

OFFERING MEMORANDUM (FORM 45-106F2)

This Offering Memorandum pertains to an offering of securities only in these jurisdictions and only to those persons to whom they may be lawfully offered for sale. This Offering Memorandum is not, and under no circumstances is to be construed as, a prospectus or advertisement or a public offering of these securities. This Offering Memorandum is for the confidential use of only those persons to whom it is transmitted in connection with this Offering. By their acceptance of this Offering Memorandum, recipients agree that they will not transmit, reproduce or make available to anyone, other than their professional advisors, this Offering Memorandum or any information contained herein. No person has been authorized to give any information or to make any representation not contained in this Offering Memorandum. Any such information or representation which is given or received must not be relied upon.

Continuous Offering

July 24, 2015

Enercapita Energy Trust
#803 - 5920 Macleod Trail SW
Calgary, Alberta T2H 0K2
Phone: (587) 887-1541
Email: info@enercapita.com

Currently listed or quoted? No. **These securities do not trade on any exchange or market.**
Reporting issuer? No.
SEDAR filer? No.

The Offering

Securities Offered: The offering consists of preferred units (the "**Preferred Trust Units**") of Enercapita Energy Trust (the "**Trust**"). See "Securities Offered".

Price per Security: \$1.00 per Preferred Trust Unit.

Minimum/Maximum Offering: **There is no maximum or minimum offering. You may be the only purchaser. Funds available under the Offering may not be sufficient to accomplish our proposed objectives.** See "Capital Structure".

Minimum Individual Subscription Amount: Except with the consent of the Administrator of the Trust, the minimum subscription is \$5,000 (5,000 Preferred Trust Units). Preferred Trust Units may only be purchased as part of a Tied Unit (as defined herein). See "Business of the Trust – Structure" and "Securities Offered – Subscription Procedure".

Payment Terms: Certified cheque or bank draft payable to the Trust in the amount of the total purchase price of the Preferred Trust Units being subscribed for. See "Securities Offered - Subscription Procedure".

Proposed Closing Date(s): Closings will occur from time to time at the discretion of the Administrator.

Tax Consequences: There are important tax consequences to these securities. The Trust has been advised that, provided that the Trust qualifies as a "mutual fund trust" for purposes of the Income Tax Act at all relevant times, the Preferred Trust Units (but **not** the Common A LP Units) will be qualified investments for Exempt Plans. Although it is intended that the Trust qualify as a "mutual fund trust" pursuant to the Income Tax Act, the Trust will not be a "mutual fund" under applicable securities laws. See "Certain Income Tax Consequences and Exempt Plan Eligibility".

Selling Agent: The Trust will retain several non-exclusive securities dealers to effect sales of Preferred Trust Units. The Trust will pay a selling commission to such securities dealers provided that the quantum thereof shall not exceed 9% of the gross proceeds from the sale of the Preferred Trust Units realized at the time of Closing in respect of such sale. In addition to the foregoing, the Trust may pay an administration fee to such securities dealers, provided that the quantum thereof shall not exceed 1% of the gross proceeds from the sale of the Preferred Trust Units realized at the time of Closing in respect of such sale. The Trust may also pay a fee to certain securities dealers, an amount of up to 1% per annum of the aggregate amount that remains invested in the Trust, beginning on the 6th anniversary of such investment, from holders of Preferred Trust Units that were introduced to the Trust by such securities dealers. See "Compensation Paid to Sellers and Finders".

Resale Restrictions: **The Preferred Trust Units are subject to restrictions on resale. There is no market for the Preferred Trust Units and none is expected to develop and, therefore, it may be difficult or impossible for the Subscriber to sell the Preferred Trust Units. You will be restricted from selling your Preferred Trust Units for an indefinite period. See "Resale Restrictions". The Preferred Trust Units are subject to Redemption Rights. See "Business of the Trust – Material Agreements – Declaration of Trust".**

Purchaser's Rights: You have two (2) business days to cancel your agreement to purchase these securities. If there is a misrepresentation in this Offering Memorandum, you have the right to sue either for damages or to cancel the agreement. See "Purchasers' Rights".

No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this Offering Memorandum. Any representation to the contrary is an offence. This is a risky investment. See "Risk Factors".

TABLE OF CONTENTS

CAUTIONARY STATEMENTS.....	1
FORWARD LOOKING INFORMATION	1
MARKET AND INDUSTRY DATA	2
RELIANCE ON INFORMATION	2
DEFINITIONS	3
ABBREVIATIONS.....	14
EXCHANGE RATE DATA AND STANDARD CONVERSIONS	14
SUMMARY OF THIS OFFERING MEMORANDUM.....	16
USE OF AVAILABLE FUNDS	22
FUNDS	22
USE OF AVAILABLE FUNDS	23
REALLOCATION.....	23
BUSINESS OF THE TRUST	24
STRUCTURE	24
OUR BUSINESS	27
DEVELOPMENT OF THE BUSINESS	39
LONG TERM OBJECTIVES	40
SHORT TERM OBJECTIVES AND HOW WE INTEND TO ACHIEVE THEM	40
INSUFFICIENT FUNDS	41
MATERIAL AGREEMENTS.....	41
SUMMARY OF DISTRIBUTION REINVESTMENT PLAN	41
DIRECTORS, TRUSTEES, MANAGEMENT, PROMOTERS AND PRINCIPAL HOLDERS	64
COMPENSATION AND SECURITIES HELD	64
MANAGEMENT EXPERIENCE	65
PENALTIES, SANCTIONS AND BANKRUPTCY	66
LOANS	66
CAPITAL STRUCTURE	67
UNIT CAPITAL	67
LONG TERM DEBT.....	67
PRIOR SALES	68
SECURITIES OFFERED	69
TERMS OF SECURITIES	69
SUBSCRIPTION PROCEDURE	72
CERTAIN INCOME TAX CONSEQUENCES AND EXEMPT PLAN ELIGIBILITY	74
GENERAL.....	74
STATUS OF THE TRUST	74
TAXATION OF THE TRUST	75
COMPUTATION OF PARTNERSHIP INCOME	72
TAXATION OF INVESTCO	73
TAXATION OF UNITHOLDERS	76
ELIGIBILITY FOR INVESTMENT BY EXEMPT PLANS.....	77

COMPENSATION PAID TO SELLERS AND FINDERS	77
INDUSTRY CONDITIONS	78
REGULATORY FRAMEWORK	78
REGULATION OF OPERATIONS	78
PRICING AND MARKETING – CRUDE OIL	79
PRICING AND MARKETING – NATURAL GAS	79
PRICING AND MARKETING – NATURAL GAS LIQUIDS	80
THE NORTH AMERICAN FREE TRADE AGREEMENT	80
LAND TENURE	80
ROYALTIES	81
ENVIRONMENTAL REGULATION	81
RISK FACTORS.....	84
REPORTING OBLIGATIONS.....	100
GENERAL.....	100
INFORMATION ABOUT THE ISSUER	101
RESALE RESTRICTIONS	101
GENERAL.....	101
RESTRICTED PERIOD	101
PURCHASERS' RIGHTS.....	102
FINANCIAL STATEMENTS.....	109
OPERATING STATEMENTS	132
DATE AND CERTIFICATE	138

CAUTIONARY STATEMENTS

Forward Looking Information

This Offering Memorandum includes forward-looking information and forward-looking statements (collectively, "**forward-looking information**") with respect to the Trust. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases including, but not limited to, "expects", "does not expect", "is expected", "anticipates", "does not anticipate", "plans", "estimates", "believes", "does not believe" or "intends", 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 information". This information represents predictions and actual events or results may differ materially.

Forward-looking information contained in this Offering Memorandum include, but are not limited to, statements with respect to: use of proceeds of the Offering; the structure of the Trust; the business to be conducted by the Trust and Partnership; the expected debt levels of the Partnership; long term and short term objectives; timing and payment of distributions; the Trust's and the Partnership's investment objectives and strategy; the production and reserve estimates for the Trust's Assets; the entering into of reimbursement agreements by the Trust similar to the Reimbursement Agreement; treatment under government regulatory regimes and tax laws; timing and dissolution of the Trust and the results of investments, the timing thereof and the methods of funding.

Forward-looking information is based on a number of factors and assumptions which have been used to develop such information but which may prove to be incorrect. Although the Trust believes that the expectations reflected in the forward-looking information is reasonable, it cannot guarantee future results, levels of activity, performance of achievement since such expectations are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies. In addition to other factors and assumptions which may be identified in this Offering Memorandum, assumptions have been made regarding, among other things: the Trust's qualification as a "mutual fund trust" and not as a "SIFT trust" under the Income Tax Act; use of proceeds of the Offering; the retention of securities dealers in connection with the Offering and payment of service fees to those securities dealers; the business to be conducted by the Trust and the Partnership; the payment of the Advisory Services Fee; the general stability of the economic and political environment in which the Trust and the Partnership operate; both the Partnership's and the Trust's investment objectives and investment strategies; timing and payment of distributions; treatment under governmental regulatory regimes and tax laws; the ability of the General Partner of the Partnership to obtain qualified staff, equipment and services in a timely and cost efficient manner; valuation of the Trust's investments; the timing of dissolution of the Trust; the possibility of substantial redemptions of Preferred Units of the Trust; and currency, exchange and interest rates. In addition, the Trust bases forward-looking information on assumptions about future events, which may not prove to be accurate. In light of these risks, uncertainties and assumptions, you should be aware that events described in the forward-looking information set out in this Offering Memorandum may not occur.

Forward-looking information is based on the current expectations, estimates and projections of the Trust and involve a number of known and unknown risks and uncertainties which would cause actual results or events to differ materially from those presently anticipated, including those risks described under "Risk Factors", many of which are beyond the control of the Trust, the Trustees and the Administrator. Factors which could cause actual results, events, circumstances, expectations or performance to differ materially from those expressed or implied in forward-looking information include, but are not limited to, general economic, political, market and business factors and conditions; interest

rates fluctuations; statutory and regulatory developments; unexpected judicial or regulatory proceedings; catastrophic events; and other factors set out under the heading "Risk Factors". Readers are cautioned that "Risk Factors" is not exhaustive.

The Trust has included the above summary of risks related to forward-looking information provided in this Offering Memorandum in order to provide Preferred Trust Unitholders with a more complete perspective on the Trust's current and future operations and such information may not be appropriate for other purposes. The Trust's actual results, performance or achievement could differ materially from those expressed in, or implied by, this forward-looking information and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking information will transpire or occur, or if any of them do so, what benefits the Trust will derive therefrom. Statements relating to "reserves" are deemed to be forward-looking statements as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described can be profitably produced in the future. This forward-looking information is given as of the date of this Offering Memorandum and the Trust and the Administrator, for itself and on behalf of the Trustees, disclaim any intent or obligation to update publicly any forward-looking information, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.

Market and Industry Data

Unless otherwise indicated, the market and industry data contained in this Offering Memorandum is based upon information from independent industry and government publications. While the Administrator believes this data to be reliable, market and industry data is subject to variation and cannot be verified 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. Neither the Trust nor the Administrator has independently verified the accuracy or completeness of such information contained herein.

Reliance on Information

The information concerning the Partnership, as contained in this Offering Memorandum, has been provided by the Partnership for inclusion in this Offering Memorandum. Although the Trust has no knowledge that any statements contained herein as provided by the Partnership are untrue or incomplete, the Trust assumes no responsibility for the accuracy of such information or for any failure by the Partnership to disclose events which may have occurred or may affect the significance or accuracy of any such information but which are unknown to the Trust.

DEFINITIONS

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

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

"**Administrator**" 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 advisory services agreement dated June 27, 2014, 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 2.0% per annum of the Asset Value of the Partnership less Partnership Debt and Short Term Acquisition Funding payable to the Advisors pursuant to the Advisory Services Agreement;

"**Advisors**" means collectively, Tisdale Family Trust, Westkal Energy Inc., Alameda Financial Corp. and Lexbury Financial Inc.;

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

"**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, a beneficial owner of a Unit or holder of Other Trust Securities acts as trustee or carrier;

"**Arc Acquisition**" means the acquisition of the Arc Assets from Arc Resources Ltd.;

"**Arc Assets**" means certain operated and non-operated working interests in various oil and gas leases in the Boundary Lake field of Alberta and British Columbia acquired by Investco on June 9, 2015 pursuant to the Arc Acquisition;

"**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;

"**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 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;

"**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 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;

"Closing" means a closing of the issue of Preferred Trust Units to the public pursuant to the Offering contemplated by this Offering Memorandum;

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

"Common A LP Unitholder" 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 LP Agreement and having the rights, privileges, restrictions and conditions set out in the LP Agreement;

"Common B LP Unitholder" means a person whose name appears on the register of the Partnership as a holder of Common B LP Units;

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

"Common C LP Unitholder" means a person whose name appears on the register of the Partnership as a holder of Common C LP Units;

"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 Offering Memorandum 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 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 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;

"Counsel" means Norton Rose Fulbright Canada LLP, counsel to the Trust;

"Credit Facility" means the \$9,000,000 revolving operating demand loan established in favour of Investco, as amended from time to time;

"Declaration of Trust" means the amended and restated declaration of trust dated May 11, 2015 among the Trustees, the Administrator, the settlor of the Trust and each person who is or becomes a Unitholder, as such Declaration of Trust has been and may hereafter be amended from time to time;

"Distributable Cash" of each class of Preferred Units of the Trust 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 of Preferred Units of the Trust, 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 of Preferred Units of the Trust (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 of Preferred Units of the Trust 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 of Preferred Units of the Trust;
- (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 of Preferred Units of the Trust;
- (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 of Preferred Units of the Trust;
- (e) the aggregate amount of all cash amounts used, or to be used, in respect of the redemption or repurchase of such class of Preferred Units of the Trust called for redemption or repurchase;
- (f) any amount, in addition to those amounts set forth in (b) to (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 of Preferred Units of the Trust, 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 of Preferred Units of the Trust;

"Distribution Amount" means, in respect of any Distribution Period, the portion of Distributable Cash declared payable by the Trust to holders of Preferred Units of the Trust of record as at the close of business on the Distribution Record Date for such Distribution Period;

"Distribution Per Preferred Unit of the Trust" means an equal share of the amount of the Distribution Amount in respect of such class of Preferred Units of the Trust which is declared payable to the holders of such class of holders of Preferred Units of the Trust 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 of Preferred Units of the Trust declared payable to the holders of such Preferred Units of the Trust by the number of issued and outstanding Preferred Units of the Trust on such Distribution Record Date;

"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;

"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;

"DRIP" means the distribution reinvestment plan of the Trust;

"Equity Investment" means the equity investment provided to Working Interest Partner by Investco to partially fund Working Interest Partner's portion of the purchase price of the Viking Assets;

"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 plan ("**DPSP**"), registered education savings plans ("**RESP**"), registered disability savings plans ("**RDSP**") and tax free savings accounts ("**TFSA**"), all as defined in the Income Tax Act; individually herein referred to as an "**Exempt Plan**";

"General Partner" means Enercapita Energy GP Ltd., or if it ceases to be the general partner of Enercapita Energy L.P., any successor general partner appointed in the manner provided in the LP Agreement; and, as the context requires, reference in this Offering Memorandum to "General Partner" shall also be construed to mean any other general partner of a limited partnership(s) which is affiliated with Enercapita Energy L.P.;

"GHG" means greenhouse gases;

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

"Investco" means Enercapita Energy Ltd., a subsidiary of the Partnership;

"Legacy Assets" means certain assets, including 7 (5.1 net) wells, owned by Investco as a result of the WIP Acquisition;

"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;

"Loan" means loan provided to Working Interest Partner by Investco to partially fund Working Interest Partner's portion of the purchase price of the Viking Assets;

"LP Agreement" means the amended and restated limited partnership agreement governing the Partnership dated May 11, 2015 among the General Partner, as 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; and, as the context requires, reference in this Offering Memorandum to "LP Agreement" shall also be construed to mean and include any other limited partnership agreement under which a limited partnership, affiliated with the Partnership, is formed, the terms of which will be substantially similar to above referenced limited partnership agreement under which the Partnership was formed;

"LP Distributable Cash" for, or in respect of, a 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 General Partner to be included in "LP 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 LP 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 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 (b) to (d) above (inclusive), which the General Partner 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 General Partner, 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 General Partner to 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 General Partner, the 45th day which immediately follows a LP Distribution Period; and also refers to such other dates as may be hereafter determined from time to time by the General Partner;

"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 General Partner;

"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 General Partner;

"LP Unitholder" means a person whose name appears on the register of the Partnership as a holder of one or more LP Units, and such holders are collectively called **"LP Unitholders"**;

"LP Units" means the Common A LP Units, Common B LP Units, Common C LP Units and/or Preferred LP Units of the Partnership, as the case may be, and references in this Offering Memorandum to LP Units shall mean a reference to Common LP Units and/or Preferred LP Units, as the context so requires and **"LP Unit"** means a Common LP Unit or Preferred LP Unit, as the case may be;

"Management" means the General Partner and its directors and officers;

"McDaniels" means McDaniels and Associates Consultants Ltd., an independent firm of professional petroleum engineers based in Calgary, Alberta;

"McDaniels Reserve Report" means the independent engineering evaluation of the oil, natural gas and NGLs reserves relating to the Viking Assets, prepared by McDaniels with an effective date of December 31, 2014 and a preparation date of April 2015;

"NGLs" means natural gas liquids, including ethane, propane and butrane;

"Non-Resident" means a person who, at the relevant time, is not 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 not a Canadian partnership within the meaning of the Income Tax Act;

"Offering" means the offering and distribution of Preferred Trust Units, as contemplated pursuant to this Offering Memorandum or such other later dated offering memorandum as may be distributed by the Trust in respect of the offering of its Preferred Trust Units;

"Offering Memorandum" means this offering memorandum of the Trust dated July 24, 2015 as the same may be amended or amended and restated from time to time;

"Ordinary Resolution" means (a) a resolution passed by more than 50% of the votes cast by those Unitholders entitled to 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 holders of more than 50% of the votes represented by those Units entitled to be voted on such resolution;

"Other Trust Securities" means any type of securities of the Trust, other than Units, including options, rights, warrants or other securities convertible into or exercisable for Units or other securities of the Trust (including convertible debt securities, subscription receipts and installment receipts);

"Partnership" means the limited partnership formed under the laws of the Province of Alberta pursuant to the LP Agreement, and which is known as "Enercapita Energy L.P." and, as the context requires, reference in this Offering Memorandum to "Partnership" shall also be construed to mean and include any other limited partnership(s) which are affiliated with Enercapita Energy L.P., each of which will be formed under a limited partnership agreement which is substantially similar to the LP Agreement under which Enercapita Energy L.P. was formed;

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

"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 General Partner 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;

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

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

"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" means a person whose name appears on the register of the Trust as a holder of Preferred Units of the Trust;

"Preferred Units of the Trust" 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;

"Proportionate Interest" means:

- (i) with respect to any exercise of tag-along rights by a LP Unitholder in respect of Common A LP Units, Common B LP Units or Common C LP Units, as applicable, the number of Common A LP Units, Common B LP Units or Common C LP Units of such LP Unitholder for which the LP Unitholder may exercise its tag-along rights; and
- (ii) with respect to any exercise of drag-along rights against a LP Unitholder in respect of Common A LP Units, Common B LP Units or Common C LP Units, as applicable, the number of Common A LP Units, Common B LP Units or Common C LP Units of such LP Unitholder for which the Common B Selling Group may exercise its drag-along rights,

which number shall be determined by multiplying the number of Common A LP Units, Common B LP Units or Common C LP Units, as applicable, then held by the LP Unitholder by a fraction, (A) the numerator of which is the total number of Common B LP Units proposed to be transferred, and (B) the denominator of which is the total number of Common B LP Units then held by the Common B Selling Group;

"Proposed Amendments" means all specific proposals to amend the Income Tax Act that have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof;

"Redemption Notes" means, with respect to a redemption of Units 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 Unitholders or Preferred LP Unitholders, as applicable, in principal amounts equal to all or a portion of the redemption price of each of the Units or Preferred LP Units, as applicable, 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 for the Trust, or the General Partner 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);

- (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, 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;
- (iii) except as otherwise set forth herein, due and payable prior to the first 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, or the General Partner, as applicable;

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

"Seller" means the arm's-length third party from which Investco and Working Interest Partner acquired the Viking Assets pursuant to the Viking Acquisition Agreement;

"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:

- (i) a resolution passed by more than $66\frac{2}{3}\%$ 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) a resolution approved in writing, in one or more counterparts, by Unitholders carrying more than $66\frac{2}{3}\%$ of the votes represented by those Units entitled to be voted on such resolution;

"Subscriber" means a subscriber for Preferred Trust Units under this Offering Memorandum;

"Tied Unit" means a combination of Preferred Trust Units being offered under this Offering Memorandum and Common A LP Units offered concurrently pursuant to the offering memorandum of the Partnership;

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

"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;

"Trustees" 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 and Craig Hruska;

"Unitholder" means a person whose name appears on the register of the Trust as a holder of one or more Units, and such holders are collectively called **"Unitholders"**;

"Units" means the Common Trust Units and/or Preferred Units of the Trust, as the case may be, and references in this Offering Memorandum to Units shall mean a reference to Common Trust Units and/or Preferred Units of the Trust, as the context so requires and **"Unit"** means a Common Trust Unit or a Preferred Unit of the Trust, as the case may be;

"Viking Acquisition" means the acquisition of the Viking Assets by Investco and Working Interest Partner completed on May 15, 2014 in accordance with the terms and conditions of the Viking Acquisition Agreement;

"Viking Acquisition Agreement" means the purchase and sale agreement, including the schedules thereto, entered into on April 11, 2014, as amended on May 6, 2014 with an effective date of March 1, 2014 among Investco, Working Interest Partner and the Seller;

"Viking Assets" means certain high operated working interests in various oil and gas leases at the Viking-Willington field and certain other minor fields and non-operated interests at Judy Creek, Mitsue, Boundary Lake South, Hotchkiss fields in Alberta acquired by Investco and Working Interest Partner pursuant to the Viking Acquisition Agreement;

"WIP Acquisition" means the acquisition of all of the issued and outstanding shares of the Working Interest Partner by Investco on April 30, 2015 in accordance with the terms and conditions of the WIP SPA;

"WIP SPA" means the share purchase agreement, including the schedules and exhibits thereto, entered into on April 30, 2015 among Investco and the WIP Vendors;

"WIP Vendors" means the third parties from which Investco acquired all of the issued and outstanding shares of the Working Interest Partner pursuant to the WIP SPA; and

"Working Interest Partner" means the unrelated arm's length third party which, with Investco, purchased the Viking Assets.

In this Offering Memorandum, references to "dollars" and \$ are to the currency of Canada, unless otherwise indicated.

Abbreviations

In this Offering Memorandum, the following abbreviations have the meanings set forth below:

API	American Petroleum Institute	Mcf	thousand cubic feet
bbl and bbls	barrel and barrels, each barrel representing 34.972 Imperial gallons or 42 U.S. gallons	Mcf/d	thousand cubic feet per day
bbls/d	barrels per day	Mcfe	thousand cubic feet of natural gas equivalent
Bboe	billions of barrels of oil equivalent	Mcfe/d	thousand cubic feet of natural gas equivalent per day
Bcf	billion cubic feet	MMbbls	millions of barrels
Bcfe	billion cubic feet equivalent	MMboe	millions of barrels of oil equivalent
boe	barrels of oil equivalent	MMBtu	million British thermal units
boe/d	barrels of oil equivalent per day	MMcf	million cubic feet
Btu	British thermal unit	MMcf/d	million cubic feet per day
gpm	gallons per minute	psi	pounds per square inch
kW	thousand watts	Tcf	trillion cubic feet
Mbbls	thousands of barrels	Tcfe	trillion cubic feet of natural gas equivalent
Mboe	thousands of barrels of oil equivalent	M	thousand
		MM	million

Exchange Rate Data and Standard Conversions

The following table sets forth, for the periods indicated, the high, low, average and period-end noon spot rates of exchange for one U.S. dollar, expressed in Canadian dollars, as published by the Bank of Canada.

	Six Months Ended June 30		Year Ended December 31		
	2015 (C\$)	2014 (C\$)	2014 (C\$)	2013 (C\$)	2012 (C\$)
Highest noon rate during the period	1.2803	1.1251	1.1643	1.0697	1.0418
Lowest noon rate during the period	1.1728	1.0614	1.0614	0.9839	0.9710
Average noon spot rate for the period	1.2354	1.0968	1.1045	1.0299	0.9996
Rate at the end of the period	1.2474	1.0676	1.1601	1.0636	0.9949

On July 23, 2015, the noon rate of exchange posted by the Bank of Canada for conversion of U.S. dollars into Canadian dollars was US\$1.00 equals C\$1.3030.

The following table sets forth certain standard conversions between Standard Imperial Units and the International System of Units (or metric units).

<u>To Convert From</u>	<u>To</u>	<u>Multiply By</u>
Mcf	cubic metres	28.174
cubic metres	cubic feet	35.315
bbls	cubic metres	0.159
cubic metres	bbls	6.293

<u>To Convert From</u>	<u>To</u>	<u>Multiply By</u>
feet	metres	0.305
metres	feet	3.281
miles	kilometers	1.609
kilometers	miles	0.621
acres	hectares	0.405
hectares	acres	2.471

Disclosure provided in this Offering Memorandum for barrels of oil equivalent (boe) and thousand cubic feet of gas equivalent ("Mcf") may be misleading, particularly if used in isolation. A boe conversion ratio of six Mcf to one bbl and a Mcfe conversion ratio of one bbl to six Mcf are based on an energy equivalency conversion method primarily applicable at the burner tip and do not represent a value equivalency at the wellhead. Given that the value ratio based on the current price of oil as compared to natural gas is significantly different from the energy equivalency conversion ratio of six to one, utilizing a boe conversion ratio of six Mcf to one bbl and a Mcfe conversion ratio of one bbl to six Mcf would be misleading as an indication of value

SUMMARY OF THIS OFFERING MEMORANDUM

The following is a summary of the principle features of this Offering Memorandum and should be read together with the more detailed information contained elsewhere in this Offering Memorandum.

Investment Objective: The Trust has been established with the objective of investing indirectly in the business of the Partnership through its acquisition of Preferred C1 LP Units. The Partnership is in the business (the "**Business**") of engaging in the exploration, acquisition, development and production of petroleum, natural gas and NGLs in western Canada. Other than the Viking Assets, the Legacy Assets and the Arc Assets, the Partnership is a blind pool and hence this Offering is a blind pool, meaning that future assets to be acquired by the Partnership have not yet been identified. Although the Trust expects that the available net proceeds of this Offering invested into the Partnership via purchase of Preferred C1 LP Units will be applied by the Partnership to purchase interests in long life, low decline producing oil and gas assets, the specific assets which may be acquired by the Partnership in the future have not yet been conclusively determined.

