entity at the request of the Trust or Administrator, except where such liability arises out of the wilful misconduct, fraud or gross negligence of a Responsible Party in which case such person(s) shall not be entitled to avail themselves of the benefit of this limitation of liability; and, except in such a circumstance, no Responsible Party will be subject to any personal liability for such aforesaid liabilities and the Trust will be solely liable therefore and resort will be had solely to the Trust Property for satisfaction of any such liabilities.

(b) *Indemnity*: If, in circumstances where there is to be no liability on a Responsible Party pursuant to the provisions of this Declaration of Trust, a Responsible Party is held liable to any person, or its property or assets are subject to levy, execution or other enforcement resulting in loss to the Responsible Party, then the Responsible Party shall be entitled to indemnity and reimbursement out of the Trust Property, in accordance with Section 12.6, to the full extent of such liability and the costs of any action, suit or proceeding or threatened action, suit or proceeding, including without limitation, the reasonable legal fees and disbursements of its legal counsel on a solicitor and client basis.

(c) *Benefit*: The Administrator shall be entitled to the benefit of the provisions of this Section 12.4 and any other provisions set forth in this Declaration of Trust which purport to confer benefits, rights, power or authority upon the Administrator notwithstanding the fact that the Administrator is not a party hereto.

12.5 No Beneficiary Liability

(a) *No Beneficiary Liability*: No Unitholder, Beneficial Unitholder, holder of Other Trust Securities or annuitant (collectively, a "**Beneficiary**"), in their capacity as such, shall be subject to any liability whatsoever (whether direct or indirect, absolute or contingent) in tort, contract or otherwise, to any person and no resort shall be had to, nor shall recourse or satisfaction be sought from, the private property of any Beneficiary for any liability whatsoever in connection with the following (collectively, "**Trust Liabilities**"): (i) the Trust Property or the ownership, use, operation, acquisition or disposition thereof or the exercise or enjoyment of the rights, privileges, conditions or benefits attached thereto, associated therewith or derived therefrom; (ii) the obligations, liabilities, activities or affairs of the Trust; (iii) any actual or alleged act or omission of the Trustees, the Administrator or any other person in respect of the activities or affairs of the Trust (whether or not authorized by or pursuant to this Declaration of Trust); or (iv) except as otherwise provided in this Declaration of Trust, any taxes, levies, imposts or charges or fines, penalties or interest in respect thereof payable by the Trust or by the Trustees or the Administrator (on behalf of the Trust) in connection with the activities or affairs of the Trust, provided that each Beneficiary always remains responsible for (and shall not be indemnified from) any liability for taxes assessed against them by reason of or arising out of their ownership of Units or Other Trust Securities, and liabilities in respect of the breach of investment and other restrictions related to the ownership of the Units to which such Beneficiary may be subject as a result of applicable law, contract or otherwise, and other similar liabilities. No Beneficiary, in its

capacity as such, shall be liable to indemnify the Trustees or any other person with respect to any Trust Liabilities. The Trustees hereby waive to the maximum extent possible any right to indemnification which they may have against any Beneficiary under any applicable law.

(b) *Indemnity*: If, in circumstances where there is to be no liability on a Beneficiary pursuant to the provisions of Section 12.5(a), a Beneficiary shall be held liable to any person, or its property or assets are subject to levy, execution or other enforcement resulting in loss to such Beneficiary, then the Beneficiary shall be entitled to indemnity and reimbursement out of the Trust Property, in accordance with Section 12.6, to the full extent of such liability and the costs of any action, suit or proceeding or threatened action, suit or proceeding, including without limitation, the reasonable legal fees and disbursements of its legal counsel on a solicitor and client basis.

12.6 Indemnification and Reimbursement

(a) Each person who is, or shall have been a Trustee, an Administrator, Responsible Party or a Beneficiary (collectively, an "**Indemnified Party**") shall be indemnified, saved harmless and reimbursed by the Trust out of the Trust Property (to the full extent thereof) in respect of any and all liabilities, costs, charges, damages and expenses (including judgments, fines, penalties, amounts paid in settlement, and reasonable legal fees and disbursements on a solicitor and client basis) incurred in connection with, or arising directly or indirectly out of, any action, suit or proceeding to which any such Indemnified Party may be subject or made a party to, if pursuant to Sections 12.3(b), 12.4(b) or 12.5(b) (as the case may be) such Indemnified Party is entitled to indemnification. An Indemnified Party shall not be entitled to satisfaction of any right of indemnity or reimbursement granted herein, or otherwise existing at law, except out of the Trust Property, and no Beneficiary or Trustee or former Trustee shall be personally liable to any Indemnified Party with respect to any claim for such indemnity or reimbursement.

(b) For purposes of this Article 12, (i) "action, suit or proceeding" shall include every action, suit or proceeding (whether civil, criminal, administrative, investigative, or other) or other claim; (ii) the rights of indemnification conferred hereby shall extend to any threatened action, suit or proceeding or other claim; and (iii) advances in respect of the right to indemnification may be made by the Trust against costs, expenses and fees incurred in respect of the matter or matters as to which indemnification is claimed.

(c) The foregoing right of indemnification shall not be exclusive of any other rights to which the Indemnified Party may be entitled as a matter of law or which may be lawfully granted to such person. The provisions of this Section 12.6 are severable, and if any provisions hereof shall for any reason be determined invalid or ineffective, the remaining provisions of this Declaration of Trust relating to indemnification and reimbursement shall not be affected thereby. This indemnity shall survive the termination of the Trust.

12.7 Further Limitation on Indemnification

Notwithstanding any other provisions of this Declaration of Trust:

(a) ~~(c)~~ There shall be no recourse to the Trust Property to reimburse any person for transfer or other taxes or fees payable on the transfer of Units or any income, fees or other taxes assessed against any person by reason of ownership or disposition of Units.

(b) ~~(d)~~ Whether any such losses or damages are foreseeable or unforeseeable, the Trustees shall not be liable under any circumstances whatsoever for any:

(i) breach by any other party of securities law or other rule of any securities regulatory authority;

(ii) lost profits of any party; or

(iii) special, indirect, incidental, consequential, exemplary, aggravated or punitive losses or damages incurred by any party.

12.8 Force Majeure

Except for the payment obligations of the Administrator contained herein, no party shall be liable to the other, or held in breach of this Declaration of Trust, if prevented, hindered, or delayed in the performance or observance of any provision contained herein by reason of act of God, riots, terrorism, acts of war, epidemics, governmental action or judicial order, earthquakes, or any other similar causes (including, but not limited to, mechanical, electronic or communication interruptions, disruptions or failures). Performance times under this Declaration of Trust shall be extended for a period of time equivalent to the time lost because of any delay that is excusable under this Section.

12.9 Extended Meanings

For the purposes of Sections 12.2 to 12.6 (inclusive) references to the Trustees and the Administrator shall be deemed to include their respective directors, officers, shareholders, agents and employees; provided, for greater certainty, that for purposes of these provisions neither the Administrator nor any sub-delegate thereof shall be considered an agent of the Trustee.

12.10 Exculpatory Clauses in Instruments

In respect of any obligations or liabilities being incurred by the Trust, a Trustee or the Administrator on behalf of the Trust, the Trustees and the Administrator shall make all reasonable efforts to include as a specific term of such obligations or liabilities a contractual provision substantially to the following effect:

> The parties hereto acknowledge that **[the Trustees] [the Administrator]** are entering into this agreement solely **[in their capacity as Trustees/Administrator]** on behalf of the Trust and the obligations of the Trust hereunder shall not be personally binding upon **[the Trustees] [the Administrator]** or any Beneficiary of the Trust and that any recourse against the Trust **[, the Trustees] [,the Administrator]** or any Beneficiary as defined in the Declaration of Trust in any manner in respect of any indebtedness, obligation or liability arising hereunder or arising in connection herewith or from the matters to which this agreement relates, including without limitation claims based on negligence or otherwise tortious behaviour, shall be limited to, and satisfied only out of, the Trust Property as defined in the Amended and Restated Declaration of Trust in respect of the Trust dated as of ~~October 27~~●, 201~~5~~9, as from time to time amended, supplemented or restated.

The omission of such statement from any such document or instrument shall not render a Trustee, the Administrator or a Beneficiary liable to any person, nor shall a Trustee, the Administrator or any Beneficiary be liable for such omission. If, notwithstanding this provision, a Trustee, the Administrator or any Beneficiary shall be held liable to any person by reason of the omission of such statement from any such agreement, undertaking or obligation such Trustee, the Administrator or Beneficiary shall be entitled to indemnity and reimbursement out of the Trust Property to the full extent of such liability.

12.11 Execution of Instruments and Apparent Authority

Any instrument executed in the name of the Trust by any Trustee as trustee of the Trust, or on behalf of the Trust by the Administrator, shall constitute and shall be deemed to constitute a valid obligation of the Trust enforceable in accordance with its terms as if executed by the Trustees.

12.12 Interests of Consultants and Agents

Subject to any agreement to the contrary between the Trust and any consultant or agent of the Trust (including the Administrator), a consultant or agent of the Trust may, while so engaged and so long as it complies with this Declaration of Trust and any other applicable agreements:

(a) acquire, hold and dispose of any property, real or personal, for its account even if such property is of a character which could be held by the Trust, and may exercise all rights of an owner of such property as if it were not a consultant or agent, as the case may be;

(b) have business interests of any nature and may continue such business interests for its own account including the rendering of professional or other services and advice to other persons for gain; and

(c) acquire, hold and sell Units or Other Trust Securities in its own capacity or as an affiliate of or fiduciary for any other person, or as an affiliate of any person who acquires, holds or sells Units, and may exercise all rights of a holder thereof as if it were not a consultant or agent of the Trust;

and such activities shall be deemed not to conflict with its duties as a consultant or agent of or to the Trust. Except as otherwise specifically agreed with the Trust, no consultant or agent of the Trust shall have any duty to present to the Trust any investment opportunity which it may receive in any capacity other than as consultant or agent of the Trust, and its failure to present to the Trust any such investment opportunity shall not make such consultant or agent liable in law or in equity, to pay, or account to the Trust, or to any Unitholder whether acting individually or on behalf of himself and other Unitholders as a class, for any benefit, profit or advantage derived therefrom.

ARTICLE 13
MANAGEMENT OF THE TRUST

13.1 Powers of Administrator

(a) Except as expressly prohibited by law, the Trustees may grant or delegate to any person (including the Administrator) such authority and such powers of the Trustees hereunder as the Trustees may deem appropriate, necessary or desirable to carry out and effect the actual management and administration of the duties of the Trustees under this

Declaration of Trust, without regard to whether such authority is normally granted or delegated by trustees.

(b) The Administrator shall have the powers and duties as may be expressly contemplated for herein as well as and in the Administration Agreement and may be given, without limitation, the power to further delegate management and administration of the Trust, as well as the power to retain and instruct such appropriate experts or advisors to assist in the performance of those duties and obligations.

(c) Without limiting the generality of the foregoing, the Trustees may grant broad discretion to the Administrator to administer and manage the Trust, to act as agent for the Trust, to execute documents on behalf of the Trust, and to make decisions on behalf of the Trust.

(d) In the event that, at any time during the existence of the Trust, there is an absence of an administrator of the Trust then the Trustees shall be responsible for all matters in connection with the administration and operation of the Trust, including all matters expressly referred to in this Declaration of Trust as being duties, responsibilities or obligations of the Administrator.

13.2 Determinations of the Administrator Binding

All determinations of the Administrator which are made in good faith relating to the Trust shall be final and conclusive and shall be binding upon the Trust and all Unitholders (and, where the Unitholder is a tax free savings account, registered retirement savings plan, registered retirement income fund, registered education savings plan, deferred profit sharing plan or registered pension fund or plan (all as defined in the *Income Tax Act*), or such other fund or plan registered under the Income Tax Act, upon past, present or future fund or plan beneficiaries and fund or plan holders), and Trust Units shall be issued and sold on the condition and understanding that any and all such determinations shall be binding as aforesaid.

13.3 Services Not Exclusive

The Trustees acknowledge that the services of the officers and directors of the Administrator will not be exclusive to the Administrator or the Trust, and nothing in this Declaration of Trust or the Administration Agreement shall prevent the officers and directors of the Administrator from engaging in other activities apart from those services being provided thereby to the Administrator or the Trust (whether or not those other activities are the same or similar to the activities being carried out on behalf of the Administrator or the Trust).

ARTICLE 14
SUPPLEMENTAL DOCUMENTS

14.1 Provision of Supplemental Documents

The Trustees may, subject to the provisions hereof, and they shall, when so directed in accordance with the provisions hereof, execute and deliver documents or instruments supplemental hereto, which thereafter shall form part hereof, for any one or more or all of the following purposes:

(a) modifying or amending any provisions of this Declaration of Trust in the circumstances set forth in Article 9 where the Trustees may do so without the consent, approval or ratification of the Unitholders or any other person or any Governing Authority; and

(b) modifying or amending any provisions of this Declaration of Trust where the modification or amendment has been consented to, approved or ratified by some or all of the Unitholders (as the case may be) to the extent required in accordance with the provisions of this Declaration of Trust;

provided that the Trustees may decline to enter into any such supplemental documents which in their opinion may not afford adequate protection to the Trustees when the same shall become operative.

ARTICLE 15
NOTICES

15.1 Notices

(a) To Unitholders:

Any notice, instrument, communication, or other document (herein "**Notice**") required or permitted to be given or sent to Unitholders under this Declaration of Trust or by law, will be sufficiently given or sent if done so by (i) personal service, or (ii) regular mail addressed to each Unitholder at his or her last address appearing on the Registers, or (iii) internet based email communication to a Unitholder at his or her last email address appearing on the books and records of the Trust, or (iv) in any other manner from time to time permitted by applicable law.

(b) To the Trustees or Administrator:

Any Notice required or permitted to be given or sent to the Trustees or Administrator under this Declaration of Trust will be sufficiently given or sent if done so by (i) personal service, or (ii) by regular mail within Canada, postage prepaid, or (iii) by electronic mail, addressed as follows:

~~#803 – 5920 Macleod Trail~~Suite 2210, 8561 – 8A Avenue S.W.
Calgary, Alberta T~~2~~3H 0~~K2~~V5

Email: info@enercapita.com
Attention: Enercapita

15.2 Deemed Receipt

Any Notice given in the manner provided in section 15.1 shall be deemed to have been given and delivered (i) in the case of Notice given by personal delivery, on the date of delivery, (ii) in the case of Notice given by regular mail, on the third Business Day following the date on which the Notice was mailed except in the circumstances set forth in Section 15.3, (iii) in the case of Notice given by publication, after publication of such Notice twice in the designated newspaper or newspapers, (iv) in the case of Notice given by internet based email communication, on the next Business Day following the day on which such Notice is given, and (v) in the case of Notice given in any other manner, on the later of (A) the Business Day on which such Notice is given and (B) the earliest day and at the earliest time (as applicable) as is permissible in accordance with the law permitting the giving of Notice via such

communication method. In proving Notice was mailed, it shall be sufficient to prove that such Notice was properly addressed, stamped and mailed.

15.3 Mail Disruption

In the event of any disruption, strike or interruption in the Canadian postal service before deemed delivery under Section 15.2 of a Notice, if sent by mail, such Notice shall be deemed to have been delivered 48 hours after 12:01 a.m. on the day following the resumption of normal mail service; provided further that during the period that regular mail service shall be interrupted, Notice may be given by personal service, or by internet based email communication to those Unitholders who have provided an email address to the Trust, or by publication twice in the Report on Business section of the National Edition of The Globe and Mail or similar section of any other newspaper having national circulation in Canada; provided further that if there is no newspaper having national circulation, then such Notice may be given by publishing twice in the business section of a newspaper in each city where the Register(s) or a branch register is maintained.

15.4 Change of Address

The Administrator or Trustees may change their address by giving written notice of such change to the Unitholders in accordance with this Article 15, and a Unitholders may change his or her address by giving written notice of such change to the Administrator in accordance with this Article 15.

15.5 Failure to Give Notice

The failure by the Trustees or Administrator, by accident or omission or otherwise unintentionally, to give any Unitholder any Notice provided for herein shall not affect the validity, effect or taking effect of any action referred to in such Notice, and neither the Trustees nor the Administrator shall be liable to any Unitholder, Beneficial Unitholder or Beneficiary for any such failure.

15.6 Joint Holders

Service of a Notice on any one of several joint holders of Trust Units shall be deemed effective service on the other joint holders.

15.7 Service of Notice

Any Notice delivered to a Unitholder pursuant to this Article shall, notwithstanding the death or bankruptcy of such Unitholder, and whether or not the Trustees have notice of such death or bankruptcy, be deemed to have been fully served and such service shall be deemed sufficient service on all persons having an interest in the Trust Units concerned.

ARTICLE 16
RECORDS AND FINANCIAL INFORMATION

16.1 Trust Records

The Trustees shall prepare and maintain or cause to be prepared and maintained records containing (a) this Declaration of Trust; (b) minutes of meetings and resolutions of Unitholders; (c) minutes of meetings and resolutions of the Trustees; and (d) the Registers. The Trust shall also prepare and maintain adequate accounting records. All such records shall be kept at the head office of the Trust or at such other place as the Trustees think fit.

16.2 Information Available to Unitholders

Each Unitholder has the right to obtain, on demand and without fee, from the head office of the Trust (i) a copy of this Declaration of Trust and any amendments thereto, and (ii) the minutes of the meetings of Unitholders and any written resolutions of Unitholders passed *in lieu* of holding a meeting of Unitholders.

16.3 Fiscal Year

The fiscal year of the Trust shall end on December 31 of each year.

16.4 Financial Disclosure

The Trust will send to Unitholders (or make available if sending is not required by Applicable Laws) within 140 days after the end of each fiscal year (or within such shorter time as may be required by applicable securities law), the annual audited consolidated financial statements of the Trust for such fiscal year.

16.5 Taxation Information

On or before March 31 in each year, or such other date as may be required under applicable law, the Trust shall provide to Unitholders who received distributions from the Trust in the prior calendar year, such information regarding the Trust as required by Canadian law to be submitted to Unitholders for income tax purposes to enable Unitholders to complete their tax returns in respect of the prior calendar year.

16.6 Income Tax: Obligations of the Trustees

The Trustees shall satisfy, perform and discharge all obligations and responsibilities of the Trustees or the Trust under the Income Tax Act and neither the Trust nor the Trustees shall be accountable or liable to any Unitholder by reason of any act or acts of the Trustees consistent, or carried out in intended compliance, with any such obligations or responsibilities.

ARTICLE 17
AUDITORS

17.1 Qualification of Auditors

The Auditors shall be a recognized firm of chartered accountants which has an office in Canada and which is independent of the Trust, the Trustees and the Administrator.

17.2 Appointment of Auditors

Auditors for the Trust may at any time be appointed in the manner set forth below:

(a) the Trustees may at any time appoint auditors for the Trust; and

(b) the Common Unitholders may at any time, by means of an Ordinary Resolution passed at a meeting duly called or requisitioned for that purpose, appoint auditors for the Trust.

The Auditors shall hold such office until they are removed or they resign. The Auditors will receive such remuneration as may be approved by the Trustees.

17.3 Change of Auditors

The Auditors may at any time be removed by:

(a) the Trustees, and upon such removal of the Auditors, new auditors may be appointed by the Trustees; or

(b) the Common Unitholders by means of a Ordinary Resolution, and upon such removal of the Auditors, new auditors may be appointed by Ordinary Resolution of the Common Unitholders.

17.4 Filling Vacancy

The Auditors, if appointed, may at any time voluntarily resign, and in such event the Trustees shall forthwith fill the vacancy with such new auditors as are approved by the Administrator, and such new auditors shall act as auditors of the Trust until they are removed or they resign.

ARTICLE 18
GENERAL

18.1 Time of the Essence

Time shall be of the essence in this Declaration of Trust.

18.2 Governing Law

This Declaration of Trust and the Unit Certificates shall be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein. The parties hereto hereby irrevocably submit and attorn to the jurisdiction of the courts of the Province of Alberta.

18.3 Trust Property to be Kept Separate

The Trustees shall maintain the Trust Property separate from all other property in their possession and not commingled, and to the extent that all or part of the Trust Property is placed in the possession of the Administrator or any other person on behalf of the Trust, the Trustees shall take such reasonable steps to ensure that such persons shall also keep such Trust Property separate from all other property of such persons and not commingled.

18.4 Trustees May Hold Units

Any Trustee or affiliate or associate of a Trustee may be a Unitholder.

18.5 Execution and Effect of Restated Declaration of Trust

A restated Declaration of Trust, setting forth the terms of this Declaration of Trust, as amended to the time of execution, may be executed at any time or from time to time by the Trustees and such restated Declaration of Trust as so executed shall thereafter be effective and may thereafter be referred to *in lieu* of the original Declaration of Trust as so amended; provided, however, that no such execution of a restated Declaration of Trust shall be deemed to constitute a termination of the Trust or this Declaration of Trust.

18.6 Consolidations

The Trustees may prepare consolidated copies of the Declaration of Trust as it may from time to time be amended or amended and restated and may certify the same to be a true consolidated copy of the Declaration of Trust, as amended or amended and restated.

18.7 Severability

The provisions of this Declaration of Trust are severable and if any provisions are in conflict with any applicable law, the conflicting provisions shall be deemed never to have constituted a part of this Declaration of Trust and shall not affect or impair any of the remaining provisions thereof. If any provision of this Declaration of Trust shall be held invalid or unenforceable in any jurisdiction, such invalidity or unenforceability shall attach only to such provision in such jurisdiction and shall not in any manner affect or render invalid or unenforceable such provision in any other jurisdiction or any other provision of this Declaration of Trust in any jurisdiction.

18.8 Further Acts

The parties hereto agree to execute and deliver such further and other documents and perform and cause to be performed such further and other acts and things as may be necessary or desirable in order to give full effect to this Declaration of Trust and every part hereof.

18.9 Successors and Assigns

The provisions of this Declaration of Trust shall enure to the benefit of, and be binding upon, the parties and their respective personal representatives, executors, administrators, heirs, successors and assigns.

18.10 Waiver

No failure or delay on the part of any party exercising any right or privilege hereunder and no indulgence or forbearance by any party in respect of the strict application of the provisions hereof shall operate as a waiver unless made in writing. Any written waiver shall not preclude the further or other exercise by the party giving such waiver of any right, power or privilege hereunder or extend to or apply to any subsequent default of the same or any other nature.

18.11 Entire Agreement

This Declaration of Trust is in substitution for all prior agreements of the parties in respect of the subject matter hereof and the provisions of the same are hereby revoked. This Declaration of Trust constitutes the entire agreement between the parties with respect to the subject matter hereof.

18.12 Counterparts

This Declaration of Trust may be executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument, which shall be sufficiently evidenced by any such original counterpart.

IN WITNESS WHEREOF this Amended and Restated Declaration of Trust is executed as of the date first above written.

GREGORY TISDALE, as Trustee

CRAIG HRUSKA, as Trustee

GREG TOOTH, as Trustee

MICHAEL COOK, as Trustee

STEPHEN JOHNSTON, as Trustee

SCHEDULE A

To the Declaration of Trust of Enercapita Energy Trust among the Trustees (as defined in the Declaration of Trust), the settlor of the Trust, and each person who is a holder of a Trust Unit, as the same may be amended, restated or modified from time to time.

[FORM OF COMMON UNIT CERTIFICATE]

COMMON TRUST UNITS

ENERCAPITA ENERGY TRUST

(an unincorporated trust created under the laws of the Province of Alberta by an amended and restated declaration of trust dated as of ~~October 27~~●, 201~~5~~9, as the same may be amended, supplemented or restated)

No. CTU-• • Common Trust Units

THIS CERTIFIES THAT [•]

is the registered holder of • fully paid common trust units ("**Common Units**") issued by Enercapita Energy Trust (the "**Trust**").

The Common Units represented by this unit certificate ("**Unit Certificate**") are issued upon the terms and subject to the conditions of an amended and restated declaration of trust made as of ~~October 27~~●, 201~~5~~9, as the same may be amended (which declaration of trust together with all instruments supplemental or ancillary thereto is herein referred to as the "**Declaration of Trust**"), made among the trustees of the Trust (hereinafter collectively called the "**Trustees**"), the settlor of the Trust, and each person who is a holder of a trust unit of the Trust, which Declaration of Trust is binding upon all holders of trust units of the Trust ("**Unitholders**") from time to time. Terms defined in the Declaration of Trust shall have the same meaning when used herein.

A copy of the Declaration of Trust pursuant to which this Unit Certificate and the Common Units represented hereby is issued may be obtained by any Unitholder on demand and on payment of reasonable reproduction costs from the head office of Enercapita Energy GP Ltd., administrator of the Trust (the "**Administrator**").

This Unit Certificate may only be transferred, upon compliance with the conditions prescribed in the Declaration of Trust, on the registers to be kept by the Transfer Agent in the City of Calgary and at such other place or places, if any, as the Trustees may request and the Transfer Agent has offices, and only by the registered holder thereof or his executors or administrators or other legal representatives or his or their attorney duly appointed by an instrument in writing in form and execution satisfactory to the Trustees, and upon compliance with such reasonable requirements as the Trustees may prescribe.

The Declaration of Trust contains provisions for the holding of meetings of Unitholders and the approval of written resolutions by Unitholders *in lieu* of meetings.

The Declaration of Trust provides that no Unitholder shall incur or be subject to any liability in contract, tort or otherwise whatsoever to any person in connection with the Trust Property or the obligations or the affairs of the Trust or with respect to any act or omission of the Trustees or any other person in respect to the activities or affairs of the Trust.

The Declaration of Trust provides that Common Units shall be issued only as fully paid and are not to be subject to future calls or assessments.

This Unit Certificate shall not be valid for any purpose until it shall have been executed by or on behalf of the Trustees and certified by the Transfer Agent.

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS 4 MONTHS AND A DAY AFTER THE LATER OF (i) [*insert the distribution date*], AND (ii) THE DATE THE ISSUER BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY.

Executed and delivered

•, 20•

ENERCAPITA ENERGY TRUST, by its administrator, **ENERCAPITA ENERGY GP LTD.**, on behalf of the Trustees

Per: _____
[•]

This Unit Certificate is one of the Unit Certificates referred to in the Declaration of Trust and is certified by •, as Transfer Agent.

[•], as Transfer Agent of the Trust

Per: _____
Authorized Signatory

TRANSFER FORM

For Value Received the undersigned sells, assigns and transfers unto:

_____
(please print or typewrite name and address of assignee)

_____ Common Units of **ENERCAPITA ENERGY TRUST** represented by this Unit Certificate and hereby irrevocably constitutes and appoint the Trustees (whether acting alone or together) as their attorney to transfer the said Trust Units on the registers of the Trustees for the said purpose, with full power of substitution in the premises.

Dated _____

_____
The signature of the registered holder must be guaranteed by an authorized officer of a Canadian chartered bank or of a major Canadian trust company, or by a medallion signature guarantee from a member of a recognized Medallion Signature Guarantee Program.

_____
(Signature of Transferor)

SCHEDULE B

To the Declaration of Trust of Enercapita Energy Trust among the Trustees (as defined in the Declaration of Trust), the settlor of the Trust, and each person who is a holder of a Trust Unit, as the same may be amended, restated or modified from time to time.

[FORM OF UNIT CERTIFICATE]

PREFERRED TRUST UNITS

ENERCAPITA ENERGY TRUST

(an unincorporated trust created under the laws of the Province of Alberta by an amended and restated declaration of trust dated as of ~~October 27~~●, 201~~5~~9, as the same may be amended, supplemented or restated)

No. PTU-**[A/B/D/E]** • Preferred **[A/B/D/E]** Trust Units

THIS CERTIFIES THAT [•]

is the registered holder of • fully paid preferred **[A/B/D/E]** trust units ("**Preferred Units**") issued by Enercapita Energy Trust (the "**Trust**").

The Preferred Units represented by this unit certificate ("**Unit Certificate**") are issued upon the terms and subject to the conditions of an amended and restated declaration of trust made as of ~~October 27~~●, 201~~5~~9, as the same may be amended (which declaration of trust together with all instruments supplemental or ancillary thereto is herein referred to as the "**Declaration of Trust**"), made among the trustees of the Trust (hereinafter collectively called the "**Trustees**"), the settlor of the Trust, and each person who is a holder of a trust unit of the Trust, which Declaration of Trust is binding upon all holders of trust units of the Trust ("**Unitholders**") from time to time. Terms defined in the Declaration of Trust shall have the same meaning when used herein.

A copy of the Declaration of Trust pursuant to which this Unit Certificate and the Preferred Units represented hereby is issued may be obtained by any Unitholder on demand and on payment of reasonable reproduction costs from the head office of Enercapita Energy GP Ltd., administrator of the Trust (the "**Administrator**").

This Unit Certificate may only be transferred, upon compliance with the conditions prescribed in the Declaration of Trust, on the registers to be kept by the Transfer Agent in the City of Calgary and at such other place or places, if any, as the Trustees may request and the Transfer Agent has offices, and only by the registered holder thereof or his executors or administrators or other legal representatives or his or their attorney duly appointed by an instrument in writing in form and execution satisfactory to the Trustees, and upon compliance with such reasonable requirements as the Trustees may prescribe.

The Declaration of Trust contains provisions for the holding of meetings of Unitholders and the approval of written resolutions by Unitholders *in lieu* of meetings.

The Declaration of Trust provides that no Unitholder shall incur or be subject to any liability in contract, tort or otherwise whatsoever to any person in connection with the Trust Property or the obligations or the affairs of the Trust or with respect to any act or omission of the Trustees or any other person in respect to the activities or affairs of the Trust.

The Declaration of Trust provides that Preferred Units shall be issued only as fully paid and are not to be subject to future calls or assessments.

This Unit Certificate shall not be valid for any purpose until it shall have been executed by or on behalf of the Trustees and certified by the Transfer Agent.

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS 4 MONTHS AND A DAY AFTER THE LATER OF (i) [*insert the distribution date*], AND (ii) THE DATE THE ISSUER BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY.

Executed and delivered

•, 20•

ENERCAPITA ENERGY TRUST, by its administrator**, ENERCAPITA ENERGY GP LTD.**, on behalf of the Trustees

Per: _____
[•]

This Unit Certificate is one of the Unit Certificates referred to in the Declaration of Trust and is certified by •, as Transfer Agent.

[•], as Transfer Agent of the Trust

Per: _____
Authorized Signatory

TRANSFER FORM

For Value Received the undersigned sells, assigns and transfers unto

_____
(please print or typewrite name and address of assignee)

_____ Preferred Units of **ENERCAPITA ENERGY TRUST** represented by this Unit Certificate and hereby irrevocably constitutes and appoint the Trustees (whether acting alone or together) as their attorney to transfer the said Trust Units on the registers of the Trustees for the said purpose, with full power of substitution in the premises.

Dated _____

_____
The signature of the registered holder must be guaranteed by an authorized officer of a Canadian chartered bank or of a major Canadian trust company, or by a medallion signature guarantee from a member of a recognized Medallion Signature Guarantee Program.

_____
(Signature of Transferor)

SCHEDULE C

To the Declaration of Trust of Enercapita Energy Trust among the Trustees (as defined in the Declaration of Trust), the settlor of the Trust, and each person who is a holder of a Trust Unit, as the same may be amended, restated or modified from time to time.

ATTRIBUTES OF COMMON UNITS AND PREFERRED TRUST UNITS

Defined Terms

All capitalized terms used but not defined in this Schedule C shall have the meanings ascribed to such terms in the Declaration of Trust.

1. Common Units

In addition to the rights, privileges, restrictions and conditions attaching to the Common Units as set forth elsewhere throughout the Declaration of Trust, the Common Units shall have the further rights, privileges, restrictions and conditions as are set out below:

(a) **Parity**: Other than as set forth in the Declaration of Trust, the rights of all holders of Common Units are equal in all respects, without discrimination, preference or priority among them, including with respect to matters such as the distribution of assets of the Trust in the event of any liquidation, dissolution or winding up of the Trust, or other distribution of assets of the Trust for the purpose of winding up its affairs.

(b) **Voting Rights**: The holders of the Common Units shall be entitled to receive notice of and to attend all meetings of the Unitholders of the Trust and to one (1) vote in respect of each Common Unit held at all such meetings, except for meetings of only Preferred Unitholders called for the purposes set forth in Section 2(b) of this Schedule C.

(c) **Distributions to Common Unitholders**: The holders of the Common Units shall not be entitled to receive distributions.

(d) **Rights of Redemption**: The rights, privileges, restrictions and conditions pertaining to the ability of a Common Unitholder to require the Trust to redeem all or any part of the Common Units registered in the name of such Common Unitholder are those as set forth in Article 6 of the Declaration of Trust.

(e) **Participation upon Liquidation, Dissolution or Winding Up**: In the event of the liquidation, dissolution or winding up of the Trust, or other distribution of assets of the Trust among Unitholders for the purpose of winding up the affairs of the Trust, each holder of Common Units shall be entitled to receive from the assets of the Trust, for and in respect of each Common Unit held by such holder, a sum equivalent to the quotient obtained when (1) the aggregate gross proceeds from the issuance of all Common Units issued by the Trust since formation and still outstanding at the time of winding up the affairs of the Trust, is divided by (2) the aggregate number of Common Units issued and outstanding at the time of winding up the affairs of the Trust, and all such amounts shall be paid before any amount shall be paid, or any Trust Property shall be distributed, to any holder of Preferred Trust Units or trust units of any other class ranking junior to the

Common Units. After all payments as provided in this Section 1(e) have been made to the holders of the Common Units, such holders shall have no further entitlement to participate in any further distributions of the Trust Property upon any such liquidation, dissolution or winding up of the affairs of the Trust.

