NOTICE OF ANNUAL AND SPECIAL MEETING

OF UNITHOLDERS

to be held on December 29, 2014

and

MANAGEMENT INFORMATION CIRCULAR

with respect to

THE PROPOSED SALE OF ALL OR SUBSTANTIALLY ALL OF THE ASSETS OF DIXIE ENERGY TRUST AND THE WINDING-UP OF DIXIE ENERGY TRUST

December 2, 2014

FOR THE REASONS SET OUT HEREIN, THE BOARD OF DIRECTORS OF DIXIE ENERGY LTD. UNANIMOUSLY RECOMMENDS THAT UNITHOLDERS VOTE FOR THE SALE AND WINDING-UP RESOLUTION

These materials are important and require your immediate attention. Unitholders of Dixie Energy Trust are being asked to make an important decision. If you are in doubt as how to make this decision, please contact your financial, legal or other professional advisors.

DIXIE ENERGY

Dear Unitholders:

You are invited to attend the annual and special meeting (the "**Meeting**") of holders ("**Unitholders**") of trust units ("**Trust Units**") of Dixie Energy Trust (the "**Trust**"), to be held in the Royal Room located at the Metropolitan Conference Centre, 333-4th Avenue S.W., Calgary, Alberta, Canada at 9:00 a.m. (Calgary time) on December 29, 2014.

At the Meeting, in addition to annual items of business, Unitholders will be asked to consider and vote on a special resolution (the "**Sale and Winding-Up Resolution**") approving the proposed sale of all or substantially all of the assets of the Trust, consisting of all of the interests in the oil and gas assets held indirectly by the Trust and other administrative assets of the Trust held by Dixie Energy Ltd. (the "**Administrator**") on behalf of the Trust, directly and indirectly, to Gulf Pine Energy Partners, LP (the "**Purchaser**"), for total cash consideration of US$47,500,000, subject to adjustment in certain circumstances (the "**Sale Transaction**"), and, subject to completion of the Sale Transaction, the winding-up of the Trust, including the liquidation of the Trust and the distribution to Unitholders on a pro-rata basis of the proceeds of the sale of the Trust's assets after provision for the payment, retirement or discharge of the Trust's obligations and liabilities (the "**Winding-Up**").

The completion of the Sale Transaction is subject to, among other conditions, the approval of the Unitholders at the Meeting (discussed more fully below). If all applicable conditions are met, the Sale Transaction is expected to close on December 29, 2014. The closing of the Sale Transaction would result in the sale of substantially all of the Trust's assets and thereafter the Trust will cease to have an operating business. The Trust will commence the process of Winding-Up as soon as reasonably practicable following the closing of the Sale Transaction.

The Trust intends to distribute, in two or more distributions, all of its remaining cash assets to Unitholders (after provision for the Trust's obligations and liabilities). The board of directors (the "**Board**") of the Administrator, expects that, after completion of the Sale Transaction, pursuant to the Winding-Up, Unitholders will receive an aggregate pre-tax amount of between $0.46 and $0.52 in cash per Trust Unit based upon approximately 57,240,893 Trust Units issued and outstanding (after giving effect to the exchange of certain exchangeable securities and restricted unit awards). The amount and timing of distributions will be determined by the Board having regard to the payment, retirement and discharge of the Trust's obligations including tax and other liabilities of the Trust. The Board is not currently aware of any material items that could give rise to unforeseen tax liabilities or other liabilities or costs which would materially reduce the amount of cash available for distribution to Unitholders, but there is no assurance this will remain the case**.** The Trust intends to make an initial distribution within 90 days following the closing of the Sale Transaction, while maintaining sufficient reserves in order to settle any remaining obligations and liabilities. Depending on the circumstances of the Winding-Up, the Trust is not likely to complete all distributions to Unitholders until approximately 12 months following closing of the Sale Transaction. However, at the present time, no definitive dates can be provided for the initial or subsequent distributions. See "*Information Regarding the Sale Transaction and the Winding-Up - Effect of the Sale Transaction on the Trust*" in the Circular (as defined below).

For the Sale Transaction and the Winding-Up to proceed, the Sale and Winding-Up Resolution must be approved by way of a special resolution passed by at least $66^{2/3}$% of the votes cast in person or represented by proxy at the Meeting. In addition, the Sale and Winding-Up Resolution must also be approved by a majority of the votes cast by the Unitholders, excluding those votes cast by persons who are to be excluded pursuant to Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions*.

The Sale Transaction is the result of a comprehensive process of assessing financing and other alternatives conducted by management of the Administrator, as administrator of the Trust, and a comprehensive review and assessment by the special committee (the "**Special Committee**") of the Board of the Sale Transaction and other alternatives available to the Trust in the circumstances.

Management of the Administrator engaged Dundee Securities Ltd. ("**Dundee**") to provide financial advice and assistance to the Board in evaluating the Sale Transaction. On November 17, 2014, Dundee delivered its written opinion to the Board to the effect that, as of such date and based upon and subject to the assumptions, limitations, qualifications and other matters in such opinion, the consideration to be received by the Trust pursuant to the Sale Transaction is fair, from a financial point of view, to the Trust.

The Special Committee engaged AltaCorp Capital Inc. ("**AltaCorp**") to provide financial advice and assistance to the Special Committee in evaluating the Sale Transaction. On November 17, 2014, AltaCorp delivered its written opinion to the Special Committee to the effect that, as of such date and based upon and subject to the assumptions, limitations, qualifications and other matters in such opinion, the consideration to be paid by the Purchaser to the Trust pursuant to the Sale Transaction is fair, from a financial point of view, to the Trust.

The Board has carefully reviewed the fairness opinions of Dundee and AltaCorp relating to the Sale Transaction and other relevant matters relating to the Sale Transaction and the Winding-Up, including the recommendation of the Special Committee, and has unanimously concluded, in its opinion, that the Sale Transaction is fair and the Sale Transaction and the Winding-Up are in the best interests of the Trust and should be placed before the Unitholders for their approval. With the exception of Ian Atkinson who declared his interest in certain matters relating to the Sale Transaction and the Winding-Up and abstained from voting thereon, the Board has unanimously approved the Sale Transaction and the Winding-Up and approved the purchase and sale agreement providing for the Sale Transaction and unanimously recommends that Unitholders vote in favour of the Sale and Winding-Up Resolution.

The attached management information circular of the Trust (the "**Circular**") sets forth information about the background to and details of the Sale Transaction and information about the Winding-Up and the Meeting. The Circular also requests approval of: (i) certain annual meeting matters, including the election of the Board and the appointment of the Trust's auditors for the ensuing year; (ii) the Sale and Winding-Up Resolution; and (iii) an ordinary resolution authorizing the Administrator, on behalf of the Trust, to apply to the Alberta Securities Commission as principal regulator of the Trust (and such other securities commissions as may be considered necessary or advisable) to cease the Trust as a reporting issuer pursuant to applicable Canadian provincial securities legislation.

Please give this material your careful consideration, and, if you require assistance, consult your financial, income tax or other professional advisors.

Unitholder participation in the affairs of the Trust is important. To be represented at the Meeting, registered Unitholders must either attend the Meeting in person or complete and sign the enclosed form of proxy and forward it so as to reach or be deposited with Computershare Trust Company of Canada, as administrative agent of Olympia Trust Company, at 8th Floor, 100 University Avenue, Toronto, Ontario, Canada M5J 2Y1. Alternatively, registered Unitholders may use the telephone number (866) 732-8683 or the internet site www.investorvote.com to transmit their voting instructions. Such Unitholders should have the form of proxy in hand when they call or access the website and will be prompted to enter their control number, which is located on the form of proxy. Proxies must be received in each case no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time set for the holding of the Meeting or any adjournment thereof.

On behalf of the Board and management, we thank you for your support as a Unitholder.

Yours very truly,

BY ORDER OF THE BOARD OF DIRECTORS OF DIXIE ENERGY LTD., in its capacity as administrator of DIXIE ENERGY TRUST

(signed) *"Ian Atkinson*"

Ian Atkinson
President and Chief Executive Officer

DIXIE ENERGY TRUST

Notice of Annual and Special Meeting of Unitholders
to be held on December 29, 2014

The Annual and Special Meeting (the "**Meeting**") of the holders ("**Unitholders**") of trust units ("**Trust Units**") of Dixie Energy Trust (the "**Trust**") will be held in the Royal Room located at the Metropolitan Conference Centre, 333-4th Avenue S.W., Calgary, Alberta, Canada at 9:00 a.m. (Calgary time) for the following purposes:

1. to receive and consider the financial statements of the Trust for the year ended December 31, 2013, together with the auditors' report thereon;

2. to fix the number of directors of Dixie Energy Ltd. (the "**Administrator**"), the administrator of the Trust, to be elected at the Meeting at four;

3. to elect the directors of the Administrator for the ensuing year;

4. to appoint KPMG LLP as the auditors of the Trust and to authorize the directors of the Administrator to fix their remuneration;

5. to consider, and if thought advisable, to pass a special resolution (the "**Sale and Winding-Up Resolution**"), the full text of which is set forth in Appendix "A" to the accompanying information circular of the Trust dated December 2, 2014 (the "**Circular**"), approving the sale of all or substantially all of the assets of the Trust (the "**Sale Transaction**") as contemplated in the Purchase and Sale Agreement (as such term is defined in the Circular) and, subject to completion of the Sale Transaction, the winding-up of the Trust pursuant to Article 11 of the second amended and restated trust indenture made as of February 28, 2013 between Olympia Trust Company (now Computershare Trust Company of Canada, as administrative agent of Olympia Trust Company) (the "**Trustee**") and the Administrator, as amended by the supplemental indenture made as of June 6, 2014 between the Trustee and the Administrator and the directions of the Unitholders set forth in the Sale and Winding-Up Resolution;

6. to consider, and if thought advisable, to pass an ordinary resolution, the full text of which is set forth in Appendix "B" to the accompanying Circular, authorizing the Administrator, on behalf of the Trust, to make an application to the Alberta Securities Commission, as principal regulator of the Trust (and such other securities commissions as may be considered necessary or advisable), to cease the Trust as a reporting issuer pursuant to applicable Canadian provincial securities legislation; and

7. to transact such other business as may properly be brought before the Meeting or any adjournment thereof.

The specific details of the matters proposed to be put before the Meeting are set forth in the Circular accompanying this notice. A copy of the Trust Indenture (as defined in the Circular) can be found on SEDAR under the Trust's profile at www.sedar.com.

In order for the Sale and Winding-Up Resolution to be adopted, the resolution must be approved by at least $66^{2/3}\%$ of the votes cast by the Unitholders present in person or represented by proxy at the Meeting and by a majority of the votes cast by the Unitholders, excluding those votes cast by persons who are to be excluded pursuant to Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions*.

The board of directors of the Administrator has fixed the record date for the Meeting at the close of business on November 10, 2014 (the "**Record Date**"). Unitholders whose names have been entered in the register of Unitholders at the close of business on the Record Date are entitled to receive notice of the Meeting and to vote those Trust Units included in the list of Unitholders entitled to vote at the Meeting prepared as at the Record Date.

A Unitholder may attend the Meeting in person or may be represented by proxy. Registered Unitholders who are unable to attend the Meeting in person are requested to either: (i) date and sign the enclosed Instrument of Proxy and to mail it to or deposit it with the Trust's transfer agent, Computershare Trust Company of Canada, as administrative agent of Olympia Trust Company, at 8th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1; or (ii) use the telephone number (866) 732-8683 or the internet site www.investorvote.com to transmit its voting

instructions (such Unitholder should have the form of proxy in hand when it calls or accesses the website and will be prompted to enter its control number, which is located on the form of proxy.) In order to be valid and acted upon at the Meeting, Instruments of Proxy must be received not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time set for the holding of the Meeting or any adjournment(s) thereof. Unitholders are cautioned that use of the mail to transmit proxies is at each Unitholder's risk.

The persons named in the enclosed form of proxy are officers of the Administrator. Each Unitholder has the right to appoint a proxyholder other than such persons, who need not be a Unitholder, to attend and to act for such Unitholder and on such Unitholder's behalf at the Meeting. To exercise such right, the names of the nominees of management should be crossed out and the name of the Unitholder's appointee should be legibly printed in the blank space provided.

If you are a non-registered Unitholder and receive these materials through your broker or through another intermediary, please complete and return the form of proxy in accordance with the instructions therein.

DATED at Calgary, Alberta, this 2nd day of December, 2014.

BY ORDER OF THE BOARD OF DIRECTORS OF DIXIE ENERGY LTD., in its capacity as administrator of DIXIE ENERGY TRUST

(signed) *"Ian Atkinson*"

Ian Atkinson
President and Chief Executive Officer

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DIXIE ENERGY TRUST

Information Circular and Proxy Statement

for the Annual and Special Meeting
of the Unitholders of Dixie Energy Trust
to be held on December 29, 2014

INTRODUCTION

This Information Circular and Proxy Statement is furnished in connection with the solicitation of proxies by the management of Dixie Energy Ltd. (the "**Administrator**"), the administrator of Dixie Energy Trust (the "**Trust**") for use at the Annual and Special Meeting (the "**Meeting**") of the holders ("**Unitholders**") of trust units ("**Trust Units**") of the Trust to be held in the Royal Room located at the Metropolitan Conference Centre, 333-4th Avenue S.W., Calgary, Alberta, Canada at 9:00 a.m. (Calgary time) on December 29, 2014, and at any adjournment thereof, for the purposes set forth in the Notice. The board of directors (the "**Board**") of the Administrator has fixed the record date for the Meeting at the close of business on November 10, 2014 (the "**Record Date**"). Unitholders of record as at the Record Date are entitled to receive notice of the Meeting and to vote those Trust Units included in the list of Unitholders entitled to vote at the Meeting prepared as at the Record Date.

NOTICE TO UNITHOLDERS OUTSIDE OF CANADA

The Trust is an unincorporated limited purpose investment trust governed by the laws of the Province of Alberta, and the Administrator is a corporation established under the laws of the Province of Alberta. The solicitation of proxies in connection with the approval of matters described in the Notice involve securities of a Canadian issuer and are being effected in accordance with Canadian corporate and securities laws and this Circular contains information required by US securities laws to be included in a proxy statement. Unitholders should be aware that the requirements under Canadian securities laws may differ from requirements under corporate and securities laws relating to issuers in other jurisdictions.

The enforcement by investors of civil liabilities under US securities laws or the securities laws of other jurisdictions outside Canada may be affected adversely by the fact that the Trust is formed and the Administrator is incorporated under the laws of the Province of Alberta. A Unitholder may not be able to sue the Trust, the Administrator or the officers or directors of the Administrator in a Canadian court for violations of US or other foreign securities laws. It may be difficult to compel the Trust and/or the Administrator to subject itself to a judgment of a court outside of Canada.

THE SALE TRANSACTION AND THE WINDING-UP HAVE NOT BEEN APPROVED OR DISAPPROVED BY ANY SECURITIES REGULATORY AUTHORITY, NOR HAS ANY SECURITIES REGULATORY AUTHORITY PASSED UPON THE FAIRNESS OR MERITS OF THE SALE TRANSACTION AND THE WINDING-UP OR UPON THE ACCURACY OR ADEQUACY OF THE INFORMATION CONTAINED IN THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

Unitholders should be aware that the Sale Transaction and the Winding-Up may have tax consequences both in Canada and in their jurisdiction of residence. Such consequences may not be described fully herein and Unitholders are encouraged to consult with their financial, legal and tax advisors regarding specific tax consequences.

FORWARD-LOOKING STATEMENTS

This Circular contains certain statements or disclosures that may constitute forward-looking statements or forward-looking information ("**forward-looking statements**") under applicable securities legislation. Such forward-looking statements typically contain statements with words such as "anticipate", "believe", "expect", "plan", "intend", "estimate", "propose", or similar words and expressions suggesting future outcomes or statements regarding an outlook.

Forward-looking statements in this Circular may include, but are not limited to: the anticipated benefits and Unitholder value resulting from the Sale Transaction and the Winding-Up; the timing and completion of the Sale Transaction and the Winding-Up; the liabilities and obligations of the Trust and its subsidiaries; and the estimated value of and timing for Distributions upon the Winding-Up.

Such forward-looking statements are based on a number of assumptions, all or any of which may prove to be incorrect. In addition to any other assumptions identified in this Circular, assumptions have been made regarding, among other things: the approval of the Sale Transaction and the Winding-Up by Unitholders; that the terms of the Purchase and Sale Agreement will remain the same and will not be subject to amendment or termination; the Sale Transaction will close at the time, and in the manner, described herein; Unitholders will receive the anticipated proceeds from the remaining cash assets; the Trust's analysis of the Trust's obligations including tax and other liabilities of the Trust is accurate; the receipt of all necessary approvals and any third party consents; no unforeseen changes in the legislative and operating framework for the business of the Trust or the Purchaser, as applicable; no significant adverse changes in economic conditions that influence the demand for oil and natural gas products; anticipated compliance with governmental regulations and assumptions with respect to changes in regulations; no significant event occurring outside the ordinary course of business such as natural disaster or other calamity; and assumptions made in the discussion of risk factors discussed herein. See "*Risk Factors*".

Although the Trust believes that the expectations reflected in such forward-looking statements are reasonable, undue reliance should not be placed on forward-looking statements because the Trust can give no assurance that such expectations will prove to be correct. Forward-looking statements are based on current expectations, estimates and projections that involve a number of risks and uncertainties which could cause actual results to differ materially from those anticipated by the Trust and described in the forward-looking statements. These risks and uncertainties include, but are not limited to: changes to the terms of the Purchase and Sale Agreement; failure to complete the Sale Transaction in a timely manner (or at all); the ability to subsequently proceed with the Winding-Up on a timely basis (or at all); the failure to realize the anticipated benefits of the Sale Transaction and the Winding-Up; risks that the Sale Transaction and the Winding-Up will not receive all requisite consents, including the consents required under the Purchase and Sale Agreement and Unitholder and regulatory approvals; the risks of changes in market demand for oil and natural gas products; the risks associated with legislative and regulatory developments or changes that may affect costs, taxes, revenues, the speed and degree of competition in the market, global capital markets activity and general economic conditions in geographic areas where the Trust and its subsidiaries operate; timing and extent of changes in prevailing interest rates, currency exchange rates, changes in counterparty risk and the impact of accounting standards issued by Canadian standard setters; and the risk factors discussed herein. See "*Risk Factors*".

The forward-looking statements contained in this Circular are made as of the date hereof and the Trust undertakes no responsibility to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by applicable securities laws.

GENERAL DISCLOSURE INFORMATION

Unless otherwise stated, the information contained in this Circular is given as of December 2, 2014. No person has been authorized to give information or to make representations in connection with matters to be considered at the Meeting other than those contained in this Circular and, if given or made, any such information or representations should not be relied upon in making a decision as to how to vote on the matters to be considered at the Meeting or to have been authorized by the Trust, or the directors or officers of the Administrator.

Unless otherwise indicated or the context otherwise requires, all dollar amounts in this Circular are in Canadian dollars.

GLOSSARY OF TERMS

All capitalized terms used in this Circular, including the Appendices, but not otherwise defined herein have the meanings set forth under this "Glossary of Terms".

"**ABCA**" means the *Business Corporations Act* (Alberta), R.S.A. 2000, c. B-9, including the regulations promulgated thereunder, as amended from time to time;

"**Administrator**" means Dixie Energy Ltd., the administrator of the Trust;

"**AltaCorp**" means AltaCorp Capital Inc.;

"**AltaCorp Fairness Opinion**" means the written opinion of AltaCorp to the Special Committee that, as of November 17, 2014, based upon and subject to the assumptions, limitations, qualifications and other matters in such opinion, the consideration to be paid by the Purchaser to the Trust pursuant to the Sale Transaction is fair, from a financial point of view, to the Trust;

"**Arrangement**" has the meaning given to such term under the heading "*Information Regarding the Sale Transaction and Winding-Up - Background to the Sale Transaction*";

"**Assets**" means all of the interests in the oil and gas assets held by one or more subsidiary limited liability corporations owned by Dixie US and other administrative assets of the Trust held by the Administrator on behalf of the Trust;

"Asset Purchase Agreement" means the asset purchase agreement dated November 17, 2014 between the Administrator and Canco;

"**Atkinson Escrow Agreement**" means the escrow agreement dated as of September 30, 2013 among Ian Atkinson and Allison Atkinson, Olympia Trust Company, the Trust and Dixie Canada;

"**Atkinson Loan**" has the meaning given to such term under the heading "*Interest of Management and Informed Persons in Material Transactions*";

"**Atkinson Trust**" means the Atkinson Family Trust;

"**Beneficial Unitholder**" has the meaning given to such term under the heading "*Beneficial Holders of Trust Units*";

"**Board**" means the board of directors of the Administrator;

"**Britannia**" means Britannia Capital Ltd.;

"**Britannia Loan**" has the meaning given to such term under the heading "*Interest of Management and Informed Persons in Material Transactions*";

"**Brooklyn Field Prospect**" means the Brooklyn Field prospect area located in Conecuh and Escambia Counties, Alabama;

"**Business Day**" means any day other than a Saturday, Sunday or a day on which the principal chartered banks located in Calgary, Alberta are not open for business;

"**Canco**" means Gulf Pine Energy Partners Ltd.;

"**Circular**" means the Notice and this management information circular and proxy statement for the Meeting, including all appendices hereto;

"**Claims**" has the meaning given to such term under the heading "*Winding-Up of the Trust - Winding-Up Procedure"*;

"**Claims Administrator**" means Ernst & Young Inc.;

"**Claims Process**" has the meaning given to such term under the heading "*Winding-Up of the Trust - Winding-Up Procedure"*;

"**Closing**" means the closing of the Sale Transaction;

"**Closing Date**" means the date of Closing, which is expected to occur on December 29, 2014;

"**Computershare**" means Computershare Trust Company of Canada, administrative agent of Olympia Trust Company;

"**Court**" means the Court of Queen's Bench of Alberta;

"**Deadline**" has the meaning given to such term under the heading "*Winding-Up of the Trust - Winding-Up Procedure"*;

"**Distributions**" means the cash distributions that Unitholders will receive from the Trust with respect to their Trust Units pursuant to the Winding-Up, subject to and following completion of the Sale Transaction and after providing for the payment, retirement and discharge of the Trust's obligations and liabilities;

"**Dixie Canada**" means Dixie Energy Holdings (Canada) Ltd., a wholly-owned subsidiary of the Trust;

"**Dixie Group**" means, collectively, the Trust, Dixie Canada, Dixie US, the Administrator, VisionSky, Dixie Energy (US), Inc., Dixie Energy Holdings (Strong Field), LLC, Dixie Energy Holdings (Wiley Dome), LLC, Dixie Energy Holdings (Maple Branch), LLC, Dixie Energy Holdings (Brooklyn Queens), LLC, Dixie Energy Holdings (HWM), LLC, Dixie Energy Holdings (Star), LLC; Dixie Energy Holdings (McKinley Gas), LLC; and Dixie Energy Holdings (White Castle Dome), LLC;

"**Dixie US**" means Dixie Energy Holdings (US) Inc., an indirect wholly-owned subsidiary of the Trust;

"**Dogtooth**" means Dogtooth Investments Ltd.;

"**Dogtooth Acquisition**" has the meaning given to such term under the heading "*Information Regarding the Sale Transaction and Winding-Up - Background to the Sale Transaction*";

"**Dundee**" means Dundee Securities Ltd.;

"**Dundee Fairness Opinion**" means the written opinion of Dundee to the Board that, as of November 17, 2014, based upon and subject to the assumptions, limitations, qualifications and other matters in such opinion, the consideration to be received by the Trust pursuant to the Sale Transaction is fair, from a financial point of view, to the Trust;

"**Effective Date**" has the meaning given to such term under the heading "*Winding-Up Procedure"*;

"**Escrow Agreement**" means the escrow agreement dated as of October 25, 2012 among M4 Trust, Winsome Capital Inc. and Messrs. Earl Fawcett, Bob Schiesser, Barclay Laughland, Daniel Sloan, Roger Baker and Rick Fletcher, Olympia Trust Company, the Trust and Raymond James Ltd., as amended from time to time (including by the Escrow Amending Agreement);

"**Escrow Amending Agreement**" means the Amending Agreement dated as of December 2, 2014 among M4 Trust, Winsome Capital Inc. and Messrs. Earl Fawcett, Bob Schiesser, Barclay Laughland, Daniel Sloan, Rick Fletcher,

Roger Baker, Chris Fletcher and Tyler Woitas and Ms. Kristen Woitas and Olympia Trust Company, the Trust and Raymond James Ltd.;

"**Exchangeable Shares**" has the meaning given to such term under the heading "*Information Regarding the Sale Transaction and Winding-Up - Background to the Sale Transaction*";

"**Excluded Unitholders**" means those Unitholders who will be parties to "connected transactions" and will receive "collateral benefits" (as such terms are defined in MI 61-101) in connection with the Sale Transaction, including: (i) Ian Atkinson, in connection with the repayment of the Atkinson Loan, participation in a private placement of Series A Units with the funds received from such repayment and appointment to the board of managers of the Purchaser's general partner; (ii) Britannia, in connection with the repayment of the Britannia Loan and participation in a private placement of Series A Units with the funds received from such repayment; (iii) the Executive Managers, in connection with the participation of the Executive Managers in the Executive Manager Private Placement and equity-incentive arrangements with the Purchaser; and (iv) M4 Trust, Winsome Capital Inc., Earl Fawcett, Bob Schiesser, Barclay Laughland, Daniel Sloan, Rick Fletcher, Roger Baker, Christopher Fletcher, Kristen Woitas and Tyler Woitas, in connection with the extension of the date for the cancellation of the Trust Units under the Escrow Amending Agreement;

"**Executive Manager Private Placement**" means the private placement of the Purchaser of Series A Units to the Executive Managers, which will take place within 15 Business Days after receipt of proceeds from Distributions from the Winding-Up;

"**Executive Managers**" means those employees of the Administrator who will become members of the executive team of the Purchaser at Closing, namely: Ian Atkinson, as President and Chief Executive Officer, Calvin Yau, as Vice President, Finance & Chief Financial Officer, Karen Tanaka, as Vice President, Corporate Affairs & Secretary, Chris Birchard, as Vice President, Geosciences, Erin Buschert, as Vice President, Land, Marc Houle, as Vice President, Exploration, Jim McFadyen, as Vice President, Operations, and Gary McMurren, as Vice President, Engineering;

"**Exemptive Relief Resolution**" means the ordinary resolution of the Unitholders concerning the application by the Administrator, on behalf of the Trust, to the Alberta Securities Commission, as principal regulator of the Trust (and such other securities commissions as may be considered necessary or advisable), to cease the Trust as a reporting issuer pursuant to applicable Canadian provincial securities legislation, substantially in the form set forth in Appendix "B" to this Circular;

"**Fairness Opinions**" means, collectively, the Dundee Fairness Opinion and the AltaCorp Fairness Opinion;

"**Fletcher**" means Fletcher Exploration, LLC;

"**Fletcher Acquisition**" has the meaning given to such term under the heading "*Information Regarding the Sale Transaction and Winding-Up - Background to the Sale Transaction*";

"**Fletcher Petroleum**" means Fletcher Petroleum Corp.;

"**Incentive Plan**" means the Amended and Restated Restricted and Performance Incentive Award Plan of the Trust, amended and restated as of May 31, 2013;

"**Lenders**" means, collectively, the Atkinson Trust and Britannia;

"**Loan**" means, collectively, the Atkinson Loan and the Britannia Loan;

"**Locked-Up Trust Units**" means Trust Units held by, or over which control or direction is exercised by, Locked-Up Unitholders;

"**Locked-Up Unitholders**" means those Unitholders that execute a Voting Support Agreement prior to the Meeting;

"**Management Services Agreement**" means the management services agreement dated November 17, 2014 between Canco and the Purchaser pursuant to which the Purchaser and Canco agreed that Canco would provide the Purchaser and its subsidiaries with certain services as may be available from Canco from time to time and as are necessary to operate, manage and administer the business and affairs of the Purchaser and its subsidiaries on and after Closing;

"**Maple Branch Prospect**" means the Maple Branch prospect area located in Monroe and Lowndes Counties, Mississippi;

"**Meeting**" means the annual and special meeting of Unitholders to be held in the Royal Room located at the Metropolitan Conference Centre, 333-4th Avenue S.W., Calgary, Alberta, Canada at 9:00 a.m. (Calgary time) on December 29, 2014 to consider, among other things, the approval of the Sale and Winding-Up Resolution, the Exemptive Relief Resolution and other annual meeting matters, including any adjournment or postponement thereof;

"**MI 61-101**" means Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions*;

"**MI 62-104**" means Multilateral Instrument 62-104 - *Take Over Bids and Issuer Bids*;

"**NI 51-102**" means National Instrument 51-102 - *Continuous Disclosure Obligations*;

"**Notice**" means the notice of annual and special meeting of holders of Trust Units dated December 2, 2014 enclosed with this Circular;

"**Option**" means the options granted pursuant to the Option Plan;

"**Option Plan**" means the Unit Option Plan of the Trust dated effective February 1, 2013 as amended and restated effective May 31, 2013;

"**Pine Brook**" means Pine Brook Road Associates II, L.P., a private equity firm;

"**Purchase and Sale Agreement**" means, collectively, the purchase and sale agreement dated November 17, 2014 among the Seller, the Purchaser and the Trust and the Asset Purchase Agreement, as attached hereto as Appendix "E", pursuant to which the Purchaser will directly and indirectly acquire the Assets;

"**Purchaser**" means Gulf Pine Energy Partners, LP, a newly-formed limited partnership established pursuant to the laws of Delaware;

"**Purchase Price**" means the price to be paid by the Purchaser to the Seller for the Assets, being US$47,500,000, subject to adjustment as set forth in the Purchase and Sale Agreement;

"**Record Date**" means November 10, 2014;

"**RSU**" means an award granted under the Incentive Plan designated as a "Restricted Award" in the incentive award agreement pertaining thereto;

"**Sale and Winding-Up Resolution**" means the special resolution of the Unitholders concerning the Sale Transaction and the Winding-Up to be considered at the Meeting, substantially in the form set forth in Appendix "A" to this Circular;

"**Sale Transaction**" means the proposed sale by the Seller to the Purchaser, directly and indirectly, of the Assets pursuant to the terms of the Purchase and Sale Agreement;

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval of the Canadian Securities Administrators;

"**Seller**" means, collectively, Dixie US, Dixie Energy Holdings (Strong Field), LLC, Dixie Energy Holdings (Maple Branch), LLC, Dixie Energy Holdings (Star), LLC, Dixie Energy Holdings (HWM), LLC, Dixie Energy Holdings (Wiley Dome), LLC, Dixie Energy Holdings (Brooklyn Queens), LLC, Dixie Energy Holdings (McKinley Gas), LLC and Dixie Energy Holdings (White Castle Dome), LLC;

"**Series A Unit**" means series A units of the Purchaser, which constitute participating preferred securities;

"**Special Committee**" means the special committee of independent directors of the Board, consisting of Michael Kelly (Chair) and Jeff Oke;

"**Strong Prospect**" means certain oil and gas leases in Monroe County, Mississippi;

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

"**Tender Notice**" has the meaning given to such term under the heading "*Winding-Up of the Trust - Winding-Up Procedure"*;

"**Trust**" means Dixie Energy Trust;

"**Trustee**" means the trustee of the Trust, Computershare;

"**Trust Indenture**" means the second amended and restated trust indenture made as of February 28, 2013 between the Trustee and the Administrator, as amended by the supplemental indenture made as of June 6, 2014 between the Trustee and the Administrator, copies of which can be found under the Trust's profile on SEDAR at www.sedar.com;

"**Trust Units**" means the trust units of the Trust;

"**Unitholders**" means the holders of Trust Units;

"**US**" means United States of America;

"**VisionSky**" means VisionSky Corp., a wholly-owned subsidiary of the Administrator;

"**VisionSky Shares**" has the meaning given to such term under the heading "*Information Regarding the Sale Transaction and Winding-Up - Background to the Sale Transaction*";

"**Voting Agreement**" means the voting agreement among the Trustee, as agent for the Unitholders, the Administrator and David Anderson whereby David Anderson (the sole shareholder of the Administrator) has agreed to vote all of his shares of the Administrator at the direction of the Unitholders, as communicated by the Trustee as agent for the Unitholders, with regards to, among other things, the election of the Board;

"**Voting Support Agreements**" means the voting support agreements entered into between Locked-Up Unitholders, the Trust and the Administrator;

"**Winding-Up**" means the winding-up of the Trust pursuant to Article 11 of the Trust Indenture, including payment of the Distributions as part of such winding-up, all as more particularly described in the Circular; and

"**Winding-Up Procedure**" has the meaning given to such term under the heading "*Winding-Up Procedure"*.