The Partnership intends to engage 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, this provides an opportunity to acquire high quality, low risk conventional oil and gas assets at historically low valuations. The objective of the Partnership is 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 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 Investco. See "Business of the Trust".

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 low risk, conventional assets;
- target assets with low operating and royalty cost structures;
- financial strength - low debt and disciplined risk management;
- 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.

Viking Acquisition:

On May 15, 2014, Enercapita Energy Ltd., a subsidiary of the Partnership ("**Investco**") and an unrelated arm's-length third party (the "**Working Interest Partner**") completed the acquisition (the "**Viking Acquisition**") of the certain high operated working interests in various oil and gas leases at the Viking-Willingdon field and certain other minor fields and non-operated interests at the Judy Creek, Mitsue, Boundary Lake South and Hotchkiss fields in Alberta (the "**Viking Assets**") pursuant to a purchase and sale agreement dated April 11, 2014, as amended on May 6, 2014 (the "**Viking Acquisition Agreement**") among Investco, Working Interest Partner and the Seller. The Viking Acquisition had an effective date of March 1, 2014.

The purchase price for the Viking Assets was \$7,882,000 to each of Investco and Working Interest Partner for an aggregate purchase price of \$15,764,000 (subject to customary post-closing adjustments). At the time, Investco provided the Working Interest Partner with a loan (the "**Loan**") and an equity investment (the "**Equity Investment**") to fund the Working Interest Partner's portion of the purchase price of the Viking Assets.

The Viking Acquisition, the Loan and the Equity Investment were funded by the net proceeds of previous offerings and an advance under the \$9,000,000 revolving operating demand loan established in favour of Investco, as amended from time to time (the "**Credit Facility**"). As of the date hereof, the amount outstanding under the Credit Facility is \$0.00 (nil).

The initial participating interest in the Viking Assets was 75% as to Investco and 25% as to the Working Interest Partner. As of April 30, 2015, Investco has acquired all of the issued and outstanding shares of the Working Interest Partner (the "**WIP Acquisition**") pursuant to a share purchase agreement dated the same date (the "**WIP SPA**"). The Working Interest Partner and Investco amalgamated on April 30, 2015. Accordingly Investco now owns a 100% interest in the Viking Assets and certain additional assets, including 7 (5.1 net) wells (the "**Legacy Assets**").

On June 9, 2015, Investco acquired certain operated and non-operated working interests in oil and gas leases in the Boundary Lake field of Alberta and British Columbia (the "**Arc Assets**") from Arc Resources Ltd. See "Business of the Trust – Our Business – 2015 Additional Acquisitions".

Oil and natural gas production from the Viking Assets in May 2015 was approximately 750 boe/d net to Investco, while capability was approximately 900 boe/d. Facility and infrastructure downtime due to midstream maintenance and repair activity has resulted in a loss of production of approximately 180 boe/d to Investco through Q2 and part of Q3 2015. Investco is working with the operators of these facilities and gathering systems to restore production or find alternate means of gathering and processing its volumes. Full production is expected to be restored by October 2015. Investco expects to produce approximately 750 boe/d net, which is the expected base production from the Viking Assets through 2015 with minimal operational activity and capital investment. See "Business of the Trust – Viking Acquisition".

The Partnership will continue to seek investments in other assets in accordance with its investment strategy and criteria. See "Business of the Trust" and "Risk Factors".

Proposed Closing Date(s):	Closings will occur from time to time at the discretion of the Administrator.
Income Tax Consequences:	The Trust has been advised that, provided that the Trust qualifies as a "mutual fund trust" for purposes of the Income Tax Act at all relevant times, the Preferred Trust Units (but not the Common A LP Units) will generally be qualified investments for Exempt Plans. Potential investors should consult their own tax advisors in respect to an investment in Preferred Trust Units. See "Certain Income Tax Consequences and Exempt Plan Eligibility". The Preferred Trust Units are subject to Redemption Rights. See "Business of the Trust – Material Agreements – Declaration of Trust".
Selling Agent:	The Trust will retain several non-exclusive securities dealers to effect sales of Preferred Trust Units. The Trust will pay a selling commission to such securities dealers provided that the quantum thereof shall not exceed 9% of the gross proceeds from the sale of the Preferred Trust Units realized at the time of Closing in respect of such sale. In addition to the foregoing, the Trust may pay an administration fee to such securities dealers, provided that the quantum thereof shall not exceed 1% of the gross proceeds from the sale of the Preferred Trust Units realized at the time of Closing in respect of such sale. The Trust may also pay a fee to certain securities dealers, an amount of up to 1% per annum of the aggregate amount that remains invested in the Trust, beginning on the 6 th anniversary of such investment, from holders of Preferred Trust Units that were introduced to the Trust by such securities dealers. See "Compensation Paid to Sellers and Finders".
Conflicts of Interest:	The actions of certain members of the Trustees or Administrator may from time to time be in conflict with the activities of the Trust. Such conflicts are expressly permitted by the terms of the Declaration of Trust. See "Risk Factors – Issuer Risk – Conflicts of Interest of Management and Others".
The Units:	The Offering consists of Preferred Trust Units which are being issued as part of a Tied Unit. Tied Units are made up of a combination of Preferred Trust Units and Common A LP Units of the Partnership which are being offered concurrently by the Partnership pursuant to an offering memorandum dated July 24, 2015. For every 10 Preferred Trust Units issued by the Trust, the Partnership will issue 10 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 will be determined from time to time by the General Partner in its sole discretion. The Common A LP Units will form part of the Tied Unit and be available to the Subscriber for purchase for a nominal value and the Common B LP Units will be issued to Tisdale Family Trust, Hruska Family Trust, J1 Trust, Lexbury Family Trust and Tooth Family Trust in the amounts determined by them. While the ratio of Common A LP Units to Common B LP Units issued is at the sole discretion of the General Partner, an equal number of Common LP Units and Preferred Trust Units will be issued. The ratio of Common A LP Units to Common B LP Units is subject to change and it is expected that the amount of Common A LP Units available for purchase relative to Common B LP Units will go down as the Offering progresses. The General Partner will not accept a subscription agreement for Common A LP Units without the concurrent purchase of the applicable number of Preferred Trust Units. See "Business of the Trust – Structure" and

"Securities Offered – Terms of Securities".

Distributions:

The Trustees, on behalf of the Trust, in respect of each Distribution Period, shall declare payable to holders of each class of Preferred Units of the Trust 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 Preferred Unit of the Trust for such Distribution Period (such aggregate amount so declared being herein referred to as the "**Distribution Amount**").

Each Preferred Unit of the Trust 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 of Preferred Units of the Trust which is declared payable to holders of such class of Preferred Units of the Trust pursuant to the Declaration of Trust for such particular Distribution Period, which share shall be determined by dividing the Distribution Amount in respect of such class of Preferred Units of the Trust declared payable to the holders of such class of Preferred Units of the Trust by the number of issued and outstanding Preferred Units of the Trust of such class on such Distribution Record Date (the "**Distribution Per Preferred Unit of the Trust**"). The share of such Distribution Amount in respect of such class of Preferred Unit of the Trust distributable to a particular holder of Preferred Units of the Trust shall be an amount equal to the Distribution Per Preferred Unit of the Trust multiplied by the number of Preferred Units of the Trust owned of record by such holder of Preferred Units of the Trust on such Distribution Record Date. See "Securities Offered – Terms of Securities".

In the event that a Preferred Unit of the Trust was not issued and outstanding on each day within such Distribution Period then the Distribution Amount in respect of such Preferred Unit of the Trust 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 Unit of the Trust 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 of the Trust. Such adjustment calculation shall be made in respect of each Preferred Unit of the Trust which was not issued and outstanding on each day within the Distribution Period.

**Distribution
Reinvestment Plan:**

The Trust has adopted a distribution reinvestment plan (the "**DRIP**") that will allow eligible holders of Preferred Units of the Trust to elect to have their quarterly cash distributions reinvested in additional Preferred Units of the Trust at a purchase price equal to \$1.00 per Preferred Unit of the Trust (or such other price as may be determined by the Trustee from time to time).

Redemptions:

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 Preferred Trust Units registered in the name of the Unitholder. For a Unitholder to redeem its Units a duly completed and properly executed notice requiring the Trust to redeem such Units, in a form approved by the Trustees, shall be sent to the Trust, together with any Unit certificate, if any, representing the Units to be redeemed. The Trustees, at any time and from time to time, have the right to redeem the

whole or any part of the then outstanding Preferred Trust Units from any one or more of the holders thereof as the Trustees may in their sole discretion determine.

Reference should be made to the Declaration of Trust for a complete description of all the terms of the Preferred Trust Units. See "Business of the Trust – Material Agreements – Declaration of Trust – Redemption Rights" and "Securities Offered – Terms of Securities".

Term of the Trust:

Subject to earlier termination, 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 to the Common Trust Unitholders, by the Administrator, to wind-up and terminate the Trust, which proposal is approved by way of a Special Resolution; or (b) the date upon which each of the material businesses in which the Trust holds an interest, or has otherwise invested, have been liquidated. See "Business of the Trust – Material Agreements – Declaration of Trust".

Trustees:

The Trustees are Gregory Tisdale and Craig Hruska. 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 to carry out the duties of the Trustees under the Declaration of Trust and have delegated to the Administrator the power and authority to manage and direct the day-to-day business, operations and affairs of the Trust. See "Business of the Trust – Material Agreements – Declaration of Trust - Conflict of Interest".

Advisory Services Fee:

An advisory services fee (the "**Advisory Services Fee**") in an amount equal to 2.0% per annum of the Asset Value of the Partnership less Partnership Debt and Short Term Acquisition Funding payable by Investco to the Advisors.

Concurrent and Subsequent Offerings:

Concurrent with or subsequent to this Offering of Preferred Trust Units, which are being sold as part of Tied Units, the Trust may also occasionally offer Preferred A Trust Units, Preferred B Trust Units, Preferred D Trust Units, Preferred E Trust Units and additional Preferred Trust Units.

Tied Units are made up of a combination of Preferred Trust Units and Common A LP Units of the Partnership which are being offered concurrently by the Partnership pursuant to an offering memorandum dated July 24, 2015. The Partnership may also occasionally offer to the public additional Common A LP Units, Preferred A LP Units, Preferred B LP Units, Preferred C LP Units, Preferred D LP Units and Preferred E LP Units. The Preferred A1 LP Units, Preferred B1 LP Units, Preferred C1 LP Units, Preferred D1 LP Units and Preferred E1 LP Units will only be offered to the Trust.

Risk Factors:

It is strongly recommended that each Subscriber, in order to assess tax, legal and other aspects of an investment in Preferred Trust Units, obtain independent advice with respect to the Offering and this Offering Memorandum. An investment in the Preferred Trust Units is subject to significant risk from, among other things, changing economic and market conditions. Following is a list of some of the most significant risk factors:

This is a speculative offering. An investment in Preferred Trust Units is appropriate only for subscribers who have the capacity to absorb a total loss of their investment. Subscribers who are not willing to rely on the sole and exclusive discretion and judgment of the Trustees and Administrator should not subscribe for Preferred Trust Units.

There is no market for Preferred Trust Units and the transfer of Preferred Trust Units is significantly limited and in some circumstances prohibited. An investment in the Preferred Trust Units should only be considered by those subscribers who are able to make and bear the economic risk of a long-term investment and the possible total loss of their investment.

An investment in Preferred Trust Units should only be made after consultation with independent qualified sources of investment and tax advice. An investment in the Trust is speculative and involves a high degree of risk and is not intended as a complete investment program.

There is a risk that an investment in the Trust will be lost entirely. Only investors who do not require immediate liquidity of their investment and who can afford the loss of their entire investment should consider the purchase of the Preferred Trust Units. See "Risk Factors".

USE OF AVAILABLE FUNDS

Funds

The net proceeds of the Offering and the total funds which are anticipated to be available to the Trust immediately following the Closing are as follows:

		Assuming Minimum Offering ⁽¹⁾	Assuming \$30,000,000 Offering ⁽¹⁾
A	Amount to be raised by this Offering	\$0	\$30,000,000
B	Selling commissions and fees ⁽²⁾⁽³⁾⁽⁴⁾	\$0	(\$3,000,000)
C	Estimated Offering costs (e.g. legal, accounting, etc.) ⁽²⁾⁽³⁾⁽⁴⁾	\$0	(\$100,000)
D	Available Funds: $D = A - (B+C)^{(5)}$	\$0	\$26,900,000
E	Additional Sources of Funding Required	\$0	\$0
F	Working Capital Deficiency	\$0	\$0
G	Total: $G = (D+E) - F^{(5)}$	\$0	\$26,900,000

Notes:

- (1) There is no minimum or maximum amount of funds to be raised pursuant to the Offering.
- (2) The Trust will pay securities dealers a commission of up to 9% of the gross proceeds realized on the sale of Preferred Trust Units for soliciting subscriptions for Preferred Trust Units. In addition to the foregoing, the Trust may also pay securities dealers an administration fee of up to 1% of the gross proceeds realized on the sale of Preferred Trust Units. Assuming a \$30,000,000 Offering and that the Trust pays the maximum commissions of 9% and an administration fee of 1% of the gross proceeds realized on the sale of the Preferred Trust Units, the Trust will incur commission payments of \$2,700,000, administration fee payments of \$300,000 and offering costs of \$100,000. See "Compensation Paid to Sellers and Finders".
- (3) The Trust may, from time to time, enter into agreements with third parties to provide marketing, administration and related services in connection with the Offering on such terms and conditions as may be deemed advisable by the Trustees or the Administrator. The above table does not assume any fees payable in connection with such arrangements.
- (4) Investco has agreed to reimburse the Trust and the Administrator for, or pay directly, all costs and expenses to be incurred by the Trust in connection with the Offering for funds invested in Preferred C1 LP Units, and indirectly, in Investco. Accordingly, unless otherwise agreed between the Trust and Investco, the Trust will not directly bear the cost of the commissions, administration fees and offering costs paid in connection with capital raised for investment in the Partnership, and indirectly, Investco. See "Business of the Trust – Material Agreements – Reimbursement Agreement". The Trust and the Partnership is expected to enter into similar agreements with other entities through which the Partnership invests in the Business, if not Investco.
- (5) The Trust intends to invest the gross proceeds of \$30,000,000 it receives from the Offering to invest in Preferred C1 LP Units. The Partnership intends to invest the gross proceeds of \$30,000,000 it receives from the investment by the Trust in Preferred C1 LP Units to invest in the Business. The net proceeds that will be available for investment in the Business following the Offering, after payment of the selling commissions, administration fees and offering costs by Investco, will be \$26,900,000 assuming a \$30,000,000 Offering.

Use of Available Funds

Description of intended use of available funds listed in order of priority	Assuming Minimum Offering ⁽¹⁾	Assuming \$30,000,000 Offering ⁽¹⁾
Investment by the Trust in the Partnership ⁽²⁾	\$0	\$26,900,000

Notes:

- (1) There is no minimum or maximum amount of funds to be raised pursuant to the Offering.
- (2) The Partnership proposes to use the gross proceeds of \$30,000,000 it receives from the investment by the Trust in Preferred C1 LP Units to invest in the Business. The Trust anticipates incurring \$2,700,000 in commission payments, \$300,000 in administration fee payments and \$100,000 in offering costs assuming a \$30,000,000 Offering, which amounts shall be reimbursed by Investco. See "Compensation Paid to Sellers and Finders" and "Business of the Trust – Material Agreements – Reimbursement Agreement".

All of the gross proceeds raised by the Trust from the sale of Preferred Trust Units pursuant to this Offering will be invested in the Partnership through the purchase of Preferred C1 LP Units. The proceeds of such sale of Preferred C1 LP Units will be invested in the Business. See "Business of the Trust – Structure – The Partnership".

Investco has agreed to reimburse the Trust and the Administrator for, or pay directly, all costs and expenses to be incurred by the Trust in connection with the Offering for funds invested in Preferred C1 LP Units, and indirectly, in Investco. Accordingly, unless otherwise agreed between the Trust and Investco, the Trust will not directly bear the cost of the commissions, administration fees and offering costs paid in connection with capital raised for investment in the Partnership, and indirectly, Investco. See "Business of the Trust – Material Agreements – Reimbursement Agreement". The Trust and the Partnership is expected to enter into similar agreements with other entities through which the Partnership invests in the Business, if not Investco.

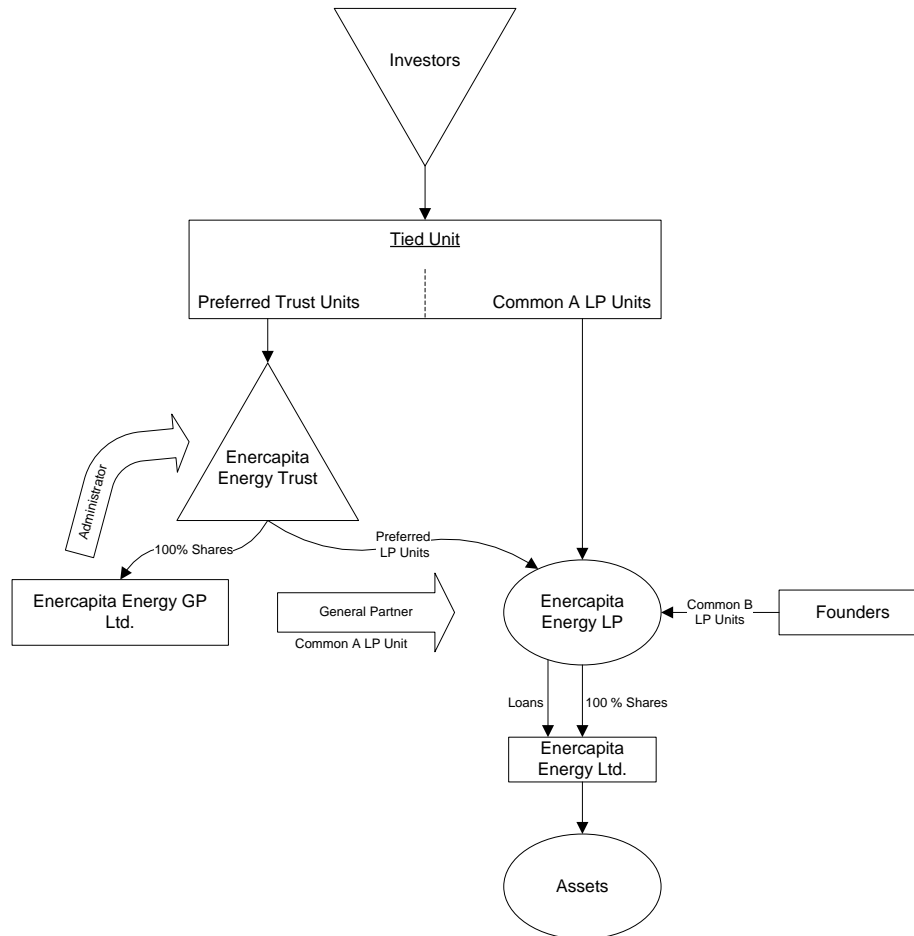
Reallocation

The Trust intends to utilize the available funds (net proceeds) as stated above, and the Trust will reallocate funds only for sound business reasons as determined at the sole discretion of the Trustees or the Administrator.

BUSINESS OF THE TRUST

Structure

The Trust was formed on February 27, 2014, with the principal objective of investing indirectly in the Business through the Partnership by the acquisition of Preferred C1 LP Units. The following diagram sets out the relationship between the Trust and the Partnership.



The Offering consists of Preferred Trust Units which are being issued as part of a Tied Unit. Tied Units are made up of a combination of Preferred Trust Units and Common A LP Units of the Partnership which are being offered concurrently by the Partnership pursuant to an offering memorandum dated July 24, 2015. For every 10 Preferred Trust Units issued by the Trust, the Partnership will issue 10 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 will be determined from time to time by the General Partner in its sole discretion. The Common A LP Units will form part of the Tied Unit and be available to the Subscriber for purchase for a nominal value and the Common B LP Units will be issued to Tisdale Family Trust, Hruska Family Trust, J1 Trust, Lexbury Family Trust and Tooth Family Trust in the amounts determined by them. While the ratio of Common A LP Units to Common B LP Units issued is at the sole discretion of the General Partner, an equal number of Common LP Units and Preferred Trust Units will be issued. The ratio of Common A LP Units to Common B LP Units is subject to change and it is expected that the amount of Common A LP Units available for purchase relative to Common B LP Units will go down as the Offering progresses. The General Partner will not accept a subscription agreement for Common A LP

Units without the concurrent purchase of the applicable number of Preferred Trust Units. See "Securities Offered – Terms of Securities".

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 Income Tax Act, the Trust will not be a "mutual fund" under applicable securities laws. The head office of the Trust is located at #803 - 5920 Macleod Trail SW, Calgary, Alberta T2H 0K2.

A Subscriber will become a Unitholder of the Trust upon the Administrator's acceptance of such Subscriber's subscription for Preferred Trust Units.

The Trust has been established with the objective of investing indirectly in the business of the Partnership through its acquisition of Preferred C1 LP Units. All or substantially all of the net proceeds of this Offering will be invested in the Partnership through the purchase of Preferred C1 LP Units.

The Trustees

Gregory Tisdale and Craig Hruska 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 to carry out the duties of the Trustees under the Declaration of Trust and have delegated to the Administrator the power and authority to manage and direct the day-to-day business, operations and affairs of the Trust.

The Administrator

The Administrator, Enercapita Energy GP Ltd., was incorporated on February 6, 2014, under the laws of the Province of Alberta and will manage, along with the Trustees, the affairs of the Trust.

The Administrator will provide and perform 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. The principals of the Administrator are Gregory Tisdale and Craig Hruska, who are also the Trustees. The Administrator is also the General Partner.

The head office of the Administrator is located at #803 - 5920 Macleod Trail SW, Calgary, Alberta T2H 0K2.

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 was formed to be engaged in the exploration, acquisition, development and production of petroleum, natural gas and NGLs in western Canada. Other than the Viking Assets, the Legacy Assets and the Arc Assets, the Partnership is a blind pool and hence this Offering is a blind pool, meaning that future assets to be acquired by the Partnership have not yet been identified. Although the Trust expects that the available net proceeds of this Offering invested into the Partnership via purchase of

Preferred C1 LP Units will be applied by the Partnership to purchase interests in long life, low decline producing oil, gas and NGLs assets, the specific assets which may be acquired by the Partnership in the future have not yet been conclusively determined.

The Partnership intends to engage 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, this provides an opportunity to acquire high quality, low risk conventional oil and gas assets at historically low valuations. The objective of the Partnership is 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 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 Investco.

The head office of the Partnership is located at #803 - 5920 Macleod Trail SW, Calgary, Alberta T2H 0K2.

Subscribers will become Limited Partners of the Partnership upon the acceptance by the General Partner of such Subscriber's subscription for Common A LP Units.

The Trust intends to use all or substantially all of the available funds from this Offering to purchase Preferred C1 LP Units in the Partnership. The Trust is a Limited Partner of the Partnership and holds Preferred C1 LP Units in the Partnership. Subscribers will become Limited Partners of the Partnership upon the acceptance by the General Partner of such subscriber's subscription for Common A LP Units. The rights and obligations of the Limited Partners are governed by the terms of the LP Agreement. See "Business of the Trust – Material Agreements – LP Agreement" for a description of certain terms of the LP Agreement.

The General Partner

Enercapita Energy GP Ltd., the General Partner, was incorporated on February 6, 2014, under the laws of the Province of Alberta and is the general partner of the Partnership. The General Partner will control and have 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 General Partner 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 principals of the General Partner are Gregory Tisdale and Craig Hruska. The General Partner is also the Administrator.

The head office of the General Partner is located at #803 - 5920 Macleod Trail SW, Calgary, Alberta T2H 0K2.

Investco

Enercapita Energy Ltd. was incorporated on February 27, 2014, under the laws of the Province of Alberta and is a subsidiary of the Partnership. The business of the Partnership is expected to be conducted

through Investco. Investco holds the Viking Assets, the Legacy Assets and the Arc 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 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. See "Risk Factors".

The head office of Investco is located at #803 - 5920 Macleod Trail SW, Calgary, Alberta T2H 0K2.

Our Business

The Trust has been established with the objective of investing indirectly in the Business through its acquisition of Preferred C1 LP Units. The Trust is raising funds pursuant to this Offering for the purpose of investing substantially all of the net proceeds of the Offering in the Partnership through the purchase of Preferred C1 LP Units.

Business Strategy

The Partnership intends to engage 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. The current commodity price environment in western Canada is challenging for many producers, this provides an opportunity to acquire high quality, low risk conventional oil and gas assets at historically low valuations. The objective of the Partnership is 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 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 Investco.

The Partnership will continue to seek investments in other assets in accordance with its investment strategy and criteria. See "Risk Factors".

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 low risk, conventional assets;
- target assets with low operating and royalty cost structures;
- financial strength - low debt and disciplined risk management;
- 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 General Partner'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.

Viking Acquisition

Overview

On May 15, 2014, Investco and the Working Interest Partner completed the Viking Acquisition pursuant to the Viking Acquisition Agreement. The Viking Acquisition had an effective date of March 1, 2014.

The purchase price for the Viking Assets was \$7,882,000 to each of Investco and Working Interest Partner for an aggregate purchase price of \$15,764,000 (subject to customary post-closing adjustments). At the time, Investco provided to the Working Interest Partner the Loan and the Equity Investment to fund the Working Interest Partner's portion of the purchase price of the Viking Assets.

The Viking Acquisition, the Loan and the Equity Investment were funded by the net proceeds of previous offerings and an advance under the Credit Facility. As of the date hereof, the amount outstanding under the Credit Facility is \$0.00 (nil).

The initial participating interest in the Viking Assets was 75% as to Investco and 25% as to the Working Interest Partner. As of April 30, 2015, Investco has acquired all of the issued and outstanding shares of the Working Interest Partner. Accordingly, Investco now owns a 100% interest in the Viking Assets.