2. Preferred Trust Units

In addition to the rights, privileges, restrictions and conditions attaching to the Preferred Trust Units as set forth elsewhere throughout the Declaration of Trust, the Preferred Trust Units shall have the further rights, privileges, restrictions and conditions as are set out below:

(a) ~~(f)~~ **Parity**: Other than as set forth in the Declaration of Trust, the rights of all holders of each class or series of Preferred Trust Units are equal in all respects, without discrimination, preference or priority among them, including with respect to matters such as payment of distributions, and the distribution of assets of the Trust in the event of any liquidation, dissolution or winding up of the Trust, or other distribution of assets of the Trust for the purpose of winding up its affairs.

(b) ~~(g)~~ **Voting Rights**: Notwithstanding any provision of this Declaration of Trust, except as provided in this Section 2(b) of this Schedule C, no holder of Preferred Trust Units shall be entitled to receive notice of or to attend any meeting of Unitholders or to vote at any such meeting or to vote in respect of any matter whatsoever requiring Unitholder approval pertaining to the Trust (whether at a meeting or by written resolution). The Trust shall call and hold a meeting of Unitholders, at which only Preferred Unitholders may attend and vote separately as a class, where the matter for which approval is being sought is:

(i) to amend the rights, privileges, restrictions and conditions attaching to the Preferred Trust Units, including amendments to:

(A) remove or change rights to distributions in a manner materially prejudicial to holders of Preferred Trust Units;

(B) add, remove or change, redemption rights in a manner materially prejudicial to holders of Preferred Trust Units;

(C) reduce or remove a distribution preference or a liquidation preference; or

(D) add, remove or change, in a manner materially prejudicial to holders of Preferred Trust Units, voting, transfer or pre-emptive rights, or rights to acquire other securities.

(ii) to carry out and give effect to any of the following actions if the resulting affect to the holders of Preferred Trust Units would be materially prejudicial thereto:

(A) effect an exchange, reclassification or cancellation of all or part of the Preferred Trust Units;

(B) increase the rights or privileges of any Units of the Trust having rights or privileges equal or superior to the Preferred Trust Units;

(C) create a new class or series of units of the Trust equal or superior to the Preferred Trust Units;

(D) make any class or series of Units of the Trust having rights or privileges inferior to the Preferred Trust Units equal or superior to the Preferred Trust Units; or

(E) effect an exchange or create a right of exchange of all or part of the units of another class or series of Units of the Trust into the Preferred Trust Units;

provided however, that all matters set forth above must also be approved by the Common Unitholders, voting separately as a ~~C~~class, in accordance with the terms of this Declaration of Trust.

At all such meetings of Preferred Unitholders, matters put forth at such meetings, to be approved, must be approved by Special Resolution of the holders of Preferred Trust Units, voting separately as a class. At all such meetings, each Preferred Unitholder shall be entitled to one (1) vote in respect of each Preferred Unit held thereby.

(c) ~~(h)~~ **Distributions to Preferred Unitholders**: The rights, privileges, restrictions and conditions pertaining to the entitlement of a holder of Preferred Trust Units to distributions from the Trust are those set forth in Article 5 of the Declaration of Trust. Apart from those set forth in Article 5 of the Declaration of Trust, the holders of the Preferred Trust Units shall not be entitled to receive any other distributions from the Trust except as provided in Section 2(e) of this Schedule C below in connection with the liquidation, dissolution or winding up of the Trust or other distribution of assets of the Trust among Unitholders for the purpose of winding up the affairs of the Trust.

(d) ~~(i)~~ **Rights of Redemption**: The Trust has the right, at any time and from time to time, to redeem all or any part of the Preferred Trust Units issued and outstanding in accordance with Article 6 of this Declaration of Trust.

(e) ~~(j)~~ **Participation on Liquidation, Dissolution or Winding Up**: In the event of the liquidation, dissolution or winding up of the Trust or other distribution of assets of the Trust among its Unitholders for the purpose of winding up its affairs, the holders of the Preferred Trust Units shall, subject to the rights of the holders of any other class or series of Units entitled to receive assets of the Trust upon such a distribution in priority to, or concurrently with, the holders of the Preferred Trust Units, be entitled to participate in the distribution. Each class or series of Preferred Trust Units shall be entitled to a portion of such distribution determined in the same manner as set forth in Article 5 of this Declaration of Trust. ~~The distribution to which the holders of each class of Preferred Trust Units are entitled shall be made in equal amounts per Preferred Trust Unit of such class on all the Preferred Trust Units of such class at the time outstanding without preference or distinction.~~

SCHEDULE D

To the Declaration of Trust of Enercapita Energy Trust among the Trustees (as defined in the Declaration of Trust), the settlor of the Trust, and each person who is a holder of a Trust Unit, as the same may be amended, restated or modified from time to time.

FORMS OF NOTICE OF REDEMPTION

Registered Units

NOTICE OF REDEMPTION

TO: Enercapita Energy Trust ("**Trust**")
~~#803 – 5920 Macleod Trail~~Suite 2210, 8561 – 8A Avenue S.W.
Calgary, ~~AB~~Alberta T~~2~~3H 0~~K2~~V5

AND TO: Olympia Trust Company
#2300, 125 - 9th Avenue S.E.
Calgary, AB T2G 0P6

RE: Redemption of [Preferred **[A/B/D/E]**/Common] Units of the Trust registered in the name of Olympia Trust Company ITF [●] A/C #[●]

The undersigned, the annuitant of deferred plan A/C #[●] in respect of which the Trust is trustee (the "**Plan**"), as of the date hereof, holds [●] (●) [Preferred **[A/B/D/E]**/Common] Units of the Trust (the "**Units**") and hereby tenders the Units for redemption and requests that the Trust redeem all of the Units in accordance with the terms and conditions pertaining to the redemption rights of holders of Units of the Trust as set forth in the Amended and Restated Declaration of Trust for the Trust dated ~~October 27~~●, 201~~5~~9, as amended (the "**Declaration of Trust**").

The undersigned acknowledges and agrees that upon receipt by the Trust of a valid notice to redeem the Units, the undersigned shall thereafter cease to have any rights with respect to the Units tendered for redemption (other than to receive the redemption payment therefor). Holders of Units shall be entitled to redeem Units only in accordance with the Declaration of Trust (including without limitation, provisions relating to pricing, restrictions, timing and suspension of redemption rights).

The undersigned hereby undertakes to cause Olympia Trust Company to deliver to the Trust the original unit certificate(s) representing the Units for cancellation in connection with the redemption requested herein, and the undersigned acknowledges that such delivery is a condition precedent to completion of the redemption requested herein.

The undersigned hereby authorizes payment in respect of the redemption of the Units to be delivered as set forth below:

Olympia Trust Company ITF [●] A/C #[●]
#2200 – 125 – 9th Avenue S.E.
Calgary, AB T2G 0P6

DATED this _____ day of [●], 201__.

BEING SATISFIED as to the identity of [●], this document was executed before me as of the date set forth above at the City/Town/Hamlet of _____, in the Province of of [●]

_____
A Notary Public in and for the Province of [●]

Notary Public, please ensure your stamp is affixed hereto

_____
[●]

Non-Registered Units

NOTICE OF REDEMPTION

TO: Enercapita Energy Trust ("**Trust**")
~~#803 – 5920 Macleod Trail~~Suite 2210, 8561 – 8A Avenue S.W.
Calgary, ~~AB~~Alberta T~~2~~3H 0~~K2~~V5

RE: Redemption of [Preferred **[A/B/D/E]**/Common] Units of the Trust registered in the name of [●]

The undersigned, as of the date hereof, holds [●] (●) [Preferred **[A/B/D/E]**/Common] Units of the Trust (the "**Units**") and hereby tender the Units for redemption and request that the Trust redeem all of the Units in accordance with the terms and conditions pertaining to the redemption rights of holders of Units of the Trust as set forth in the Amended and Restated Declaration of Trust for the Trust dated ~~October 27~~●, 201~~5~~9, as amended (the "**Declaration of Trust**").

The undersigned acknowledges and agrees that upon receipt by the Trust of a valid notice to redeem the Units, the undersigned shall thereafter cease to have any rights with respect to the Units tendered for redemption (other than to receive the redemption payment therefor). Holders of Units shall be entitled to redeem Units only in accordance with the Declaration of Trust (including without limitation, provisions relating to pricing, restrictions, timing and suspension of redemption rights).

The undersigned undertakes to deliver to the Trust the original unit certificate(s) representing the Units for cancellation in connection with the redemption requested herein, and the undersigned acknowledges that such delivery is a condition precedent to completion of the redemption requested herein.

The undersigned hereby authorizes payment in respect of the redemption of the Units to be delivered as set forth below:

[●]

DATED this _____ day of [●], 201__.

BEING SATISFIED as to the identity of [●], this document was executed before me as of the date set forth above at the City/Town/Hamlet of _____, in the Province of of [●].

_____
A Notary Public in and for the Province of [●]

Notary Public, please ensure your stamp is affixed hereto

_____
[●]

SCHEDULE D
PARTNERSHIP AGREEMENT (AS AMENDED) (BLACKLINE COPY)

ENERCAPITA ENERGY L.P.

AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT

~~May 11~~● , 201~~5~~9

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ENERCAPITA ENERGY L.P.

AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT

THIS AGREEMENT is amended and restated as of the ~~11th~~● day of ~~May~~●, 201~~5~~9 ("**Effective Date**").

BETWEEN:

ENERCAPITA ENERGY GP LTD., a corporation incorporated under the laws of the Province of Alberta, having its office in Calgary, Alberta

(hereinafter called the "**General Partner**")

– and –

ENERCAPITA ENERGY TRUST, an unincorporated trust established pursuant to the laws of the Province of Alberta

(hereinafter called the "**Trust**")

– and –

EACH PARTY who from time to time is admitted as a limited partner in Enercapita Energy L.P. in accordance with the terms of this Agreement

(hereinafter individually called a "**Limited Partner**" and collectively, the "**Limited Partners**")

RECITALS

WHEREAS on February 27, 2014, the Partnership was formed pursuant to the Original Limited Partnership Agreement;

AND WHEREAS it is intended that the Partnership will raise capital, both debt and equity, through borrowing activities and through the issuance of Units for the purposes of enabling the Partnership to pursue, carry-on and be engaged in Partnership Business;

AND WHEREAS the Original Limited Partnership Agreement was amended and restated on June 27, 2014 in order to make certain amendments as are necessary or desirable for correcting certain typographical mistakes and correcting and rectifying certain inconsistent provisions and errors;

AND WHEREAS the General Partner ~~wishes to~~ further amended and restated this agreement on May 11, 2015 in order to make certain amendments to create additional classes of preferred units to be held by Enercapita Energy Trust, to allow the Partnership to raise additional capital at prevailing market rates and to allow the holding of units in the Book-Entry System;

AND WHEREAS the General Partner, concurrently with the execution of th~~is~~e Amended and Restated Limited Partnership Agreement on May 11, 2015, ~~has~~ re-designated the issued and outstanding "Preferred C Units" of the Partnership issued to Enercapita Energy Trust as "Preferred C1 Units";

~~*AND WHEREAS it is intended that the Partnership will raise capital, both debt and equity, through borrowing activities and through the issuance of Units for the purposes of enabling the Partnership to pursue, carry on and be engaged in Partnership Business;*~~

AND WHEREAS the ~~parties hereto desire to set out~~ *the terms and conditions* ~~upon which the Partnership is established and operated;~~General Partner, with the approval of each class of Units by Special Resolution, wishes to further amend and restate this agreement on ●, 2019 in order to, among other things, make certain amendments to the distribution entitlements of such Units and the rights of redemption by the Partnership, to provide for the suspension of redemption rights as an extraordinary measure and amend the maturity date of the Redemption Notes;

NOW THEREFORE THIS AGREEMENT WITNESSES THAT, in consideration of the premises and the mutual and respective covenants and agreements contained herein, and for other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by each of the parties), the parties agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Defined Terms

In addition to the words and phrases defined elsewhere herein, for the purposes of this Agreement, unless the context otherwise requires, the following terms shall have the following meanings:

"**Act**" means the *Partnership Act* (Alberta);

"**Additional Financing**" has the meaning ascribed thereto in Section 7.1;

"**Agreement**", "**hereto**", "**herein**", "**hereof**", "**hereby**", "**hereunder**" and similar expressions refer to this amended and restated limited partnership agreement dated ~~May 11~~●, 201~~5~~9, as the same may be amended, supplemented, restated or amended and restated from time to time, including the Schedules hereto, and, except where the context otherwise requires, does not refer to any particular Article, Section or other portion hereof or thereof;

"**Asset Value**" means, with respect to the Partnership on any particular valuation date, the market value on the valuation date of the Partnership Property as determined by the General Partner;

"**Auditors**" means the firm of chartered accountants as may be appointed as the auditors of the Partnership from time to time in accordance with the provisions hereof;

"**Book-Entry System**" means the record-entry securities transfer and pledge system known, as of the date hereof, by such name, which is administered by CDS in accordance with the operating rules and procedures of the trade, clearing and settlement service of CDS in force from time to time, or any successor system which CDS may offer from time to time;

"**Business**" means the business of engaging in the exploration, acquisition, development and production of petroleum and natural gas in western Canada and investing in assets that have demonstrated an ability

to generate sustainable cash flow. The Partnership will invest for the purpose of exercising, or seeking to exercise, control of assets or will, through the General Partner, participate actively in the management of the businesses or assets in which it invests. The Partnership may, but is not obliged to, make some or all of its investments through intermediary vehicles, such as ~~Enercapita Energy Ltd.;~~EEL;

"**Business Day**" means any day other than a Saturday, Sunday, a statutory holiday in the Province of Alberta or a day on which the principal chartered banks located at Calgary, Alberta are not generally open for the transaction of commercial business;

"**Capital Account Balances**" has the meaning ascribed thereto in Section 4.4;

"**Capital Contribution**" of a Partner means the total amount of money or fair market value of the consideration paid, given or otherwise contributed to the Partnership by such Partner in respect of Units acquired by such Partner;

"**Cash Amount**" has the meaning ascribed thereto in Section 6.5(a)(i);

"**Cash Flow Available for Distribution**" means, for a particular Distribution Period, and amount calculated as follows:

(i) the revenue of EEL;

(ii) plus/minus hedging gains/losses of EEL;

(iii) minus the sum of: (i) royalties of EEL; (ii) transportation expenses of EEL; (iii) operating expenses of EEL; (iv) general and administrative expenses of the Trust, the Partnership and EEL; (v) interest expenses of EEL (other than interest payable by EEL to the Partnership); (vi) taxes of EEL; (vii) non-discretionary principal repayments on indebtedness by EEL; and (viii) 25% of annualized non-discretionary capital expenditures of EEL, including production replacement capital, reservoir and decline maintenance capital, facility and pipeline maintenance capital and asset requirement obligation costs.

"**CDS**" means CDS Clearing and Depository Services Inc., or a successor thereof;

"**CDS Participant**" means an investment dealer, bank, trust company, other financial institution or other person who, directly or indirectly, from time to time, effects book-based transfers with CDS and pledges of securities deposited with CDS;

"**Certificate**" means the certificate of limited partnership for the Partnership to be filed under the Act and, where the context requires, all amendments thereto and renewals, replacements or restatements thereof;

"**Common A Unit**" means a common A unit of the Partnership issued from time to time in accordance with this Agreement and having the rights, privileges, limitations, restrictions and conditions set out in this Agreement;

"**Common A Unitholder**" means a person whose name appears on the Register as a holder of Common A Units;

"**Common B Selling Group**" has the meaning ascribed thereto in Section 3.20(a);

"**Common B Unit**" means a common B unit of the Partnership issued from time to time in accordance with this Agreement and having the rights, privileges, limitations, restrictions and conditions set out in this Agreement;

"**Common B Unitholder**" means a person whose name appears on the Register as a holder of Common B Units;

"**Common C Unit**" means a common C unit of the Partnership issued from time to time in accordance with this Agreement and having the rights, privileges, limitations, restrictions and conditions set out in this Agreement;

"**Common C Unitholder**" means a person whose name appears on the Register as a holder of Common C Units;

"**Common Units**" means, collectively, the Common A Units, Common B Units and Common C Units;

"**Declaration of Trust**" means the amended and restated declaration of trust for Enercapita Energy Trust dated ~~May 11~~●, 201~~5~~9 among the trustees thereof, the settlor, and each person who is or becomes a holder of units issued by Enercapita Energy Trust, as the same may be amended, supplemented, restated or amended and restated from time to time;

"**Debt**" of any person means (i) all indebtedness of such person for borrowed money, including borrowings of commodities, bankers' acceptances, letters of credit or letters of guarantee, (ii) all indebtedness of such person for the deferred purchase price of property or services evidenced by a note, bond, debenture or other evidence of debt, (iii) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to property acquired by such person, (iv) all current liabilities of such person evidenced by a note, bond, debenture or other evidence of debt, (v) all obligations under leases that have been or should be, in accordance with applicable accounting rules, recorded as capital leases in respect of which such Person is liable as lessee; and (vi) all obligations guaranteed by such Person;

"**Depositary**" has the meaning ascribed thereto in Section 3.8;

"**Distributable Cash**" has the meaning ascribed thereto in Section 5.3;

"**Distribution Amount**" has the meaning ascribed thereto in Section 5.4(a)(ii);

"**Distribution Payment Date**" means, unless otherwise determined in the discretion of the General Partner, the 45th day which immediately follows a Distribution Period; and also refers to such other dates as may be hereafter determined from time to time by the General Partner;

"**Distribution Period**" means each three month period ending March 31, June 30, September 30 and December 31 in each calendar year, or such other periods as may be hereafter determined from time to time by the General Partner;

"**Distribution Record Date**" means the last Business Day in each Distribution Period or such other date as may be hereafter determined from time to time by the General Partner;

"**Drag-Along Holder**" means a holder of Common Units to whom a Drag-Along Notice is given pursuant to Section 3.21;

"**Drag-Along Notice**" has the meaning ascribed thereto in Section 3.21(b);

"**Drag-Along Rights**" means, collectively, the rights of a Common B Selling Group to require all Common A Unitholder, Common C Unitholders and, if applicable, all other Common B Unitholders to Transfer their Common Units to a Third Party Purchaser as provided in Section 3.21;

"**Drag-Along Units**" has the meaning ascribed thereto Section 3.21(a);

"**EEL**" means Enercapita Energy Ltd.;

"**Effective Date**" has the meaning as set forth in the preamble;

"**Effective Removal Date**" has the meaning ascribed thereto in Section 9.3;

"**Encumbrance**" means any mortgage, charge, pledge, hypothecation, security interest, assignment, encumbrance, lien (statutory or otherwise), title retention agreement or arrangement, restrictive covenant and any other encumbrances of any nature or any other arrangement or condition that in substance secures payment or performance of an obligation;

"**Equivalent Entitlement**" means securities of any kind issued by the Partnership convertible into or exchangeable for Common C Units or options, warrants or other rights to purchase or subscribe for or securities convertible into or exchangeable for Common C Units.

"**Event of Dissolution**" has the meaning ascribed thereto in Section 12.1;

"**Financing**" means any credit facility granted or extended to, or any investment by way of debt (or the purchase of debt) in, the Partnership whereby or pursuant to which money, credit or other financial accommodation has been or may be provided, made available or extended to the Partnership by way of borrowed money, the purchase of debt instruments or securities, bankers acceptances, letters of credit, overdraft or other forms of credit and financial accommodation, and includes any and all trust deeds, indentures, mortgages, bonds or debentures (whether issued and delivered as security or sold to a purchaser), security agreements and other deeds, instruments or documents in respect thereof;

"**Fiscal Year**" has the meaning ascribed thereto in Section 2.6;

"**General Partner**" means Enercapita Energy GP Ltd., a corporation incorporated under the laws of the Province of Alberta, any of its successors and any successor general partner appointed in accordance with this Agreement;

"**General Partner Default**" has the meaning ascribed thereto in Section 9.3;

"**Income Tax Act**" means the *Income Tax Act* (Canada) and the regulations thereunder, as amended from time to time;

"**Indemnitee**" has the meaning ascribed thereto in Section 2.13;

"**Interested Persons**" has the meaning ascribed thereto in Section 8.11;

"**Internal Reorganization**" means the sale, lease, exchange, transfer or other disposition of the assets of a person (whether or not involving all or substantially all of the assets of such person), in one transaction or a series of connected transactions, as a result of which such person has substantially the same interest,

whether direct or indirect, in such assets that it had prior to such transaction or series of connected transactions and, for greater certainty, may include an amalgamation, arrangement or merger of such person and its affiliates with any other entities;

"**Limited Partners**" means, collectively, each of those persons from time to time admitted to the Partnership as additional limited partners as herein provided;

"**Listed Securities**" has the meaning ascribed thereo in Section 6.6(a);

"**Management**" means the officers and directors of the General Partner;

"**market price**" has the meaning ascribed thereo in Section 6.6(b);

"**Net Income**" or "**Net Loss**" for a period of the Partnership means the net income or net loss, as the case may be, of the Partnership for that period as reported in the financial statements of the Partnership; and for income tax purposes, means the income or loss of the Partnership determined under all applicable income tax statutes and regulations after applying the following principles, subject to a determination by the General Partner that such an application generally would not be in the best interest of the Limited Partners:

(i) deductions in arriving at income will be taken at the earliest time and to the maximum extent permitted by applicable income tax statutes and regulations; and

(ii) the recognition of income will be deferred to the maximum extent permitted by applicable income tax statutes and regulations;

"**Notice**" has the meaning ascribed thereto in Section 15.1(a);

"**Offered Units**" has the meaning ascribed thereto in Section 3.20(a);

"**Ordinary Resolution**" means:

(i) a resolution passed by more than 50% of the votes cast by those Unitholders who were entitled to and did vote on such resolution, whether cast in person or by proxy, at a meeting of Unitholders, at which a quorum was present, called (at least in part) for the purpose of approving such resolution; or

(ii) a resolution approved in writing, in one or more counterparts, by Unitholders carrying more than 50% of the votes represented by those entitled to be voted on such resolution;

"**Original Limited Partnership Agreement**" means the limited partnership agreement dated February 27, 2014 forming the Partnership under the *Partnership Act* (Alberta);

"**Outgoing General Partner**" has the meaning ascribed thereto in Section 9.4;

"**Partners**" means, collectively, the Limited Partners and the General Partner, and "**Partner**" means any one of them, as applicable in the context;

"**Partnership**" means Enercapita Energy L.P., the limited partnership formed pursuant to this Agreement and by the filing of the Certificate;

"**Partnership Debt**" means (i) all indebtedness of the Partnership for borrowed money, including borrowings of commodities, bankers' acceptances, letters of credit or letters of guarantee, (ii) all current liabilities of the Partnership evidenced by a note, bond, debenture or other evidence of debt, (iii) all obligations under leases that have been or should be, in accordance with applicable accounting rules, recorded as capital leases in respect of which such the Partnership is liable as lessee; and (iv) all obligations guaranteed by the Partnership, but shall not include (A) Short Term Acquisition Funding; (B) the Preferred Units; or (C) deferred purchase price liabilities or obligations, earnouts, contingency payments, installment payments, seller notes, promissory notes, or similar liabilities and obligations, in each case, related to acquisitions by the Partnership in conducting the Business;

"**Partnership Property**", at any time, means all of the money, properties, securities and other assets of any nature or kind whatsoever as are, at such time, held by the Partnership or by the General Partner on behalf of the Partnership, and any reference to "**property**" or "**property of the Partnership**" or "**assets**" or "**assets of the Partnership** " includes, in each case, the Partnership Property;

"**person**" includes an individual, corporation, limited partnership, general partnership, joint stock company, limited liability company, joint venture, society, syndicate, association, company, trust, bank, trust company, pension fund, labour union, business trust and other organization, whether or not a legal entity, and government and agency or political subdivision thereof;

"**Preferred A Unit**" means a preferred A unit of the Partnership issued from time to time in accordance with this Agreement and having the rights, privileges, limitations, restrictions and conditions set out in this Agreement;

"**Preferred A1 Unit**" ~~means a preferred A1 unit of the Partnership issued from time to time in accordance with this Agreement and having the rights, privileges, limitations, restrictions and conditions set out in this Agreement;~~

~~"**Preferred B Unit**" means a preferred B unit of the Partnership issued from time to time in accordance with this Agreement and having the rights, privileges, limitations, restrictions and conditions set out in this Agreement;~~

~~"**Preferred B1 Unit**" means a preferred B1 unit of the Partnership issued from time to time in accordance with this Agreement and having the rights, privileges, limitations, restrictions and conditions set out in this Agreement;~~

~~"**Preferred C Unit**" means a preferred C unit of the Partnership issued from time to time in accordance with this Agreement and having the rights, privileges, limitations, restrictions and conditions set out in this Agreement;~~

~~"**Preferred C1 Unit**" means a preferred C1 unit of the Partnership issued from time to time in accordance with this Agreement and having the rights, privileges, limitations, restrictions and conditions set out in this Agreement;~~

~~"**Preferred D Unit**" means a preferred D unit of the Partnership issued from time to time in accordance with this Agreement and having the rights, privileges, limitations, restrictions and conditions set out in this Agreement;~~

~~"**Preferred D1 Unit**" means a preferred D1 unit of the Partnership issued from time to time in accordance with this Agreement and having the rights, privileges, limitations, restrictions and conditions set out in this Agreement;~~

~~"**Preferred E Unit**" means a preferred E unit of the Partnership issued from time to time in accordance with this Agreement and having the rights, privileges, limitations, restrictions and conditions set out in this Agreement;~~

~~"**Preferred E1 Unit**" means a preferred E1 unit of the Partnership issued from time to time in accordance with this Agreement and having the rights, privileges, limitations, restrictions and conditions set out in this Agreement;~~ means a preferred A1 unit of the Partnership issued from time to time in accordance with this Agreement and having the rights, privileges, limitations, restrictions and conditions set out in this Agreement;

"**Preferred B Unit**" means a preferred B unit of the Partnership issued from time to time in accordance with this Agreement and having the rights, privileges, limitations, restrictions and conditions set out in this Agreement;

"**Preferred B1 Unit**" means a preferred B1 unit of the Partnership issued from time to time in accordance with this Agreement and having the rights, privileges, limitations, restrictions and conditions set out in this Agreement;

"**Preferred C Unit**" means a preferred C unit of the Partnership issued from time to time in accordance with this Agreement and having the rights, privileges, limitations, restrictions and conditions set out in this Agreement;

"**Preferred C1 Unit**" means a preferred C1 unit of the Partnership issued from time to time in accordance with this Agreement and having the rights, privileges, limitations, restrictions and conditions set out in this Agreement;

"**Preferred D Unit**" means a preferred D unit of the Partnership issued from time to time in accordance with this Agreement and having the rights, privileges, limitations, restrictions and conditions set out in this Agreement;

"**Preferred D1 Unit**" means a preferred D1 unit of the Partnership issued from time to time in accordance with this Agreement and having the rights, privileges, limitations, restrictions and conditions set out in this Agreement;

"**Preferred E Unit**" means a preferred E unit of the Partnership issued from time to time in accordance with this Agreement and having the rights, privileges, limitations, restrictions and conditions set out in this Agreement;

"**Preferred E1 Unit**" means a preferred E1 unit of the Partnership issued from time to time in accordance with this Agreement and having the rights, privileges, limitations, restrictions and conditions set out in this Agreement;

"**Preferred Return**" means a cumulative distribution per Distribution Period equal to the lesser of: (A) the Specified Rate per Preferred Unit; and (B) the Cash Flow Available for Distribution for such Distribution Period divided by the aggregate number of Preferred Units issued and outstanding as of the Distribution Record Date for such Distribution Period.

In the event that a Preferred Unit was not issued and outstanding on each day within such Distribution Period then the Preferred Return *in respect of such Preferred Unit shall be adjusted to be the product obtained when (i) the number of days in the Distribution Period during which such Preferred Unit was issued and outstanding, is divided by (ii) the total number of days in the Distribution Period*.

"**Preferred Units**" means collectively, the Preferred A Units, the Preferred A1 Units, the Preferred B Units, the Preferred B1 Units, the Preferred C Units, the Preferred C1 Units, the Preferred D Units, the Preferred D1 Units, the Preferred E Units, and the Preferred E1 Units (including, for greater certainty, any series of the foregoing) and any other classes or series of Units created by the General Partner and designated as a "Preferred Unit";

"**Preferred Unitholder**" means the holder of a Preferred Unit as indicated on the Register;

"**Principal Market**" has the meaning ascribed thereto in Section 6.6(a);

"**Proportionate Interest**" means:

(i) with respect to any exercise of Tag-Along Rights by a Tag-Along Holder in respect of Common A Units, Common B Units or Common C Units, as applicable, the number of Common A Units, Common B Units or Common C Units of such Tag-Along Holder for which the Tag-Along Holder may exercise its Tag-Along Rights pursuant to Section 3.20; and

(ii) with respect to any exercise of Drag-Along Rights against a Drag-Along Holder in respect of Common A Units, Common B Units or Common C Units, as applicable, the number of Common A Units, Common B Units or Common C Units of such Drag-Along Holder for which the Common B Selling Group may exercise its Drag-Along Rights pursuant to Section 3.21,

which number shall be determined by multiplying the number of Common A Units, Common B Units or Common C Units, as applicable, then held by the Tag-Along Holder (in the case of an exercise of Tag-Along Rights) or the Drag-Along Holder (in the case of an exercise of Drag-Along Rights) by a fraction, (A) the numerator of which is the total number of Offered Units, and (B) the denominator of which is the total number of Common B Units then held by the Common B Selling Group;

"**Redemption Notes**" means, with respect to a redemption of Preferred Units as provided herein, promissory notes issued in series, or otherwise, by the Partnership, which may be issued pursuant to a note indenture or otherwise, and issued to holders of Redemption Units in principal amounts equal to all or a portion of the Redemption Price of the Preferred Units to be redeemed and having the following terms and conditions:

(i) unsecured and bearing interest from and including the issue date of each such note at a market rate determined by the General Partner at the time of issuance, based on the advice of an independent financial advisor, with such interest payable only at the maturity date of the note (with interest after as well as before maturity, default and judgment at such rate);

(ii) subordinated and postponed to (1) all Senior Indebtedness (and which for greater certainty may be subject to specific subordination and postponement agreements to be entered into with holders of such Senior Indebtedness) and (2) all payments and other obligations owed by the Partnership in respect of the Preferred Units, including

distribution entitlements and amounts payable on liquidation, dissolution or winding up of the Partnership;

(iii) except as otherwise set forth herein, due and payable on or prior to the fi~~rs~~fth anniversary of the date of issuance, subject to earlier prepayment without premium or penalty; and

(iv) subject to such other customary terms and conditions as would be included in a note indenture for short-term promissory notes of this kind, as may be approved by the General Partner;

"**Redemption Notice**" has the meaning ascribed thereto in Section 6.3(a);

"**Redemption Price**" has the meaning ascribed thereto in Section 6.4;

"**Redemption Units**" has the meaning ascribed thereto in Section 6.1(a);

"**Register**" means the register of the Partners maintained pursuant to Section 3.10;

"**Remainder Amount**" has the meaning ascribed thereto in Section 6.5(a)(ii);

"**reserves**" means reasonable reserves which the General Partner determines are necessary or desirable to withhold from any advance or distribution to Partners having regard to the current and anticipated cash requirements of the Partnership, including for operating expenses, payments in respect of any Financing or other commitments and obligations, and reserves to ensure compliance with the agreements to which the Partnership is subject (including any Financing) and to ensure (unless otherwise determined by the General Partner) that advances or distributions during any Fiscal Year are approximately the same and not subject to seasonal fluctuation and do not exceed Distributable Cash in respect of such Fiscal Year;

"**Senior Indebtedness**" shall mean, at any time, all indebtedness, liabilities and obligations of the Partnership which, by the terms of the instrument creating or evidencing the same, is not expressed to rank in right of payment in subordination to or *pari passu* with the indebtedness evidenced by the Redemption Notes or any of them;

"**Short Term Acquisition Funding**" means all indebtedness of the Partnership for borrowed money which are incurred in connection with an acquisition by the Partnership in conducting the Business which has a term or maturity of one year or less;

"**Special Resolution**" means:

(i) ~~(v)~~ a resolution passed by more than $66^2/_3\%$ of the votes cast by those Unitholders who were entitled to vote and did vote on such resolution, whether cast in person or by proxy, at a meeting of Unitholders, at which a quorum was present, called (at least in part) for the purpose of approving such resolution, or

(ii) ~~(vi)~~ a resolution approved in writing, in one or more counterparts, by Unitholders carrying more than $66^2/_3\%$ of the votes represented by those entitled to be voted on such resolution;

"**Specified Rate**" means:

(i) in respect of the Preferred A Units and Preferred A1 Units, $0.01;

(ii) in respect of the Preferred B Units and Preferred B1 Units, $0.0125;

(iii) in respect of the Preferred C Units and Preferred C1 Units, $0.015;

(iv) in respect of the Preferred D Units and Preferred D1 Units, $0.0175; and

(v) in respect of the Preferred E Units and Preferred E1 Units, $0.02;

"**Tag-Along Holder**" means a holder of Common Units to whom a Tag-Along Notice is required to be given, and who is entitled to Tag-Along Rights, pursuant to Section 3.20;

"**Tag-Along Notice**" has the meaning ascribed thereto in Section 3.20(a);

"**Tag-Along Rights**" means, collectively, the rights of holders of Common Units to whom a Tag-Along Notice is required to be given pursuant to Section 3.20 to participate in a sale of Common Units to a Third Party Purchaser as provided in Section 3.20;

"**Tag-Along Units**" has the meaning ascribed thereto in Section 3.20(d);

"**Third Party Offer**" has the meaning ascribed thereto Section 3.21(a);

"**Third Party Purchaser**" has the meaning ascribed thereto in Section 3.20(a);

"**Transfer ~~Agent~~**" ~~*means the General Partner or such other person as is for the time being and from time to time appointed by the General Partner to act on behalf of the Partnership as registrar and transfer agent for the Units;*~~ "~~**Transfer**~~"" includes, in reference to any securities, (i) any transfer of such securities, directly or indirectly, by operation of law, by court order, by judicial process, or by foreclosure, levy or attachment, (ii) any sale, assignment, gift, donation, redemption, conversion or other disposition of such securities, directly or indirectly, pursuant to an agreement, arrangement, instrument or understanding by which legal title to or beneficial ownership of such securities passes from one person to another person or to the same person in a different legal capacity, whether or not for value; and in each case any agreement to effect any of the foregoing; and the words "**Transferred**", "**Transferring**" and similar words have corresponding meanings;

"**Transfer Agent**" *means the General Partner or such other person as is for the time being and from time to time appointed by the General Partner to act on behalf of the Partnership as registrar and transfer agent for the Units;*

"**Transferee**" has the meaning specified in Section 3.12(b)(i).