SUMMARY

The following is a summary of certain information contained elsewhere in this Circular. It is not, and is not intended to be, complete. This is a summary only and is qualified in its entirety by the more detailed information appearing elsewhere in this Circular and the attached Appendices. ***Unitholders are urged to carefully review this Circular, including the Appendices****. Certain capitalized terms used in this Circular have the meanings set forth in the "Glossary of Terms".*

THE MEETING

The Meeting will be in the Royal Room located at the Metropolitan Conference Centre, 333-4th Avenue S.W., Calgary, Alberta, Canada at 9:00 a.m. (Calgary time) on December 29, 2014 for the purposes set forth in the Notice. The business of the Meeting will be to consider and vote upon the annual meeting matters, the Sale and Winding-Up Resolution, the Exemptive Relief Resolution and any other business matters that may properly come before the Meeting. See "*Matters to be Acted Upon at the Meeting*".

THE RECORD DATE, QUORUM AND UNITHOLDER APPROVAL

A Unitholder is entitled to receive notice of, and to vote at, the Meeting if such Unitholder owned Trust Units at the close of business on November 10, 2014, which is the Record Date for the Meeting. Only Unitholders as of the Record Date are entitled to vote their Trust Units at the Meeting, on the basis of one vote in respect of each Trust Unit held. At the close of business on the Record Date, an aggregate of 46,778,390 Trust Units were issued and outstanding and entitled to vote at the Meeting. A quorum for the Meeting shall be present if not less than two persons are present at the Meeting holding or representing by proxy not less than 10% of the Trust Units entitled to be voted at the Meeting.

In order to complete the Sale Transaction and the Winding-Up, Unitholders will be asked to consider and, if deemed appropriate, to approve the Sale and Winding-Up Resolution by way of a special resolution approved by at least $66^{2/3}$% of the votes cast by Unitholders present in person or by proxy and entitled to vote at the Meeting. In addition, in connection with "connected transactions" and "collateral benefits" (as such terms are defined in MI 61-101) to be entered into and received by the Excluded Unitholders pursuant to the Sale Transaction and the Winding-Up, applicable Canadian provincial securities legislation requires that the Sale and Winding-Up Resolution be approved by a majority of the votes cast by Unitholders present in person or represented by proxy and entitled to vote at the Meeting who vote in respect of the Sale and Winding-Up Resolution, excluding votes in respect of Trust Units held by the Excluded Unitholders. See "*Record Date*", "*Quorum and Approval of the Special Resolution*" and "*Interest of Management and Informed Persons in Material Transactions*".

OVERVIEW OF THE SALE TRANSACTION

In May 2014, management of the Administrator together with its financial advisor, Dundee, began assessing alternatives for a financing of the Trust to fund the ongoing development of the Trust's business. Following an extensive review, management of the Administrator determined that the Sale Transaction and the Winding-Up is in the best interests of the Trust and recommended the Sale Transaction and the Winding-Up to the Board for approval. See "*Information Regarding the Sale Transaction and the Winding-Up - Background to the Sale Transaction and the Winding-Up*".

On September 24, 2014, the Board established the Special Committee to consider and evaluate the Sale Transaction and the Winding-Up, including alternatives thereto. The Special Committee retained independent financial and legal advisors, and on November 17, 2014, the Special Committee concluded its review and determined that the Sale Transaction and the Winding-Up are the in the best interests of the Trust and recommended the Sale Transaction and the Winding-Up to the Board for approval. See "*Information Regarding the Sale Transaction and the Winding-Up - Background to the Sale Transaction and the Winding-Up*".

As a result of the process conducted by each of management of the Administrator and the Special Committee, the Trust entered into the Purchase and Sale Agreement for the sale of the Assets to the Purchaser, directly and indirectly, for total cash consideration of US$47,500,000, subject to adjustments as set forth therein.

Closing is subject to the approval of Unitholders and the satisfaction of all regulatory requirements and the fulfillment of certain other conditions, and is scheduled to occur on December 29, 2014, unless otherwise agreed to by the parties. The Board expects the proceeds from the Sale Transaction remaining after provision for the Trust's obligations and liabilities and the costs associated with the Sale Transaction and the Winding-Up, to be in the range of $26.1 million to $29.6 million, or $0.46 to $0.52 per Trust Unit. The Trust intends to distribute, in two or more Distributions, all of its remaining cash assets to Unitholders (after provision for the Trust's obligations and liabilities). The Trust intends to make an initial Distribution within 90 days following Closing, while maintaining sufficient reserves in order to settle any remaining obligations and liabilities. Depending on the circumstances of the Winding-Up, the Trust is not likely to complete all Distributions to Unitholders until approximately 12 months following Closing. However, at the present time, no definitive dates can be provided for the initial or subsequent Distributions. See "*Information Regarding the Sale Transaction and the Winding-Up - Effect of the Sale Transaction on the Trust*".

Upon Closing, the executive team of the Purchaser will be comprised of the Executive Managers who will provide management services through Canco pursuant to terms of the Management Services Agreement, including with respect to administrative, financial and operational matters. Canco will be owned or controlled, directly or indirectly, by the Purchaser. In connection with such management services, each Executive Manager entered into an employment agreement with Canco, setting forth the terms of employment for such Executive Manager, including with respect to base salary, incentive compensation, benefits and other customary employment provisions.

FAIRNESS OPINIONS

In connection with the Sale Transaction, Dundee delivered the Dundee Fairness Opinion to the Board. The Dundee Fairness Opinion concludes that, as of November 17, 2014, based upon and subject to the assumptions, limitations, qualifications and other matters in such opinion, the consideration to be received by the Trust pursuant to the Sale Transaction is fair, from a financial point of view, to the Trust.

In addition, in connection with the Sale Transaction, AltaCorp delivered the AltaCorp Fairness Opinion to the Special Committee. The AltaCorp Fairness Opinion concludes that, as of November 17, 2014, based upon and subject to the assumptions, limitations, qualifications and other matters in such opinion, the consideration to be paid by the Purchaser to the Trust pursuant to the Sale Transaction is fair, from a financial point of view, to the Trust.

Each Fairness Opinion contains the assumptions made, procedures followed, matters considered and limitations on the review undertaken with the respective opinion. The Fairness Opinions address the fairness, from a financial point of view, of the consideration to be received by the Trust pursuant to the Sale Transaction and does not address any other aspect of the Sale Transaction or any related transaction, including any legal, tax or regulatory aspects of the Sale Transaction to the Unitholders. Dundee provided the Dundee Fairness Opinion to the Board for its exclusive use only in considering the Sale Transaction, and AltaCorp provided the AltaCorp Fairness Opinion to the Special Committee for its exclusive use only in considering the Sale Transaction. The Dundee Fairness Opinion may not be relied upon by any other person other than the Board without the express written consent of Dundee, and the AltaCorp Fairness Opinion may not be relied upon by any other person other than the Special Committee without the express written consent of AltaCorp. The Fairness Opinions do not address the relative merits of the Sale Transaction compared to any other alternatives that may be available. The Fairness Opinions do not constitute a recommendation to any Unitholder as to how such Unitholder should act or vote on any matters relating to the Sale Transactions. See "*Information Regarding the Sale Transaction and the Winding-Up - Fairness Opinions*".

The Trust encourages Unitholders to read both Fairness Opinions (see Appendix "C" - *Dundee Fairness Opinion* and Appendix "D " - *AltaCorp Fairness Opinion*) and the section "*Information Regarding the Sale Transaction and the Winding-Up - Fairness Opinions*", carefully and in their entirety. The summary of each Fairness Opinion in the Circular is qualified in its entirety by reference to the full text of each respective opinion.

VOTING SUPPORT AGREEMENTS

Locked-Up Unitholders, holding in the aggregate approximately 57% of the issued and outstanding Trust Units as at the Record Date, have entered into Voting Support Agreements pursuant to which they have agreed to, among other things, vote their Locked-Up Trust Units in favour of the resolutions to be considered at the Meeting, including the Sale and Winding-Up Resolution and to vote against any resolution submitted by any Unitholder that is inconsistent with the Sale Transaction and the Winding-Up or any proposal to amend resolutions considered at the Meeting or to adjourn the Meeting (in either case that are not proposed by the Administrator).

Additionally, holders of Exchangeable Shares exchangeable for an aggregate of 10,062,500 Trust Units (or approximately 18% of the issued and outstanding Trust Units after giving effect to the exchange of the Exchangeable Shares), although not technically permitted to vote at the Meeting, have indicated their support for the Sale Transaction and the Winding-Up and have indicated their intention to give notice of exchange of their Exchangeable Shares prior to the first Distribution of the Trust pursuant to the Winding-Up, assuming the Sale Transaction and the Winding-Up are approved by Unitholders. See "*Information Regarding the Sale Transaction and the Winding-Up - Voting Support Agreements*".

EFFECT OF THE SALE TRANSACTION AND SUBSEQUENT WINDING-UP, INCLUDING DISTRIBUTION OF CASH

Upon completion of the Sale Transaction, the Trust will no longer have any material property or assets other than the cash proceeds of the Sale Transaction, which are expected to be between approximately $26.1 million and $29.6 million or $0.46 and $0.52 per Trust Unit, after giving effect to the issuance of Trust Units pursuant to certain exchangeable securities and provision for: (i) the Trust's US dollar denominated liabilities (including taxes and expenses of the Sale Transaction and the Winding-Up) estimated to be between US$5,990,633 and US$7,490,075; and (ii) the Trust's Canadian dollar denominated liabilities (including Loan repayment, taxes and expenses of the Sale Transaction and the Winding-Up) estimated to be between $16,860,994 and $17,551,401.

Provided Unitholder approval is obtained and the Sale Transaction closes, the Trust intends to proceed with the Winding-Up, and, in that regard, the Trustee will apply to the Court to appoint the Claims Administrator and to establish the Winding-Up process. The Trust intends to distribute the estimated $26.1 million to $29.6 million ($0.46 and $0.52 per Trust Unit) remaining in cash assets to Unitholders in one or more Distributions. Although management of the Administrator believes that the estimates of the liabilities of the Trust and of the net proceeds available for Distribution are reasonable based on information currently available to the Trust, the actual amounts of such liabilities and resulting net proceeds may differ materially from such estimates, thereby affecting the amount of cash available to be distributed to Unitholders. Management of the Administrator is not currently aware of any material items that could give rise to unforeseen tax liabilities or other liabilities or costs which would materially reduce the amount of cash available for the Distributions to Unitholders, but there is no assurance that this will remain the case. The Trust intends to distribute, in two or more Distributions, all of its remaining cash assets to Unitholders (after provision for the Trust's obligations and liabilities). The Trust intends to make an initial Distribution within 90 days following Closing, while maintaining sufficient reserves in order to settle any remaining obligations and liabilities. Depending on the circumstances of the Winding-Up, the Trust is not likely to complete all Distributions to Unitholders until approximately 12 months following Closing. However, at the present time, no definitive dates can be provided for the initial or subsequent Distributions. See "*Information Regarding the Sale Transaction and the Winding-Up - Effect of the Sale Transaction on the Trust*".

The Board unanimously recommends that Unitholders vote FOR the Sale and Winding-Up Resolution providing for the approval of the Sale Transaction and the Winding-Up, all as described in further detail in this Circular. See "*Information Regarding the Sale Transaction and the Winding-Up*".

In addition, following Closing, the Trust will continue to be a reporting issuer and be subject to continuous disclosure obligations and other regulatory requirements pursuant to applicable Canadian provincial securities legislation. As a result, the Trust will continue to incur the costs associated with being a reporting issuer. At the Meeting, Unitholders will be asked to approve the Exemptive Relief Resolution, authorizing the Administrator to make application, for and on behalf of the Trust, to the Alberta Securities Commission, as principal regulator of the Trust (and such other securities commissions as may be considered necessary or advisable), to cease the Trust as a reporting issuer pursuant to applicable Canadian provincial securities legislation.

The Board unanimously recommends that Unitholders vote FOR the Exemptive Relief Resolution, all as described in further detail in this Circular. See "*Winding-Up of the Trust - Status as a Reporting Issuer*".

PURCHASE AND SALE AGREEMENT

The following is a summary of the Purchase and Sale Agreement. Reference should be made to the full text of the Purchase and Sale Agreement, a copy of which is attached as Appendix "E" to this Circular. Capitalized terms referred to in this summary but not otherwise defined in this summary or the Glossary of Terms shall have the meaning given to such term in the Purchase and Sale Agreement, and all references to the "Purchase and Sale Agreement" in this summary refer to the purchase and sale agreement dated November 17, 2014 among the Seller and the Purchaser. Unitholders are encouraged to read the Purchase and Sale Agreement carefully and in its entirety.

Purchase Price and Adjustments

Pursuant to the Purchase and Sale Agreement, the Purchase Price is US$47,500,000, provided that the Purchase Price will be decreased by the Purchaser's Credits and increased by the Seller's Credits. The Seller is required to deliver to the Purchaser, not less than five Business Days (as defined in the Purchase and Sale Agreement) before the Closing Date, a Closing Statement setting forth the adjustments to the Purchase Price.

As soon as practical and, in any event, no later than 90 calendar days after the Closing Date, the Purchaser has agreed to prepare and deliver to the Seller a Final Closing Statement setting forth the adjustments to the Purchase Price. Within 30 days following delivery of the Final Closing Statement to the Seller, the Seller has the right to deliver to the Purchaser an Objection Notice of the Seller's objections to the Final Closing Statement or the Purchaser's calculation of the Seller's Credits, Purchaser's Credits and/or the Adjusted Purchase Price. If the Seller delivers the Objection Notice within such period, then the Seller and the Purchaser have agreed to endeavour in good faith to resolve the objections of the Seller set forth in the Objection Notice. If there are any objections raised in a timely delivered Objection Notice that remain in dispute after such good faith attempt to resolve, then the remaining objections in dispute will be the subject of arbitration in accordance with the terms of the Purchase and Sale Agreement.

Representations and Warranties

The Purchase and Sale Agreement contains representations and warranties of each of the Seller, the Purchaser and the Trust, relating to, among other things, existence, including organization and good standing, authority and authorization to enter into the Purchase and Sale Agreement and to perform its obligations thereunder, the execution, delivery and enforceability of the Purchase and Sale Agreement and certain other matters.

Covenants Pending Closing

From the date of the Purchase and Sale Agreement to the Closing Date the Seller has agreed to certain covenants, including with respect to the operation of the Trust's business; access to the Assets and information relating thereto; and the provision of notices to specified parties for required consents or waivers of certain preferential rights.

The Purchaser has agreed to certain covenants, including assisting the Seller to obtain the necessary consents and approvals for the assignment or transfer of Assets to the Purchaser and the making or giving of all notifications, filings, consents, or approvals, from, to or with all governmental authorities as may be required to be made or given prior to Closing for the Seller to convey and for the Purchaser to own the Assets following the consummation of the transactions contemplated in the Purchase and Sale Agreement.

Conditions Precedent to Closing

The obligations of the Purchaser and Seller, respectively, to be performed at Closing are subject to the fulfillment, before or at Closing, of certain conditions precedent including with respect to the accuracy of representations and warranties, performance of covenants and receipt of necessary consents.

Termination Events

Prior to Closing, the Purchase and Sale Agreement may be terminated, including by the mutual written agreement of the Purchaser and the Seller or by the Purchaser or the Seller in certain circumstances; provided that a Party that is (or whose Affiliate is) in material breach of or material default under the Purchase and Sale Agreement or any other Transaction Document or that caused one or more of the Closing conditions to not be satisfied shall not be entitled to terminate the Purchase and Sale Agreement.

Indemnification

Upon Closing, the Purchaser has agreed to indemnify the Seller Indemnified Parties from and against all liabilities arising from the Assumed Liabilities, whether in law (common or statutory) or equity, subject to reduction in certain circumstances and excluding consequential, incidental, special, treble, exemplary, punitive, or lost profits damages. The Parties have agreed that, after Closing the sole and exclusive remedy of each of the Seller Indemnified Parties with respect to the purchase and sale of the Assets is pursuant to the express indemnification provisions of the Purchase and Sale Agreement and except for claims made pursuant to the express indemnification provisions of the Purchase and Sale Agreement, the Seller, on behalf of each of the Seller Indemnified Parties, is deemed to have waived, to the fullest extent permitted under applicable law, any right of contribution against the Purchaser or any of its Affiliates and any and all rights, claims and causes of action the Seller may have against the Purchaser or any of its Affiliates arising under or based on any federal, state or local statute, law, ordinance, rule or regulation, or common law or otherwise.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

This Circular contains a summary of certain Canadian federal income tax considerations applicable to Unitholders. Generally distributions made by the Trust to Unitholders in the course of the Winding-Up may consist of a combination of net income of the Trust and a return of capital. A Unitholder will generally be required to include in computing income such portion of the net income of the Trust, including net taxable capital gains, as is paid or becomes payable to the Unitholder (including by virtue of a Distribution). Upon the disposition of a Trust Unit, a Unitholder will generally realize a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition are greater (or less) than the aggregate of the Unitholder's adjusted cost base of the Trust Unit and any reasonable costs of disposition. See "*Certain Canadian Federal Income Tax Considerations*".

RISK FACTORS

For a description of certain risk factors in respect of the Sale Transaction and the Winding-Up, see "*Risk Factors*".

QUESTIONS AND ANSWERS

The following are responses to questions that a Unitholder may have regarding the Sale Transaction, the Winding-Up and the Meeting. Unitholders are encouraged to read the entire Circular (including the Appendices hereto) as the questions and answers do not provide all of the information that may be important to a Unitholder with respect the Meeting and the approval of the Sale and Winding-Up Resolution.

About the Sale Transaction and the Winding-Up

Q. What circumstances lead to the Sale Transaction and Winding-Up?

The Sale Transaction and the Winding-Up is the result of an extensive effort, over the last 18 months, by management of the Administrator to finance the Trust's business. In mid-April 2014, management of the Administrator consulted with a financial advisor, Dundee, to explore financing alternatives available to the Trust. From May, 2014 to September, 2014, management of the Administrator and Dundee pursued efforts to seek funding for the Trust. On September 16, 2014, the Trust received an indicative term sheet from Pine Brook setting forth the proposed terms for the Sale Transaction. On September 24, 2014, the Board established the Special Committee to consider and evaluate the Proposed Transaction and shortly thereafter the Special Committee engaged AltaCorp as its financial advisor. Negotiations followed regarding the terms of the various draft agreements during which time management of the Administrator met with each of the Special Committee and the Board to provide updates on the status of the negotiations. On November 14, 2014 the Special Committee met with AltaCorp to receive its assessment as to the fairness, from a financial point of view, of the consideration to be paid by the Purchaser to the Trust pursuant to the Sale Transaction, and later on November 14, 2014 the Board met to review the Proposed Transaction, to receive advice from Dundee regarding its assessment as to the fairness from a financial point of view of the consideration to be received by the Trust pursuant to the Sale Transaction and to receive the report and recommendation of the Special Committee. Following further negotiations on the terms and conditions of the various definitive agreements, the parties entered into definitive agreements on November 17, 2014. See "*Information Regarding the Sale Transaction and the Winding-Up - Background to the Sale Transaction and the Winding-Up*".

Q. What is the Board's recommendation regarding the Sale Transaction and the Winding-Up?

The Board unanimously concluded, in its opinion, that the Sale Transaction is fair and the Sale Transaction and the Winding-Up are in the best interests of the Trust and should be placed before the Unitholders for their approval. With the exception of Ian Atkinson who declared his interest in certain matters relating to the Sale Transaction and the Winding-Up and abstained from voting thereon, the Board has unanimously approved the Sale Transaction and the Winding-Up and approved the Purchase and Sale Agreement providing for the Sale Transaction and unanimously recommends that Unitholders vote in favour of the Sale and Winding-Up Resolution. See "*Information Regarding the Sale Transaction and the Winding-Up - Recommendation of the Board*".

Q. What will happen if the Sale and Winding-Up Resolution is approved by Unitholders?

If the Sale and Winding-Up Resolution is approved by Unitholders, it is currently proposed that the Sale Transaction will close on December 29, 2014 (subject to satisfaction of all conditions precedent and other closing requirements as set forth in the Purchase and Sale Agreement). Closing of the Sale Transaction will result in the sale of all or substantially all of the Trust's assets and thereafter the Trust will cease to have an operating business. As soon as reasonably practicable following Closing, the Board intends to establish the Effective Date to commence the Winding-Up in accordance with the Winding-Up Procedure. See "*Information Regarding the Sale Transaction and the Winding-Up - Effect of the Sale Transaction on the Trust*".

Q. What will happen if the Sale and Winding-Up Resolution is not approved by Unitholders?

In the event that Unitholders do not approve the Sale and Winding-Up Resolution, the Trust will need to assess its business plan, including its ability to raise capital to execute its business plan (including to pay its ongoing obligations and liabilities and fund the development of its oil and gas assets, all of which require significant capital).

The Trust has experienced significant difficulty raising capital over the prior 18 months. There is no assurance that sources of capital will be available on terms acceptable to the Trust or at all. If the Trust is unable to obtain adequate sources of capital, there is no assurance the Trust would be able to comply with its obligations pursuant to the Loan, failing which the Lenders would be entitled to remedies under the Loan, including realizing upon their security interests which may include seizure of the Assets. See "*Information Regarding the Sale Transaction and the Winding-Up - Effect of the Sale Transaction on the Trust*" and "*Risk Factors*".

Q. What is the Purchase Price for the Assets?

The Purchase Price is US$47,500,000, subject to adjustment in accordance with the terms of the Purchase and Sale Agreement. See "*Information Regarding the Sale Transaction and the Winding-Up - The Purchase and Sale Agreement*".

Q. How will the net proceeds from the Sale Transaction be used?

The net proceeds of the Sale Transaction will be distributed to Unitholders after provision for the Trust's obligations and liabilities. The Board expects the proceeds from the Sale Transaction remaining after provision for the Trust's obligations and liabilities and the costs associated with the Sale Transaction and the Winding-Up, to be in the range of $26.1 million to $29.6 million, or $0.46 to $0.52 per Trust Unit. See "*Winding-Up of the Trust - Distribution of Sale Transaction Net Proceeds*".

The Trust intends to distribute, in two or more Distributions, all of its remaining cash assets to Unitholders (after provision for the Trust's obligations and liabilities). The Trust intends to make an initial Distribution within 90 days following Closing, while maintaining sufficient reserves in order to settle any remaining obligations and liabilities. Depending on the circumstances of the Winding-Up, the Trust is not likely to complete all Distributions to Unitholders until approximately 12 months following Closing. However, at the present time, no definitive dates can be provided for the initial or subsequent Distributions. See "*Information Regarding the Sale Transaction and the Winding-Up - Effect of the Sale Transaction on the Trust*".

Q. How will the Winding-Up be completed?

The Board proposes to wind-up the Trust in accordance with Article 11 of the Trust Indenture and the directions of the Unitholders set forth in the Sale and Winding-Up Resolution. In particular, the Sale and Winding-Up Resolution includes directions of the Unitholders to the Trustee to wind-up the Trust in accordance with the Winding-Up Procedure to be established by the Claims Administrator in consultation with the Trustee and the Board and approved by the Court. The Winding-Up Procedure will include, among other things, provisions abridging the notice period in Section 11.07 of the Trust Indenture for Unitholders to surrender their Trust Units for cancellation and will provide that the Winding-Up will commence on the Effective Date as determined by the Board. The Board intends to set the Effective Date as soon as reasonably practicable following Closing. See "*Winding-Up of the Trust*".

Q. What will be my tax liability for receiving Distributions on the Winding-Up?

The specific tax consequences to a particular Unitholder of receiving a Distribution in the course of the Winding-Up will be dependant on the character of the particular Distribution, as Distributions may consist of one or a combination of (i) net income of the Trust that is paid or becomes payable to the Unitholder, and (ii) a return of capital. Net income of the Trust which is paid or payable to a Unitholder may be in the nature of general income, dividends or taxable capital gains, and the tax consequences will vary depending on the composition of the Distribution. The composition of each Distribution paid by the Trust may be different, affecting the after-tax return to Unitholders. See "*Certain Canadian Federal Income Tax Considerations*".

The Board's estimate of Distributions in the amount of $0.46 to $0.52 per Trust Unit as described herein is determined on a pre-tax basis without accounting for a Unitholder's potential tax liability in respect of the Distributions. The after-tax amount retained by a Unitholder may be less than the Board's estimated amount of Distributions described herein. Unitholders should consult their own tax advisors for advice as to the specific tax consequences of the Winding-Up to them having regard to their particular circumstances.

About the Meeting

Q. Why am I receiving this Circular?

For the Sale Transaction and the Winding-Up to be effective, the Trust Indenture requires that the Sale and Winding-Up Resolution be approved by Unitholders voting in person or by proxy at the Meeting. See "*Quorum and Approval of the Special Resolution*".

Q. What matters will be voted on at the Meeting?

In addition to annual meeting matters (being the receipt of financial statements for the year ended December 31, 2013, setting the number of and electing directors and the appointment of auditors), Unitholders will be asked to pass a special resolution approving the Sale Transaction and Winding-Up and an ordinary resolution approving an application to applicable securities regulatory authorities to cease the Trust as a reporting issuer. See "*Matters to be Acted Upon at the Meeting*".

Q. When and where is the Meeting?

The Meeting will be held in the Royal Room located at the Metropolitan Conference Centre, 333-4th Avenue S.W., Calgary, Alberta, Canada at 9:00 a.m. (Calgary time) on December 29, 2014.

Q. Who can attend and vote at the Meeting?

All registered Unitholders who owned Trust Units at the close of business on November 10, 2014, which is the Record Date for the Meeting, are entitled to receive notice of and to attend and vote at the Meeting or any postponement or adjournment of the Meeting.

Q. How do I cast my vote if I am a holder of record?

A registered Unitholder who is a holder of Trust Units of record on November 10, 2014 may vote in person at the Meeting or by submitting a proxy for the Meeting and following the instructions on the proxy card provided. Submission occurs by dating, completing, signing and depositing the enclosed proxy card with Computershare at 8th Floor, 100 University Avenue, Toronto, Ontario, Canada M5J 2Y1. Alternatively, registered Unitholders may use the telephone number (866) 732-8683 or the internet site www.investorvote.com to transmit their voting instructions. Unitholders should have the form of proxy in hand when they call or access the website and will be prompted to enter their control number, which is located on the form of proxy.

Trust Units represented by a proxy in favour of management nominees will be voted on any ballot at the Meeting and, where the Unitholder specifies a choice with respect to any matter to be acted upon, such Trust Units will be voted on any such ballot in accordance with the specification so made. In the absence of such specification, the Trust Units will be voted FOR the matters to be acted upon. See "*Solicitation of Proxies*" and "*Exercise of Discretion by Proxy*".

Q. How do I cast my vote if I am a Beneficial Unitholder and my Trust Units are held by my broker, dealer, commercial bank, trust company or other nominee?

Beneficial Unitholders should note that only proxies deposited by Unitholders whose names appear on the records of the Trust as the registered holders of Trust Units can be recognized and acted upon at the Meeting. If Trust Units are listed in an account statement provided to a Beneficial Unitholder by a broker, then in almost all cases those Trust Units will not be registered in the Beneficial Unitholder's name on the records of the Trust. Such Trust Units will more likely be registered under the name of the Beneficial Unitholder's broker or an agent of that broker. Therefore, each Beneficial Unitholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting. Without specific instructions, brokers and their agents and nominees are prohibited from voting Trust Units for the broker's clients. Please refer to the voting instruction card used by your broker, dealer,

commercial bank, trust company or other nominee to see if you may submit voting instructions using the Internet or telephone. See "*Beneficial Holders of Trust Units*".

Q. What is the deadline for submitting a proxy?

All proxies must be deposited with Computershare, the Trust's transfer agent, at 8th Floor, 100 University Avenue, Toronto, Ontario, Canada M5J 2Y1 no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time set for the holding of the Meeting or any adjournment thereof, being 9:00 a.m. on December 23, 2014 for the Meeting scheduled to be held on December 29, 2014. See "*Solicitation of Proxies*".

Q. Can I change or revoke my proxy after I have delivered my proxy?

Yes. A Unitholder who has submitted a proxy may revoke it at any time prior to the exercise thereof. If a person who has given a proxy attends personally at the Meeting at which such proxy is to be voted, such person may revoke the proxy and vote in person. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the Unitholder or the Unitholder's attorney authorized in writing deposited either at the registered office of the Trust at any time up to and including the last Business Day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or with the chairman of the Meeting on the day of the Meeting, or any adjournment thereof, and upon either of such deposits, the proxy is revoked. See "*Revocability of Proxy*".

Q. What Unitholder vote is required to approve the Sale and Winding-Up Resolution?

For the Sale Transaction and the Winding-Up to be effective, the Trust Indenture requires that Sale and Winding-Up Resolution be approved by at least $66^{2/3}$% of the votes cast by Unitholders, voting together, in person or represented by proxy at the Meeting. In addition, in connection with "connected transactions" and "collateral benefits" (as such terms are defined in MI 61-101) to be entered into and received by, respectively, the Excluded Unitholders pursuant to the Sale Transaction and the Winding-Up, applicable Canadian provincial securities legislation requires that the Sale and Winding-Up Resolution be approved by a majority of the votes cast by Unitholders present in person or represented by proxy and entitled to vote at the Meeting who vote in respect of the Sale and Winding-Up Resolution, excluding votes in respect of Trust Units held by the Excluded Unitholders. See "*Quorum and Approval of the Special Resolution*".

Q. Who can help answer additional questions?

Additional questions about the Sale Transaction or the Winding-Up may be presented to the Administrator at Suite 1250, 736 - 6th Avenue S.W., Calgary, Alberta T2P 3T7, attention: Karen Tanaka, Vice President, Corporate Affairs & Secretary, telephone number (403) 232-1010 ext. 208.

Additional questions about how to submit a proxy, or if additional copies of the Circular or the enclosed proxy card or voting instructions are required, please contact Computershare, the Trust's transfer agent, at 8th Floor, 100 University Avenue, Toronto, Ontario, Canada M5J 2Y1, telephone number (800) 564-6253.