Properties and Interests Acquired

The Viking Assets are both oil and natural gas properties in Alberta. The Viking Assets comprise approximately 29,652 net acres of land plus wells, gathering equipment and associated assets. The average working interest in the operated wells is 76%. The Viking Assets include 200 gross (99.1 net) wells, of which 109 gross (64.1 net) are producing, and 91 gross (35.0 net) are shut-in. In addition, the Viking Assets include a minor working interest in two large gas units and one small oil unit. See "Business of the Trust – Our Business – Information Concerning the Viking Assets"

Benefits of the Viking Acquisition

The Viking Assets are characterized by long-life, low decline production which Management expects will generate cash flow available for distribution. Management believes that the Viking Acquisition will enhance the Partnership's ability to ensure long term distribution support.

While Management anticipates that the benefits described above will be achieved as a consequence of the Viking Acquisition, those benefits may not actually be achieved and the Viking Acquisition may expose the Partnership to additional risks. See "Risk Factors".

Information Concerning the Viking Assets

The Viking Assets are comprised of approximately 29,652 net acres of land. These assets consist of high operated working interests at the Viking-Willingdon field and certain other minor fields including the Judy Creek, Mitsue, Boundary Lake South and Hotchkiss fields. These fields are in an area of abundant industry-related infrastructure.

Management has identified a total of 26 (18 net) recompletion and reactivation opportunities from 2015 to 2016 with total capital expenditures of \$1.6 million.

Oil produced from the Viking Assets has an API gravity ranging from approximately 24° to 42° and contains no sulphur. The majority of production is sold at a referenced price plus bonus, adjusted for API gravity.

VIKING ACQUISITION

General Information

Field	Various
Net Acres	29651.8
Average working interest	51.6%
Operatorship	Various
Producing wells (gross)	95

Daily sales volumes

Oil (bbl)	115
NGL (bbl)	11
Total liquids (bbl)	126
Gas (Mcf)	3930
Total (boe)	781.0
Liquids weighting	16.1%

Reserves (Mboe)⁽¹⁾

Total proved	2139.3
Total proved plus probable	2938.6

Notes:

(1) Net amounts (after royalty). McDaniels Reserve Report, effective December 31, 2014.

Wells and Production

There are 99.1 (net) active wells on the Viking Assets, with 63.1 producing wells and no injection wells. Average daily production during May 2015 was 750 boe/d. The production is comprised of 83% natural gas and 17% oil and natural gas liquids.

Exploitation Opportunities

A total of 21 (16 net) exploitation opportunities have been identified by Management. Total net capital has been estimated at \$2.4 million to develop 1.1 million boe of proved plus probable reserves.

Selected Oil and Gas Information in Respect of the Viking Assets

Disclosure of Reserves Data

The reserves data of the Viking Assets set forth below is based upon an evaluation by McDaniels as set out in the McDaniels Reserve Report.

The effective date of the information provided in the McDaniels Reserve Report is December 31, 2014 and the report has a preparation date of April 2015. The McDaniels Reserve Report evaluated, as at December 31, 2014, the oil, natural gas and NGLs reserves associated with the Viking Assets. The tables below summarize the reserves and the net present value of future net revenue attributable to the reserves as evaluated in the McDaniels Reserve Report based on McDaniels price forecast as at January 1, 2015 less differentials for oil to reflect differences in transportation costs and the quality of the oil produced and supplied operating expenses. The tables below summarize the data contained in the McDaniels Reserve Report and, as a result, may contain slightly different numbers than the McDaniels Reserve Report due to rounding. Also due to rounding, certain columns may not add exactly.

The net present values of the crude oil, natural gas, and natural gas products reserves were obtained by employing future production and revenue analyses. The future crude oil production was generally predicated on the anticipated performance characteristics of the individual wells and reservoirs in question. The future natural gas production was also predicated on the anticipated performance characteristics of the individual wells and reservoirs in question with an allowance for any gas sales contract or gas processing facility restrictions. In those areas where shut-in natural gas reserves exist, the commencement of production was based on the proximity to a pipeline connection and the relevant factors relating to the future marketing of the reserves. The future production of gas-cap reserves was assumed to occur near the end of the oil producing life. Solution gas production was based on the forecast of the oil producing rates and current and forecast sales gas-oil ratios. The natural gas products production forecasts were based on the anticipated recoveries of these products from the produced natural gas.

The Working Interest Partner's share of future crude oil revenue was derived by employing the Working Interest Partners' share of production and the forecast reference crude oil price less the historical quality and transportation price differential for each respective field. The forecast natural gas prices with an adjustment for the heating value of the gas were employed to calculate the Working Interest Partner's share of future natural gas revenues. The forecast reference natural gas products prices with adjustments to reflect historical price differentials realized by the Working Interest Partner in each respective property were employed to calculate the Working Interest Partner's share of future natural gas products revenues. Royalties and mineral taxes payable to the Crown were estimated based on the methods in effect as of December 31, 2014. Freehold and overriding royalties payable to others were estimated based on the indicated applicable rates. In those cases where a proportionate share of the natural gas gathering and processing charges were indicated to be payable by the Crown or royalties owned by others, these charges have been deducted in determining the net royalties payable.

In all cases, estimates of the applicable capital expenditures and operating costs with an allowance for inflation were deducted in arriving at the Working Interest Partner's share of future net revenues. An allowance for future well abandonment costs was made for all of the Working Interest Partner's working interest wells, at the Working Interest Partner's request no future well abandonment costs were forecast for wells with no reserves assigned nor was any. Allowance made for the reclamation of well sites or the abandonment and reclamation of any facilities. The net present values were then obtained by employing 5, 10, 15, and 20 percent nominal annual discount rates compounded monthly.

All of the future net revenues and net present values estimated in this report are presented before income taxes. The future net revenue forecasts and net present value estimates for the probable reserves were calculated by subtracting the total proved forecasts from the proved plus probable forecasts.

It should not be assumed that the undiscounted or discounted net present value of future net revenue attributable to the reserves estimated by McDaniels represents the fair market value of the reserves. Other assumptions and qualifications relating to costs, prices for future production and other matters are summarized herein. The recovery estimates of the reserves provided herein

are estimates only and there is no guarantee that the reserves, as estimated, will be recovered. Actual reserves may be greater than or less than the estimates provided herein. See "Risk Factors".

In preparing the McDaniels Reserve Report, McDaniels relied on certain information including ownership, technical well data, production, prices, revenues, operating costs, capital costs, contracts, and other relevant data from public sources as well as non-public data supplied by the Working Interest Partner. Other information upon which the McDaniels Reserve Report is based was obtained from public records and from non-confidential files. The extent and character of all factual information supplied by the Working Interest Partner were relied upon by McDaniels in preparing the McDaniels Reserve Report and was accepted as represented without independent verification.

All of the reserves associated with the Viking Assets to be acquired by Investco are located in Canada.

Reserves Data – Forecast Prices and Costs

Summary of Reserves

<u>Reserves Category</u>	Light and Medium Oil		Heavy Oil		Natural Gas		NGLs		Total Oil Equivalent	
	Gross⁽¹⁾	Net⁽²⁾	Gross⁽¹⁾	Net⁽²⁾	Gross⁽¹⁾	Net⁽²⁾	Gross⁽¹⁾	Net⁽²⁾	Gross⁽¹⁾	Net⁽²⁾
	Mbbls	Mbbls	Mbbls	Mbbls	MMcf	MMcf	Mbbls	Mbbls	Mboe	Mboe
Proved Developed										
Producing	255.2	228.3	0	0	10648.5	9511.0	33.5	23.3	2063.5	1836.8
Proved Non-Producing	7.9	7.0	0	0	1735.8	1542.2	0	0	297.2	264.0
Proved Undeveloped	40.0	37.4	0	0	7.0	6.7	0	0	41.2	38.5
Total Proved	303.1	272.7	0	0	12391.3	11059.9	33.5	23.3	2401.8	2139.3
Total Probable	108.5	95.0	0	0	4792.1	4194.4	7.6	5.3	914.8	799.3
Total Proved Plus Probable	411.5	637.7	0	0	17183.4	15254.2	41.1	28.6	3316.5	2938.6

Notes:

- (1) Gross reserves represent the working interest share before deduction of any royalty obligations and without including any royalty interests.
- (2) Net reserves represent the working interest share after deduction of royalty obligations, plus royalty interests in reserves.

Summary of Net Present Value of Future Net Revenue

<u>Reserves Category</u>	Net Present Value of Future Net Revenue Before Income Taxes Discounted at (%/year)					Unit Value Before Income Tax Discounted at 10%/year⁽¹⁾
	0%	5%	10%	15%	20%	\$/boe
	MM\$	MM\$	MM\$	MM\$	MM\$	
Proved Developed Producing	31.6	24.0	19.1	15.9	13.6	10.4
Proved Non-Producing	3.9	3.3	2.8	2.4	2.1	10.6
Proved Undeveloped	0.8	0.5	0.3	0.2	0.1	8.2
Total Proved	36.3	27.7	22.3	18.5	15.8	10.4
Total Probable	17.9	11.7	8.2	6.1	4.7	10.3
Total Proved Plus Probable	54.2	39.4	30.5	24.6	20.6	10.4

Notes:

- (1) Unit value before income tax is calculated using net reserves.

Additional Information Concerning Future Net Revenue (Undiscounted)

Reserves Category	Revenue M\$	Royalties M\$	Operating Costs M\$	Capital Costs M\$	Abandonment Costs⁽¹⁾ M\$	Future Net Revenue Before Income Taxes M\$
Proved -Developed Producing	74879	8305	32560	24	2395	31595
Proved – Non-Producing	7883	799	2230	651	319	3884
Proved- Underdeveloped	3223	204	954	1236	40	789
Total Proved	85985	9309	35743	1911	2754	36268
Total Probable	36274	4457	12019	1623	239	17936
Total Proved Plus Probable	122259	13765	47762	3534	2993	54204

Notes:

- (1) For a discussion on abandonment and reclamation costs see "Business of the Trust – Our Business – Selected Oil and Gas Information in Respect of the Viking Assets – Significant Factors or Uncertainties – Abandonment and Reclamation Costs".

Net Present Value of Future Net Revenue by Production Group

Reserves Category	Net Present Value of Future Net Revenue Before Income Taxes (Discounted at 10%/year) M\$	Unit Value (\$/bbl or \$/boe, as applicable)
Proved - Developed Producing		
Light and Medium Oil	6186.4	29.20 ⁽¹⁾
Heavy Oil	0	
Natural Gas.....	12113.1	1.33 ⁽²⁾
Natural Gas Liquids.....	849.0	
Proved - Non-Producing		
Light and Medium Oil	25.6	16.56
Heavy Oil	0	
Natural Gas.....	2777.7	1.78 ⁽²⁾
Natural Gas Liquids.....	0	
Proved - Underdeveloped		
Light and Medium Oil	297.0	8.48 ⁽¹⁾
Heavy Oil	0	
Natural Gas.....	20.4	
Natural Gas Liquids.....	0	
Total Proved	22269.1	10.4 ⁽³⁾
Probable		
Light and Medium Oil	1580.4	20.41 ⁽¹⁾
Heavy Oil	0	
Natural Gas.....	6529.9	
Natural Gas Liquids.....	113.9	1.54 ⁽²⁾
Total Proved Plus Probable	30493.4	10.4 ⁽³⁾

Notes:

- (1) Light and medium oil unit values include associated gas and by-products.
(2) Non-associated gas including by-products.
(3) Unit values based on net reserve volumes.

For the net present value of future net revenue of the total proved reserves, discounted at 10%, 29.2% of the revenue is from light and medium oil and 70.8% of the revenue is from natural gas and natural gas liquids. For total proved plus probable reserves discounted at 10%, 26.5% of the revenue is from light and medium oil and 73.5% of the revenue is from natural gas and natural gas liquids.

Notes and Definitions

In the tables set forth above and elsewhere in this Offering Memorandum, the following notes and other definitions are applicable.

Reserve Categories

The determination of oil and natural gas reserves involves the preparation of estimates that have an inherent degree of associated uncertainty. Categories of proved, probable and possible reserves have been established to reflect the level of these uncertainties and to provide an indication of the probability of recovery.

The estimation and classification of reserves requires the application of professional judgment combined with geological and engineering knowledge to assess whether or not specific reserves classification criteria have been satisfied. Knowledge of concepts including uncertainty and risk, probability and statistics, and deterministic and probabilistic estimation methods are required to properly use and apply reserves definitions.

"Reserves" are estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, as of a given date, based on:

- (a) analysis of drilling, geological, geophysical and engineering data;
- (b) the use of established technology; and
- (c) specified economic conditions, which are generally accepted as being reasonable, and shall be disclosed.

Reserves are classified according to the degree of certainty associated with the estimates.

"Proved reserves" are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.

"Probable reserves" are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.

Each of the reserves categories may be divided into developed and undeveloped categories.

"Developed reserves" are those reserves that are expected to be recovered from existing wells and installed facilities, or, if facilities have not been installed, that would involve a low expenditure (e.g. when compared to the cost of drilling a well) to put the reserves on production. The developed category may be subdivided into producing and non-producing.

"Developed producing reserves" are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.

"Developed non-producing reserves" are those reserves that either have not been on production, or have previously been on production but are shut-in and the date of resumption of production is unknown.

"Undeveloped reserves" are those reserves expected to be recovered from known accumulations where a significant expenditure (e.g., when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves category (proved, probable, possible) to which they are assigned.

In multi-well pools, it may be appropriate to allocate total pool reserves between the developed and undeveloped categories or to sub-divide the developed reserves for the pool between developed producing and developed non-producing. This allocation is based on the estimator's assessment as to the reserves that will be recovered from specific wells, facilities and completion intervals in the pool and their respective development and production status.

Levels of Certainty for Reported Reserves

The qualitative certainty levels referred to in the definitions above are applicable to "individual reserves entities", which refers to the lowest level at which reserves calculations are performed, and to "reported reserves", which refers to the highest level sum of individual entity estimates for which reserves estimates are presented. Reported reserves should target the following levels of certainty under a specific set of economic conditions:

- (a) at least a 90% probability that the quantities actually recovered will equal or exceed the estimated proved reserves;
- (b) at least a 50% probability that the quantities actually recovered will equal or exceed the sum of the estimated proved plus probable reserves; and
- (c) at least a 10% probability that the quantities actually recovered will equal or exceed the sum of the estimated proved plus probable plus possible reserves.

A quantitative measure of the certainty levels pertaining to estimates prepared for the various reserves categories is desirable to provide a clearer understanding of the associated risks and uncertainties. However, the majority of reserves estimates are prepared using deterministic methods that do not provide a mathematically derived quantitative measure of probability. In principle, there should be no difference between estimates prepared using probabilistic or deterministic methods.

Pricing Assumptions – Forecast Prices and Costs

McDaniels employed the following pricing and inflation rate assumptions using McDaniels forecast prices as at January 1, 2015 in estimating reserves data using forecast prices and costs. Operating costs were escalated by 2.0% per annum in the McDaniels Reserve Report.

<u>Year</u>	<u>Light and Medium Oil</u>	<u>Natural Gas</u>
	<u>WTI at Cushing Oklahoma⁽¹⁾ (US\$/bbl)</u>	<u>U.S. Henry Hub Gas Price (US\$/MMBtu)</u>
Historical		
2013	97.95	3.75
2014	93.05	4.40
Forecast		

<u>Year</u>	Light and Medium Oil	Natural Gas
	WTI at Cushing Oklahoma ⁽¹⁾ (US\$/bbl)	U.S. Henry Hub Gas Price (US\$/MMBtu)
January 1, 2015 to December 31, 2015	65.00	3.30
2016	75.00	3.80
2017	80.00	4.05
2018	84.90	4.30
2019	83.90	4.55
2020	93.80	4.85
2021	95.70	5.10
2022	97.60	5.30
2023	99.60	5.50
2024	101.60	5.70
2025	103.60	5.80
2026	105.70	5.90
2027	107.80	6.05
2028	110.00	6.15
2029	112.20	6.30
2030+	Calculated at 2.0% per annum thereafter	

Notes:

(1) West Texas Intermediate at Cushing Oklahoma 40 degrees API/0.5% sulphur.

Significant Factors or Uncertainties

The process of estimating reserves is complex. It requires significant judgments and decisions based on available geological, geophysical, engineering and economic data. These estimates may change substantially as additional data from ongoing development activities and production performance becomes available and as economic conditions impacting oil and natural gas prices and costs change. The reserve estimates disclosed herein as contained in the McDaniels Reserve Report are based on production forecasts, prices and economic conditions at the time of preparation of such report. The reserves are evaluated by McDaniels, an independent qualified reserves evaluator.

As circumstances change and additional data becomes available, reserve estimates also change. Estimates made are reviewed and revised, either upward or downward, as warranted by the new information. Revisions are often required due to changes in well performance, prices, economic conditions and governmental restrictions.

Although every reasonable effort is made to ensure that reserve estimates are accurate, reserve estimation is an inferential science. As a result, the subjective decisions, new geological or production information and a changing economic or regulatory environment as well as fluctuations in product pricing, capital expenditures, operating costs, royalty regimes and well performance that are beyond the control of the Trust and its subsidiaries may impact these estimates. Revisions to reserve estimates can arise from changes in year-end oil and natural gas prices and reservoir performance. Such revisions can be either positive or negative. See "Risk Factors".

Future Development Costs

The table below sets out the capital costs deducted in the estimation of future net revenue attributable to proved reserves and proved plus probable reserves (using forecast prices and costs) in the McDaniels Reserve Report.

Year	Annual Capital Costs ⁽¹⁾	
	Total Proved	Total Proved Plus Probable
	(M\$)	(M\$)
Jan 1, 2015 - December 31, 2015	444	665
2016	1467	2869
2017	0.0	0.0
2018	0.0	0.0
2019	0.0	0.0
Thereafter	0.0	0.0
Total Undiscounted	1911	3534
10% Discounted	1703	3138

Note:

(1) Abandonment and reclamation costs not included above.

Abandonment and Reclamation Costs

In the McDaniels Reserve Report, the total well abandonment costs for total proved and probable reserves are estimated at \$2.99 million escalated and undiscounted (\$0.947 million discounted at 10%).

Oil and Natural Gas Properties and Wells

The following tables summarize the number of producing and non-producing wells comprising the Viking Assets being acquired, all of which are located in Alberta.

Area	Producing Wells					
	Light and Medium Oil		Heavy Oil		Natural Gas	
	<u>Gross⁽¹⁾</u>	<u>Net</u>	<u>Gross⁽¹⁾</u>	<u>Net</u>	<u>Gross⁽¹⁾</u>	<u>Net</u>
All Areas	20	13.1	0	0	89	51.0

Area	Injection/Service Wells					
	Light and Medium Oil		Heavy Oil		Natural Gas	
	<u>Gross⁽¹⁾</u>	<u>Net</u>	<u>Gross⁽¹⁾</u>	<u>Net</u>	<u>Gross⁽¹⁾</u>	<u>Net</u>
All Areas	0	0	0	0	0	0

Area	Non-Producing Wells					
	Light and Medium Oil		Heavy Oil		Natural Gas	
	<u>Gross⁽¹⁾</u>	<u>Net</u>	<u>Gross⁽¹⁾</u>	<u>Net</u>	<u>Gross⁽¹⁾</u>	<u>Net</u>
All Areas	6	4.1	0	0	85	30.9

Note:

(1) The gross well counts exclude non-operated unit wells, wells with royalty interests and overriding royalty interests.

Drilling Activity

There were no new wells drilled in 2015. For details on anticipated future development activities, see "Business of the Trust – Our Business – Information Concerning the Viking Assets".

Costs Incurred

There were no development wells drilled in 2015.

Production Estimates

The following table discloses for each product type the gross volume of production evaluated and estimated by McDaniels for the twelve month period ending Dec 31, 2015 in the estimates of gross proved and gross probable reserves disclosed above under the heading "Selected Oil and Gas information in Respect of the Viking Assets – Reserves Data".

<u>Reserve Category</u>	<u>Crude Oil</u> (Mbbl)	<u>Natural Gas</u> (Mcf/d)	<u>NGLs</u> (bbls/d)	<u>Total</u> (boe/d)
Proved.....	33.1	1638.6	3.6	849
Probable.....	0.5	81.8	0	39
Total Proved Plus Probable.....	33.7	1720.4	3.6	888

The following table discloses, for each reserve classification, the gross daily volume production forecast by McDaniels for the years indicated in the McDaniels Reserve Report.

<u>Year</u>	<u>Reserve Classification</u>		
	<u>Proved Developed Producing</u> (boe/d)	<u>Total Proved</u> (boe/d)	<u>Proved Plus Probable</u> (boe/d)
Jan 1, 2015 – December 31, 2015.....	775	849	888
2016.....	691	939	1121
2017.....	612	800	1022
2018.....	537	666	879

Production History

The following table discloses, on an annual basis for the two years ending December 31, 2014 and 2013, the average daily production volume, before royalties and production taxes, of the Viking Assets for those periods.

	<u>Year Ended December 31</u>	
	<u>2014</u>	<u>2013</u>
Light and Medium Crude Oil (bbls/d)	103	82
Heavy Oil (bbls/d)		
Natural Gas (Mcf/d).....	4220	4150
NGLs (bbls/d)	8	8
Total (boe/d)	814	781

Effect of the Viking Acquisition

Operating Statements

This Offering Memorandum contains the following operating statements in respect of the Viking Assets:

- (i) audited operating statements containing gross revenues, royalties and operating costs for the years ended December 31, 2014 and December 31, 2013; and
- (ii) unaudited operating statements containing gross revenues, royalties and operating costs for the three month periods ended March 31, 2015 and March 31, 2014.

2015 Additional Acquisitions

Legacy Assets

As of April 30, 2015, Investco has acquired all of the issued and outstanding shares of the Working Interest Partner pursuant to the WIP SPA. Accordingly, in addition to a 100% interest in the Viking Assets, Investco now owns certain additional assets, including 7 (5.1 net) wells (the "**Legacy Assets**"). See "Business of the Trust – Material Agreements – WIP SPA".

The Legacy Assets are primarily oil properties in central and southern Alberta. The Legacy Assets comprise approximately 1796.3 net acres of land plus wells, gathering equipment and associated assets. The average working interest in the operated wells is 72.1%. Total production (May 2015 average) was 28.7 boe/d with a 68.3% liquid weighting. Average decline on the legacy asset property is 9%.

Arc Assets

Effective March 1, 2015, Investco acquired certain operated and non-operated working interests in oil and gas leases in the Boundary Lake field of Alberta and British Columbia (the "**Arc Assets**") from Arc Resources Ltd. (the "**Arc Acquisition**") for cash consideration of \$0.900 million. The Arc Acquisition closed June 9, 2015. The Arc Assets consist of an operated oil unit interest and several non-unit wells and are comprised of 6536.5 net acres of land plus wells, gathering system and facilities that are synergistic with Investco's current operations in the area.

Current production from the Arc Assets is 56 boe/d with 89.6% liquid weighting and an average decline of 8%. A pipeline repair and facility upgrades in the acquired unit will restore 30 bbl/d of oil production currently shut in. Estimated capital required is \$300,000.

Total Investco Assets

Investco now owns a 100% interest in the Viking Assets, the Legacy Assets and the Arc Assets. Total production for the Viking Assets in May 2015 was approximately 750 boe/d, while capability was approximately 900 boe/d. Including the Arc Assets and Legacy Assets, Investco now has a combined asset base production capability of 1013 boe/d weighted approximately 80% towards natural gas, with a combined decline rate of approximately 9%.

Facility and infrastructure downtime due to midstream maintenance and repair activity has resulted in a loss of production of approximately 180 boe/d to Investco through Q2 and part of Q3 2015. Investco is working with the operators of these facilities and gathering systems to restore production or find alternate means of gathering and processing its volumes. Full production is expected to be restored by October 2015.

The Partnership will continue to seek investments in other assets in accordance with its investment strategy and criteria. See "Business of the Trust" and "Risk Factors".

Debt of the Partnership

Credit Facility

Investco's Credit Facility is a \$9,000,000 revolving operating demand loan. As of the date hereof, the amount outstanding under the Credit Facility is \$0.00 (nil).

An advance under the Credit Facility and the proceeds of previous offerings were used to fund the Viking Acquisition, the Loan and the Equity Investment. The Credit Facility is secured by all of the assets of Investco, and guaranteed by the Partnership, the General Partner and the Trust.

The Credit Facility bears interest at a rate based on the prime rate. The Credit Facility will be available for Investco's general corporate purposes, including capital expenditures, and provides for customary positive and negative covenants, including limitations on liens, dispositions, amalgamations, hedging, liquidations 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 all credit availability and demand repayment of the Credit Facility in full, and would also prevent distributions from being paid by the Trust and the Partnership to their unitholders. Compliance with the terms of the covenants under the Credit Facility could adversely impact the free cash flow of Investco. Additionally, under the Credit Facility, each of the Trust, the Partnership and the General Partner must maintain a working capital ratio of not less than 1:1 at all times.

Additional Indebtedness

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 General Partner and upon such terms and conditions as it determines appropriate or acceptable. The Partnership's debt shall not, at the time of determination, exceed 30% of the asset value of the Partnership.

Development of the Business

The Trust was formed February 27, 2014. The Partnership was formed February 27, 2014. The Partnership was established 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 current commodity price environment in western Canada is challenging for many producers, this provides an opportunity to acquire high quality, low risk conventional oil and gas assets at historically low valuations. The objective of the Partnership is 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 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 Investco.

On May 15, 2014, Investco and the Working Interest Partner completed the Viking Acquisition pursuant to the Viking Acquisition Agreement, which has an effective date of March 1, 2014. The initial

participating interest in the Viking Assets was 75% as to Investco and 25% as to the Working Interest Partner. As of April 30, 2015, Investco has acquired all of the issued and outstanding shares of the Working Interest Partner pursuant to the WIP SPA, accordingly Investco now has 100% interest in the Viking Assets and the Legacy Assets. See "Business of the Trust – Viking Acquisition", "Business of the Trust – Our Business – 2015 Additional Acquisitions" and "Business of the Trust – Material Agreements – WIP SPA".

On June 9, 2015, Investco acquired the Arc Assets from Arc Resources Ltd. See "Business of the Trust – Our Business – 2015 Additional Acquisitions".

Facility and infrastructure downtime due to midstream maintenance and repair activity has resulted in a loss of production of approximately 180 boe/d to Investco through Q2 and part of Q3 2015. Investco is working with the operators of these facilities and gathering systems to restore production or find alternate means of gathering and processing its volumes. Full production is expected to be restored by October 2015.

Investco conducts hedging activity to provide increased certainty over cash flow. Investco has 37% of forecasted 2015 oil production hedged at an average fixed price of C\$99.85/bbl and 30% of forecasted 2016 oil production hedged at an average fixed price of C\$94.50/bbl. Investco has 77% of forecasted 2015 natural gas production hedged at an average fixed price of C\$3.59/GJ and 69% of forecasted 2016 natural gas production hedged at an average fixed price of C\$3.48/GJ. Investco has also entered into oil and natural gas derivative contracts for 2017 and 2018.