"**Transferring Partner**" has the meaning specified in Section 3.12(b)(i);

"**Trust**" means Enercapita Energy Trust, an unincorporated trust formed under the laws of the Province of Alberta;

"**Trust Annuitant**" has the meaning ascribed thereto in Section 1.4;

"**Trust Unitholders**" has the meaning ascribed thereto in Section 1.4;

"**Trustees**" has the meaning ascribed thereto in Section 1.4;

"**Units**" means Common A Units, Common B Units, Common C Units and/or Preferred Units, as the context so requires; and "**Unit**" means a Common A Unit, a Common B Unit, Common C Unit and/or a Preferred Unit, as the context so requires;

"**Unit Certificate**" means a certificate, in the form attached to this Agreement or otherwise approved by the General Partner, evidencing one or more Units, issued and certified in accordance with the provisions hereof; and

"**Unitholder**" means, at any time, a holder at that time of one or more Units, as shown on any of the Registers and such holders are collectively called "**Unitholders**".

1.2 Interpretation

In this Agreement:

(a) unless herein otherwise expressly provided or unless the context otherwise requires, words importing the singular number include the plural, and vice-versa and words importing a gender shall include the feminine, masculine and neuter genders; where the word "including" or "includes" is used in this Agreement it means "including without limitation" or "includes without limitation", respectively; any reference to any document shall include a reference to any schedule, amendment or supplement thereto or any agreement in replacement thereof, all as permitted under such document;

(b) all decisions, determinations, judgments, elections and actions (including any exercise of any discretion) to be made by the General Partner, unless otherwise expressly provided herein and subject to applicable laws, shall be made in the General Partner's sole discretion;

(c) a reference herein to any statute includes every regulation (and other similar ancillary instrument having the force of law) made pursuant thereto, all amendments to the statute or to any such regulation (or other similar ancillary instrument) in force from time to time, and any statute or regulation (or other similar ancillary instrument) which supplements or supersedes such statute or regulation (or other similar ancillary instrument); and a reference to any section or provision of a statute or regulation (or other similar ancillary instrument) includes all amendments to such section or provision, as made from time to time, and all sections or provisions which supplement or supersede such section or provision referred to herein;

(d) the division of this Agreement into Articles, Sections and Schedules, the provision of a Table of Contents and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement; unless something in the subject matter or context is inconsistent therewith, references herein to Articles and Sections are to Articles and Sections of this Agreement;

(e) except as otherwise set out herein, in the event that any day on which any amount is to be determined or any other determination is to be made or any action is required to be taken hereunder is not a Business Day, then such amount shall be determined, or such other determination shall be made, or such action shall be required to be taken, at or before the requisite time on the next succeeding day that is a Business Day, provided that in all cases December 31 shall be the last day of the period where the period is to end on the 31st of December (whether or not December 31 is a Business Day);

(f) the Schedules attached hereto are incorporated by reference herein and form an integral part of this Agreement; and

(g) unless otherwise specified, all references herein to currency shall be references to currency of Canada and all cash payments to be made by the Partnership hereunder (whether in respect of distributions, redemptions, or otherwise) shall be paid in Canadian funds.

1.3 Withholding Rights

The Partnership and the General Partner will be entitled to deduct and withhold from any distribution or consideration otherwise payable to Partners under this Agreement any amounts as the Partnership is required or permitted to deduct and withhold with respect to such payment under the Income Tax Act or any provision of provincial, state, local or foreign tax law, in each case as amended or superseded, or would be permitted to withhold if an equal amount were remitted to the appropriate taxing authority. To the extent that amounts are so withheld, the withheld amounts will be treated for all purposes as having been paid to the holder of the securities in respect of which such deduction and withholding was made, provided that the withheld amounts (or equivalent amounts, if applicable) are actually remitted to the appropriate taxing authority. To the extent that the amount so required or permitted to be deducted or withheld from any payment to a Partner exceeds the cash portion of the consideration otherwise payable to the Partner, the Partnership and the General Partner is hereby authorized to sell or otherwise dispose of such portion of the consideration as is necessary to provide sufficient funds to the Partnership or General Partner, as applicable, to enable it to comply with the deduction or withholding requirement (or make such permitted deduction) and the Partnership will notify the Partner and remit to the Partner any unapplied balance of the net proceeds of such sale.

1.4 General Limitation on Liability

The parties hereto acknowledge that the trustees of the Trust (the "**Trustees**") are entering into this Agreement solely in their capacity as trustees on behalf of Trust and the obligations of the Trust hereunder shall not be personally binding upon the Trustees, the administrator of the Trust, any beneficiaries of the Trust or holders of securities of Trust (collectively, "**Trust Unitholders**"), or any annuitant, subscriber or beneficiary under a registered plan for purposes of the Income Tax Act, or any other plan of which a Trust Unitholder is a trustee or carrier ("**Trust Annuitant**") and that any recourse against the Trust, any Trustees, the administrator of the Trust, any Trust Unitholder or any Trust Annuitant in any manner in respect of any indebtedness, obligation or liability arising hereunder or arising in connection herewith or from the matters to which this Agreement relates, if any, including claims based on negligence or otherwise tortious behaviour, shall be limited to, and satisfied only out of, the Trust Property (as defined in the Declaration of Trust).

ARTICLE 2
RELATIONSHIP BETWEEN PARTNERS

2.1 Formation and Term of Partnership

Pursuant to the Original Limited Partnership Agreement, the Partners associated themselves into and agreed to form the Partnership as a limited partnership in accordance with the laws of the Province of Alberta and the provisions of this Agreement. The Partnership was formed and commenced as of February 27, 2014. The Partnership will exist until it is dissolved in accordance with this Agreement.

2.2 Name of Partnership

The Partnership shall carry on business under the name and style of "Enercapita Energy L.P.", or such other name as the General Partner may determine from time to time.

2.3 Business of the Partnership

The Partnership is hereby permitted to carry on the Business in whatever jurisdictions the General Partner so determines, subject to Section 2.4, and the Partnership may also carry on all other businesses and activities ancillary or incidental to or related in any way to the Business, and derive income therefrom with a view to making a profit. The Partnership shall have the power to do any and every act and thing necessary, proper, convenient or incidental to the business carried on thereby, as determined by the General Partner. In addition, for so long as the Trust is a Limited Partner the Partnership may provide financial assistance to the Trust and/or any subsidiaries of the Trust, and may take all actions and engage in all activities ancillary thereto or in furtherance thereof.

2.4 Business in Other Jurisdictions

The Partnership will be permitted to carry on business in any jurisdiction the laws of which permit the liability of the Limited Partners to be limited, upon compliance with such laws, substantially to the same extent that such Limited Partners enjoy limited liability under the laws of the Province of Alberta, and the General Partner shall take all steps that may be required by the laws of that jurisdiction for the Limited Partners to benefit from such limited liability.

2.5 Principal Place of Business

The principal place of business and the head office of the Partnership and the General Partner shall be located at ~~#803 – 5920 Macleod Trail S.W.,~~ Calgary, Alberta ~~T2H 0K2~~, or such other place of business as determined by the General Partner from time to time.

2.6 Fiscal Year

The fiscal year end of the Partnership for tax and financial reporting purposes will be December 31 in each calendar year or such other date as the General Partner may determine from time to time ("**Fiscal Year**"), provided that the General Partner has obtained any necessary consents from applicable taxation authorities.

2.7 Representations, Warranties and Covenants of the General Partner

(a) The General Partner represents, warrants, covenants and agrees with each other Limited Partner that:

(i) it is and will continue to be a corporation incorporated and organized and validly subsisting under the laws of its jurisdiction of incorporation or formation;

(ii) it will obtain and maintain all registrations, licenses and permits necessary for the conduct of the Business in all jurisdictions where the activities of the Partnership require such registration, licenses or permits;

(iii) it has and will continue to have all necessary capacity and corporate authority to act as the general partner of the Partnership and to perform its obligations under this

Agreement, and that such obligations do not and will not conflict with or breach its articles of incorporation or by-laws;

(iv) this Agreement constitutes a valid and binding obligation of the General Partner, enforceable against it in accordance with the terms of this Agreement;

(v) it is not a "non-Canadian" within the meaning of the *Investment Canada Act* (Canada);

(vi) it is a person "resident in Canada" and is not a taxpayer an interest in which is a "tax shelter investment" within the meaning of the Income Tax Act;

(vii) it will devote, to the conduct of the business and affairs of the Partnership, such time as may be reasonably required for the proper management of the business and affairs of the Partnership; and

(viii) it will, in the conduct of the business and affairs of the Partnership, diligently enforce the rights of the Partnership pursuant to the terms and provisions of any instrument or document on behalf of and in the name of the Partnership from time to time as may be reasonably determined by the General Partner to be in the best interests of the Partnership.

(b) The representations, warranties and covenants contained in this Section 2.7 will survive the execution and delivery of this Agreement, and the General Partner covenants and agrees to ensure that each representation and warranty made by it pursuant to this Section 2.7 shall remain true for so long as it remains the general partner of the Partnership.

2.8 Representations, Warranties and Covenants of the Limited Partners

(a) Each of the Limited Partners severally represents, warrants, covenants and agrees with each other Partner that such Limited Partner:

(i) is acting as a principal;

(ii) if an individual, has the capacity and competence to execute, deliver and perform, and be bound by, this Agreement and all other agreements and instruments contemplated hereby and to take all actions required pursuant hereto, and this Agreement constitutes a valid and binding obligation of the Limited Partner enforceable against it in accordance with its terms;

(iii) if not an individual, has the legal capacity to authorize, execute, deliver and perform, and be bound by, this Agreement and all other agreements and instruments contemplated hereby and to take all actions required pursuant hereto, and this Agreement constitutes a valid and binding obligation of the Limited Partner enforceable against it in accordance with its terms;

(iv) no authorization, consent or approval of, or filing with or notice to, any person is required in connection with the execution, delivery or performance of this Agreement by such Limited Partner, other than those that have been obtained;

(v) is not a "non-Canadian" under the *Investment Canada Act* (Canada) and, if not a partnership, is a person "resident in Canada" within the meaning of the Income Tax Act;

(vi) is not a taxpayer an interest in which is a "tax shelter investment" within the meaning of the Income Tax Act;

(vii) the investment by the Limited Partner in the Partnership is not a "tax shelter investment" as defined in the Income Tax Act;

(viii) if a partnership, is a "Canadian partnership" within the meaning of the Income Tax Act;

(ix) shall not undertake any action that will cause the Partnership to be, or create a substantial risk that the Partnership will be, a "SIFT Partnership" as defined in the Income Tax Act; and

(x) has not used any funds to purchase its Units which are funds obtained or derived directly or indirectly as a result of illegal activities.

(b) The representations, warranties and covenants set forth in this Section 2.8 will survive the execution and delivery of this Agreement, and each Limited Partner covenants and agrees to ensure that each representation and warranty made by it pursuant to this Section 2.8 shall remain true so long as such person remains a Partner.

(c) If at any time any Limited Partner is or becomes a non-resident of Canada for the purposes of the Income Tax Act, such Limited Partner covenants, agrees and undertakes that it will: (a) immediately notify the General Partner that it is a non-resident of Canada for the purposes of the Income Tax Act; and (b) within ten days (or such longer period of time as the General Partner may permit), Transfer all of its Units to a person who is not a non-resident of Canada for the purposes of the Income Tax Act or redeem all of its Units pursuant to Section 6.1(b). If any Limited Partner fails to provide evidence satisfactory to the General Partner of its compliance with this provision, the General Partner will be entitled, without any notice to the Limited Partner, to Transfer such Limited Partner's Units to a person that is not a non-resident of Canada for the purposes of the Income Tax Act and, in such an event, such Limited Partner will have the right only to receive the net proceeds therefrom, if any.

2.9 Limitation on Authority of Limited Partners

(a) No Limited Partner, in its capacity as a limited partner, shall:

(i) take part in the control or management of the business of the Partnership or exercise any power in connection therewith;

(ii) transact any business on behalf of the Partnership or make any commitment on behalf of or otherwise obligate or bind the Partnership;

(iii) other than by voting on a resolution of the Limited Partners with respect to a matter specified herein to be subject to approval of the Limited Partners, execute any document that binds or purports to bind the Partnership or any other Partner as such;

(iv) hold itself out as having the power or authority to bind the Partnership or any other Partner as such;

(v) have any authority to act for or undertake any obligation or responsibility on behalf of any other Partner or the Partnership;

(vi) bring any action for partition or sale or otherwise in connection with the Partnership, or any interest in any property of the Partnership, whether real or personal, tangible or intangible;

(vii) compel or seek a partition, judicial or otherwise, of any of the assets of the Partnership distributed or to be distributed to the Partners in kind in accordance with this Agreement; or

(viii) take any action that will jeopardize or eliminate the status of the Partnership as a limited partnership.

(b) For further certainty and notwithstanding the foregoing, neither the General Partner nor a delegatee thereof, in respect of its ownership of Units (if any), shall be subject to the restrictions that otherwise apply to Limited Partners.

2.10 Unlimited Liability of General Partner

The General Partner will have unlimited liability to third parties for the debts, liabilities and obligations of the Partnership.

2.11 Limited Liability of Limited Partners

(a) Subject to the provisions of the Act and similar legislation in other jurisdictions, the liability of each Limited Partner for the debts, liabilities and obligations of the Partnership shall be limited to the amount of capital contributed by or agreed to be contributed by such Limited Partner to the Partnership plus its share of any undistributed income of the Partnership.

(b) No Partner, solely in its capacity as a limited partner, shall be responsible for any losses of any other Partner. No Limited Partner owes to any other Limited Partner or to the General Partner any fiduciary or other duty of good faith which might otherwise be imposed upon him as a partner by the common law pertaining to partnerships or by any legislation relating thereto.

2.12 Indemnity in Favour of Partnership

The General Partner will indemnify and hold harmless the Partnership and Limited Partners, and each of them, from and against any and all costs, damages, liabilities, expenses or losses suffered or incurred by the Partnership or the Limited Partners that results from or arises out of the fraud, wilful misconduct or gross negligence on the part of the General Partner.

2.13 Indemnity in Favour of General Partner

(a) To the fullest extent permitted by law, but subject to the limitations expressly provided in this Agreement, (A) the General Partner, any former General Partner, and any person who is or was an affiliate of the General Partner or any former General Partner, (B) any person who is or was an officer, director or employee of the General Partner, any former General Partner or any of their respective affiliates, and (C) any person who is or was serving at the request of the General Partner, any former General Partner or any of their respective affiliates as a director, officer, employee, partner, agent or trustee of another person (collectively, an "**Indemnitee**"), shall be indemnified and held harmless by the Partnership from and against any and all costs, damages, liabilities (joint or several), expenses (including legal fees and expenses on a full indemnity basis), losses, judgments, fines, settlements and other amounts arising from any and all claims,

demands, actions, suits or proceedings, whether civil, criminal, administrative or investigative, in which any Indemnitee may be involved, or is threatened to be involved, as a party or otherwise, by reason of its current or former status as:

(i) the General Partner, a former General Partner or any of their respective affiliates; or

(ii) an officer, director or employee of the General Partner, any former General Partner or any of their respective affiliates; or

(iii) a person serving at the request of the General Partner, any former General Partner or any of their respective affiliates as a director, officer, employee, partner, agent or trustee of another person,

provided, that (1) in each case the Indemnitee acted honestly and in good faith with respect to the interests of the Partnership, and (2) in the case of a criminal or administrative action or proceeding that is enforced by monetary penalty, the Indemnitee had reasonable grounds for believing its conduct was lawful.

The termination of any action, suit or proceeding by judgment, order, settlement or conviction will not create a presumption that the Indemnitee acted in a manner contrary to that specified above. The foregoing indemnification may indemnify an Indemnitee for negligence. Any indemnification pursuant to this Section 2.13 will be made only out of the assets of the Partnership.

(b) To the fullest extent permitted by law, expenses (including legal fees and expenses on a full indemnity basis) incurred by an Indemnitee in defending any claim, demand, action, suit or proceeding will, from time to time, be advanced by the Partnership prior to the final disposition of any claim, demand, action, suit or proceeding upon receipt by the Partnership of an undertaking by or on behalf of the Indemnitee to repay that amount if it is determined by a court of competent jurisdiction that the Indemnitee is not entitled to be indemnified as authorized in this Section 2.13.

(c) The indemnification provided by this Section 2.13 will be in addition to any other rights to which an Indemnitee may be entitled under any agreement, pursuant to any resolution of the Partners, as a matter of law or otherwise.

(d) The Partnership may purchase and maintain (or reimburse the General Partner or its affiliates for the cost of) insurance, on behalf of those persons as the General Partner determines, against any liability that may be asserted against or expense that may be incurred by that person in connection with the Partnership's activities, whether or not the Partnership would have the power to indemnify those persons against those liabilities under the provisions of this Agreement.

(e) The rights of indemnification provided for in this Section 2.13 shall be enforceable directly by each Indemnitee and in this respect the General Partner agrees to act as agent and trustee for the Indemnitees as regards the covenants of indemnification by the Partnership given in favour of the Indemnitees and the General Partner hereby accepts such appointment.

2.14 Compliance with Laws

Each Limited Partner will, on the request of the General Partner from time to time, promptly execute and deliver any agreements, instruments or other documents considered by the General Partner to be

necessary or desirable to comply with any applicable law of any jurisdiction in which the Partnership carries on business, for the continuation, operation and good standing of the Partnership.

2.15 Other Activities of Limited Partners

Limited Partners and their affiliates and associates may engage in businesses, ventures, investments and activities which may be similar to or competitive with those in which the Partnership is or might be engaged and, unless otherwise agreed in writing, those persons will not be required to offer or make available to the Partnership any business, venture, investment or activity, or any opportunity with respect thereto, that any of those persons may acquire or be engaged in for their own account.

ARTICLE 3
UNITS

3.1 Authorized Units

(a) The interests in the Partnership shall be represented and constituted by 13 classes of units described and designated herein as "Common A Units", "Common B Units", "Common C Units", "Preferred A Units", "Preferred A1 Units", "Preferred B Units", ~~"Preferred B1 Units", "Preferred C Units", "Preferred C1 Units", "Preferred D Units", "Preferred D1 Units",~~ "Preferred B1 Units", "Preferred C Units", "Preferred C1 Units", "Preferred D Units", "Preferred D1 Units", "Preferred E Units" and "Preferred E1 Units", respectively, each divided into an unlimited number of series. The Partnership is authorized to issue an unlimited number of Common Units and an unlimited number of Preferred Units. Provided that the rights of the Limited Partners are not materially prejudiced thereby, the General Partner shall have sole discretion in creating additional classes or series of Units and determining the attributes that shall attach to such classes or series of Units and whether any class of series of Units may or will be redesignated as a different class or series of Units from time to time. Any class or series of Units created and authorized for the Partnership and not set out above shall be shown from time to time in an amendment or amendment and restatement to this Agreement pursuant to Article 13.

(b) Each holder of a Common A Unit shall be entitled to the rights and privileges and be subject to the limitations, restrictions and conditions pertaining to the Common A Units as set out in this Agreement, including those set forth in Schedule C hereto, and the proportionate interest in the Partnership of each holder of Common A Units, in relation to the aggregate interest of all holders of Common A Units, shall be determined by the number of Common A Units registered in the name of such holder and recorded on the Register for the Common A Units.

(c) Each holder of a Common B Unit shall be entitled to the rights and privileges and be subject to the limitations, restrictions and conditions pertaining to the Common B Units as set out in this Agreement, including those set forth in Schedule C hereto, and the proportionate interest in the Partnership of each holder of Common B Units, in relation to the aggregate interest of all holders of Common B Units, shall be determined by the number of Common B Units registered in the name of such holder and recorded on the Register for the Common B Units.

(d) Each holder of a Common C Unit shall be entitled to the rights and privileges and be subject to the limitations, restrictions and conditions pertaining to the Common C Units as set out in this Agreement, including those set forth in Schedule C hereto, and the proportionate interest in the Partnership of each holder of Common C Units, in relation to the aggregate interest of all holders of Common C Units, shall be determined by the number of Common C Units registered in the name of such holder and recorded on the Register for the Common C Units.

(e) Each holder of a Preferred Unit shall be entitled to the rights and privileges and be subject to the limitations, restrictions and conditions pertaining to the Preferred Units as set out in this Agreement, including those set forth in Schedule C hereto, and the proportionate interest in the Partnership of each holder of Preferred Units of a particular class or series, in relation the aggregate interest of all holders of such class or series of Preferred Units, shall be determined by the number of Preferred Units registered in the name of such holder and recorded on the Register for the Preferred Units.

3.2 Offering of Units; Additional Limited Partners

The General Partner is hereby authorized, in its discretion, to:

(a) raise capital for the Partnership by offering unallocated Units for sale and otherwise cause additional Units to be issued by the Partnership, all at the times, to the persons, in the jurisdictions, for the consideration and otherwise on the terms and conditions that the General Partners determines, and to do all things it considers to be necessary or desirable in that regard; and

(b) admit to the Partnership, in connection with any completed offering or other issuance of Units, additional Limited Partners upon such terms and conditions as the General Partner may determine. Where an additional Limited Partner is admitted to the Partnership the General Partner shall cause the Certificate to be amended in accordance with the Act.

In connection with the foregoing, and without limitation to any other provision hereof, it is hereby expressly agreed that the Partnership will have the power and capacity to, and the General Partner may cause the Partnership to, issue Units in consideration for assets, services or other non-cash consideration (including by way of incentive). In connection with any purchase or other acquisition of Units, the purchaser or other acquirer will complete and execute such agreements, instruments and other documents as the General Partner may require in connection with such purchase or other acquisition. Upon completion of an issuance of Units, whether upon the acceptance by the General Partner of a subscription for Units or otherwise, the General Partner will (i) cause the name of the person to whom the Units are issued to be entered on the Register and on the Certificate as a Limited Partner in respect of the Units so issued and otherwise cause the Certificate to be amended in accordance with the Act, (ii) deliver to the Limited Partner a Unit Certificate in respect of the Units so issued, and (iii) as applicable, file or amend, or cause to be filed or amended, such other instruments and documents as may be required by law to be filed or amended as a result of the addition of a Limited Partner to the Partnership.

3.3 Issuances of Common B Units

Any issuance of Common B Units subsequent to the Common B Units issued pursuant to Section 4.3 hereof must be made, *pro rata*, to each of the then holders of Common B Units unless all such holders of Common B Units consent.

3.4 Issuances of Common A Units, Common B Units and Preferred Units

In respect of any issuance of Units, other than the initial issuance of Units to the General Partner and the initial Limited Partners pursuant to Sections 4.2 and 4.3 hereof, an equal number of Common Units and Preferred Units of the Partnership shall be issued such that, for every ten Preferred Units issued by the Partnership, the Partnership shall also issue ten Common Units in a combination of Common A Units and Common B Units. The ratio of Common A Units to Common B Units shall be determined from time to

time by the General Partner in its sole discretion. Unless otherwise determined by the General Partner, the Common Units shall be issued for nominal consideration.

3.5 Issuances of Common C Units

In respect of any issuance of Common B Units, other than the initial issuance of Common B Units to the initial Limited Partners pursuant to Sections 4.3 hereof, the Partnership may, at the sole discretion of the General Partner, issue a number of Common C Units or Equivalent Entitlements such that the aggregate number of Common C Units issued or issuable pursuant to the Equivalent Entitlements does not exceed 10% of the number of Common B Units issued. For greater certainty, there is no obligation on the Partnership to issue any Common C Units or any Equivalent Entitlements. Unless otherwise determined by the General Partner, the Common C Units or Equivalent Entitlements, as applicable, shall be issued for nominal consideration.

3.6 Withdrawal as a Limited Partner

A Limited Partner may withdraw from the Partnership only by Transferring its Units in accordance with the provisions hereof, pursuant to a redemption of its Units in accordance with the provisions hereof, or pursuant to a repurchase of its Units by the Partnership.

3.7 Registered Holder of Jointly Owned Units

In the case of Units jointly owned, only one person will be recorded on the Register in respect of each such Unit unless the General Partner determines otherwise.

3.8 Use of Book-Entry System

The General Partner may, at any time that it so determines and without the necessity for any prior approval by Limited Partners, commence utilization of the Book-Entry System with respect the Common Units, Preferred Units or both, and thereupon the Units (whether Common Units, Preferred Units or both, as the case may be) shall be represented in the form of one or more global unit certificates which shall be registered in the name of, and deposited with, CDS or a nominee thereof (the "**Depositary**"), as custodian of such global unit certificate. Beneficial interests in such global unit certificate will be represented only through the Book-Entry System and transfers of Units between CDS Participants shall occur in accordance with the Depositary's rules and procedures.

Global unit certificate(s) shall be in such form as is from time to time authorized by the General Partner and may be in English only and may be engraved, printed or lithographed, or partly in one form and partly in another, as the General Partner may determine, and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may be required hereunder, or as may be necessary to comply with applicable laws, or as may be determined by the General Partner. In connection with any removal, or request for removal, of any legend or endorsement on a global unit certificate(s), the General Partner shall be entitled to require, among other things, such declarations and such opinions, from appropriate persons, as it considers prudent or necessary.

3.9 Unit Certificates

With respect to each class or series of Units held thereby while not held within the Book-Entry System. The General Partner shall issue to each Limited Partner, upon request, a Unit Certificate indicating that the holder thereof is the owner of the number of Units set out thereon. Every Unit Certificate must be signed by at least one officer or director of the General Partner. The validity of a Unit Certificate will not

be affected by the circumstance that a person whose signature is so affixed thereon is deceased or no longer holds the office which he or she held when his or her signature in that office was authorized. If any Unit Certificate is lost, mutilated, stolen or destroyed, the General Partner shall, upon request by a Limited Partner, issue a replacement Unit Certificate to the Limited Partner upon receipt of evidence satisfactory to the General Partner of such loss, mutilation, theft or destruction, and upon receiving such indemnification (including an indemnity bond provided at the expense of the Limited Partner) as it deems appropriate in the circumstances. The General Partner, upon request by a transferee (subject to the Book-Entry System not being applicable to such Units), shall issue a new Unit Certificate for any Units transferred. In the case of a transfer of less than all of the Units represented by a Unit Certificate, the General Partner, upon request by the transferor, shall issue a new Unit Certificate for the balance of the Units retained by the transferor.

Unit Certificates shall be in such form as is from time to time authorized by the General Partner, and may bear such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may be required hereunder or as the General Partner may consider necessary or desirable to comply with applicable law and the rules of any securities regulatory authority or marketplace, or as the General Partner may otherwise determine. In connection with any removal, or request for removal, of any legend or endorsement on the Unit Certificates the General Partner shall be entitled to require, among other things, such declarations as to residency and such opinions, from appropriate persons (including Limited Partners), as it considers necessary or desirable.

Until another form of Unit Certificate for the Common Units is authorized by the General Partner, the form of Unit Certificate set forth in Schedule A is hereby approved as the Unit Certificate for the Common Units.

Until another form of Unit Certificate for the Preferred Units is authorized by the General Partner, the form of Unit Certificate set forth in Schedule B is hereby approved as the Unit Certificate for the Preferred Units.

3.10 Register and Other Records

(a) The General Partner will:

(i) maintain either directly or through an intermediary appointed by it a register (the "**Register**") and will record therein the full names and addresses of the Partners, the number of Units held by each Partner, whether each Partner is a limited or a general partner, particulars of registration and transfer of Units, and any Encumbrance in respect of any Unit (as permitted under this Agreement);

(ii) maintain and update the Register, the Certificate and such other records as may be required by law; and

(iii) from time to time make on behalf of the Partnership all filings with any governmental authority that are required to be made by the Partnership.

(b) Upon receipt of any notice in writing from any Partner requiring the updating of the Register or the Certificate or any similar document or instrument or other filing under legislation similar to the Act in other provinces and territories, the General Partner will prepare, file and record such update in the Register, the Certificate or other document or instrument or other filing as it deems necessary or appropriate.

3.11 Inspection of Register

Any Partner, or agent of a Partner duly authorized in writing, will have the right to inspect and take extracts from the Register during normal business hours and upon payment of a reasonable fee to the General Partner to obtain a copy of the Register not more than five Business Days after filing a written request therefor with the General Partner at the registered office of the Partnership.

3.12 Restriction on Transfer of Units

(a) No Partner may Transfer any of the Units owned by it except to persons and in the manner expressly permitted in this Agreement. Any attempted Transfer of Units made without compliance with, or in violation of, this Agreement will be null and void, and the General Partner will not approve any such Transfer of Units and will not register, or permit the registration of, any such Transfer on the Register.

(b) No Unit may be Transferred except in conformity with the following provisions:

(i) A Partner wishing to Transfer any Units (the "**Transferring Partner**") must deliver to the General Partner a transfer form (in form acceptable to the General Partner) duly completed and executed by the Transferring Partner and the intended transferee of the Units (the "**Transferee**"). The form of transfer must specify, *inter alia*, the number of Units to be Transferred.

(ii) Units may not be Transferred to a person that is a "non-resident" of Canada within the meaning of the Income Tax Act or that is a "tax shelter" within the meaning of the Income Tax Act or an interest in which would be a "tax shelter investment" within the meaning of the Income Tax Act, and the Transferee must deliver to the General Partner such instruments or other documents (including a statutory declaration of residency) as the General Partner may require to evidence the foregoing.

(iii) Each Transferee must, unless already a party hereto, become a party to and must become bound by this Agreement, and in connection therewith each Transferee must deliver to the General Partner such instruments and other documents as the General Partner may request, including a duly authorized and executed signed counterpart of this Agreement, and no Transfer will be effective unless such instruments and other documents are delivered.

(c) Where the Transferring Partner and the Transferee comply with all applicable provisions of this Agreement, the General Partner is authorized to admit, and the Limited Partners shall be deemed to consent to the admission of and will admit, the Transferee to the Partnership as a Limited Partner, without further acts of the Partners. A Transferee who becomes a Limited Partner will be subject to the obligations and be entitled to the rights of a Limited Partner under this Agreement according to the class or series of Units of which it is Transferee.

(d) Notwithstanding anything herein contained, the General Partner may refuse to effect a Transfer if it determines that, among other things, giving effect to such Transfer may adversely affect the Partnership.

3.13 Liability on Transfer

Upon the Transfer of a Unit being recorded on the Register and the Transferee becoming a Limited Partner, the Transferring Partner of the Unit will be relieved of any further liability in respect of the Unit so Transferred that arises out of any matter occurring after the date on which the Transfer is recorded on the Register. Such Transferring Partner will, however, continue to remain liable for any agreed contribution to capital not yet paid, any contribution returned to such Transferring Partner by the Partnership to the extent required in accordance with the provisions of the Act, any additional contribution required to be made by such Transferring Partner to the extent required by operation of law, or for any default prior to amendment of the Register as to any obligation to the Partnership of such Transferring Partner under this Agreement in respect of the Unit so Transferred.

3.14 Encumbering of Units

Notwithstanding anything in this Agreement, at any time and from time to time any Partner may, upon prior written notice thereof to the General Partner, grant an Encumbrance on any or all of the Units held by it, directly or indirectly, to a person as security for any Debt of the Partner or any of its affiliates.

3.15 Fractional Units

Except with the prior consent of the General Partner, a Unit may not be divided or split into fractions and, except with the prior consent of the General Partner, the Partnership will not accept any subscriptions for or record any Transfer of any interest in less than a whole Unit. Subject to the foregoing, fractional Units may be issued, assigned and entered in the Register, and shall have attached thereto the rights, privileges, limitations, restrictions and conditions attaching to whole Units in the proportion that they bear to a whole Unit.