SOLICITATION OF PROXIES

Registered Unitholders who are unable to attend the Meeting in person may exercise their right to vote by dating, signing and returning the accompanying form of proxy to Computershare, the Trust's transfer agent. To be valid, completed forms of proxy must be dated, completed, signed and deposited with Computershare at 8th Floor, 100 University Avenue, Toronto, Ontario, Canada M5J 2Y1. The instrument appointing a proxy shall be in writing and shall be executed by the Unitholder or the Unitholder's attorney authorized in writing or, if the Unitholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized. Alternatively, registered Unitholders may use the telephone number (866) 732-8683 or the internet site www.investorvote.com to transmit their voting instructions. Unitholders should have the form of proxy in hand when they call or access the website and will be prompted to enter their control number, which is located on the form of proxy. Proxies must be received in each case no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time set for the holding of the Meeting or any adjournment thereof.

The persons named in the enclosed form of proxy are directors and/or officers of the Administrator. Each Unitholder has the right to appoint a proxyholder other than the persons designated, who need not be a Unitholder, to attend and to act for the Unitholder at the Meeting. To exercise such right, the names of the nominees of the Administrator should be crossed out and the name of the Unitholder's appointee should be legibly printed in the blank space provided.

Please note that if a Unitholder appoints a proxyholder and submits their voting instructions and subsequently wishes to change their appointment, a Unitholder may resubmit the proxy and/or voting direction, prior to the deadline noted above. When resubmitting a proxy, the most recently submitted proxy will be recognized as the only valid one, and all previous proxies submitted will be disregarded and considered as revoked, provided that the last proxy is submitted by the deadline noted above.

BENEFICIAL HOLDERS OF TRUST UNITS

The information set forth in this section is provided to beneficial holders of Trust Units who do not hold their Trust Units in their own name ("**Beneficial Unitholders**"). Beneficial Unitholders should note that only proxies deposited by Unitholders whose names appear on the records of the Trust as the registered holders of Trust Units can be recognized and acted upon at the Meeting. If Trust Units are listed in an account statement provided to a Beneficial Unitholder by a broker, then in almost all cases those Trust Units will not be registered in the Beneficial Unitholder's name on the records of the Trust. Such Trust Units will more likely be registered under the name of the Beneficial Unitholder's broker or an agent of that broker. In Canada, the vast majority of such Trust Units are registered under the name of CDS & Co. (the registration name for The Canadian Depositary for Securities Limited, which acts as nominees for many Canadian brokerage firms). Trust Units held by brokers or their nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Unitholder. Without specific instructions, the broker/nominees are prohibited from voting Trust Units for their clients. The Trust does not know for whose benefit the Trust Units registered in the name of CDS & Co. are held.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Unitholders in advance of Unitholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Unitholders in order to ensure that their Trust Units are voted at the Meeting. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically provides a scannable voting request form or applies a special sticker to the proxy forms, mails those forms to the Beneficial Unitholders and asks Beneficial Unitholders to return the voting request forms or proxy forms to Broadridge. Often Beneficial Unitholders are alternatively provided with a toll-free telephone number or a website address where Trust Units can be voted. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Trust Units to be represented at the Meeting. **A Beneficial Unitholder receiving a voting instruction request or a proxy with a Broadridge sticker on it cannot use that instruction request or proxy to vote Trust Units directly at the Meeting as the proxy must be returned as directed by Broadridge well in advance of the Meeting in order to have the Trust Units voted. Accordingly, it is strongly suggested that Beneficial Unitholders return their completed instructions or proxies as directed by Broadridge well in advance of the Meeting.**

Although a Beneficial Unitholder may not be recognized directly at the Meeting for the purposes of voting Trust Units registered in the name of his or her broker (or agent of the broker), a Beneficial Unitholder may attend at the Meeting as proxyholder for the registered Unitholder and vote Trust Units in that capacity. Beneficial Unitholders who wish to attend the Meeting and indirectly vote their Trust Units as proxyholder for the registered Unitholder should enter their own names in the blank space on the form of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.

The Trust is not using "notice-and-access" to send its proxy-related materials to Unitholders, and paper copies of such materials will be sent to all Unitholders. The Trust will not send proxy-related materials directly to non-objecting Beneficial Unitholders and such materials will be delivered to non-objecting Beneficial Unitholders by Broadridge or through the non-objecting Beneficial Unitholder's intermediary. The Trust does not intend to pay for the costs of an intermediary to deliver to objecting Beneficial Unitholders the proxy related materials and Form 54-107F7 *Request for Voting Instructions Made by Intermediary* of National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer*, and objecting Beneficial Unitholders will not receive the materials unless their intermediary assumes the cost of delivery.

REVOCABILITY OF PROXY

A Unitholder who has submitted a proxy may revoke it at any time prior to the exercise thereof. If a person who has given a proxy attends personally at the Meeting at which such proxy is to be voted, such person may revoke the proxy and vote in person. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the Unitholder or the Unitholder's attorney authorized in writing deposited either at the registered office of the Trust at any time up to and including the last Business Day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or with the chairman of the Meeting on the day of the Meeting, or any adjournment thereof, and upon either of such deposits, the proxy is revoked.

PERSONS MAKING THE SOLICITATION

This solicitation is made on behalf of the management of the Administrator. The costs incurred in the preparation and mailing of the Instrument of Proxy, Notice and this Circular will be borne by the Trust. In addition to solicitation by mail, proxies may be solicited by personal interviews, telephone or other means of communication and by directors, officers and employees of the Administrator, who will not be specifically remunerated therefor. While no arrangements have been made to date, the Trust may contract with a third party proxy solicitation agent to solicit proxies for the Meeting. All costs incurred by the Trust in soliciting proxies will be borne by the Trust.

EXERCISE OF DISCRETION BY PROXY

The Trust Units represented by proxy in favour of management nominees shall be voted on any ballot at the Meeting and, where the Unitholder specifies a choice with respect to any matter to be acted upon, the Trust Units shall be voted on any ballot in accordance with the specification so made.

In the absence of such specification, the Trust Units will be voted in favour of the matters to be acted upon. The persons appointed under the Instrument of Proxy furnished by the Trust are conferred with discretionary authority with respect to amendments or variations of those matters specified in the Instrument of Proxy and the Notice. As of the date of this Circular, management of the Administrator knows of no such amendment, variation or other matter.

RECORD DATE

The Board has established November 10, 2014 as the Record Date for the Meeting. Only Unitholders of record on the Record Date are entitled to receive the Notice of Meeting and to vote at the Meeting. The failure of any Unitholder to receive a copy of the Notice of Meeting does not deprive the Unitholder of the right to vote at the Meeting. Only Unitholders as of the Record Date are entitled to vote their Trust Units at the Meeting, on the basis of one vote in respect of each Trust Unit held.

QUORUM AND APPROVAL OF THE SPECIAL RESOLUTION

The Trust Indenture provides that a quorum for the transaction of business at the Meeting will be present if there are not less than two persons present at the Meeting holding or representing by proxy not less than 10% of the Trust Units entitled to be voted at the Meeting.

The Sale and Winding-Up Resolution to be placed before the Meeting will be a special resolution requiring approval by at least $66^{2/3}$% of the votes cast by Unitholders present in person or represented by proxy and entitled to vote at the Meeting who vote in respect of the Sale and Winding-Up Resolution. Unitholders holding approximately 57% of the outstanding Trust Units that have entered into Voting Support Agreements have agreed to vote in favour of the resolutions to be considered at the Meeting, including the Sale and Winding-Up Resolution, and to vote against any resolution submitted by any Unitholder that is inconsistent with the Sale Transaction and the Winding-Up or any proposal to amend resolutions considered at the Meeting or to adjourn the Meeting (in either case that are not proposed by the Administrator). Additionally, holders of Exchangeable Shares exchangeable for an aggregate of 10,062,500 Trust Units (or approximately 18% of the issued and outstanding Trust Units after giving effect to the exchange of the Exchangeable Shares), although not technically permitted to vote at the Meeting, have indicated their support for the Sale Transaction and the Winding-Up and have indicated their intention to give notice of exchange of their Exchangeable Shares prior to the first Distribution of the Trust pursuant to the Winding-Up, assuming the Sale Transaction and the Winding-Up are approved by Unitholders.

In connection with "connected transactions" and "collateral benefits" (as such terms are defined in MI 61-101) to be entered into and received by, respectively, the Excluded Unitholders pursuant to the Sale Transaction and the Winding-Up, applicable Canadian provincial securities legislation requires that the Sale and Winding-Up Resolution be approved by a majority of the votes cast by Unitholders present in person or represented by proxy and entitled to vote at the Meeting who vote in respect of the Sale and Winding-Up Resolution, excluding votes in respect of an aggregate of approximately 21.84 million Trust Units (approximately 47% of the outstanding Trust Units) held by the Excluded Unitholders as follows:

Excluded Unitholder	Number of Trust Units	Percentage of Trust Units (%)[(1)(2)]
Cannonball Capital Inc.	6,850,000	14.64%
Britannia Capital Ltd.	nil	nil
Ian Atkinson	200,000	0.43%
Calvin Yau	nil	nil
Chris Birchard	nil	nil
Erin Buschert	nil	nil
Marc Houle	43,750	0.09%
Jim McFadyen	125,000	0.27%
Gary McMurren	62,500	0.13%
Karen Tanaka	211,250	0.45%
M4 Trust	1,666,792	3.56%
Winsome Capital Inc.	1,786,666	3.82%
Earl Fawcett	1,000,000	2.14%
Bob Schiesser	1,791,666	3.83%
Barclay Laughland	275,000	0.59%
Daniel Sloan	1,840,000	3.93%
Rick Fletcher	4,520,000	9.66%
Roger Baker	430,000	0.92%
Christopher Fletcher	420,000	0.90%
Kristen Woitas	300,000	0.64%
Tyler Woitas	320,000	0.68%
Total:	21,842,624	46.69%

Notes:
(1) Based on an aggregate of 46,778,390 Trust Units issued and outstanding on the Record Date.
(2) May not add due to rounding.

TRUST UNITS AND PRINCIPAL HOLDERS THEREOF

As at November 10, 2014, an aggregate of 46,778,390 Trust Units were issued and outstanding. Each Trust Unit entitles the holder thereof to one vote at all meetings of Unitholders. On liquidation or wind-up of the Trust, each Trust Unit shall entitle the holder thereof to participate equally with respect to the distribution of the remaining assets of the Trust after payment of the Trust's debts, liabilities and liquidation or termination expenses. During the 12 months preceding the date hereof no Trust Units have been issued by the Trust.

To the knowledge of the Board and management of the Administrator, as at November 10, 2014, no person or company beneficially owned or controlled or directed, directly or indirectly, voting securities of the Trust carrying more than 10% of the voting rights attached to any class of voting securities of the Trust other than as set forth below:

Name	Number of Trust Units	Percentage of Class (%)
Cannonball Capital Inc.	6,850,000	14.64%

CORPORATE GOVERNANCE DISCLOSURE

The Trust's disclosure with respect to corporate governance practices is set forth in Appendix "F" hereto.

AUDIT COMMITTEE DISCLOSURE

The Trust's disclosure with respect to certain Audit Committee matters is set forth in Appendix "G" hereto.

DIRECTOR AND EXECUTIVE COMPENSATION DISCLOSURE

The Trust's disclosure with respect to certain director and executive compensation matters and practices was filed on SEDAR under the Trust's profile on May 16, 2014 and is set forth in Appendix "H" hereto.

INFORMATION REGARDING THE SALE TRANSACTION AND THE WINDING-UP

BACKGROUND TO THE SALE TRANSACTION AND THE WINDING-UP

The Trust was established as a cross border energy trust in June 2012. The Trust's strategy was to acquire and develop a large oil resource play in the US Gulf Coast States. The Trust planned to apply horizontal drilling technology to a highly prospective resource located in a region with relatively low costs and premium oil prices. The Trust acquired its initial working interest in certain oil and gas leases in the Black Warrior Basin located in Mississippi. The Trust partnered with Fletcher Petroleum, the operator of the properties, to target lands in the Black Warrior Basin with historical oil and gas production from vertical wells.

The Trust adopted a trust structure as it was determined to offer favourable tax treatment on distributions relative to a Canadian corporation. The Trust planned to provide distributions to Unitholders when a sustainable production threshold was achieved. The business plan focused on a growth strategy with the key drivers being organic production growth through the drillbit and the pursuit of acquisition opportunities to build production and its land base.

In late 2012, the Trust participated in the drilling of two horizontal oil wells in Mississippi which were brought on production in early 2013. Initial results were encouraging despite encountering difficulties in the drilling and completion operations. Based on these initial results, management of the Administrator, in consultation with the Board, continued to focus on the Trust's growth strategy which entailed increasing its working interest in the Black Warrior Basin and pursuing opportunities to acquire additional land contiguous to Maple Branch.

On March 2, 2013, the Trust completed the acquisition of VisionSky by way of a plan of arrangement (the "**Arrangement**"). As a result of the Arrangement, the Trust became a "reporting issuer" (as defined under applicable

provincial securities laws) in the provinces of British Columbia, Alberta and Ontario with a broader base of Unitholders, with a view towards obtaining a potential future stock exchange listing.

Continuing with its growth strategy, in April 2013, the Trust announced plans to acquire a private company, Dogtooth (the "**Dogtooth Acquisition**") that held working interests in certain oil and gas leases, wells and related infrastructure in the Maple Branch Prospect and the Brooklyn Field Prospect, both prospects were located in the areas where the Trust was focused.

Concurrent with the announcement of the Dogtooth Acquisition, the Trust entered into a purchase and sale agreement with a third party vendor to acquire a 100% working interest in certain oil and gas leases, consisting of approximately 11,000 net acres of undeveloped land and related assets (the "**Maple Branch Land Acquisition**"). The purchase price of the Maple Branch Land Acquisition was US$22 million cash, subject to adjustment, and the grant of certain overriding royalty interests to the vendor. The oil and gas leases were contiguous to the Trust's existing oil and gas leases in Maple Branch Prospect where the first two horizontal oil wells were drilled into the Lewis and Sanders formations. The Trust believed the land had multi-zone resource exploration opportunities and gave the Trust access to a significant land base. In connection with the Maple Branch Land Acquisition, the Trust announced a financing for gross proceeds of up to $35 million to fund the purchase of the Maple Branch Land Acquisition, to fund the Trust's 2013 capital expenditure program and to fund the Trust's working capital requirements. In May 2013, the Trust withdrew its financing and elected not to pursue the Maple Branch Land Acquisition because the Trust was unable to generate sufficient interest in financing the acquisition.

In May 2013, the Trust announced a memorandum of understanding to acquire from Fletcher: (i) an additional 20% working interest in certain oil and gas leases in the Maple Branch Prospect consisting of approximately 3,000 net acres; (ii) an additional 15% working interest in certain oil and gas leases in Monroe County, Mississippi (the "**Strong Prospect**") consisting of approximately 570 net acres; and (iii) a 25% working interest in certain oil and gas leases in Brooklyn Field Prospect consisting of approximately 985 net acres for aggregate consideration of US$5.5 million (the "**Fletcher Acquisition**").

In June and July 2013, the Trust closed a brokered and non-brokered private placement and issued an aggregate of approximately 16,620,000 Trust Units at a price of $0.80 per unit for aggregate gross proceeds of $13.2 million. On July 3, 2013, the Trust closed the Fletcher Acquisition.

On September 20, 2013, the Trust completed the previously announced acquisition of Dogtooth. Pursuant to the Dogtooth acquisition, the Trust acquired working interests in certain oil and gas leases, wells and related infrastructure, including: (i) a 10% interest in approximately 1,410 net acres of oil and gas leases in the Maple Branch Prospect, including a 10% working interest in the previously disclosed two horizontal oil wells; (ii) a 10% interest in approximately 120 net acres of oil and gas leases in Hamilton & West McKinley Creek in Monroe County, Mississippi; (iii) a 9.27% working interest in a producing oil well (Amos 36-3) located in Brooklyn Field in Conecuh County, Alabama; and (iv) a 25% interest in approximately 1,000 net acres of oil and gas leases in the Brooklyn Field Prospect. The Trust acquired all of the issued and outstanding shares and debt of Dogtooth for aggregate consideration of $9.3 million, comprised of $1.25 million in cash and an aggregate of 10,062,500 non-voting exchangeable shares ("**Exchangeable Shares**") in the capital of Dixie Canada, a subsidiary of the Trust, with a deemed value of $0.80 per exchangeable share, each such share exchangeable on a one-for-one basis for Trust Units.

In October 2013, the Trust pursued an equity financing to fund the acquisition of a Canadian-based company with assets in both Canada and the United States. Management of the Administrator worked with a financial advisor to identify a lead investor as part of a larger equity financing into the Trust. Management of the Administrator held discussions with several institutions focused on the North American upstream oil and gas sector; however the Trust was unable to generate sufficient interest in financing the acquisition.

In November 2013, the Trust decided not to proceed with the potential acquisition, however, it continued discussions with several institutional investors to fund the Maple Branch Prospect "proof of concept" drilling program and the acquisition of additional oil and gas leases in the Black Warrior Basin. Concurrently, management of the Administrator, in consultation with the Board, assessed the benefits of becoming the operator in Maple Branch.

In early 2014, the Board appointed a new management team with extensive operational experience in horizontal drilling and completion technology. In addition, management of the Administrator explored potential joint venture opportunities with US investors, who expressed interest in the Maple Branch Prospect "proof of concept" drilling program but who were unwilling or structurally unable to invest in the Trust's mutual fund trust structure. However based on the proposed transaction value, the Trust was unable to reach an agreement with any potential joint venture partners.

Following the unsuccessful effort to secure a joint venture partner, management of the Administrator, in consultation with the Board, determined the business plan of the Trust should be adjusted and the Trust should pursue operatorship in Maple Branch so it could control the exploration and development program. In mid-April 2014, management of the Administrator consulted with a financial advisor, Dundee, to explore financing alternatives available to the Trust. Initial feedback from Dundee indicated prospective investors had reservations about investing in a mutual fund trust structure.

On May 6, 2014, management of the Administrator and Dundee participated in an initial meeting: (i) to determine the materials required for an equity financing to fund the "proof of concept" drilling program; (ii) to discuss potential investors; and (iii) to establish the expected timeline of the financing process (the "**2014 Financing**"). The remainder of May and June, 2014 was spent preparing various marketing materials and identifying prospective investors. Concurrently, management of the Administrator continued exploring financing alternatives including a potential "conversion" of the Trust to a Canadian corporation on the basis that a corporate structure may provide a more suitable investment vehicle for potential investors. In that regard, on June 6, 2014, the Trust announced it was considering a potential trust conversion transaction. During the same time period, the Trust amended the Trust Indenture to, among other things, extend the time for holding the 2014 annual meeting of Unitholders to allow time for the Trust to explore a potential trust conversion transaction (the "**Trust Conversion**"). Management of the Administrator believed it was more cost effective and administratively efficient to convene a single meeting of Unitholders for consideration of a Trust Conversion and annual meeting matters rather than hold two Unitholder meetings within a short period of time. On June 6, 2014, the Trust announced the amendment to its Trust Indenture and postponement of its annual meeting for Unitholders.

In June 2014, Dundee and the Trust commenced a North America wide marketing roadshow ("**N.A. Roadshow**") in an effort to identify one or more lead investors as part of a minimum $60.0 million equity raise by the Trust. As part of the N.A. Roadshow, Dundee contacted over 100 institutional investors to determine if they were interested in meeting with management of the Administrator. Approximately 30 institutions agreed to receive management presentations which were held from June to September, 2014.

During June 2014, management of the Administrator consulted with the Board and discussed plans to secure a short-term loan to fund its operational plans, to acquire an additional working interest in the Black Warrior Basin and to assume operatorship in Maple Branch, Strong and Hamilton West McKinley, Mississippi. Management believed this strategic acquisition and undertaking of operatorship would increase future financing alternatives. On July 31, 2014, the Trust secured the Loans for an aggregate of $13.5 million from insiders and related parties to the Trust to fund the acquisition of its working interest partner and obtain operatorship in the Black Warrior Basin.

On August 5, 2014, the Trust announced it had closed an acquisition of interests in certain oil and gas properties in the Black Warrior Basin in Mississippi for a purchase price of US$8.0 million, subject to purchase price adjustments. As part of the acquisition, the Trust became the operator in Maple Branch, Strong and Hamilton West McKinley, Mississippi. The Trust also acquired 7,220 net acres in the Black Warrior Basin and 22 barrels of oil per day of production.

Prior to the Trust becoming the operator, the production of the horizontal wells had substantially declined in Maple Branch and was not meeting type curves nor economic thresholds. By securing operatorship in Maple Branch, the Trust now had control of the exploration and development program and was in a position to improve operational performance in Maple Branch.

From July to September 2014, management of the Administrator and Dundee continued their efforts to seek funding pursuant to the N.A. Roadshow. The N.A. Roadshow culminated in initial expressions of interest from six interested parties who were granted access to additional technical, operational and financial data and who also engaged in

further discussions with management of the Administrator and Dundee. The general feedback received from the interested parties was as follows: (i) select parties viewed the assets as too early stage for their investment criteria; (ii) oil and gas focused private equity firms are limited or restricted from investing in Canadian entities with US assets; and (iii) US investors were adverse to investing in a Canadian entity (whether a mutual trust fund, corporation or otherwise) holding US assets due to potential adverse tax consequences. With that understanding, the Trust continued discussions with the potential investors to determine viable financing options. However, despite the Trust's willingness to pursue a Trust Conversion, further to the aforementioned feedback, Dundee received limited interest and no firm proposals in connection with the 2014 Financing.

On September 16, 2014, the Trust received an indicative term sheet from Pine Brook setting forth the proposed terms for the Sale Transaction with the understanding that with the completion of the Sale Transaction, the Trust would commence the Winding-Up and management of the Administrator would provide management services to the Purchaser (collectively, the "**Proposed Transaction**").

While it was not the Trust's intent to pursue a transaction that would result in the sale of the Assets and the wind-up of the Trust, the Proposed Transaction represented the only proposal received by the Trust following its extensive financing effort.

On September 24, 2014 the Board held a meeting to discuss the Proposed Transaction and at that time established the Special Committee to consider and evaluate the Proposed Transaction.

On September 24, 2014, Mr. Oke, on behalf of the Special Committee, met with Borden Ladner Gervais LLP ("**BLG**") to discuss retaining BLG to act as independent counsel to the Special Committee.

On September 25, 2014, the Special Committee held its first meeting at which time it formally engaged BLG as independent legal adviser after satisfying itself that BLG was independent of Pine Brook and management of the Administrator. With the assistance and advice of BLG, the Special Committee concluded that each of its members was independent of Pine Brook and management of the Administrator. As well, the Special Committee received advice from BLG with respect to the role and obligations of the Special Committee in connection with the Proposed Transaction as well as advice regarding the fiduciary duties of the Special Committee in the context of the Proposed Transaction and discussed in general the role and responsibility of the Special Committee in this regard. BLG was instructed to prepare a mandate of the Special Committee for consideration by the Special Committee and ultimately for approval and adoption by the Board. The Special Committee subsequently developed a mandate pursuant to which the Special Committee was mandated to, among other things:

(a) consider and advise the Board as to whether the Proposed Transaction is in the best interest of the Trust and its stakeholders;

(b) if considered necessary or advisable, to consider and recommend to management of the Administrator and the Board any revisions to the Proposed Transaction or alternative methodologies or transaction structures which may be available to better or more effectively achieve the purposes of the Proposed Transaction;

(c) make such recommendations to the Board as the Special Committee considers advisable, including without limitation, relating to the Board's recommendation to the Unitholders of the Trust with respect to the Proposed Transaction;

(d) ensure that Unitholders are provided with sufficient information with respect to the Proposed Transaction so as to enable them to make an informed decision with respect to the Proposed Transaction;

(e) consider and respond to all aspects of the Proposed Transaction including, where considered advisable, negotiating the terms thereof and instructing management of the Administrator in dealing with all matters relating to the Proposed Transaction; and

(f) provide advice and guidance to the Board as to whether the Proposed Transaction is fair to Unitholders and in the best interests of the Trust and as to such matters considered by the Special Committee to be reasonably ancillary to the Proposed Transaction.

The Special Committee was also authorized to retain independent legal advisors and independent financial advisors and other advisors considered desirable or appropriate in connection with its consideration of the Proposed Transaction.

In its review and evaluation of the Proposed Transaction, the Special Committee held formal meetings on 16 occasions and conducted informal consultation with management of the Administrator, its financial advisors and counsel to the Special Committee on numerous other occasions. Throughout the course of these meetings, the Special Committee provided management of the Administrator with instructions as to the proposed terms upon which the Trust was prepared to transact in respect of the Proposed Transaction, particularly with respect to the sale of the Assets. In particular, the Special Committee was interested in determining whether the Proposed Transaction could be structured in a manner that would permit Unitholders to maintain an ongoing interest in the Assets, either through a form of securities exchange transaction or a transaction which permitted Unitholders, should they wish, to invest in the go forward entity following completion of the Proposed Transaction.

On September 29, 2014, the Special Committee met with Dundee. Dundee reviewed with the Special Committee the process undertaken by the Trust in soliciting investment in the Trust. The Special Committee and Dundee also discussed the nature of the Assets, noting that the Assets were situated in an emerging basin and consisted of play types that were not well known or understood by the industry. Dundee also advised that the Trust's structure restricted the number of Canadian and US entities who were able to invest in the Trust. The Special Committee and Dundee also discussed the financial situation of the Trust, the alternatives available to the Trust given its structure and the nature of the Assets and the financial terms proposed by Pine Brook. The Special Committee also noted that the current macro economic environment for junior oil and gas companies was not favourable, noting, in particular, the drop in world oil prices and the impact this has had on the junior energy sector as well as the fact that foreign asset income trusts such as the Trust had significantly underperformed the general market. Lastly, management of the Administrator advised that current cash flow from the Assets was not sufficient to maintain the Trust's asset base and without further capital the Trust was a risk of losing certain of its oil and gas leases if wells upon these leases were not drilled.

On October 9, 2014, following a series of negotiations between management of the Administrator and Pine Brook, the Special Committee reviewed the terms of a final non-binding term sheet in respect of the Proposed Transaction and after discussion with management of the Administrator and BLG, the Special Committee determined to recommend to the Board that the Trust enter into the term sheet with Pine Brook. Notwithstanding the efforts of management of the Administrator and the Special Committee, the final terms proposed did not include an ability for Unitholders, other than management of the Administrator and the Lenders, to continue with an investment in the go forward entity following completion of the Proposed Transaction. On October 9, 2014, the Board met to review the proposed term sheet in respect of the Proposed Transaction and the Board authorized entering into the term sheet at such time.

Over the course of the next several weeks, the Special Committee met on several occasions to receive updates on the status of the Proposed Transaction. During this time period, the Special Committee discussed the appropriate time to retain a financial advisor to assist the Special Committee in the consideration of the Proposed Transaction. The Special Committee considered three financial advisor candidates and ultimately engaged AltaCorp as financial advisor. The Special Committee was satisfied that AltaCorp was able to act independent of management of the Administrator in its role as financial advisor to the Special Committee. On October 20, 2014, the Special Committee entered into a formal engagement agreement with AltaCorp.

Commencing on October 17, 2014 through to November 17, 2014, draft agreements consisting of the Purchase and Sale Agreement, an amended and restated limited partnership agreement of the Purchaser and an amended and restated limited liability company agreement of the general partner of the Purchaser were prepared and negotiated between the parties. During this time period, the Special Committee met with management of the Administrator on four occasions to discuss the status of the draft documentation, as well as to provide instructions regarding the negotiation of various matters pertaining to the Sale Transaction. As well, during this same period, the Special

Committee, worked with management of the Administrator to develop a proposed Distribution schedule relating to the Distributions to Unitholders in connection with the Winding-Up. In connection with the Winding-Up, the Trust engaged the Claims Administrator as a professional advisor to assist the Trust and the Trustee in the Winding-Up. The Claims Administrator was engaged to assist in implementing a claims process related to the Winding-Up and act as administrator of the Trust who, among other things, will solicit third party claims, effect payment of approved claims to creditors of the Trust and assist in the payment of Distributions to Unitholders.

On November 3, 2014, the Special Committee met to receive a status update from AltaCorp regarding its preliminary assessment as to the fairness of the Sale Transaction and the methodologies utilized by AltaCorp in conducting its analysis of the Sale Transaction.

Following negotiations regarding the terms of the various draft agreements during which time management of the Administrator met with each of the Special Committee and the Board to provide updates on the status of the negotiations, the Special Committee met with AltaCorp on November 14, 2014 to receive its assessment as to the fairness of the Sale Transaction. Later on November 14, 2014, the Board met to review the Proposed Transaction, to receive advice from Dundee regarding its assessment as to the fairness of the Sale Transaction and to receive the report and recommendation of the Special Committee.

Following further negotiations on the terms and conditions of the various definitive agreements, the parties entered into definitive agreements on November 17, 2014.

Reasons for the Recommendation

In its review of the Proposed Transaction, the Special Committee evaluated the Trust's strategic alternatives, including its prospects of continuing as a stand-alone entity and considered the process undertaken by the Trust to source financing to carry out its business objectives. In reaching its conclusion to recommend to the Board that the Proposed Transaction is in the best interests of the Trust and should be recommended to the Unitholders, the Special Committee considered and relied upon a number of factors, including the following:

(a) the consideration to be received by the Unitholders pursuant to the Proposed Transaction is comprised entirely of cash, thereby providing Unitholders with liquidity through the Winding-Up despite the significant liquidity and capital resource constraints faced by the Trust resulting from its financial condition generally and the absence of any viable recapitalization or refinancing alternatives;

(b) the Proposed Transaction is the result of a process undertaken by the Trust over an 18 month period to source financing for the Trust during which the Trust was unsuccessful in obtaining the necessary funding to execute its business plan;

(c) Pine Brook is a highly credible and reputable investor with the financial capacity to complete the Sale Transaction;

(d) the limited and uncertain alternatives available to the Trust in attempting to continue operations given its current financial condition and the challenges in securing interested investors presented by the early stage nature of the Assets which are located in an emerging oil and gas basin and the limitations created by the Trust's current structure;

(e) holders of approximately 57% of the outstanding Trust Units have entered into Voting Support Agreements pursuant to which they have agreed, on the terms and conditions specified therein, to vote all of their Trust Units in favour of the Proposed Transaction;

(f) the AltaCorp Fairness Opinion (described more fully below – see "*Fairness Opinions*") to the effect that, as of the date of the AltaCorp Fairness Opinion, and based upon and subject to the various assumptions, explanations, qualifications and limitations set forth therein, as well as other matters it considered relevant, AltaCorp is of the opinion that the consideration to be paid by the Purchaser to the Trust pursuant to the Sale Transaction is fair, from a financial point of view, to the Trust;

(g) the assessment of deal certainty as a result of the terms and conditions of the Sale Transaction, including the conditions to completion of the Sale Transaction; and

(h) the requirement for approval by $66^{2/3}$% of the votes cast by Unitholders represented at the Meeting in person or by proxy and the approval of a majority of the votes cast by Unitholders, excluding those votes cast by persons who are excluded pursuant to MI 61-101 represented at the Meeting in person or by proxy.

The foregoing discussion of the information and factors considered and given weight by the Special Committee is not intended to be exhaustive but is believed to include all material factors considered by the Special Committee. In addition, in reaching the determination to approve and recommend the Proposed Transaction, the Special Committee did not assign any relative or specific weight to each of the foregoing factors, and individual directors may have given different weight to different factors.