The Partnership will continue to seek investments in other assets in accordance with its investment strategy and criteria. See "Business of the Trust" and "Risk Factors".

Long Term Objectives

The long term objective of the Trust is to achieve income generation from cash distributions from the Partnership pursuant to the Preferred C1 LP Units. In order to achieve its objectives, the Trust must successfully raise capital through the Offering for subsequent investment into the Partnership.

Short Term Objectives and How We Intend to Achieve Them

The primary objective of the Trust for the ensuing 12 months is to seek out Subscribers, close the Offering, and indirectly invest funds raised by the Offering in the Business by way of purchase of Preferred C1 LP Units.

What We Must Do and How We Will Do It	Target Completion Date	Cost to Complete⁽¹⁾⁽²⁾
Complete the Offering and acquire Preferred C1 LP Units to be issued by the Partnership	6-12 months	Up to \$30,000,000

Notes:

- (1) The Trust will pay securities dealers a commission of up to 9% of the gross proceeds realized on the sale of Preferred Trust Units for soliciting subscriptions for Preferred Trust Units. In addition to the foregoing, the Trust may also pay securities dealers an administration fee of up to 1% of the gross proceeds realized on the sale of Preferred Trust Units. Assuming a \$30,000,000 Offering and that the Trust pays the maximum commissions of 9% and an administration fee of 1% of the gross proceeds realized on the sale of the Preferred Trust Units, the Trust will incur commission payments of \$2,700,000, administration fee payments of \$300,000 and offering costs of \$100,000. See "Compensation Paid to Sellers and Finders".
- (2) Investco has agreed to reimburse the Trust and the Administrator for, or pay directly, all costs and expenses to be incurred by the Trust in connection with the Offering for funds invested in Preferred C1 LP Units, and indirectly, in Investco. Accordingly, unless otherwise agreed between the Trust and Investco, the Trust will not directly bear the cost of the commissions, administration fees and offering costs paid in connection with capital raised for investment in the Partnership.

and indirectly, Investco. See "Business of the Trust – Material Agreements – Reimbursement Agreement". The Trust and the Partnership is expected to enter into similar agreements with other entities through which the Partnership invests in the Business, if not Investco.

Insufficient Funds

The majority of the available funds raised pursuant to the Offering will be invested in the Partnership through the purchase of Preferred C1 LP Units. The Trust does not intend to hold any significant cash reserves other than those amounts necessary to pay administrative expenses incurred by the Trust. In some instances, the Trust may temporarily retain cash from a distribution from the Partnership in order to ensure regular distributions to holders of Preferred Units of the Trust. The available funds from the Offering may not be sufficient to accomplish all of the Trusts' proposed objectives and there is no assurance that alternative financing will be available.

Material Agreements

Declaration of Trust

The rights and obligations of Unitholders are governed by the Declaration of Trust. A copy of the Declaration of Trust is available for review, upon request to the Administrator, at the offices of the Administrator during regular office hours.

The following is a summary only of certain terms in the Declaration of Trust which, together with other summaries of additional terms of the Declaration of Trust appearing elsewhere in this Offering Memorandum, are qualified in their entirety by reference to the actual text of the Declaration of Trust, a review of which is recommended to Subscribers.

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), 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 of Preferred Units of the Trust will be invested in a separate class of securities of the Partnership. 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 of Preferred Units of the Trust are invested in a separate class of securities of the Partnership. Such actions include, but are not limited to, making such adjustments to the amounts distributable to holders of Preferred Units of the Trust pursuant to the Declaration of Trust 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 of Preferred Units of the Trust.

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 of the Common Trust Unitholders. The maximum number of Trustees shall be fixed at four (4). 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), 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, 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 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 in the exercise and performance by it of all powers, duties and authorities conferred upon or delegated to the Administrator under the terms of the Declaration of Trust. See "Business of the Trust – 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 are represented and constituted by six classes of units, Common Trust Units, Preferred A Trust Units, Preferred B Trust Units, Preferred Trust Units, Preferred D Trust Units and Preferred E Trust Units. The only securities being offered pursuant to this Offering Memorandum are Preferred Trust Units. A summary of the material attributes of the Preferred Trust Units are contained in "Securities Offered – Terms of Securities". The Common Trust Units have certain rights, privileges, restrictions and conditions, a summary of which is set out below:

- (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 Preferred Units of the Trust 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 Preferred Trust Units 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 Unitholders, 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 Preferred Units of the Trust 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 Preferred Units of the Trust, be entitled to participate in the distribution. Each class of Preferred Units of the Trust 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 Preferred Units of the Trust are entitled shall be made in equal amounts per Preferred Unit of the Trust of such class on all the Preferred Units of the Trust of such class at the time outstanding without preference or distinction.

Distribution Entitlement

Distribution to holders of Preferred Units of the Trust:

- (a) The Trustees, on behalf of the Trust, in respect of each Distribution Period, shall declare payable to holders of each class of holders of Preferred Units of the Trust 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 Preferred Unit of the Trust for such Distribution Period (such aggregate amount as so declared being herein referred to as the "**Distribution Amount**").
- (b) Each Preferred Unit of the Trust issued and outstanding on the Distribution Record Date for a particular Distribution Period shall be entitled, without preference or priority, to an equal Distribution Per Preferred Unit of the Trust. The share of such Distribution Amount in respect of such class of Preferred Unit of the Trust distributable to a particular holder of Preferred Units of the Trust shall be an amount equal to the Distribution Per Preferred Unit of the Trust multiplied by the number of Preferred Units of the Trust owned of record by such holder of Preferred Units of the Trust on such Distribution Record Date.
- (c) In the event that a Preferred Unit of the Trust was not issued and outstanding on each day within such Distribution Period then the Distribution Amount in respect of such Preferred Unit of the Trust 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 Unit of the Trust 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 of the Trust. Such adjustment calculation shall be made in respect of each Preferred Unit of the Trust which was not issued and outstanding on each day within the Distribution Period.

The Common Trust Unitholders shall not be entitled to distributions.

Redemption Rights

- (a) Common Trust Units

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 Units registered in the name of the Common 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 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.

(b) Preferred Units of the Trust

Right of a holder of Preferred Units of the Trust – Each Preferred Unit of the Trust 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 Preferred Units of the Trust registered in the name of the holder of Preferred Units of the Trust. There are certain procedural requirements, set forth in the Declaration of Trust, which must be adhered to by the holder of Preferred Units of the Trust in connection with any redemption of Preferred Units of the Trust. The redemption price per Preferred Unit of the Trust, to be received on redemption by holders of Preferred Units of the Trust: (i) in the case of Preferred Units of the Trust that were issued on a date that was five years or less prior to the date upon such Preferred Units of the Trust 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 Preferred Units of the Trust that were issued on a date that was more than five years prior to the date upon such Preferred Units of the Trust 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.

In the case of a redemption of Units by a 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 determines a greater cash amount. Such cash amount shall be paid pro-rata to redeeming Unitholders. The balance of the redemption price: (i) in respect of any Units that were issued on a date that was five years or less prior to the date upon which such Units have been tendered for redemption, will be paid through the issuance of Redemption Notes and/or distribution, *in specie*, of Trust Property, provided that such Redemption Notes shall be due and payable prior to the sixth anniversary of the date of issuance of the Unit in respect of which such Redemption Note is issued; and (ii) in respect of any Units that were issued on a date that was more than five years prior to the date upon which such Units have been tendered for redemption, will be paid through cash, the issuance of Redemption Notes and/or distribution, *in specie*, of Trust Property.

Right of the Trust – The Trust is entitled at any time and from time to time, redeem all or any part of the issued and outstanding Preferred Units of the Trust. 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 Preferred Units of the Trust. The redemption price per Preferred Unit of the Trust 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.

In the case of a redemption of Preferred Units of the Trust 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.

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

- (a) all prices at which trades of Units of the same class 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 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 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 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, in its discretion, determines relevant for purposes of determining the fair market value of such redemption units.

Meetings of Unitholders

There is no requirement to hold annual meetings of the Unitholders. Except for certain limited circumstances, no holder of Preferred Units of the Trust 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 "Securities Offered – 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 Income 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 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 Units, on both a non-diluted and fully-diluted basis and it shall be the responsibility of the Administrator 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 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 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 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 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 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 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 Preferred Units of the Trust 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 Preferred Units of the Trust. See "Securities Offered – Terms of Securities".

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 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 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 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.

Under the Declaration of Trust, each Unitholder 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 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 of 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.

Term of the Trust and Distribution on Wind-Up

Subject to earlier termination, 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 earlier of a Special Resolution, or 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.

Rights of Unitholders

Unitholders 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 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 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 seeking to terminate their investment in the Trust are entitled to redeem their Units, as described under "Securities Offered – Terms of Securities". Unitholders 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 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.

LP Agreement

The Trust, as initial limited partner, and the Administrator, as general partner, entered into a Limited Partnership Agreement dated February 27, 2014, amended and restated on June 27, 2014 and further amended and restated on May 11, 2015 which provides for the terms and conditions governing the Partnership. A copy of the LP Agreement is available for review, upon request to the Administrator, at the offices of the Administrator during regular office hours.

The following is a summary only of certain provisions in the LP Agreement which, together with other summaries of additional terms of the LP Agreement appearing elsewhere in this Offering Memorandum, are qualified in their entirety by reference to the actual text of the LP Agreement, a review of which is recommended to Subscribers. See "Business of the Trust – Structure – The Partnership".

Purpose

The Partnership was formed on February 27, 2014 under the Partnership Act and is governed by the LP 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 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 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, Common A LP Units, Common B LP Units, Common C LP Units, 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. Common A LP Units form part of a Tied Unit to be purchased concurrently by Subscribers. See "Business of the Trust – Structure" and "Securities Offered - Subscription Procedure". Preferred C1 LP Units will be purchased by the Trust with the proceeds of the Offering.

The Partnership is authorized to issue an unlimited number of Common LP Units and Preferred LP Units. In respect of any issuance of LP Units, other than the initial issuance of LP Units to the General Partner 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 General Partner in its sole discretion. Unless otherwise determined by the General Partner, the Common LP Units shall be issued for nominal consideration. The LP 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 General Partner, 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 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 General Partner, the Common C LP Units or Equivalent Entitlements, as applicable, shall be issued for nominal consideration.

Voting Rights

(a) Common A LP Units

Except as provided in the LP Agreement, no Common A LP Unitholder 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 Common A LP Unitholders 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

Common B LP Unitholders 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 LP Unit held at all such meetings, except for meetings of only Common A LP Unitholders, Common C LP Unitholders or Preferred LP Unitholders called for the purposes set forth in the LP Agreement. In addition to the above, The Partnership shall call and hold a meeting of Unitholders, at which only Common B LP Unitholders 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 LP Agreement, no Common C LP Unitholder 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 Common C LP Unitholders may attend and vote separately as a class for certain fundamental matters in respect of the Common C LP Units.

(d) Preferred LP Units

Except as provided in the LP Agreement, no Preferred LP Unitholder 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 LP Unitholders, at which only Preferred LP Unitholders may attend and vote separately as a class for certain fundamental matters in respect of the Preferred 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 its LP 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 LP 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 Common A LP Unitholders 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 LP 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 LP Units entitled to receive assets of the Partnership upon such a 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 Common B LP Unitholders 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 LP 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 a 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 Common C LP Unitholders 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.

(d) Preferred 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 LP Unitholders for the purpose of winding up the affairs of the Partnership, each Preferred LP Unitholder shall be entitled to receive from the assets of the Partnership, an amount of \$1 per Preferred LP Unit held by such holder, and all such amounts shall be paid before any amount shall be paid to any Common A LP Unitholder, Common B LP Unitholder, Common C LP Unitholder or holders of any LP Units of any other class ranking junior to the Preferred LP Units. After all payments as provided in the LP 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.

Rights of Redemption

(a) Common A LP Units

Common A LP Unitholders have no redemption rights associated with Common A LP Units.

(b) Common B LP Units

Common B LP Unitholders have no redemption rights associated with Common B LP Units.

(c) Common C LP Units

Common C LP Unitholders have no redemption rights associated with Common C LP Units

(d) Preferred LP Units

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 LP 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: (i) in the case of Preferred LP Units that were issued on a date that was five years or less prior to the date upon such

Preferred LP Units 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 Preferred LP Units that were issued on a date that was more than five years prior to the date upon which such Preferred LP Units 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.

In the case of a redemption of Preferred LP Units by a 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 General Partner determines a greater cash amount. Such cash amount shall be paid pro-rata to redeeming LP Unitholders. The balance of the redemption price: (i) in respect of any Preferred LP Units that were issued on a date that was five years or less prior to the date upon which such Preferred LP Units have been tendered for redemption, will be paid through the issuance of Redemption Notes and/or distribution, *in specie*, of Partnership Property, provided that such Redemption Notes shall be due and payable prior to the sixth anniversary of the date of issuance of the Preferred LP Unit in respect of which such Redemption Note is issued; and (ii) in respect of any Preferred LP Units that were issued on a date that was more than five years prior to the date upon which such Preferred LP Units have been tendered for redemption, will be paid through cash, the issuance of Redemption Notes and/or distribution, *in specie*, of Partnership Property.

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 LP 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 upon 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.

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.

Fair Market Value – 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:

- (a) all prices at which trades of Preferred LP Units have been transacted, as reported to the General Partner, 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 the Partnership gives notice of the redemption, as applicable;
- (b) the issue prices for Preferred LP Units 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 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 General Partner, in its discretion, determines relevant for purposes of determining the fair market value of such redemption units.

Discretionary Distributions to LP Unitholders

- (a) LP Unitholders shall be entitled to receive non-cumulative distributions if, as and when declared by the General Partner.
- (b) The General Partner, in respect of any LP Distribution Period, may in its discretion declare payable to LP Unitholders of record as at the close of business on the LP Distribution Record Date for such LP Distribution Period (the "**LP Distribution Amount**").

Distribution Policy

All distributions of LP Distributable Cash shall be made in accordance with the following order of priority and, in all cases, without duplication:

- (a) First, the LP Distribution Amount shall be delivered to:
 - (i) 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 Distribution Period if other than 12 months;
 - (ii) 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 Distribution Period if other than 12 months;
 - (iii) 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 Distribution Period if other than 12 months;
 - (iv) 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 Distribution Period if other than 12 months;
 - (v) 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 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 Distribution Period then the Distribution Amount in respect of such Preferred LP 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 LP 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 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 Distribution Period;

- (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.

If the Distribution Amount is insufficient to permit the payment in full to 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 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 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 Unit and Preferred E1 LP Units, *pari passu*, without preference or priority, in proportion to the full distribution amount each such holder is otherwise entitled to receive.

The distributions per LP Unit payable to LP Unitholders in respect of a LP Distribution Period shall be paid in cash on or before the LP Distribution Payment Date which immediately follows a 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 LP 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.

Management and Control of the Partnership

Subject to the Partnership Act and to the limitations expressly set forth in the LP Agreement, the General Partner (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 LP Agreement provides that the General Partner 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 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 LP Unitholders may remove the General Partner by passage of a Special Resolution of the Common B LP 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**"): (i) 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; (ii) the payment of all money owing to the General Partner 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 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 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 LP 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 LP 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 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), 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 General Partner has otherwise exercised its powers and discharged its duties under the LP Agreement honestly and in good faith in respect to the matter, contract, transaction or interest in question.

The General Partner may employ or retain, 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.

Allocation of Net Income and Net Loss

Subject to the discretion of the General Partner as outlined in the LP 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 the 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 the LP Agreement. In so allocating net income or 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 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 LP Units, each of which has the rights, privileges, restrictions and conditions set forth in the LP Agreement. The only securities being offered pursuant to this Offering Memorandum are Preferred Trust Units. 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. The Partnership Debt shall not, at the time of determination, exceed 30% of the Asset Value of the Partnership.

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.

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 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) 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.

Tag-Along Rights

If any individual Common B LP Unitholder or group of Common B LP Unitholders (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 LP Agreement) ("**Tag-Along Notice**") to all Common B LP Unitholders 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. 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 Common A LP Unitholders and the Common C LP Unitholders. Upon satisfying certain requirements in accordance with the LP Agreement, each LP 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 LP 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 Common A LP Unitholders and Common C LP Unitholders to transfer to the Third Party Purchaser such number of Common A LP Units or Common C LP Units held by the Common A LP Unitholder or Common C LP Unitholder, 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 Common A LP Unitholders 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 Common B LP Unitholders to transfer such number of Common B LP Units held by the other Common B LP Unitholder as is equal to its Proportionate Interest, all in accordance with the LP Agreement.

Administration Agreement

The Trust has entered into an Administration Agreement with the Administrator dated February 27, 2014, pursuant to which the Trustees have delegated to the Administrator 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 of the duties delegated to it by the Trustees, including:

Limitation of Liability

In general, the Administrator'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 has acted honestly and in good faith.

Permitted Interests

The Administrator 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 have each acknowledged that there are and will continue to be potential or actual interests of the Administrator 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, the Administrator'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'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, one or more members of the Administrator'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 or the Administrator's management (or their respective associates or affiliates), including any conflicts of interest, will not form the basis for any claim against the Administrator, the Administrator'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 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 upon 30 days prior written notice of such termination to the other party.

- (b) In the event that the Administrator (i) files a voluntary petition in bankruptcy or makes any assignment for the benefit of creditors of the Administrator, (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, the Trust may immediately terminate the Administration Agreement by prior written notice of such termination delivered to the Administrator.
- (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 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 shall only take effect once the following has occurred: (i) the full and unconditional release of the Administrator 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 and its affiliates and associates.

Remuneration

There is no fee payable to the Administrator under the terms of the Administration Agreement but the Administrator will be entitled to the reimbursement of all costs and expenses reasonably incurred by the Administrator 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 hereunder 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, an advisory services fee in an amount equal to 2.0% per annum of the Asset Value of the Partnership less Partnership Debt and Short Term Acquisition Funding (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) Tisdale Family Trust: 1/3;
- (b) Westkal Energy Inc.: 1/3;
- (c) Alameda Financial Corp.: 1/6; and
- (d) Lexbury Financial Inc.: 1/6.

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 tortious, 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.

Viking Acquisition Agreement

The Viking Acquisition Agreement includes customary representations and warranties from the Seller in relation to, among other things, its authority and power to transact, the validity and enforceability of the agreement against the Seller, litigation affecting the Viking Assets, operation of the Viking Assets in compliance with law, taxes and environmental matters. Representations and warranties will generally survive for a period of one year following closing.

The Viking Acquisition Agreement provides that the Seller will convey the Viking Assets to Investco and Working Interest Partner on an "as is, where is" basis, except for the representations and warranties of the Seller contained in the Viking Acquisition Agreement.

The Viking Acquisition Agreement provides that the Seller will indemnify and hold Investco and Working Interest Partner harmless from and against, among other things, all losses suffered, sustained, paid or incurred by Investco and Working Interest Partner resulting from the breach of any of the representations and warranties of the Seller, provided that the Seller will not be required to indemnify Investco and Working Interest Partner for claims until the aggregate amount of losses exceeds \$50,000. After such threshold has been met, the Seller's obligation and liability shall be for the full amount of such losses. The aggregate cumulative liability of the Seller pursuant to the Viking Acquisition Agreement shall not exceed the purchase price.

See "Risk Factors."

WIP SPA

The WIP SPA includes customary representations and warranties from the WIP Vendors in relation to, among other things, their authority and power to transact, the validity and enforceability of the agreement against the WIP Vendors, litigation affecting the Working Interest Partner, taxes and environmental matters. Representations and warranties of the WIP Vendors will generally survive for a period of 15 months following closing.

The WIP SPA provides that the WIP Vendors will sell, assign and transfer to Investco the WIP Vendors entire right, title and interest in and to all issued and outstanding shares of the Working Interest Partner.

The WIP SPA provides that the WIP Vendors will indemnify and hold Investco harmless from and against, among other things, all losses actually incurred by Investco arising from the breach of any of the representations and warranties of the WIP Vendors, provided that the WIP Vendors will not be required to indemnify Investco from claims until the aggregate amount of losses exceeds approximately \$123,000. After such threshold has been met, the WIP Vendors' obligations and liability shall be for the full amount of such losses. Each WIP Vendor shall not be liable in excess of the purchase price allocated to him.

As a result of the WIP Acquisition, Investco now holds a 100% interest in the Viking Assets and the Legacy Assets.

The purchase price to the WIP Vendors for all of the issued and outstanding shares of the Working Interest Partner was \$2,431,921.39, comprised of \$433,333.33 in cash, \$797,988.06 aggregate principal amount of promissory notes, 1,200,000 Preferred Trust Units and 600,000 Common A LP Units.

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 a Reimbursement Agreement with the Trust, the Administrator and the Partnership dated June 27, 2014.

Under the terms of the Reimbursement Agreement, Investco has agreed to reimburse the Trust, the Administrator 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 and the Partnership obtaining financing for Investco, including: (i) costs and expenses incurred by the Trust, the Administrator and the Partnership in respect of an offering of securities including legal and selling agents' fees; (ii) administration of any unitholder rights plans, distribution reinvestment plans, unit purchase plans, incentive options and other compensation plans; and (iii) costs of ongoing compliance by the Trust, the Administrator and the Partnership of applicable laws.

Summary of Distribution Reinvestment Plan

The Trust has adopted a DRIP that will allow eligible holders of Preferred Units of the Trust to elect to have their cash distributions reinvested in additional Preferred Units of the Trust on the distribution payment date at a purchase price equal to \$1.00 per Preferred Unit of the Trust (or such other price as may be determined by the Trust from time to time). All holders of Preferred Units of the Trust resident in Canada are eligible to participate in the DRIP. Holders of Preferred Units of the Trust 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 Preferred Units of the Trust enrolled in the DRIP will receive their regular cash distributions.

All Preferred Units of the Trust 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 Preferred Units of the Trust from treasury under the DRIP. Participation in the DRIP does not relieve holders of Preferred Units of the Trust 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.

The Trust has in the past and may in the future offer Preferred Units of the Trust for sale in combination with some number of Common A LP Units of the Partnership. No Common A LP Units will be issued to, or made available for purchase by, a participant in connection with its acquisition of Preferred Units of the Trust under the DRIP. Cash distributions that are reinvested under the DRIP may be used by the Trust to purchase additional preferred limited partnership units of the Partnership, but no Common A LP Units will be issued therewith.

An account will be maintained by the Administrator, 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 Preferred Units of the Trust made under the DRIP for the participant's account.

The Administrator, 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 Preferred Units of the Trust 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.

DIRECTORS, TRUSTEES, MANAGEMENT, PROMOTERS AND PRINCIPAL HOLDERS

Compensation and Securities Held

The following table sets out information about each Trustee and director and officer of the Administrator and each person who, directly or indirectly, beneficially owns or controls 10% or more of any class of voting securities of the Trust.

Name and Municipality of Principal Residence/ Registered Office	Positions Held and Date of Obtaining that Position	Compensation Paid by the Trust or related party in the most recently completed financial year and the compensation anticipated to be paid in the current financial year⁽¹⁾	Number, Type and Percentage of Securities of the Trust held after Completion of Offering
Gregory Tisdale Cochrane, Alberta	Trustee since February 27, 2014 Investment Officer of the Administrator/General Partner since February 6, 2014	Advisory Services Fee: 2014: \$65,000 2015: as per Advisory Services Agreement	200,000 Preferred Trust Units (0.5%) 2 Common Trust Units (28.6%) ⁽²⁾
Craig Hruska Calgary, Alberta	Trustee since February 27, 2014 Investment Officer of the Administrator/General Partner since February 6, 2014	Advisory Services Fee: 2014: \$65,000 2015: as per Advisory Services Agreement	100,000 Preferred Trust Units (0.3%) 2 Common Trust Unit (28.6%) ⁽³⁾
J1 Trust ⁽⁴⁾	beneficially owns or controls 10% or more of Common Trust Units	Nil	0 Preferred Trust Units (0%) 1 Common Trust Unit (14.3%)
Lexbury Family Trust ⁽⁵⁾	beneficially owns or controls 10% or more of Common Trust Units	Nil	0 Preferred Trust Units (0%) 1 Common Trust Unit (14.3%)
Tooth Family Trust ⁽⁶⁾	beneficially owns or controls 10% or more of Common Trust Units	Nil	0 Preferred Trust Units (0%) 1 Common Trust Unit (14.3%)

Notes:

- (1) Each of Gregory Tisdale, Craig Hruska, Greg Tooth and Michael Cook are affiliates of Tisdale Family Trust, Westkal Energy Inc., Alameda Financial Corp. and Lexbury Financial Inc., respectively, which will, as the Advisors, receive the portion of the Advisory Services Fee paid by Investco pursuant to the Advisory Services Agreement. See "Material Agreements – Advisory Services Agreement - Fees". Alameda Financial Corp. and Lexbury Financial Inc. each received Advisory Services Fees of \$32,500 in fiscal 2014. Apart from the portion of the Advisory Services Fee, no other compensation was paid by the Trust or a related party in the most recently completed financial year, or is anticipated to be paid in the current financial year, to Gregory Tisdale, Craig Hruska, Greg Tooth or Michael Cook.
- (2) The Common Trust Units are held by Tisdale Family Trust.
- (3) The Common Trust Units are held by Hruska Family Trust.
- (4) Stephen Johnston, Michael Cook and Greg Tooth are each a trustee of J1 Trust and Stephen Johnston is in the class of beneficiaries of J1 Trust.
- (5) Stephen Johnston, Michael Cook and Greg Tooth are each a trustee of Lexbury Family Trust and Michael Cook is in the class of beneficiaries of Lexbury Family Trust.
- (6) Stephen Johnston, Michael Cook and Greg Tooth are each a trustee of Tooth Family Trust and Greg Tooth is in the class of beneficiaries of Tooth Family Trust.

Management Experience

Set forth below is a description of the principal occupation and business experience of each of the Trustees of the Trust and the directors and officers of the Administrator. As well as being the

administrator of the Trust, the Administrator is also the General Partner and, accordingly, the following information is also descriptive of the management of the Partnership.