3.16 Insolvency or Bankruptcy

Where a person becomes entitled to a Unit on the insolvency or bankruptcy of a Partner, or otherwise by operation of law, in addition to any requirements of Section 3.12 that may be applicable, such entitlement will not be recognized or entered in the Register and no amendment to the Certificate will be made in respect of such entitlement until such person:

(a) has produced evidence satisfactory to the General Partner of such entitlement;

(b) has agreed in writing to be bound by the terms of this Agreement and to assume the obligations of the insolvent or bankrupt Partner under this Agreement and appoints the General Partner as such person's agent and lawful attorney upon the terms contained in the form of assignment prescribed by the General Partner and required to effect a Transfer of a Unit; and

(c) has delivered such other evidence, approvals, and consents in respect of such entitlement as the General Partner may require and as may be required by law or by this Agreement.

3.17 Parties Not Bound to see to Trust or Equity

The General Partner will not be bound to take notice of or see to the execution of any trust (whether express, implied or constructive), charge, pledge or equity to which any Unit or any interest therein is subject, nor to ascertain or inquire whether any sale or assignment of any Unit or any interest therein by any Partner is authorized according to the terms of any trust, charge or pledge, nor to recognize any person as having any interest in the Unit except for the person recorded on the Register as the holder of

such Unit. The receipt of the person in whose name any Unit is recorded on the Register will be a sufficient discharge for the payment, issuance or delivery of all monies, securities and other property paid, issued or delivered in respect of such Unit and from all liability therefor.

3.18 General Partner May Acquire Additional Units

The General Partner, subject to approval by the Common B Unitholders by Special Resolution, may subscribe for and acquire Units in addition to those acquired as referred to in Section 4.2, and in respect of any of such holdings appropriate entries will be made on the Register.

3.19 General Partner as a holder of Units

If the General Partner is shown on the Register and the Certificate as a holder of Units, the General Partner (irrespective of the fact that it is the general partner of the Partnership) will be entitled to all of the same rights to which any other holder of those Units would be entitled, provided that the General Partner will also have the rights, privileges and powers and will be subject to the limitations, restrictions, conditions and liabilities as a general partner of the Partnership. The General Partner is required at all times to own at least one Unit, but is not otherwise required to make any further Capital Contributions to the Partnership.

3.20 Tag-Along Rights

(a) In the event that any Common B Unitholder or group of Common B Unitholders (such holder or group of holders, the "**Common B Selling Group**") proposes to Transfer some or all of the Common B Units ("**Offered Units**") then held by the Common B Selling Group to any person dealing at arm's length with the Common B Selling Group ("**Third Party Purchaser**") pursuant to a *bona fide* offer from the Third Party Purchaser to purchase the Offered Units (the "**Third Party Offer**"), then the Common B Selling Group shall give written notice (a "**Tag-Along Notice**") to all other Common B Unitholders (if any) stating: (i) the number of Offered Units proposed to be Transferred to the Third Party Purchaser; (ii) the proposed purchase price per Offered Unit; (iii) the date on which the proposed Transfer is to occur; (iv) all other material terms and conditions of the Third Party Offer; (v) that the Tag-Along Holder may exercise Tag-Along Rights in accordance herewith; and (vi) contact information for the Common B Selling Group to which notice of an exercise of Tag-Along Rights can be delivered.

(b) If the number of Offered Units proposed to be Transferred by the Common B Selling Group to the Third Party Purchaser represents more than 50% of the Common B Units then outstanding, then the Tag-Along Notice shall also be given to the Common A Unitholders and the Common C Unitholders.

(c) The Tag-Along Notice shall be sent to the General Partner and to each Tag-Along Holder not later than ten (10) Business Days before the date on which the proposed Transfer, pursuant to the Third Party Offer, of the Offered Units is to occur.

(d) Each Tag-Along Holder may exercise its Tag-Along Rights by delivering to the Common B Selling Group, not later than five (5) Business Days before the date on which the proposed Transfer of the Offered Units is to occur, written notice stating that such Tag-Along Holder wishes to sell a number of Common A Units, Common B Units or Common C Units, as applicable, held by the Tag-Along Holder up to its Proportionate Interest (rounded down to the nearest whole number) (the "**Tag-Along Units**") on the same terms and conditions (including price per unit) offered to the Common B Selling Group pursuant to the Third Party Offer. Such

notice shall be accompanied or promptly followed by Unit Certificates representing the Tag-Along Units to be sold by the Tag-Along Holder delivering the exercise notice and a form of assignment prescribed by the General Partner appointing each member of the Common B Selling Group as the Tag-Along Holder's true and lawful attorney and agent upon the terms contained therein and authorizing the Common B Selling Group to effect (and the Common B Selling Group shall act upon such authorization to effect) a Transfer of the Tag-Along Units on the same terms and conditions (including price per unit) offered to the Common B Selling Group pursuant to the Third-Party Offer.

(e) The Common B Selling Group shall not complete any sale of Offered Units to the Third Party Purchaser unless the Third Party Purchaser agrees to also purchase the Tag-Along Units from each Tag-Along Holder who validly exercises its Tag-Along Rights in accordance with this Section 3.20.

(f) For certainty, completion of any Transfer of Units to a Third Party Purchaser in accordance with this Section 3.20 shall be subject to the requirements of Section 3.12.

(g) Notwithstanding the foregoing, a Common B Selling Group shall not be required to give a Tag-Along Notice and otherwise comply with this Section 3.20 if the Common B Selling Group exercises its Drag-Along Rights pursuant to Section 3.21.

3.21 Drag-Along Rights

(a) In the event that any Common B Selling Group proposes to Transfer its Offered Units to a Third Party Purchaser pursuant to Third Party Offer, then notwithstanding Section 3.20:

(i) the Common B Selling Group shall have the right to require all Common A Unitholders and Common C Unitholders to Transfer, in each case, to the Third Party Purchaser such number of Common A Units or Common C Units held by the Common A Unitholder or Common C Unitholder, as applicable, as is equal to its Proportionate Interest (rounded up to the nearest whole number); and

(ii) if the number of Offered Units proposed to be Transferred by the Common B Selling Group to the Third Party Purchaser represents more than 50% of the Common B Units then outstanding, the Common B Selling Group shall have the further right to require all other Common B Unitholders (if any) to Transfer, in each case, to the Third Party Purchaser such number of Common B Units held by the other Common B Unitholder as is equal to its Proportionate Interest (rounded up to the nearest whole number),

(all such Common A Units, Common C Units and, as applicable, Common B Units required to be sold, collectively, the "**Drag Along Units**") on the same terms and conditions (including price per unit) offered to the Common B Selling Group pursuant to the Third Party Offer.

(b) The Common B Selling Group may exercise its Drag-Along Rights by giving written notice (the "**Drag-Along Notice**") to the Common A Unitholders, Common C Unitholders and, if applicable, other Common B Unitholders holding Drag-Along Units stating: (i) the number of Offered Units proposed to be Transferred to the Third Party Purchaser; (ii) the proposed purchase price per unit; (iii) the date on which the proposed Transfer is to occur; (iv) all other material terms and conditions of the Third Party Offer; and (iv) that the Common B Selling Group is exercising its Drag-Along Rights in accordance herewith.

(c) The Drag-Along Notice shall be sent to the General Partner and to each Drag-Along Holder not later than ten (10) Business Days before the date on which the proposed Transfer, pursuant to the Third Party Offer, of the Offered Units and, pursuant to the exercise of the Drag-Along Rights in connection therewith, the Drag-Along Units, is to occur.

(d) Upon the Drag-Along Notice being given, each Drag-Along Holder shall be obligated to accept the Third Party Offer with respect to all Drag-Along Units held by them and to take all necessary action to dispose of their entire right, title and interest in and to the Drag-Along Units to the Third Party Purchaser on the same terms and conditions (including price per unit) offered to the Common B Selling Group pursuant to the Third-Party Offer, and in connection therewith, upon the request of the Common B Selling Group and without cost or expense to the Common B Selling Group, the General Partner or the Partnership, to execute and deliver all such instruments of transfer and other documents and take all such other actions as may reasonably be requested by the Common B Selling Group in order to validly effect and record the sale of all such Drag-Along Units to the Third Party Purchaser in a timely fashion (including the exercise of any voting rights or privileges attached to any Drag-Along Units to the extent necessary to facilitate completion of the transaction). For this purpose, each Drag-Along Holder irrevocably makes, constitutes and appoints each member of the Common B Selling Group as its true and lawful attorney and agent, with full power of substitution, in its name, to accept the Third Party Offer with respect to all Drag-Along Units held by it and execute and deliver all such instruments of transfer and other documents and take all other actions in each case to give effect to such acceptance, to establish a binding contract of purchase and sale between it and the Third Party Purchaser with respect to all Drag-Along Units held by it, and to complete the purchase and sale contemplated thereunder. Such appointment is irrevocable, is a power coupled with an interest, and shall not be revoked by the insolvency, bankruptcy, death, incapacity, dissolution, liquidation or other termination of the existence of any Drag-Along Holder.

(e) For certainty, completion of any Transfer of Units to a Third Party Purchaser in accordance with this Section 3.21 shall be subject to the requirements of Section 3.12.

ARTICLE 4
CAPITAL CONTRIBUTIONS AND ACCOUNTS

4.1 Partnership Capital

The capital of the Partnership under the Act consists of the aggregate of all sums of money or other property contributed by the Partners as Capital Contributions and not withdrawn or returned to them.

4.2 Capital Contribution by the General Partner

Pursuant to the Original Limited Partnership Agreement, the General Partner contributed one dollar ($1.00) to the capital of the Partnership concurrent with execution of the Original Limited Partnership Agreement and was issued one Common A Unit of the Partnership.

4.3 Capital Contributions of the Founding Limited Partners

Pursuant to the Original Limited Partnership Agreement:

(a) Tisdale Family Trust, as a founding limited partner, contributed three dollars ($3.00) to the capital of the Partnership concurrent with execution of the Original Limited Partnership Agreement and was issued three (3) Common B Units of the Partnership.

(b) Hruska Family Trust, as a founding limited partner, contributed three dollars ($3.00) to the capital of the Partnership concurrent with execution of the Original Limited Partnership Agreement and was issued three (3) Common B Units of the Partnership.

(c) Each of J1 Trust, Lexbury Family Trust and Tooth Family Trust, as founding limited partners, contributed one dollar ($1.00) to the capital of the Partnership concurrent with execution of the Original Limited Partnership Agreement and was issued one (1) Common B Unit of the Partnership.

4.4 Capital Accounts and Capital Account Balances

Each Partner (being the General Partner and each of the Limited Partners) shall have a separate capital account maintained by the Partnership which will be credited with Capital Contributions by such Partner and which will be debited with the amount of any Capital Contribution withdrawn or returned from time to time by the Partnership to the Partner (such balances being the "**Capital Account Balances**"). The interest of a Partner in the Partnership will not terminate by reason of a Partner having a negative or nil balance in any accounts maintained on its behalf in the books of the Partnership, including any Capital Account Balance. No Limited Partner shall be responsible for any losses of any other Limited Partner, nor share in the allocation of income or loss attributable to the Units of any other Limited Partner. The Partnership will not pay interest on any Capital Account Balance or Capital Contribution of a Partner. Except as provided in this Agreement or the Act, no Limited Partner is required to pay interest to the Partnership on any Capital Contribution returned to the Limited Partner or on any negative Capital Account Balance.

4.5 Current Accounts

A separate current account will be established and maintained in the accounting records of the Partnership for each Partner, which account will be credited by the amount of any Net Income allocated to such Partner and will be debited by the amount of any Net Loss allocated to the Partner and by the amounts distributed to such Partner other than distributions as returns of capital.

4.6 Set-Off Against Unpaid Capital Contribution

The Partnership may set-off against and withhold from any amount that would otherwise be distributed to a Limited Partner, any amount that may be due and owing to the Partnership on account of any unpaid portion of a Capital Contribution of such Limited Partner or to eliminate a negative Capital Account Balance.

4.7 Restriction on Withdrawals

No Partner will have any right to withdraw any amount or receive any distribution from the Partnership except as expressly provided in this Agreement and as permitted by law. All Partners shall look solely to the assets of the Partnership for the return of their respective capital or any other distributions. If assets remaining after payment or discharge, or provision for payment or discharge, of the debts and liabilities of the Partnership are insufficient to return the Capital Contributions or to make any other distribution to the Partners, no Partner shall have any recourse against the personal assets of any other Partner for that purpose, except in respect of any applicable obligations of the Partners pursuant to Sections 2.13, 2.14 and 2.15.

ARTICLE 5
ALLOCATIONS, DISTRIBUTIONS AND RELATED MATTERS

5.1 Allocation of Net Income and Net Loss

Subject to Section 5.2, the Net Income or Net Loss of the Partnership (as the case may be) for each Fiscal Year, as well as its income or loss from a particular source or a source in a particular place, and its capital gains and capital losses, shall each be allocated among the Limited Partners by the General Partner in a manner consistent with the distribution provisions set out in this Article 5. In so allocating Net Income or Net Loss, the General Partner shall act reasonably and fairly, taking into account the amount, timing and underlying character or source (whether as income or capital) of the actual distributions to each of the Partners with a view to ensuring that, over the term of the Partnership, each Partner is allocated a portion of the Net Income or Net Loss that substantially corresponds to the amounts that are and are anticipated to be distributed to that Partner.

5.2 General Partner Discretion in Allocation

The General Partner has the discretion, in allocating Net Income and Net Loss among Limited Partners, to take into account revenue and expenses on a daily, incremental basis to give effect to an appropriate allocation among Limited Partners after taking into consideration any matters that may be relevant. Adjustments may be made in respect of revenue earned or expenses incurred prior to the time each Limited Partner became a Limited Partner and adjustments may be made in respect of fees paid in years prior to the year in which the Limited Partner became a Limited Partner. The General Partner shall also have the discretion to allocate revenues and expenses among Limited Partners to take into account differences that may arise as a result of the acquisition or sale of Units at one or more different times in a year or in different calendar years.

5.3 Distributable Cash

The "**Distributable Cash**" for, or in respect of, a Distribution Period shall be equal to (without duplication):

(a) all cash or cash equivalents which are received by the Partnership for, or in respect of, such Distribution Period, including amounts on account of interest, income, dividends, returns of capital, amounts paid on debt held by the Partnership, capital gains, and such other amounts as may be determined from time to time by the General Partner to be included in "Distributable Cash" (which may include amounts taken, in the discretion of the General Partner, out of the Partnership's reserves as well as amounts from the proceeds of any debt or equity financing by the Partnership);

less the sum of:

(b) all amounts paid on account of expenses and liabilities for, or in respect of, such Distribution Period as well as an amount for all expenses and liabilities of the Partnership which, in the opinion of the General Partner, may reasonably be considered to have accrued and become owing in respect of, or which relate to, such Distribution Period or a prior Distribution Period if not accrued in such prior period including, without limitation, any accrued liability in respect of undeclared and accumulated distributions on the Preferred Units;

(c) all amounts which relate to the repayment, during the Distribution Period, of any amount (principal or interest) in respect of any indebtedness of the Partnership;

(d) all cash amounts used during such Distribution Period for or in connection with loans, advances, investments or other acquisitions of assets by the Partnership;

(e) the aggregate amount of all cash amounts used, or to be used, in respect of the redemption or repurchase of Preferred Units and/or Common A Units called for redemption or repurchase;

(f) any amount, in addition to those amounts set forth in Sections 5.3(b) to 5.3(d) (inclusive), which the General Partner may reasonably consider to be necessary to provide for (1) the payment of any liabilities which have been or will be incurred by the Partnership to the extent that such liabilities have not otherwise been taken into account in determining the Distributable Cash hereunder, or (2) for pursuing any purpose or activity of the Partnership; and

(g) an amount, as determined in the discretion of the General Partner, for reasonable reserves (or increases thereto) to be maintained in connection with the prudent operation of the Business of the Partnership.

5.4 Distributions on Units

(a) *Discretionary Distributions to Unitholders:*

(i) Holders of Units shall be entitled to receive ~~non-cumulative~~ distributions if, as and when declared by the General Partner.

(ii) The General Partner, in respect of any Distribution Period, may in its discretion declare payable to holders of Units of record as at the close of business on the Distribution Record Date for such Distribution Period, all or any part of the Distributable Cash for such Distribution Period (such aggregate amount as so declared being herein referred to as the "**Distribution Amount**").

(b) *Distribution Policy*

(i) All distributions of the Distribution Amount shall be made in accordance with the following order of priority and, in all cases, without duplication:

(A) First, the ~~Distribution Amount shall be distributed to:~~General Partner will, to the extent possible based on the amount of the Distribution Amount, pay to the Preferred Unitholders an amount equal to the outstanding and accrued Preferred Return with respect to such Preferred Unit. *If the Distribution Amount is* not sufficient to pay all outstanding and accrued Preferred Returns on all Preferred Units, then each Preferred Unit shall receive an amount equal to such Preferred Unit's *pro rata* portion of the Distribution Amount based on the outstanding and accrued Preferred Return owed to such Preferred Unit relative to the aggregate outstanding and accrued Preferred Returns owed to all Preferred Units.

~~(1) the holders of Preferred A Units and Preferred A1 Units, a fixed distribution at the rate of $0.06 per unit per year, as adjusted (if necessary) to properly reflect the duration of the Distribution Period if other than 12 months;~~

~~(2) the holders of Preferred B Units and Preferred B1 Units, a fixed distribution at the rate of $0.07 per unit per year, as adjusted (if~~

~~necessary) to properly reflect the duration of the Distribution Period if other than 12 months;~~

~~(3) the holders of Preferred C Units and Preferred C1 Units, a fixed distribution at the rate of $0.08 per unit per year, as adjusted (if necessary) to properly reflect the duration of the Distribution Period if other than 12 months;~~

~~(4) the holders of Preferred D Units and Preferred D1 Units, a fixed distribution at the rate of $0.09 per unit per year, as adjusted (if necessary) to properly reflect the duration of the Distribution Period if other than 12 months;~~

~~(5) the holders of Preferred E Units and Preferred E1 Units, a fixed distribution at the rate of $0.10 per unit per year, as adjusted (if necessary) to properly reflect the duration of the Distribution Period if other than 12 months;~~

~~to be distributed rateably among the holders of Preferred A Units, Preferred A1 Units, Preferred B Units, Preferred B1 Units, Preferred C Units, Preferred C1 Units, Preferred D Units, Preferred D1 Units, Preferred E Units and Preferred E1 Units, *pari passu* without preference or priority. In the event that a Preferred Unit was not issued and outstanding on each day within such Distribution Period then the Distribution Amount *in respect of such Preferred Unit shall be adjusted to be the product obtained when* the Distribution Amount in respect of such Preferred Unit is multiplied by the quotient obtained when *(i) the number of days in the Distribution Period during which such Preferred Unit was issued and outstanding, is divided by (ii) the total number of days in the Distribution Period*, and such amount shall be payable as the distribution in respect of such Preferred Unit. Such adjustment calculation shall be made in respect of each Preferred Unit which was not issued and outstanding on each day within the Distribution Period.~~

(B) Second, the remaining Distribution Amount shall be distributed to the holders of Common A Units and Common B Units and Common C Units. Each Common A Unit, Common B Unit and Common C Unit issued and outstanding on the Distribution Record Date for a particular Distribution Period shall be entitled to an equal proportionate share of the remaining Distribution Amount, which share shall be determined by dividing the remaining Distribution Amount by the number of Common A Units, Common B Units and Common C Units issued and outstanding as of the Distribution Record Date.

~~(c) *Insufficient Funds*: *If the Distribution Amount is* insufficient to permit the payment in full to the holders of Preferred A Units, Preferred A1 Units, Preferred B Units, Preferred B1 Units, Preferred C Units, Preferred C1 Units, Preferred D Units, Preferred D1 Units, Preferred E Units and Preferred E1 Units of all amounts to be distributed to them, then the Distribution Amount available for such distribution is to be distributed rateably among the holders of Preferred A Units, Preferred A1 Units, Preferred B Units, Preferred B1 Units, Preferred C Units, Preferred C1 Units, Preferred D Units, Preferred D1 Units, Preferred E Units, and Preferred E1 Units, *pari passu*, without preference or priority, in proportion to the full distribution amount each such holder is otherwise entitled to receive.~~

(c) ~~(d)~~ *Distribution Period*: The distributions per Unit payable to holders of Units in respect of a Distribution Period shall be paid in cash on or before the Distribution Payment Date which immediately follows a Distribution Record Date attributable to such Distribution Period, provided that if the Distribution Record Date is on or after October 1 in any calendar year then the distributions payable to holders of Units in respect of such distributions for the Distribution Period pertaining to such Distribution Record Date shall be due and payable as of 5:00 p.m. (Calgary time) on December 31 in such year and shall be paid forthwith.

(d) ~~(e)~~ *Change of Distribution Period:* The Distribution Period in respect of the Units may be changed at any time, and from time to time, by the General Partner in its discretion and without notice to the Unitholders.

5.5 Record Date and Payment Date

For greater certainty, distributions that are paid after the end of any Fiscal Year, but that are payable on or before the end of that Fiscal Year, will be deemed to be distributions with respect to that Fiscal Year for purposes of this Agreement.

5.6 Manner of Payment

Distributions payable pursuant to Section 5.4 will be paid in cash. Any payment of cash by the General Partner to a Partner pursuant to this Agreement will be conclusively deemed to have been made upon mailing of a cheque in a postage pre-paid envelope, addressed to the Partner at the Partner's address appearing in the Register, unless such cheque is dishonoured upon presentment. Upon such payment, the General Partner will be discharged from all liability to the Partner in respect of such payment; provided, however, that if such cheque is lost or destroyed then, upon the presentation of evidence satisfactory to the General Partner of such loss or destruction, together with such indemnity as the General Partner may reasonably require, the General Partner will issue a replacement cheque to the Partner. Notwithstanding the foregoing, the General Partner, in lieu of forwarding or causing to be forwarded a cheque, may enter into an agreement with a Partner providing for the payment to such Partner of amounts hereunder by electronic funds transfer or by any other method at a place or places other than the place or places specified herein. Any payment of any cash amount pursuant to such agreement will, notwithstanding any other provision of this Agreement, be valid and binding on the General Partner, the Partnership and the relevant Partner.

For greater certainty, the General Partner will not make any distribution if, as a result thereof, the assets of the Partnership would be insufficient to discharge the liabilities of the Partnership. No holder of a Unit will be entitled to recover by action or other legal process against the Partnership any distribution that is represented by a cheque that has not been duly presented to the Partnership's bankers for payment or that otherwise remains unclaimed for a period of two years from the date on which such distribution was payable. Such payment, in such circumstances, will be deemed to have been forfeited to the Partnership.

5.7 Repayments and Lien

If any Limited Partner receives a distribution of Distributable Cash or otherwise receives monies from the Partnership which exceed its entitlement hereunder, then that Limited Partner shall forthwith repay to the Partnership such excess amount upon demand by the General Partner and, in the absence of such repayment, the Partnership shall be entitled to deduct such excess amount from any subsequent distribution from the Partnership to such Limited Partner. Further, where any Limited Partner is indebted to the Partnership for any reason, the General Partner, on behalf of the Partnership, shall be entitled to deduct such indebtedness in whole or in part from any distribution such Limited Partner would otherwise

be entitled to hereunder. In the event that a Limited Partner is indebted to the Partnership for any reason, the Partnership shall have, without the necessity of any notice, demand, formality or act whatsoever, a lien and security interest against and in respect of the Units and other securities of the Partnership (if any) registered in the name of or beneficially owned by that Limited Partner and the Partnership shall be entitled to take all actions, in accordance with law, to protect and enforce such lien or security interest.

5.8 Set-Off

The Partnership may set off any of its obligations to make payment of distributions to any of the Limited Partners against any liabilities or obligations of such Limited Partner to the Partnership, including those pursuant to Section 5.7 above.

ARTICLE 6
REDEMPTION

6.1 Right of Redemption by the Partnership and by Holders of Units

(a) The Partnership is entitled at any time and from time to time, in accordance with the terms and conditions set forth in this Article 6, to redeem all or any part of the issued and outstanding Preferred Units ~~(any Preferred Units to be redeemed pursuant to this Section 6.1(a) and 6.1(b) below, *collectively referred to as the "**Redemption Units**")~~.

(b) For so long as the Preferred Units are not a security that is an "exchange-traded security" or a "foreign exchange-traded security" (as those terms are defined in National Instrument 21-101 of the Canadian Securities Administrators), each Preferred Unitholder shall be entitled to require the Partnership to redeem at any time and from time to time at the demand of the holder, in accordance with the terms and conditions set forth in this Article 6, all or any part of the Preferred Units registered in the name of the Preferred Unitholder.

(c) In the event that any Preferred Units are redeemed by the Partnership pursuant to Section 6.1(a) or tendered for redemption by a Preferred Unitholder pursuant to Section 6.1(b) (including for greater certainty, a redemption by the Trust), the Partnership is entitled to also redeem any Common A Units that were issued in connection with the Preferred Units being redeemed (including for greater certainty, Preferred Units that were issued to the Trust in connection with the issuance by the Trust of preferred units of the Trust), in accordance with *the terms and conditions* set forth in this Article 6. In the event that less than all of the Preferred Units held by a Preferred Unitholder (and where the Preferred Unitholder is the Trust, less than all of the Preferred Units that were issued to the Trust in connection with subscriptions of preferred units of the Trust by a particular unitholder of the Trust) are redeemed pursuant to Section 6.1(a) or 6.1(b), then the Partnership may redeem up to such number of Common A Units that were issued in connection with such Preferred Units, which number shall be determined by multiplying the number of Common A Units that were issued in connection with the Preferred Units being redeemed by a fraction, (A) the numerator of which is the number of Preferred Units held (or to be held) by such Preferred Unitholder (or a particular unitholder of the Trust, as applicable) subsequent to the redemption; and (B) the denominator of which is the number of Preferred Units held by such Preferred Unitholder (or a particular unitholder of the Trust, as applicable) immediately prior to such redemption.

(d) Any Preferred Units or Common A Units to be redeemed pursuant to Sections 6.1(a), 6.1(b) and 6.1(c), *collectively referred to as the "**Redemption Units**").*

6.2 Exercise of Redemption Right by holders of Preferred Units

(a) For a Preferred Unitholder to exercise its right to require redemption under this Article 6, a duly completed and properly executed notice requiring the Partnership to redeem Preferred Units, in a form approved by the General Partner, shall be sent to the Partnership at the head office of the Partnership or any of the principal offices of the Transfer Agent at which it has agreed to act as registrar for the Preferred Units being redeemed, together with the Unit Certificate or Unit Certificates, if any, representing the Redemption Units. No form or manner of completion or execution shall be sufficient unless the same is in all respects satisfactory to the General Partner and is accompanied by any further evidence that the General Partner may reasonably require with respect to the identity, capacity or authority of the person giving such notice. The Partnership shall pay the Redemption Price (as defined below) in respect of such Redemption Units accepted for redemption within thirty (30) days after receipt of such notice.

(b) Upon the tender of Preferred Units of a Preferred Unitholder for redemption, the Preferred Unitholder shall thereafter cease to have any rights with respect to the Preferred Units tendered for redemption (including no right to receive distributions in respect of such Preferred Units where such distributions are declared payable to Preferred Unitholders of record on a date which is on or subsequent to the date upon which such Preferred Units of the Unitholder have been tendered for redemption), other than to receive the Redemption Price (as defined herein) therefor, and the right to receive any distributions thereon which have been declared payable to Preferred Unitholders of record on a date which is prior to the date upon which such Preferred Units of the Unitholder have been tendered for redemption. Preferred Units shall be considered to be tendered for redemption on the date the Partnership has, to the satisfaction of the General Partner, received the notice, Unit Certificates, if any, and all other required documents or evidence as aforesaid.

(c) Notwithstanding Section 6.2(b), a Unitholder may advise the Partnership that such Unitholder only wishes to receive cash in payment of the Redemption Price pursuant to Section 6.5(b). In such event, only the Redemption Units which Redemption Price can be satisfied by the Cash Amount determined as set forth in Section 6.5(b)(i) in respect of such calendar month will be redeemed by the Partnership and the remainder of the Redemption Units that have not been redeemed by the Partnership shall be deemed not to have been tendered for redemption by the Unitholder. The Unitholder may request that the remainder of the Redemption Units that have not been redeemed by the Partnership be automatically re-tendered for redemption each month until all such Redemption Units have been redeemed for cash, or withdraw its request for redemption with respect to such units.

6.3 Exercise of Redemption Right by the Partnership

(a) For the Partnership to exercise its right to redeem all or any part of the issued and outstanding Preferred Units or Common A Units under this Article 6, the Partnership shall, at least 21 days before the date specified for redemption (or at least 1 day before the date specified for redemption in the case of a redemption of Common A Units in connection with a redemption by a Preferred Unitholder pursuant to Section 6.1(b)), send by prepaid mail or personally deliver (or, with the consent of any particular holder, otherwise deliver) a notice in writing of the intention of the Partnership to redeem such Redemption Units ("**Redemption Notice**") to each person who, at the record date for the determination of Preferred Unitholders or Common A Unitholder entitled to receive notice (to be a date no more than 10 days prior to the date of mailing or delivery of the Redemption Notice), is a registered holder of the Redemption Units. In the case of the mailing of such Redemption Notice, it shall (subject to the consent of any particular holder referred to

above) be mailed by letter, postage prepaid, addressed to each such holder at the holder's address as it appears on the records of the Partnership or in the event of the address of any such holder not so appearing then to the last known address of such holder; provided, however, that accidental failure or omission to give any such Redemption Notice to one or more of such holders shall not affect the validity of such redemption. Such Redemption Notice shall set out the Redemption Price, the date on which redemption is to take place, and if ~~part~~ only a part of the Preferred Units or Common A Units held by the person to whom the Redemption Notice is addressed is to be redeemed, the number thereof so to be redeemed. On or within thirty (30) days after the date so specified for redemption, the Partnership shall pay or cause to be paid to or to the order of the holders of the Redemption Units the Redemption Price thereof on presentation and surrender at the registered office of the Partnership or any other place designated in the Redemption Notice of the certificates representing the Redemption Units. Such notice required to be given in this paragraph may be waived in writing by a registered holder of Redemption Units, and upon such waiver the Partnership shall be relieved from the obligation of giving notice to such registered holder. If only a part of the Preferred Units or Common A Units, as applicable, represented by any certificate are to be redeemed, a new certificate representing the balance of such Preferred Units or Common A Units, as applicable, shall be issued to the holder thereof at the expense of the Partnership upon presentation and surrender of the first mentioned certificate.

(b) From and after the date specified for redemption in any such Redemption Notice, such Redemption Units shall cease to be entitled to distributions or any other participation in the assets of the Partnership and the holders thereof shall not be entitled to exercise any of their other rights as Preferred Unitholders in respect thereof.

6.4 Calculation of Redemption Price

(a) A Preferred Unitholder or Common A Unitholder whose Preferred Units or Common A Units, as applicable, are being redeemed shall be entitled to receive a price per Redemption Unit (herein referred to as the "**Redemption Price**") equal to:

(i) In the case of a Redemption Unit being redeemed pursuant to Section 6.1(a) hereof, the lesser of: (A) the fair market value of such Redemption Unit as at the date of the Redemption Notice; and (B) $1.00;

(ii) in the case of a Redemption Unit being redeemed pursuant to Section 6.1(b) hereof that was issued on a date that was five years or less prior to the date upon which such Redemption Units have been tendered for redemption, the lesser of: (A) 90% of the fair market value of such Redemption Unit as at the date upon which such Redemption Unit was tendered for redemption; and (B) $0.90; ~~and~~

(iii) in the case of a Redemption Unit being redeemed pursuant to Section 6.1(b) hereof that was issued on a date that was more than five years prior to the date upon which such Redemption Units have been tendered for redemption, the lesser of: (A) the fair market value of such Redemption Unit as at the date upon which such Redemption Unit was tendered for redemption; and (B) $1.00;

(iv) in the case of a Redemption Unit being redeemed pursuant to Section 6.1(c) hereof in connection with any Preferred Units redeemed by the Partnership pursuant to Section 6.1(a), the fair market value of such Redemption Unit as at the date of the Redemption Notice; and

(v) in the case of a Redemption Unit being redeemed pursuant to Section 6.1(c) hereof in connection with any Preferred Units tendered for redemption by a Preferred Unitholder pursuant to Section 6.1(b), the lesser of: (A) the fair market value of such Redemption Unit as at the date of the Redemption Notice; and (B) the purchase price of such Redemption Unit.

(b) The fair market value of a Redemption Unit shall be determined by the General Partner in its sole discretion, acting reasonably, but having regard to:

(i) all prices at which trades of Preferred Units or Common A Units, as applicable, have been transacted, as reported to the General Partner pursuant to Section 3.12, and which have occurred during the 6 month period (or such other period as the General Partner determines relevant and reasonable) immediately preceding the date on which such Redemption Units tendered for redemption or the date of the Redemption Notice, as applicable;

(ii) the issue prices for Preferred Units or Common A Units, as applicable, issued in any offering during the 6 month period (or such other period as the General Partner determines relevant and reasonable) immediately preceding the date on which such Redemption Units tendered for redemption or the date of the Redemption Notice, as applicable;

(iii) the fair market value of equity interests in, or enterprise values of, comparable entities substantially similar to the Partnership; and

(iv) any other considerations which the General Partner, in its discretion, determines relevant for purposes of determining the fair market value of such Redemption Units.