Recommendation of the Special Committee

Based on the thorough review and having carefully considered information concerning the Trust, the Proposed Transaction and the circumstances identified under "*Background to the Sale Transaction*" and the advice of its independent financial and legal advisors, including the AltaCorp Fairness Opinion, the Special Committee has: (i) determined that the Sale Transaction is fair and the Sale Transaction and the Winding-Up are in the best interests of the Trust; (ii) determined the consideration to be received by the Trust pursuant to the Sale Transaction is fair, from a financial point of view, to the Trust; and (iii) unanimously recommended that Unitholders vote in favour of the Sale and Winding-Up Resolution.

RECOMMENDATION OF THE BOARD

Pursuant to the provisions of the Trust Indenture, to be effective, the Sale and Winding-Up Resolution must be approved by at least $66^{2/3}$% of the votes cast by Unitholders, voting together, in person or represented by proxy at the Meeting. In addition, the Sale and Winding-Up Resolution must be approved by a majority of the votes cast by Unitholders, excluding those votes cast by persons who are to be excluded pursuant to MI 61-101.

The Board has carefully reviewed the Fairness Opinions relating to the Sale Transaction, as well as other relevant matters relating to the Sale Transaction and the Winding-Up, including the recommendation of the Special Committee, and has unanimously concluded, in its opinion, that the Sale Transaction is fair and the Sale Transaction and the Winding-Up are in the best interests of the Trust and should be placed before the Unitholders for their approval. With the exception of Ian Atkinson who declared his interest in certain matters relating to the Sale Transaction and the Winding-Up and abstained from voting thereon, the Board has unanimously approved the Sale Transaction and the Winding-Up and approved the Purchase and Sale Agreement providing for the Sale Transaction and unanimously recommends that Unitholders vote in favour of the Sale and Winding-Up Resolution.

FAIRNESS OPINIONS

In connection with the Sale Transaction, Dundee delivered the Dundee Fairness Opinion to the Board. The Dundee Fairness Opinion concludes that, as of November 17, 2014 and based upon and subject to the assumptions, limitations, qualifications and other matters in such opinion, the consideration to be received by the Trust pursuant to the Sale Transaction is fair, from a financial point of view, to the Trust.

In addition, in connection with the Sale Transaction, AltaCorp delivered the AltaCorp Fairness Opinion to the Special Committee. The AltaCorp Fairness Opinion concludes that, as of November 17, 2014, based upon and subject to the assumptions, limitations, qualifications and other matters in such opinion, the consideration to be paid by the Purchaser to the Trust pursuant to the Sale Transaction is fair, from a financial point of view, to the Trust.

The full text of each of the Dundee Fairness Opinion and the AltaCorp Fairness Opinion is attached as Appendix "C" and "D", respectively, to this Circular. Each Fairness Opinion contains the assumptions made, procedures followed, matters considered and limitations on the review undertaken with the respective opinion. The Fairness Opinions address the fairness, from a financial point of view, of the consideration to be received by the Trust

pursuant to the Sale Transaction and does not address any other aspect of the Sale Transaction or any related transaction, including any legal, tax or regulatory aspects of the Sale Transaction to the Unitholders. Dundee provided the Dundee Fairness Opinion to the Board for its exclusive use only in considering the Sale Transaction, and AltaCorp provided the AltaCorp Fairness Opinion to the Special Committee for its exclusive use only in considering the Sale Transaction. The Dundee Fairness Opinion may not be relied upon by any other person other than the Board without the express written consent of Dundee, and the AltaCorp Fairness opinion may not be relied upon by any other person other than the Special Committee without the express written consent of AltaCorp. The Fairness Opinions do not address the relative merits of the Sale Transaction compared to any other alternatives that may be available. The Fairness Opinions do not constitute a recommendation to any Unitholder as to how such Unitholder should act or vote on any matters relating to the Sale Transactions.

The Trust encourages Unitholders to read both Fairness Opinions carefully and in their entirety (see Appendix "C" - *Dundee Fairness Opinion* and Appendix "D" - *AltaCorp Fairness Opinion*). The summary of each Fairness Opinion in the Circular is qualified in its entirety by reference to the full text of each respective opinion.

The Fairness Opinions do not constitute a formal valuation pursuant to MI 61-101. The Trust is exempt from the formal valuation requirements of Section 4.3 of MI 61-101 pursuant to the exemption provided in Section 4.4(a) of MI 61-101.

VOTING SUPPORT AGREEMENTS

The following is a summary of the principal terms of the Voting Support Agreements.

As of the date of this Circular, Locked-Up Unitholders, including directors and officers of the Administrator and certain other securityholders of the Trust, holding an aggregate of approximately 57% of the issued and outstanding Trust Units as at the Record Date, have entered into Voting Support Agreements pursuant to which each Locked-Up Unitholder has agreed, subject to the terms of the Voting Support Agreements, among other things: (i) to vote its Locked-Up Trust Units in favour of the resolutions to be considered at the Meeting, including, for greater certainty, the Sale and Winding-Up Resolution; (ii) to vote its Locked-Up Trust Units against any resolution submitted by any Unitholder that is inconsistent with the Sale Transaction and the Winding-Up or any proposal to amend resolutions considered at the Meeting or to adjourn the Meeting (in either case that are not proposed by the Administrator); (iii) to not exercise any Options held by the Locked-Up Unitholder; and (iv) to not transfer or sell or otherwise dispose of or encumber (or permit any such action to occur in respect of) all or any of its Locked-Up Trust Units or any interest therein. The Voting Support Agreements will automatically terminate on the earlier of: (i) receipt by the Unitholder from the Administrator of written notice of termination; or (ii) Closing.

Additionally, holders of Exchangeable Shares exchangeable for an aggregate of 10,062,500 Trust Units (or approximately 18% of the issued and outstanding Trust Units after giving effect to the exchange of the Exchangeable Shares), although not technically permitted to vote at the Meeting, have indicated their support for the Sale Transaction and the Winding-Up and have indicated their intention to give notice of exchange of their Exchangeable Shares prior to the first Distribution of the Trust pursuant to the Winding-Up, assuming the Sale Transaction and the Winding-Up are approved by Unitholders.

EFFECT OF THE SALE TRANSACTION ON THE TRUST

Upon completion of the Sale Transaction, the Trust will no longer have any material property or assets other than the cash proceeds of the Sale Transaction, which are expected to be between approximately $26.1 million and $29.6 million or $0.46 and $0.52 per Trust Unit, after giving effect to the issuance of Trust Units pursuant to certain exchangeable securities and provision for: (i) the Trust's US dollar denominated liabilities (including taxes and expenses of the Sale Transaction and the Winding-Up) estimated to be between US$5,990,633 and US$7,490,075; and (ii) the Trust's Canadian dollar denominated liabilities (including Loan repayment, taxes and expenses of the Sale Transaction and the Winding-Up) estimated to be between $16,860,994 and $17,551,401.

In the event the Sale Transaction is not completed, the Trust will need to assess its business plan, including its ability to raise the capital required to execute its business plan (including to pay its ongoing liabilities and

obligations and fund the development of its oil and gas assets, all of which require significant capital). See "*Risk Factors*".

The following procedural steps must be taken in order for the Sale Transaction to become effective:

(a) the Sale and Winding-Up Resolution must be approved by the Unitholders at the Meeting;

(b) all conditions precedent to the Sale Transaction as set forth in the Purchase and Sale Agreement must be satisfied or waived by the appropriate party on the Closing Date, as applicable; and

(c) all approvals, consent and authorizations of governmental entities and other regulators as necessary or desirable in connection with the Sale Transaction must be obtained.

Provided that the Sale and Winding-Up Resolution is approved by the Unitholders at the Meeting and the Sale Transaction closes, the Trust intends to proceed with the Winding-Up, and, in that regard, the Trustee will apply to the Court to appoint the Claims Administrator and to establish the Winding-Up process. The Trust intends to distribute the estimated $26.1 million to $29.6 million ($0.46 and $0.52 per Trust Unit) remaining in cash assets to Unitholders.

Although management of the Administrator believes that the estimates of the liabilities of the Trust and of the net proceeds available for Distribution are reasonable based on information currently available to the Trust, the actual amounts of such liabilities and resulting net proceeds may differ materially from such estimates, thereby affecting the amount of cash available to be distributed to Unitholders. Management of the Administrator is not currently aware of any material items that could give rise to unforeseen tax liabilities or other liabilities or costs which would materially reduce the amount of cash available for the Distributions to Unitholders, but there is no assurance that this will remain the case. The Trust intends to distribute, in two or more Distributions, all of its remaining cash assets to Unitholders (after provision for the Trust's obligations and liabilities). The Trust intends to make an initial Distribution within 90 days following Closing, while maintaining sufficient reserves in order to settle any remaining obligations and liabilities. Depending on the circumstances of the Winding-Up, the Trust is not likely to complete all Distributions to Unitholders until approximately 12 months following Closing. However, at the present time, no definitive dates can be provided for the initial or subsequent Distributions.

Following Closing, the Trust will continue to be a reporting issuer and be subject to continuous disclosure obligations and other regulatory requirements required under applicable Canadian provincial securities legislation. As a result, the Trust will continue to incur the costs associated with being a reporting issuer. Provided that the Exemptive Relief Resolution is approved by Unitholders at the Meeting, after Closing, the Administrator will make an application, for and on behalf of the Trust, to the Alberta Securities Commission as principal regulator of the Trust (and such other securities commissions as may be deemed necessary or advisable) to cease the Trust as a reporting issuer pursuant to applicable Canadian provincial securities legislation.

INFORMATION REGARDING THE PURCHASER

The Purchaser is a newly-formed limited partnership pursuant to the laws of Delaware. After the Closing, the business of the Purchaser will be to acquire, exploit and develop, long-life crude oil and gas prospects, including, without limitation, all of the interests in the oil and gas assets indirectly held by the Trust. As of the date hereof, the Purchaser does not hold any assets.

THE PURCHASE AND SALE AGREEMENT

The following is a summary of the Purchase and Sale Agreement. Reference should be made to the full text of the Purchase and Sale Agreement, a copy of which is attached as Appendix "E" to this Circular. Capitalized terms referred to in this summary but not otherwise defined in this summary or the Glossary of Terms shall have the meaning given to such term in the Purchase and Sale Agreement, and all references to the "Purchase and Sale Agreement" in this summary refer to the purchase and sale agreement dated November 17, 2014 among the Seller and the Purchaser. Unitholders are encouraged to read the Purchase and Sale Agreement carefully and in its entirety.

Purchase Price and Adjustments

Pursuant to the Purchase and Sale Agreement, the Purchase Price is US$47,500,000, provided that the Purchase Price will be decreased by the Purchaser's credits and increased by the Seller's credits. The Seller is required to deliver to the Purchaser, not less than five Business Days (as defined in the Purchase and Sale Agreement) before the Closing Date, a Closing Statement setting forth the adjustments to the Purchase Price.

As soon as practical and, in any event, no later than 90 calendar days after the Closing Date, the Purchaser has agreed to prepare and deliver to the Seller a Final Closing Statement setting forth the adjustments to the Purchase Price. The Final Closing Statement will be prepared in accordance with the Purchase and Sale Agreement, and will set forth the calculation of the Seller's Credits, Purchaser's Credits and the Adjusted Purchase Price. Following the delivery of the Final Closing Statement, the Seller will have the opportunity to examine the Final Closing Statement and the calculation of the Seller's Credits, Purchaser's Credits and the Adjusted Purchase Price, and such supporting documentation as may be reasonably necessary and appropriate in connection with such review. The Purchaser and the Seller have agreed to cooperate fully and promptly with such examination, and the Purchaser has agreed to make available to the Seller any records under the Purchaser's reasonable control that are requested by the Seller in connection with such review. Within 30 days following delivery of the Final Closing Statement to the Seller, the Seller has the right to deliver to the Purchaser an Objection Notice of the Seller's objections to the Final Closing Statement or the Purchaser's calculation of the Seller's Credits, Purchaser's Credits and/or the Adjusted Purchase Price. In the event the Seller does not deliver an Objection Notice within such period, then the Final Closing Statement delivered by the Purchaser will be deemed to be the Final Closing Statement. If the Seller delivers the Objection Notice within such period, then the Seller and the Purchaser have agreed to endeavour in good faith to resolve the objections of the Seller set forth in the Objection Notice. If there are any objections raised in a timely delivered Objection Notice that remain in dispute after such good faith attempt to resolve, then the remaining objections in dispute will be the subject of arbitration in accordance with the terms of the Purchase and Sale Agreement.

Representations and Warranties

The Purchase and Sale Agreement contains representations and warranties of: (a) each Seller, relating to, among other things, their existence, including organization, qualification and good standing, authority and authorization to enter into the Purchase and Sale Agreement and other Transaction Documents and to perform its obligations thereunder, the execution, delivery and enforceability of the Purchase and Sale Agreement, title to the Assets, Liens, condition of the Assets, insurance, intellectual property, material contracts, litigation and other claims, required consents and approvals, compliance with laws and permits, tax matters, residency, operatorship and environmental matters; (b) the Purchaser, relating to, among other things, its existence, including organization, qualification and good standing, authority and authorization to enter into the Purchase and Sale Agreement and other Transaction Documents and to perform its obligations thereunder, the execution, delivery and enforceability of the Purchase and Sale Agreement, litigation and other claims and required approvals; and (c) the Trust, relating to, among other things, its existence, including organization and good standing, authority and authorization to enter into the Purchase and Sale Agreement and to perform its obligations thereunder, the execution, delivery and enforceability of the Purchase and Sale Agreement, litigation and other claims, required approvals, the receipt by the Board of the Dundee Fairness Opinion and the approval by the Board of the Sale Transaction.

Covenants of the Seller Pending Closing

The Seller has agreed that from the date of the Purchase and Sale Agreement to the Closing Date, except as otherwise provided in the Purchase and Sale Agreement, and except as otherwise consented to in writing by the Purchaser, the Seller will:

(a) use its commercially reasonable efforts to cause all the conditions precedent to the obligations of the Purchaser set forth in the Purchase and Sale Agreement to be satisfied on or prior to the Closing Date;

(b) except with respect to the McKinley Creek Gathering System: (i) continue the routine operation of the Assets in the ordinary course of business consistent with past practices and as would a prudent operator; (ii) operate the Assets in material compliance with all applicable laws and in material compliance with all

Leases and other contracts and agreements; (iii) fulfill all obligations under the Leases and other contracts and agreements (including all obligations to make payments under the Leases or other contracts and agreements); (iv) notify the Purchaser if any Lease terminates promptly upon learning of such termination; (v) maintain all material bonds and guaranties affecting the Assets, and make all filings that the Seller is required to make under applicable law with respect to the Assets; and (vi) file all Tax Returns relating to the Assets that are required to be filed by the Seller prior to the Closing Date and will pay all Taxes or assessments relating to the Assets that become due and payable prior to the Closing Date and that are required to be paid by the Seller; provided, however, that the Seller may be entitled to reimbursement from the Purchaser in certain circumstances;

(c) not: (i) deal with, incur obligations with respect to, or undertake any transactions relating to, the Assets other than transactions (A) in the Seller's normal, usual and customary manner, (B) of a nature and in an amount consistent with prior practice, (C) in the ordinary and regular course of business of owning the Assets, and (D) in an amount not exceeding US$25,000 net to the Seller's interest for any single operation (excluding emergency operations and operations under presently existing contractual obligations); (ii) conduct any development, exploration, or drilling activities with respect to the Oil and Gas Properties without the prior written consent of the Purchaser, which consent shall not be unreasonably withheld; (iii) enter into any Material Contract; (iv) waive, compromise, or settle any right or claim in excess of US$25,000; (v) plug a well capable of commercial production; (vi) voluntarily terminate, materially amend or materially violate, breach or default under any Material Contract or Lease; (vii) waive, compromise, or settle any material right or claim with respect to any of the Leases or Wells (other than any such right or claim that relates to an Excluded Asset); (viii) permit or allow any of the Assets to be subject to any encumbrances that would impose any material liability on the Purchaser following the Closing, other than Permitted Encumbrances; (ix) enter into or amend any contract with any Affiliate of the Seller applicable to the Assets that will be binding on the Purchaser following the Closing; (x) take, nor permit any of its Affiliates (or authorize or permit any investment banker, financial advisor, attorney, accountant, or other Person retained by, acting for, or on behalf of the Seller or any such Affiliate) to take, directly or indirectly, any action to solicit, encourage, receive, negotiate, assist, or otherwise facilitate (including by furnishing confidential information with respect to the Assets or permitting access to the Assets or books and records of the Seller) any offer or inquiry from any Person concerning the direct or indirect acquisition of the Assets by any Person other than the Purchaser or its Affiliates, and if the Seller or its Affiliates (or other Persons acting for or on its behalf) receives from any Person any offer, inquiry, or other informational request referred to above, the Seller will promptly advise such Person, by written notice, of the terms of this provision and will promptly, orally and in writing, advise the Purchaser of such offer, inquiry, or request; or (xi) enter into any agreement with respect to any of the foregoing;

(d) not acquire, dispose of, encumber, or relinquish any of the Assets or enter into any agreement with respect to the same, other than (i) relinquishments resulting from the expiration of Leases that the Seller has no right or option to renew; (ii) Substances sold in the ordinary course; (iii) materials, supplies, machinery, equipment, improvements, or other personal property or fixtures, which have been sold or otherwise disposed of and replaced with an item of substantially equal suitability and which, for purposes of the Purchase and Sale Agreement, have become part of the Assets; and (iv) in connection with certain transactions agreed to in the Purchase and Sale Agreement;

(e) make or give all notifications, filings, consents, or approvals, from, to or with all governmental authorities as may be required to be made or given prior to Closing for the Seller to convey and for the Purchaser to own the Assets following the consummation of the transactions contemplated in the Purchase and Sale Agreement;

(f) maintain in effect insurance providing substantially the same type of coverage, in substantially the same amounts, and with substantially the same deductibles as the insurance maintained in effect by the Seller or its Affiliates with respect to the Assets as of the Execution Date;

(g) notify the Purchaser upon receipt of any claim or demand against the Assets, or against the Seller arising out of its ownership, operation, or use of the Assets;

(h) timely pay costs and expenses that the Seller is obligated to pay in connection with the Assets as they become due;

(i) pay any rentals, shut in payments, and extension payments that may become due prior to the Effective Time, with such payments being Seller's Credits; and

(j) maintain all Permits in the ordinary course of business.

The Seller has also agreed to: (a) grant to the Purchaser and its authorized representatives from the Execution Date until the Closing Date, during normal business hours, reasonable access to, at the Purchaser's sole risk and expense, (i) the Assets for inspection and environmental examination as provided for in the Purchase and Sale Agreement, and (ii) reasonable access to the Data and the Seller's financial, title, contract, environmental, and operating data, information and personnel knowledgeable about this information available as of the Execution Date and that becomes available to the Seller at any time prior to the Closing Date; and (b) furnish to the Purchaser such other information in the Seller's possession with respect to the Assets as the Purchaser may reasonably request; provided, however, that all such information is to be held in accordance with the Confidentiality Agreement. The Seller's grant of access is subject to the terms, conditions, and restrictions of agreements related to Oil and Gas Properties to which the Seller is a party, and the Purchaser has agreed to indemnify and hold harmless the Seller from and against any and all Claims arising from the Purchaser's inspection of the Assets, which indemnity obligation survives the Closing.

In addition, within five Business Days after the Execution Date (or, with respect to consents to assignment or preferential rights to purchase or similar rights that are identified after the Execution Date, within two Business Days after such identification), the Seller is required to prepare and send: (a) notices to the holders of any required consents to assignment requesting consents to the conveyance of the applicable Asset; and (b) notices to the holders of any applicable preferential rights to purchase or similar rights in compliance with the terms of such rights and requesting waivers of such rights. Any preferential purchase right must be exercised subject to all terms and conditions set forth in the Purchase and Sale Agreement.

The consideration payable under the Purchase and Sale Agreement for any particular Asset for purposes of preferential purchase right notices is the Allocated Value for such Asset. The Seller has agreed to use commercially reasonable efforts to cause such consents to assignment and waivers of preferential rights to purchase or similar rights (or the exercise thereof) to be obtained and delivered prior to Closing, provided that the Seller is not required to make payments or undertake obligations to or for the benefit of the holders of such rights in order to obtain the required consents and waivers. The Purchaser has agreed to cooperate with the Seller in seeking to obtain such consents to assignment and waivers of preferential rights. In the event that the Seller fails to obtain a consent prior to Closing, and: (a) the failure to obtain such consent would cause (i) the assignment of the Assets affected thereby to the Purchaser to be void or voidable, or (ii) the termination or loss of a contract or an Asset under the express terms thereof; (b) the consent is required from a governmental authority; or (c) the Seller has been notified that the holder of any such consent right has rejected or will otherwise not grant such consent, then the Purchaser will have the right to elect that any such affected Hard Consent Asset not be transferred to the Purchaser at Closing. In such cases, such Hard Consent Asset will be retained by the Seller and the Purchase Price will be reduced by the Allocated Value of such Hard Consent Asset. If an unsatisfied consent requirement with respect to which an adjustment is made to the Purchase Price is subsequently satisfied prior to the date that is 90 days after the Closing, a separate closing must be held within five Business Days thereof at which (a) the Seller has agreed to convey such Hard Consent Asset to the Purchaser in accordance with the Purchase and Sale Agreement, and (b) the Purchaser has agreed to pay an amount equal to the Allocated Value of such Hard Consent Asset to the Seller. If such consent requirement is not satisfied within 90 days after the Closing, the Seller will have no further obligation to sell and convey such Hard Consent Asset and related Assets and the Purchaser will have no further obligation to purchase, accept, and pay for such Hard Consent Asset, and such Hard Consent Asset and related Assets will be deemed to be deleted from the applicable Exhibits and Schedules to the Purchase and Sale Agreement.

For all other consent requirements that have not been satisfied as of Closing, the relevant Property and related Assets will be transferred to the Purchaser by the Seller at Closing with no reduction to the Purchase Price, and the Seller has agreed to thereafter continue to use commercially reasonable efforts to assist the Purchaser in obtaining such consent(s). If any preferential right to purchase any Assets is exercised prior to Closing, the Purchase Price will be

reduced by the Allocated Value for such Assets, and the affected Assets will be deemed to be deleted from the applicable Exhibits and Schedules to the Purchase and Sale Agreement. The Seller is required to retain the consideration paid by the third parties with respect thereto, and will have no further obligation with respect to such affected Assets under the Purchase and Sale Agreement. If a third party fails to exercise its preferential right to purchase as to any portion of the Assets prior to Closing and the time for the exercise or waiver of such preferential right to purchase has not yet expired, the Purchaser will have the right to require the Seller to retain the affected Assets at Closing, in which case the Purchase Price will be reduced by the Allocated Value of the affected Assets at Closing, and the affected Assets will be deemed to be deleted from the applicable Exhibits and Schedules. If such preferential right to purchase is thereafter exercised, the Seller has agreed to transfer the affected Assets to the applicable third party, and will be entitled to the consideration paid by the third party for such affected Assets. If such third party fails to exercise its preferential right to purchase on or before the end of the time period for closing such purchase or the time for exercising such preferential right to purchase expires without exercise by the holder thereof, the Seller has agreed to assign, on the tenth Business Day following the end of such time period or termination of such right without exercise, such Asset (or portion thereof) that was so excluded to the Purchaser effective as of the Effective Time pursuant to an instrument in substantially the same form as the Assignment, and the Purchaser has agreed to pay to the Seller the Allocated Value associated with such Asset (or portion thereof) that was so excluded.

Covenants of the Purchaser Pending Closing

The Purchaser has agreed to use its commercially reasonable efforts to cause all the conditions precedent to the obligations of the Seller to be satisfied on or prior to the Closing Date. The Purchaser has agreed to cooperate with the Seller in the Seller's efforts to obtain the consents and approvals required to be obtained, made or given by the Seller for the assignment or transfer of the Assets to the Purchaser and, in connection therewith, the Purchaser has agreed to furnish such information as is reasonably requested by any lessors under any Lease to which any Oil and Gas Property is subject (provided the Purchaser's obligation to cooperate does not include any obligation to make any payment of any amount to any Person).

The Purchaser has also agreed that from the Execution Date to the Closing Date, the Purchaser will make or give all notifications, filings, consents, or approvals, from, to or with all governmental authorities as may be required to be made or given prior to Closing for the Seller to convey and for the Purchaser to own the Assets following the consummation of the transactions contemplated in the Purchase and Sale Agreement.

Conditions Precedent to the Obligations of the Purchaser

The obligations of the Purchaser to be performed at Closing are subject to the fulfillment, before or at Closing, of each of the following conditions, any one or more of which may be waived by the Purchaser:

(a) the representations and warranties by the Seller and the Trust set forth in the Purchase and Sale Agreement shall be true and correct in all material respects (provided that any such representations and warranties that are qualified by "material," "material adverse effect" or similar materiality qualifiers cannot be further qualified thereby) as of the Closing Date, except to the extent that any such representation or warranty is made as of a specified date, in which case such representation or warranty must be true and correct in all material respects (provided that any such representations and warranties that are qualified by "material," "material adverse effect" or similar materiality qualifiers cannot be further qualified thereby) as of such specified date;

(b) the Seller shall have performed and complied in all material respects with each of the covenants and conditions required by the Purchase and Sale Agreement of which performance or compliance is required prior to or at the Closing;

(c) on the Closing Date, no temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction that restrains, enjoins or otherwise prohibits the consummation of the transactions contemplated by the Purchase and Sale Agreement or the other Transaction Documents shall be effective;

(d) the Seller shall have delivered, or tendered for delivery, the items stated in the Purchase and Sale Agreement required to be delivered by the Seller to the Purchaser at the Closing;

(e) no material adverse change shall have occurred in respect of the Assets from the Execution Date until the Closing Date, including, without limitation, any pending or threatened claims or proceedings involving the Seller in connection with the Assets, which claims or proceedings in the aggregate would, in the reasonable opinion of the Purchaser, have a material adverse effect on the title to the Assets, the Purchaser's ability to operate the Assets after the Closing, and/or the financial performance of the Assets consistent with performance of the Assets during the 12 month period immediately preceding the Closing;

(f) Dixie US shall have formally transferred operations of the Wells to the Purchaser or its Affiliate;

(g) the Seller shall have delivered to the Purchaser releases in recordable form from all parties holding Liens on the Assets (other than Permitted Encumbrances);

(h) the Seller shall have made all filings with governmental authorities as may be required of the Seller prior to Closing for the Seller to convey and for the Purchaser to own the Assets following the consummation of the transactions contemplated in the Purchase and Sale Agreement;

(i) the consents required to assign or transfer the Assets to the Purchaser shall have been obtained;

(j) the sum of (i) the aggregate Title Defect Amounts asserted in good faith by the Purchaser with respect to all Title Defects and not cured by the Seller prior to the Closing, plus (ii) the aggregate Environmental Defect Amounts asserted in good faith by the Purchaser with respect to all Environmental Defects to the extent not completely cured by the Seller in compliance with Environmental Law prior to the Closing, plus (iii) the aggregate Allocated Values of Assets that will not be conveyed to the Purchaser at Closing does not exceed 15% of the Purchase Price;

(k) the Sale and Winding-Up Resolution shall have received the Required Approval by the Unitholders at the Meeting;

(l) the Trust shall have performed and complied in all material respects with each of the covenants by the Trust and conditions set forth in Section 34 and Section 35 of the Purchase and Sale Agreement of which performance or compliance is required prior to or at the Closing;

(m) Unitholders representing more than 5% of the Trust Units shall not have delivered written notice of redemption of such Trust Units to the Trust or taken any other action that would permit such Unitholders to consummate such a redemption under the terms of the Trust Indenture;

(n) no (i) claim shall have been made or threatened against the Seller or the Trust in connection with the completion of the transactions contemplated by the Purchase and Sale Agreement, which if determined adversely to the Seller or the Trust, as applicable, would prevent the Seller or the Trust, as applicable from fulfilling its obligations under the Purchase and Sale Agreement and (ii) material claim shall have been made or any material claim threatened against the Purchaser or its Affiliates (including Pine Brook Road Partners, LLC and its Affiliates) in connection with the completion of the transactions contemplated by the Purchase and Sale Agreement; and

(o) all conditions to Closing contained in Section 8.1 of the Asset Purchase Agreement, except for those contained in Section 8.1(b), shall have been satisfied or waived in accordance with the terms of the Asset Purchase Agreement.

Conditions Precedent to the Obligations of the Seller

The obligations of the Seller to be performed at Closing are subject to the fulfillment, before or at Closing, of each of the following conditions, any one or more of which may be waived by the Seller:

(a) the representations and warranties by the Purchaser set forth in the Purchase and Sale Agreement shall be true and correct in all material respects (provided that any such representations and warranties that are qualified by "material," "material adverse effect" or similar materiality qualifiers shall not be further qualified thereby) as of the Closing Date;

(b) the Purchaser shall have performed and complied in all material respects with each of the covenants and conditions required by the Purchase and Sale Agreement of which performance or compliance is required prior to or at the Closing;

(c) at the Closing Date, no temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction that restrains, enjoins or otherwise prohibits the consummation of the transactions contemplated by the Purchase and Sale Agreement or the other Transaction Documents shall be effective;

(d) the Purchaser shall have delivered the items required to be delivered by the Purchaser to the Seller at Closing;

(e) the Purchaser shall have made all filings with governmental authorities as may be required of the Purchaser prior to Closing for the Seller to convey and for the Purchaser to own the Assets following the consummation of the transactions contemplated in the Purchase and Sale Agreement;

(f) the Purchaser shall have provided the Seller with such proof of insurance and/or bonding required by governmental authorities for the Purchaser to be designated as an operator under applicable law;

(g) the Sale and Winding-Up Resolution shall have received the Required Approval by the Unitholders at the Meeting; and

(h) the sum of (i) the aggregate Title Defect Amounts asserted in good faith by the Purchaser with respect to all Title Defects and not cured by the Seller prior to the Closing, plus (ii) the aggregate Environmental Defect Amounts asserted in good faith by the Purchaser with respect to all Environmental Defects to the extent not completely cured by the Seller in compliance with Environmental Law prior to the Closing, plus (iii) the aggregate Allocated Values of Assets that will not be conveyed to the Purchaser at Closing does not exceed 15% of the Purchase Price.

Termination Events

Prior to Closing, the Purchase and Sale Agreement may be terminated as follows:

(a) by the mutual written agreement of the Purchaser and the Seller with the termination to be effective the date such termination agreement is signed by both the Seller and the Purchaser;

(b) by the Purchaser, at the Purchaser's sole discretion, upon delivery of written notice to the Seller at any time prior to the Closing in the event that the Seller has breached any representation, warranty or covenant contained in the Purchase and Sale Agreement such that any of the Purchaser's conditions to closing in the Purchase and Sale Agreement would not be satisfied;

(c) by the Seller, at the Seller's sole discretion, upon delivery of written notice to the Purchaser at any time prior to the Closing in the event that the Purchaser has breached any representation, warranty or covenant contained in the Purchase and Sale Agreement such that any of the Seller's conditions to closing in the Purchase and Sale Agreement would not be satisfied;

(d) by either the Purchaser or the Seller if the Closing has not occurred on or before February 27, 2015 (or such later date as agreed to in writing by the Purchaser and the Seller);

(e) by either the Purchaser or the Seller, if any law is enacted, made, enforced or amended, as applicable, that makes the consummation of the transactions contemplated by the Purchase and Sale Agreement illegal or otherwise permanently prohibits or enjoins the Purchaser or the Seller from consummating the transactions contemplated by the Purchase and Sale Agreement, and such law has, if applicable, become final and non-appealable;

(f) by the Purchaser, if (i) the Board or any committee of the Board fails to unanimously recommend, or withdraws, or adversely amends, modifies or qualifies, publicly proposes or states its intention to do so, or fails to publicly reaffirm (without qualification) within two Business Days after having been requested in writing by the Purchaser to do so, the Board Recommendation, or takes any other action that is or becomes disclosed publicly and which can reasonably be interpreted to indicate that the Board or a committee of the Board does not support the sale of the Assets pursuant to the Purchase and Sale Agreement, or (ii) the Board or any committee of the Board resolves or proposes to take any of the foregoing actions; or

(g) by either the Purchaser or the Seller in the event of a Casualty Loss occurring during the Closing Period and the result of the individual casualty exceeds 15% of the Purchase Price.