Name	Principal Occupation and Related Experience
Gregory Tisdale	Greg is the Chief Financial Officer of Crescent Point Energy (" Crescent Point "), a role he has held since 2004. During this time, significant growth occurred with production increasing from 11,000 boe/d to 124,000 boe/d along with Crescent Point's market capitalization increasing from \$500 MM to \$16 B, making Crescent Point one of the largest independent oil companies in North America. During the past ten years he has managed all aspects of Crescent Point's finances including consolidating and acquiring 57 major transactions representing over \$9.5 B of value. Greg has worked in the oil and gas industry since 1995, having held a variety of roles with companies such as Direct Energy Marketing Ltd., AltaGas Services Inc., Shell Trading Gas and Power Canada Ltd. and Engage Energy Inc. Greg has served and currently serves on the board of directors of several junior oil and gas companies. Greg is a Chartered Accountant and holds a Bachelor of Commerce degree (with distinction) from the University of Alberta.
Craig Hruska	Craig is President and Chief Executive Officer and Chairman of Scollard Energy Inc. a private oil and gas production company since the company was formed in October 2006. Craig was President and Director of Addison Energy Inc. (" Addison "), a private Canadian oil and natural gas exploration and production company until his resignation in July, 2003. Craig founded Addison in May, 1998 and it grew from a startup to 9,000 boe/d and \$250 MM in NAV in July, 2003. Craig has a Bachelor of Science Degree in Chemical Engineering from the University of Alberta (1987) and is a Professional Engineer and member of the Association of Professional Engineers and Geoscientists of Alberta. Craig is also a member of the Society of Petroleum Engineers. Craig currently serves on the Board of Directors of several private companies and not-for profit organizations.

Penalties, Sanctions and Bankruptcy

No Trustee or control person of the Trust and no director, executive officer or control person of the Administrator has, within the ten years prior to the date of this Offering Memorandum, been subject to any penalties or sanctions or cease trade orders, or been declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

No Trustee or control person of the Trust and no director, executive officer or control person of the Administrator has been, in the past ten years, a director, executive officer or control person of an issuer that, while such individual served in such capacity, was subject to any penalty or sanction or cease trade order or was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of the issuer.

Loans

None of the directors or officers of the Administrator, or any of the Trustees, promoters or principal securityholders of the Trust are indebted to the Trust or its affiliates.

CAPITAL STRUCTURE

Unit Capital

Description of Security	Number Authorized to be issued	Price per Security	Number Outstanding as at July 24, 2015	Minimum Number outstanding after Minimum Offering ⁽¹⁾	Maximum Number outstanding after Maximum Offering ⁽²⁾
Common Trust Units ⁽³⁾	Unlimited	\$1.00	7	7	7
Preferred Trust Units ⁽⁴⁾	Unlimited	\$1.00	38,816,558	38,816,558	68,816,558 ⁽⁵⁾

Notes:

- (1) There is no minimum amount to be raised pursuant to this Offering.
- (2) There is no maximum amount to be raised pursuant to this Offering.
- (3) See "Business of the Trust – Material Agreements – Declaration of Trust – Attributes of the Units of the Trust", for the terms of the Common Trust Units.
- (4) See "Securities Offered – Terms of Securities", for the terms of the Preferred Trust Units.
- (5) Assuming the issuance of 30,000,000 Preferred Trust Units under the Offering.

Common C LP Units

The Partnership may, at the sole discretion of the General Partner, 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 10% of the number of Common B LP Units issued. Alternatively, the Partnership or an affiliate of the Partnership may, subject to the limitations above, issue securities which have characteristics intended to be substantially the economic equivalent to Common C LP Units. It is intended that Common C LP Units will be issued to provide long term incentives to certain employees of the Partnership or an affiliate of the Partnership to align the interests of such employees with Unitholder interests.

Long Term Debt

Investco's Credit Facility is a \$9,000,000 revolving operating demand loan.

Description	Interest Rate	Repayment Terms	Amount Outstanding as of July 24, 2015
Credit Facility (secured)	Based on the Prime Rate	Demand	\$0.00

An advance under the Credit Facility and the proceeds of previous offerings were used to fund the Viking Acquisition, the Loan and the Equity Investment. The Credit Facility is secured by all of the assets of Investco, and guaranteed by the Partnership, the General Partner and the Trust.

The Credit Facility bears interest at a rate based on the prime rate. The Credit Facility will be available for Investco's general corporate purposes, including capital expenditures, and provides for customary positive and negative covenants, including limitations on liens, dispositions, amalgamations, hedging, liquidations 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 all credit availability and

demand repayment of the Credit Facility in full, and would also prevent distributions from being paid by the Trust and the Partnership to their unitholders. Compliance with the terms of the covenants under the Credit Facility could adversely impact the free cash flow of Investco. Additionally, under the Credit Facility, each of the Trust, the Partnership and the General Partner must maintain a working capital ratio of not less than 1:1 at all times.

The Trust does not presently anticipate undertaking any borrowing in order to finance its operations. If such additional borrowing were to be undertaken, it would be undertaken in the discretion of the Administrator and upon such terms and conditions as it determines appropriate or acceptable.

Prior Sales

The following table sets forth a description of the previously issued securities of the Trust since its formation. These securities have not been issued as part of this Offering.

Date of Issuance	Type of Security Issued	Number of Securities Issued	Price per Security	Total Funds Received
February 27, 2014	Common Trust Units	7	\$1.00	\$7
April 15, 2014	Preferred Trust Units	2,074,280	\$1.00	\$2,074,280
May 12, 2014	Preferred Trust Units	5,738,640	\$1.00	\$5,738,640
June 30, 2014	Preferred Trust Units	17,781	\$1.00	\$17,781
July 9, 2014	Preferred Trust Units	2,596,700	\$1.00	\$2,596,700
September 9, 2014	Preferred Trust Units	2,415,574	\$1.00	\$2,415,574
September 30, 2014	Preferred Trust Units	48,965	\$1.00	\$48,965
November 5, 2014	Preferred Trust Units	3,084,295	\$1.00	\$3,084,295
December 16, 2014	Preferred Trust Units	3,737,005	\$1.00	\$3,737,005
December 31, 2014	Preferred Trust Units	76,455	\$1.00	\$76,455
February 2, 2015	Preferred Trust Units	928,500	\$1.00	\$928,500
March 10, 2015	Preferred Trust Units	2,432,710	\$1.00	\$2,432,710
March 31, 2015	Preferred Trust Units	108,491	\$1.00	\$108,491

Date of Issuance	Type of Security Issued	Number of Securities Issued	Price per Security	Total Funds Received
April 23, 2015	Preferred Trust Units	3,239,632	\$1.00	\$3,239,632
April 30, 2015	Preferred Trust Units	1,200,000 ⁽¹⁾	\$1.00	\$1,200,000
May 4, 2015	Preferred Trust Units	3,891,630	\$1.00	\$3,891,630
June 12, 2015	Preferred Trust Units	1,525,900	\$1.00	\$1,525,900
June 17, 2015	Preferred Trust Units	700,000	\$1.00	\$700,000
June 26, 2015	Preferred Trust Units	5,000,000	\$1.00	\$5,000,000

Note:

(1) 1,200,000 Preferred Trust Units were issued to the WIP Vendors as part of the WIP Acquisition.

SECURITIES OFFERED

Terms of Securities

The Offering consists of Preferred Trust Units which are being issued as part of a Tied Unit. Tied Units are made up of a combination of Preferred Trust Units and Common A LP Units of the Partnership which are being offered concurrently by the Partnership pursuant to an offering memorandum dated July 24, 2015. For every 10 Preferred Trust Units issued by the Trust, the Partnership will issue 10 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 will be determined from time to time by the General Partner in its sole discretion. The Common A LP Units will form part of the Tied Unit and be available to the Subscriber for purchase for a nominal value and the Common B LP Units will be issued among Tisdale Family Trust, Hruska Family Trust, J1 Trust, Lexbury Family Trust and Tooth Family Trust in the amounts determined by them. While the ratio of Common A LP Units to Common B LP Units issued is at the sole discretion of the General Partner, an equal number of Common LP Units and Preferred Trust Units will be issued. The ratio of Common A LP Units to Common B LP Units is subject to change and it is expected that the amount of Common A LP Units available for purchase relative to Common B LP Units will go down as the Offering progresses. The General Partner will not accept a subscription agreement for Common A LP Units without the concurrent purchase of the applicable number of Preferred Trust Units.

The price of each Preferred Trust Unit issued under this Offering Memorandum is \$1.00. Except with the consent of the Administrator of the Trust, the minimum number of Preferred Trust Units that may be purchased by an individual subscriber is 5,000 representing a \$5,000 investment. See "Securities Offered – Subscription Procedure – Subscribing for Preferred Trust Units".

Concurrent with or subsequent to this Offering of Preferred Trust Units, which are being sold as part of Tied Units, the Trust may also occasionally offer Preferred A Trust Units, Preferred B Trust Units, Preferred D Trust Units, Preferred E Trust Units and additional Preferred Trust Units.

Tied Units are made up of a combination of Preferred Trust Units and Common A LP Units of the Partnership which are being offered concurrently by the Partnership pursuant to an offering memorandum dated July 24, 2015. The Partnership may also occasionally offer to the public additional Common A LP Units, Preferred A LP Units, Preferred B LP Units, Preferred C LP Units, Preferred D LP Units and Preferred E LP Units. The Preferred A1 LP Units, Preferred B1 LP Units, Preferred C1 LP Units, Preferred D1 LP Units and Preferred E1 LP Units will only be offered to the Trust.

Preferred Trust Units

The Preferred Trust Units have those rights, privileges, restrictions and conditions ascribed thereto as set forth in the Declaration of Trust, 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 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 Preferred Trust Units, including amendments to:
 - (i) remove or change rights to distributions in a manner materially prejudicial to Preferred Trust Unitholders;
 - (ii) add, remove or change, redemption rights in a manner materially prejudicial to Preferred Trust Unitholders;
 - (iii) reduce or remove a distribution preference or a liquidation preference; or
 - (iv) add, remove or change, in a manner materially prejudicial to Preferred Trust Unitholders, 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 Preferred Trust Unitholders would be materially prejudicial thereto:
 - (i) effect an exchange, reclassification or cancellation of all or part of the Preferred Trust Units;
 - (ii) increase the rights or privileges of any Units of the Trust having rights or privileges equal or superior to the Preferred Trust Units;
 - (iii) create a new class of units of the Trust equal or superior to the Preferred Trust Units;
 - (iv) make any class of Units of the Trust having rights or privileges inferior to the Preferred Trust Units equal or superior to the Preferred Trust Units; or

- (v) effect an exchange or create a right of exchange of all or part of the units of another class 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 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 Preferred Trust Unitholders voting separately as a class. At all such meetings, each Preferred Trust Unitholder Trust shall be entitled to one (1) vote in respect of each Preferred Trust Unit held thereby.

Distributions

The holders of the Preferred Units of the Trust shall be entitled to receive out of the Distributable Cash of the Trust 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 of Preferred Units of the Trust 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 Preferred Units of the Trust for such Distribution Period..
- (b) Each Preferred Unit of the Trust issued and outstanding on the Distribution Record Date for a particular Distribution Period shall be entitled, without preference or priority, to an equal Distribution Per Preferred Unit of the Trust. The share of such Distribution Amount in respect of such class of Preferred Unit of the Trust distributable to a particular holder of Preferred Units of the Trust shall be an amount equal to the Distribution Per Preferred Unit of the Trust multiplied by the number of Preferred Units of the Trust owned of record by such holder of Preferred Units of the Trust on such Distribution Record Date.

The ability of the Trust to make cash distributions on the Preferred Trust Units 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 Unitholders.

Distribution Reinvestment Plan

The Trust has adopted a DRIP that will allow eligible holders of Preferred Units of the Trust to elect to have their cash distributions reinvested in additional Preferred Units of the Trust on the distribution payment date at a purchase price equal to \$1.00 per Preferred Unit of the Trust (or such other price as may be determined by the Trust from time to time). See "Business of the Trust – Material Agreements – Distribution Reinvestment Plan".

Rights of Redemption

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 Preferred Trust Units 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 Preferred Trust Units. The Trustees, at any time and from time to time, have the right to redeem the whole or any part of the then outstanding Preferred Trust Units from

any one or more of the holders thereof as the Trustees may in their sole discretion determine. See "Business of the Trust – Material Agreements – Declaration of Trust – Redemption Rights".

Participation upon Liquidation 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 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. Such distribution to which the Preferred Trust Unitholders are entitled shall be made in equal amounts per Preferred Trust Unit on all the Preferred Trust Units at the time outstanding without preference or distinction.

Reference should be made to the Declaration of Trust for a complete description of all the terms of the Preferred Trust Units.

The Trust and the Partnership intend, following the five-year anniversary from the date of the issuance of Tied Units, to seek out a commercially appropriate liquidity event for all Preferred Trust Unitholders which were issued at such issuance date. This may, among other possible options, include the redemption of such Preferred Trust Units or a transaction resulting in the listing of the Preferred LP Units on an exchange or similar quotation system (or the listing of alternate securities as may be received in exchange for the Preferred LP Units in connection with a business combination, reorganization or other commercial transaction as may be completed by the Trust or the Partnership).

Subscription Procedure

Subscribing for Preferred Trust Units

An investor who wishes to subscribe for Preferred Trust Units must:

1. complete and execute the subscription form which accompanies this Offering Memorandum, including all applicable Schedules thereto;
2. pay the subscription price by certified cheque or bank draft dated the date of the subscription in the amount of \$1.00 per Preferred Trust Unit made payable to "Enercapita Energy Trust" (or as the Administrator otherwise directs); and
3. complete and execute any other documents deemed necessary by the Administrator to comply with applicable securities laws;

and deliver the foregoing to the Trust at #803 - 5920 Macleod Trail SW, Calgary, Alberta T2H 0K2 or such other location which the Administrator may specify.

In respect of a subscription for Preferred Trust Units, subject to the exercise of discretion by the Administrator, the minimum individual subscription is \$5,000 representing 5,000 Preferred Trust Units. Cheques will be held until at least midnight on the second business day after the Subscriber signs the subscription agreement. Thereafter the funds will be deposited and held in escrow by the Trust pending closing of the sale of Preferred Trust Units to the Subscribers. Closings will occur at such times and on such dates as may be determined by the Administrator from time to time. Interest will not be payable on a Subscriber's subscription funds held in escrow pending closing and interest earned, if any, will be paid to and retained by the Trust. A Subscriber will become a Unitholder following the acceptance of a

subscription by the Administrator. Subscriptions will be received subject to rejection or allotment in whole or in part and the Trust reserves the right to close the subscription books at any time and without notice. The Administrator has the right, in its sole and absolute discretion, to reject any subscription for Preferred Trust Units, in whole or in part, for any reason. If subscriptions are not received and accepted and certain other conditions have not been satisfied or waived on or before the date selected by the Administrator (in its sole discretion), subscriptions and subscription funds will be returned to subscribers without interest or deduction.

Upon acceptance by the Administrator on behalf of the Trust of a Subscriber's subscription for Preferred Trust Units and receipt of the subscription price therefore and satisfaction of Closing conditions, the Subscriber shall become a Preferred Trust Unitholder. Following Closing, each Subscriber who becomes a Preferred Trust Unitholder will be entered in the records and/or registers of the Trust as a Unitholder in respect of those Preferred Trust Units subscribed for and accepted by the Trust. If so determined and instructed by the Trust, the registrar and transfer agent for the Trust will hold the Subscriber's Preferred Trust Units in their book-based system which means that no physical certificate will be produced but the Subscriber's Preferred Trust Units will be recorded in the unitholder registers. With Preferred Trust Units being held in the book-based system there is no risk of losing Unit certificates which can be costly to replace. **Based on the foregoing, Unit certificates representing the Subscriber's Preferred Trust Units may not be issued and sent to such Subscriber except where requested in writing by such Subscriber. Until such time as the Trust elects to utilize the book-based system, Unit certificates will be issued and sent to Unitholders.**

Neither the Trust, the Trustees, the Administrator or the General Partner is responsible for, and undertakes no obligation to, determine the general investment needs and objectives of a potential investor and the suitability of the Preferred Trust Units having regard to any such investment needs and objectives of the potential investor.

Representation of Qualification to Purchase

By executing a subscription agreement for Preferred Trust Units, each Subscriber will make the representation that the Subscriber meets the conditions of the applicable prospectus exemption in purchasing Preferred Trust Units pursuant to this Offering and is thus entitled under such prospectus exemption to purchase such securities without the benefit of a prospectus qualified under applicable securities laws.

Acceptance of Subscription Form

The acceptance by the Administrator on behalf of the Trust of a Subscriber's subscription for Preferred Trust Units, whether in whole or in part, constitutes an agreement between the Subscriber and the Trust upon the terms and conditions set out in such subscription agreement whereby the Subscriber, among other things: (i) acknowledges that he or she, upon purchase of Preferred Trust Units, is bound by the terms of the Declaration of Trust; (ii) makes various representations and warranties as more particularly set forth in the subscription agreement; and (iii) irrevocably nominates, constitutes and appoints the Trustees as his or her true and lawful attorney with the full power and authority as set out in the subscription agreement and the Declaration of Trust. **The General Partner will only accept subscriptions for Common A LP Units that are part of a Tied Unit.**

CERTAIN INCOME TAX CONSEQUENCES AND EXEMPT PLAN ELIGIBILITY

General

The following summary has been prepared by Counsel and describes the principal Canadian federal income tax considerations pursuant to the Income Tax Act generally applicable to an individual (other than a trust) who acquires Units pursuant to this Offering and who, for purposes of the Income Tax Act, is resident in Canada, deals at arm's length with, and is not affiliated with, the Trust and holds the Units as capital property. 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 persons who might not otherwise be considered to hold their Units as capital property may, in certain circumstances, be entitled to make the irrevocable election permitted by subsection 39(4) of the Income Tax Act to have their Units and each other "Canadian security" (as defined in the Income 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 Income Tax Act; (ii) that is a "financial institution" as defined in section 142.2 of the Income 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 derivative forward agreement with respect to the Units, all within the meaning of the Income 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 Offering Memorandum, the provisions of the Income Tax Act in force as of the date hereof, all specific proposals to amend the Income 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 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 Offering 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 Canada Revenue Agency. 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. You should consult your own professional advisers to obtain advice on the income tax consequences that apply to you.

Status of the Trust

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

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 Unitholders would be materially different from those contained herein.

This summary assumes that "investments", within the meaning of the Income 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 Income 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 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 to Unitholders and which is deducted by the Trust in computing its income for purposes of the Income Tax Act. An amount will be considered to be payable to a Unitholder in a taxation year if it is paid in the year by the Trust or the Unitholder is entitled in that year to enforce payment of the amount.

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 Unitholders an amount equal to its remaining taxable income so that the Trust will not be liable for any material amount of tax under Part I the Income Tax Act in any taxation year of the Trust.

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 31st.

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 LP Agreement.

In general, the 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 Income Tax Act applicable to that type of income will also apply to each Limited Partner.

Taxation of Investco

Investco will be subject to tax 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. It will also be entitled to deduct certain resource expenditures it incurs, including Canadian exploration expenses, within the meaning of the Income Tax Act, at a rate of up to 100%, Canadian development expenses, within the meaning of the Income Tax Act, at a rate of up to 30% per annum on a declining balance basis, Canadian oil and gas property expenses, within the meaning of the Income Tax Act, at a rate of up to 10% per annum on a declining balance basis. Any such resource expenditures not deducted in a taxation year may generally be carried forward by Investco indefinitely.

Taxation of Unitholders

Trust Distributions

A Unitholder will generally be required to include in computing their income for a particular taxation year any amount paid or made payable to the 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 Unitholder will retain their character as taxable capital gains and taxable dividends to the Unitholder for purposes of the Income Tax Act. Such dividends, when designated to a 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 rules 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 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 Unitholder in a taxation year will not be included in computing the Unitholder's income for the year and will not reduce the adjusted cost base of the 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 Unitholder in a year will generally not be included in the Unitholder's income for the year but will reduce the adjusted cost base of the Units held by such Unitholder. To the extent that the adjusted cost base to a 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 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 Unitholder will include all amounts paid or payable by the Unitholder for the Unit, with certain adjustments. Units issued to a Unitholder as a non-cash distribution of income will have a cost amount equal to the amount of such income. A Unitholder will generally be required to average the cost of all newly-acquired Units with the adjusted cost base of Units held by the Unitholder as capital property in order to determine the adjusted cost base of the Unitholder's Units at any particular time.

Disposition of Units

On the disposition or deemed disposition of Units, a Unitholder will generally realize a capital gain (or a capital loss) equal to the amount by which the Unitholder's proceeds of disposition are greater (or less) than the aggregate of the Unitholder's adjusted cost base of the Units and any reasonable costs incurred by the Unitholder in connection with the disposition. The taxation of capital gains or capital losses is described below under "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 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 Unitholder's aggregate adjusted cost base of the Units so redeemed and any reasonable costs of disposition.

Capital Gains and Capital Losses

Generally, one-half of any capital gain realized or deemed to be realized by a Unitholder in a taxation year will be included in the Unitholder's income for the year as a taxable capital gain. Subject to specific rules in the Income Tax Act, one-half of any capital loss realized or deemed to be realized by a Unitholder in a taxation year is an allowable capital loss which must be 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 Income Tax Act. Capital gains realized by a Unitholder may affect a Unitholder's liability for alternative minimum tax.

If a Unitholder disposes of Units, and the Unitholder, the Unitholder's spouse or another person affiliated with the Unitholder (including a corporation controlled by the Unitholder) has also acquired Units of any series within 30 days before or after the Unitholder disposes of the Unitholder's Units (such newly acquired Units being considered "substituted property"), the 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 Units which are "substituted property".

Eligibility for Investment by Exempt Plans

Provided the Trust qualifies as a "mutual fund trust" within the meaning of the Income Tax Act, the Units, when issued, will be a qualified investment under the Income Tax Act for Exempt Plans.

The Units will generally not be a prohibited investment for a trust governed by a RRSP, TFSA or RRIF if the annuitant or holder of the RRSP, TFSA or RRIF deals at arm's length with the Trust for the purposes of the Income Tax Act and such annuitant or holder does not have a "significant interest" (within the meaning of the Income Tax Act) in the Trust. Unitholders should consult their own tax advisors as to whether the Units will be a prohibited investment in their particular circumstances.

Trust Property, LP Units or other any securities received as a result of a distribution or redemption of Units 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 beneficiary thereof. Unitholders holding Units in an Exempt Plan should consult with their own tax advisors prior to redeeming their holding Units to determine the tax consequences to them of a redemption satisfied by Trust Property or Redemption Notes.

COMPENSATION PAID TO SELLERS AND FINDERS

To assist with effecting sales of Preferred Trust Units, the Trust will retain several securities dealers on a non-exclusive basis and the Trust reserves the right, as permitted by applicable securities legislation, to retain additional securities dealers. The Trust will pay securities dealers a commission of up to 9% of the gross proceeds realized on the sale of Preferred Trust Units for soliciting, or assisting with effecting, sales of Preferred Trust Units. In addition to the foregoing, the Trust may pay an administration fee of up to 1% of the gross proceeds realized on the sale of Preferred Trust Units for administration costs incurred by the securities dealers associated with such activities. Assuming a \$30,000,000 Offering and that the Trust pays the maximum commissions of 9% and an administration fee of 1% of the gross

proceeds realized on the sale of the Preferred Trust Units, the Trust will incur commission payments of \$2,700,000, administration fee payments of \$270,000 and offering costs of \$100,000.

In addition to the above, the Trust may also pay a fee to certain securities dealers, an amount of up to 1% per annum of the aggregate amount that remains invested in the Trust, beginning on the 6th anniversary of such investment, from holders of Preferred Trust Units that were introduced to the Trust by such securities dealers.

The Trust may also incur marketing and other professional services expenses in connection with the Offering.

Investco has agreed to reimburse the Trust and the Administrator for, or pay directly, all costs and expenses to be incurred by the Trust in connection with the Offering for funds invested in Preferred C1 LP Units, and indirectly, in Investco. Accordingly, unless otherwise agreed between the Trust and Investco, the Trust will not directly bear the cost of the commissions, administration fees and offering costs paid in connection with capital raised for investment in the Partnership, and indirectly, Investco. See "Business of the Trust – Material Agreements – Reimbursement Agreement". The Trust and the Partnership is expected to enter into similar agreements with other entities through which the Partnership invests in the Business, if not Investco.

INDUSTRY CONDITIONS

The oil and gas industry is subject to extensive controls and regulations. In Alberta, provincial legislation and regulations govern land tenure, royalties, production practices and rates, environmental protection, the prevention of waste and other matters. Federal legislation and regulations also apply. Although it is not expected that any of these controls and regulations will affect the operations of the Partnership or Investco in a manner materially different than they would affect other oil and natural gas producers of similar size, the controls and regulations should be considered carefully by investors in the oil and natural gas industry. All current legislation is a matter of public record and Management is unable to predict with certainty what additional legislation or amendments may be enacted.

Regulatory Framework

The Alberta Department of Energy is responsible for administering the legislation that governs the ownership, royalty and administration of Alberta's oil, gas, oil sands, coal, metallic and other mineral resources. Prior to June 17, 2013, energy resource activities in Alberta were primarily regulated by the Energy Resources Conservation Board of Alberta ("**ERCB**") and Alberta Environment and Sustainable Resource Department ("**ESRD**"). On October 24, 2012, the Government of Alberta introduced Bill 2, the *Responsible Energy Development Act* ("**REDA**"). On December 10, 2012, Bill 2 was passed and on June 17, 2013 jurisdiction for energy resource activities was transferred from ESRD to the Alberta Energy Regulator ("**AER**"). The recent changes in Alberta's regulatory framework are the result of a four-year Regulatory Enhancement Project undertaken by the Government of Alberta with the stated goal of creating a regulatory system that delivers clarity, predictability, certainty and efficiency.

ESRD recently changed its name to Alberta Environment and Parks ("**AEP**").

Regulation of Operations

In Alberta, currently the regulation of the construction, operation, decommissioning, and reclamation of oil and wells, pipelines and associated facilities is generally undertaken by the AER under various statutes, including the *Oil and Gas Conservation Act*, the *Water Act*, the *Environmental*

Protection and Enhancement Act and others. For example, AER approvals are required prior to the drilling and operation of wells, the construction of pipelines and associated facilities, and the legislation allows the AER to inspect and investigate operations. Similar powers are exercised by AEP with regard to aspects of projects impacting human health or the environment. Certain changes to oil and gas wells, pipelines and associated facilities require the approval of the AER, AEP, or both. Inspection and investigations by provincial regulators may result, among other things, in remedial orders.