6.5 Payment of Redemption Price

(a) The Redemption Price payable in respect of the Redemption Units redeemed pursuant to Sections 6.1(a) and 6.1(c) shall be paid, at the discretion of the General Partner, by any combination of:

(i) An amount payable by cheque, drawn on a Canadian chartered bank or a trust company in lawful money of Canada, payable at par to or to the order of the Preferred Unitholder or Common A Unitholder, as applicable, holding such Redemption Units (the amount of such payment being the "**Cash Amount**"), provided that the Cash Amount in respect of Redemption Units to be redeemed shall be paid *pro-rata* to (A) Preferred Unitholders whose Preferred Units are being redeemed based upon the proportion which the total redemption amount payable to a Preferred Unitholder bears in relation to the aggregate Redemption Price which is payable in respect of all ~~Redemption~~Preferred Units to be redeemed in any calendar month and (B) Common A Unitholders whose Common A Units are being redeemed based upon the proportion which the total redemption amount payable to a Common A Unitholder bears in relation to the aggregate Redemption Price which is payable in respect of all Common A Units to be redeemed in any calendar month (for greater certainty, the General Partner may designate different Cash Amounts for Preferred Units and Common A Units); and

(ii) the difference between the Redemption Price payable in respect of the Redemption Units and the Cash Amount (the "**Remainder Amount**") through the issuance of Redemption

Notes and/or distribution, *in specie*, of Partnership Property to Preferred Unitholders or Common A Unitholders holding such Redemption Units, with such notes and/or Partnership Property (as the case may be) having an aggregate fair market value equal to the Remainder Amount.

(b) The Redemption Price payable in respect of the Redemption Units redeemed pursuant to Section 6.1(b) shall be paid by:

(i) ~~the~~a Cash Amount, but in the event that the Cash Amount in respect of Redemption Units tendered for redemption in the same calendar month exceeds $10,000, then the Partnership shall only be obligated to pay the Cash Amount up to a maximum of $10,000, unless the General Partner determines a greater Cash Amount, provided that the Cash Amount shall be paid *pro-rata* to redeeming Preferred Unitholders based upon the proportion which the total redemption amount payable to a redeeming Preferred Unitholder bears in relation to the aggregate Redemption Price which is payable in respect of all ~~Redemption~~Preferred Units tendered for redemption in any calendar month; and

(ii) to the extent that the aggregate Redemption Price which is payable in respect of the Redemption Units tendered for redemption in such calendar month exceeds the Cash Amount~~:(A) in respect of any Redemption Units that were issued on a date that was five years or less prior to the date upon which such Redemption Units have been tendered for redemption~~, the difference shall be paid by the Partnership to Unitholders via the Remainder Amount, through the issuance of Redemption Notes and/or distribution, *in specie*, of Partnership Property to Unitholders holding such Redemption Units, with such~~ notes and/or Partnership Property (as the case may be) having an aggregate fair market value equal to the Remainder Amount, provided however, that any Redemption Notes issued pursuant to this Section 6.5(b)(ii)(A) shall be due and payable prior to the sixth anniversary of the date of issuance of the Redemption Unit in respect of which such Redemption Note is issued; (B) in respect of any Redemption Units that were issued on a date that was more than five years prior to the date upon which such Redemption Units have been tendered for redemption, then subject to receipt of any applicable regulatory approvals, the difference shall be paid by the Partnership to Unitholders via the Remainder Amount, through the payment of cash, issuance of Redemption Notes and/or distribution, *in specie*, of Partnership Property to Unitholders holding such Redemption Units, with such cash,~~ notes and/or Partnership Property (as the case may be) having an aggregate fair market value equal to the Remainder Amount.

(c) Payments of the Cash Amount by the Partnership are conclusively deemed to have been made upon the mailing of a cheque in a postage pre-paid envelope addressed to the redeeming ~~Preferred~~ Unitholder at its last address appearing on the Register unless such cheque is dishonoured upon presentment. Upon such payment, the Partnership shall be discharged from all liability to the redeeming Unitholder in respect of the Redemption Units so redeemed except with respect to any outstanding payments in respect of such Redemption Units pertaining to distributions payable thereon to such redeeming Unitholder(s) of record on a date which was prior to the date upon which such Redemption Units were tendered to the Partnership for redemption.

(d) Payments of the Remainder Amount by the Partnership are conclusively deemed to have been made, as applicable, upon, the mailing of a cheque in a postage pre-paid envelope addressed to the redeeming ~~Preferred~~ Unitholder at its last address appearing on the Register unless such

cheque is dishonoured upon presentment, upon issuance of the Redemption Notes or upon the mailing of the documents evidencing ownership of the property of the Partnership so distributed by registered mail in a postage prepaid envelope addressed to the redeeming ~~Preferred~~ Unitholder at its last address appearing on the Register. Upon such occurrence, the Partnership shall be discharged from all liability to the redeeming ~~Preferred~~ Unitholder in respect of the Redemption Units so redeemed except with respect to any outstanding payments in respect of such Redemption Units pertaining to distributions payable thereon to such redeeming Unitholder(s) of record on a date which was prior to the date upon which such Redemption Units were tendered to the Partnership for redemption. In respect of any property of the Partnership being transferred in respect of payments of the Remainder Amount by the Partnership, the Partnership shall be entitled to all interest paid or accrued and unpaid in respect of such property (if applicable and if any) to and including the date of transfer thereof.

6.6 Fair Market Value

(a) The fair market value of Partnership Property distributed *in specie* as part of the Remainder Amount in satisfaction of the Redemption Price of any Redemption Units pursuant to Section 6.5, as at the date upon which such Redemption Units were tendered for redemption, shall be determined by the General Partner in its sole discretion, acting reasonably, provided that in the event that such Partnership Property consist of securities ("**Listed Securities**") that are listed, traded or quoted on a stock exchange or market which the General Partner consider, in their sole discretion, provides representative fair market value prices for such Partnership Property (such exchange or market being herein referred to as the "**Principal Market**"), then the fair market value of such Listed Securities shall be the "market price" of such Listed Securities, as determined on the Principal Market on which such Listed Securities are listed and/or quoted for trading during the period of the last ten (10) trading days immediately prior to the date on which the Redemption Units were tendered for redemption.

(b) For the purposes of this Section 6.6, the "**market price**" of a Listed Security shall be: (i) an amount equal to the volume weighted average trading price of such Listed Security for each of the ten (10) trading days referred to in Section 6.6(a); (ii) if the Principal Market does not provide information necessary to compute a volume weighted average trading price, an amount equal to the volume weighted average of the closing prices of such a Listed Security for each of the ten (10) trading days on which there was a closing price; provided that if the Principal Market does not provide a closing price, but only provides the highest and lowest prices of such Listed Securities traded on a particular day, the "market price" shall be an amount equal to the volume weighted average of the average of the highest and lowest prices for each of the trading days on which there was a trade; and (iii) if there was trading on the Principal Market for fewer than five (5) of the ten (10) trading days, the "market price" shall be the volume weighted average of the following prices established for each of the ten (10) trading days; (1) the average of the last bid and last asking prices for each day on which there was no trading; (2) the closing price of such Listed Security for each day that there was trading if the Principal Market provides a closing price; and (3) the average of the highest and lowest prices of such Listed Security for each day that there was trading, if the Principal Market provides only the highest and lowest prices of such Listed Securities traded on a particular day.

(c) For the purposes hereof, (i) where there is more than one exchange or market on which the Listed Securities are listed or quoted for trading, the "**Principal Market**" shall be the exchange or market on which the Listed Securities are listed or quoted for trading as is designated by the General Partner, and (ii) if the Principal Market is not open for trading on the date on which the

Listed Securities are tendered for redemption, then the reference date shall be the last day on which such Principal Market was open for trading.

6.7 Suspension of Redemption Rights in Certain Circumstances

(a) The General Partner may, as an extraordinary measure, from time to time, suspend the redemption of Units or payment of redemption proceeds if the General Partner determines the suspension to be appropriate in the circumstances. Examples of circumstances which may require a suspension of redemptions include, without limitation, if the General Partner reasonably determines that: (i) the Partnership's assets are invested in such a manner so as to not reasonably permit immediate liquidation of sufficient assets; (ii) there exists a state of affairs that constitutes circumstances under which liquidation by the Partnership of part or all of its investments is not reasonable or practicable, or would be prejudicial to the Partnership or Unitholders generally; (iii) not suspending redemptions would have an adverse effect on continuing Unitholders; or (iv) it is unable to value the assets of the Partnership. The General Partner may also suspend the redemption of Units upon an announcement by the General Partner that the Partnership will be dissolved. For greater certainty, the intention of this provision is not to generally restrict the ability of Unitholders to redeem Units, but rather to permit the General Partner to protect the Partnership and/or its Unitholders from the harm that would be caused by permitting redemptions when extraordinary and unusual circumstances are present.

(b) With respect to any suspension as a result of Section 6.7(a) hereof, such suspension shall also apply to all requests for redemption received prior to the suspension date but as to which payment has not been made, as well as to all requests received while the suspension is in effect. All Unitholders making such requests shall be advised of the suspension by the General Partner. During the suspension period, requests for redemptions of Units may be withdrawn. To the extent that a request for redemption is not withdrawn, such request will be acted upon on the first business day following the recommencement of redemptions, as determined by the General Partner. All such non-withdrawn requests for redemption shall be treated on a *pro rata* basis regardless of when the original notice of redemption was provided.

6.8 ~~6.7~~ Cancellation of Certificates for all Redeemed Units

All Unit Certificates representing Redemption Units which are redeemed under this Article 6 shall be cancelled and such Redemption Units shall no longer be outstanding.

ARTICLE 7
ADDITIONAL FINANCING OF THE PARTNERSHIP

7.1 Additional Financing

Any financing required by the Partnership beyond the Capital Contributions made by the Partners (herein "**Additional Financing**"), shall be arranged by the General Partner with such person(s) as the General Partner may determine, including one or more Limited Partners of the Partnership. The General Partner is authorized to borrow funds:

(a) in its own name;

(b) in the name of the Partnership; or

(c) in the name of a corporation whose sole function is to act as a bare trustee and agent for the Partnership;

and may grant security for such borrowing in the form of a mortgage or any other charges, encumbrances or security interests of whatsoever nature in respect of or against the undertaking, assets and operations of the Partnership, any of which may be in priority to the interests therein of the Limited Partners hereunder~~, provided that the Partnership Debt shall not, at the time of determination, exceed 30% of the Asset Value of the Partnership~~.

7.2 Terms of Additional Financing

The General Partner has complete discretion in determining the timing, terms and conditions of any Additional Financing and may do all things which it deems necessary, convenient, appropriate or advisable in connection with any Additional Financing, including:

(a) determine to whom to issue debt securities, or other securities of the Partnership, in connection with such Additional Financing; and

(b) mortgage, pledge, charge, grant a security interest in or otherwise encumber all or any part of the Partnership Property, whether as security for obligations of the Partnership under any Additional Financing or otherwise.

Without limiting the generality of the foregoing the terms and conditions of any Additional Financing, as determined by the General Partner, may be set forth in a written agreement, instrument or other document to which the Partnership and the other persons involved with, participating in, or otherwise purchasing securities in connection with, such Additional Financing are together bound.

7.3 Registers

Where securities of the Partnership (other than Units) are issued or sold in connection with or part of any Additional Financing, the General Partner shall maintain a register(s) in which are recorded the names and addresses of the holders of such securities, the number of securities held by each such holder, and the particulars of the sale and transfer of such securities

ARTICLE 8
MANAGEMENT OF THE PARTNERSHIP

8.1 General Power and Authority of General Partner

Subject to the Act and subject to those limitations expressly set forth in this Agreement, the General Partner shall have exclusive authority to direct and manage the affairs of the Partnership, with full power and authority to administer, manage, control and operate the business carried on by the Partnership and to do any act, take any proceedings, make any decisions and execute and deliver any instrument, deed, agreement or document necessary for or incidental to carrying on the Business for and on behalf of the Partnership. In construing the provisions of this Agreement and assessing or determining the power and authority of the General Partner, presumption shall be in favour of the grant to the General Partner of any power or authority in question. The enumeration of any specific power or authority herein shall not be construed as limiting the general powers or authority of the General Partner or any other specified power or authority conferred herein on the General Partner.

Without limiting the generality of the foregoing, and in addition to any other powers and authority granted to the General Partner hereunder, the General Partner shall have full power and authority on behalf of the Partnership to:

(a) enter into and to perform any agreement in connection with the establishment, operation, conduct or expansion of the business of the Partnership;

(b) manage, control and develop all of the activities of the Partnership and take all measures necessary or appropriate for the business of the Partnership or ancillary thereto;

(c) maintain records and provide reports to the Partners;

(d) acquire property, both real and personal, of any description;

(e) establish cash reserves that are determined to be necessary or appropriate for the proper management and operation of the Partnership;

(f) acquire securities of other entities and invest cash assets of the Partnership in investments which the General Partner considers appropriate;

(g) in such manner, upon such terms and conditions, and in all respects as the General Partner thinks fit (i) incur, assume or become liable under or in respect of any Financing from time to time and without limit as to the amount, cost or terms of payment thereof (including payments which may be calculated by reference to cash flow, income, revenue or like amounts), (ii) incur and to assume and covenant to pay indebtedness, liabilities and obligations of all kinds, and (iii) guarantee obligations of, co-covenant with and join in the covenants of, others, whether in respect of the indebtedness, liabilities or obligations of the Partnership or of others; and, in particular the General Partner may, without limiting the generality of the foregoing (a) draw, make, accept, endorse, execute, negotiate, issue and deliver bills of exchange, promissory notes, cheques, drafts, orders for payment or delivery of money, receipts, directions, evidences of indebtedness, other negotiable and non-negotiable instruments and bonds, debentures, debenture stock and other debt obligations either outright or as security for any indebtedness, liabilities or obligations of the Partnership or of any other person, (b) grant, create, incur or assume any security interest, mortgage, pledge, lien, charge, whether by way of specific or floating charge, or give other security on the undertaking and on the whole or any part of the property and assets of the Partnership (both present and future) and (c) execute and deliver all agreements, instruments, deeds and other documents relative to the foregoing;

(h) provide guarantees, indemnities and other forms of assurance to third parties in respect of the indebtedness, liabilities or obligations of the Partnership or of any other person;

(i) employ or engage all persons necessary for the conduct of the business of the Partnership;

(j) retain such legal counsel, experts, advisors or consultants as the General Partner considers appropriate, including any of same as the General Partner may, in its discretion, determine to engage on behalf of the Partners in the representation of Partners, and to rely upon the advice of such persons;

(k) open and operate any bank account;

(l) establish places of business of the Partnership;

(m) pay all costs and expenses of the Partnership;

(n) commence or defend any action or proceeding in connection with the Partnership;

(o) collect, sue for and receive all sums of money or other property or items that are believed due to the Partnership;

(p) file returns required by any governmental or like authority;

(q) invest funds of the Partnership not immediately required for the business of the Partnership in accordance with the policies of the Partnership established from time to time;

(r) make or cause to be made any election, designation or determination that may be made under the Income Tax Act or any other fiscal legislation of Canada or any province thereof;

(s) lease, license, encumber, sell, exchange or otherwise dispose of any interest in the property, assets and undertaking of the Partnership in such manner and on such terms as the General Partner considers appropriate, other than an interest constituting all or substantially all of the property, assets and undertaking of the Partnership unless Section 11.16 is complied with (if required);

(t) enter into any agreement for the management or operation of the business, property and assets of the Partnership or any part thereof;

(u) acquire and maintain or cause to be acquired and maintained such insurance coverage as the General Partner may deem necessary or advisable for protection of the Partnership against claims, liabilities and losses arising from the conduct of its business or the ownership or leasing of its property and assets and to administer all claims or proceedings covered by insurance maintained by the Partnership;

(v) acquire and maintain or cause to be acquired and maintained such insurance contracts and policies, as the General Partner may deem necessary or advisable, for insuring the Partnership, the Partners, and the directors and officers of the General Partner (including insurance insuring against any and all claims and liabilities of any nature asserted by any person arising by reason of any action alleged to have been taken or omitted to have been taken by the Partnership, the General Partner, officers and directors of the General Partner, or otherwise), and to perform all of the obligations of the Partnership under such insurance policies and contracts, the whole to the extent permitted by law;

(w) employ, engage, supervise, manage and terminate, or cause to be employed, engaged, supervised, managed and terminated, employees, agents, representatives or professionals in the conduct of the business, affairs and undertaking of the Partnership and to incur and pay or cause to be paid all remuneration and other costs and expenses of the Partnership in connection therewith;

(x) enter into hedge contracts or similar arrangements to permit the Partnership to mitigate or eliminate the Partnership's exposure to interest rate, foreign exchange or other risks associated with the business of the Partnership;

(y) make distributions of Distributable Cash;

(z) declare and pay, at any time, distributions of any nature or kind, including ones consisting of proceeds of litigation;

(aa) borrow funds in the name of the Partnership from time to time from any person and on such terms as the General Partner may determine in its discretion, including borrowing from the General Partner or its affiliates or from financial institutions;

(bb) renew or extend or participate in the renewal or extension of any security, upon such terms as may be deemed advisable by the General Partner, and to agree to a reduction in the rate of interest on any security or to any other modification or change in the terms of any security or of any guarantee pertaining thereto, in any manner and to any extent that it may deem advisable; and to waive any default whether in performance of any covenant or condition of any security, or in the performance of any guarantee or to enforce the rights in respect of any such default in such manner and to such extent that the General Partner may deem advisable;

(cc) do anything that is provided for in this Agreement or that is in furtherance of or is incidental to or is necessary or desirable in respect of the business of the Partnership; and

(dd) execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, any and all agreements, instruments, deeds and other documents to effect any and all of the foregoing.

No person dealing with the Partnership shall be required to inquire into the authority of the General Partner to do any act, take any proceedings, make any decision or execute and deliver any instrument, deed, agreement or document for or on behalf of or in the name of the Partnership.

8.2 Delegation by General Partner

The General Partner may contract with any person to carry out any of the duties of the General Partner hereunder; provided, however, that no such contract will relieve the General Partner of the responsibility and liability for the performance of its obligations hereunder. Any action taken by a delegatee of the General Partner, on behalf of the Partnership, where the delegatee is authorized to so act, shall be deemed to be the act of the Partnership and binds the Partnership.

8.3 Limitation on Authority of General Partner

Notwithstanding the general authority and powers granted to the General Partner hereunder, the General Partner is not entitled or empowered to undertake any of the matters referred to in Section 11.16 unless first authorized to do so by Special Resolution.

8.4 Title to Property

The General Partner may hold legal title to all real and personal property of the Partnership in its name for the benefit of the Partnership. The General Partner is also authorized to have the title to any property of the Partnership registered in the name of a corporation whose function is to act as a bare trustee and agent for the Partnership.

8.5 Standard of Care

Except as otherwise specified herein, the General Partner shall exercise its powers and discharge its duties under this Agreement honestly and in good faith and in the best interests of the Partnership and in

connection therewith shall exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

8.6 Limitation of Liability

The General Partner is not personally liable for the return of any Capital Contribution made by a Partner to the Partnership. Notwithstanding anything else contained in this Agreement, neither the General Partner nor its officers, directors, shareholders, employees or agents are liable, responsible for or accountable in damages or otherwise to the Partnership or a Limited Partner for any action taken or failure to act on behalf of the Partnership unless the act or omission constituted fraud, gross negligence or wilful misconduct of the General Partner in performing its obligations under this Agreement.

8.7 Reimbursement of General Partner

The Partnership will reimburse the General Partner, when and as invoiced, for all direct and indirect operating, general and administrative costs and expenses (including all costs of administration, overhead and remuneration paid to officers and employees of the Partnership or General Partner), as well as other costs and expenses whatsoever, that the General Partner or its affiliates or associates incur or have incurred (irrespective of whether incurred prior to the Effective Date) which are related to or in connection howsoever with the operation and conduct of the business and affairs of the Partnership.

8.8 Commingling of Funds

The funds and assets of the Partnership must not be commingled with the funds or assets of any other persons.

8.9 Insurance

The General Partner will, on behalf of the Partnership, purchase and maintain, or cause to be purchased and maintained, for the benefit of the Partnership and the operation of the business thereof, property, casualty and other insurance of such types and coverage's as the General Partner determines to be appropriate in the circumstances.

8.10 Filing of Elections

The Partners hereby authorize the General Partner to execute and file on behalf of the Partnership any elections provided for under the *Income Tax Act* or any other applicable federal, provincial, territorial or other tax legislation, and claim any deductions, discretionary or otherwise and whether contained in the *Income Tax Act* or any other federal, provincial, territorial or other tax legislation, as are appropriate in the circumstances.

8.11 Business Interests of the General Partner and Management

Both the General Partner and Management, and their respective affiliates and associates, are hereby permitted to have business and other interests or associations of whatever nature or kind apart from their activities related to the Partnership's business, including business and other interests or associations which comprise all or a portion of the Business. For further certainty, and without limitation, it is agreed that members of Management are permitted (i) to be an associate, affiliate, securityholder, director, officer, trustee, employee, agent or consultant of, or otherwise involved with, a person from or to whom assets of the Partnership have been or are to be purchased or sold, (ii) to be a person, or to be an associate, affiliate, securityholder, director, officer, trustee, employee, agent or consultant of (or

otherwise involved with) a person, with whom the Partnership contracts or deals or which supplies services to the Partnership, and (iii) to acquire, hold, dispose of, or exercise any other rights in respect of, for their own account, any property (real, personal, tangible or intangible) even if such property is of a character which could be held by the Partnership.

The Limited Partners acknowledge and accept that there are and will continue to be potential or actual interests of one or more of Management (or their associates or affiliates), including conflicts of interest, with respect to business or other interests held directly or indirectly by, and/or contractual arrangements or transactions directly or indirectly involving, one or more of Management, the Partnership, the General Partner or any of the respective affiliates and associates of any of them, and the Limited Partners agree that: (a) interests of the General Partner or any member of Management or their respective associates or affiliates ("**Interested Persons**"), including any conflicts of interest, will not form the basis for any claim against Management, the General Partner or any respective affiliate or associate thereof, or their respective shareholders, directors, officers or employees, nor will they form the basis for any attempt to challenge or attack the validity of any contract, transaction, arrangement or payment (or renewal, extension or amendments of same) irrespective of obtaining any approvals or not, and (b) any Interested Person is hereby expressly permitted to derive direct or indirect benefit, profit or advantage from time to time as a result of dealing with the Partnership or its affiliates or as a result of the relationships, matters, contracts, transactions, affiliations or other interests it may have (including of the nature stated in this Section) and such Interested Person shall not be liable in law or in equity to pay or account to the Partnership, or to any Unitholder for any such direct or indirect benefit, profit or advantage nor, in such circumstances, will any contract or transaction be void or voidable at the instance of the Partnership, Unitholder or any other person; provided, in each case, that the General Partner has otherwise exercised its powers and discharged its duties under this Agreement honestly and in good faith in respect to the matter, contract, transaction or interest in question.

8.12 Employment of an Affiliate or Associate

The General Partner may from time to time enter into agreements or contracts pursuant to which the General Partner employs or retains, on behalf of the Partnership, an affiliate or associate of the General Partner or any member of Management to provide goods or services to the Partnership, provided that the terms of such agreements or contracts are no less favourable to the Partnership than those that would be obtained from an independent third party.

ARTICLE 9
CHANGE OF GENERAL PARTNER

9.1 Assignment of Interest of General Partner

Except with the prior approval of Common B Unitholders by Special Resolution, the General Partner may not Transfer or otherwise dispose (including by way of amalgamation, arrangement, merger or consolidation) of its interest or rights as the General Partner in the Partnership.

9.2 Resignation of General Partner

The General Partner shall not resign as a general partner of the Partnership except on not less than six months prior written notice to the Limited Partners of its intention to resign. In such case, the General Partner's resignation shall be effective and the General Partner shall cease to be the General Partner, upon the earlier of:

(a) the date specified in the notice of resignation; and

(b) the date on which a new general partner, selected by Ordinary Resolution of the Common B Unitholders, is admitted to the Partnership.

Upon resignation of the General Partner, the Partnership will pay all monies owing to the General Partner as of the effective date of the resignation, and if the General Partner or its affiliates or associates is a guarantor or co-covenantor of any mortgage or other indebtedness or obligation of the Partnership, the Partnership shall obtain the release of the General Partner and its affiliates or associates from such guarantees or co-covenants.

9.3 Removal of the General Partner

The Limited Partners have no right to remove the General Partner except upon the occurrence of any one of the following defaults (herein a "**General Partner Default**") by the General Partner:

(a) the General Partner (i) files a voluntary petition in bankruptcy or makes any assignment for the benefit of creditors of the General Partner, or (ii) consents to or acquiesces to the appointment of a trustee, receiver or liquidator of the General Partner;

(b) the General Partner has commenced against it (i) the institution of any proceeding or the taking of any action seeking to adjudicate it bankrupt, or seeking liquidation, dissolution, winding-up, reorganization or protection of its property, (ii) the making of a proposal with respect to it under any law related to bankruptcy, insolvency, reorganization or other similar law, or (iii) the seeking of the appointment of a receiver, trustee, agent or other similar official for it for a substantial part of its assets, provided that any such proceeding, petition or action under this paragraph (b) has been commenced against the General Partner or any of its assets by a *bona fide* party and is not stayed, vacated or dismissed within 90 days; or

(c) the General Partner breaches or fails to observe or perform any of General Partner's material obligations, covenants or responsibilities under this Agreement, and if such breach or failure is reasonably remediable within sixty (60) days of having received written notice from the Limited Partners specifying the nature of such breach or failure, the General Partner fails to cure such breach or failure within such sixty (60) day period, or if such breach or failure is not reasonably remediable within such sixty (60) day period, the General Partner fails to commence within such sixty (60) day period to take steps to remedy such default and to thereafter proceed diligently to cure or remedy such breach or failure.

Upon the occurrence of a General Partner Default, the Common B Unitholders may remove the General Partner by passage of a Special Resolution of the Common B Unitholders in favour of such removal, provided that such Special Resolution shall only be effective if it includes provision for the appointment of a substitute general partner of the Partnership to be appointed concurrent with the removal of the General Partner. The Limited Partners must provide the General Partner with written notice stating the effective date of the removal, provided that the removal of the General Partner shall only take effect, notwithstanding the Special Resolution, once the following has occurred (the later of (i) the stated effective date of removal, and (ii) the date on which all of the following have occurred, shall be the "**Effective Removal Date**"):

(1) the full and unconditional release of the General Partner and its affiliates or associates (as the case may be) is obtained in respect of any mortgage or other indebtedness, liability or obligation of the Partnership to which they are subject, whether as a guarantor, co-covenantor or otherwise;

(2) the payment of all money owing to the General Partner as of the effective date of the ~~resignation~~removal; and

(3) where the general partner being removed is Enercapita Energy GP Ltd., the repayment in full of all outstanding indebtedness of the Partnership to the Trust, howsoever and whensoever incurred.

9.4 Transfer to New General Partner

On the admission of a new general partner to the Partnership on the resignation or removal of the General Partner (the "**Outgoing General Partner**"), the Outgoing General Partner will, subject to prior compliance by the Partnership with its obligations under Section 9.3, do all things and take all steps necessary or desirable to transfer title to the Partnership's property, administration, management, control and operation of the Partnership's business and the books, records and accounts of the Partnership to the new General Partner and will execute and deliver all deeds, certificates, declarations and other documents necessary or desirable to effect such transfer.

9.5 Release and Indemnification

In the event of a change of the General Partner, the Partnership and the Limited Partners shall release, and the Partnership shall indemnify and hold harmless, the Outgoing General Partner from all actions, claims, costs, demands, losses, damages and expenses with respect to events which arise in relation to the Partnership after the effective date of removal or resignation of the Outgoing General Partner. The indemnification herein shall be made from the assets of the Partnership and no Limited Partner shall be personally liable to the Outgoing General Partner.

9.6 New General Partner

A new General Partner appointed hereunder shall sign a counterpart hereof and thereupon shall be bound by all the provisions hereof and shall have the power and authority and shall assume the obligations, duties and liabilities of the General Partner hereunder as and from the date the new General Partner becomes a party to this Agreement. If after its resignation or removal, an Outgoing General Partner continues to hold Units, the Outgoing General Partner shall be remain a Limited Partner and shall continue to be bound by and entitled to the benefits of this Agreement as a Limited Partner and the new General Partner shall prepare and file such amendments to the Certificate as may be necessary or desirable pursuant to the Act in respect of such change of status.

ARTICLE 10
BOOKS AND RECORDS AND FINANCIAL INFORMATION

10.1 Books and Records

The General Partner must keep and maintain, or cause to be kept and maintained, at its principal place of business, full, complete and accurate books of account and records of the business of the Partnership and of the General Partner. A Limited Partner may, upon five Business Days' written notice to the General Partner, inspect copies of the books and records of the Partnership and of the General Partner at the Limited Partner's expense during normal business hours but, unless otherwise agreed by the General Partner, a Limited Partner may not have access to any information of the Partnership that the Partnership is required to hold confidential. Without limitation of any audit rights any Limited Partner may have pursuant to any other agreement among the parties hereto, a Limited Partner may, at its expense and upon

reasonable written notice to the General Partner, audit the books of account and records of the business of the Partnership and the General Partner.

10.2 Annual Financial Statements and Income Tax Information

(a) The General Partner shall prepare or cause to be prepared annual financial statements of the Partnership as at the end of each Fiscal Year commencing with the fiscal year ending December 31, 2014 and shall, within one hundred and forty (140) days of the end of each such Fiscal Year, distribute such financial statements to the Limited Partners.

(b) In each year, commencing in 2014, the General Partner shall, on or before such date as may be required under applicable law, provide such information as may reasonably be necessary to permit Limited Partners to report their respective share of Net Income or Net Loss of the Partnership for income tax purposes. Each Limited Partner will be solely responsible for filing all income tax returns and reporting its share of the Partnership income or loss.

(c) For so long as the Trust is the holder of Preferred Units, the General Partner shall, on or before such date as may be required under applicable law, provide such information as may reasonably be necessary to permit the Trust to prepare annual audited consolidated financial statements.

10.3 Appointment of Auditors

The General Partner may appoint such firm of chartered accountants, as it so determines in its discretion, to be the auditors of the Partnership (the "**Auditors**") and they shall hold office as auditors until they are removed or they resign. The Auditors will receive such remuneration for their services as may be approved by the General Partner.

10.4 Change of Auditors

The Auditors, if appointed, may at any time be removed by:

(a) the General Partner, and upon such removal of the Auditors, new auditors may be appointed by the General Partner; or

(b) the Common B Unitholders by means of ~~a~~an Ordinary Resolution, and upon such removal of the Auditors, new auditors may be appointed by Ordinary Resolution of the Common B Unitholders.

10.5 Accounting Policies

The General Partner, in consultation with the Auditors, if appointed, may establish from time to time accounting policies with respect to the financial statements of the Partnership and may change, from time to time, any policy that has been so established.

ARTICLE 11
PARTNERSHIP MEETINGS

11.1 Meetings of Limited Partners

(a) The provisions of this Section 11.1 and the remainder of the provisions contained in this Article 11 shall not only have application to meetings of Common B Unitholders but shall be equally applicable, as the context requires, to meetings of Common A Unitholders, Common C Unitholders or Preferred Unitholders which are held for the purposes authorized in Sections 1(b)

and 3(b) of Schedule C; and, accordingly, such provisions (including the use of the word "Common B Unitholders" throughout) shall be so construed and applied, *mutatis mutandis*, so as to give effect to such interpretation.

(b) The General Partner may at any time call a meeting of Limited Partners. There is no requirement to hold annual meetings.

(c) The General Partner shall call a meeting if requisitioned in writing to do so by Limited Partners holding, in aggregate, not less than 20% of the outstanding Common B Units in good standing. The requisition shall (A) be in writing, (B) set forth the name and address of, and number of Common B Units (which, in the aggregate, must not be less than 20% of the outstanding Common B Units in good standing) held by, each Limited Partner who is supporting the requisition, (C) state in reasonable detail the business to be transacted at the meeting, and (D) shall be sent to the General Partner at its principal place of business in Alberta. Upon receiving a requisition complying with the foregoing, the General Partner shall call a meeting of Limited Partners to transact the business referred to in the requisition.

(d) If the General Partner fails to call such meeting within thirty (30) days of receipt of such requisition, then any requesting Limited Partner may call the meeting, by providing notice in accordance with Article 15. If more than one Limited Partner purports to call the meeting, the notice given in accordance with this Agreement which calls the meeting for the earliest time will govern and the other notices will be considered invalid.