Notwithstanding the foregoing, a Party that is (or whose Affiliate is) in material breach of or material default under the Purchase and Sale Agreement or any other Transaction Document, or a Party whose (or whose Affiliate's) breach or default of the Purchase and Sale Agreement or any other Transaction Document caused one or more of the Closing conditions of the Purchaser or the Seller contained therein to not be satisfied, shall not be entitled to terminate the Purchase and Sale Agreement.

If the Purchase and Sale Agreement is terminated in accordance with its terms, the Purchase and Sale Agreement will no longer be of any force or effect and there will be no liability on the part of any Party, except for the Purchaser's indemnity obligations set forth in the Purchase and Sale Agreement arising from the Purchaser's inspecting and observing the Oil and Gas Properties, provided that if the Purchase and Sale Agreement is terminated by the Purchaser or the Seller due to the breach of the Seller or the Purchaser, respectively of Purchase and Sale Agreement, as described in (b) or (c) above, then the terminating Party shall have the right to recover damages from the defaulting Party in connection with the defaulting Party's breach of the Purchase and Sale Agreement.

Indemnification

Upon Closing, the Purchaser has agreed, to the fullest extent permitted by law, to release, defend, indemnify and hold harmless the Seller Indemnified Parties from and against all liabilities arising from the Assumed Liabilities, whether in law (common or statutory) or equity. The amount of any Liabilities for which any of the Seller Indemnified Parties is entitled to indemnification or other compensation under the Purchase and Sale Agreement or in connection with or with respect to the transactions contemplated in the Purchase and Sale Agreement will be reduced by any corresponding (i) tax benefit created or generated, or (ii) insurance proceeds realized. None of the Seller Indemnified Parties are entitled to recover from the Purchaser for any Liabilities in excess of the actual compensatory damages, court costs and reasonable attorneys' fees and expenses suffered by such Seller Indemnified Party. The Seller on behalf of each of the Seller Indemnified Parties waives any right to recover consequential, incidental, special, treble, exemplary, punitive, or lost profits damages, provided that such waiver and limitation on damages does not apply to claims of third-parties made against the Seller. After Closing, the sole and exclusive remedy of each of the Seller Indemnified Parties with respect to the purchase and sale of the Assets is pursuant to the express indemnification provisions of the Purchase and Sale Agreement. Except for claims made pursuant to the express indemnification provisions of the Purchase and Sale Agreement, the Seller on behalf of each of the Seller Indemnified Parties is deemed to have waived, to the fullest extent permitted under applicable law, any right of contribution against the Purchaser or any of its Affiliates and any and all rights, claims and causes of action the Seller may have against the Purchaser or any of its Affiliates arising under or based on any federal, state or local statute, law, ordinance, rule or regulation, or common law or otherwise.

Dispute Resolution

The Seller and the Purchaser have agreed that any controversy or claim arising out of or relating to the Purchase and Sale Agreement or the breach thereof will be settled by arbitration administered by the American Arbitration

Association under its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. The Purchaser and the Seller have also agreed to pursue any such arbitration in good faith and with reasonable diligence, with the goal of concluding the arbitration as soon as practicable.

Governing Law

The Purchase and Sale Agreement is governed and construed in accordance with the laws of the State of Texas without giving effect to any principles of conflicts of laws, provided that the validity of the various conveyances affecting the title to real property and oil and gas disputes arising out of the Purchase and Sale Agreement will be governed by and construed in accordance with the laws of the jurisdiction in which such property is situated.

ARRANGEMENTS RESPECTING OPTIONS AND RSUS

The Board has determined that it is in the best interests of the Trust to cancel all outstanding Options at Closing for no additional consideration to the holders thereof, and each holder of Options has agreed to such cancellation. The Trust intends to enter into Option cancellation agreements with the holders of Options to cancel all outstanding Options at Closing. In addition, the Board has determined that it is in the best interests of the Trust to settle outstanding previously vested RSUs (being an aggregate of 283,334 RSUs) at Closing by way of a cash payment to the holders thereof in accordance with the provisions of the Incentive Plan, and to settle the remaining RSUs (being an aggregate of 400,000 RSUs) that vest at Closing in accordance with the provisions of the Incentive Plan through the issuance by the Trust at Closing of Trust Units in accordance with the provisions of the Incentive Plan.

WINDING-UP OF THE TRUST

If the Sale Transaction is completed, the Trust will cease to have an operating business and the assets of the Trust will consist primarily of cash and cash equivalents. Following Closing, the Board proposes to wind-up the Trust in accordance with Article 11 of the Trust Indenture and the directions of the Unitholders set forth in the Sale and Winding-Up Resolution. In particular, the Sale and Winding-Up Resolution includes directions of the Unitholders to the Trustee to wind-up the Trust in accordance with a procedure (the "**Winding-Up Procedure**") to be established by the Claims Administrator in consultation with the Trustee and the Board and approved by the Court.

The Winding-Up Procedure will include, among other things, provisions abridging the notice period in Section 11.07 of the Trust Indenture for Unitholders to surrender their Trust Units for cancellation and will provide that the Winding-Up will commence on a date (the "**Effective Date**") to be determined by the Board. The Board intends to set the Effective Date as soon as reasonably practicable following Closing.

WINDING-UP PROCEDURE

If the Sale and Winding-Up Resolution is approved at the Meeting and the Sale Transaction is completed, as soon as reasonably practicable following Closing, the Board intends to establish the Effective Date to commence the Winding-Up in accordance with the Winding-Up Procedure. The following is a summary of the proposed primary provisions of the Winding-Up Procedure:

1. Following the Effective Date, the Administrator, on behalf of the Trustee, will apply to the Court for an order, among other things, appointing the Claims Administrator and providing for the rights and obligations of the Claims Administrator, including authority to administer the Winding-Up pursuant to Article 11 of the Trust Indenture (as varied by the Winding-Up Procedure) and providing for reporting to the Court and Unitholders with respect to certain matters relating to the Winding-Up.

2. Notwithstanding Section 11.07 of the Trust Indenture, the Claims Administrator will give notice (the "**Tender Notice**") to Unitholders of record as of November 10, 2014 (being the record date for the Meeting) designating the time or times at which Unitholders may surrender their Unit Certificates (as defined in the Trust Indenture) for cancellation and the date at which the register of Trust Units shall be closed, and including a deadline (the "**Deadline**"), anticipated to be a date not more than six months

following the Effective Date, to surrender Unit Certificates for cancellation; provided that Unit Certificates representing Trust Units held in escrow on the Deadline pursuant to the Atkinson Escrow Agreement or the Escrow Agreement shall not be required to be surrendered for cancellation and the holders of such Trust Units shall be entitled to receive their pro-rata share of Distributions in respect of such Trust Units held in escrow notwithstanding that such certificates have not been surrendered for cancellation. Any Unit Certificates not surrendered for cancellation by the Deadline (including Unit Certificates representing Trust Units held in escrow pursuant to the Atkinson Escrow Agreement or the Escrow Agreement) shall be deemed to be cancelled without prejudice to the rights of the holders of such Trust Units to receive their pro-rata share of Distributions, the aggregate pro-rata amounts which shall be held by the Trustee in a designated account and whose receipt shall be sufficient release and discharge of the obligations of the Claims Administrator with respect to such amounts. For greater certainty, the giving of the Tender Notice shall be sufficient notice with respect to the surrender of Trust Units and neither the Trustee nor the Claims Administrator shall be required to comply with the provisions of Section 11.07 of the Trust Indenture.

3 The Claims Administrator will establish a claims process (the "**Claims Process**") to be approved by the Court for the identification, resolution and barring of claims, including the provision of written notice of the Claims Process to all known creditors and claimants of the Trust and to Unitholders and including notice of the commencement of the Winding-Up.

4. An initial pro rata Distribution of a portion of the cash assets of the Trust will be made to Unitholders as soon as reasonably practicable following the appointment of the Claims Administrator and the establishment of the Claims Process with the intention of making such Distribution within 90 days of Closing, while maintaining sufficient reserves in order to settle any liabilities and obligations of the Trust.

5. Payment will be made of all liabilities and obligations of the Trust other than claims barred pursuant to the Claims Process (such liabilities and obligations excluding barred claims, the "**Claims**").

6. A final pro-rata Distribution of the remaining cash assets of the Trust, after payment, or the provision for payment, of Claims, will be made to Unitholders.

7. The Claims Administer will apply to the Court for an order, among other things: (a) approving the Winding-Up; (b) discharging the Trustee, the Administrator (and its directors and officers) and the Claims Administrator from all duties and obligations relating to the Trust; (c) barring any claims against the Trustee, the Administrator or the Claims Administrator in respect of any matter relating to the Trust; and (d) terminating the Trust.

The Winding-Up Procedure is subject to approval by the Court. There is no assurance the Court will approve the proposed Winding-Up Procedure as proposed or at all. See "*Risk Factors*".

The timing and order of each step of the Winding-Up, including Distributions to the Unitholders and the cancellation of the Unit Certificates, will be determined by the Claims Administrator having regard to the Winding-Up Procedure approved by the Court. Except as specified in the Winding-Up Procedure, no step in connection with the Winding-Up shall be conditional on another step having first been completed. The Claims Administrator may, with the approval of the Court, amend, modify or supplement the Winding-Up Procedure at any time and from time to time. Subject to obtaining Unitholder approval of the Sale and Winding-Up Resolution at the Meeting, no step of the Winding-Up Procedure or matter relating to the Winding-Up will require any further approval by the Unitholders.

Deduction and Withholding Obligations

The Winding-Up Procedure will provide that the Claims Administrator shall be entitled to deduct and withhold from any amount otherwise payable pursuant to the Winding-Up to any Unitholder, such amounts as the Trust is required to deduct and withhold with respect to such payment under applicable tax laws. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes as having been paid to any Unitholders, as the case may be, in respect of which such deduction and withholding was made.

Claims Process

As noted above, pursuant to the Winding-Up Procedure, a Court-approved Claims Process will be established for the identification, resolution and barring of Claims and the provision of written notice to all known creditors and claimants of the Trust and to Unitholders. Such notice will be published in major newspapers in Canada (and otherwise given in the jurisdictions in which the Trust held oil and gas assets prior to Closing in a suitable manner having regard to the requirements of such jurisdictions) stating, among other things, that any Claims must be filed with the Claims Administrator by the deadline stated in the notice, which the Claims Administrator anticipates will be approximately 30 days after the initial Court approval of the Claims Process. There are no assurances as to the number of Claims that may be filed, the monetary amount of such Claims and the amount of time such Claims will require for resolution. Delays in resolving Claims will delay the completion of the Winding-Up and proposed Distribution(s) to Unitholders. Accepted Claims that were not included in the estimates of liabilities of the Trust prepared by management of the Administrator will reduce the net proceeds available for Distribution to Unitholders.

Distribution of Sale Transaction Net Proceeds

Provided Unitholder approval is obtained, following Closing, the Trust intends to distribute to Unitholders, in two or more Distributions, the net proceeds of the Sale Transaction after provision for the Trust's obligations and liabilities. The following is a summary calculation of the estimated amount of cash to be distributed to Unitholders based on the proceeds from the Sale Transaction and the currently known liabilities and obligations of the Trust:

	Low Estimate	**High Estimate**
Gross proceeds of Sale Transaction	US$47,500,000	US$47,500,000
Less US dollar denominated Trust liabilities (including taxes, Sale Transaction expenses and Winding-Up expenses)	(US$7,490,075)	(US$5,990,633)
Sub-total: Estimated Net Proceeds for Distribution (US$)	US$40,009,925	US$41,509,367
Estimated Net Proceeds for Distribution	$43,610,818[(1)]	$46,490,491[(2)]
Less Canadian dollar denominated Trust liabilities (including Loan repayment, taxes, Sale Transaction expenses and Winding-Up expenses)	($17,551,401)	($16,860,994)
Estimated Net Proceeds for Distribution	$26,059,417	$29,629,497
Estimated Net Proceeds for Distribution per Trust Unit[(3)]	$0.46	$0.52

Notes:

(1) Based on foreign exchange rate of US$1.00 = $1.09.
(2) Based on foreign exchange rate of US$1.00 = $1.12.
(3) Based on 57,240,893 Trust Units issued and outstanding after giving effect to the exchange of the Exchangeable Shares and RSUs.

Although management of the Administrator believes that the estimates of the liabilities of the Trust and of the net proceeds available for Distribution are reasonable based on information currently available to the Trust, the actual amounts of such liabilities and resulting net proceeds may differ materially from such estimates, thereby affecting the amount of cash available for Distribution to Unitholders. See "*Risk Factors*".

STATUS AS A REPORTING ISSUER

Following the Effective Date, the Trust will continue to be a reporting issuer and be subject to continuous disclosure obligations and other regulatory requirements as required under applicable Canadian provincial securities legislation. As a result, the Trust will continue to incur the costs associated with being a reporting issuer.

Once the Sale and Winding-Up Resolution has been approved by Unitholders, the Administrator will ascertain the advisability of making an application for relief from the Trust's continuous disclosure reporting obligations, based on the circumstances at that time, including the anticipated timing of the completion of the Winding-Up.

At the Meeting, Unitholders will be asked to consider and, if thought advisable, to approve an ordinary resolution in substantially the form of the Exemptive Relief Resolution set out in Appendix "B" to this Circular, authorizing the

Administrator to make application, if the circumstances at the time warrant, for and on behalf of the Trust, to the Alberta Securities Commission as principal regulator of the Trust (and such other securities commissions as may be considered necessary or advisable) to cease the Trust as a reporting issuer pursuant to applicable Canadian provincial securities legislation. See Appendix "B" - *"Exemptive Relief Resolution"* for the full text of the Exemptive Relief Resolution.

INTEREST OF MANAGEMENT AND INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as set forth below, there were no material interests, direct or indirect, of directors or executive officers of the Trust or any member of the Dixie Group, of any Unitholder who beneficially owns or controls or directs, directly or indirectly, more than 10% of the outstanding Trust Units, or any other Informed Person (as defined in NI 51-102) or any known associate or affiliate of such persons, in any transaction since the commencement of the most recently completed financial year of the Trust or in any proposed transaction which has materially affected or would materially affect the Trust or any member of the Dixie Group.

Pursuant to the terms of the Voting Agreement, David Anderson, a director of the Administrator, has granted all of the voting rights to elect the directors of the Administrator to the Unitholders of the Trust. David Anderson is the sole shareholder of the Administrator.

On January 15, 2013, a subsidiary of the Trust paid an aggregate of US$750,000 (US$450,000 to Rick Fletcher and US$300,000 to a company controlled by Daniel Sloan) to purchase a 5% working interest in the Pruet Godwin 31-3 well in Brooklyn Field, Conecuh County, Alabama. At the time of the payment, Rick Fletcher was a director of the Administrator and Dixie Canada and on May 7, 2013 Rick Fletcher was appointed the Chief Executive Officer of Dixie US and Daniel Sloan was appointed President of Dixie US. On April 2, 2014 Rick Fletcher resigned from all three positions and Daniel Sloan resigned as an officer of the Administrator.

On March 1, 2013, the Trust and VisionSky completed the Arrangement. Pursuant to the Arrangement, all of the issued and outstanding common shares of VisionSky ("**VisionSky Shares**") were indirectly exchanged for Trust Units, based on an exchange ratio of 0.125 of a Trust Unit for every one VisionSky Share. John Mackay was a director of the Administrator, Trustee of the Trust and the Chief Executive Officer and a director of VisionSky at the time of entering into the arrangement agreement between, among others, the Trust and VisionSky dated December 27, 2012 setting forth the terms and conditions of the Arrangement. Mr. Mackay resigned as a Trustee of the Trust and a director of the Administrator on January 30, 2013 and resigned as a director and officer of VisionSky on closing of the Arrangement on March 1, 2013.

On July 3, 2013, Dixie US closed the Fletcher Acquisition of additional working interests in Mississippi and Alabama from Fletcher for a purchase price of US$5,500,000. Pursuant to the Fletcher Acquisition, the Trust acquired: (i) an additional 20% interest in certain oil and gas leases in the Maple Branch Prospect with a gross acreage of approximately 15,100 acres, increasing the Trust's average working interest to approximately 30% or 4,530 net acres in the Maple Branch Prospect; (ii) an additional 15% working interest in the Strong Prospect with gross acreage of approximately 3,800 acres, increasing the Trust's overall working interest to approximately 60% or 2,280 net acres in the Strong Prospect; and (iii) a 25% working interest or 985 net acres in certain oil and gas leases with gross acreage of approximately 3,940 acres in the Brooklyn Field Prospect. Rick Fletcher is the Co-Managing member of Fletcher and the controlling shareholder, Chief Executive Officer and a director of Fletcher Petroleum, Fletcher's operating company. Mr. Fletcher resigned as a director of the Administrator and as the Chief Executive Officer of Dixie US on April 2, 2014. Daniel Sloan is the Co-Managing Member of Fletcher, the President, director and a shareholder of Fletcher Petroleum, and Christen Burkett is the Vice President of Administration of Fletcher Petroleum. On April 2, 2014, Daniel Sloan and Christen Burkett each resigned as officers of Dixie US.

On September 20, 2013, the Trust and Dixie Canada completed the Dogtooth Acquisition for aggregate consideration of $9.3 million, compromised of $1.25 in cash and an aggregate of 10,062,500 Exchangeable Shares issued at a deemed price of $0.80 per Exchangeable Share. Each Exchangeable Share is exchangeable at the option of the holder thereof at no additional consideration into one Trust Unit in accordance with, and subject to the terms of, the Exchangeable Shares and a related exchange trust agreement and support agreement entered into among the Trust, Dixie Canada and Olympia Trust Company. Subject to the terms of an escrow agreement, one quarter of the Exchangeable Shares are released from escrow on each of the 6, 12, 18 and 24 month anniversaries of the closing of

the Dogtooth Acquisition. Pursuant to the Dogtooth Acquisition, the Trust acquired a working interest in certain oil and gas leases, wells and related infrastructure, including: (i) a 10% interest in approximately 14,100 gross (1,410 net) acres of oil and gas leases in the Maple Branch Prospect; (ii) a 10% interest in approximately 1,208 gross (120 net) acres of oil and gas leases in Hamilton & West McKinley Creek in Monroe County, Mississippi; (iii) a 9.27% working interest in a producing oil well located in the Brooklyn Field in Conecuh County, Alabama; and (iv) a 15% interest in approximately 3,940 gross (985 net) acres of oil and gas leases in the Brooklyn Field Prospect. At the time of payment, Ian Atkinson was a director of the Administrator and a director of Dixie Canada and was the controlling shareholder and a director and officer of Dogtooth.

On July 31, 2014, Dixie US entered into a loan agreement with Britannia pursuant to which Britannia has provided Dixie US with a secured bridge loan in the aggregate principal amount of $10,000,000 (the "**Britannia Loan**"). The Britannia Loan bears interest at a rate of 15% per annum, matures and becomes fully repayable on October 30, 2015 (subject to earlier repayment with the consent of Britannia or at the election of Dixie US at any time on or after the date that is six months from the date of the Britannia Loan agreement) and required Dixie US to pay a facility fee equal to 1.75% of the principal amount of the Britannia Loan on closing of the Britannia Loan. The funds from the Britannia Loan were used to complete the acquisition by Dixie US of interests of a group of vendors, including Fletcher, of certain oil and gas leases, wells, surface contracts and equipment in the Black Warrior Basin in Mississippi for US$8.0 million (subject to customary adjustments) and pursuant to which Fletcher transferred operatorship of the wells that are jointly owned by (among others) the Trust and Fletcher in the Maple Branch Prospect to Dixie US. Britannia and Cannonball Capital Inc., a Unitholder who has current beneficial ownership and direction over greater than 10% of the Trust Units, are both owned and controlled by the same securityholder.

On July 31, 2014, Dixie Canada entered into a loan agreement with the Atkinson Trust pursuant to which the Atkinson Trust has provided Dixie Canada with a secured bridge loan in the aggregate principal amount of $3,500,000 (the "**Atkinson Loan**"). The Atkinson Loan bears interest at a rate of 15% per annum and matures and becomes fully repayable on October 30, 2015 (subject to early repayment, without penalty, at the election of Dixie Canada, at any time during the term of the Atkinson Loan). The Atkinson Loan does not require Dixie Canada to pay a facility fee, and the funds from the Atkinson Loan are expected to be used for general corporate purposes. The Loans are secured by the assets of Dixie US and Dixie Energy Holdings (Maple Branch), LLC. Ian Atkinson is a trustee of the Atkinson Trust, and is the President and Chief Executive Officer and a director of the Administrator.

In connection with the proposed Sale Transaction, after Closing, certain officers of the Administrator will become Executive Managers, including:

- Ian Atkinson - President and Chief Executive Officer
- Calvin Yau - Vice President, Finance and Chief Financial Officer
- Chris Birchard - Vice President, Geosciences
- Erin Buschert - Vice President, Land
- Marc Houle - Vice President, Exploration
- Jim McFadyen - Vice President, Operations
- Gary McMurren - Vice President, Engineering
- Karen Tanaka - Vice President, Corporate Affairs and Secretary

Upon Closing, the executive team of the Purchaser will be comprised of the Executive Managers who will provide management services through Canco pursuant to terms of the Management Services Agreement, including with respect to administrative, financial and operational matters. Canco will be owned or controlled, directly or indirectly, by an affiliate of the Purchaser. In connection with such management services, each Executive Manager entered into an employment agreement with Canco, setting forth the terms of employment for such Executive Manager, including with respect to base salary, incentive compensation, benefits and other customary employment provisions. Each Executive Manager also entered into a separate equity-incentive arrangement with the Purchaser, ultimately entitling them to a share of any profits of the Purchaser.

In addition: (i) on the Closing Date, the Loans will be repaid in full, and, following such repayment, Ian Atkinson and Britannia will, directly or indirectly, participate in a private placement of Series A Units with the funds received from the repayment of the Loans; (ii) within 15 Business Days of receipt of Distribution proceeds from the Winding-Up, the Executive Managers will participate in the Executive Manager Private Placement; and (iii) Ian

Atkinson will serve as a member of the board of managers of the Purchaser's general partner. In addition, the terms of the Escrow Agreement have been amended by the Escrow Amending Agreement to extend the date for the cancellation of the Trust Units under the Escrow Agreement, which include Trust Units held by M4 Trust, Winsome Capital Inc., Earl Fawcett, Bob Schiesser, Barclay Laughland, Daniel Sloan, Rick Fletcher, Roger Baker, Chris Fletcher, Tyler Woitas and Kristen Woitas, in order to facilitate the receipt by such Unitholders of Distributions on the Winding-Up of the Trust. See "*Information Regarding the Sale Transaction and the Winding-Up*" for more information relating to the Sale Transaction.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Other than the election of the directors of the Administrator and except insofar as they may be Unitholders of the Trust or as otherwise disclosed in this Circular (in particular, but without limitation, under the heading "*Interest of Management and Informed Persons in Material Transactions*"), management of the Administrator is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any director or nominee for director, or executive officer of the Administrator or anyone who has held office as such since the beginning of the Trust's last financial year or of any associate or affiliate of any of the foregoing in any matter to be acted on at the Meeting.

OWNERSHIP OF TRUST UNITS

The following table sets forth the number and percentage of the outstanding Trust Units beneficially owned by or over which control or direction is exercised by each director and officer of the Administrator and, to the knowledge of management of the Administrator after reasonable inquiry, beneficially owned or over which control or direction is exercised by: (i) each associate or affiliate of the Trust (as such terms are defined in MI 62-104); (ii) each associate or affiliate of an insider of the Trust; and (iii) each person or company acting jointly or in concert with the Trust.

Name[(1)]	Number of Trust Units	Percentage of Trust Units (%)[(2)(3)]
David Anderson[(4)]	1,786,666	3.82%
Ian Atkinson	200,000	0.43%
Michael Kelly	nil	nil
Jeff Oke	100,000	0.21%
Calvin Yau	nil	nil
Chris Birchard	nil	nil
Erin Buschert	nil	nil
Marc Houle	43,750	0.09%
Jim McFadyen	125,000	0.27%
Gary McMurren	62,500	0.13%
Karen Tanaka	211,250	0.45%
Total:	2,529,166	5.41%

Notes:

(1) Each director and officer of the Administrator that is a Unitholder has entered into a Voting Support Agreement.
(2) Based on 46,778,390 Trust Units issued and outstanding on the Record Date.
(3) May not add due to rounding.
(4) 1,786,666 Trust Units controlled by Mr. Anderson are held by Winsome Capital Inc.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The Trust's disclosure regarding information in respect of securities authorized for issuance under the Trust's equity compensation plans as at December 31, 2013 is set forth in Appendix "I" hereto.

MATTERS TO BE ACTED UPON AT THE MEETING

PRESENTATION OF THE FINANCIAL STATEMENTS

The Board has approved the consolidated audited financial statements of the Trust for the financial year ended December 31, 2013 to be presented to the Meeting.

FIXING THE NUMBER OF DIRECTORS

Even though Unitholders are not shareholders of the Administrator, pursuant to the Voting Agreement, David Anderson (the sole shareholder of the Administrator) has agreed to vote all of his shares of the Administrator at the direction of the Unitholders, as communicated by the Trustee as agent for the Unitholders, with regard to, among other things, the election of the Board.

At the Meeting, Unitholders will be asked to consider an ordinary resolution to direct the Trustee, as agent for the Unitholders pursuant to the Voting Agreement, to cause David Anderson to sign a written resolution to fix the number of directors at four.

The Board recommends that you vote **FOR** approval of the above resolution. Unless otherwise directed, it is the intention of the persons designated in the form of proxy accompanying this Circular to vote proxies **FOR** the above resolution.

ELECTION OF DIRECTORS

Pursuant to the Trust Indenture and the Voting Agreement, Unitholders are entitled to elect all four of the members of the Board by a vote of Unitholders at the Meeting held in accordance with the Trust Indenture. Following the Meeting, the Trustee will cause David Anderson to sign a written resolution appointing the individuals so elected by the Unitholders to the Board.

The four nominees for election as directors of the Administrator for the ensuing year by the Unitholders are David Anderson, Ian Atkinson, Michael Kelly and Jeff Oke. Each director elected will hold office until the next annual meeting of Unitholders or until his successor is duly elected or appointed.

Except where instructed otherwise in a completed form of proxy, the persons designated by the Administrator in the enclosed form of proxy intend to vote **FOR** the election of the four director nominees. If, due to circumstances not at present foreseen, any of the persons listed above should not be available for election, it is intended that the persons named in the accompanying form of proxy will vote for such other person or persons as the Board may recommend.

The following table sets forth the names and cities of residence of the persons proposed to be nominated for election as directors, their committee memberships, the date on which each became a director, brief biographies of such persons, and the number of Trust Units beneficially owned, or controlled or directed, directly or indirectly, by each. This information is based partly on the records of the Trust and partly on information received by the Trust from the nominees.

Nominee for Election as Director	Director Since	Trust Units Owned, Controlled or Directed
David Anderson Calgary, Alberta, Canada	June 28, 2012	1,786,666

Member of:
- Audit Committee

Mr. Anderson was the President of the Administrator since its formation on June 28, 2012 and subsequent to year-end resigned as President of the Administrator and was appointed Chairman of the Board of the Administrator effective April 10, 2014. Mr. Anderson is the Chief Executive Officer of EmberClear Corp. ("**EmberClear**") (an energy development company) and was previously the Chief Financial Officer of EmberClear since 2003, the Corporate Secretary of EmberClear from 2003 until 2010 and President and Chief Executive Officer of Winsome Capital Inc. (a private venture capital company) since 1993.

	Director Since	Trust Units Owned, Controlled or Directed
Ian Atkinson Calgary, Alberta, Canada	January 30, 2013	200,000

Mr. Atkinson has been the President and Chief Executive Officer of the Administrator since April 10, 2014. Mr. Atkinson is a co-founder of Athabasca Oil Corporation and was the Senior Vice President, Thermal Oil of Athabasca Oil Corporation from November 28, 2012 to October 12, 2013. Prior thereto, Mr. Atkinson was the Vice President, Geoscience, Technology and Reservoir of Athabasca Oil Corporation from January 8, 2007 to November 28, 2012. Mr. Atkinson began his career as a development engineer with Talisman Energy Inc. and joined Renaissance Energy Limited as an exploitation engineer. Following that, he worked as a senior acquisitions engineer with Northrock Resources. During his 20-year career, he has held several executive positions, including manager, engineering and operations, at Quarry Oil & Gas and Vice President Engineering and Operations at Morpheus Energy Corp.

	Director Since	Trust Units Owned, Controlled or Directed
Michael Kelly Calgary, Alberta, Canada	August 26, 2014	nil

Member of:
- Audit Committee (Chairman)

Mr. Kelly is a proven leader in the oil and gas industry with over 25 years experience in managing growth oriented companies in domestic and international markets. Currently, Mr. Kelly is President and Director of Hogarth Ventures Ltd., a private investment and consulting company. Prior thereto he was a member of the executive team that led Trican Well Service Ltd. (a Toronto Stock Exchange-listed company) from a microcap service company to a multi-billion market cap full service provider with operations extending through North America, Russia, Australia, North Africa and the Middle East.

	Director Since	Trust Units Owned, Controlled or Directed
Jeff Oke Calgary, Alberta, Canada	January 30, 2013	100,000
Member of: - Audit Committee	Mr. Oke is a partner with Burnet, Duckworth & Palmer LLP in Calgary, where he has practiced securities law for 15 years. Mr. Oke primarily advises public and private energy and energy services companies on financing, mergers and acquisitions, governance, stock exchange and securities commission compliance and other corporate matters. He has served as corporate secretary of numerous public and private companies. Mr. Oke has a Bachelor of Arts (Honours) degree from Queen's University and a Bachelor of Laws degree from the University of Calgary.	

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of the Administrator, other than as disclosed herein, no proposed director: (a) is, or has been within the last 10 years, a director, chief executive officer or chief financial officer of an issuer (including the Trust and/or the Administrator) that, (i) while that person was acting in that capacity was the subject of a cease trade order or similar order or an order that denied the issuer access to any exemptions under securities legislation, that was in effect for a period of more than 30 consecutive days (collectively, an "**order**"), or (ii) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or (b) is, or has been within the last 10 years of the date hereof, a director or executive officer of an issuer (including the Trust and/or the Administrator) that while that person was acting in such capacity or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (c) has, within the last 10 years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangements or compromises with creditors, or had a receiver, receiver manager or trustee appointed to hold his or her assets. In addition, no proposed director has been subject to: (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Mr. Anderson is the Chief Executive Officer of EmberClear. On November 3, 2014, the Alberta Securities Commission issued a cease trade order effective as of October 30, 2014 against EmberClear as a result of EmberClear not having filed its annual audited financial statements for the year ended June 30, 2014 and the related management's discussion and analysis and certificates, which were required to be filed by October 28, 2014 under applicable Canadian provincial securities laws. As a result of such cease trade order, the TSX Venture Exchange halted trading of EmberClear's common shares. The cease trade order remains in effect as of the date of this Circular.