The REDA established the AER and dissolved the ERCB. Under the REDA, the AER has assumed all of the functions of the ERCB and the jurisdiction for energy resource activities from ESRD. The current regulatory regime for oil and gas essentially has remained in place, with the primary change being the oversight and administration by a single regulatory body. The existing authorizations and approvals processes for oil and gas projects has remained similar, but such authorizations and approvals are administered by the AER. The REDA granted to the AER all of the ERCB's responsibilities under energy resource legislation, including the *Oil and Gas Conservation Act*. On November 30, 2013 the REDA granted to the AER the ESRD's responsibilities in relation to energy resource activities under the *Public Lands Act* and Part 8 of the *Mines and Minerals Act*. On March 31, 2013 REDA granted to the AER the ESRD's responsibilities in relation to energy resources activities under the *Environmental Protection and Enhancement Act* and the *Water Act*.

The AER also regulates the rates of production from wells and can regulate access to pipelines and facilities.

Additionally, the construction, operation, decommissioning and reclamation of oil and gas wells, pipelines and associated facilities are subject to occupational health and safety laws, transportation of dangerous goods laws, and may be subject to regulation by the Government of Canada under various federal statutes and regulations, which may include the *Canadian Environmental Assessment Act, 2012*, the *Canadian Environmental Protection Act, 1999*, the *Fisheries Act*, the *Navigation Protection Act* and where applicable, the *National Energy Board Act*. Certain federal approvals or authorizations may be needed prior to construction, operation or modification of facilities. Inspections and investigations by federal regulators may result, among other things, in remedial orders.

Pricing and Marketing – Crude Oil

In Canada, producers of crude oil negotiate sales contracts directly with oil purchasers, with the result that the market determines the price of such commodities. The price received by the Partnership depends in part on product quality, prices of competing fuels, distance to market, the value of refined products, the supply/demand balance and other contractual terms.

Subject to certain exemptions, exports from Canada must be made pursuant to short-term export orders or long-term licences obtained from the National Energy Board (the "NEB"). An export order for light crude oil, defined to include blended oils with a density less than 875.7 kg/m³, may be granted for up to one year. An export order for heavy crude oil, defined to include blended oils with a density greater than 875.7 kg/m³, may be granted for a period not exceeding two years. If a longer term for export approval is required, an export licence must be obtained from the NEB. Licences for the export of light or heavy crude oil may be granted for a period not exceeding 25 years and require the approval of the Governor in Council.

Pricing and Marketing – Natural Gas

In Canada, the price of natural gas sold in intraprovincial, interprovincial and international trade is determined by negotiations between buyers and sellers. Such price depends, in part, on natural gas

quality, prices of competing natural gas and other fuels, distance to market, access to downstream transportation, length of contract term, weather conditions, the supply/demand balance and other contractual terms. Natural gas exported from Canada is subject to regulation by the NEB and the government of Canada. Exporters are free to negotiate prices and other terms with purchasers, provided that the export contracts continue to meet certain criteria prescribed by the NEB and the government of Canada. Natural gas exports for a term of less than two years or for a term of two to 20 years (in quantities not exceeding 30,000 m³/day) are subject to an NEB order. Any natural gas exported under a contract of longer duration (to a maximum of 25 years) or in larger quantities requires the exporter to obtain an export licence from the NEB and the issuance of such licence requires the approval of the Governor in Council.

The government of Alberta also regulates the volume of natural gas that may be removed from the province for consumption elsewhere, based on such factors as reserve availability, transportation arrangements and other market considerations.

Pricing and Marketing – Natural Gas Liquids

In Canada, the price of condensate and other natural gas liquids ("NGLs") sold in intraprovincial, interprovincial and international trade is determined by negotiation between buyers and sellers. Such price depends, in part, on the origin and quality of the NGLs, prices of competing chemical stock, distance to market, access to downstream transportation, length of contract term, the supply/demand balance and other contractual terms.

Subject to certain exemptions, exports of NGLs from Canada must be made pursuant to short-term export orders or long-term licences obtained from the NEB. For example, an export order in respect of propane or butane may be granted for up to one year. Licences for the export of NGLs may be granted for a period not exceeding 25 years and require the approval of the Governor in Council.

The North American Free Trade Agreement

The North American Free Trade Agreement ("NAFTA") among the Canadian, United States and Mexican governments came into effect on January 1, 1994. Under NAFTA, the Canadian government is free to determine whether exports of energy resources to the United States or Mexico should be allowed, provided that export restrictions do not: (1) reduce the proportion of energy resources exported relative to energy resources consumed domestically (with the most recent 36 month period proportion used as the basis for comparison); (2) impose a higher export price than domestic price (subject to an exception relating to certain voluntary measures that restrict the volume of exports); and (3) disrupt normal channels of supply.

NAFTA prohibits discriminatory border restrictions and export taxes and also prohibits the imposition of minimum or maximum export or import price requirements except with respect to the enforcement of countervailing and anti-dumping orders and undertakings. Discipline on regulators is addressed as the signatories to NAFTA agree to ensure that their regulatory bodies provide equitable implementation of regulatory measures and minimize the disruption of contractual arrangements.

Land Tenure

The oil and gas mineral rights in approximately 81% of Alberta area are owned by the provincial Crown and managed by the Alberta Department of Energy. The remaining approximately 19% of oil and gas mineral rights are held "freehold" by individuals and companies, or by the federal Crown, for example in Indian reserves and National Parks.

Oil and gas owned by the Province of Alberta is produced under provincial Crown petroleum and natural gas leases made under the *Mines and Minerals Act* issued for an initial 5-year term, which can be continued as to all or any portion the Minister of Energy may determine. The regulations require that exploration or development activity be undertaken according to prescribed levels of evaluation or production. A Crown lease may generally be continued after the initial term as to all or any portion the Minister of Energy may determine, provided certain minimum levels of exploration or production have been achieved and all lease rentals have been timely paid. The surface rights required for wells, pipelines and facilities are generally governed by leases, easements, rights-of-way, permits or licenses granted by landowners or governmental authorities.

Royalties

For crude oil, natural gas and related production, the royalty regime is a significant factor in the profitability of production operations. Royalties payable on production from lands other than Crown lands are determined by negotiations between the mineral owner and the lessee, although production from such lands is subject to certain provincial taxes and royalties. Crown royalties are determined by governmental regulation and are generally calculated as a percentage of the value of the gross production. The rate of royalties payable generally depends in part on well productivity, geographical location and field discovery date and commodity prices.

From time to time, the provincial governments have 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. For example, on May 27, 2010, the Government of Alberta announced reduced royalty rates to encourage new exploration, development, or production in respect of deeper natural gas wells, unconventional natural gas resources, and horizontal oil and gas wells.

The Government of Alberta implemented a new oil and gas royalty framework effective January 1, 2011. The new framework establishes new royalties for conventional oil, natural gas, and bitumen that are linked to price and production levels and apply to both new and existing conventional oil and natural gas activities and oil sands projects. Under the Alberta royalty regime, the calculation of conventional oil and natural gas royalties is made in accordance with sliding rate formulas, known as royalty curves, that adjust for market price and production volumes. Under the current framework, royalty rates for conventional oil range from 0 - 40% and natural gas royalty rates range from 5 - 36%.

The present Government of Alberta has announced that it will be reviewing all royalty rates in the summer of 2015.

Environmental Regulation

Oil and gas activities are subject to provincial and federal environmental laws and regulations. Environmental laws and regulations require various approvals and provide for restrictions and prohibitions on releases or emissions of various substances produced or used in association with such projects. In addition, environmental laws and regulations require that wells, pipelines, facilities and other operating sites and roads be abandoned and reclaimed to the satisfaction of provincial or federal authorities. Compliance with such legislation can require significant expenditures. A breach of such legislation may, among other things, result in the imposition of material fines and penalties, the suspension or revocation of necessary licences and authorizations, and civil liability for pollution damage.

Water usage for oil and gas projects, including restrictions on amounts and type of water used, is regulated by the AER. In general, regulatory requirements maximize recycling of water and minimize use of fresh (non-brackish) water.

The Partnership may be affected by regional plans created under the *Alberta Land Stewardship Act* (the "**ALSA**"), which came into effect on September 1, 2012 and which are currently being developed and implemented. A regional plan is a legislative instrument equivalent to regulations and is binding on the government of Alberta and provincial regulators, including those governing the oil and gas industry. The Lower Athabasca Regional Plan ("**LARP**") was the first of an anticipated seven regional land-use plans in the province and applies to over two million hectares of land and, among other things, implements management frameworks for air emissions, water use and land disturbance to control cumulative environmental effects of industrial development.

On September 1, 2012, frameworks for air quality, surface water quality and groundwater came into force under LARP, subjecting future and existing operations in the region to more onerous environmental constraints and stringent operating parameters. As part of these frameworks, parties may be required to participate in regional monitoring and report on the progress of implementation. Further, conservation areas established under LARP may impact some oil and gas lease holders in the region, as there is the potential for specific oil and gas leases to be cancelled by the government of Alberta. Should such a situation occur, the Alberta government would be responsible for compensation to the affected lease holders. While the LARP or any other regional plans have not had a significant effect on the Partnership, there can be no assurance that changes to the LARP or that future regional plans, laws or regulations will not adversely impact the Partnership's ability to develop or operate its projects.

The operations of the Partnership are, and will continue to be, affected in varying degrees by laws and regulations regarding environmental protection. It is impossible to predict the full impact of these laws and regulations on the Partnership's operations. However, it is not anticipated that the Partnership's competitive position will be adversely affected by current or future environmental laws and regulations governing its current oil and gas operations. The Partnership is committed to meeting its responsibilities to protect the environment wherever it operates and anticipates making increased expenditures of both a capital and expense nature as a result of increasingly stringent laws relating to environmental protection. The Partnership also believes that it is likely that the trend in environmental legislation and regulation will continue toward stricter standards.

Greenhouse Gases and Industrial Air Pollutants

Climate Change Regulation

Internationally, Canada is a signatory to the United Nations Framework Convention on Climate Change ("**UNFCC**") and previously ratified the Kyoto Protocol established thereunder, which set legally binding targets to reduce nation-wide emissions of carbon dioxide, methane, nitrous oxide and other greenhouse gases ("**GHG**") The first commitment period under the Kyoto Protocol was the five year period from 2008-2012. In December 2011, the Canadian federal government announced that it would not agree to a second commitment period under the Kyoto Protocol after 2012. The federal government instead endorsed the Durban Platform, a broad agreement reached among the 194 countries that are party to the UNFCC, during a conference held in Durban, South Africa in December 2011. The Durban Platform sets forth a process for negotiating a new climate change treaty that would create binding commitments for all major GHG emitters. The Canadian government expressed cautious optimism that agreement on a new treaty can be reached by 2015. The Durban Platform followed the Copenhagen Accord reached in December 2009 as government representatives met in Copenhagen, Denmark to negotiate a successor to the Kyoto Protocol. The Copenhagen Accord represents a broad political

consensus and reinforces commitments to reducing GHG emissions but is not a binding international treaty. Although Canada had committed under the Copenhagen Accord to reduce its GHG emissions by 17% from 2005 levels by 2020, the target is not legally binding. The impact of Canada's withdrawal from the Kyoto Protocol on prior GHG emission reduction initiatives is uncertain.

Government of Canada Regulations

Domestically, the Canadian federal government released in 2007 its *Regulatory Framework for Air Emissions*, which was updated in March 2008 in a document entitled *Turning the Corner: Regulatory Framework for Industrial Greenhouse Gas Emissions*. Canada's previous GHG emission reduction target was 20% from 2006 levels by 2020, but on January 30, 2010 the Canadian federal government announced a new GHG emission reduction target consistent with the Copenhagen Accord to reduce GHG emissions to 17% below 2005 levels by 2020. Canada's framework proposes mandatory emissions intensity reduction obligations on a sector-by-sector basis. Although implementing regulations are required, to date only regulations for Canada's transportation and electricity sectors have been developed. In 2009, the Canadian federal government announced its commitment to work with the provincial governments to implement a North America-wide cap and trade system for GHG emissions, in cooperation with the United States, under which Canada would have its own cap-and-trade market for Canadian-specific industrial sectors that could be integrated into a North American market for carbon permits. The government of Canada currently proposes to enter into equivalency agreements with provinces to establish a consistent regulatory regime for GHGs, but the success of any such plan is uncertain, possibly leaving overlapping levels of regulation. It is uncertain whether or when either Canadian federal GHG regulations for the oil and gas industry or an integrated North American cap-and-trade system will be implemented, or what obligations might be imposed under any such systems. As the details of the implementation of any federal legislation for GHGs that is applicable to the oil and gas industry have not been announced, the effect on the Partnership's operations cannot be determined at this time.

Government of Alberta Regulations

Alberta introduced the *Climate Change and Emissions Management Act*, which provides a framework for managing GHG emissions by reducing specified gas emissions, relative to gross domestic product, to an amount that is equal to or less than 50% of 1990 levels by December 31, 2020. The accompanying regulations include the *Specified Gas Emitters Regulation* (the "**SGER**"), which imposes GHG emissions limits, and the *Specified Gas Reporting Regulation* (the "**SGRR**"), which imposes GHG emissions reporting requirements.

The SGER, effective July 1, 2007, applies to facilities in Alberta that have produced 100,000 or more tonnes of GHG emissions in 2003 or any subsequent year, and requires reductions in GHG emissions intensity (i.e. the quantity of GHG emissions per unit of production) from emissions intensity baselines that are established in accordance with the SGER. The SGER distinguishes between "established" facilities that completed their first year of commercial operation before January 1, 2000 or have completed eight years of commercial operation, and "new" facilities that have completed their first year of commercial operation on December 31, 2000 or a subsequent year and have completed less than eight years of commercial operation. Generally, the baseline for an established facility reflects the average of emissions intensity in 2003, 2004, and 2005, and for a new facility emissions intensity in the third year of commercial operation. For an established facility, the required reduction in GHG emissions is 12% per year from its baseline and such reduction must be maintained over time. For a new facility, the required reduction from its baseline is phased in by annual 2% increments beginning in the fourth year of commercial operation until the annual 12% reduction requirement is reached, and once reached such 12% reduction must be maintained over time. There are three methods for operators of facilities that are subject to the SGER to comply with the annual emission intensity reduction requirements: (i) improve

emissions intensity at the facility; (ii) purchase emission performance or emission offset credits in the open market, which are generated from Alberta based projects; and/or (iii) purchase "fund credits" by contributing to the Alberta Climate Change and Emissions Management Fund (the "**Fund**") run by the Alberta government. Historically the contribution costs to the Fund have been set at \$15/tonne of CO_{2e}. Compliance reports for facilities subject to the SGER are due to ESRD on March 31 annually.

The SGRR imposes GHG emissions reporting requirements on facilities that have GHG emissions of 50,000 tonnes or more in a year. In addition, Alberta facilities must currently report emissions of industrial air pollutants and comply with obligations imposed in permits and under other environmental regulations.

The SGER and SGRR will expire on June 30, 2015. The Alberta Government has announced that they will be replaced with new regulations. As the new regulations have not been released, the effect of the new regulations on the Partnership's operations cannot be determined at this time.

The Future of GHG Emission Regulations

There will likely be some financial impact of GHG emission regulation on most oil and gas industry participants and their projects, possibly including the Partnership and its projects, however the extent of that impact is not yet known. In particular, there is uncertainty regarding the ultimate GHG emission regulatory regime that will be applicable to the Partnership due to, among other things, the potential for the harmonization of GHG emission regulatory regimes in Canada and the United States.

At present, there is no assurance that any new regulations implemented by the Government of Canada relating to the reduction of GHG emissions will be harmonized with the Government of Alberta's GHG emissions reduction regulations. In such case, the costs of meeting new federal government requirements could be considerably higher than the costs of meeting Alberta's current or future requirements.

RISK FACTORS

The Offering should be considered highly speculative due to the nature of the Trust's business and the fact that both the Trust and the Partnership (in whom the Trust is invested) have limited operating history. An investment in Preferred Trust Units should only be made after consultation with independent qualified sources of investment, tax and legal advice. The directors, officers, trustees, employees and consultants of the Administrator and the Trust do not provide investment or tax advice. There is no established market for the Preferred Trust Units and none is expected to develop. Therefore, it may be difficult or impossible for a Subscriber to sell such securities. The subscription price per Preferred Trust Unit (\$1.00) was determined arbitrarily by the Trust.

An investment in the Trust is speculative and involves a high degree of risk. There is a risk that an investment in the Trust will be lost entirely or in part. Only investors who do not require immediate liquidity of their investment and who can afford the loss of their entire investment should consider the purchase of Preferred Trust Units.

The following is a summary of certain risk factors pertaining to the Trust and/or the Partnership (in whom the Trust is invested and in whom the Trust plans to increase its investment) but does not purport to be a complete summary of all the risks associated with an investment in securities of the Trust. The business, operations, financial condition, revenues and profitability of the Trust and/or the Partnership could be materially adversely affected by any of these risks.

Investment Risk

Risks that are specific to the Preferred Trust Units being offered hereunder include the following:

Blind Pool Offering

Other than the Viking Assets, the Legacy Assets and the Arc Assets, this is a "blind pool" offering, meaning the assets to be acquired indirectly through the Partnership with the proceeds of this Offering have not yet been identified. The Trust will invest, via the purchase of Preferred C1 LP Units, the available net proceeds of this Offering into the Partnership. However, the specific assets which the Partnership or Investco will acquire with the proceeds from the sale of Preferred C1 LP Units 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 disbursements pursuant to the Preferred C1 LP Units should the properties acquired with the proceeds of this Offering not prove to be profitably productive.

No Guaranteed Return

The recovery of your initial investment is at risk, and the anticipated return on your investment is based on many performance assumptions. There is no guarantee that an investment in Preferred Trust Units will earn any positive return in the short or long-term. While the Trust intends to make distributions to its Unitholders out of Distributable Cash, 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 Preferred Trust Units is dependent upon the success of the Partnership (in whom the Trust is invested and in whom the Trust plans to increase its investment) in generating sufficient earnings on the assets of the Partnership in order to service its obligations to Preferred LP Unitholders. As a result, there is no assurance or guarantee that the Trust and, correspondingly, the purchasers of Preferred Trust Units pursuant to the Offering will earn a return on, or of, their investment. See "Risk Factors – Risks Pertaining to the Partnership".

Distributions

The ability of the Trust to make cash distributions on the Preferred Trust Units is principally dependent upon the Trust receiving payment of distributions from the Partnership pursuant to the Preferred C1 LP Units held by the Trust. If the Trust does not receive payment of distributions from the Partnership pursuant to the Preferred C1 LP Units held by it, the Trust will likely not have sufficient cash flow to make cash distributions to Unitholders. In such a circumstance it is possible that the Trust will make non-cash distributions and accordingly a Unitholder's tax liability for a year arising from its status as a Preferred Trust Unitholder may exceed the amount of cash distributions received from the Trust by the Unitholders.

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 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 LP Unitholders, including the Trust.

Distributions may Consist of Proceeds of Offerings

Distributions to Preferred Trust Unitholders may consist, directly or indirectly, of the proceeds from the sale of securities by the Trust (including this Offering) and may also, in certain circumstances, exceed the cash flow of the Trust for any particular distribution period.

Lack of Marketability of Preferred Trust Units

There is currently no market through which the Preferred Trust Units may be sold and purchasers may not be able to resell Preferred Trust Units purchased under this Offering Memorandum. Preferred Trust Units are transferable subject to the terms of the Declaration of Trust 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 or Redemption Notes, in respect of each of which there will not be a market for such securities. An investment in Preferred Trust 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.

Nature of Preferred Trust Units

The Preferred Trust Units do not represent a direct ownership interest in the assets of the Trust but rather a fractional beneficial interest in the Trust. The Preferred Trust Units should not be viewed by investors as shares or partnership units. Corporate law does not govern the Trust or the rights of Unitholders. As Preferred Trust Unitholders, such holders will not have the statutory rights normally associated with ownership of shares of a corporation including, for example, the right to bring "oppression" or "derivative" actions. Further, in the event of insolvency or restructuring under the *Bankruptcy and Insolvency Act* (Canada) or the *Companies Creditors Arrangement Act* (Canada) a Unitholders' position may be quite different than that of a shareholder of a corporation.

No Voting Rights

The Preferred Trust Units are non-voting except in certain limited circumstances as set forth in the Declaration of Trust, which includes where there is a proposal to amend the rights, privileges, restrictions and conditions attaching to the Preferred Trust Units. Accordingly, Unitholders will have no ability to affect the governance or management of the Trust.

Substantial Redemption of Preferred Trust Units

Preferred Trust Unitholders have the right to redeem their Preferred Trust Units upon the terms outlined in the Declaration of Trust and Preferred LP Unitholders have the right to redeem their Preferred Units upon the terms outlined in the LP Agreement. As the Trust will be the primary Preferred C1 LP Unitholder, and the contributions of the Trust to the Partnership rely on the capital acquired by the issuance of Preferred Trust Units, a substantial redemption of Preferred Trust Units may lead to the Trust redeeming a substantial amount of Preferred C1 LP Units. A substantial redemption of Preferred C1 LP Units may adversely affect the available capital required by the Partnership to carry out the Business.

Redemption of Preferred Trust Units

In respect of redemptions of Preferred Trust Units by the holder, once the cash threshold of \$10,000 in any one month is exceeded, Preferred Trust Unitholders may receive from the Trust (in lieu of cash) Redemption Notes which may not be eligible under Exempt Plans.

Unitholder Liability

The Declaration of Trust provides that no Unitholder will be subject to any liability in connection with the Trust or its assets or obligations and that, in the event that a Unitholder becomes subject to any such liabilities, the Unitholder 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 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 Unitholders 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 Unitholder. Notwithstanding the foregoing, there remains some risk that a Unitholder may be personally liable in respect of certain liabilities and obligations of the Trust.

Tax Risks

No assurance can be given that changes in the Income 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 fundamentally alter the income tax consequences to Unitholders with respect to acquiring, holding or disposing of Preferred Trust Units. Legal, tax or administrative changes, which occur during the life of the Trust, could have an adverse effect on the Trust, the Unitholders or both. Investors are strongly encouraged to consult their tax advisors as to the tax consequences of acquiring, holding and disposing of Units purchased pursuant to the Offering. There can be no assurance that cash distributions, if any, made by the Trust will be sufficient to satisfy a Unitholder's tax liability for a year arising from its status as a Unitholder of the Trust. Exempt Plans that hold Trust Property, LP Units or other securities distributed by the Trust may have adverse tax consequences under the Income Tax Act. See "Certain Income Tax Consequences and Exempt Plan Eligibility".

Acquisition Risk

Risks that are specific to acquisitions, including the Viking Acquisition 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, NGLs and 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 Viking Acquisition

Investco has completed the Viking Acquisition 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 Viking Acquisition 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 including those disclosed in this Offering Memorandum, many of which are beyond the control of Investco.

Potential Undisclosed Liabilities Associated with the Viking Acquisition

In connection with the Viking Acquisition, 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 Viking Acquisition Agreement and Investco may not be indemnified for some or all of these liabilities. In addition, the vendor has not certified that the disclosure in this Offering Memorandum relating to the Viking Acquisition represents full, true and plain disclosure and that the disclosure does not contain a misrepresentation. The vendor will have no liability to purchasers of Common A LP Units pursuant to this Offering if the disclosure relating to the Viking Acquisition contains a misrepresentation.

Issuer Risk

Risks that are specific to the Trust include the following:

Achievement of Investment Objective

There can be no assurance that the Trust's investment strategies will be successful, that its investment objective will be achieved or that it will be able to make distributions. The Trust and the business in which the Trust invests could realize substantial losses.

Limited Operating History

The Trust has a limited operating history. The past investment performance of Management should not be construed as a guarantee or expectation of future results of any investment in the Trust.

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 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 business and affairs. No prospective investor should purchase a Preferred Trust Unit unless such prospective investor is willing to entrust all aspects of the management of the Trust to the Administrator and/or the Trustees.

Reliance on Advisors

Prospective purchasers assessing the risks and rewards of this investment should appreciate that they will, in large part, be relying on the good faith and expertise of the Advisors and the principals thereof. In particular, prospective purchasers 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.

Investors 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 of the General Partner to make appropriate decisions with respect to the operations of the Partnership. Investors must rely on the good faith, experience, ability and judgment of management of the General Partner, and this investment would not be appropriate for those unwilling to do so.

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 Management and Others

The Trustees and the directors and officers of the Administrator 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 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 acts as administrator of the Trust as well as the general partner of the Partnership. Further, some of the Trustees of the Trust also serve as directors of the Administrator, which may lead to conflict of interest with respect to the Trustees and the directors and officers of the Administrator. 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 or their respective affiliates or associates (or any of them). See "Business of the Trust – Material Agreements – Declaration of Trust - Conflict of Interest", and "Business of the Trust – Material Agreements – LP Agreement – Business Interests of the General Partner".

Sale of Additional Preferred Trust Units

The Trust may issue additional Preferred Trust Units in the future. The authorized number of Preferred Trust Units for issuance by the Trust is unlimited. Such additional Preferred Trust 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 the Trustees. Preferred Trust Unitholders 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 Preferred Trust Units will have on the fair market value of the Preferred Trust Units. With any additional issuance of Preferred Trust Units, Unitholders will experience dilution.

Status of the Trust

The Trust is not a reporting issuer "mutual fund" for securities law purposes. As a result, some of the protections provided under such laws to those that invest in mutual funds will not be available to investors who invest in the Preferred Trust Units and certain restrictions imposed on mutual 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 Income 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 Income Tax Consequences and Exempt Plan Eligibility*, and adverse income tax consequences may result, including:

- The Preferred Trust Units 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 beneficiary 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 Income Tax Act.
- The Trust may be required to pay tax under Part XII.2 of the Income 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 Unitholders.

Financing Risks

In addition to the net proceeds of the Offering invested in the Partnership, 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 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.

Lack of Independent Counsel Representing Unitholders

The Trust, the Trustees and the Administrator have consulted with and retained for their benefit Counsel to advise them in connection with the formation and terms of the Trust and the offering of 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 the 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 outstanding. The Declaration of Trust provides powers to the Trustees to enforce this limitation, including by selling the Units of a Non-Resident Unitholder 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 Unitholders or the Trust.

Changes in Applicable Law

Legal, tax and regulatory changes in law may occur that can adversely affect the Trust 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 Trust or 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 Preferred Trust Unitholders.

SIFT Trust Status

It is possible that the Trust could become a "SIFT trust" for the purposes of the Income Tax Act if the Preferred Trust Units become listed for trading or if a public market is created on which the Preferred Trust Units are traded. If the Trust became a "SIFT trust" adverse tax consequences could result to the Trust and the Unitholders. There is no intention to list the Preferred Trust Units.