11.2 Record Date for Meeting or Other Actions

For the purposes of determining the Limited Partners who are entitled to vote or act at any meeting of Limited Partners or any adjournment thereof, or for the purpose of any other action, the General Partner may set a date not more than sixty (60) days prior to the date of any meeting of the Limited Partners or other action as a record date for the determination of Limited Partners entitled to vote at such meeting or any adjournment thereof or to be treated as Limited Partners of record for purposes of such other action, and any person who was a Limited Partner at the time so fixed shall be entitled to vote at such meeting or any adjournment thereof even though it has since that date disposed of its Units, and no Limited Partner becoming such after that date shall be a Limited Partner of record for purposes of such action, unless the General Partner otherwise determines. In the event that the General Partner does not fix a record date for any meeting of Limited Partners or other action, the record date for such meeting or other action shall be the Business Day immediately preceding the date upon which notice of the meeting or other such action (as the case may be) is given in accordance with this Agreement.

11.3 Notice

Any notice of any meeting of the Limited Partners will be sent by regular mail or otherwise delivered in accordance with the provisions of Article 15 to each holder of Common B Units not less than twenty one (21) days nor more than sixty (60) days prior to the date of meeting. The attendance of a holder of Common B Units at a meeting (whether in person or by proxy) shall constitute a waiver of notice, or defect therein, with respect to such meeting except where a such person attends a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting has not been lawfully called or convened. Such notice of meeting shall set out the time when, and the place where, such meeting is to be held and shall state the purposes of the meeting. The non-receipt of such notice by a holder of Common B Units shall not invalidate any business undertaken or any resolution passed at any such meeting. Any Limited Partner may waive notice of any meeting in writing at any time before, during or after such meeting.

11.4 Place of Meeting

All meetings will be held at such location in Alberta and at such reasonable time as is selected by the person convening the meeting.

11.5 Attendance

All Limited Partners, the General Partner, Management, the auditor of the Partnership and any other person authorized by the General Partner, or their respective directors, officers, agents or representatives, are entitled to attend and speak at meetings, but only holder of Common B Units are entitled to vote in respect of any particular matter, except as set out in Schedule C.

11.6 Quorum

A quorum for a meeting of Limited Partners shall consist of one or more holder of Common B Units present in person or by proxy and owning or representing at least 50% of all outstanding Common B Units. If such quorum is not present within thirty minutes after the time fixed for the meeting, the meeting:

(a) if called at the request of the Limited Partners, will be terminated; or

(b) if called by the General Partner, will be adjourned to be held not earlier than seven (7) days and not later than twenty one (21) days thereafter.

At least three (3) Business Days' notice of the adjourned meeting shall be given to the holder of Common B Units, either in writing or verbally, but such notice of the adjourned meeting need not set forth the matters to be considered unless they are different from those for which the original meeting was called. At an adjourned meeting those holder of Common B Units present in person or represented by proxy shall constitute a quorum. An adjourned meeting shall be held at the place specified in the written or verbal notice of the adjourned meeting and, for greater certainty, an adjourned meeting need not be held in the same place as scheduled for the original meeting.

11.7 Chairman

The General Partner shall nominate an individual to be the chairman of meetings of Limited Partners, failing which those Unitholders present in person or represented by proxy at the meeting and eligible to vote thereat, shall appoint, by Ordinary Resolution, a person present to be chairman. The chairman of the meeting shall not have a casting vote.

11.8 Voting Rights

Except as otherwise specified in this Agreement, all questions put forth for vote at a meeting of Limited Partners shall be decided by an Ordinary Resolution. Every question submitted to a meeting, other than questions to be decided by Special Resolution, shall, unless a poll vote is demanded, be decided by a show of hands on which every person present and entitled to vote shall be entitled to one vote. On a poll vote, each Unit eligible to be voted at the meeting shall be entitled to one (1) vote. A poll vote may be demanded either before or after a vote by show of hands.

The General Partner shall not be entitled to any voting rights in its capacity as general partner at any meeting of Limited Partners but, if the General Partner is the holder of any Common B Units, it will be entitled to vote in respect of such Units. Except as provided in Schedule C, each person present at the

meeting will have one vote for each Common B Unit in respect of which such person is shown on the Register as being the registered holder in respect of as at the record date and for each Unit in respect of which such person is the proxyholder.

11.9 Proxy

A holder of Common B Units may attend any meeting of the Partnership personally or may be represented by proxy. Votes at meetings of Limited Partners may be cast personally or by proxy.

The instrument appointing a proxy shall be duly executed by the appointer (being a holder of Common B Units) or its duly authorized attorney in writing, and such proxy shall cease to be valid one year from its date. A proxy shall be substantially in the form which follows or in such other form as may be approved by the General Partner, namely:

Proxy

TO: Enercapita Energy L.P.

The undersigned, _____, being owner of _____ Common B Unit(s) of Enercapita Energy L.P., hereby appoints _____ of _____, in the Province of _____, as its proxy holder, with full power of substitution, to vote for it and on its behalf at the meeting of Partners to be held on the ____ day of _____, 20___, and every adjournment thereof and on every poll that may take place in consequence thereof.

Signed this ____ day of _____, 20___.

_____

Name of Limited Partner

Any person may be appointed a proxy, whether or not he is a Partner.

Additionally, the General Partner may secure the consent of any Limited Partner in writing in respect of any matter which is proposed for a meeting or which requires the consent of the Limited Partners pursuant to this Agreement, and such consent may be used in the same manner as a proxy is used for the purpose of a vote at a meeting of the Limited Partners.

11.10 Validity of Proxies

No proxy or written consent shall be voted at any meeting unless it shall either have been placed on file with the General Partner or delivered to the chairman of the meeting prior to the time at which such meeting shall commence. The determination by the chairman of the meeting of the validity of any proxy or written consent shall be final and binding on all Partners. A proxy or consent purporting to be executed by a holder of Common B Units shall be presumed valid unless challenged at or prior to its exercise and the burden of proving invalidity shall rest upon the challenger.

11.11 Revocation of Proxy

A vote cast in accordance with the terms of any instrument of proxy or written consent shall be valid notwithstanding the previous death, incapacity, insolvency, bankruptcy or insanity of the holder of Common B Units giving the proxy or consent, or the revocation of the proxy or consent, provided that no written notice of death, incapacity, insolvency, bankruptcy, insanity or revocation shall have been received at the place of meeting prior to the time fixed for holding of the meeting.

11.12 Conduct of Meeting

To the extent that the rules and procedures for the conduct of meetings of Limited Partners are not prescribed in this Agreement, such rules and procedures shall be determined by the chairman.

11.13 Effect of Resolutions

An Ordinary Resolution or Special Resolution as required by this Agreement and passed at a meeting of Limited Partners, or in accordance with Section 11.14, shall be binding on all Partners and their respective heirs, executors, administrators, successors and assigns.

11.14 Resolution in Lieu of Meeting

A resolution signed in writing by Limited Partners holding such number of Units eligible to be voted at a meeting to which are attached such proportion of all votes eligible to be cast at the meeting as is equal to or greater than the proportion of votes required to be cast in favour of such resolution at a meeting of Limited Partners to approve that resolution, is as valid as if it had been passed at a meeting of Limited Partners duly called and convened for the purpose of approving that resolution.

11.15 Minutes

Minutes of all resolutions and proceedings of every meeting of Limited Partners will be made and recorded by the General Partner. Minutes, when signed by the chairman of the meeting at which resolutions are passed or proceedings held, or by the chairman of the next succeeding meeting of partners, will be *prima facie* evidence of the matters therein stated until the contrary is proved. Every meeting in respect of which minutes are made and signed will be deemed, unless the contrary is proved, to have been duly held and convened, and all resolutions passed or proceedings taken as referred to in the minutes will be deemed to have been duly passed and taken in accordance with this Agreement.

11.16 Special Resolutions of Partners

In addition to any other matter set forth herein which requires approval by Special Resolution, approval by Special Resolution of Common B Unitholders of the following matters shall be required prior to undertaking same:

(a) continuation of the Partnership if the Partnership is terminated by operation of law;

(b) dissolution, termination, wind up or other discontinuance of the Partnership;

(c) the sale, exchange or other disposition of all or substantially all of the assets of the Partnership, unless such transaction is: (i) pursuant to redemptions or distributions permitted hereunder; and (ii) part of an Internal Reorganization of the direct and indirect assets of the Partnership as a result of which the Partnership has the same interest, whether direct or indirect, in the assets as the interest that it had prior to the reorganization;

(d) amendment of this Agreement pursuant to Section 13.1;

(e) amendment, modification, alteration or repeal of any Special Resolution of the Common B Unitholders; and

(f) the waiver of any default, other than in respect of insolvency, receivership or bankruptcy, on the part of the General Partner, on such terms as the Limited Partners may determine in the authorizing resolution, and the release of the General Partner from any claims in respect thereof.

11.17 Construction of Powers

The powers conferred on Limited Partners will not be exercisable if the exercise thereof would constitute Limited Partners taking part in the management or control of the business of the Partnership.

ARTICLE 12
DISSOLUTION OF PARTNERSHIP

12.1 Events of Dissolution

The Partnership shall commence dissolution and wind up of its affairs upon the first to occur of the following events (each being hereinafter referred to as an "**Event of Dissolution**"):

(a) a proposal to the Limited Partners by the General Partner to dissolve the Partnership, which proposal is approved by way of a Special Resolution of Common B Unitholders;

(b) all of the material properties and other assets of the Partnership are sold, disposed of or otherwise liquidated;

(c) the General Partner gives notice of its intention to resign, and the Limited Partners fail to appoint and admit a substitute general partner within the time limit set forth in Section 9.2; or

(d) the General Partner is removed as the general partner of the Partnership pursuant to Section 9.3 and the Limited Partners fail to appoint and admit a substitute general partner on or before the Effective Removal Date (as defined in Section 9.3).

12.2 Termination

The Partnership shall only terminate, following the occurrence of an Event of Dissolution, once all of its assets have been liquidated and the net proceeds thereof (after payment of, or due provision for the payment of, all debts, liabilities and obligations of the Partnership to creditors) have been distributed as provided in this Article 12. The General Partner, or such other person as may be acting as receiver of the Partnership, shall have authority to execute and register an amendment to or cancellation of the Certificate as well as any other documents required to give effect to the dissolution and termination of the Partnership.

12.3 Continuity

Except only as expressly provided in this Agreement, the Partnership shall not be dissolved or terminated by any amendment of this Agreement, the amendment of the Certificate, the admission of any new general partner or Limited Partner, or the resignation, removal, death, incompetency, bankruptcy, insolvency, dissolution, liquidation, winding up or receivership of the General Partner or any Limited

Partner or the issue or Transfer of any Unit. Notwithstanding the dissolution of the Partnership, this Agreement will not terminate until the provisions of Sections 12.5 and 12.6 have been satisfied.

12.4 Receiver

The General Partner shall serve as the receiver of the Partnership if the dissolution of the Partnership is authorized pursuant to the provisions of Sections 12.1(a) or 12.1(b), provided that if the General Partner is unable or unwilling to act in such capacity, the Common B Unitholders shall appoint an appropriate person to act as the receiver of the Partnership by Ordinary Resolution. For greater certainty, where the dissolution of the Partnership results from the Limited Partners failing to appoint a substitute general partner where the General Partner resigns, the Outgoing General Partner shall have full power and authority (but not the obligation) to continue to act as the general partner of the Partnership for the purpose of liquidating and winding up the Partnership.

12.5 Liquidation of Assets

As soon as practicable after the occurrence of an Event of Dissolution, the receiver of the Partnership shall proceed diligently to wind up the affairs of the Partnership, and all assets of the Partnership shall be liquidated as promptly as is reasonably practicable. During the course of such liquidation, the receiver of the Partnership shall act honestly, in good faith and in the manner of a prudent receiver and shall, as required, operate the properties and undertakings of the Partnership and in so doing shall be vested with all the powers and authorities of the General Partner in relation to the business and affairs of the Partnership under the terms of this Agreement. The receiver of the Partnership shall be paid its reasonable fees and disbursements in carrying out its duties.

12.6 Distribution of Proceeds of Liquidation

The receiver will distribute the net proceeds from liquidation of the Partnership as follows:

(a) first, to pay the expenses of liquidation and the debts and liabilities of the Partnership to its creditors, or to make due provision for payment thereof;

(b) second, to provide for such reserves as the receiver considers reasonably necessary for any contingent or unforeseen liability or obligation of the Partnership;

(c) third, to pay to the General Partner, the amount of its Capital Account Balance together with the amount of any costs and expenses that the General Partner is entitled to receive from the Partnership; and

(d) fourth, to pay to the Limited Partners the balance of the net proceeds in accordance with ~~the rights of the respective Units held by the Limited Partners~~Article 5.

12.7 The Partition of Assets

Except as specifically provided in this Agreement, in no event and under no circumstances shall a Partner be entitled, whether during the existence of the Partnership or after the commencement of the dissolution of the Partnership, to compel a partition, judicial or otherwise, of any of the assets of the Partnership or compel Partnership assets to be distributed to the Partners, either in kind or otherwise.

ARTICLE 13
AMENDMENTS

13.1 Amendments, Generally

Except as otherwise provided in this Article 13 and Schedule C, this Agreement may only be amended in writing and only upon approval given by Special Resolution of Common B Unitholders. No amendment that would adversely affect the rights, obligations and liabilities of the General Partner, in its role as General Partner, may be made without its consent.

13.2 Amendments by General Partner

At any time, and from time to time, without prior notice to or the approval or consent of any Partner, the General Partner may amend any provision of this Agreement or add or delete any provisions provided done for any of the following purposes:

(a) ensuring continuing compliance, by the Partnership, with applicable laws, regulations, requirements or policies of any governmental authority or regulatory body having jurisdiction over the Partnership;

(b) to give effect to a change in the governing law of the partnership to any other province of Canada;

(c) to give effect to the admission, substitution, withdrawal or removal of Partners in accordance with this Agreement;

(d) to give effect to a change that, as determined by the General Partner, is necessary or appropriate to qualify or continue the qualification of the Partnership as a limited partnership in which the Limited Partners have limited liability under applicable laws;

(e) providing, in the opinion of the General Partner, additional protection for the Limited Partners or to obtain, preserve or clarify the provision of desirable tax treatment for Limited Partners;

(f) making amendments hereto which, in the opinion of the General Partner, are necessary or desirable in the interests of the Partners as a result of changes in taxation laws or in their interpretation or administration (including changes in the administrative practices and assessing policies of Canada Revenue Agency);

(g) making amendments hereto as are necessary or desirable for correcting typographical mistakes or for curing, correcting or rectifying any ambiguities, defective or inconsistent provisions, errors, mistakes or omissions;

(h) making amendments hereto as are required to undertake an Internal Reorganization of the Partnership or its affiliates; or

(i) making amendments hereto for any purpose in addition to those stated above, provided that, in the opinion of the General Partner, the rights of the Limited Partners are not materially prejudiced thereby.

The General Partner may take all desirable or necessary actions to give effect to any such amendments, including executing, delivering, filing and recording whatever documents may be required in connection therewith.

ARTICLE 14
POWER OF ATTORNEY

14.1 Power of Attorney

Each Limited Partner hereby irrevocably makes, constitutes and appoints the General Partner to act, with full power of substitution, as its true and lawful attorney and agent, to act on its behalf with full power and authority, in its name, place and stead and for its use and benefit to:

(a) execute, swear to and record in the appropriate public offices any and all of the following:

(i) the Certificate and any amendments to the Certificate required under the Act and such other instruments as are necessary to form, qualify or continue and keep in good standing the Partnership as a limited partnership in Alberta and any other jurisdiction where the Partnership carries on business;

(ii) this Agreement and all documents and agreements necessary to reflect any amendment to this Agreement; and

(iii) all conveyances and other instruments necessary to reflect the dissolution and termination of the Partnership, including cancellation of the Certificate and the execution of any elections under the Income Tax Act, or other legislation;

(b) execute and file all elections, determinations, designations and returns or similar documentation or instruments under the Income Tax Act, the *Excise Tax Act* (Canada) or any other taxation or other legislation or laws of like import of Canada or of any provinces or jurisdictions in respect of the affairs of the Partnership and of a Limited Partner's interest in the Partnership;

(c) execute and file with any governmental body or instrumentality thereof, or any regulatory body, any documents necessary to be filed in connection with the business, property, assets and undertaking of the Partnership;

(d) execute and deliver such conveyances, transfers and other instruments on behalf of a Limited Partner as may be necessary or desirable to effect a Transfer of Units made by a Limited Partner;

(e) execute and deliver such documents on behalf of and in the name of the Partnership and the Limited Partners as may be necessary to carry-out the business of the Partnership; and

(f) execute and deliver such other documents on behalf of and in the name of the Limited Partners and/or the Partnership as may be deemed necessary by the General Partner to give effect to the provisions of this Agreement and/or to carry out fully this Agreement in accordance with its terms.

To evidence the foregoing, each Limited Partner has or shall, in connection with the purchase of Units, execute a power of attorney substantially in the form noted above. Each Limited Partner by having acquired Units acknowledges and agrees that it has given such power of attorney and will ratify and be bound by any and all actions taken by the General Partner pursuant to such power of attorney.

14.2 Survival of Power of Attorney

The power of attorney granted herein is irrevocable and is a power coupled with an interest and will survive the death, disability, incapacity, insanity and insolvency of a Limited Partner and will survive the

assignment or transfer (to the extent of the obligations of such Limited Partner hereunder), by such Limited Partner, of the whole or any part of the interest of such Limited Partner in the Units being assigned or transferred, and will extend to and be binding upon the heirs, executors, administrators, successors and assigns of the Limited Partner and may be exercised by the General Partner on behalf of each Limited Partner (whether referring to them collectively as Limited Partners, or by listing all of the Limited Partners on whose behalf the instrument is being executed) with a single signature as attorney and agent for all of them. Each Limited Partner agrees to be bound by any representations and actions of the General Partner, and hereby waives any and all defenses which may be available to contest, mitigate or disaffirm the action of the General Partner, taken in good faith and acting legally under such power of attorney. The power of attorney shall survive any dissolution or termination of the Partnership.

14.3 Delivery of Power of Attorney

To properly evidence or give effect to the foregoing provisions of this Article 14, each Limited Partner will, if requested by the General Partner, execute and deliver such further or other documentation as may be requested by the General Partner.

ARTICLE 15
NOTICES

15.1 Notices

(a) To Limited Partners:

Any notice, instrument, communication, or other document (herein "**Notice**") required or permitted to be given or sent to Limited Partners under this Agreement or by law, will be sufficiently given or sent if done so by (i) personal service, or (ii) regular mail addressed to each Limited Partner at his or her last address appearing on the Registers, or (iii) internet based email communication to a Limited Partner at his or her last email address appearing on the books and records of the Partnership, or (iv) in any other manner from time to time permitted by applicable law.

(b) To the General Partner:

Any Notice required or permitted to be given or sent to the General Partner under this Agreement will be sufficiently given or sent if done so by (i) personal service to an officer of the General Partner, or (ii) by regular mail within Canada, postage prepaid, or (iii) by electronic mail, addressed as follows:

~~#803 – 5920 Macleod Trail~~Suite 2210, 8561 – 8A Avenue S.W.
Calgary, Alberta T~~2~~3H 0~~K2~~V5

Email: info@enercapita.com
Attention: Enercapita

15.2 Deemed Receipt

Any Notice given in the manner provided in Section 15.1 shall be deemed to have been given and delivered (i) in the case of Notice given by personal delivery, on the date of delivery, (ii) in the case of Notice given by regular mail, on the third Business Day following the date on which the Notice was mailed except in the circumstances set forth in Section 15.3, (iii) in the case of Notice given by

publication, after publication of such Notice twice in the designated newspaper or newspapers, (iv) in the case of Notice given by internet based email communication, on the next Business Day following the day on which such Notice is given, and (v) in the case of Notice given in any other manner, on the later of (A) the Business Day on which such Notice is given and (B) the earliest day and at the earliest time (as applicable) as is permissible in accordance with the law permitting the giving of Notice via such communication method. In proving Notice was mailed, it shall be sufficient to prove that such Notice was properly addressed, stamped and mailed.

15.3 Mail Disruption

In the event of any disruption, strike or interruption in the Canadian postal service before deemed delivery under Section 15.2 of a Notice, if sent by mail, such Notice shall be deemed to have been delivered 48 hours after 12:01 a.m. on the day following the resumption of normal mail service; provided further that during the period that regular mail service shall be interrupted, Notice may be given by personal service, or by internet based email communication to those Limited Partners who have provided an email address to the Partnership, or by publication twice in the Report on Business section of the National Edition of The Globe and Mail or similar section of any other newspaper having national circulation in Canada; provided further that if there is no newspaper having national circulation, then such Notice may be given by publishing twice in the business section of a newspaper in each city where the Register(s) or a branch register is maintained.

15.4 Change of Address

The General Partner may change its address by giving written notice of such change to the Limited Partners in accordance with this Article 15, and a Limited Partner may change his or her address by giving written notice of such change to the General Partner in accordance with this Article 15.

15.5 Failure to Give Notice

The failure by the Partnership or General Partner, by accident or omission or otherwise unintentionally, to give any Limited Partner any Notice provided for herein shall not affect the validity, effect or taking effect of any action referred to in such Notice, and neither the Partnership nor General Partner shall be liable to any Limited Partner for any such failure.

15.6 Joint Holders

Service of a Notice on any one of several joint holders of Units shall be deemed effective service on the other joint holders.

15.7 Service of Notice

Any Notice delivered to a Unitholder pursuant to this Article shall, notwithstanding the death or bankruptcy of such Unitholder, and whether or not the General Partner has notice of such death or bankruptcy, be deemed to have been fully served and such service shall be deemed sufficient service on all persons having an interest in the Units concerned.

ARTICLE 16
MISCELLANEOUS

16.1 Time of the Essence

Time shall be of the essence in this Agreement.

16.2 Governing Law

This Agreement and the Unit Certificates shall be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein. The parties hereto hereby irrevocably submit and attorn to the jurisdiction of the courts of the Province of Alberta.

16.3 Limited Partner Not A General Partner

If any provision of this Agreement has the effect of imposing upon any Limited Partner, other than the General Partner, any of the liabilities or obligations of a general partner, such provision will be of no force and effect but the remainder of this Agreement will continue in effect.

16.4 Severability

The provisions of this Agreement are severable and if any provisions are in conflict with any applicable law, the conflicting provisions shall be deemed never to have constituted a part of this Agreement and shall not affect or impair any of the remaining provisions thereof. If any provision of this Agreement shall be held invalid or unenforceable in any jurisdiction, such invalidity or unenforceability shall attach only to such provision in such jurisdiction and shall not in any manner affect or render invalid or unenforceable such provision in any other jurisdiction or any other provision of this Agreement in any jurisdiction.

16.5 Further Acts

The parties hereto agree to execute and deliver such further and other documents and perform and cause to be performed such further and other acts and things as may be necessary or desirable in order to give full effect to this Agreement and every part hereof.

16.6 Successors and Assigns

The provisions of this Agreement shall enure to the benefit of, and be binding upon, the parties and their respective personal representatives, executors, administrators, heirs, successors and assigns.

16.7 Waiver

No failure or delay on the part of any party exercising any right or privilege hereunder and no indulgence or forbearance by any party in respect of the strict application of the provisions hereof shall operate as a waiver unless made in writing. Any written waiver shall not preclude the further or other exercise by the party giving such waiver of any right, power or privilege hereunder or extend to or apply to any subsequent default of the same or any other nature.

16.8 Entire Agreement

This Agreement is in substitution for all prior agreements of the parties in respect of the subject matter hereof and the provisions of the same are hereby revoked. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof.

16.9 Counterparts

This Agreement may be executed in counterparts. All counterparts (whether originally signed or facsimile or other electronic means) shall constitute one and the same agreement.

IN WITNESS WHEREOF ~~the General Partner has~~this Agreement is amended and restated~~ this Agreement~~ as of the date first above written.

General Partner, on its own behalf:

ENERCAPITA ENERGY GP LTD.

By: _____
Name:
Title:

General Partner, on behalf of the Limited Partners

ENERCAPITA ENERGY GP LTD.

By: _____
Name:
Title:

SCHEDULE A

[FORM OF COMMON UNIT CERTIFICATE]

ENERCAPITA ENERGY L.P.

No. C**[A/B/C/]**U-**[●]** **[●]** Common **[A/B/C]** Units

THIS CERTIFIES THAT

[●]

is the registered holder of **[●]** fully paid common **[A/B/C]** units ("**Units**") issued by Enercapita Energy L.P. (the "**Partnership**").

The Units represented by this unit certificate ("**Unit Certificate**") are issued upon the terms and subject to the conditions and restrictions contained in the Amended and Restated Limited Partnership Agreement dated ~~May 11~~ ●, 201~~5~~9 among Enercapita Energy GP Ltd. and each person admitted to such limited partnership as a partner from time to time, as the same is from time to time amended (the "**Limited Partnership Agreement**"). Capitalized terms used in this Unit Certificate have the meanings ascribed thereto in the Limited Partnership Agreement unless otherwise specified.

A copy of the Limited Partnership Agreement pursuant to which this Unit Certificate and the Units represented hereby is issued may be obtained by any holder of Units on demand and on payment of reasonable reproduction costs from the head office of Enercapita Energy GP Ltd., general partner of the Partnership (the "**General Partner**").

A transfer of any Units represented by this Unit Certificate may only be effected in accordance with the provisions of the Limited Partnership Agreement and, upon complete satisfaction of all such provisions, the transfer may be initiated by delivering this Unit Certificate together with the then prescribed form of instrument of transfer (properly executed by the registered holder and the transferee) to the General Partner for the ~~Trust~~Partnership at its principal office.

LIMITED PARTNERS MAY LOSE THE PROTECTION OF LIMITED LIABILITY IN CERTAIN CIRCUMSTANCES.

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS 4 MONTHS AND A DAY AFTER THE LATER OF (i) [*insert the distribution date*], AND (ii) THE DATE THE ISSUER BECAME A REPORTING ISSUER IN ANY Pprovince OR TERRITORY.

This Unit Certificate shall not be valid for any purpose until it shall have been executed by or on behalf of the Partnership and certified by the Transfer Agent.

Executed and delivered

[DATE]

ENERCAPITA ENERGY L.P., by its general partner, **ENERCAPITA ENERGY GP Ltd.**

Per: _____
[●]

This Unit Certificate is one of the Unit Certificates referred to in the Limited Partnership Agreement and is certified by Enercapita Energy GP Ltd., as Transfer Agent.

ENERCAPITA ENERGY GP LTD., as Transfer Agent on behalf of the Partnership

Per: _____
[●]

SCHEDULE B

[FORM OF PREFERRED UNIT CERTIFICATE]

ENERCAPITA ENERGY L.P.

No. P**[A/A1/B/B1/C/C1/D/D1/E/E1]**U-**[●]** **[●]** Preferred **[A/A1/B/B1/C/C1/D/D1/E/E1]**Units

THIS CERTIFIES THAT

[●]

is the registered holder of **[●]** fully paid preferred **[A/A1/B/B1/C/C1/D/D1/E/E1]** units ("**Units**") issued by Enercapita Energy L.P. (the "**Partnership**").

The Units represented by this unit certificate ("**Unit Certificate**") are issued upon the terms and subject to the conditions and restrictions contained in the Amended and Restated Limited Partnership Agreement dated ~~May 11~~ ●, 201~~5~~9 among Enercapita Energy GP Ltd. and each person admitted to such limited partnership as a partner from time to time, as the same is from time to time amended (the "**Limited Partnership Agreement**"). Capitalized terms used in this Unit Certificate have the meanings ascribed thereto in the Limited Partnership Agreement unless otherwise specified.

A copy of the Limited Partnership Agreement pursuant to which this Unit Certificate and the Units represented hereby is issued may be obtained by any holder of Units on demand and on payment of reasonable reproduction costs from the head office of Enercapita Energy GP Ltd., general partner of the Partnership (the "**General Partner**").

A transfer of any Units represented by this Unit Certificate may only be effected in accordance with the provisions of the Limited Partnership Agreement and, upon complete satisfaction of all such provisions, the transfer may be initiated by delivering this Unit Certificate together with the then prescribed form of instrument of transfer (properly executed by the registered holder and the transferee) to the General Partner for the ~~Trust~~Partnership at its principal office.

LIMITED PARTNERS MAY LOSE THE PROTECTION OF LIMITED LIABILITY IN CERTAIN CIRCUMSTANCES.

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS 4 MONTHS AND A DAY AFTER THE LATER OF (i) [*insert the distribution date*], AND (ii) THE DATE THE ISSUER BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY.

This Unit Certificate shall not be valid for any purpose until it shall have been executed by or on behalf of the Partnership and certified by the Transfer Agent.

Executed and delivered

[DATE]

ENERCAPITA ENERGY L.P., by its general partner, **ENERCAPITA ENERGY GP Ltd.**

Per: _____
[●]

This Unit Certificate is one of the Unit Certificates referred to in the Limited Partnership Agreement and is certified by Enercapita Energy GP Ltd., as Transfer Agent.

ENERCAPITA ENERGY GP LTD., as Transfer Agent on behalf of the Partnership

Per: _____
[●]

SCHEDULE C

ATTRIBUTES OF COMMON A UNITS, COMMON B UNITS, COMMON C UNITS AND PREFERRED UNITS

Defined Terms

All capitalized terms used but not defined in this Schedule C shall have the meanings ascribed to such terms in the Agreement.

1. Common A Units

In addition to the rights, privileges, restrictions and conditions attaching to the Common A Units as set forth elsewhere throughout the Agreement, the Common A Units shall have the further rights, privileges, restrictions and conditions as are set out below:

(a) **Parity**: Other than as set forth in the Agreement, the rights of all holders of Common A Units are equal in all respects, without discrimination, preference or priority among them, including with respect to matters such as the distribution of assets of the Partnership in the event of any liquidation, dissolution or winding up of the Partnership, or other distribution of assets of the Partnership for the purpose of winding up its affairs.

(b) **Voting Rights**: Notwithstanding any provision of this Agreement, except as provided in this Section 1(b) of this Schedule C, no holder of Common A Units shall be entitled to receive notice of or to attend any meeting of Limited Partners or to vote at any such meeting or to vote in respect of any matter whatsoever requiring Limited Partner approval pertaining to the Partnership (whether at a meeting or by written resolution). The Partnership shall call and hold a meeting of Limited Partners, at which only holders of Common A Units may attend and vote separately as a class, where the matter for which approval is being sought is:

(i) to amend the rights, privileges, restrictions and conditions attaching to the Common A Units, including amendments to:

(A) remove or change rights to distributions in a manner materially prejudicial to holders of Common A Units;

(B) add, remove or change, redemption rights in a manner materially prejudicial to holders of Common A Units;

(C) reduce or remove a distribution preference or a liquidation preference; or

(D) add, remove or change, in a manner materially prejudicial to holders of Common A Units, voting, transfer or pre-emptive rights, or rights to acquire other securities.

(ii) to carry out and give effect to any of the following actions if the resulting effect to the holders of Common A Units would be materially prejudicial thereto:

(A) effect an exchange, reclassification or cancellation of all or part of the Common A Units;

(B) increase the rights or privileges of any Units of the Partnership having rights or privileges equal or superior to the Common A Units;

(C) create a new class or series of units of the Partnership equal or superior to the Common A Units;

(D) make any class or series of Units of the Partnership having rights or privileges inferior to the Common A Units equal or superior to the Common A Units; or

(E) effect an exchange or create a right of exchange of all or part of the units of another class or series of Units of the Partnership into the Common A Units;

provided however, that all matters set forth above must also be approved by the holders of Common B Units, voting separately as a ~~C~~class, in accordance with the terms of this Agreement.

At all such meetings of holders of Common A Units, matters put forth at such meetings, to be approved, must be approved by Special Resolution of the holders of Common A Units, voting separately as a class. At all such meetings, each holder of Common A Units shall be entitled to one (1) vote in respect of each Common A Unit held thereby.

(c) **Distributions to Common A Unitholders**: The rights, privileges, restrictions and conditions pertaining to the entitlement of a holder of Common A Units to distributions from the Partnership are those set forth in Article 5 of the Agreement. Apart from those set forth in Article 5 of the Agreement, the holders of the Common A Units shall not be entitled to receive any other distributions from the Partnership except as provided in Section 1(d) of this Schedule C below in connection with the liquidation, dissolution or winding up of the Partnership or other distribution of assets of the Partnership among Limited Partnership for the purpose of winding up the affairs of the Partnership.

(d) **Participation upon Liquidation, Dissolution or Winding Up**: In the event of the liquidation, dissolution or winding up of the Partnership or other distribution of assets of the Partnership among its Unitholders for the purpose of winding up its affairs, the holders of the Common A Units shall, subject to the rights of the holders of any other class or series of Units entitled to receive assets of the Partnership upon such a distribution in priority to, or concurrently with, the holders of the Common A Units, be entitled to participate in the distribution. Such distribution to which the holders of Common A Units are entitled shall be made in equal amounts per Common A Unit, Common B Unit and Common C Unit on all the Common A Units, Common B Units and Common C Units at the time outstanding without preference or distinction.

2. Common B Units

In addition to the rights, privileges, restrictions and conditions attaching to the Common B Units as set forth elsewhere throughout the Agreement, the Common B Units shall have the further rights, privileges, restrictions and conditions as are set out below:

(a) **Parity**: Other than as set forth in the Agreement, the rights of all holders of Common B Units are equal in all respects, without discrimination, preference or priority among them, including with respect to matters such as the distribution of assets of the Partnership in the event of any liquidation, dissolution or winding up of the Partnership, or other distribution of assets of the Partnership for the purpose of winding up its affairs.