APPOINTMENT OF AUDITORS

KPMG LLP were appointed as the initial auditors of the Trust on its formation on June 28, 2012 and the Trust Indenture provides that the auditors of the Trust will be appointed at each annual meeting of Unitholders. The Board proposes that KPMG LLP be reappointed as auditors of the Trust until the next annual meeting at such remuneration as may be approved by the Board.

Unless otherwise instructed, the persons named in the form of proxy intend to vote **FOR** the appointment of KPMG LLP as auditors of the Trust and for the Board to fix the remuneration of the auditors.

APPROVAL OF THE SALE AND WINDNG-UP RESOLUTION

At the Meeting, Unitholders will be asked to consider and, if thought advisable, to approve a special resolution in substantially the form of the Sale and Winding-Up Resolution set out in Appendix "A" to this Circular, authorizing the Sale Transaction and the Winding-Up. See "*Information Regarding the Sale Transaction and the Winding-Up*" and "*Winding-Up Procedure"* for further information regarding the Sale Transaction and the Winding-Up.

Pursuant to the provisions of the Trust Indenture, to be effective, the Sale and Winding-Up Resolution must be approved by at least $66^{2/3}\%$ of the votes cast by Unitholders, voting together, in person or represented by proxy at the Meeting. In addition, the Sale and Winding-Up Resolution must be approved by a majority of votes cast by Unitholders, excluding those votes cast by persons who are to be excluded pursuant to MI 61-101.

Board Recommendation

The Board recommends a vote **FOR** the Sale and Winding-Up Resolution approving the Sale Transaction and the Winding-Up.

It is the intention of the designees of the Administrator named in the accompanying form of proxy to vote for the Sale and Winding-Up Resolution unless a Unitholder has specified in its form of proxy that its Trust Units are to be voted against the foregoing resolution.

APPROVAL OF THE EXEMPTIVE RELIEF RESOLUTION

At the Meeting, Unitholders will be asked to consider and, if thought advisable, to approve an ordinary resolution in substantially the form of the Exemptive Relief Resolution set out in Appendix "B" to this Circular, authorizing the Administrator, for and on behalf of the Trust, to make application to the Alberta Securities Commission as principal regulator of the Trust (and such other securities commissions as may be considered necessary or advisable) to cease the Trust as a reporting issuer pursuant to applicable Canadian provincial securities legislation.

Board Recommendation

The Board recommends a vote **FOR** the Exemptive Relief Resolution authorizing the Administrator to make application, for and on behalf of the Trust, to the Alberta Securities Commission as principal regulator of the Trust (and such other securities commissions as may be considered necessary or advisable) to cease the Trust as a reporting issuer pursuant to applicable Canadian provincial securities legislation.

It is the intention of the designees of the Administrator named in the accompanying form of proxy to vote for the Exemptive Relief Resolution unless a Unitholder has specified in its form of proxy that its Trust Units are to be voted against the foregoing resolution.

RISK FACTORS

Failure to Complete the Sale Transaction, Obtain Sources of Capital and Loan Default

The completion of the Sale Transaction is subject to a number of conditions, some of which are outside the control of the Trust, including receipt of Unitholder approval, the Purchase and Sale Agreement remaining in force and the Purchaser having performed their obligations under the Purchase and Sale Agreement. There can be no certainty, nor can the Trust provide any assurance, that these conditions will be satisfied.

In the event that Unitholders do not approve the Sale and Winding-Up Resolution, the Trust will need to assess its business plan, including its ability to raise capital to execute its business plan (including to pay its ongoing liabilities and obligations and fund the development of its oil and gas assets, all of which require significant capital). As discussed in "*Information Regarding the Sale Transaction - Background to the Sale Transaction*", the Trust has experienced significant difficulty raising capital over the prior 18 months. There is no assurance that sources of capital will be available on terms acceptable to the Trust or at all. If the Trust is unable to obtain adequate sources

of capital, there is no assurance the Trust would be able to comply with its obligations pursuant to the Loan, failing which the Lenders would be entitled to remedies under the Loan, including realizing upon their security interests which may include seizure of the Assets.

Winding-Up and Distributions Risk

The process of voluntarily winding-up a public entity such as the Trust involves significant uncertainties that affect both the amount that can be distributed to Unitholders and the time to complete the Winding-Up, including potential unknown contingent liabilities and the requirement to fund ongoing costs of administering the Trust, which will reduce the amount available for Distribution to Unitholders.

Additionally, the Distributions to be made by the Trust to Unitholders pursuant to the Winding-Up are subject to a number of risks, including the following:

(i) the timing, amount or nature of any Distribution to Unitholders cannot be predicted with certainty;

(ii) the Trust's estimate of the amount available for Distribution to Unitholders could be reduced if the Trust's expectations regarding operating expenses and Winding-Up costs are inaccurate;

(iii) the Trust's estimate of the amount available for Distribution to Unitholders is based on a number of assumptions, including with respect to administrative and professional expenses incurred during the Winding-Up;

(iv) a delay in Closing will decrease the funds available for Distribution to Unitholders as the Trust will continue to be subject to ongoing operating expenses and may continue to be subject to certain continuous disclosure expenses; and

(v) fluctuations in the exchange rate between the US dollar and the Canadian dollar may affect the funds available for Distribution to Unitholders.

Winding-Up Court Approval

The appointment of the Claims Administrator and the proposed Winding-Up Procedure is subject to approval of the Court. The Administrator believes there is a reasonable basis for the Court to appoint the Claims Administrator and approve the Winding-Up Procedure, however there is no assurance the Court will make such appointment or approve the Winding-Up Procedure as proposed or at all. If the Claims Administrator is not appointed by the Court, the Trust will be required to indemnify the Claims Administrator with respect to any potential liability for acting as claims administrator in connection with the Winding-Up, which indemnity, if relied upon, would reduce the amount of cash available for Distribution to Unitholders and may delay the period for completing the Winding-Up. The Court may vary the Winding-Up Procedure, including in a manner that delays the period for completing the Winding-Up. Any delay in completing the Winding-Up, either as ordered by the Court or otherwise, may increase the costs of completing the Winding-Up which would reduce the amount of cash available for Distribution to Unitholders or delay the period for completing Distributions to Unitholders.

Distribution of Sale Transaction Net Proceeds

Management of the Administrator has estimated the amount of net cash available for Distribution to Unitholders based on liabilities and obligations of the Trust currently known to the Trust, however, there may be material items that give rise to unforeseen liabilities or costs which could, either alone or together, materially reduce the amount of cash available for Distribution to Unitholders. In particular, Claims that are accepted and paid as part of the Claims Process that were not included in the initial estimates of liabilities of the Trust prepared by management of the Administrator will reduce the net cash available for Distribution to Unitholders. Additionally, the net proceeds available for Distribution will be impacted by the foreign exchange rate for US and Canadian dollars, which given the Trust's limited resources, the Trust may not be able to mitigate. As a result, the amount of cash to be distributed

to Unitholders as Distributions cannot currently be quantified with certainty and may be subject to change, including in a material respect.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Norton Rose Fulbright Canada LLP, counsel to the Trust, the following is a summary of the principal Canadian federal income tax considerations that are generally applicable to a Unitholder in relation to the Winding-Up, including payment of the Distributions. This summary is applicable to a Unitholder who, for purposes of the Tax Act at all relevant times, is a resident of Canada, holds the Trust Units as capital property and deals at arm's length and is not affiliated with the Trust. Generally, the Trust Units will be considered to be capital property to a Unitholder provided the Unitholder does not hold the Trust Units in the course of carrying on a business of trading or dealing in Trust Units and has not acquired them in one or more transactions considered to be an adventure in the nature of trade. Certain Unitholders resident in Canada who might not otherwise be considered to hold their Trust Units as capital property may, in certain circumstances, be entitled to have their Trust Units treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act.

This summary is based on the current provisions of the Tax Act, the regulations thereunder, and counsels' understanding of the current administrative policies and assessing practices of the Canada Revenue Agency published in writing and publicly available as of the date hereof. This summary also takes into account all specific proposals to amend the Tax Act and the regulations thereunder publicly announced by the Minister of Finance (Canada) prior to the date hereof (the "**Proposed Amendments**") and assumes that the Proposed Amendments will be enacted substantially as proposed. However, no assurance can be given that the Proposed Amendments will be enacted in the form proposed, or at all. This summary does not otherwise take into account or anticipate any changes in law or administrative policy or assessing practice, whether by legislative, governmental or judicial action or interpretation, nor does it take into account provincial, territorial or foreign income tax considerations

This summary is not applicable to a Unitholder: (i) that is a "financial institution" for purposes of the "mark-to-market rules"; (ii) that is a "specified financial institution"; (iii) an interest in which is a "tax shelter investment"; (iv) that has elected to report its "Canadian tax results" in a currency other than the Canadian currency; or (v) that has entered into, or will enter into, a "derivative forward agreement" with respect to a Trust Unit, all as defined under the Tax Act. Such Unitholders should consult their own tax advisors having regard to their particular circumstances.

This summary assumes that (i) the Trust will at all times comply with the Trust Indenture, (ii) the Trust will qualify, at all relevant times, as a "mutual fund trust" as defined in the Tax Act, and (iii) the Trust will not at any time be a "SIFT trust" as defined in the Tax Act. If the Trust were not to qualify as a mutual fund trust, or to be a SIFT trust, at any particular time, the Canadian federal income tax considerations described below would, in some respects, be materially and adversely different.

This summary is not exhaustive of all possible income tax considerations applicable to a Unitholder in respect of the Winding-Up. Accordingly, this summary is of a general nature only and is not intended to be legal, business or tax advice to any particular Unitholder and no representation with respect to the tax consequences to any particular Unitholder is made. Unitholder should consult their own tax advisors for advice with respect to the tax consequences of the Winding-Up based on their particular circumstances.

Distributions

Distributions made by the Trust to Unitholders in the course of the Winding-Up may consist of one or a combination of (i) net income of the Trust that is paid or becomes payable to the Unitholder, and (ii) a return of capital. Pursuant to the Trust Indenture, the particular combination of income and capital paid in respect of a particular Distribution will be conclusively determined by the Trustee in its discretion and the Trustee may make applicable designations and allocations for purposes of the Tax Act. The composition of each Distribution paid by the Trust, portions of which may be fully or partially taxable or non-taxable as described in this summary, may change over time, affecting the after-tax return to Unitholders.

A Unitholder will generally be required to include in computing income for a particular taxation year of the Unitholder such portion of the net income of the Trust for a taxation year ending on or before the particular taxation year-end of the Unitholder, including net taxable capital gains, as is paid or becomes payable to the Unitholder in that particular taxation year (including by virtue of a Distribution), subject to the Trustee making a certain designation under the Tax Act with the effect that all or a portion of the net income of the Trust would not be considered to be paid or payable to the Unitholders for the purposes of the Tax Act.

The non-taxable portion of net capital gains of the Trust that is paid or becomes payable to a Unitholder in a year will not be included in computing the Unitholder's income for the year. Any other amount in excess of the net income of the Trust that is considered for the purposes of the Tax Act to be paid or become payable by the Trust to a Unitholder in that year will not generally be included in the Unitholder's income for the year. However, the payment by the Trust of such excess amount, other than the non-taxable portion of any net realized capital gains of the Trust the taxable portion of which was designated in respect of the Unitholder and other than as proceeds of disposition of Trust Units, will generally reduce the adjusted cost base of the Trust Units held by such Unitholder. To the extent that the adjusted cost base of a Trust Unit would otherwise be less than zero, the negative amount will be deemed to be a capital gain of the Unitholder from the disposition of the Trust Unit in the year in which the negative amount arises and the Unitholder's adjusted cost base of the Trust Unit will be nil immediately thereafter. See the discussion below under the heading "*Capital Gains and Capital Losses*".

Upon the disposition or deemed disposition by a Unitholder of a Trust Unit in the course of the Winding-Up, the Unitholder will generally be considered to receive proceeds of disposition equal to the amount distributed by the Trust to the Unitholder in respect of the disposition of the Trust Unit, to the extent the amount distributed is not out of the net income or net capital gains of the Trust for the taxation year in which the amount is distributed. The Unitholder will consequently realize a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition are greater (or less) than the aggregate of the Unitholder's adjusted cost base of the Trust Unit and any reasonable costs of disposition. See the discussion below under the heading "*Capital Gains and Capital Losses*".

If appropriate designations are made by the Trust, such portion of the net taxable capital gains of the Trust and any taxable dividends received by the Trust from taxable Canadian corporations as are paid or become payable to a Unitholder will effectively retain their character and be treated as such in the hands of the Unitholder for the purposes of the Tax Act. All other income of the Trust that is paid or becomes payable to a Unitholder generally will be considered income from property, irrespective of its source.

To the extent that a Distribution is designated as having been paid to Unitholders out of taxable dividends received by the Trust from taxable Canadian corporations, it will be subject to the normal gross-up and dividend tax-credit provisions in respect of Unitholders who are individuals (other than certain trusts), to the refundable tax of 33 ⅓% under Part IV of the Tax Act in respect of Unitholders that are private corporations or certain other corporations controlled directly or indirectly by or for the benefit of an individual (other than a trust) or related group of individuals (other than trusts), and to the deduction in computing taxable income in respect of Unitholders that are corporations.

A Unitholder that throughout the relevant taxation year is a "Canadian controlled private corporation", as defined in the Tax Act, may be liable to pay a refundable tax of $6^{2/3}$% on certain investment income, including taxable capital gains on the disposition or deemed disposition of a Trust Unit and such portion of the net income of the Trust, including net taxable capital gains of the Trust, that is paid or becomes payable to the Unitholder.

Capital gains realized by a Unitholder who is an individual (including certain trusts), and net income of the Trust paid or payable to such a Unitholder that is designated as taxable dividends or net taxable capital gains, may increase the Unitholder’s liability for alternative minimum tax as calculated under the detailed rules set out in the Tax Act.

Capital Gains and Capital Losses

One-half of any capital gain realized by a Unitholder and the amount of any net taxable capital gains designated by the Trust in respect of the Unitholder will be included in the Unitholder's income under the Tax Act for the year of disposition or designation, as the case may be, as a taxable capital gain. Subject to certain specific rules in the Tax

Act, one-half of any capital loss (an "allowable capital loss") realized by a Unitholder upon a disposition of Trust Units in a particular taxation year will be deducted from taxable capital gains realized by the Unitholder in such taxation year, and allowable capital losses in excess of taxable capital gains may be deducted in any of the three preceding taxation years or in any subsequent taxation year from net taxable capital gains realized in such years.

A capital loss realized on the disposition or deemed disposition of a Trust Unit by a Unitholder (other than a mutual fund trust), whether directly or as a member of a partnership, may be reduced in respect of certain distributions to the Unitholder out of dividends received by the Trust and designated by the Trust in respect of the Unitholder to the extent and under the circumstances described in the Tax Act.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director, executive officer, employee or former director, executive officer or employee of the Trust or any member of the Dixie Group or any associate of any such director, officer or employee is, or has been at any time since the beginning of the most recently completed financial year of the Trust, indebted to the Trust or any member of the Dixie Group or any of its subsidiaries in respect of any indebtedness that is still outstanding, nor, at any time since the beginning of the most recently completed financial year of the Trust has, any indebtedness of any such person been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Trust or any member of the Dixie Group.

ADDITIONAL INFORMATION

Additional information relating to the Trust is available on SEDAR at www.sedar.com. Financial information in respect of the Trust and its affairs is provided in the Trust's annual audited financial statements for the year ended December 31, 2013, its interim financial statements as at and for the three and nine months ended September 30, 2014 and its management's discussion and analysis for those periods. Copies of the Trust's financial statements and related management's discussion and analysis are available upon request from the Chief Financial Officer of the Administrator at 736 - 6th Avenue S.W., Suite 1250 Calgary, Alberta T2P 3T7 and on SEDAR at www.sedar.com.

OTHER MATTERS

Management knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice. However, if any other matter properly comes before the Meeting, the accompanying proxy will be voted on such matter in accordance with the best judgment of the person or persons voting the proxy.

BOARD APPROVAL

The contents and sending of this Circular have been approved by the Board.

CONSENT OF DUNDEE SECURITIES LTD.

We have read the notice of meeting and management information circular (the "**Circular**") of Dixie Energy Trust (the "**Trust**") dated December 2, 2014 relating to the annual and special meeting of unitholders of the Trust to approve, among other things, the sale of all or substantially all of the assets of the Trust and the subsequent winding-up of the Trust. We hereby consent to the inclusion in the Circular of our fairness opinion dated November 17, 2014 to the board of directors of Dixie Energy Ltd., the administrator of the Trust, and references to our firm name and our foregoing fairness opinion in the Circular.

DUNDEE SECURITIES LTD.

Per: (Signed) "*Tony P. Loria*"
Tony P. Loria
Managing Director, Head of Energy
Investment Banking

December 2, 2014

CONSENT OF ALTACORP CAPITAL INC.

We have read the notice of meeting and management information circular (the "**Circular**") of Dixie Energy Trust (the "**Trust**") dated December 2, 2014 relating to the annual and special meeting of unitholders of the Trust to approve, among other things, the sale of all or substantially all of the assets of the Trust and the subsequent liquidation and dissolution of the Trust. We hereby consent to the inclusion in the Circular of our fairness opinion dated November 17, 2014 to the special committee of the board of directors of Dixie Energy Ltd., the administrator of the Trust, and references to our firm name and our foregoing fairness opinion in the Circular.

ALTACORP CAPITAL INC.

(signed) "*AltaCorp Capital Inc.*"

December 2, 2014

APPENDIX "A"
SALE AND WINDING-UP RESOLUTION

BE IT RESOLVED THAT:

1. The sale by Dixie Energy Trust (the "**Trust**") of all or substantially all of the assets of the Trust (the "**Sale Transaction**") upon the terms and conditions set forth in the asset purchase agreement dated as of November 17, 2014 among Dixie Energy Holdings (US), Inc., Dixie Energy Holdings (Strong Field), LLC, Dixie Energy Holdings (Maple Branch), LLC, Dixie Energy Holdings (Star), LLC, Dixie Energy Holdings (HWM), LLC, Dixie Energy Holdings (Wiley Dome), LLC, Dixie Energy Holdings (Brooklyn Queens), LLC, Dixie Energy Holdings (McKinley Gas), LLC and Dixie Energy Holdings (White Castle Dome), LLC, and the asset purchase agreement dated as of November 17, 2014 among Dixie Energy Ltd. (the "**Administrator**") and Gulf Pine Energy Partners Ltd. (collectively, the "**Purchase and Sale Agreement**") be and is hereby authorized and approved.

2. Computershare Trust Company of Canada, as administrative agent of Olympia Trust Company, the trustee (the "**Trustee**") of the Trust, be and is hereby authorized and directed to wind-up the Trust (the "**Winding-Up**") pursuant to Article 11 of the Second Amended and Restated Trust Indenture dated February 28, 2013, as amended (the "**Trust Indenture**"), and the Winding-Up Procedure as described in the Management Information Circular of the Trust dated December 2, 2014 (the "**Winding-Up Procedure**"), including, without limitation, that the Trustee be and is hereby authorized and directed to abridge the notice period in Section 11.07 of the Trust Indenture for unitholders of the Trust (the "**Unitholders**") to surrender their trust units of the Trust for cancellation, such Winding-Up to become effective and commence on a date (the "**Effective Date**") to be determined by the board of directors of the Administrator (the "**Board**").

3. The Trustee be and is hereby authorized and directed to appoint Ernst & Young Inc. as the claims administrator (the "**Claims Administrator**") of the Trust in connection with the Winding-Up, and the Trustee be and is hereby authorized to apply (or direct the Claims Administrator to apply) to the Court of Queen's Bench of Alberta for the appointment of the Claims Administrator and to establish the Winding-Up Procedure.

4. The Claims Administrator, for and on behalf of the Trustee and the Trust, be and is hereby authorized and directed to make such number of distributions of the Trust's available cash proceeds following the Effective Date to the Unitholders of record as of November 10, 2014, subject to notice of transferees as permitted pursuant to the Winding-Up Procedure.

5. Notwithstanding the approval of this resolution by the Unitholders, the Board is hereby authorized to: (i) amend the Purchase and Sale Agreement and the Winding-Up Procedure to the extent permitted thereby; and (ii) not to proceed with the Sale Transaction and the Winding-Up at any time prior to the completion of the Sale Transaction without further approval of the Unitholders if the Board determines in its sole discretion that it would be in the best interests of the Trust to do so.

6. Any officer or director of the Administrator is hereby authorized, for and on behalf of the Trust, to execute and deliver such documents and instruments and to take such other actions as such officer or director may determine necessary or advisable to implement this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of such documents or instruments and the taking of such actions.

APPENDIX "B"
EXEMPTIVE RELIEF RESOLUTION

BE IT RESOLVED THAT:

1. Any officer or director of Dixie Energy Ltd. (the "**Administrator**"), for and on behalf of Dixie Energy Trust (the "**Trust**"), is hereby authorized to make an application to the Alberta Securities Commission as principal regulator of the Trust (and such other securities commissions as may be considered necessary or advisable) to cease the Trust as a reporting issuer under applicable Canadian provincial securities legislation.

2. Notwithstanding the approval of this resolution by the unitholders of the Trust (the "**Unitholders**"), the board of directors of the Administrator (the "**Board**") is hereby authorized to revoke this resolution prior to the completion of the Sale Transaction, as described in the Management Information Circular of the Trust dated December 2, 2014 without further approval of the Unitholders if the Board determines in its sole discretion that it would be in the best interests of the Trust to do so.

3. Any officer or director of the Administrator is hereby authorized, for and on behalf of the Trust, to execute and deliver such documents and instruments and to take such other actions as such officer or director may determine necessary or advisable to implement this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of such documents or instruments and the taking of such actions.

DUNDEE
CAPITAL MARKETS

APPENDIX "C"
DUNDEE FAIRNESS OPINION

November 17, 2014

The Board of Directors of Dixie Energy Ltd., in its capacity as the administrator of Dixie Energy Trust
736 6th Avenue SW, Suite 1250
Calgary Alberta T2P 3T7

To the Board of Directors of Dixie Energy Ltd., in its capacity as the administrator of Dixie Energy Trust:

Dundee Securities Ltd. ("**Dundee**", "**we**", or "**us**") understands that Dixie Energy Trust ("**Dixie**") and Gulf Pine Energy Partners, LP ("**Gulf Pine**") have entered into a purchase and sale agreement dated November 17, 2014 (the "**Purchase and Sale Agreement**"), pursuant to which Gulf Pine would acquire substantially all of the oil and gas assets of Dixie (the "**Assets**") for US$47.5 million in cash subject to adjustment in certain circumstances (the "**Sale Transaction**").

We also understand that all the material terms and conditions of the Purchase and Sale Agreement will be described fully in a management information circular (the "**Circular**") which will be prepared by Dixie and mailed to the holders ("**Dixie Unitholders**") of trust units of Dixie ("**Dixie Units**") in connection with the special meeting of the Dixie Unitholders to be held to consider the Sale Transaction (the "**Dixie Meeting**").

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LONDON
HONG KONG

We understand that the Sale Transaction is subject, to among other things: (i) the approval of at least 66 2/3% of the votes cast by Dixie Unitholders represented in person or by proxy at the Dixie Meeting; and (ii) the approval of a majority of the votes cast by Dixie Unitholders represented in person or by proxy at the Dixie Meeting, excluding those Dixie Unitholders who will be parties to "connected transactions" and will receive "collateral benefits" (as such terms are defined in Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions*) in connection with the Sale Transaction.

We further understand that directors, officers and certain major Dixie Unitholders will be entering into voting support agreements (the "**Support Agreements**") pursuant to which they have agreed to vote their Dixie Units in favour of the Sale Transaction.

Engagement of Dundee

The Board of Directors of Dixie Energy Ltd., in its capacity as the administrator of Dixie (the "**Board**"), formally engaged Dundee pursuant to an engagement agreement dated October 9, 2014 (the "**Engagement Agreement**") to act as its financial advisor, including in connection with the Sale Transaction. Pursuant to the Engagement Agreement, Dixie has requested that we prepare and deliver to the Board our written opinion (this "**Opinion**") as to the fairness to Dixie, from a financial point of view, of the consideration to be received by Dixie pursuant to the Sale Transaction.

Dundee will be paid a fee for rendering this Opinion, no portion of which is contingent upon this Opinion being favourable, and Dundee will be paid an additional fee that is contingent upon

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Dundee Securities Ltd

completion of the Sale Transaction. Dundee is also entitled to be reimbursed for reasonable out-of-pocket expenses incurred by Dundee in carrying out its obligations under the Engagement Agreement, whether or not the Sale Transaction is completed. Dixie has also agreed to indemnify Dundee in respect of certain liabilities that might arise out of our engagement.

This Opinion has been prepared in accordance with the Disclosure Standards for Formal Valuations and Fairness Opinions of Investment Industry Regulatory Organization of Canada ("**IIROC**") but IIROC has not been involved in the preparation or review of this Opinion.

Subject to the terms of the Engagement Agreement, Dundee consents to the inclusion of this Opinion in its entirety, together with a summary hereof, in a form acceptable to Dundee, in the Circular, and to the filing thereof with the securities commissions, stock exchanges or similar regulatory authorities in each province and territory of Canada where such filing is required.

Relationship with Interested Parties

None of Dundee or its associates or affiliates, is an insider, associate or affiliate (as those terms are defined in the *Securities Act* (Alberta)) of Dixie, Gulf Pine, Pine Brook Road Associates II, L.P. ("**Pine Brook**") or any of their respective associates or affiliates. As of the date hereof, Dundee, its affiliates and investment funds managed by them own or control (i) less than 1% of the outstanding Dixie Units; (ii) no partnership units of Gulf Pine; and (iii) no partnership units of Pine Brook. Neither Dundee nor any of its affiliates have provided any financial advisory services to Dixie, Gulf Pine, or Pine Brook or any of their respective associates or affiliates within the past two years.

There are no understandings, agreements or commitments between Dundee with Dixie, Gulf Pine, or Pine Brook with respect to any future business dealings; however, Dundee may, in the future, in the ordinary course of business, perform financial advisory or investment banking services for Dixie, Gulf Pine, or Pine Brook or any of Gulf Pine's or Pine Brook's associates or affiliates. Dundee acts as an investment fund manager and as a trader and dealer, both as principal and agent, in major financial markets and, as such, may, in the ordinary course of business, have had or may in the future have positions in the securities of Dixie, Gulf Pine, Pine Brook or any of their respective associates or affiliates, as applicable, and, from time to time, may have executed or may execute transactions on behalf of such companies or clients for which it received or may receive compensation. As an investment dealer, Dundee conducts research on securities and may, in the ordinary course of its business, provide research reports and investment advice to its clients on issues and investment matters, including with respect to Dixie, Gulf Pine, Pine Brook or the Sale Transaction. The rendering of this Opinion will not in any way affect Dundee' ability to continue to conduct such activities.

Credentials of Dundee

Dundee is one of Canada's leading independent full-service investment dealers with operations in mergers and acquisitions, corporate finance, equity sales and trading and investment research and is a member of the IIROC and the Canadian Investor Protection Fund. This Opinion is the opinion of Dundee, the form and content of which have been approved for release by a

committee of its managing directors, each of whom is experienced in merger, acquisition, divestiture and valuation matters.

Scope of Review

In connection with rendering this Opinion, we have reviewed, considered and relied upon, among other things, the following:

a) a draft of the Circular circulated on November 24, 2014;

b) the Purchase and Sale Agreement;

c) the Support Agreements;

d) the audited consolidated annual financial statements of Dixie for the years ended December 31, 2013 and 2012 and the related management, discussion and analyses;

e) the interim quarterly financial statements and the related management's discussion and analyses of Dixie for the quarters ended March 31, 2014 and June 30, 2014;

f) the DeGolyer and MacNaughton Canada Limited reserve report effective December 31, 2013, mechanically updated June 11, 2014 to adjust for the acquisition of Fletcher Petroleum Corp.;

g) recent press releases, corporate presentations and other public documents or information either filed by Dixie on SEDAR (System for Electronic Document Analysis and Retrieval) at www.sedar.com or available in the public domain;

h) discussions with management of Dixie with regards to, amongst other things, the business, operations, quality of asset, future potential, forecasts, and other matters of Dixie;

i) certain internal financial, operational, business and other information concerning Dixie that was prepared or provided to us by management of Dixie including internal operating and financial budgets and projections prepared by Dixie management;

j) various equity research reports and industry sources regarding the oil and gas industry;

k) trading statistics and selected financial information of Dixie and other selected public entities and comparable acquisition transactions considered by us to be relevant; and

l) such other information, analyses, investigations and discussions as we considered necessary or appropriate in the circumstances.

We have not, to the best of our knowledge, been denied access by Dixie to any information requested by us.

Assumptions and Limitations

This Opinion is subject to the assumptions, explanations and limitations set forth below.

We have not been asked to prepare and have not prepared a formal valuation or appraisal of Dixie, or any of Dixie's affiliates or of any of the assets, liabilities or securities of Dixie, or any of Dixie's affiliates, and this Opinion should not be construed as such.

With Dixie's approval, we have relied upon and have assumed the completeness, accuracy and fair presentation of all financial and other information, data, advice, opinions and representations obtained by us from public sources, or provided to us by Dixie or otherwise obtained pursuant to our engagement and this Opinion is conditional upon such completeness, accuracy and fair presentation. We have not been requested to, or attempted to verify independently the completeness, accuracy or fairness of presentation of any of such information. We have not conducted or provided any valuation or appraisal of any assets or liabilities, nor have we evaluated the solvency of Dixie, Gulf Pine, Pine Brook or any of their respective affiliates under any provincial or federal laws relating to bankruptcy, insolvency or similar matters. Without limiting the foregoing, we did not meet with the auditors of Dixie and have assumed the accuracy and fair presentation, and relied upon, Dixie's audited financial statements and the reports of the auditors thereon and the interim unaudited financial statements of Dixie. We also have not met with the independent reserve engineers of Dixie and have assumed the accuracy and fair presentation, and relied upon, the reserve reports of Dixie.

With respect to budgets, forecasts, projections and estimates and other forward-looking information provided to us concerning Dixie and/or described under the heading "Scope of Review" and relied upon in our analysis, we have assumed**,** subject to the exercise of our professional judgment, that they have been reasonably prepared on bases reflecting the most reasonable assumptions, estimates and judgments of Dixie management, as applicable, having regard to its business, plans, financial conditions and future prospects. We express no independent view as to, and disclaim all responsibility for, the reasonableness of such budgets, forecasts, projections and estimates or the assumptions on which they are based.

In preparing this Opinion, we have also assumed that: (i) all of the representations and warranties contained in the Purchase and Sale Agreement are correct as of the date hereof; (ii) Dixie, Gulf Pine, and Pine Brook will comply in all material respects with the terms of the Purchase and Sale Agreement; (iii) all of the conditions precedent to the completion of the Sale Transaction will be satisfied in due course or waived and that all consents, permissions, exemptions or orders of relevant regulatory authorities, courts and other third parties will be obtained, without adverse conditions or qualifications; (iv) that the Sale Transaction will be completed substantially in accordance with the terms of the Purchase and Sale Agreement without any adverse waiver or amendment of any material term or condition thereof and all applicable laws; and (v) the Circular (including all documents incorporated by reference therein) will disclose all material facts related to the Sale Transaction and will satisfy all applicable legal requirements. In rendering this Opinion, Dundee expresses no view as to the likelihood that the conditions precedent to the Sale Transaction will be satisfied or waived or that the Sale Transaction will be implemented within the time frame set out in the Circular.