Liability for Return of Distributions

Generally, the Unitholders do not have personal liability for the obligations of the Trust. However, under applicable law, Unitholders 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 Unitholder has received the return of all or part of the amount contributed to the Trust, the Unitholder 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, Unitholders 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.

Uninsured and Underinsured Losses and Insurance Costs

The Trust does not presently carry any insurance in respect to the 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. 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 entity in question, whether it be the Trust or the Partnership.

Preferred Trust Units Not Insured

The Preferred Trust Units are not "deposits" within the meaning of the *Canada Deposit Insurance Corporation Act* (Canada) and are not insured under the provisions of that act or any other legislation. 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 by the Income Tax Act, the Trust is not a "mutual fund" as defined by applicable securities legislation.

Unitholder Liability

Unitholders 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).

Preferred Trust Units are not a Direct Investment in the Business

The Trust's financial performance will be directly tied to the performance of the Partnership and to the performance of the property of the Partnership. The Preferred Trust Units are not a direct investment in the Partnership or the property of the Partnership, but an investment in the Trust that will acquire Preferred LP Units.

Recourse to the Trust's Assets

The Trust Property, including any investments made by the Trust and any capital held by the Trust, are available to satisfy all liabilities and other obligations of the Trust. If the Trust itself becomes subject to a liability, parties seeking to have the liability satisfied may have recourse to the Trust's assets generally and not be limited to any particular asset, such as the investment giving rise to the liability.

Indemnification

The Trustees, each former Trustee, and the Administrator 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 Unitholders of the Trust.

Risks Pertaining to the Partnership

There are certain risk factors that are inherent to an investment in the Partnership. The net proceeds of the Offering are to be invested by the Trust in the Partnership by way of the purchase of Preferred C1 LP Units. **As all or substantially all of the Trust's assets will be securities of the Partnership and, therefore, the risk factors in this Offering Memorandum of the Partnership dated July 24, 2015 also delivered as part of a Subscriber's purchase of a Tied Unit are also applicable to the investment in the Trust and should be carefully reviewed by Subscribers.**

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.

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 NGLs production. Oil, natural gas and NGLs 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, 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 NGLs 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.

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. 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 NGLs 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. 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 General Partner has not yet identified all of the potential investments that it will make. The General Partner 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, including the Viking Assets, 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. To the extent a third-party operator fails to perform its functions efficiently or becomes insolvent, the Partnership's or Investco's revenue may be reduced. Third party operators also make estimates of future capital expenditures more difficult.

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. 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 and Regulations

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 faces 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. In particular, we may be required to incur significant costs to comply with future federal GHG emissions reduction requirements or other GHG emissions regulations compliance costs, if enacted.

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.

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 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.

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 to the creditors. Only after the proceeds of that sale were applied towards the debt 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.

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 undertaken 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 undertaken in respect of the properties for which its title is defective, could have a material adverse effect on the Partnership or Investco.

Potential Undisclosed Liabilities Associated with Acquisitions

There may be liabilities and contingencies that the Partnership does not discover in its due diligence prior to consummation of an acquisition for which the Partnership has to bear responsibility for and which could have a material adverse effect on the business, financial condition, liquidity and results of operation of the Partnership.

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.

Conflicts of Interest of Management and Others

The General Partner 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 General Partner or its directors and officers or their respective affiliates and

associates. Under the LP Agreement, officers and directors of the General Partner 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 General Partner 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 General Partner 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.

General Litigation Risk

In the normal course of the Partnership'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 the Partnership and as a result, could have a material adverse effect of the Partnership's investments, liabilities, business, financial condition and results of operations. Even if the Partnership 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 the Partnership's business operations, which could have a material adverse effect on the Partnership's business, cash flow, financial condition and results of operations and ability to make distributions to Unitholders, including the Trust.

Reliance on Management

Decisions regarding the management of the Partnership's affairs will be made exclusively by the officers and directors of the General Partner and not by the Limited Partners. Accordingly, Subscribers must carefully evaluate the personal experience and business performance of the officers and directors of the General Partner. The General Partner 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 General Partner. The ability of the General Partner to successfully implement the Partnership's business strategy will depend in large part on the continued involvement of the officers and directors of the General Partner. Neither the General Partner nor the Partnership maintains key person life insurance for the management team of the General Partner. If the General Partner 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.

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

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, wild fires 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

The Partnership 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 the Partnership, such failures may have a material adverse effect on the Partnership'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 the Partnership's ongoing capital program, potentially delaying the program and the results of such program until the Partnership finds a suitable alternative partner.

The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in the Trust. Prospective investors should read this entire Offering Memorandum and consult their own counsel and financial advisors before deciding to invest in the Trust.

Neither the Trust, the Trustees, the Administrator, nor the General Partner is responsible for, and undertakes no obligation to, determine the general investment needs and objectives of a potential investor and the suitability of the Preferred Trust Units having regard to any such investment needs and objectives of the potential investor.

REPORTING OBLIGATIONS

General

The Trust will send to Unitholders (or make available to Unitholders if sending is not required by applicable laws) within 140 days after the end of each fiscal year of the Trust (or within such shorter time

as may be required by applicable securities law) the annual audited financial statements of the Trust for such fiscal year.

The Declaration of Trust provides that on or before March 31 in each year (or such other date as may be required under applicable law) the Trust will provide to each Unitholder who received distributions from the Trust in the prior calendar year, such information regarding the Trust as is 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.

The Trust is not a "reporting issuer" or equivalent under the securities legislation of any jurisdiction. Accordingly, the Trust is not subject to the "continuous disclosure" requirements of any securities legislation and there is therefore no requirement that the Trust make ongoing disclosure of its affairs including, without limitation, the disclosure of financial information on a quarterly basis or the disclosure of material changes in the business or affairs of the Trust.

The Trust will deliver to prospective investors certain documents, including this Offering Memorandum, a subscription agreement and any updates or amendments to the Offering Memorandum, from time to time by way of facsimile or e-mail. In accordance with the terms of the subscription agreement provided to prospective investors, delivery of such documents by email or facsimile shall constitute valid and effective delivery of such documents unless the Trust receives actual notice that such electronic delivery failed. Unless the Trust receives actual notice that the electronic delivery failed, the Trust is entitled assume that the facsimile or e-mail and the attached documents were actually received by the prospective investor and the Trust will have no obligation to verify actual receipt of such electronic delivery by the prospective investor.

Information About the Issuer

You may obtain certain information about the Trust and any amendments to the Declaration of Trust from the records office of the Trust at #803 - 5920 Macleod Trail SW, Calgary, Alberta T2H 0K2. You may obtain certain information about the incorporation of the Administrator and the formation of the Partnership, amendments to their constating documents, and other related information from the Alberta Corporate Registry. Information about the Trust's filings under the *Securities Act* (Alberta) can be obtained from the Alberta Securities Commission.

RESALE RESTRICTIONS

General

The Preferred Trust Units will be subject to a number of resale restrictions, including restrictions on trading. Until the restriction on trading expires, you will not be able to trade the Preferred Trust Units unless you comply with an exemption from the prospectus and registration requirements under securities legislation. Additionally, Unitholders will not be permitted to transfer their securities without the consent of the Trustees or the Administrator. See "Business of the Trust – Material Agreements – Declaration of Trust – Transfer of Units".

Restricted Period

Unless permitted under securities legislation, you cannot trade the securities before the date that is four (4) months and a day after the date the Trust becomes a reporting issuer in any province or territory of Canada.

For trades in Manitoba, unless permitted under securities legislation, you must not trade the securities without the prior written consent of the regulator in Manitoba unless:

- (a) the Trust has filed a prospectus with the regulator in Manitoba with respect to the securities you have purchased and the regulator in Manitoba has issued a receipt for that prospectus; or
- (b) you have held these securities for at least twelve months.

The regulator in Manitoba will consent to your trade if the regulator is of the opinion that to do so is not prejudicial to the public interest.

Since the Trust is not a reporting issuer in any province or territory, the applicable hold period for subscribers may never expire, and if no further exemption may be relied upon and if no discretionary order is obtained, this could result in a subscriber having to hold the Preferred Trust Units acquired under the Offering for an indefinite period of time.

The Administrator must approve of any proposed disposition. The Declaration of Trust provides that no transfer or other disposition of Units shall be effective unless the transferor provides the proper documentation described in the Declaration of Trust, reports to the Administrator the details of the disposition and all outstanding liabilities of the transferor to the Trust have been paid, or arrangements made satisfactory to the Administrator for the assumption of such liabilities by the transferee.

The foregoing is a summary only of resale restrictions relevant to a purchaser of the securities offered hereunder. It is not intended to be exhaustive. All subscribers under this Offering should consult with their legal advisors to determine the applicable restrictions governing resale of the securities purchased hereunder including the extent of the applicable hold period and the possibilities of utilizing any further statutory exemptions or obtaining a discretionary order.

PURCHASERS' RIGHTS

If you purchase Preferred Trust Units you will have certain rights, some of which are described below. These rights may not be available to you if you purchase the Preferred Trust Units pursuant to an exception from prospectus requirements other than the offering memorandum exception in Section 2.9 of National Instrument 45-106 *Prospectus and Registration Exemptions*. For complete information about your rights, you should consult a lawyer.

Two Day Cancellation Right

You can cancel your agreement to purchase these Preferred Trust Units. To do so, you must send a notice to us by midnight on the second (2nd) business day after you sign the agreement to buy the Preferred Trust Units.

Statutory and Contractual Rights of Action in the Event of a Misrepresentation

Securities legislation in certain of the provinces of Canada provides purchasers with a statutory right of action for damages or rescission in cases where an offering memorandum or any amendment thereto contains an untrue statement of a material fact or omits to state a material fact that is required to be stated or is necessary to make any statement contained therein not misleading in light of the circumstances in which it was made (a "**misrepresentation**"). These rights, or notice with respect thereto, must be exercised or delivered, as the case may be, by purchasers within the time limits

prescribed and are subject to the defenses and limitations contained under the applicable securities legislation. Purchasers of Preferred Trust Units resident in provinces of Canada that do not provide for such statutory rights will be granted a contractual right similar to the statutory right of action and rescission described below for purchasers resident in Ontario and such right will form part of the subscription agreement to be entered into between each such purchaser and the Limited Partnership in connection with this Offering.

The following summaries are subject to the express provisions of the securities legislation applicable in each of the provinces of Canada and the regulations, rules and policy statements thereunder. Purchasers should refer to the securities legislation applicable in their province along with the regulations, rules and policy statements thereunder for the complete text of these provisions or should consult with their legal advisor. The contractual and statutory rights of action described in this Offering Memorandum are in addition to and without derogation from any other right or remedy that purchasers may have at law.

Rights of Purchasers in Alberta

If you are a resident of Alberta, and if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

- (a) the Trust to cancel your agreement to buy these securities, or
- (b) for damages against the Trust, every person who was a director of the Administrator at the date of this Offering Memorandum and every person or company who signed this Offering Memorandum.

If you elect to exercise a right to cancel your agreement to buy these securities against the Trust, you will have no right of action against the persons described in (b) above.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities. In an action for damages, the amount recoverable shall not exceed the price at which the securities were offered and the defendant will not be liable for all or any portion of such damages that the defendant proves does not represent the depreciation in value of the securities as a result of the misrepresentation.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the date that you purchased the securities. You must commence your action for damages within the earlier of 180 days after you first had knowledge of the facts giving rise to the cause of action and three (3) years after the date you purchased the securities.

Rights of Purchasers in British Columbia

If you are a resident of British Columbia, and if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

- (a) the Trust to cancel your agreement to buy these securities, or
- (b) for damages against the Trust, every person who was a director of the Administrator at the date of this Offering Memorandum and every person who signed this Offering Memorandum.

If you elect to exercise a right to cancel your agreement to buy these securities against the Trust, you will have no right of action against the Trust.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities. In an action for damages, the amount recoverable shall not exceed the price at which the securities were offered and the defendant will not be liable for all or any portion of such damages that the defendant proves does not represent the depreciation in value of the securities as a result of the misrepresentation.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the date that you purchased the securities. You must commence your action for damages within the earlier of 180 days after you first had knowledge of the facts giving rise to the cause of action and three (3) years after the date you purchased the securities.

Rights of Purchasers in Saskatchewan

If you are a resident of Saskatchewan and if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

- (a) the Trust to cancel your agreement to buy these securities, or
- (b) for damages against the Trust to, every promoter of the Trust, every person who was a director of the Administrator at the date of this Offering Memorandum, every person whose consent has been filed respecting the offering but only with respect to reports, opinions or statements that have been made by them, every person who or company that signed this Offering Memorandum and every person who or company that sells securities on behalf of the Trust under this Offering Memorandum.

If you elect to exercise a right to cancel your agreement to buy these securities against the Trust, you will have no right of action against the Trust.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities. In an action for damages, the amount recoverable shall not exceed the price at which the securities were offered and the defendant will not be liable for all or any portion of such damages that the defendant proves does not represent the depreciation in value of the securities as a result of the misrepresentation.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the date that you purchased the securities. You must commence your action for damages within the earlier of one year after you first had knowledge of the facts giving rise to the cause of action and six (6) years after the date you purchased the securities.

Rights of Purchasers in Manitoba

If you are a resident of Manitoba, and if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

- (a) the Trust to cancel your agreement to buy these securities, or
- (b) for damages against the Trust, every person who was a director of the Administrator at the date of this Offering Memorandum and every person or company who signed this Offering Memorandum.

If you elect to exercise a right to cancel your agreement to buy these securities against the Trust, you will have no right of action against the persons described in (b) above.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities. In an action for damages, the amount recoverable shall not exceed the price at which the securities were offered and the defendant will not be liable for all or any portion of such damages that the defendant proves does not represent the depreciation in value of the securities as a result of the misrepresentation.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the date that you purchased the securities. You must commence your action for damages within the earlier of 180 days after you first had knowledge of the facts giving rise to the cause of action or two (2) years after the date you purchased the securities.

Rights of Purchasers in Ontario

If you are a resident of Ontario, and if there is a misrepresentation in this Offering Memorandum, you have a right to sue:

- (a) the Trust to cancel your agreement to buy these securities, or
- (b) for damages against the Trust.

If you elect to exercise a right to cancel your agreement to buy these securities against the Trust, you will have no right of action against the Trust.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities. In an action for damages, the amount recoverable shall not exceed the price at which the securities were offered and the defendant will not be liable for all or any portion of such damages that the defendant proves does not represent the depreciation in value of the securities as a result of the misrepresentation.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the date that you purchased the securities. You must commence your action for damages within the earlier of 180 days after you first had knowledge of the facts giving rise to the cause of action and three years after the date you purchased the securities.

Securities legislation in Ontario does not extend the statutory rights of action for damages or rescission to a purchaser who is purchasing the securities in reliance on the "accredited investor" exemption set out in section 2.3 of National Instrument 45-106 if the purchaser is: (a) a "Canadian financial institution" or a "Schedule III Bank" (each as defined under applicable securities laws); (b) the

Business Development Bank of Canada; or (c) a subsidiary of any person referred to in (a) or (b), if the person owns all the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of that subsidiary (collectively, the "**Excluded Ontario Purchasers**"). The Excluded Ontario Purchasers will be entitled to a contractual right of action for damages or rescission that is equivalent to the statutory right of action for damages or rescission available to purchasers resident in Ontario as described above (including insofar as such rights may be subject to the defences and limitations provided for under the *Securities Act* (Ontario)).

Rights of Purchasers in Nova Scotia

If you are a resident of Nova Scotia and if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

- (a) the Trust to cancel your agreement to buy these securities, or
- (b) for damages against the Trust, every person who was a director of the Administrator at the date of this Offering Memorandum and every person who signed this Offering Memorandum.

If you elect to exercise a right to cancel your agreement to buy these securities against the Trust, you will have no right of action against the persons described in (b) above.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities. In an action for damages, the amount recoverable shall not exceed the price at which the securities were offered and the defendant will not be liable for all or any portion of such damages that the defendant proves does not represent the depreciation in value of the securities as a result of the misrepresentation.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the date that you purchased the securities. You must commence your action for damages within the earlier of 180 days after you first had knowledge of the facts giving rise to the cause of action and three years after the date you purchased the securities. Furthermore, no action shall be commenced to enforce the right of action discussed above unless an action is commenced to enforce that right not later than 120 days after the date on which payment was made for the securities or after the date on which the initial payment for the securities was made where payments subsequent to the initial payment are made pursuant to a contractual commitment assumed prior to, or concurrently with, the initial payment.

Rights of Purchasers in New Brunswick

If you are a resident of New Brunswick and if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

- (a) the Trust to cancel your agreement to buy these securities, or
- (b) for damages against the Trust.

If you elect to exercise a right to cancel your agreement to buy these securities against the Trust, you will have no right of action against the Trust.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities.

In an action for damages, the amount recoverable shall not exceed the price at which the securities were offered and the defendant will not be liable for all or any portion of such damages that the defendant proves does not represent the depreciation in value of the securities as a result of the misrepresentation.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the date that you purchased the securities. You must commence your action for damages within the earlier of one year after you first had knowledge of the facts giving rise to the cause of action and six years after the date you purchased the securities.

Rights of Purchasers in Newfoundland and Labrador

If you are a resident of Newfoundland and Labrador and if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

- (a) the Trust to cancel your agreement to buy these securities, or
- (b) for damages against the Trust, every person who was a director of the Administrator at the date of this Offering Memorandum and every person or company who signed this Offering Memorandum.

If you elect to exercise a right to cancel your agreement to buy these securities against the Trust, you will have no right of action against the persons described in (b) above.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities. In an action for damages, the amount recoverable shall not exceed the price at which the securities were offered and the defendant will not be liable for all or any portion of such damages that the defendant proves does not represent the depreciation in value of the securities as a result of the misrepresentation.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the date that you purchased the securities. You must commence your action for damages within the earlier of 180 days after you first had knowledge of the facts giving rise to the cause of action and three years after the date you purchased the securities.

Rights of Purchasers in Prince Edward Island, Northwest Territories, Yukon and Nunavut

If you are a resident of Prince Edward Island, Northwest Territories, Yukon or Nunavut and if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

- (a) the Trust to cancel your agreement to buy these securities, or
- (b) for damages against the Trust every person who was a director of the Administrator at the date of this Offering Memorandum and every person who signed this Offering Memorandum.

If you elect to exercise a right to cancel your agreement to buy these securities against the Trust, you will have no right of action against the persons described in (b) above.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities. In an action for damages, the amount recoverable shall not exceed the price at which the securities were

offered and the defendant will not be liable for all or any portion of such damages that the defendant proves does not represent the depreciation in value of the securities as a result of the misrepresentation.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the date that you purchased the securities. You must commence your action for damages within the earlier of 180 days after you first had knowledge of the facts giving rise to the cause of action and three years after the date you purchased the securities.

FINANCIAL STATEMENTS

Enercapita Energy Trust
Consolidated Financial Statements
For the period from formation on
February 27, 2014 to December 31, 2014



Tel: 403 266 5608
Fax: 403 233 7833
Toll-Free: 888 444 4840
www.bdo.ca

BDO Canada LLP
903 - 8th Avenue SW, Suite 620
Calgary AB T2P 0P7 Canada

Independent Auditor's Report

To the Trustees of Enercapita Energy Trust

We have audited the accompanying consolidated financial statements of Enercapita Energy Trust, which comprise the consolidated statement of financial position as at December 31, 2014 and the consolidated statements of comprehensive loss, changes in unitholders' deficit and cash flows for the period from February 27, 2014 to December 31, 2014, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Enercapita Energy Trust as at December 31, 2014 and its financial performance and cash flows for the period then ended in accordance with International Financial Reporting Standards.

BDO Canada LLP

Chartered Accountants

Calgary, Alberta
May 20, 2015

Enercapita Energy Trust
Consolidated Statement of Financial Position
As at December 31, 2014
(expressed in Canadian dollars)

As at	December 31, 2014
Assets	
Current assets	
Cash	\$ 79,398
Receivables	341
Due from related parties (note 7)	165,993
Total current assets	<u>245,732</u>
Investment (note 4)	<u>19,789,695</u>
Total assets	<u><u>20,035,427</u></u>
Liabilities and unitholders' deficit	
Current liabilities	
Accounts payable	240,152
Due to related parties (note 7)	5,573
Preferred trust units (note 5)	120,000
	<u>365,725</u>
Preferred trust units (note 5)	<u>19,669,695</u>
Total liabilities	20,035,420
Total unitholders' deficit	<u>7</u>
Total liabilities and unitholders' deficit	<u><u>\$ 20,035,427</u></u>
Subsequent events (note 8)	

See accompanying notes to the consolidated financial statements.

Approved on behalf of the Trustees

Signed "Craig Hruska" , Trustee

Enercapita Energy Trust
Consolidated Statement of Comprehensive Loss
Period from February 27 to December 31, 2014
(expressed in Canadian dollars)

Operating expenses

General and administrative expenses	\$ 48,723
Costs reimbursed from related party	(48,723)
	<u>-</u>

Finance expense

Distribution income	625,287
Unitholders' distributions	(625,287)
	<u>-</u>

Loss and comprehensive loss, net of tax	\$ <u>-</u>
--	--------------------

See accompanying notes to the consolidated financial statements.

Enercapita Energy Trust
Consolidated Statement of Changes in Unitholders' Deficit
Period from February 27 to December 31, 2014
(expressed in Canadian dollars)

	Number of Common Units	Trust Units Stated Value	Deficit	Total Unitholders' Deficit
Balance, February 27, 2014	7	\$ 7	\$ -	\$ 7
Loss and comprehensive loss, net of tax	-	-	-	-
Balance, end of period	7	\$ 7	\$ -	\$ 7

See accompanying notes to the consolidated financial statements.

Enercapita Energy Trust
Consolidated Statement of Cash Flows
Period from February 27 to December 31, 2014
(expressed in Canadian dollars)

Cash provided by (used in)

Operating activities

Loss	\$ -
Change in non-cash working capital items	
Receivables	(341)
Total cash inflows (outflows) from operating activities	<u>(341)</u>

Cash provided by (used in)

Investing activities

Due from related parties	(165,993)
Investment in related party	(19,646,494)
Total cash inflows (outflows) from investing activities	<u>(19,812,487)</u>

Cash provided by (used in)

Financing activities

Proceeds from the issuance of common units	7
Due from related parties	5,573
Funds received from issuance of units	19,646,494
Changes in non-cash working capital relating to financing activities	240,152
Total cash inflows (outflows) from financing activities	<u>19,892,226</u>

Change in cash \$ 79,398

Cash, beginning of period \$ -

Cash, end of period \$ 79,398

See accompanying notes to the consolidated financial statements.

Enercapita Energy Trust

Notes to Consolidated Financial Statements

Period from February 27 to December 31, 2014

(expressed in Canadian dollars)

1. Organization and nature of the business

Enercapita Energy Trust (the "Trust") was formed pursuant to a Declaration of Trust dated February 27, 2014. The consolidated financial statements at December 31, 2014 include the accounts of its subsidiary, Enercapita Energy GP Ltd. (the "General Partner"), which manages the investment in Enercapita Energy L.P. (the "Partnership").

The Trust has been established with the objective of investing in limited partnership units of the Partnership. The Partnership has been established with the objective of providing its Limited Partners with an opportunity to maximize long-term total returns on their investment in the Partnership through both capital appreciation and income generation on assets of the Partnership, principally through engaging in the exploration, acquisition, development and production of petroleum and natural gas in Western Canada.

The beneficiaries of the unincorporated Trust are the unitholders. The consolidated financial statements present only the assets, liabilities, and results of operations of the Trust and its subsidiary.

The Trust is managed by the Administrator, Enercapita Energy GP Ltd. The address and principal place of business of the Trust is 803 - 5920 MacLeod Trail SW, Calgary, Alberta, T2H 0K2.

2. Basis of preparation

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The consolidated financial statements were authorized for issue by the Administrator on May 20, 2015.

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities which are measured at fair value as disclosed in Note 3(e).

(c) Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars, which is the Trust's functional currency.

Enercapita Energy Trust
Notes to Consolidated Financial Statements
Period from February 27 to December 31, 2014
(expressed in Canadian dollars)

(d) Use of estimates and judgments

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected.

These consolidated financial statements include estimates for accruals.

3. Significant accounting policies

The accounting policies set out below have been applied consistently throughout the period presented in these consolidated financial statements:

(a) Basis of consolidation

All entities, in which the Trust has a controlling interest, specifically when it has the power to direct the financial and operational policies of these entities to obtain benefit from their operations, are consolidated.

The consolidated financial statements include the activities of the Trust and its subsidiary, Enercapita Energy GP Ltd. Intercompany balances and transactions are eliminated on consolidation.

(b) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, amounts on deposit with banks, guaranteed investment certificates held with banks and other short term highly liquid investments with maturities of 90 days or less at the date of issue.

(c) Investment

The Trust does not control or have significant influence over the operations of the Partnership and therefore accounts for the investment as an available-for-sale financial asset.

(d) Income taxes

The Trust is a taxable entity under the Income Tax Act (Canada) and is taxable only on income that is not allocated to unitholders.

The consolidated entity includes a controlled company. The income or loss of the Company is taxable to the consolidated entity and not taxable to the Trust.

Enercapita Energy Trust
Notes to Consolidated Financial Statements
Period from February 27 to December 31, 2014
(expressed in Canadian dollars)

Income tax expense is comprised of current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income.

(e) Financial instruments

(i) Classification and measurement

Financial instruments are measured at fair value on initial recognition of the instrument. Measurement in subsequent periods depends on whether the financial instrument has been classified as "fair value through profit or loss," "loans and receivables," "available-for-sale," "held-to-maturity," or "financial liabilities measured at amortized cost" as defined by IAS 39, "Financial Instruments: Recognition and Measurement."

Financial assets and financial liabilities at "fair value through profit or loss" are either "held for trading" or "designated at fair value through profit or loss" and are measured at fair value with changes in fair value recognized in the income statement. Transaction costs are expensed when incurred. The Trust has not designated any assets or liabilities in these categories.

Financial assets and financial liabilities classified as "loans and receivables," or "held-to-maturity" are measured at amortized cost using the effective interest method of amortization. "Loans and receivables" are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. "Held-to-maturity" financial assets are non-derivative investments that an entity has the positive intention and ability to hold to maturity. "Financial liabilities measured at amortized cost" are those financial liabilities that are not designated as "fair value through profit or loss" and that are not derivatives. The Trust has designated cash and receivables as "loans and receivables" and accounts payable and due to related parties as "financial liabilities measured at amortized cost."