(b) **Voting Rights**: holders of the Common B Units shall be entitled to receive notice of and to attend all meetings of the Unitholders of the Partnership and to one (1) vote in respect of each Common B Unit held at all such meetings, except for meetings of only holders of Common A Units, Common C Units or Preferred Units called for the purposes set forth in Section 1(b), 3(b) or 4(b) of this Schedule C. In addition to the above, The Partnership shall call and hold a meeting of Unitholders, at which only Common B Unitholders may attend and vote separately as a class, where the matter for which approval is being sought is:

(i) to amend the rights, privileges, restrictions and conditions attaching to the Common B Units, including amendments to:

(A) remove or change rights to distributions in a manner materially prejudicial to holders of Common B Units;

(B) add, remove or change, redemption rights in a manner materially prejudicial to holders of Common B Units;

(C) reduce or remove a distribution preference or a liquidation preference; or

(D) add, remove or change, in a manner materially prejudicial to holders of Common B Units, voting, transfer or pre-emptive rights, or rights to acquire other securities.

(ii) to carry out and give effect to any of the following actions if the resulting effect to the holders of Common B Units would be materially prejudicial thereto:

(A) effect an exchange, reclassification or cancellation of all or part of the Common B Units;

(B) increase the rights or privileges of any Units of the Partnership having rights or privileges equal or superior to the Common B Units;

(C) create a new class or series of units of the Partnership equal or superior to the Common B Units;

(D) make any class or series of Units of the Partnership having rights or privileges inferior to the Common B Units equal or superior to the Common B Units; or

(E) effect an exchange or create a right of exchange of all or part of the units of another class or series of Units of the Partnership into the Common B Units;

At all such meetings of holders of Common B Units, matters put forth at such meetings, to be approved, must be approved by Special Resolution of the holders of Common B Units, voting separately as a class. At all such meetings, each holder of Common B Units shall be entitled to one (1) vote in respect of each Common B Unit held thereby.

(c) **Distributions to Common B Unitholders**: The rights, privileges, restrictions and conditions pertaining to the entitlement of a holder of Common B Units to distributions from the Partnership are those set forth in Article 5 of the Agreement. Apart from those set forth in Article 5 of the Agreement, the holders of the Common B Units shall not be entitled to receive any other distributions from the Partnership except as provided in Section 2(d) of this Schedule C below in connection with the liquidation, dissolution or winding up of the Partnership or other distribution of assets of the Partnership among Limited Partnership for the purpose of winding up the affairs of the Partnership.

(d) **Participation upon Liquidation, Dissolution or Winding Up**: In the event of the liquidation, dissolution or winding up of the Partnership or other distribution of assets of the Partnership among its Unitholders for the purpose of winding up its affairs, the holders of the Common B Units shall, subject to the rights of the holders of any other class or series of Units entitled to receive assets of the Partnership upon such a distribution in priority to, or concurrently with, the holders of the Common B Units, be entitled to participate in the distribution. Such distribution to which the holders of Common B Units are entitled shall be made in equal amounts per Common A Unit, Common B Unit and Common C Unit on all the Common A Units, Common B Units and Common C Units at the time outstanding without preference or distinction.

3. Common C Units

In addition to the rights, privileges, restrictions and conditions attaching to the Common C Units as set forth elsewhere throughout the Agreement, the Common C Units shall have the further rights, privileges, restrictions and conditions as are set out below:

(a) **Parity**: Other than as set forth in the Agreement, the rights of all holders of Common C Units are equal in all respects, without discrimination, preference or priority among them, including with respect to matters such as the distribution of assets of the Partnership in the event of any liquidation, dissolution or winding up of the Partnership, or other distribution of assets of the Partnership for the purpose of winding up its affairs.

(b) **Voting Rights**: Notwithstanding any provision of this Agreement, except as provided in this Section 3(b) of this Schedule C, no holder of Common C Units shall be entitled to receive notice of or to attend any meeting of Limited Partners or to vote at any such meeting or to vote in respect of any matter whatsoever requiring Limited Partner approval pertaining to the Partnership (whether at a meeting or by written resolution). The Partnership shall call and hold a meeting of Limited Partners, at which only holders

of Common C Units may attend and vote separately as a class, where the matter for which approval is being sought is:

(i) to amend the rights, privileges, restrictions and conditions attaching to the Common C Units, including amendments to:

(A) remove or change rights to distributions in a manner materially prejudicial to holders of Common C Units;

(B) add, remove or change, redemption rights in a manner materially prejudicial to holders of Common C Units;

(C) reduce or remove a distribution preference or a liquidation preference; or

(D) add, remove or change, in a manner materially prejudicial to holders of Common C Units, voting, transfer or pre-emptive rights, or rights to acquire other securities.

(ii) to carry out and give effect to any of the following actions if the resulting effect to the holders of Common C Units would be materially prejudicial thereto:

(A) effect an exchange, reclassification or cancellation of all or part of the Common C Units;

(B) increase the rights or privileges of any Units of the Partnership having rights or privileges equal or superior to the Common C Units;

(C) create a new class or series of units of the Partnership equal or superior to the Common C Units;

(D) make any class or series of Units of the Partnership having rights or privileges inferior to the Common C Units equal or superior to the Common C Units; or

(E) effect an exchange or create a right of exchange of all or part of the units of another class or series of Units of the Partnership into the Common C Units;

provided however, that all matters set forth above must also be approved by the holders of Common B Units, voting separately as a ~~C~~class, in accordance with the terms of this Agreement.

At all such meetings of holders of Common C Units, matters put forth at such meetings, to be approved, must be approved by Special Resolution of the holders of Common C Units, voting separately as a class. At all such meetings, each holder of Common C Units shall be entitled to one (1) vote in respect of each Common C Unit held thereby.

(e) **Distributions to Common C Unitholders**: The rights, privileges, restrictions and conditions pertaining to the entitlement of a holder of Common C Units to distributions from the Partnership are those set forth in Article 5 of the Agreement. Apart from those set forth in Article 5 of the Agreement, the holders of the Common C Units shall not be entitled to receive any other distributions from the Partnership except as provided in

Section 3(d) of this Schedule C below in connection with the liquidation, dissolution or winding up of the Partnership or other distribution of assets of the Partnership among Limited Partnership for the purpose of winding up the affairs of the Partnership.

(f) **Participation upon Liquidation, Dissolution or Winding Up**: In the event of the liquidation, dissolution or winding up of the Partnership or other distribution of assets of the Partnership among its Unitholders for the purpose of winding up its affairs, the holders of the Common C Units shall, subject to the rights of the holders of any other class or series of Units entitled to receive assets of the Partnership upon such a distribution in priority to, or concurrently with, the holders of the Common C Units, be entitled to participate in the distribution. Such distribution to which the holders of Common C Units are entitled shall be made in equal amounts per Common A Unit, Common B Unit and Common C Unit on all the Common A Units, Common B Units and Common C Units at the time outstanding without preference or distinction.

4. Preferred Units

In addition to the rights, privileges, restrictions and conditions attaching to the Preferred Units as set forth elsewhere throughout the Agreement, the Preferred Units shall have the further rights, privileges, restrictions and conditions as are set out below:

(a) ~~(g)~~ **Parity**: Other than as set forth in the Agreement (including for greater certainty, with respect to the Preferred Return), the rights of all holders of each class or series of Preferred Units are equal in all respects, without discrimination, preference or priority among them, including with respect to matters such as payment of distributions, and the distribution of assets of the Partnership in the event of any liquidation, dissolution or winding up of the Partnership, or other distribution of assets of the Partnership for the purpose of winding up its affairs.

(b) ~~(h)~~ **Voting Rights**: Notwithstanding any provision of this Agreement, except as provided in this Section 4(b) of this Schedule C, no holder of Preferred Units shall be entitled to receive notice of or to attend any meeting of Limited Partners or to vote at any such meeting or to vote in respect of any matter whatsoever requiring Limited Partner approval pertaining to the Partnership (whether at a meeting or by written resolution). The Partnership shall call and hold a meeting of Unitholders, at which only Preferred Unitholders may attend and vote separately as a class, where the matter for which approval is being sought is:

(i) to amend the rights, privileges, restrictions and conditions attaching to the Preferred Units, including amendments to:

(A) remove or change rights to distributions in a manner materially prejudicial to holders of Preferred Units;

(B) add, remove or change, redemption rights in a manner materially prejudicial to holders of Preferred Units;

(C) reduce or remove a distribution preference or a liquidation preference; or

(D) add, remove or change, in a manner materially prejudicial to holders of Preferred Units, voting, transfer or pre-emptive rights, or rights to acquire other securities.

(ii) to carry out and give effect to any of the following actions if the resulting effect to the holders of Preferred Units would be materially prejudicial thereto:

(A) effect an exchange, reclassification or cancellation of all or part of the Preferred Units;

(B) increase the rights or privileges of any Units of the Partnership having rights or privileges equal or superior to the Preferred Units;

(C) create a new class or series of units of the Partnership equal or superior to the Preferred Units;

(D) make any class or series of Units of the Partnership having rights or privileges inferior to the Preferred Units equal or superior to the Preferred Units; or

(E) effect an exchange or create a right of exchange of all or part of the units of another class or series of Units of the Partnership into the Preferred Units;

provided however, that all matters set forth above must also be approved by the holders of Common B Units, voting separately as a ~~C~~class, in accordance with the terms of this Agreement.

At all such meetings of holders of Preferred Units, matters put forth at such meetings, to be approved, must be approved by Special Resolution of the holders of Preferred Units, voting separately as a class. At all such meetings, each holder of Preferred Units shall be entitled to one (1) vote in respect of each Preferred Unit held thereby.

(c) ~~(i)~~ **Distributions to Preferred Unitholders**: The rights, privileges, restrictions and conditions pertaining to the entitlement of a holder of Preferred Units to distributions from the Partnership are those set forth in Article 5 of the Agreement. Apart from those set forth in Article 5 of the Agreement, the holders of the Preferred Units shall not be entitled to receive any other distributions from the Partnership except as provided in Section 4(e) of this Schedule C below in connection with the liquidation, dissolution or winding up of the Partnership or other distribution of assets of the Partnership among Unitholders for the purpose of winding up the affairs of the Partnership.

(d) ~~(j)~~ **Rights of Redemption**: The Partnership has the right, at any time and from time to time, to redeem all or any part of the Preferred Units issued and outstanding in accordance with Article 6 of this Agreement.

(e) ~~(k)~~ **Participation on Liquidation, Dissolution or Winding Up**: In the event of the liquidation, dissolution or winding up of the Partnership, or other distribution of assets of the Partnership among Unitholders for the purpose of winding up the affairs of the Partnership, each holder of Preferred Units shall be entitled to receive from the assets of the Partnership, an amount of $1 per Preferred Unit held by such holder plus any

accrued but unpaid Preferred Return in respect of such Preferred Units, and all such amounts shall be paid before any amount shall be paid to any holder of Common A Units, Common B Units, Common C Units or partnership units of any other class or series ranking junior to the Preferred Units. After all payments as provided in this Section 4(e) have been made to the holders of the Preferred Units, such holders shall have no further entitlement to participate in any further distributions of the partnership's property upon any such liquidation, dissolution or winding up of the affairs of the Partnership.

SCHEDULE E
CERTAIN RISK FACTORS RELATED TO ENERCAPITA

The following is a summary of certain risk factors pertaining to Enercapita but does not purport to be a complete summary of all of the risks associated with an investment in securities of Enercapita. The business, operations, financial condition, revenues and profitability of Enercapita could be materially adversely affected by any of these risks.

Investment Risk

Risks that are specific to the Units include the following:

Blind Pool: Other than the Assets, Enercapita is a "blind pool", meaning the assets to be acquired by the Partnership or Investco have not yet been identified or determined. Therefore, there can be no assurances that the Partnership will identify potential investments that warrant acquisition. Even if assets are identified and the acquisition of the same or an interest therein is determined to be in the best interest of the Partnership, the Partnership may not be able to finance the acquisition and additional funds may be required to complete the acquisition. If the Partnership is unable to identify and acquire suitable investments, its business, operating results and financial condition could be adversely affected. The Partnership will not have earnings to support payment of distributions to holders of Preferred LP Units, should the assets acquired not prove to be profitably productive.

No Guaranteed Return or Distributions: The recovery of an investment in the Trust and the Partnership is at risk, and the anticipated return on such investment is based on many performance assumptions. There is no guarantee that an investment in PTUs, Preferred LP Units or Common LP Units will earn any positive return in the short or long-term. While the Trust and the Partnership intend to make distributions to Unitholders pursuant to the Declaration of Trust and Partnership Agreement, no assurance can be given that such distributions, if made, will continue or that they won't be reduced or eliminated. A return on, or of, investment in PTUs, Preferred LP Units or Common LP Units is dependent upon the success of the Partnership in generating sufficient earnings on the assets of the Partnership (in whom the Trust is invested and in whom the Trust plans to increase its investment). As a result, there is no assurance or guarantee that the Trust or the Partnership and, correspondingly, the holders of PTUs, Preferred LP Units or Common LP Units will earn a return on, or of, their investment.

Distributions: The ability of the Trust or the Partnership to make cash distributions on the PTUs, Preferred LP Units or Common LP Units (and the timing of the commencement of any distributions and actual amounts distributed, if any) will be affected by a number of factors, including working capital requirements of the Trust or the Partnership, the profitability of carrying out the Business of the Partnership, and any restrictive covenants pursuant to third-party debt financing arrangements. If the Business of the Partnership is unsuccessful, the Partnership will likely not have sufficient cash flow to make cash distributions to holders of Preferred LP Units (and as a result, the Trust will likely not have sufficient cash flow to make cash distributions to holders of PTUs) and Common LP Units; therefore, there is no certainty as to when or if the Trust or the Partnership will make distributions of cash to their Unitholders. In such a circumstance it is possible that the Trust will make non-cash distributions or the Partnership will allocate net income without corresponding distributions and accordingly, a Unitholder's tax liability for a year arising from its status as a Unitholder may exceed the amount of cash distributions received from the Trust or the Partnership.

The Partnership may acquire and hold shares, debt or other securities of Investco from time to time. If the Partnership makes all of its investment in the Business through Investco, the ability of the Partnership to make cash distributions on Units would be principally dependent upon the Partnership receiving payments from Investco pursuant to the securities of Investco acquired by the Partnership. If the Partnership does not receive payment from Investco pursuant to the securities of Investco held by it, the Partnership will likely not have sufficient cash flow to make cash distributions to Unitholders (and as a result, the Trust will likely not have sufficient cash flow to make cash distributions to holders of PTUs).

Distributions may Consist of Proceeds of Offerings: Distributions to holders of PTUs, Preferred LP Units and Common LP Units may consist, directly or indirectly, of the proceeds from the sale of securities by the Trust and the Partnership and may also, in certain circumstances, exceed the cash flow of the Trust and the Partnership for any particular distribution period.

Lack of Marketability of Units: There is currently no market through which the Units may be sold and purchasers may not be able to resell Units purchased from the Trust and the Partnership, respectively. Units are transferable subject to the terms of the Declaration of Trust and the Partnership Agreement, respectively, and Canadian securities law restrictions. Under certain conditions, redemptions may not be payable in cash but rather satisfied through the distribution of other Trust Property, Partnership Property or Redemption Notes. An investment in Units is hence suitable only for investors who are able to make a long-term investment and do not need full liquidity with respect to this investment.

No Voting Rights: The PTUs, Preferred LP Units and Common LP Units are non-voting except in certain limited circumstances as set forth in the Declaration of Trust and the Partnership Agreement, respectively, which includes where there is a proposal to amend the rights, privileges, restrictions and conditions attaching to the PTUs, Preferred LP Units or Common LP Units. Accordingly, Unitholders will have no ability to affect the governance or management of the Trust or the Partnership.

Redemption of Units: In respect of redemptions of PTUs and Preferred LP Units by the holders thereof, once the cash threshold of $10,000 in any one month is exceeded, holders of PTUs and Preferred LP Units may receive from the Trust or the Partnership, as applicable, (in lieu of cash) Redemption Notes which may not be eligible under Exempt Plans. Common LP Unitholders have no redemption rights under the Partnership Agreement.

Substantial Redemption of Preferred LP Units: Holders of PTUs and Preferred LP Units have the right to redeem their PTUs and Preferred LP Units upon the terms outlined in the Declaration of Trust and Partnership Agreement, respectively. As the Trust will be the primary holder of Preferred LP Units, and the contributions of the Trust to the Partnership rely on the capital acquired by the issuance of PTUs, a substantial redemption of PTUs may lead to the Trust redeeming a substantial amount of Preferred LP Units. A substantial redemption of Preferred LP Units may adversely affect the available capital required by the Partnership to carry out the Business.

Unitholder Liability: The Declaration of Trust provides that no holder of PTUs will be subject to any liability in connection with the Trust or its assets or obligations and that, in the event that a holder of PTUs becomes subject to any such liabilities, the holder shall be entitled to indemnity and reimbursement out of the Trust Property to the full extent of such liability. The Declaration of Trust further provides that the Trustees and the Administrator/GP shall make all reasonable efforts to include as a specific term of any obligations or liabilities being incurred by the Trust, or the Trustees on behalf of the Trust, a contractual provision to the effect that neither the holders of PTUs nor the Trustees have any personal liability or obligations in respect of the obligations and liabilities of the Trust. The Trustees have waived any right at law to indemnification from any holder of PTUs. Notwithstanding the foregoing, there remains some risk that a holder of PTUs may be personally liable in respect of certain liabilities and obligations of the Trust.

Possible Loss of Limited Liability and Liability for Return of Capital: Maintenance of the limited liability of a Limited Partner requires compliance with certain legal requirements in jurisdictions in which the Partnership will operate. There is a risk that Limited Partners could lose their limited liability in certain circumstances and be liable beyond their contribution and share of undistributed net income of the Partnership. Where a Limited Partner has received a distribution from the Partnership, such Limited Partner may be liable to return to the Partnership or, if the Partnership is dissolved, to its creditors, any amount, not in excess of the amount distributed to such Limited Partner with interest, as may be necessary to discharge the liabilities of the Partnership to all creditors who extended credit or whose claims otherwise arose before such distribution.

Loss of Liability in Dissolution: Upon dissolution of the Partnership, the Limited Partners of the Partnership may receive undivided interests in the Partnership assets and will no longer enjoy limited liability with respect to the ownership of such assets.

Tax Risks: No assurance can be given that changes in the Tax Act, or changes in the administrative policies and assessing practices of the Canada Revenue Agency, or future court decisions, or the implementation of new taxes will not adversely affect the Trust or the Partnership or fundamentally alter the income tax consequences to Unitholders with respect to acquiring, holding or disposing of Units. Legal, tax or administrative changes, which occur during the life of the Trust or the Partnership, could have an adverse effect on the Trust or the Partnership, the Unitholders or any of them. Investors are strongly encouraged to consult their tax advisors as to the tax consequences of acquiring, holding and disposing of Units purchased from the Trust or the Partnership. There can be no assurance that cash distributions, if any, made by the Trust or the Partnership will be sufficient to satisfy a Unitholder's tax liability for a year arising from its status as a Unitholder of the Trust or the Partnership. Exempt Plans that hold Trust Property, units of the Partnership or other securities distributed by the Trust may have adverse tax consequences under the Tax Act. See *"Certain Canadian Federal Income Tax Considerations*."

U.S. Withholding Tax Risk: Generally, FATCA imposes a 30% withholding tax on "withholdable payments" made to an investment entity, unless the investment entity enters into a FATCA agreement with the IRS (or is subject to an intergovernmental agreement as described below) to comply with certain information reporting and other requirements. Compliance with FATCA will in certain cases require an investment entity to obtain certain information from certain investors and (where applicable) their beneficial owners (including information regarding their identity, residency and citizenship) and to disclose such information, including account balances, and documentation to the IRS.

Under the terms of the Canada-U.S. IGA, and its implementing provisions under the Tax Act, the Trust and the Partnership will be treated as complying with FATCA and not subject to the 30% withholding tax if the Trust or the Partnership complies with the terms of the Canada-U.S. IGA. Under the terms of the Canada-U.S. IGA, the Trust and the Partnership will not have to enter into an individual FATCA agreement with the IRS but the Trust and the Partnership will be required to report information, including certain financial information, on accounts held by investors that fail to provide information to their financial advisor or dealer related to their citizenship and residency for tax purposes and/or investors that are identified as, or in the case of certain entities as having one or more controlling persons who are, U.S. persons owning, directly or indirectly, an interest in the Trust or the Partnership to the Canada Revenue Agency. The Canada Revenue Agency will in turn provide such information to the IRS under the existing provisions of the Canada-U.S. Income Tax Convention. The Canada-U.S. IGA sets out specific accounts that are exempt from being reported, including certain tax deferred plans. By investing in the Trust or the Partnership, an investor is deemed to consent to the Trust and the Partnership disclosing such information to the Canada Revenue Agency. If the Trust or the Partnership is unable to comply with any of its obligations under the Canada-U.S. IGA, the imposition of the 30% U.S. withholding tax may affect the value of the Trust's or the Partnership's assets and may result in reduced investment returns to Unitholders. It is possible that the administrative costs arising from compliance with FATCA and/or the Canada-U.S. IGA and future guidance may also cause an increase in the operating expenses of the Trust and the Partnership.

Withholdable payments include (i) certain U.S. source income (such as interest, dividends and other passive income) and (ii) gross proceeds from the sale or disposition of property that can produce U.S. source interest or dividends. The withholding tax applies to withholdable payments made on or after July 1, 2014 (or January 1, 2019 in the case of gross proceeds). The 30% withholding tax may also apply to any "foreign passthru payments" paid by an investment entity to certain investors on or after January 1, 2019. The scope of foreign passthru payments will be determined under the U.S. Treasury regulations that have yet to be issued.

The foregoing rules and requirements may be modified by future amendments of the Canada-U.S. IGA, and its implementation provisions under the Tax Act, future U.S. Treasury regulations, and other guidance.

Acquisition Risk

Risks that are specific to acquisitions include the following:

Nature of Acquisitions: Acquisitions of oil and gas properties or companies are based in large part on engineering, environmental and economic assessments made by the acquiror, independent engineers and consultants. These assessments include a series of assumptions regarding such factors as recoverability and marketability of oil, natural gas and NGLs, environmental restrictions and prohibitions regarding releases and emissions of various substances, future prices of oil, gas and NGLs, operating costs, future capital expenditures and royalties and other government levies which will be imposed over the producing life of the reserves. Many of these factors are subject to change and are beyond the control of Investco. All such assessments involve a measure of geological, engineering, environmental and regulatory uncertainty that could result in lower production and reserves or higher operating or capital expenditures than anticipated. Although select title and environmental reviews are conducted prior to any purchase of resource assets, such reviews cannot guarantee that any unforeseen

defects in the chain of title will not arise to defeat Investco's title to certain assets or that environmental defects, liabilities or deficiencies do not exist or are greater than anticipated. Such deficiencies or defects could adversely affect the value of any acquisition and Investco's securities, and the ability of Investco to make payments to the Partnership pursuant to the securities of Investco acquired by the Partnership.

Possible Failure to Realize Anticipated Benefits of the Acquisitions of Assets: Investco has completed acquisitions of the Assets to strengthen its position in the oil and natural gas industry and to create the opportunity to realize certain benefits, including, among other things, increased production and revenue. However, there is a risk that some or all of the expected benefits of the acquisitions of the Assets and future acquisitions may fail to materialize, or may not occur within the time periods anticipated by Investco. The realization of such benefits may be affected by a number of factors, many of which are beyond the control of Investco.

Potential Undisclosed Liabilities Associated with the Acquisitions of Assets: In connection with the acquisitions of the Assets and future acquisitions, there may be liabilities that Investco failed to discover or was unable to quantify in its due diligence, which it conducted prior to the execution of the acquisition agreements and Investco may not be indemnified for some or all of these liabilities.

Issuer Risk

Risks that are specific to the Trust and the Partnership include the following:

Achievement of Investment Objective: There can be no assurance that the Trust's and the Partnership's investment strategies will be successful, that their investment objective will be achieved or that they will be able to make distributions to Unitholders. The Trust and the Partnership and the Business in which the Trust and the Partnership invest could realize substantial losses.

Limited Operating History: The Trust and the Partnership have limited operating histories. The past investment performance of Management should not be construed as a guarantee or expectation of future results of any investment in the Trust or the Partnership.

Reliance on the Administrator: All decisions with respect to the Trust Property and the operations of the Trust are expected to be made exclusively by the Administrator/GP or the Trustees. Unitholders will have no right to make any decisions with respect to the management, disposition or other realization of any investment, or other decisions regarding the Trust's or the Partnership's business and affairs.

Reliance on Advisors: Unitholders will, in large part, be relying on the good faith and expertise of the Advisors and the principals thereof. In particular, Unitholders will have to rely on the discretion and ability of the Advisors and its principals in determining the properties or assets to be acquired by Investco.

Unitholders will be reliant on the Advisors' due diligence process for determining the investment quality of the assets acquired by Investco. While the Advisors undertakes substantial due diligence on all properties, there can be no assurance that such analysis will reveal all the potential risks of an asset.

Operational Dependence: The Trust is entirely dependent upon the operations and assets of the Partnership. The distributions to the Unitholders are dependent upon the ability of the Partnership to generate cash flow. The success of the Partnership will, to a large extent, depend on the good faith, experience, ability and judgment of Management to make appropriate decisions with respect to the operations of the Partnership. Unitholders must rely on the good faith, experience, ability and judgment of Management.

Although Management believes that it will be able to replace key personnel within a reasonable time should the need arise, the loss of key personnel could have a material adverse effect on the business, financial condition, liquidity and results of operations of the Trust and the Partnership. Neither the Trust nor the Partnership carries any key man insurance.

Conflicts of Interest of Trustees and Administrator: The Trustees and the directors and officers of the Administrator/GP will not be devoting all of their time to the affairs of the Trust, but will be devoting such time as required to effectively manage the Trust. The directors and officers of the Administrator/GP are engaged and will continue to be engaged in the search for business prospects on their own behalf and on behalf of others.

The Administrator/GP acts as administrator of the Trust as well as the general partner of the Partnership. Further, some of the Trustees also serve as directors of the Administrator/GP, which may lead to conflict of interests with respect to the Trustees and the directors and officers of the Administrator/GP. In addition, in connection with the operations of the Trust and the Partnership, there may be other situations in which conflicts of interest arise as between any of the Trust, the Partnership, the Trustees (or any of them), and the directors and officers of the Administrator/GP or their respective affiliates or associates (or any of them).

Conflicts of Interest of Management: The Administrator/GP is solely responsible for the administration, management and operation of the Partnership and its business. There may be situations in which conflicts of interest may arise between the Partnership and the Administrator/GP or its directors and officers or their respective affiliates and associates. Under the Partnership Agreement, officers and directors of the Administrator/GP are permitted to engage in (and it is anticipated that they will in the future engage in) activities that are the same as, or similar to, the activities of the Partnership. The directors and officers of the Administrator/GP currently are directors and/or officers and/or controlling persons of other entities that are engaged in activities that are the same as, or similar to, the business and activities which are to be undertaken by the Partnership. Management of the Administrator/GP will not devote their full time and attention to the affairs of the Partnership and, when acting on their own behalf and on behalf of others, may at times act in competition with the interests of the Partnership.

The Partnership Agreement provides that Management, as well as their respective affiliates and associates, are permitted to have business and other interests or associations of whatever nature or kind apart from their activities related to the Partnership's business, including business and other interests or associations which consist of the Business. Management presently has, and may in the future have, other business interests and associations which consist of the Business.

Nature of Investment: An investment in the Trust and the Partnership requires a long-term commitment with no certainty of return. While an investment of the Partnership may be realized or disposed of from time to time, it is generally expected that the ultimate realization or disposition of most of the Partnership's investments will not occur for a number of years after such investments are made.

Lack of Liquidity: Most, if not all, of the investments of the Partnership will be highly illiquid, and there can be no assurance that the Partnership will be able to realize on its investments in a timely manner or at all, which may also make the Partnership difficult to value. Illiquidity may result from the absence of an established market for the investments as well as legal or contractual restrictions on their resale. In addition, private equity investments by their nature are often difficult or time consuming to liquidate.

Units are not a Direct Investment in the Business: The Trust's and the Partnership's financial performance will be directly tied to the performance of Investco and to the performance of the property of Investco. The Units are not a direct investment in Investco or the property of Investco but an investment in the Trust and the Partnership, respectively.

Recourse to the Trust's and Partnership's Assets: The Trust's and the Partnership's assets, including any investments made by the Trust and the Partnership and any capital held by the Trust and the Partnership, are available to satisfy all liabilities and other obligations of the Trust and the Partnership. If the Trust or the Partnership themselves becomes subject to a liability, parties seeking to have the liability satisfied may have recourse to the Trust's or the Partnership's assets generally and not be limited to any particular asset, such as the investment giving rise to the liability.

Sale of Additional Units: The Trust and the Partnership may issue additional PTUs, Preferred LP Units and Common LP Units, respectively, in the future. The authorized number of PTUs, Preferred LP Units and Common LP Units for issuance is unlimited. Such additional PTUs, Preferred LP Units and Common LP Units may be issued without the approval of Unitholders, and may be issued in such number and for such price as is determined in the sole discretion of Management. Holders of PTUs, Preferred LP Units and Common LP Units have no pre-emptive rights in connection with such additional issuances. It is not possible to predict the effect, if any, that future issuances of PTUs, Preferred LP Units or Common LP Units will have on the fair market value of the PTUs, Preferred LP Units and Common LP Units. With any additional issuance of PTUs, Preferred LP Units, or Common LP Units, holders of PTUs, Preferred LP Units or Common LP Units, as applicable, will experience dilution.

Status of the Trust: The Trust is not a "mutual fund" or an "investment fund" for securities law purposes. As a result, some of the protections provided under such laws to those that invest in mutual funds or investment funds will not be available to investors who hold PTUs and certain restrictions imposed on mutual funds and investment funds under Canadian securities laws, including National Instrument 81-102 Mutual Funds, will not apply to the Trust.

Mutual Fund Trust Status: As at the date hereof the Trust qualifies as a mutual fund trust for the purposes of the Tax Act. Should the Trust cease to qualify as a mutual fund trust, the income tax considerations respecting the Trust would be materially different from those described in the summary under "*Certain Canadian Federal Income Tax Considerations*", and adverse income tax consequences may result, including:

- The PTUs would cease to be qualified investments for Exempt Plans with the result that an Exempt Plan may become subject to a penalty tax (or other adverse consequences), the holder, annuitant or subscriber of such Exempt Plan may be deemed to have received income therefrom or, in the case of an RESP, the RESP may have its tax exempt status revoked.
- The Trust will be subject to alternative minimum tax under the Tax Act.
- The Trust may be required to pay tax under Part XII.2 of the Tax Act.
- The Trust will cease to be eligible for the capital gains refund mechanism available to mutual fund trusts.

The Trust may take certain measures in the future to the extent the Trust believes them necessary to ensure that it maintains its status as a mutual fund trust. These measures could be adverse to certain holders of PTUs. See also "*Certain Risk Factors Relating to the Amendments*".

Financing Risks: The Partnership may require additional capital to implement and achieve its objectives. There can be no assurance that debt or equity financing will be available or sufficient to meet the requirements of the Partnership to implement its objectives or, if debt or equity financing is available, that it will be on terms acceptable to the Partnership. The inability of the Partnership to access sufficient capital to support future growth opportunities and for its operations could have a material adverse effect on the Partnership's financial condition, results of operations or prospects which in turn would likely have a material adverse effect on the Trust and the Partnership.

Lack of Independent Counsel Representing Unitholders: The Trust, the Trustees, the Partnership and the Administrator/GP have consulted with and retained for their benefit Counsel to advise them in connection with the formation and terms of the Trust, the Partnership and the Units. Unitholders have not, however, as a group been represented by independent legal counsel. Therefore, to the extent that the Unitholders could benefit by further independent review, such benefit will not be available unless individual Unitholders retain their own legal counsel.

Risks Associated with Level of Foreign Ownership: Currently, one of the conditions for the Trust to qualify as a mutual fund trust is that the Trust cannot reasonably be considered to have been established or maintained primarily for the benefit of "Non-Resident" persons. The Declaration of Trust contains a limitation on "Non-Resident" ownership which provides that at no time may "Non-Residents" of Canada be the beneficial owners of more than 49% of the units of the Trust outstanding. The Declaration of Trust provides powers to the Trustees to enforce this limitation, including by selling the units of the Trust of a "Non-Resident" holder without their consent. The exercise of the Trustees powers to enforce such "Non-Resident" ownership limitation may have an adverse effect on one or more holders of PTUs.

Changes in Applicable Law: Legal, tax and regulatory changes in law may occur that can adversely affect the Trust, the Partnership, Investco and Unitholders. There can be no assurance that income tax, securities and other laws will not be changed in a manner which adversely affects the distributions received by the Unitholders. There can be no assurance that Canadian federal income tax laws and the administrative policies and assessing practices of the Canada Revenue Agency respecting the treatment of mutual fund trusts will not be changed in a manner which adversely affects the Unitholders.