Dixie has represented to us, in a certificate of two senior officers of Dixie (the "**Dixie Officers**"), dated as of the date hereof, among other things, that (i) Dixie has disclosed all material information (financial or otherwise), including the details of prior offerings or negotiations for the Assets, data, opinions, valuations and other information of any kind within its possession, control or direction or in respect of which it could, using its best efforts, obtain possession, control or direction relating to the Assets or the Sale Transaction (including the written information and discussion concerning Dixie referred to above under the heading "Scope of Review" collectively the "**Dixie Information**"), (ii) with the exception of forecasts, projections or estimates, the Dixie Information is (or in the case of historical information was at the date of preparation), true and accurate in all material respects and, when taken as a whole, does not or did not, as the case may be, contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein not misleading in light of the circumstances in which such statements were made; (iii) with respect to any portions of the Dixie Information that constitute forecasts, projections or estimates regarding the Assets, they (x) were prepared using the assumptions identified therein, which in the reasonable belief of the Dixie Officers are (or were at the time of preparation) reasonable in the circumstances, and (y) are not, in the reasonable belief of the Dixie Officers, misleading in any material respect in light of the assumptions used therefor; and (iv) there are no material changes relating to the Assets or the Sale Transaction of which the Dixie Officers are aware, actual or contemplated, and all changes in any material element of any of the Dixie Information and any intervening event that has occurred and any other material change of which Dixie is aware has been disclosed to Dundee.

We have not conducted any investigation concerning the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of Gulf Pine or Pine Brook or any of their respective affiliates.

This Opinion is rendered on the basis of securities markets, commodities markets, economic, financial and general business conditions prevailing as at the date hereof and the conditions and prospects, financial and otherwise, of Dixie, as they are reflected in the Dixie Information or otherwise obtained by us from public sources and as they were represented to us in our discussions with management of Dixie and its affiliates and advisors. In our analyses and in connection with the preparation of this Opinion, we made numerous assumptions with respect to industry performance, commodity prices, general business, capital markets and economic conditions and other matters, many of which are beyond the control of Dundee and any party involved in the Sale Transaction. This Opinion is conditional on all assumptions being correct.

This Opinion has been provided to the Board for its exclusive use only in considering the Sale Transaction and may not be relied upon by any other person or used for any other purpose or published or disclosed to any other person (except as otherwise provided herein) without the prior written consent of Dundee. This Opinion is not intended to be and does not constitute: (i) a recommendation to the Board as to whether they should approve the Purchase and Sale Agreement; (ii) a recommendation to any Dixie Unitholder concerning the Sale Transaction; (iii) an opinion concerning the trading price or value of any of the securities of Dixie, Gulf Pine or Pine Brook following the announcement or completion of the Sale Transaction, as applicable; (iv) a recommendation to acquire the securities of Dixie, Gulf Pine or Pine Brook; or (v) a "tax"

opinion in respect of Dixie or any of its assets. This Opinion does not address the relative merits of the Sale Transaction compared to any other business strategies or transactions that might be available to Dixie. We are not legal, tax or accounting experts and we express no opinion concerning any legal, tax or accounting matters concerning the Sale Transaction.

Dundee believes that its financial analyses must be considered as a whole and that selecting portions of its analyses and the factors considered by it, without considering all factors and analyses together, could create a misleading view of the process underlying this Opinion. The preparation of a fairness opinion is complex and is not necessarily susceptible to partial analysis or summary description and any attempt to carry this out could lead to undue emphasis on any particular factor or analysis.

This Opinion is given as of the date hereof and we disclaim any undertaking or obligation to advise any person of any change in any matter or fact affecting this Opinion that may come or be brought to our attention after the date hereof. Without limiting the foregoing, in the event there is any material change in any fact or matter affecting this Opinion after the date hereof, we reserve the right to change or withdraw this Opinion.

Conclusion

Based upon and subject to the foregoing and such other matters as we consider relevant, it is our opinion that, as of the date hereof, the consideration to be received by Dixie pursuant to the Sale Transaction is fair, from a financial point of view, to Dixie.

Yours very truly,

(Signed) “Dundee Securities Ltd.”

Dundee Securities Ltd.

ALTACORP CAPITAL

APPENDIX "D"
ALTACORP FAIRNESS OPINION

November 17, 2014

Special Committee of the Board of Directors of
Dixie Energy Ltd., the Administrator of Dixie Energy Trust
736 6th Avenue S.W., Suite 1250
Calgary, Alberta
T2P 3T7

To the Special Committee:

AltaCorp Capital Inc. ("AltaCorp") understands that Dixie Energy Ltd., as the administrator of Dixie Energy Trust, (who together with any affiliates, subsidiaries or controlled entities, is collectively referred to as "Dixie" or the "Company") has entered into a purchase and sale agreement dated November 17, 2014 (the "PSA") with Gulf Pine Energy Partners, LP ("Gulf Pine"), pursuant to which Gulf Pine, subject to certain conditions, proposes to acquire substantially all of Dixie's assets (the "Assets") for cash consideration of US$47.5 million (the "Consideration"), referred to herein as the "Sale Transaction". The above description is summary in nature and the specific terms and conditions of the Sale Transaction are more fully described in the PSA and will be described in a management information circular of Dixie to be mailed to the unitholders of Dixie ("Dixie Unitholders") in connection with the Sale Transaction (the "Circular").

We further understand that the board of directors (the "Board") of the Company has constituted a special committee of independent directors (the "Special Committee") to consider and evaluate the terms of the Sale Transaction and to report to the Board thereon. The Special Committee, on behalf and for the benefit of the Company, has retained AltaCorp to prepare and deliver to the Special Committee an opinion (the "Fairness Opinion") as to the fairness, from a financial point of view, of the Consideration to be received by Dixie.

ENGAGEMENT OF ALTACORP BY DIXIE

AltaCorp was engaged by the Special Committee pursuant to an engagement agreement (the "Engagement Agreement") dated October 20, 2014 to provide a Fairness Opinion. The terms of the Engagement Agreement provide that AltaCorp will receive a fee for its services upon delivery of the written Fairness Opinion and is to be reimbursed for its reasonable out-of-pocket expenses. None of the fees payable to AltaCorp under the Engagement Agreement are contingent upon a conclusion reached by AltaCorp in the Fairness Opinion, or the completion of the Sale Transaction. In addition, Dixie has agreed to indemnify AltaCorp, in certain circumstances, against certain expenses, losses, damages and liabilities incurred in connection with the provision of its services.

Subject to the terms of the Engagement Agreement, AltaCorp consents to the inclusion of the Fairness Opinion in the Circular, with a summary thereof, in a form acceptable to AltaCorp, and to the filing thereof by Dixie with the applicable Canadian securities regulatory authorities.

CREDENTIALS OF ALTACORP

AltaCorp is a Canadian investment banking firm with operations in a broad range of investment banking activities, including corporate finance, mergers and acquisitions, equity sales and trading, and investment research. AltaCorp and its senior investment banking professionals have participated in a number of transactions involving public and private companies and have experience in preparing fairness opinions. Certain of AltaCorp's senior investment banking professionals have applicable strategic planning; economic modeling; and, exploration and production technical experience in frontiers and pre-production project areas.

The Fairness Opinion is the opinion of AltaCorp and its form and content have been approved by a committee of senior investment banking professionals of AltaCorp, each of whom is experienced in merger, acquisition, divestiture, valuation and fairness opinion matters.

1100, 888 3RD STREET SW, CALGARY AB CANADA T2P 5C5
MAIN: 403 539 8600 FAX: 403 539 8575 WWW.ALTACORPCAPITAL.COM

INDEPENDENCE OF ALTACORP

Neither AltaCorp, nor any of its affiliates or associates is an insider, associate or affiliate (as those terms are defined in the Securities Act (Alberta)) of Dixie, Gulf Pine, or any of their respective associates or affiliates (collectively, the "Interested Parties"). Neither AltaCorp nor any of its affiliates or associates is an advisor to any Interested Party in respect to the Sale Transaction other than to the Special Committee pursuant to the Engagement Agreement.

Neither AltaCorp nor any of its affiliates or associates (i) is subject to any circumstance whereby the compensation of AltaCorp depends in whole or in part on an agreement, arrangement or understanding that gives AltaCorp a financial incentive in respect of the conclusion reached in the Fairness Opinion or the outcome of the Sale Transaction; (ii) is or will be (a) a manager or co-manager of a soliciting dealer group for the Sale Transaction, or (b) a member of a soliciting dealer group for the Sale Transaction whereby, in its capacity as a soliciting dealer, would perform services beyond the customary soliciting dealer's function or would receive more than the per security or per security holder fees payable to other members of the group; (iii) is an external auditor of Dixie or of an Interested Party; and/or (iv) has any material financial interest in the completion of the Sale Transaction.

AltaCorp is to be paid a fixed fee for the provision of the advisory services described above. The fees paid to AltaCorp by Dixie in connection with the above advisory services are not financially material to AltaCorp.

Other than as set forth above, there are no understandings or agreements between AltaCorp and any of the Interested Parties with respect to future financial advisory or investment banking business. AltaCorp may in the future, in the ordinary course of its business, perform financial advisory or investment banking services for Gulf Pine or any other Interested Party. In addition, AltaCorp has, and may in the future have, other normal course financial dealings with one or more of the Interested Parties. AltaCorp has never acted as a strategic or financial advisor to any of the Interested Parties.

AltaCorp acts as a trader and dealer, both as principal and agent, in major financial markets and, as such, may have and may in the future have positions in the securities of one or more of the Interested Parties and, from time to time, may have executed or may execute transactions on behalf of one or more of the Interested Parties or other clients for which it may have received or may receive compensation. As an investment dealer, AltaCorp conducts research on securities and may, in the ordinary course of its business, provide research reports and investment advice to its clients on investment matters, including matters with respect to the Sale Transaction, or any of the Interested Parties.

SCOPE OF REVIEW

In connection with the Fairness Opinion, AltaCorp reviewed and relied upon (without attempting to verify independently the completeness or accuracy of) or carried out, among other things, the following:

a) An executed copy of the PSA dated November 17, 2014;

b) audited annual consolidated financial statements and management's discussion and analysis of Dixie as at and for the years ended December 31, 2013 and 2012;

c) unaudited interim financial statements and management's discussion and analysis of Dixie as at and for the three and six month period ended June 30, 2014 and the three month period ended March 31, 2014;

d) certain internal financial, operating, corporate and other information prepared or provided by or on behalf of Dixie relating to the business, operations and financial condition of Dixie;

e) various representations contained in a certificate dated November 17, 2014 from senior officers of Dixie as to the completeness and accuracy of the information prepared or provided by management of Dixie and upon which the Fairness Opinion is based;

f) internal management modeling, forecasts, projections, estimates and budgets prepared or provided by or on behalf of management of Dixie;

g) due diligence questions posed to and answered by the management of the Company;

h) certain publicly available information relating to the business, operations, financial conditions and trading history of Dixie, and other selected public companies AltaCorp considered relevant;

i) certain other non-public information in respect of Dixie;

j) certain summaries of oil and gas reserves prepared in accordance with National Instrument 51-101, including: (i) the independent engineering evaluation (including the amended evaluation, mechanical update in July 12, 2014) of Dixie's oil, natural gas liquids and natural gas interests prepared by DeGolyer and MacNaughton Worldwide Petroleum Consulting effective December 31, 2013;

k) discussions with management of Dixie relating to Dixie's current stand-alone business plan, financial condition and prospects;

l) public financial information with respect to certain oil and natural gas precedent transactions, both on a corporate and asset-level basis;

m) historical commodity prices and the impact of various commodity pricing assumptions on the business, prospects and financial forecasts of Dixie;

n) various reports published by equity research analysts and industry sources, as available, which AltaCorp considered relevant;

o) discussions with management of Dixie with regards to the unsuccessful process and procedures undertaken with a third party advisor to search for capital to fund the Company's exploration program; and

p) such other information, investigations, analyses and discussions as AltaCorp considered necessary or appropriate in the circumstances.

AltaCorp has not, to the best of its knowledge, been denied access by Dixie to any information requested by AltaCorp. AltaCorp did not meet with the auditors of Dixie and has assumed the accuracy, completeness and fair presentation of and has relied upon, without independent verification, the audited financial statements of Dixie and the reports of the auditors thereon.

ASSUMPTIONS AND LIMITATIONS

With the Special Committee's acknowledgement and agreement as provided for in the Engagement Agreement, AltaCorp relied upon the accuracy, completeness and fair presentation of all data and other information obtained by it from public sources, provided to it by or on behalf of Dixie, or otherwise obtained by AltaCorp (collectively, the "Information"). This Fairness Opinion is conditional upon the accuracy, completeness and fair presentation of such Information. Subject to the exercise of professional judgment, and except as expressly described herein, AltaCorp has not attempted to verify independently the accuracy, completeness or fair presentation of any of the Information.

With respect to the budgets, forecasts, projections or estimates of Dixie provided to AltaCorp and used in its analyses, AltaCorp notes that projected future results are inherently subject to uncertainty. AltaCorp has assumed, however, that such budgets, forecasts, projections and estimates were prepared using the assumptions identified therein which AltaCorp has been advised are (or were at the time of preparation and continue to be), in the opinion of Dixie, reasonable in the circumstances. AltaCorp expresses no independent view as to the reasonableness of such budgets, forecasts, projections and estimates or the assumptions upon which they are based.

In preparing this Fairness Opinion, AltaCorp has made several assumptions, including that all final or executed versions of documents will conform in all material respects to the drafts provided to AltaCorp, conditions to the Sale Transaction can and will be satisfied in due course, all consents, permissions, exemptions or orders of relevant regulatory authorities or third parties will be obtained, without adverse conditions or qualifications, the procedures being followed to implement the Sale Transaction are valid and effective, the Circular will be distributed to Dixie Unitholders in accordance with all applicable laws, and the disclosure in the Circular will be accurate, in all material respects, and will comply, in all material respects, with the requirements of all applicable

laws. In its analysis in connection with the preparation of this Fairness Opinion, AltaCorp made numerous assumptions with respect to industry performance, general business and economic conditions, and other matters, many of which are beyond the control of Dixie. Among other things, AltaCorp has assumed the accuracy, completeness and fair presentation of and has relied upon, without independent verification, the financial statements forming part of the Information.

In rendering this Fairness Opinion, AltaCorp expresses no view as to the likelihood that the conditions respecting the Sale Transaction will be satisfied or waived or that the Sale Transaction will be implemented within the time frame indicated in the Circular. AltaCorp has also assumed that all of the representations and warranties contained in the PSA are true and correct as of the date hereof.

This Fairness Opinion has been provided for the use of the Special Committee and is not intended to be, and does not constitute, a recommendation that any Dixie Unitholder vote in favour of matters related to the Sale Transaction. This Fairness Opinion does not address the relative merits of the Sale Transaction as compared to other transactions or business strategies that might be available to Dixie, nor does it address the underlying Dixie business decision to enter into the PSA and any tax implications from the wind-up of Dixie Energy Trust. In considering the fairness, from a financial point of view of the Consideration, AltaCorp considered the Sale Transaction from the perspective of Dixie generally and did not consider the specific circumstances of any particular Dixie Unitholder, including with regard to income tax considerations. This Fairness Opinion is rendered as of November 17, 2014 on the basis of securities markets, economic and general business and financial conditions prevailing on that date and the condition and prospects, financial and otherwise, of Dixie, as they were reflected in the Information provided or otherwise available to AltaCorp. Any changes therein may affect this Fairness Opinion and, although AltaCorp reserves the right to update, change, supplement or withdraw this Fairness Opinion in such event, it disclaims any and all undertaking or obligation to advise any person of any such change that may come to its attention, or to change, supplement or withdraw this Fairness Opinion after such date.

The preparation of a fairness opinion is a complex process and is not necessarily amenable to partial analysis or summary description. AltaCorp believes that its analyses must be considered in totality and that selecting portions of the analyses or the factors considered by it, without considering all factors and analyses together as a whole, could create an incomplete view of the process underlying this Fairness Opinion. Accordingly, this Fairness Opinion should be read in its entirety.

FAIRNESS OPINION CONCLUSION

Based upon and subject to the foregoing, AltaCorp is of the opinion that, as of November 17, 2014, the Consideration to be paid by Gulf Pine to Dixie pursuant to the Sale Transaction is fair, from a financial point of view, to Dixie.

This Fairness Opinion may be relied upon by the Special Committee and the Board for the purposes of considering the Sale Transaction and its recommendation to Dixie with respect to the Sale Transaction, but may not be used or relied upon by any other person, or for any other purpose, without the express prior written consent of AltaCorp, except as otherwise provided herein.

Yours very truly,

(Signed) *"AltaCorp Capital Inc."*

ALTACORP CAPITAL INC.

APPENDIX "E"
PURCHASE AND SALE AGREEMENT

PURCHASE AND SALE AGREEMENT

among

DIXIE ENERGY HOLDINGS (US), INC.,
DIXIE ENERGY HOLDINGS (STRONG FIELD), LLC,
DIXIE ENERGY HOLDINGS (MAPLE BRANCH), LLC,
DIXIE ENERGY HOLDINGS (STAR), LLC,
DIXIE ENERGY HOLDINGS (HWM), LLC,
DIXIE ENERGY HOLDINGS (WILEY DOME), LLC,
DIXIE ENERGY HOLDINGS (BROOKLYN QUEENS), LLC,
DIXIE ENERGY HOLDINGS (MCKINLEY GAS), LLC, and
DIXIE ENERGY HOLDINGS (WHITE CASTLE DOME), LLC,

as Seller,

GULF PINE ENERGY PARTNERS, LP

as Buyer

and

DIXIE ENERGY TRUST

Dated as of November 17, 2014

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SCHEDULE OF EXHIBITS AND ANNEXES

PURCHASE AND SALE AGREEMENT

This Purchase and Sale Agreement ("Agreement") is made and entered into as of November 17, 2014 (the "Execution Date"), among DIXIE ENERGY HOLDINGS (US), INC., a Delaware corporation, DIXIE ENERGY HOLDINGS (STRONG FIELD), LLC, a Delaware limited liability company, DIXIE ENERGY HOLDINGS (MAPLE BRANCH), LLC, a Delaware limited liability company, DIXIE ENERGY HOLDINGS (STAR), LLC, a Delaware limited liability company, DIXIE ENERGY HOLDINGS (HWM), LLC, a Delaware limited liability company, DIXIE ENERGY HOLDINGS (WILEY DOME), LLC, a Delaware limited liability company, DIXIE ENERGY HOLDINGS (BROOKLYN QUEENS), LLC, a Delaware limited liability company, DIXIE ENERGY HOLDINGS (MCKINLEY GAS), LLC, a Delaware limited liability company, and DIXIE ENERGY HOLDINGS (WHITE CASTLE DOME), LLC, a Delaware limited liability company (collectively, "Seller"), with respect to their respective Assets (as defined in Section 1 below), and GULF PINE ENERGY PARTNERS, LP, a Delaware limited partnership ("Buyer") and DIXIE ENERGY TRUST, an unincorporated open-ended limited purpose trust established under the laws of the Province of Alberta, Canada (the "Trust"). Buyer, Seller and the Trust are referred to in this Agreement individually as a "Party" and collectively as the "Parties".

WHEREAS, Seller wishes to sell and assign to Buyer, and Buyer wishes to purchase the Assets and assume the Assumed Liabilities from Seller, subject to the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the foregoing and the representations, warranties, covenants, and agreements contained in this Agreement, the Parties, intending to be legally bound, agree as follows:

1. Sale and Purchase of the Assets. Subject to the terms and conditions and for the consideration herein set forth, and effective as of 7:00 a.m., local time, on the Closing Date (the "Effective Time"), Seller agrees to sell, assign, convey, and deliver to Buyer, and Buyer agrees to purchase and acquire from Seller at Closing, all of Seller's right, title, and interest in and to the properties, assets, and interests described in Sections 1.1 through 1.9, but excluding the Excluded Assets (as defined in Section 1.10) (collectively, excluding the Excluded Assets, the "Assets"):

1.1. Oil and Gas Properties. All of Seller's right, title, and interest in and to all oil and gas leases located in Mississippi, Alabama, and Louisiana, including, without limitation, the oil and gas leases described on Exhibit 1.1 attached hereto (the "Leases"), whether the interest of Seller in such properties is fee interests, leasehold interests, working interests, farmout rights, overriding royalty (described on Exhibit 1.1.A) or other non-working interests (including non-participating royalty interests described on Exhibit 1.1.B), operating rights, or other mineral rights of every nature, and any rights that arise by operation of law or otherwise in all properties and lands pooled, unitized, communitized, or consolidated with such properties (such interest, the "Oil and Gas Properties"), and the lands subject to any of the Oil and Gas Properties (the "Land"), whether or not the Leases are properly or completely described in Exhibit 1.1, Exhibit 1.1.A., and Exhibit 1.1.B. or wholly omitted therefrom.

1.2. Wells. All of Seller's right, title, and interest in and to oil, condensate or natural gas wells, water source wells, and water and other types of injection wells located on any of the Land, including those described on Exhibit 1.2, or used or held for use in connection with any of the Oil and Gas Properties, whether producing, operating, shut-in, or temporarily abandoned (such interest, the "Wells").

1.3. Substances. All of Seller's right, title, and interest in and to all severed crude oil, natural gas, casinghead gas, drip gasoline, natural gasoline, petroleum, natural gas liquids, condensate, products, liquids, and other hydrocarbons and other minerals or materials of every kind and description produced from or attributable to the Oil and Gas Properties (such interest, the "Substances") and not yet past a measuring point at the Effective Time.

1.4. Surface Contracts. All of Seller's right, title, and interest in and to surface leases, servitudes, easements, privileges, right-of-way agreements, licenses, or other agreements that are used or held for use in connection with the Oil and Gas Properties, including, without limitation, those described on Exhibit 1.4 (such interest, the "Surface Contracts").

1.5. Equipment. All of Seller's right, title, and interest in and to physical facilities or interests therein, equipment, platforms, tanks, buildings, pipelines, flow lines, gathering lines, structures, and fixtures of every type and description to the extent that the same are located on, used, or held for use in connection with the ownership or operation of the Assets described in Sections 1.1 through 1.4 above, including, without limitation, all of Seller's interest in the Moon-Hines-Tigrett Pipeline described on Exhibit 1.5, including related rights-of-way (the "McKinley Creek Gathering System").

1.6. Information and Data. All of Seller's right, title, and interest in and to title information, engineering reports and other technical data, seismic data, lease, production, accounting and land files and databases, surveys, regulatory filings, magnetic tapes, electronic files and databases, interpretations and other analysis, books, records and files that relate to the Assets (the "Data").

1.7. Contracts. All of Seller's right, title, and interest in and to all contracts, commitments, agreements, operating agreements, exploration agreements, and arrangements that relate to the Assets, and any and all amendments, ratifications, or extensions of the foregoing, together with (a) all rights, privileges, claims, causes of action, and benefits of Seller thereunder; and (b) all rights of Seller thereunder to audit the records of any party thereto and to receive refunds of any nature thereunder, except with respect to any Excluded Assets.

1.8. Permits. To the extent assignable, all of Seller's right, title, and interest in and to all franchises, licenses, permits, approvals, consents, certificates, registrations, waivers, clearances and other authorizations and other rights granted by, given or otherwise made available under any governmental authority and all certificates of convenience or necessity, immunities, privileges, grants, and other rights that relate to the Assets or the ownership or operation thereof (the "Permits").

1.9. Payment Rights. Except with respect to any Excluded Assets, all of Seller's right, title, and interest in and to all (a) accounts, instruments, and general intangibles (as such

terms are defined in the applicable Uniform Commercial Code) attributable to the Assets; and (b) Liens in favor of Seller, whether choate or inchoate, under any law, rule, or regulation or under any of the contracts described in Section 1.7 arising from the ownership or sale or other disposition of any of the Assets (such interests, the "Payment Rights").

1.10. Excluded Assets. Notwithstanding the foregoing provisions of this Section 1, the following assets shall not constitute Assets and shall not be sold, assigned, or conveyed to Buyer pursuant to Section 1 (such assets as described herein below, the "Excluded Assets"):

1.10.1 all Permits that are not assignable in connection with the transactions contemplated by this Agreement;

1.10.2 to the extent and only to the extent attributable to the Excluded Liabilities, all rights and causes of action, arising, occurring, or existing in favor of Seller and attributable to the period prior to the Effective Time in the nature of recoupment rights, recovery rights, accounting adjustments, erroneous payments, or other claims of reimbursement in favor of Seller and for which Seller does not receive a credit under Section 2.2.1;

1.10.3 all corporate governance documents of Seller;

1.10.4 any refund of (a) costs, (b) Taxes (including, but not limited to, Tax credits for horizontal drilling) with respect to (i) Income Taxes imposed on Seller or any Affiliate of Seller, (ii) Asset Taxes allocated to Seller pursuant to Section 13.1.1, or (iii) Taxes imposed on or with respect to the Excluded Assets, or (c) other expenses borne by Seller attributable to the period prior to the Effective Time;

1.10.5 all deposits, cash, checks, funds, and accounts receivable attributable to Seller's interests in the Assets with respect to any period of time prior to the Effective Time;

1.10.6 all computer or communications equipment, software, or intellectual property (including tapes, data and program documentation and all tangible manifestations and technical information relating thereto) owned, licensed, or used by Seller, other than the Data, and all office equipment and furniture; and

1.10.7 any logo, service mark, copyright, trade name, or trademark of or associated with Seller or any Affiliate of Seller or any business of Seller or of any Affiliate of Seller.

1.11. Assumption of Liabilities. At the Closing, Buyer shall assume and undertake to pay, perform, and discharge all obligations and liabilities of Seller with respect to or arising from the Assets, whether known or unknown, contingent or otherwise, and regardless of whether such obligations or liabilities arose prior to, on or after the Closing Date (excluding the Excluded Liabilities, the "Assumed Liabilities"), in each case other than the following (the "Excluded Liabilities"):

1.11.1 all Liabilities for Seller Taxes;

1.11.2 any liability related to the Excluded Assets;

1.11.3 any liability arising out of or resulting from any breach of any representation, warranty, covenant, or agreement of Seller;

1.11.4 any liability caused by or arising out of or resulting from any personal injury (including death), to the extent related to the ownership or operation of the Assets by Seller or its Affiliates and arising from events occurring prior to the Closing;

1.11.5 any liability caused by or arising out of or resulting from any offsite disposal by Seller or its Affiliates prior to the Closing of Hazardous Substances arising from the operation or use of the Assets;

1.11.6 any liability caused by or arising out of or resulting from any Hedge Contracts relating to the Assets;

1.11.7 any liability caused by or arising out of or resulting from any Debt Instruments relating to the Assets;

1.11.8 any liability arising out of Property Expenses incurred prior to the Effective Time; and

1.11.9 any Liabilities related to any claim by any Unitholder of the Trust to the extent relating to, arising as a result of, or otherwise regarding the transactions contemplated by this Agreement or any other Transaction Document.

1.12. Revenues and Expenses. Subject to the provisions hereof, Seller shall remain entitled to all of the rights and responsibilities of ownership (including the right to all production, proceeds of production and other proceeds) and shall remain responsible for all Property Expenses, in each case attributable to the Assets for the period of time prior to the Effective Time. Subject to the provisions hereof, Buyer shall be entitled to all of the rights and responsibilities of ownership (including the right to all production, proceeds of production and other proceeds), and shall be responsible for all Property Expenses, in each case, attributable to the Assets for the period of time from and after the Effective Time. All Property Expenses attributable to the Assets, in each case that are: (a) incurred with respect to operations conducted or production prior to the Effective Time shall be paid by or allocated to Seller, and (b) incurred with respect to operations conducted or production after the Effective Time shall be paid by or allocated to Buyer. "Property Expenses" means all operating expenses relating to the Oil and Gas Properties and the Wells (including obligations to pay working interests, burdens or other interest owners' revenues, or proceeds attributable to sales of Substances) and capital expenditures (including leasing costs and bonus payments) incurred in the ownership and operation of the Assets in the ordinary course of business and, where applicable, in accordance with the relevant operating or unit agreement, if any, and overhead costs charged to the Assets under the relevant operating agreement or unit agreement, if any; provided that (i) the term "Property Expenses" shall not include any Income Taxes or Asset Taxes, and (ii) Seller shall be responsible for Property Expenses related to the Excluded Liabilities.

2. Purchase Price.

2.1. Base Amount. The purchase price for the Assets, subject to adjustment as provided in Section 2.2, shall be Forty-Seven Million Five Hundred Thousand and 00/100 U.S. Dollars ($47,500,000.00) (the "Purchase Price"). The Purchase Price as adjusted pursuant to Section 2.2 is referred to in this Agreement as the "Adjusted Purchase Price."

2.2. Adjustments to Purchase Price. The Purchase Price shall be adjusted as provided in this Section 2.2.

2.2.1 The Purchase Price shall be increased by the following amounts (without duplication) ("Seller's Credits"):

(a) An amount equal to the capital expenditures and cash calls with respect to the Assets approved in writing by Buyer and actually paid by Seller or Seller's Operator on behalf of Seller after the Execution Date and prior to the Effective Time;

(b) An amount equal to the value of all Substances in storage in tanks at the Effective Time as determined by Seller and Buyer, and for which Seller has not yet received payment, with the value per barrel of oil to be the average of the realized West Texas Intermediate December 2014 wellhead price per barrel of oil;

(c) An amount equal to all proceeds actually received by Buyer from the sale of Substances produced prior to the Effective Time, net of all applicable taxes not reimbursed to Buyer by a purchaser of Substances;

(d) The amount of all Asset Taxes allocable to Buyer in accordance with Section 13.1, but paid by Seller (or any Affiliate of Seller); and

(e) An amount of any rentals, shut in payments, and extension payments paid by Seller pursuant to Section 5.1.9.

2.2.2 The Purchase Price shall be decreased by the following amounts (without duplication) ("Buyer's Credits"):

(a) An amount equal to cash calls received by Seller and not expended by Seller with respect to the completion of the Holliman 18-5 H Well described in Exhibit 1.2;

(b) An amount equal to all proceeds received by Seller from whatever source derived that relate to the Assets and are attributable to periods after the Effective Time (except any amounts attributable to the Excluded Assets);

(c) The amount of all Asset Taxes allocable to Seller in accordance with Section 13.1 that have not been paid prior to the Closing;

(d) An amount equal to the value of the Oil and Gas Properties excluded from the Assets because of a Casualty Loss affecting such Assets or, in the

alternative, the insurance proceeds received by Seller for such Casualty Loss, all as provided in Section 11;

(e) An amount equal to the value of any overproduction attributable to Seller's interest in the Oil and Gas Properties as of the Effective Time, with the value per barrel of oil to be the average of the realized West Texas Intermediate December 2014 wellhead price per barrel of oil;

(f) An amount equal to the aggregate of all Title Defect Amounts determined under Section 7.3 and not cured by Seller prior to the Closing Date;

(g) An amount equal to the aggregate of all Environmental Defect Amounts determined under Section 7.3 and not cured by Seller prior to the Closing Date and an amount equal to the aggregate Allocated Value of Assets excluded pursuant to Section 7.2.1;

(h) An amount equal to the aggregate Allocated Values of Hard Consent Assets and related Assets retained pursuant to Section 5.3.2;

(i) An amount equal to the aggregate Allocated Values of Assets excluded or retained pursuant to Section 5.3.3;

(j) An amount equal to any royalty amounts held in suspense by Seller as of the Effective Time.