Financial assets classified as "available-for-sale" are measured at fair value unless they are equity investments that do not have a quoted market price and whose fair values cannot be reliably measured, with changes in fair value recognized in other comprehensive income. "Available-for-sale" financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. The Trust has designated investment as "available-for-sale." The fair value of the investment cannot be reliably measured; accordingly it is measured at cost.

(ii) Equity instruments

The Trust's common units are classified as equity. Incremental costs directly attributable to the issue of units are recognized as a deduction from equity, net of any tax effects.

Enercapita Energy Trust
Notes to Consolidated Financial Statements
Period from February 27 to December 31, 2014
(expressed in Canadian dollars)

(iii) Impairment

The Trust assesses at each reporting date whether there is objective evidence that financial assets, other than those designated as “fair value through profit or loss” are impaired. When impairment has occurred, the cumulative loss is recognized in the statement of profit or loss. For financial assets carried at amortized cost, the amount of the impairment loss recognized is the difference between the asset’s carrying amount and the present value of estimated future cash flows, discounted at the financial asset’s original effective interest rate. When an “available-for-sale” financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income are reclassified to the statement of profit or loss in the period. Impairment losses may be reversed in subsequent periods.

(f) Recent accounting pronouncements not yet adopted

The following accounting pronouncements have been released but have not yet been adopted by the Trust:

IFRS 9 - “*Financial Instruments*” is the first phase in an ongoing project to revise IAS 39. The effective date for adoption of this standard is January 1, 2018.

IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. The standard also adds guidance on the classification and measurement of financial liabilities. Management has not yet determined the potential impact the adoption of IFRS 9 will have on the Trust’s consolidated financial statements.

IFRS 15 - “*Revenue from Contracts with Customers*” was issued in May 2014. This standard sets out the requirements for recognizing revenue that apply to all contracts with customers (except for contracts that are within the scope of the Standards on leases, insurance contracts and financial instruments). IFRS 15 replaces the previous revenue standards: IAS 18, Revenue and IAS 11, Construction Contracts, and the related interpretations on revenue recognition: IFRIC 13, Customer Loyalty Programs, IFRIC 25, Agreements for the Construction of Real Estate, IFRIC 18, Transfers of Assets from Customers and SIC 31 Revenue – Barter Transactions Involving Advertising Services. This standard is effective from January 1, 2017. Earlier application is permitted.

Enercapita Energy Trust
Notes to Consolidated Financial Statements
Period from February 27 to December 31, 2014
(expressed in Canadian dollars)

4. Investment in limited partnership units

As at December 31, 2014, the Trust has invested in 19,789,695 preferred limited partnership units of the Partnership at a total cost of \$19,789,695, including 143,201 limited partnership units with a cost of \$143,201 that were received as a result of reinvesting distributions received from the Partnership. The units are redeemable on demand at the option of the Trust, however redemptions are limited to \$10,000 per month, and any redemption requested in excess of that amount will be repaid through the issuance of a Redemption Note or distribution of Partnership property. The Trust does not control the Partnership, and the investment has been recorded as a financial asset and classified as "available for sale".

During the period ended December 31, 2014, the Trust received distributions of \$481,936 on the preferred limited partnership units, which has been recorded as distribution income.

5. Preferred trust units

Authorized - Unlimited number of preferred units

Each preferred unitholder is entitled to one vote per unit but may only vote on matters related to the rights of the preferred unitholders. Such unitholders shall be entitled to receive a fixed preferential distribution at a rate of \$0.10 per unit per annum. All preferred units are redeemable on demand by the unitholder or the Trust. If the redemption is demanded by the Trust the redemption amount is the lesser of the fair market value of such redemption unit as at the date of the redemption notice and \$1.00. If the redemption is demanded by the unitholder the redemption price is the lesser of the fair market value of such redemption unit at the date upon which such redemption unit was tendered for redemption and \$0.90. For preferred trust units issued and outstanding for more than five years the redemption price is the lesser of the fair market value of such redemption unit at the date upon which such redemption unit was tendered for redemption and \$1.00. Cash redemptions are limited to \$10,000 per month, and any redemption requested in excess of that amount will be repaid through the issuance of a redemption note or distribution of Trust property which are not due until five years from the preferred trust unit's issuance date.

In March 2014, the Trust issued an offering memorandum for an unlimited amount of preferred units priced at a \$1.00 per unit. Proceeds of \$19,646,494 were received from the issue of 19,646,494 units during the year ended December 31, 2014.

At December 31, 2014, the Trust had no distributions payable to preferred unitholders. A distribution re-investment program ("DRIP") was initiated in 2014 and the first re-investment of distributions took place on June 30, 2014. A total of \$481,936 was paid out in cash distributions at December 31, 2014, \$143,201 was re-invested in preferred units.

6. Common trust units

Authorized - Unlimited number of common units

Each unitholder is entitled to one vote per unit. All units are redeemable on demand by the unitholder with the redemption price determined as the lesser of the fair market value of such

Enercapita Energy Trust
Notes to Consolidated Financial Statements
Period from February 27 to December 31, 2014
(expressed in Canadian dollars)

redemption unit as at the date which such redemption unit was tendered for redemption and \$1.00 per unit. The market value is determined solely by the Administrator of the Trust. Cash redemptions are limited to \$10,000 per month, and any redemption requested in excess of that amount will be repaid through the issuance of a redemption note or distribution of Trust property.

The common trust unitholders are not entitled to distributions.

Pursuant to a private placement dated March 4, 2014, the Trust issued 7 common units to management for gross proceeds of \$7.

7. Financial instruments and risk management

(a) Risk management overview

The Trust's activities expose it to a variety of financial risks including credit risk, liquidity risk and market risk. This note presents the Trust's objectives, policies and processes for measuring and managing risk, and the Trust's management of capital. The Trust employs risk management strategies and policies to ensure that any exposure to risks are in compliance with the Trust's business objectives and risk tolerance levels. The Administrator has the overall responsibility for the Trust's risk management framework and also to administer and monitor these risks.

(b) Capital risk management

The Trust's objective when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns to the unitholders and benefits for other stakeholders. The Trust manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. The Trust's objective is met by retaining adequate equity to guard against the possibility that cash flows from assets will not be sufficient to meet future cash flow requirements. The Trust does not establish a quantitative return on capital criteria for management, but rather promotes year over year sustainable growth in net income and cash flow.

(c) Credit risk management

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk is managed by dealing with counterparties the Trust believes to be creditworthy by actively monitoring credit exposure and the financial health of the counterparties.

Substantially, all of the credit risk is assumed through transactions with related parties which function as a vital part of the investments.

All of the Company's cash is currently held with a single Canadian financial institution and, as such, the Company is exposed to a concentration of credit risk. At December 31, 2014, the Company's maximum exposure to credit risk was \$79,398.

Enercapita Energy Trust
Notes to Consolidated Financial Statements
Period from February 27 to December 31, 2014
(expressed in Canadian dollars)

8. Related parties

Related parties include the following entities and corresponding balances:

Due from Enercapita Energy LP	\$ 165,994
Due to Enercapita Energy Ltd.	5,573

The amounts outstanding at December 31, 2014 relate to the Partnership. The amounts are unsecured, due on demand and non-interest bearing.

During the year, LP and its subsidiaries reimbursed \$48,723 of the Trust and its subsidiaries costs. The Trust has a reimbursement agreement with the LP and its subsidiaries where it will be reimbursed for costs incurred for activities related to LP or its subsidiaries.

9. Subsequent events

On February 2, 2015, the Trust completed a closing of \$18,501,998, issuing 18,501,998 common shares.



Enercapita Energy Trust

Condensed Consolidated Interim Financial Statements (unaudited)

as at March 31, 2015 and for the three months ended March 31, 2015 and 2014



Enercapita Energy Trust

Condensed Consolidated Interim Statements of Financial Position

(expressed in Canadian Dollars, unaudited)	March 31, 2015	December 31, 2014
Assets		
Current Assets		
Cash	\$ 74,057	\$ 79,398
Restricted cash (note 8)	498,500	-
Accounts receivable	341	341
Due from related parties (note 7)	236,267	165,993
	809,165	245,732
Investments (note 3)	23,259,396	19,789,695
	\$ 24,068,561	\$ 20,035,427
Liabilities and Unitholders' Equity		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 305,427	\$ 240,152
Investor deposits (note 8, 9)	498,500	-
Due to related parties (note 7)	5,231	5,573
Preferred trust units (note 4)	120,000	120,000
	929,158	365,725
Preferred trust units (note 4)	23,139,396	19,669,695
Unitholders' Equity		
Trust unit capital (note 5)	7	7
	\$ 24,068,561	\$ 20,035,427

See accompanying notes to the condensed consolidated interim financial statements

See subsequent events (note 9)



Enercapita Energy Trust

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss For the three months ended March 31, 2015 and 2014

(expressed in Canadian Dollars, except units outstanding, unaudited)	March 31, 2015	March 31, 2014
Operating Income		
Distribution income	\$ 413,906	\$ -
Expenses		
General and administrative expenses	342	41,026
Costs reimbursed from related party	(342)	-
	-	41,026
Financing costs		
Distributions to preferred trust unitholders (<i>note 6</i>)	(413,906)	-
Net loss and comprehensive loss	\$ -	\$ (41,026)
Net loss per share		
Basic and diluted	\$ -	\$ (5,861)
Weighted-average number of units outstanding	7	7

See accompanying notes to the condensed consolidated interim financial statements



Enercapita Energy Trust

Condensed Consolidated Interim Statements of Cash Flows For the three months ended March 31, 2015 and 2014

(expressed in Canadian Dollars, unaudited)	March 31, 2015	March 31, 2014
Cash was provided by (used in):		
Operating activities:		
Net loss for the period	\$ -	\$ (41,026)
Distributions to preferred trust unitholders (note 6)	413,906	
Change in non-cash working capital	(179,107)	41,026
Cash provided by operating activities	234,799	-
Financing activities:		
Proceeds from issuance of common trust units	-	7
Proceeds from issuance of preferred trust units (note 4)	3,361,210	-
Cash distributions to preferred trust unitholders (note 6)	(305,415)	
Change in non-cash working capital	65,275	-
Cash provided by financing activities	3,121,070	7
Investing activities:		
Investment in related party (note 3)	(3,469,701)	(1)
Change in non-cash working capital	108,491	-
Cash used in investing activities	(3,361,210)	(1)
Net change in cash	(5,341)	6
Cash, beginning of period	79,398	-
Cash, end of period	\$ 74,057	\$ 6

See accompanying notes to the condensed consolidated interim financial statements



Enercapita Energy Trust

Condensed Consolidated Interim Statements of Changes in Unitholders' Equity For the three months ended March 31, 2015 and 2014

(expressed in Canadian Dollars, except number of units, unaudited)	Number of Units	Trust Units Stated Value	Deficit	Total Unitholders' Equity
Balance, January 1, 2015	7	\$ 7	\$ -	\$ 7
Net loss for the period	-	-	-	-
March 31, 2015	7	\$ 7	\$ -	\$ 7

(expressed in Canadian Dollars, except number of units, unaudited)	Number of Units	Trust Units Stated Value	Deficit	Total Unitholders' Equity
Balance, January 1, 2014	-	\$ -	\$ -	\$ -
Issuance of trust units	7	7	-	7
Net loss for the period	-	-	(41,026)	(41,026)
March 31, 2014	7	\$ 7	\$ (41,026)	\$ (41,019)

See accompanying notes to the condensed consolidated interim financial statements

Enercapita Energy Trust**Notes to the Condensed Consolidated Interim Financial Statements****Three months ended March 31, 2015 and 2014****(expressed in Canadian Dollars, except units outstanding, unaudited)**

1. Organization and nature of the business

Enercapita Energy Trust (the “Trust”) was formed pursuant to a Declaration of Trust dated February 27, 2014. The unaudited condensed consolidated interim financial statements as at March 31, 2015 and for the three and six months ended March 31, 2015 include the accounts of its subsidiary, Enercapita Energy GP Ltd. (the “General Partner”), which manages the investment in Enercapita Energy L.P. (the “Partnership”).

The Trust was established with the objective of investing in limited partnership units of the Partnership. The Partnership was established with the objective of providing the Limited Partners with an opportunity to maximize long-term total returns on their investments in the Partnership through both capital appreciation and income generation on assets of the Partnership, principally through investing in acquisitions, exploration, development and production of petroleum and natural gas assets in Western Canada.

The beneficiaries of the unincorporated Trust are the unitholders. The unaudited condensed interim financial statements present only the assets, liabilities and results of operations of the Trust and its General Partner subsidiary.

The Trust is managed by the Administrator, Enercapita Energy GP Ltd. The address and principal place of business of the Trust is 803 – 5920 MacLeod Trail SW, Calgary, Alberta.

2. Basis of Preparation**(a) Statement of compliance**

These unaudited condensed interim financial statements have been prepared in accordance with IAS 34 – Interim Financial Reporting of the International Financial Reporting Standards (“IFRS”). The unaudited condensed interim financial statements have been prepared in accordance with IFRS accounting policies and methods of computation as set forth in the Trust’s audited financial statements for the year ended December 31, 2014, with the exception as noted below of certain disclosures that are normally required to be included in annual financial statements which have been condensed or omitted in the interim statements. The attached unaudited condensed interim financial statements should be read in conjunction with the Trust’s audited financial statements for the year ended December 31, 2014.

The unaudited condensed interim financial statements were authorized for issue by the Administrator on July 25, 2015.

(b) Basis of measurement

These unaudited condensed interim financial statements have been prepared on the historical cost basis except for certain financial and non-financial assets and liabilities, which have been measured at fair value. The methods used to measure fair value are consistent with the Trust’s December 31, 2014 audited financial statements.

The Trust’s unaudited condensed interim financial statements are expressed in Canadian Dollars, which is the Trust’s functional currency.

3. Investment in limited partnership units

As at March 31, 2015, the Trust has invested in 23,259,396 (March 31, 2014 – nil) preferred limited partnership units of the Partnership at a total cost of \$23,259,396, including 251,692 preferred limited partnership units with a cost of \$251,692 that were received as a result of reinvesting distributions received from the Partnership. The units are redeemable on demand at the option of the Trust, however, redemptions are limited to \$10,000 per month, and any redemption requested in excess of that amount will be repaid through the issuance of a Redemption Note or distribution of Partnership property. The Trust does not control the Partnership, and the investment has been recorded as a financial asset and classified as “available for sale.”

During the three months ended March 31, 2015, the Trust received distributions of \$413,906 (three months ended March 31, 2014 – \$nil) on the preferred limited partnership units, which has been recorded as distribution income.

Enercapita Energy Trust

Notes to the Condensed Consolidated Interim Financial Statements

Three months ended March 31, 2015 and 2014

(expressed in Canadian Dollars, except units outstanding, unaudited)

4. Preferred trust units

Authorized – unlimited number of preferred units

Each preferred trust unitholder is entitled to one vote per unit but may only vote on matters related to the rights of the preferred unitholders. The preferred trust unitholders are entitled to receive a fixed preferential distribution at a rate of \$0.08 per preferred unit per annum. All preferred units are redeemable on demand by the unitholder of the Trust. The market value is determined solely by the Administrator of the Trust. If the redemption is demanded by the Trust, the redemption amount is the lesser of the fair market value of each redemption unit as at the date of the redemption notice and \$1.00 per unit. If the redemption is demanded by the unitholder within the first five years of issuance, the redemption price is the lesser of 90 percent of the fair market value of each redemption unit at the date the redemption unit was tendered for redemption and \$0.90 per unit. If a preferred trust unit is outstanding for more than five years, the redemption price is the lesser of the fair market value of each redemption unit at the date the redemption unit was tendered for redemption and \$1.00 per unit. Cash redemptions are limited to \$10,000 per month and any redemption requested in excess of \$10,000 will be repaid through the issuance of a redemption note or distribution of Trust property, neither of which is due until five years from the preferred trust unit issuance date.

The Trust has published and revised an Offering Memorandum (“OM”) which allows for the issuance of an unlimited number of preferred trust units priced at \$1.00 per unit. Proceeds of \$3,361,210 were received from the issuance of 3,361,210 preferred units during the three months ended March 31, 2015 (2014 – \$nil and nil, respectively).

As at March 31, 2015, the Trust had cash distributions payable in the amount of \$305,415 (March 31, 2014 – \$nil) to preferred trust unitholders. A distribution re-investment program (“DRIP”) was initiated in 2014 and \$108,491 was reinvested in preferred trust units on March 31, 2015 (March 31, 2014 – \$nil).

The following table summarizes the preferred trust units issued and outstanding:

	Number of Preferred Trust Units	Preferred Trust Unit Book Value
Balance, January 1, 2014	-	\$ -
Issued pursuant to offering memorandums	19,646,494	19,646,494
DRIP	143,201	143,201
Balance, December 31, 2014	19,789,695	19,789,695
Issued pursuant to offering memorandums	3,361,210	3,361,210
DRIP	108,491	108,491
Balance, March 31, 2015	23,259,396	\$ 23,259,396

5. Common trust units

Authorized – unlimited number of common units

Each common trust unitholder is entitled to one voter per unit. All units are redeemable on demand by the unitholder with the redemption price determined as the lesser of the fair market value of each redemption unit at the date the redemption unit was tendered for redemption and \$1.00 per unit. The market value is determined solely by the Administrator of the Trust. Cash redemptions are limited to \$10,000 per month, and any redemption requested in excess of \$10,000 will be repaid through the issuance of a redemption note or distribution of Trust property. The common trust unitholders are not entitled to distributions.

Pursuant to a private placement dated March 4, 2014, the Trust issued 7 common trust units for gross proceeds of \$7.

Enercapita Energy Trust**Notes to the Condensed Consolidated Interim Financial Statements****Three months ended March 31, 2015 and 2014****(expressed in Canadian Dollars, except units outstanding, unaudited)****6. Distributions to preferred trust unitholders**

Distribution expense is comprised of an 8 percent annual cash payment paid quarterly, with an option to reinvest the distribution into additional preferred trust units at a price of \$1.00 per preferred trust unit. Cash distributions are paid to unitholders 45 days after the end of the quarterly period in which the distributions are accrued. Distributions to preferred trust unitholders is comprised of the following cash and DRIP amounts:

	March 31, 2015	March 31, 2014
Cash distributions accrued to preferred trust unitholders	\$ 305,415	\$ -
DRIP preferred trust units issued	108,491	-
Total distributions to preferred trust unitholders	\$ 413,906	\$ -

7. Related parties

Related parties include the following entities and corresponding balances:

	March 31, 2015	December 31, 2014	March 31, 2014
Due from Enercapita Energy L.P.	\$ 236,267	\$ 165,993	\$ -
Due to Enercapita Energy Ltd.	\$ 5,231	\$ 5,573	\$ -

The above related party amounts are unsecured, due on demand and non-interest bearing. During the three months ended March 31, 2015, the Partnership and its subsidiaries reimbursed \$342 (three months ended March 31, 2014 – \$nil) of the Trust's costs. The Trust has a reimbursement agreement with the Partnership and its subsidiaries where it will be reimbursed for costs incurred for activities related to the Partnership or its subsidiaries.

8. Restricted cash

Subsequent to March 31, 2015, the Trust completed several issuances of preferred trust units. Deposits in the amount of \$498,500 were received by the Trust in March 2015 prior to closing the issuances. The proceeds were held in escrow until the escrow conditions were met upon closing. The escrowed funds would have been returned to investors if the issuances did not close. As such, the Trust recorded a financial liability at March 31, 2015 equal to the proceeds in the amount of \$498,500.

Enercapita Energy Trust**Notes to the Condensed Consolidated Interim Financial Statements****Three months ended March 31, 2015 and 2014****(expressed in Canadian Dollars, except units outstanding, unaudited)****9. Subsequent events**

The Trust completed the following issuances of preferred trust units under both the distribution reinvestment plan and a continuous offering memorandum subsequent to March 31, 2015:

Closing Date	Number of Preferred Trust Units	Preferred Trust Unit Book Value
April 23, 2015	3,239,632	\$ 3,239,632
April 30, 2015	1,200,000	1,200,000
May 4, 2015	3,891,630	3,891,630
June 12, 2015	1,525,900	1,525,900
June 17, 2015	700,000	700,000
June 26, 2015	5,000,000	5,000,000
June 30, 2015	148,635	148,635
Balance, July 25, 2015	15,705,797	\$ 15,705,797

As at July 25, 2015, the Trust had 38,965,193 preferred trust units outstanding with a book value of \$38,965,193. Preferred trust unit proceeds in the amount of \$498,500 pertaining to closings subsequent to March 31, 2015 were received by the Trust and are classified as investor deposits payable as at March 31, 2015.

On June 30, 2015 the Trust recorded total distribution income from the Partnership in the amount of \$592,661 and accrued cash distributions to preferred trust unitholders in the amount of \$444,026. The Trust issued 148,635 preferred trust units to unitholders as part of the dividend reinvestment program and invested \$148,635 in limited partnership units on June 30, 2015.

OPERATING STATEMENTS

Enercapita Energy Ltd.

STATEMENT OF PRODUCTION REVENUES AND EXPENSES

For the year ended December 31, 2014



Tel: 403 266 5608
Fax: 403 233 7833
Toll-Free: 888 444 4840
www.bdo.ca

BDO Canada LLP
903 - 8th Avenue SW, Suite 620
Calgary AB T2P 0P7 Canada

Independent Auditor's Report

To the Directors of
Enercapita Energy Ltd.

We have audited the accompanying Statement of Production Revenues and Expenses (the "Statement") applicable to the acquired interest (the "Acquired Assets") for the year ended December 31, 2014. The Statement has been prepared by management using the financial reporting framework specified in subsection 3.11(5) of National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards using the recognition and measurement principles of International Financial Reporting Standards ("IFRS").

Management's Responsibility for the Statement

Management is responsible for the preparation of the Statement in accordance with the basis of accounting in accordance with the financial reporting framework specified in subsection 3.11(5) of National Instrument 52-107 Accounting Principles and Auditing Standards using the recognition and measurement principles of International Financial Reporting Standards ("IFRS"), this includes determining that the basis of accounting is an acceptable basis for the preparation of the Statement in the circumstances, and for such internal control as management determines is necessary to enable the preparation of the Statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the Statement based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, if any, as well as evaluating the overall presentation of the Statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial information in the Statement of Production Revenues and Expenses for the year ended December 31, 2014 is prepared, in all material respects, in accordance with the basis of accounting in the financial reporting framework specified in subsection 3.11(5) of National Instrument 52-107 Accounting Principles and Auditing Standards using the recognition and measurement principles of International Financial Reporting Standards ("IFRS").

BDO Canada LLP

Chartered Accountants

Calgary, AB

July 24, 2015

Acquired Assets
STATEMENT OF PRODUCTION REVENUES AND EXPENSES
(EXPRESSED IN CANADIAN DOLLARS)

	March 31, 2015 (3 months) (Unaudited)	March 31, 2014 (3 months) (Unaudited) (Note 3)	December 31, 2014 (12 months)	December 31, 2013 (12 months) (Note 3)
Oil and Gas Revenue	\$ 1,432,018	\$ 3,041,339	\$ 9,702,763	\$ 6,895,811
Less: Royalties	98,597	341,436	1,049,713	589,966
Net Revenue	1,333,421	2,699,903	8,653,050	6,305,845
Operating Costs	1,211,933	1,185,109	5,195,225	4,407,889
Net Production Income for the Period	\$ 121,488	\$ 1,514,794	\$ 3,457,825	\$ 1,897,956

The accompanying notes form an integral part of this statement.

1. BASIS OF PRESENTATION

On April 17, 2014 Enercapita Energy Ltd. ("Enercapita") and a private company ("Vendor") entered into a Purchase & Sale Agreement (the "Agreement"). Pursuant to the Agreement, Enercapita and White Ram acquired an interest in Acquired Assets in Alberta and British Columbia (the "Assets") from the Vendor through the exchange of cash. The acquisition closed May 15, 2014.

The Statement has been prepared in accordance with the financial reporting framework specified in subsection 3.11(5) of National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards for an operating statement using the recognition and measurement principles of International Financial Reporting Standards ("IFRS"). As a result, the operating statement includes the following line items: oil and gas revenue, royalties, operating costs and net production income. The Statement is prepared for periods that Enercapita did not own the Acquired Assets for purposes of offering memoranda.

The Statement includes only revenues, royalties, operating costs and net production income applicable to the working interest of the Assets. The Statement does not include any provision for depletion and depreciation, site restoration, future capital costs, impairment of Acquired Assets, general and administrative costs and income taxes for the Assets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been consistently applied to all periods presented in this statement.

a) Revenue Recognition

Revenues from the sale of oil, natural gas and natural gas liquids are recognized at the time the product is produced and sold.

b) Royalties

Royalties are recorded at the time the product is produced and sold. Royalties are calculated in accordance with the applicable regulations or the terms of individual royalty agreements.

c) Operating Costs

Operating costs include amounts incurred at the well head together with the costs associated with the gathering, processing and delivery of the oil, natural gas and natural gas liquids.

d) Joint Interest Operations

The Statement reflects only the historical operations of the proportionate interest in the Acquired Assets acquired by Enercapita and White Ram.

3. PRIOR PERIOD RESTATEMENT

Subsequent to the closing of the acquisition of the Acquired Assets Enercapita determined that the oil and gas revenue and operating costs for certain wells related to the acquisition were not included in the Statement of Production Revenue and Expenses for the three month period ended March 31, 2014 and the year ended December 31, 2013. Oil and gas revenue in the prior periods were understated by \$29,321 (2013 - \$158,315), royalties were overstated by \$58,639 (2013 - understated \$28,163) and operating costs were understated by \$238,969 (2013 - \$940,757). The comparative figures have been restated for the above mentioned amounts.

DATE AND CERTIFICATE

DATED: July 24, 2015

This Offering Memorandum does not contain a misrepresentation.

ENERCAPITA ENERGY TRUST
by its Administrator, ENERCAPITA ENERGY GP LTD.

Signed: "**Gregory Tisdale**"

Name: Gregory Tisdale

Title: Investment Officer

Signed: "**Craig Hruska**"

Name: Craig Hruska

Title: Investment Officer

ENERCAPITA ENERGY GP LTD., as Administrator

Signed: "**Gregory Tisdale**"

Name: Gregory Tisdale

Title: Investment Officer

Signed: "**Craig Hruska**"

Name: Craig Hruska

Title: Investment Officer

By the Board of Directors of *ENERCAPITA ENERGY GP LTD.*

Signed: "**Gregory Tisdale**"

Name: Gregory Tisdale

Title: Director

Signed: "**Craig Hruska**"

Name: Craig Hruska

Title: Director