SIFT Trust and SIFT Partnership Status: It is possible that the Trust could become a "SIFT trust" or the Partnership could become a "SIFT partnership" for the purposes of the Tax Act if the PTUs or the Preferred LP Units, as the case may be, become listed for trading or if a public market is created on which the PTUs or the Preferred LP Units, respectively, are traded. If the Trust became a "SIFT trust" or the Partnership became a "SIFT partnership", adverse tax consequences could result to the Trust and the holders of PTUs or the Partnership and the holders of Preferred LP Units, as the case may be. There is no intention to list the PTUs or Preferred LP Units.

Liability for Return of Distributions: Generally, the holders of PTUs do not have personal liability for the obligations of the Trust. However, under applicable law, holders of PTUs could be required to return distributions previously made by the Trust if it is determined that such distributions were wrongfully made or in certain other circumstances under the terms of the Declaration of Trust. Where a holder of PTUs has received the return of all or part of the amount contributed to the Trust, the holder of PTUs is nevertheless liable to the Trust or, where the Trust is terminated, to its creditors for any amount, not in excess of the amount returned with interest, necessary to discharge the liabilities of the Trust to all creditors who extended credit or whose claims otherwise arose before the return of the contribution. Additionally, holders of PTUs may have to return all or a portion of distributions made to them to the extent the Trust has an obligation to withhold any amounts from such distribution for tax purposes.

Limited Liability: The limited liability of the Trust, as a Limited Partner, may be lost in certain circumstances, including where it takes part in the control or management of the business of the Partnership or through non-compliance with the Partnership Act. In addition, Limited Partners may lose their limited ability to the extent the principles of Canadian law recognizing the limitation of liability of limited partners have not been authoritatively established with respect to limited partnerships formed under the laws of one province but operating, owning property or incurring obligations in another province.

Unitholder Liability: Holders of PTUs will not have the benefit of the *Income Trusts Liability Act* (Alberta), as the Trust is not a reporting issuer as defined under the *Securities Act* (Alberta).

PTUs and Preferred LP Units Not Insured: Neither the Trust nor the Partnership are member institutions of the Canada Deposit Insurance Corporation and the Units are not insured against loss through the Canada Deposit Insurance Corporation. Furthermore, the Trust is not a trust company and, accordingly, is not registered under any trust and loan company legislation as it does not carry on or intend to carry on the business of a trust company. In addition, although the Trust qualifies as a "mutual fund trust" as defined in the Tax Act, the Trust is not a "mutual fund" as defined in applicable securities legislation.

Indemnification: The Trustees, each former Trustee, and the Administrator/GP are entitled to indemnification and reimbursement out of the Trust Property, except under certain circumstances, from the Trust. Such indemnification obligations could decrease the returns which would otherwise be available to the holders of PTUs.

Risks Pertaining to the Business

Risks that are specific to the Business include the following:

Exploration and Production Risk: An investment in the Partnership should be considered highly speculative due to the nature of the Partnership's involvement in the exploration for, and the acquisition, production and marketing of oil and natural gas reserves. Oil and gas operations involve many risks which even a combination of experience and knowledge and careful evaluation may not be able to overcome. There is no assurance that expenditures made on exploration by the Partnership will result in new discoveries of oil or natural gas in commercial quantities. It is difficult to project the costs of implementing an exploratory drilling program due to the inherent uncertainties of drilling in unknown formations, the costs associated with encountering various drilling conditions such as over pressured zones and tools lost in the wellbore, and changes in the drilling plans and locations as a result of prior exploratory wells or additional seismic data and interpretations thereof.

The long term commercial success of the Partnership depends on its ability to find, acquire, develop and commercially produce oil and natural gas reserves. Without the continual addition of new reserves, any existing reserves the Partnership may have at any particular time, and the production therefrom, will decline over time as such existing reserves are exploited. A future increase in the Partnership's reserves will depend not only on its ability to explore and develop any properties it may have from time to time, but also on its ability to select and acquire suitable producing properties or prospects. No assurance can be given that the Partnership will be able to locate satisfactory properties for acquisition or participation. If such acquisitions or participations are identified, the Partnership may determine that current markets, terms or acquisition and participation or pricing conditions make such acquisitions or participations uneconomic.

Future oil and gas exploration may involve unprofitable efforts, not only from dry wells, but from wells that are productive but do not produce sufficient net revenues to return a profit after drilling, operating and other costs. Completion of a well does not assure a profit on the investment or recovery of drilling, completion, operating and other costs. The cost of drilling, completing and operating a well is often uncertain, and any increase in costs can adversely affect the economics of a project. In addition, drilling hazards or environmental damage could greatly increase the cost of operations and various field operating conditions may adversely affect the production from successful wells. These conditions include delays in obtaining governmental approvals or consents, shut-ins of connected wells resulting from extreme weather conditions or equipment failure, insufficient storage or transportation capacity, or other geological and mechanical conditions. While diligent well supervision and effective maintenance operations can contribute to maximizing production rates over time, production delays and declines from normal field operating conditions cannot be eliminated and can be expected to adversely affect revenues and cash flows to varying degrees.

Oil and natural gas exploration, development and production operations are subject to all the risks associated with such operations, including, but not limited to, fires, explosions, blowouts, cratering, sour gas releases, spills and other environmental hazards, unexpected geological formations or pressures, premature decline of reservoirs and the invasion of water into producing formations. These risks could result in substantial damage to wells, facilities, property and the environment, and personal injury and loss of life, all of which may have a material adverse effect on the business, operations, or financial condition of the Partnership and Investco. There is also the risk of project delays and cost over-runs, which can result from a wide range of factors, including, but not limited to, the availability of processing capacity, availability of drilling and related equipment, availability of skilled labour, the availability of storage capacity and others.

Volatility of Oil and Natural Gas Prices: The Partnership's and Investco's results of operations and financial condition are dependent on the prices received for the Partnership's and Investco's oil, natural gas and NGL production. Oil, natural gas and NGL prices have fluctuated widely during recent years and are subject to fluctuations in response to relatively minor changes in supply, demand, market uncertainty and other factors that are beyond our control. These factors include, but are not limited to, worldwide political instability, foreign supply of oil, natural gas and NGLs, transportation capacity, the level of consumer product demand, government regulations and taxes, the price and availability of alternative fuels and the overall economic environment. Any decline in crude oil, natural gas or NGL prices may have a material adverse effect on the Partnership's and Investco's operations, financial condition, borrowing ability, reserves and the level of expenditures for the development of oil and natural gas reserves. Any resulting decline in cash flow could reduce distributions to Unitholders.

Investco conducts hedging activities and these hedging activities could expose Investco to losses or gains. Investco could be subject to credit risk associated with the parties with which it contracts.

Recent events relating to global oil and natural gas markets, including global excess oil and natural gas supply, actions taken by the Organization of the Petroleum Exporting Countries, slowing growth in China, volatility and disruptions in various areas of the world and sovereign debt levels in various countries, have caused significant weakness and volatility in these commodity prices. This weakness and volatility in prices has been further affected by uncertainty surrounding regulatory, tax and royalty changes that may be implemented by the Government of Alberta and the Government of Canada. The weakness and volatility in prices may have a material adverse effect on the Partnership's and Investco's operations, financial condition, borrowing ability, reserves and level of expenditures for the development of oil and gas reserves. It may also result in reduced distributions being made to Unitholders. If these conditions persist, it may result in the shut-in of currently producing wells and a delay or cancellation of exploration and development activities. Furthermore, if these conditions persist, the Partnership's and Investco's cash flow may not be sufficient to allow the Partnership and Investco to continue to fund their operations and satisfy their obligations when due. In such circumstances, there can be no assurance that sufficient equity or debt financing will be available to allow the Partnership and Investco to continue as a going concern and to discharge their obligations. Similarly, there can be no assurance that the Partnership and Investco will be able to realize on sufficient proceeds from asset sales in order to continue as a going concern and to discharge their obligations. The weakness and volatility of oil and natural gas prices is expected to continue for the near future due to the factors mentioned previously.

Operating Costs and Production Levels: An increase in operating costs or a decline in production level could have a material adverse effect on the Partnership's or Investco's results of operations and financial condition and, therefore, could reduce distributions to Unitholders.

Higher operating costs for the Partnership's or Investco's underlying properties will directly decrease the amount of cash flow received by the Partnership or Investco and, therefore, may reduce distributions to Unitholders. Electricity, chemicals, supplies and labour costs are a few of the operating costs that are susceptible to material fluctuation.

The level of production from the Partnership's or Investco's properties may decline at rates greater than anticipated due to unforeseen circumstances, many of which are beyond the Partnership's or Investco's control. Limits on production may be imposed by government as was recently seen when the Government of Alberta implemented a curtailment program to help reduce price differentials. A significant decline in production could result in materially lower revenues and cash flow and, therefore, could reduce the amount available for distributions to Unitholders.

Marketing of Oil and Natural Gas Production: A decline in the Partnership's or Investco's ability to market their oil, natural gas and NGL production could have a material adverse effect on production levels or on the prices that the Partnership or Investco receives for their production which, in turn, could reduce distributions to Unitholders.

The Business depends in part upon the availability, proximity and capacity of oil and gas gathering systems, pipelines and processing facilities and rail loading facilities and railcars. Canadian federal and provincial, as well as U.S. federal and state, regulation of oil and gas production, processing and transportation, tax and energy policies, general economic conditions, and changes in supply and demand could adversely affect the Partnership's or Investco's ability to produce and market oil, natural gas and NGLs.

Recently, the U.S. Federal Government, the Canadian federal government and the government of Mexico signed an authorization to implement the United States-Mexico-Canada Agreement. If implemented, this agreement may significantly change trade rules between those three countries and therefore affect the Partnership’s or Investco’s ability to export and market oil, natural gas and NGLs, and may further effect the oil and gas industry as a whole.

In addition, any lack of pipeline capacity and the pro-rationing of capacity on inter-provincial pipeline systems may also affect the Partnership's or Investco's ability to produce and market oil, natural gas and NGLs. In respect of pipeline capacity, although the Government of Canada has recently approved the Trans Mountain pipeline expansion which is expected to be operational by 2022, the Trans Mountain expansion will likely continue to be subject to legal challenges which may further delay or stop construction. If market factors change and inhibit the marketing of our production, overall production or realized prices may decline, which could reduce distributions to Unitholders.

Fluctuations in Foreign Currency Exchange Rates: Fluctuations in foreign currency exchange rates could adversely affect the Partnership's or Investco's business, and could affect payments of distributions to Unitholders. The price that the Partnership or Investco receives for oil, natural gas and NGLs will likely be based on U.S. dollar denominated benchmarks and, therefore, the price that the Partnership or Investco receives in Canadian dollars is affected by the exchange rate between the two currencies. A material increase in the value of the Canadian dollar relative to the U.S. dollar may negatively impact net production revenue by decreasing the Canadian dollars received for a given U.S. dollar price, negatively impacting future distributions and the future value of the Partnership's or Investco's reserves as determined by independent evaluators. The Partnership or Investco could be subject to unfavourable exchange rate changes to the extent of our investment in U.S. subsidiaries and to the extent that we have engaged, or in the future engage, in risk management activities related to foreign exchange rates, through entry into forward foreign exchange contracts or otherwise.

Investment Timing: The Administrator/GP has not yet identified all of the potential investments that it will make. The Administrator/GP intends to conduct extensive due diligence with respect to the Partnership's investments and, as a result, suitable investment opportunities

may not be immediately available. The Partnership cannot predict how long it will take to deploy its capital in investments. Timing will depend on, among other things, the availability of suitable investment opportunities.

Acquisition of Additional Reserves: If the Partnership or Investco are unable to acquire additional reserves, payments of distributions to Unitholders may decline.

Additionally, we cannot guarantee that we will be successful in developing additional reserves or acquiring additional reserves on terms that meet our investment objectives. Without these reserve additions, our reserves will deplete and as a consequence, either production from, or the average reserve life of, our properties will decline. Either decline may result in a reduction in cash available for distributions to Unitholders.

Reliance on Reserve Estimates: In determining the purchase price of acquisitions, the Partnership and Investco rely on both internal and external assessments relating to estimates of reserves that may prove to be materially inaccurate. Such reliance could adversely affect payment of distributions to Unitholders.

The price that the Partnership and Investco are willing to pay for reserve acquisitions is based largely on estimates of the reserves to be acquired. Actual reserves could vary materially from these estimates. Consequently, the reserves acquired may be less than expected, which could adversely impact cash flows and distributions to Unitholders. An initial assessment of an acquisition may be based on a report by engineers or firms of engineers that have different evaluation methods and approaches than those of the Partnership and Investco, and these initial assessments may differ significantly from the Partnership's and Investco's subsequent assessments.

Operational Matters: Some of the Partnership's and Investco's properties may be operated by third parties and, therefore, results of operations may be adversely affected by the failure of third-party operators, which could affect distributions to Unitholders. The continuing production from a property, and to some extent the marketing of that production, is dependent upon the ability of the operators of those properties. Third party operators also make estimates of future capital expenditures more difficult.

To the extent a third-party operator fails to perform its functions efficiently, safely and in compliance with regulatory requirements, or becomes insolvent, it could result in such assets being shut-in, the Partnership and Investco potentially becoming subject to additional liabilities relating to such assets (including abandonment and reclamation obligations) and difficulty collecting revenue and other amounts due from such operators. Any of these factors could materially adversely affect the Partnership's and Investco's financial and operational results. Due to the current low and volatile commodity prices, many companies, including companies that may operate some of the assets in which the Partnership or Investco has an interest, may be in financial difficulty and at the risk of becoming insolvent.

The Partnership and Investco also rely on infrastructure which may be operated by third parties, including pipelines, power transmission grids, roads, rail, airstrips and other types of infrastructure. The unavailability, decreased capacity, or changes in laws and regulations around the use of any of the foregoing may negatively impact operations which, consequently, may have a material adverse effect on the Partnership's and Investco's results of operations, financial condition and prospects.

Operational Hazards and the Availability of Insurance: The industry in which the Partnership and Investco operate exposes the Partnership and Investco to potential liabilities that may not be covered by insurance. The Partnership's and Investco's operations are subject to all of the risks associated with the operation and development of oil and natural gas properties, including the drilling of oil and natural gas wells, and the production and transportation of oil, natural gas and NGLs. These risks include encountering unexpected formations or pressures, premature declines of reservoirs, blow-outs, equipment failures and other accidents, cratering, sour gas releases, uncontrollable flows of oil, natural gas or well fluids, adverse weather conditions, wildfires, closures to areas due to endangered or threatened wildlife, pollution, other environmental risks, fires and spills. A number of these risks could result in personal injury, loss of life, or environmental and other damage to our property or the property of others and reputational loss. In addition, the Partnership's and Investco's are subject to general business risks, such as the risk that a third party may disclose confidential information without the approval of the Partnership or Investco, which may cause significant damage to the business. We cannot fully protect against all of these risks, nor are all of these risks insurable. We may become liable for damages arising from these events against which we cannot insure or against which we may elect not to insure because of high premium costs or other reasons. Any costs incurred to repair these damages or pay these liabilities would reduce funds available for payment of distributions to Unitholders.

The Partnership and Investco are subject to extensive and complex regulations and laws enforced by various federal, provincial and local regulatory agencies. Regulations affect almost every aspect of the Partnership's and Investco's business and limit their ability to make and implement independent management decisions, including about business combinations, disposing of operating assets and engaging in transactions between the Partnership and Investco and its affiliates.

Regulations and laws are subject to ongoing policy initiatives, and the Partnership and Investco cannot predict the future course of regulations or legislation and their respective ultimate effects. Such changes could materially impact the Partnership's and Investco's business, financial position and results of operations.

Environmental Concerns and Operational Safety Laws*:* Many aspects of the oil and natural gas business present environmental risks and hazards, including the risk that the Partnership or Investco may be in non-compliance with an environmental law, regulation, permit, licence or other regulatory approval, possibly unintentionally or without knowledge. Such risks may expose the Partnership or Investco to fines or penalties, suspension or revocation of regulatory permits, third party liabilities or to the requirement to remediate, which could be material. The operational hazards associated with possible blowouts, accidents, oil spills, gas leaks, fires or other damage to a well, pipeline or facility may require the Partnership or Investco to incur costs and delays to undertake corrective actions, and could result in environmental damage or contamination for which the Partnership or Investco could be liable. Oil and gas operations are also subject to specific operational risks which may have a material operational and financial impact on the Partnership or Investco should they occur, such as drilling into unexpected formations or unexpected pressures, premature decline of reservoirs and water invasion into producing formations.

The Partnership or Investco may also be subject to associated liabilities, resulting from lawsuits alleging property damage or personal injury brought by private litigants related to the operation of Partnership's or Investco's facilities or the land on which such facilities are located, regardless of whether the Partnership or Investco leases or owns the facility, and regardless of whether such environmental conditions were

created by the Partnership or Investco or by a prior owner or tenant, or by a third party or a neighbouring facility whose operations may have affected the Partnership's or Investco's facility or land. Such liabilities could have a material adverse effect on the Partnership's or Investco's business, financial position, operations, assets or future prospects.

The Partnership and Investco also face uncertainties related to future environmental laws and regulations affecting its business and operations. Wildlife protection legislation may prevent us from accessing or operating our properties. Existing environmental laws and regulations may be revised or interpreted more strictly, and new laws or regulations may be adopted or become applicable to the Partnership or Investco, which may result in increased compliance costs or additional operating restrictions, each of which could reduce the Partnership's or Investco's earnings and adversely affect the Partnership's or Investco's business, financial position, operations, assets or future prospects.

Compliance with environmental laws and regulations could materially increase the Partnership's or Investco's costs. The Partnership or Investco may incur substantial capital and operating costs to comply with increasingly complex laws covering the protection of the environment and human health and safety.

Although Investco maintains insurance consistent with prudent industry practice, it is not fully insured against certain environmental risks, either because such insurance is not available or because of high premium costs. In particular, insurance against risks from environmental pollution occurring over time (as opposed to sudden and catastrophic damages) is not available on economically reasonable terms.

Accordingly, our properties may be subject to liability due to hazards that cannot be insured against, or that have not been insured against due to prohibitive premium costs or for other reasons. It is also possible that changing regulatory requirements or emerging jurisprudence could render such insurance of less benefit to the Partnership or Investco. Any site reclamation or abandonment costs actually incurred in the ordinary course of business in a specific period will be funded out of our reclamation fund and, if required, out of cash flow and, therefore, will reduce the amounts available for payment of distributions to Unitholders. Should we be unable to fully fund the cost of remedying an environmental problem, we might be required to suspend operations or enter into interim compliance measures pending completion of the required remedy.

Greenhouse Gas Regulations: Under the Paris Agreement, the Government of Canada has committed to reduce GHG emissions by 30% below Canada's 2005 levels by 2030. The Partnership and Investco may be required to incur significant direct and indirect costs to comply with federal GHG emissions reduction requirements as they come into force, including the *Regulation Respecting Reduction in the Release of Methane and Certain Volatile Organic Compounds (Upstream Oil and Gas Sector)*, or other GHG emissions regulations compliance costs. This may have a materially adverse effect on the Partnership's and Investco's business, financial condition, results of operations and prospects. We may also incur significant direct and indirect costs to comply with provincial GHG emissions reduction requirements or GHG emissions regulations compliance costs, including, but not limited to, as a result of any amendments to CCIR. It is also possible that the Government of Canada and other foreign jurisdictions may enact laws, regulations, policies or procedures which may, directly or indirectly, limit or restrict market access or impose additional costs on the export or import of oil, natural gas and NGLs. Examples of such proposed legislation are Bill C-48 which, if passed, would effectively ban oil tanker loading and unloading along the northern coast of British Columbia, and Bill C-69 which would create a new regulatory regime for the approval of interprovincial energy transportation projects.

In 2018, the Government of Canada enacted the Greenhouse Gas Pollution Pricing Act ("**GGPPA**"). The GGPPA requires that provinces impose a minimum price of $20 per ton of pollutant emissions for any subject fuel used or imported into their jurisdiction, along with new requirements for industrial emitters. This legislation is expected to apply to Alberta beginning January 1, 2020. Although this legislation is currently the subject of multiple constitutional challenges, the increased price associated with fuels and operations of industrial facilities may reduce demand for oil and gas, while at the same time imposing additional costs on the transportation and processing of oil, natural gas and NGLs, and may have a materially adverse effect on the Partnership's and Investco's business, financial condition, results of operations and prospects.

Hydraulic Fracturing: The Partnership and Investco utilize horizontal drilling, multi-stage hydraulic fracturing, specially formulated completion fluids and other technologies in connection with their drilling and completion activities. Public concern over the hydraulic fracturing process has raised questions regarding the completion fluids used in the fracturing process, their effect on fresh water sources, the use and disposal of water in connection with completion operations, the ability of such water to be recycled and with hydraulic fracturing causing earthquakes. The Canadian Association of Petroleum Producers, an industry group, has issued guidelines to address hydraulic fracturing in oil and gas operations. Certain government and regulatory agencies in Canada and the United States have been investigating the potential risks associated with the hydraulic fracturing process. The Partnership is unable to predict the impact of any potential regulations upon the oil and gas industry and the impact on the Partnership's business. The implementation of any new regulations with respect to water usage or hydraulic fracturing generally could increase the Partnership's costs of compliance, operating costs, the risk of litigation and environmental liability, or negatively impact the Partnership's prospects, any of which may have a material adverse effect on our business, financial condition and results operations.

Debt Related Risks: Investco, the Partnership, the Administrator/GP and the Trust will be required to comply with covenants under the documentation for the Credit Facilities and any other credit facilities entered into by the Partnership and/or Investco. In the event that such parties do not comply with such covenants, access to capital could be restricted or repayment could be required on an accelerated basis by the lender, and the ability to make distributions to Unitholders may be restricted. The lender has security over substantially all of the assets of the Partnership. If Investco becomes unable to pay its debt service charges or otherwise commits an event of default that is not cured, the lender may foreclose on or sell the Business of Enercapita. Amounts paid in respect of interest and principal on debt may reduce distributions. Variations in interest rates and scheduled principal repayments could result in significant changes in the amount required to be applied to debt service before payment of distributions by Investco to the Partnership and by the Partnership to the Trust. Certain covenants in the documentation for the Credit Facilities may also limit distributions. Although Management believes the Credit Facilities will be sufficient for the near term, there can be no assurance that the amount will be adequate for the parties' future financial obligations or that additional funds will be able to be obtained. Failure to obtain financing may result in the Partnership and Investco not being able to pursue acquisition opportunities and/or a decrease in distributions. The Credit Facilities contains certain covenants which affect and, in some cases, significantly limit, among other things, the activities in which Investco, the Partnership, the Administrator/GP and the Trust engage. See "*Detailed Information about Enercapita - Debt of the Trust, the Partnership and Investco*".

A high level of indebtedness increases the risk that the Trust, the Partnership and Investco may default on their debt obligations. Such parties' ability to meet their debt obligations and to reduce their level of indebtedness depends on future performance. General economic conditions, business and other factors affect operations and future performance. Many of these factors are beyond the control of such parties. The Trust, the Partnership and Investco may not be able to generate sufficient cash flows to pay the interest on debt and future working capital or to repay all or part of their indebtedness and borrowings or equity financing may not be available to pay or refinance such debt on commercially reasonable terms. Factors that will affect the ability to raise cash through an offering of units or a refinancing of debt include financial market conditions, the value of units, the value of assets and performance at the time the Trust, the Partnership or Investco need capital. The occurrence of any of these events could have a material adverse effect on the results of operations and financial condition of the Trust, the Partnership or Investco, which in turn could negatively affect the amount of distributions paid to Unitholders.

There is a risk that the Credit Facilities will not be renewed for the same principal amount or on the same terms. Any of these events could materially adversely affect the ability of the Trust, the Partnership and Investco to fund ongoing operations and the ability of the Trust and Partnership to distribute cash to Unitholders.

Debt Service: The Partnership may, from time to time, finance a significant portion of its operations through debt. The Partnership's indebtedness may limit the timing or amount of the distributions that are paid to Unitholders.

Recently, the Supreme Court of Canada released its decision in *Orphan Well Association v Grant Thornton Ltd.,* commonly referred to as the "Redwater" decision, holding that trustees and receivers, as licensees, can no longer disclaim the abandonment and reclamation obligations of a debtor's estate. It is not yet clear what effect this decision will have on lending practices in the Canadian oil and gas industry, but it may result in, among other things, higher interest rates and additional lender requirements.

The payments of interest and principal and other costs, expenses and disbursements to our lenders reduces amounts available for distributions to Unitholders. Variations in interest rates and scheduled principal repayments could result in significant changes to the amount of the cash flow required to be applied to the debt before payment of any amounts to the Unitholders.

If the Partnership is unable to pay its debt service charges or otherwise commit an event of default, such as bankruptcy, its lenders may receive a judgment and have a claim on the properties or assets of the Partnership. The proceeds of any sale would be applied to satisfy amounts owed both to the creditors and to meet regulatory obligations in respect of abandonment and reclamation. Only after the proceeds of that sale were applied towards the debt and regulatory obligations would the remainder, if any, be available for distributions to Unitholders.

Competitive Marketplace: The oil and natural gas industry is highly competitive. The Partnership competes for capital, acquisitions of reserves, undeveloped lands, skilled personnel, access to drilling rigs, service rigs and other equipment, access to processing facilities, pipeline and refining capacity and in many other respects with a substantial number of other organizations, many of which may have greater technical and financial resources than the Partnership. Some of these organizations not only explore for, develop and produce oil and natural gas but also carry on refining operations and market oil and other products on a worldwide basis. As a result of these complementary activities, some of the Partnership's competitors may have greater and more diverse competitive resources to draw on. Given the highly competitive nature of the oil and natural gas industry, this could adversely affect the Partnership and Unitholders.

In addition, other oil and gas companies may have resources which allows them to adopt and deploy new technologies faster than the Partnership and Investco. There can be no assurance that the Partnership and Investco can similarly adopt and deploy such new technologies, which may have a material adverse effect on the Partnership's and Investco's business, financial condition and results of operations.

Title to Assets: Unforeseen title defects concerning the Partnership's or Investco's right to explore for, develop, produce and sell oil and natural gas from its properties could result in the Partnership or Investco losing such rights and becoming liable to compensate other parties for past activities undertaking in respect of the properties for which its title is defective. Although title reviews may be conducted prior to the purchase of oil and natural gas properties or the commencement of drilling thereon, such reviews do not guarantee that an unforeseen defect in the chain of title will not arise to defeat the Partnership's or Investco's claim or title to the properties. Any loss of the Partnership's or Investco's right to explore for, develop, produce and sell oil, natural gas and NGLs from its properties, which could materially reduce its production and prospects, and any liability to compensate another party for past activities undertaking in respect of the properties for which its title is defective, could have a material adverse effect on the Partnership or Investco.

Changes in Tax and Other Laws: Legal, tax and regulatory changes in law may occur that can adversely affect the Partnership and Unitholders. Income tax laws, other laws or government incentive programs relating to the oil and gas industry may in the future be changed or interpreted in a manner that adversely affects Investco, the Partnership and Unitholders. Tax authorities having jurisdiction over Investco, the Partnership and Unitholders may disagree with the manner in which we calculate our income for tax purposes or could change their administrative practices to the detriment of Investco, the Partnership and Unitholders.

General Litigation Risk: In the normal course of Enercapita's operations, whether directly or indirectly, it may become involved in, named as a part to or the subject of, various legal proceedings, including regulatory proceedings, tax proceedings and legal actions relation to personal injuries, property damage, property taxes, land rights, the environment and contract disputes. The outcome with respect to outstanding, pending or future proceedings cannot be predicted with certainty and may be determined in a manner adverse to Enercapita and as a result, could have a material adverse effect of Enercapita's investments, liabilities, business, financial condition and results of operations. Even if Enercapita prevails in any such legal proceedings, the proceedings could be costly and time-consuming and may divert the attention of management and key personnel from Enercapita's business operations, which could have a material adverse effect on the Partnership's and Investco's business, cash flow, financial condition and results of operations and ability to make distributions to Unitholders.

Uninsured and Underinsured Losses: The Trust does not presently carry any insurance with respect to assets of the Trust. The Partnership uses its discretion in determining amounts, coverage and limits and deductibility provisions of insurance for its operations and assets, with a view to maintaining appropriate insurance coverage on its assets at a commercially reasonable cost and on suitable terms. This may result in insurance coverage that, in the event of a substantial loss, would not be sufficient to pay the full current market value or current replacement cost of its assets. Further, in many cases certain types of losses (generally of a catastrophic nature) are either uninsurable or not economically

insurable. A judgment against the Partnership in excess of available insurance or in respect of which insurance is not available could have a material adverse effect on our business and financial condition. A substantial loss without adequate insurance coverage could have a material adverse effect on the business, financial condition, liquidity and results of operation for the Trust or the Partnership, as applicable.

Reliance on Management: Decisions regarding the management of the Partnership's affairs will be made exclusively by the officers and directors of the Administrator/GP and not by the Limited Partners. Accordingly, subscribers must carefully evaluate the personal experience and business performance of the officers and directors of the Administrator/GP. The Administrator/GP may retain independent contractors to provide services to the Partnership. These contractors have no fiduciary duty to the Limited Partners and may not perform consistently with the fiduciary duty owed to Limited Partners by the Administrator/GP. The ability of the Administrator/GP to successfully implement the Partnership's business strategy will depend in large part on the continued involvement of the officers and directors of the Administrator/GP. Neither the Administrator/GP nor the Partnership maintains key person life insurance for the management team of the Administrator/GP. If the Administrator/GP loses the services of its key individuals, the business, financial condition and results of operations of the Partnership may be materially adversely affected.

Management of Growth: The Partnership or Investco may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Partnership or Investco to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Partnership or Investco to deal with this growth may have a material adverse effect on the Partnership's or Investco's business, financial condition, results of operations and prospects.

Expiration of Licences and Leases: The Partnership's or Investco's properties will be held in the form of licences and leases and working interests in licences and leases. If the Partnership or Investco or the holder of the licence or lease fails to meet the specific requirement of a licence of lease, the licence or lease may terminate or expire. Where the Partnership or Investco have only a contractual relationship granting a working interest in lands, we may not receive notice of a lease holder’s default prior to that lease terminating or expiring. There can be no assurance that any of the obligations required to maintain each licence or lease will be met. The termination or expiration of the Partnership's or Investco's licences or leases or the working interests relating to a licence or lease may have a material adverse effect on the Partnership's or Investco's business, financial condition, results of operations and prospects.

Aboriginal Claims: Aboriginal peoples have claimed aboriginal title and rights to portions of western Canada. If a claim arose in respect of any of the Partnership's or Investco's properties or assets and was successful, or claiming that traditional lands may be adversely impacted by development of such properties, this could have a material adverse effect on the Partnership's or Investco's business, financial condition, results of operations and prospects.

Seasonality and Adverse Weather: The level of exploration and production activity in the Canadian oil and gas industry is influenced by seasonal weather patterns. Wet weather and spring thaw may make the ground unstable. Consequently, municipalities and provincial transportation authorities enforce road bans that restrict the movement of rigs and other heavy equipment used in oil and gas operations, thereby reducing activity levels. Roads may also be closed due to adverse weather, floods, wildfires and due to wildlife. In addition, certain oil and gas producing areas are located in areas that are inaccessible other than during the winter months because the ground surrounding the sites in these areas consists of swampy terrain. Seasonal weather patterns and unexpected weather events can also influence commodity pricing by affecting demand.

Third Party Credit Risk: Enercapita may be exposed to third party credit risk through its contractual arrangements with its future joint venture partners and other parties. In the event such entities fail to meet their contractual obligations to Enercapita, such failures may have a material adverse effect on Enercapita's business, financial condition, results of operations and prospects. In addition, poor credit conditions in the industry and of joint venture partners may impact a joint venture partner's willingness to participate in Enercapita's ongoing capital program, potentially delaying the program and the results of such program until Enercapita finds a suitable alternative partner.

Royalties: Oil and gas produced from Crown lands in the Province of Alberta are subject to royalties payable to the Crown. Although the Government of Alberta adopted a new royalty regime in 2017, there can be no assurances that the Government of Alberta will not develop or implement another new royalty regime or modify the methodology of royalty calculations in a manner which may, among other things, render the Partnership's and Investco's projects uneconomic, adversely affect the Partnership's and Investco's financial earnings, reduce future capital investments by the Partnership and Investco, make it difficult to service and repay any debt and reduce the value of the Partnership's and Investco's assets.

From time to time, the Government of Alberta has established incentive programs for exploration and development. Such programs often provide for royalty reductions, credits and holidays, and are generally introduced when commodity prices are low. The programs are designed to encourage exploration and development activity by improving earnings and cash flow within the industry. There can be no assurances that such programs will become available, or that when and where such programs are implemented, that they will remain available. Changes in such programs may render the Partnership’s and Investco’s projects uneconomic, adversely affect the Partnership’s and Investco’s financial earnings, reduce future capital investments by the Partnership and Investco, make it difficult to service and repay any debt and reduce the value of the Partnership’s and Investco’s assets.

Liability Management Framework: The Government of Alberta has indicated that in response to the "Redwater" decision, they will be changing their current liability management framework. Currently, this framework requires companies to maintain an asset to liability ratio of greater than 1.0 or else post security for the deemed costs of abandonment and reclamation. Changes to this program may reduce future capital investments, make it difficult to invest in or acquire new assets, and may have an adverse effect on the financial conditions of Enercapita.

The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in Enercapita. Unitholders should consult their own counsel and financial advisors.