2.3. Closing Statement. Seller shall deliver to Buyer, not less than five (5) Business Days before the Closing Date, a statement (the "Closing Statement") setting forth the adjustments to the Purchase Price provided in Section 2.2, using estimates where actual amounts are not known at the Closing, and Seller's calculation of the estimated Adjusted Purchase Price. The Closing Statement shall be prepared in accordance with GAAP as applied on a basis consistent with past practices of Seller. Within three (3) Business Days of receipt of the Closing Statement, Buyer shall have the right to deliver to Seller a written report containing all changes with the explanation therefor that Buyer proposes to be made to the Closing Statement, if any. If Buyer fails to timely deliver such report to Seller, the Closing Statement submitted by Seller shall be deemed to be mutually agreed upon by the Parties for purposes of the Closing. The Closing Statement, as agreed upon by the Parties, will be used to adjust the Purchase Price at Closing; provided that if the Parties cannot agree on the Closing Statement prior to the Closing, then absent manifest error, the Closing Statement as submitted by Seller will be used to adjust the Purchase Price at Closing.

2.4. Allocation of Purchase Price.

2.4.1 Exhibits 1.1 and 1.2 set forth the allocation of the Purchase Price, Assumed Liabilities, and any other items constituting consideration for applicable Income Tax purposes (to the extent known at such time) among the Assets in accordance with Section 1060 of the Code. Seller and Buyer agree to amend Exhibits 1.1 and 1.2 to reflect adjustments to the Purchase Price and to report the transactions contemplated by this Agreement consistently with

Exhibits 1.1 and 1.2, as applicable, as adjusted by the Parties, on any Tax Return, including Internal Revenue Service Form 8594, Asset Acquisition Statement, and will not assert, and will cause their Affiliates not to assert, in connection with any tax audit or other proceeding with respect to Taxes, any asset values or other items inconsistent with the amounts set forth on Exhibits 1.1 and 1.2, except with the agreement of the other Parties or as required by applicable law.

2.4.2 For purposes of Section 5.3 and Section 7, the "Allocated Value" for any Asset equals the amount set forth on Exhibit 1.1 or Exhibit 1.2.

3. Representations and Warranties of Seller. Each Seller represents and warrants to Buyer, severally and not jointly, as follows:

3.1. Organization; Residency. Each Seller is a limited liability company or corporation, as the case may be, duly organized, validly existing, and in good standing under the laws of the State of Delaware and qualified to do business in the states where its activities require such qualification.

3.2. Authority and Authorization. Seller has full power and authority to carry on its business as presently conducted, to enter into this Agreement and the other Transaction Documents to which Seller is a party and to perform its obligations under this Agreement and the other Transaction Documents to which such is a party. The execution and delivery by Seller of this Agreement and the other Transaction Documents to which Seller is a party have been, and the performance by Seller of its obligations under this Agreement and the other Transaction Documents to which Seller is a party and the transactions contemplated hereby and thereby shall be, at the time required to be performed hereunder or thereunder, duly and validly authorized by all requisite action on the part of Seller.

3.3. Enforceability. This Agreement has been duly executed and delivered on behalf of Seller and constitutes the legal, valid, and binding obligation of Seller enforceable in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, reorganization or moratorium statutes, or other similar laws affecting the rights of creditors generally or equitable principles (collectively, "Equitable Limitations"). At the Closing all other Transaction Documents required hereunder to be executed and delivered by Seller shall be duly executed and delivered and shall constitute legal, valid, and binding obligations of Seller enforceable in accordance with their terms, except as enforceability may be limited by Equitable Limitations.

3.4. Conflicts. The execution and delivery by Seller of this Agreement and the other Transaction Documents to which Seller is a party do not, and the consummation of the transactions contemplated by this Agreement and the other Transaction Documents to which Seller is a party will not, (a) violate or be in conflict with, or require the consent of any Person or entity under, any provision of such Seller's Organizational Documents; (b) conflict with, result in a breach of, or constitute a default (or an event that with the lapse of time or notice, or both would constitute a default) under any material agreement or instrument to which Seller is a party or by which any of the Assets or Seller is bound, except for the consents described in Exhibit 3.12, and as to any governmental approvals of the type customarily obtained after Closing; (c)

violate any provision of or require any consent, authorization, or approval under any judgment, decree, judicial or administrative order, award, writ, injunction, statute, rule or regulation applicable to Seller, except the consent of the unit holders of the Trust to the transactions contemplated by this Agreement; or (d) result in the creation of any lien, charge, or encumbrance on any of the Assets.

3.5. Title. Seller has good and marketable title to the Assets consisting of real property interests and good title to the Assets consisting of personal property interests, subject to the Permitted Encumbrances (as defined in Section 7.4.10). Seller shall convey title to the Assets by the Assignment in the form of Annex I. The Assignment shall be with special warranty of title by through and under Seller, but not otherwise, with subrogation of rights of warranty, free and clear from all liens, claims, and encumbrances, except for Permitted Encumbrances. There are no pending claims for which Seller has been served with process, or to Seller's Knowledge pending claims filed for which Seller has not been served with process or claims threatened, against Seller challenging Seller's title to any of the Assets.

3.6. Condition of the Assets. With respect to all Assets other than the McKinley Creek Gathering System and the Wells on Exhibit 1.2 operated by third parties, all wells, wellhead equipment, pumping units, flowlines, tanks, buildings, injection facilities, compression facilities, gathering systems, fixtures and equipment that are necessary to conduct normal operations of the Assets are in the aggregate in good working condition, reasonable wear and tear excepted, and are being maintained in a state adequate to conduct normal operations of the Assets. To Seller's Knowledge, the McKinley Creek Gathering System and the Wells on Exhibit 1.2 operated by third parties are in good working condition, reasonable wear and tear excepted, and are being maintained in a state adequate to conduct normal operations of the McKinley Creek Gathering System and such Wells.

3.7. Liens. Except as set forth on Exhibit 3.7 and the Permitted Encumbrances, there are no Liens, whether or not recorded in the public records, that encumber the Assets.

3.8. Insurance; Condemnation. Exhibit 3.8 is a true and complete list of all material insurance policies and contracts of insurance in force on the Execution Date with respect to the Assets. Seller has paid all premiums due for such insurance policies and contracts of insurance and performed all obligations required of Seller with respect to all such policies and contracts of insurance. To Seller's Knowledge, all such policies and contract of insurance are in full force and effect. Except as set forth on Exhibit 3.8, (a) there are no pending claims under any insurance policy or bond with respect to the Assets, and (b) there are no pending, or to Seller's Knowledge threatened, condemnation actions with respect to the Assets.

3.9. Intellectual Property. Seller owns or has valid licenses or other rights to use all patents, copyrights, trademarks, software, databases, geological data, geophysical data (other than as contemplated by Section 17.4), engineering data, maps, interpretations, and other technical information used in connection with its ownership and operation of the Assets as presently conducted, subject to the limitations contained in the agreements governing the use of the same, which limitations are customary for companies engaged in the business of the exploration and production of Substances. To Seller's Knowledge, Seller has not infringed on any issued U.S. patent in its operation of the Assets.

3.10. Contracts.

3.10.1 Exhibit 3.10 includes all of the following contracts, agreements, and commitments to which any of the Assets are bound as of the date of this Agreement and any and all amendments, extensions, or other modifications thereof (the "Material Contracts"): (a) any agreement with any Affiliate of Seller; (b) any agreement or contract for the sale, exchange, or other disposition of Substances that requires more than thirty (30) days prior written notice to cancel; (c) any agreement to sell, lease, farmout, or otherwise dispose of Seller's interests in any of the Oil and Gas Properties other than conventional rights of reassignment; (d) any operating agreement, exploration agreement, or development agreement to which Seller's interests in any of the Oil and Gas Properties is subject; (e) other than the Leases, any contract, agreement, or commitment that can reasonably be expected to result in aggregate payments by Seller or revenues to Seller of more than $50,000 during the current fiscal year or any subsequent fiscal year or $100,000 in the aggregate over the term of such contract, agreement, or commitment; (f) any contract or agreement related to the Assets that is an indenture, mortgage, loan, credit agreement, sale-leaseback, guaranty of any obligation, bonds, letters of credit, or similar financial contract (a "Debt Instrument"); (g) any contract (other than the Leases) related to the Assets that constitutes a lease under which Seller is the lessor or the lessee of real or personal property which lease cannot be terminated by Seller without penalty upon thirty (30) days or less notice; (h) any contract or agreement that constitutes a swap, forward, future, or derivative transaction, option, or similar hedge contract or agreement (a "Hedge Contract"); (i) any non-competition agreement, area of mutual interest agreement, or any other agreement that purports to restrict, limit, or prohibit the manner in which, or the locations in which, Seller conducts business; and (j) any contract or agreement related to the acquisition, licensing, sale, modification, or other use or ownership of geological, geophysical, or seismic data or records, whether or not proprietary and whether or not processed, re-processed, migrated, stacked, or otherwise modified, and any similar contract, including seismic data licenses or other contracts, providing for the exclusive or non-exclusive use, modification, or disclosure of proprietary seismic data.

3.10.2 Seller has provided or made available to Buyer true and complete copies of all Material Contracts. Seller has performed the obligations required of Seller under the Material Contracts, and all Material Contracts are in full force and effect. Neither Seller, nor to Seller's Knowledge any other party to the Material Contracts (i) is in material breach of or material default, or with the lapse of time or the giving of notice, or both, would be in material breach or material default, with respect to any of its obligations thereunder, or (ii) has given written notice or threatened to give notice of any default under or inquiry into any possible default under, or action to alter, terminate, rescind, or procure a judicial reformation of any Material Contract.

3.11. Litigation and Claims. (a) Seller has not been served with process or received written notice of any claim, demand, filing, investigation, administrative proceeding, action, suit, or other legal proceeding against Seller, or to Seller's Knowledge threatened with any claim, demand, filing, investigation, administrative proceeding, action, suit, or other legal proceeding, in each case, with respect to the Assets or the ownership or operation of any thereof; (b) Seller has not received any written notification of any facts, conditions, or circumstances in connection with, related to, or associated with the Assets or the ownership or operation of any thereof that

could reasonably be expected to give rise to any such claim, demand, filing, investigation, administrative proceeding, action, suit, or other legal proceeding; and (c) no written notice from any governmental authority or any other Person (including employees) has been received by Seller (i) claiming any material violation or repudiation of any law, rule, regulation, ordinance, order, decision, or decree of any governmental authority (including, without limitation, any such law, rule, regulation, ordinance, order, decision, or decree concerning the conservation of natural resources), or (ii) requiring, or calling attention to the need for, any material work, repairs, construction, alterations, installations, Remediation, or investigation in connection with or related to the Assets or the ownership or operation of any thereof other than, in the case of clauses (i) and (ii) above, notices for matters that have been remedied without further obligations of Seller; (d) as of the Execution Date, Seller has not received any written notice of any planned reformation of any proration unit for Wells which would increase the working interest of Seller or decrease net revenue interest of Seller for any Well; and (e) there are no bankruptcy, reorganization, or receivership proceedings pending against, being contemplated by, or to Seller's Knowledge threatened against, Seller, Seller's Operator, the Trust, or any Controlled Affiliate of the Trust.

3.12. Approvals. Exhibit 3.12 contains a complete and accurate list of all approvals and consents required to be obtained, made, or given by Seller for the assignment or transfer of the Assets to Buyer. Seller has not granted any preferential purchase rights affecting any of the Assets, and there are no preferential purchase rights or other similar requirements affecting any of the Assets.

3.13. Compliance with Law and Permits. Except as set forth on Exhibit 3.13 and excluding Environmental Laws, (a) Seller's, or Seller's Operator's or their Affiliate's operation of the Assets has been in material compliance with all applicable laws; (b) all Permits necessary to own and operate the Assets have been obtained and maintained in effect, and Seller is not in material breach of, or default under, such Permits; and (c) to Seller's Knowledge, there are no facts, conditions, or circumstances in connection with, related to, or associated with the Assets or the ownership or operation of any thereof that could reasonably be expected to give rise to any claim or assertion that Seller, the Assets, or the ownership or operation of any thereof is not in material compliance with all applicable laws or with the terms or conditions of any Permit.

3.14. Production Burdens, Taxes and Expenses.

3.14.1 During Seller's ownership of the Assets, all rentals, royalties, excess royalty, overriding royalty interests, and other payments due under or with respect to the Oil and Gas Properties have been properly and timely paid and except as stated on Exhibit 3.14, no royalties are currently being held in suspense.

3.14.2 During Seller's ownership of the Assets, all Asset Taxes that have become due have been properly and timely paid.

3.14.3 During Seller's ownership of the Assets, all Tax Returns relating to the Assets required to be filed on or before the Execution Date by Seller have been timely filed with the appropriate governmental authority; (b) such Tax Returns are true and correct in all material respects; (c) all Asset Taxes reported on such Tax Returns have been paid, and there is not

currently in effect any extension or waiver by Seller of any statute of limitations of any jurisdiction regarding the assessment or collection of any Tax related to the Assets; (d) there are no administrative proceedings or lawsuits pending against the Assets or Seller with respect to the Assets by any Taxing Authority; and (e) there are no Liens currently existing, pending or, to the Seller's Knowledge, threatened with respect to any of the Assets attributable to unpaid Taxes other than statutory Liens for current period Taxes that are not yet due and payable.

3.15. Production Balances and Penalties; Other Production Sales Matters. (a) None of the purchasers under any production sales contracts related to Substances are entitled to "make-up" or otherwise receive deliveries of Substances without paying at the time of such deliveries the full contract price therefor; (b) none of the purchasers under any production sales contracts related to the Oil and Gas Properties has exercised any economic out provision; (c) none of the purchasers under any production sales contracts related to the Oil and Gas Properties has curtailed its takes of natural gas; (d) none of the purchasers under any production sales contracts related to the Oil and Gas Properties has given notice that it desires to amend the production sales contracts with respect to price or quantity of deliveries; and (e) Seller is not obligated to pay any penalties or other payments under any gas transportation or other agreement as a result of the delivery of quantities of gas from the Oil and Gas Properties in excess of the contract requirements.

3.16. Tax Partnership. None of the Oil and Gas Properties (i) has been contributed to or is currently held by a Tax partnership, (ii) is subject to any form of agreement between Seller, on the one hand, and any other person, on the other hand, whether owning undivided interests therein or otherwise, that is deemed by any state or federal law, rule, or regulation to be or to have created a Tax partnership and no transfer of any part of the Oil and Gas Properties pursuant to this Agreement will be treated as a transfer of an interest or interests in any partnership for federal income Tax purposes, or (iii) otherwise constitutes "partnership property" (as that term is used in Subchapter K, Chapter 1, Subtitle A of the Internal Revenue Code) of a Tax partnership.

3.17. Broker. Buyer shall not directly or indirectly have any responsibility, liability, or expense for any fees, commissions, or other similar forms of compensation payable to any broker, finder, investment banker, or other similar Person based on any arrangement or agreement made by or on behalf of Seller in connection with the transactions contemplated by this Agreement or the other Transaction Documents.

3.18. Foreign Person. Seller is not a "foreign person" within the meaning of Section 1445 of the Code.

3.19. Proposed Operations or Expenditures. Except as disclosed on Exhibit 3.19 and excluding the Leases, there are no outstanding authorizations for expenditure or other commitments to conduct any operations with respect to the Assets which are binding on Seller or the Assets and will be binding on Buyer after Closing and which Seller reasonably anticipates will require the expenditure of money in excess of $50,000.

3.20. Operatorship. Seller has not received any written notice of any pending vote to have Seller or any of its Affiliates removed as the named "operator" of any of the Assets for which Seller or such Affiliate is currently designated as the "operator".

3.21. Environmental.

3.21.1 Neither Seller nor any Affiliate of Seller has entered into or is a party to any pending or final consent order, consent decree, compliance order or administrative order pursuant to any Environmental Laws that relate to the future operation or ownership (including any fee interest, leasehold interest, working interest, farmout rights, overriding royalty or other non-working interests or non-participating royalty interests, operating rights, or mineral rights) of any of the Assets or that require any Remediation or other change in the present condition, ownership or operation of any of the Assets.

3.21.2 Except as set forth on Exhibit 3.13, neither Seller nor any Affiliate of Seller is subject to any pending complaint or claim for which Seller or any Affiliate of Seller has been served with process, or to Seller's Knowledge is subject to any complaint or claim for which Seller or any Affiliate of Seller has not been served with process or threatened with any complaint or claim, asserted pursuant to Environmental Laws or alleging Environmental Liabilities with respect to the Assets or the Release into the environment of any Hazardous Substances on, at, to, under or from any of the Assets or requesting investigation or Remediation or request for information or other inquiry regarding the Assets or operations thereon, and Seller has no Knowledge of any facts, circumstances, or conditions or investigations with respect to any of the Assets or operations related thereto, that could reasonably be expected to result in any Environmental Liabilities.

3.21.3 Neither Seller nor any Affiliate of Seller has received any written notice or claim, demand, allegation, action, or other communication from any governmental authority or other Person alleging that Seller, any Affiliate of Seller or Seller's predecessors-in-interest is in violation of any Environmental Law or liable for Environmental Liabilities under any Environmental Law.

3.21.4 There has not been any offsite disposal of Hazardous Substances by Seller or its Affiliates arising out of the ownership or operation of the Assets, other than the sale of Hydrocarbons in the ordinary course of business.

3.21.5 Seller has complied with all Environmental Laws in all material aspects with respect to the Assets. Neither Seller nor any Affiliate of Seller has had any material Environmental Liability. To Seller's Knowledge, the Assets are not subject to any Environmental Liabilities. To Seller's Knowledge there has been no Release of Hazardous Substances on, at, under, to or from any of the Assets that could reasonably be expected to give rise to any Environmental Liabilities.

3.21.6 Seller has made available to Buyer all material environmental third party audits or reports relating to the Assets, to the extent there are any that are in Seller's or its Affiliates' possession or control and to the extent that such disclosure is not prohibited by any legal privilege or contractual obligation of confidentiality.

3.21.7 To Seller's Knowledge, there are no archeological conditions, endangered species, wetlands, or other conditions of the Assets that prevent or materially impair the development or operation of the Assets for the extraction of Substances.

3.21.8 Except as set forth on Exhibit 3.13, (a) Seller's, or Seller's Operator's or their Affiliate's operation of the Assets has been in material compliance with all applicable Environmental Laws; (b) all Permits necessary to own and operate the Assets obtained and maintained pursuant to Environmental Laws have been obtained and maintained in effect, and Seller is not in material breach of, or default under, such Permits; and (c) to Seller's Knowledge, there are no facts, conditions, or circumstances in connection with, related to, or associated with the Assets or the ownership or operation of any thereof that could reasonably be expected to give rise to any claim or assertion that Seller, the Assets, or the ownership or operation of any thereof is not in material compliance with all applicable Environmental Laws or with the terms or conditions of any Permit obtained and maintained pursuant to Environmental Laws.

3.22. Wells. Except as set forth in Exhibit 3.22, neither Seller, nor any Affiliate of Seller has received any notices or demands from governmental authorities or other third parties to plug or abandon any of the Wells. The Wells that have been operated by Seller or its Affiliates, and to Seller's Knowledge the Wells that have not been operated by Seller or its Affiliates, that are neither in use for purposes of production or injection, nor temporarily suspended or temporarily abandoned in accordance with applicable law, nor shut-in while waiting for completion or waiting for connection to flowlines, pipelines, gathering systems, and appurtenances thereto, have been plugged and abandoned in material compliance with applicable law. All Wells that have been operated by Seller or its Affiliates, and to Seller's Knowledge all Wells that have not been operated by Seller or its Affiliates, have been drilled and completed in all material respects within the limits permitted by all applicable Leases, the Material Contracts, and pooling or unit orders. No Well is subject to penalties on allowables after the Effective Time because of overproduction.

3.23. Affiliate Ownership. No Affiliate of Seller (other than another Seller) owns any direct right, title, or interest in or to the Leases, the Lands, the Oil and Gas Properties, or the Wells.

3.24. Limitations. THE EXPRESS REPRESENTATIONS AND WARRANTIES OF SELLER CONTAINED IN THIS SECTION 3 AND IN ANY CONVEYANCE INSTRUMENT REGARDING THE ASSETS (COLLECTIVELY "SELLER'S WARRANTIES") ARE EXCLUSIVE AND ARE IN LIEU OF ALL OTHER REPRESENTATIONS AND WARRANTIES, EXPRESS, IMPLIED, STATUTORY OR OTHERWISE, AND SELLER EXPRESSLY DISCLAIMS ALL OTHER REPRESENTATIONS AND WARRANTIES, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, SELLER MAKES NO WARRANTY OR REPRESENTATION, EXPRESS, STATUTORY, IMPLIED OR OTHERWISE, AS TO THE ACCURACY, COMPLETENESS, OR MATERIALITY OF ANY OF THE DATA OR OTHER INFORMATION, OR RECORDS FURNISHED TO BUYER IN CONNECTION WITH THE ASSETS OR OTHERWISE CONSTITUTING A PORTION OF THE ASSETS. SUBJECT TO THE RIGHTS AND REMEDIES CONTAINED IN THIS AGREEMENT, BUYER SHALL INSPECT OR OTHERWISE WAIVE ITS RIGHT TO INSPECT THE ASSETS FOR ALL PURPOSES AND, IF CLOSING OCCURS, WILL HAVE SATISFIED ITSELF AS TO THEIR PHYSICAL AND ENVIRONMENTAL CONDITION, BOTH SURFACE AND SUBSURFACE, INCLUDING, BUT NOT LIMITED TO, CONDITIONS SPECIFICALLY

RELATED TO THE PRESENCE, RELEASE, OR DISPOSAL OF HAZARDOUS SUBSTANCES, SOLID WASTES, ASBESTOS, OR NATURALLY OCCURRING RADIOACTIVE MATERIALS ("NORM"). SUBJECT TO THE RIGHTS AND REMEDIES CONTAINED IN THIS AGREEMENT, BUYER IS RELYING SOLELY UPON THE SELLER'S WARRANTIES AND ITS OWN INSPECTION OF THE ASSETS, AND SUBJECT TO SELLER'S WARRANTIES, BUYER SHALL ACCEPT THE ASSETS IN THEIR "AS IS", "WHERE IS" CONDITION.

4. Representations and Warranties of Buyer. Buyer represents and warrants to Seller that:

4.1. Organization. Buyer is a limited partnership duly organized, validly existing, and in good standing under the laws of the State of Delaware. Buyer or its Affiliates taking title to the Assets will be qualified to do business in and in good standing under the laws of the State of Mississippi, the State of Louisiana, and/or the State of Alabama on the Closing Date.

4.2. Authorization and Authority. Buyer has full limited partnership power and authority to carry on its business as presently conducted, to enter into this Agreement and the other Transaction Documents to which Buyer is a party, to purchase the Assets on the terms described in this Agreement, and to perform its other obligations under this Agreement and the other Transaction Documents to which Buyer is a party. The execution and delivery by Buyer of this Agreement and the other Transaction Documents to which Buyer is a party have been, and the performance by Buyer of its obligations under this Agreement and the other Transaction Documents to which Buyer is a party and the transactions contemplated hereby and thereby shall be at the time required to be performed hereunder or thereunder, duly and validly authorized by all requisite action on the part of Buyer.

4.3. Enforceability. This Agreement has been duly executed and delivered on behalf of Buyer, and constitutes a legal, valid, and binding obligation of Buyer enforceable in accordance with its terms, except as enforceability may be limited by Equitable Limitations. At the Closing, all other Transaction Documents required hereunder to be executed and delivered by Buyer shall be duly executed and delivered and shall constitute legal, valid, and binding obligations of Buyer enforceable in accordance with their terms, except as enforceability may be limited by Equitable Limitations.

4.4. Conflicts. The execution and delivery by Buyer of this Agreement and the other Transaction Documents to which Buyer is a party do not, and the consummation by Buyer of the transactions contemplated by this Agreement and the other Transaction Documents to which Buyer is a party will not, (a) violate or be in conflict with, or require the consent of any Person or entity under, any provision of Buyer's Organizational Documents, (b) conflict with, result in a breach of, constitute a default (or an event that with the lapse of time or notice, or both, would constitute a default) under any agreement or instrument to which Buyer is a party or is bound, or (c) violate any provision of or require any consent, authorization, or approval under any judgment, decree, judicial or administrative order, award, writ, injunction, statute, rule, or regulation applicable to Buyer.

4.5. Litigation and Claims. There are no pending suits, actions, or other proceedings to which Buyer is a party (or, to Buyer's knowledge, which have been threatened to be instituted against Buyer) which affect the execution and delivery by Buyer of this Agreement or the other Transaction Documents to which Buyer is a party, the performance by Buyer of its obligations under this Agreement or the other Transaction Documents to which Buyer is a party, or the consummation of the transactions contemplated hereby or thereby. There are no bankruptcy, reorganization or receivership proceedings pending against, being contemplated by, or to Buyer's knowledge, threatened against Buyer.

4.6. Approvals. There are no approvals, consents, filings, or notifications required to be obtained, made, or given by Buyer as a condition to or in connection with the performance by Buyer of its obligations under this Agreement or any other Transaction Documents or the consummation by Buyer of the transactions contemplated by this Agreement or such other Transaction Documents to which Buyer is a party.

4.7. Broker. Seller shall not directly or indirectly have any responsibility, liability, or expense for any fees, commissions, or other similar forms of compensation payable to any broker, finder, investment banker, or other similar Person based on any arrangement or agreement made by or on behalf of Buyer in connection with the transactions contemplated by this Agreement or the other Transaction Documents.

4.8. Bonds. To the extent required by the applicable state or federal government, Buyer will obtain by Closing all lease bonds, area wide bonds, plugging and abandonment bonds, or any other surety bonds as may be required by, and in accordance with, such state or federal regulations governing the Assets and such that Seller may cancel its bonds relating to the Assets after Closing.

5. Covenants of Seller Pending Closing.

5.1. Conduct of Business Pending Closing. Seller covenants that from the date hereof to the Closing Date, except (a) as provided herein, (b) as described in Exhibit 5.1, or (c) as otherwise consented to in writing by Buyer, Seller will:

5.1.1 Use its commercially reasonable efforts to cause all the conditions precedent to the obligations of Buyer set forth in Section 8 to be satisfied on or prior to the Closing Date, subject to Section 5.3 with regard to consents.

5.1.2 Except with respect to the McKinley Creek Gathering System, (a) continue the routine operation of the Assets in the ordinary course of business consistent with past practices and as would a prudent operator; (b) operate the Assets in material compliance with all applicable laws and in material compliance with all Leases and other contracts and agreements; (c) fulfill all obligations under the Leases and other contracts and agreements (including all obligations to make payments under the Leases or other contracts and agreements); (d) notify Buyer if any Lease terminates promptly upon learning of such termination; (e) maintain all material bonds and guaranties affecting the Assets, and make all filings that Seller is required to make under applicable law with respect to the Assets; and (f) file all Tax Returns relating to the Assets that are required to be filed by Seller prior to the Closing Date and will pay

all Taxes or assessments relating to the Assets that become due and payable prior to the Closing Date and that are required to be paid by Seller; provided, however, that Seller may be entitled to reimbursement from Buyer pursuant to the provisions of Section 13. Without limitation of the foregoing, the failure to perform an obligation, when such failure could result in forfeiture or the termination of Seller's rights shall be considered "material" for purposes hereof. Buyer acknowledges that Seller has never operated the McKinley Creek Gathering System, which is currently operated by Moon-Hines-Tigrett Operating Co., LLC, and that such operator shall continue to operate the McKinley Creek Gathering System until the Closing Date.

5.1.3 Not (a) deal with, incur obligations with respect to, or undertake any transactions relating to, the Assets other than transactions (i) in Seller's normal, usual and customary manner, (ii) of a nature and in an amount consistent with prior practice, (iii) in the ordinary and regular course of business of owning the Assets, and (iv) in an amount not exceeding $25,000 net to Seller's interest for any single operation (excluding emergency operations and operations under presently existing contractual obligations); (b) conduct any development, exploration, or drilling activities with respect to the Oil and Gas Properties without the prior written consent of Buyer, which consent shall not be unreasonably withheld; (c) enter into any contract, agreement, amendment, or commitment that, if in effect at the Execution Date, it would have been required to disclose on Exhibit 3.10; (d) waive, compromise, or settle any right or claim in excess of $25,000; (e) plug a well capable of commercial production; (f) voluntarily terminate, materially amend or materially violate, breach or default under any Material Contract or Lease; (g) waive, compromise, or settle any material right or claim with respect to any of the Leases or Wells (other than any such right or claim that relates to an Excluded Asset); (h) permit or allow any of the Assets to be subject to any encumbrances that would impose any material liability on Buyer following the Closing, other than Permitted Encumbrances; (i) enter into or amend any contract with any Affiliate of Seller applicable to the Assets that will be binding on Buyer following the Closing; (j) take, nor permit any of its Affiliates (or authorize or permit any investment banker, financial advisor, attorney, accountant, or other Person retained by, acting for, or on behalf of Seller or any such Affiliate) to take, directly or indirectly, any action to solicit, encourage, receive, negotiate, assist, or otherwise facilitate (including by furnishing confidential information with respect to the Assets or permitting access to the Assets or books and records of Seller) any offer or inquiry from any Person concerning the direct or indirect acquisition of the Assets by any Person other than Buyer or its Affiliates. If Seller or its Affiliates (or other Persons acting for or on its behalf) receives from any Person any offer, inquiry, or other informational request referred to above, Seller will promptly advise such Person, by written notice, of the terms of this provision and will promptly, orally and in writing, advise Buyer of such offer, inquiry, or request; or (k) enter into any agreement with respect to any of the foregoing.

5.1.4 Not acquire, dispose of, encumber, or relinquish any of the Assets or enter into any agreement with respect to the same, other than (a) relinquishments resulting from the expiration of Leases that Seller has no right or option to renew; (b) Substances sold in the ordinary course; (c) materials, supplies, machinery, equipment, improvements, or other personal property or fixtures, which have been sold or otherwise disposed of and replaced with an item of substantially equal suitability and which, for purposes of this Agreement, have become part of the Assets; and (d) in connection with the [redacted] Exchange. Redacted - Competitive Information

5.1.5 Make or give all notifications, filings, consents, or approvals, from, to or with all governmental authorities as may be required to be made or given prior to Closing for Seller to convey and for Buyer to own the Assets following the consummation of the transactions contemplated in this Agreement.

5.1.6 Maintain in effect insurance providing substantially the same type of coverage, in substantially the same amounts, and with substantially the same deductibles as the insurance maintained in effect by Seller or its Affiliates with respect to the Assets as of the Execution Date.

5.1.7 Notify Buyer upon receipt of any claim or demand against the Assets, or against Seller arising out of its ownership, operation, or use of the Assets.

5.1.8 Timely pay costs and expenses that Seller is obligated to pay in connection with the Assets as they become due.

5.1.9 Pay any rentals, shut in payments, and extension payments that may become due prior to the Effective Time, with such payments being Seller's Credits.

5.1.10 Maintain all Permits in the ordinary course of business.

5.2. Access. Seller (a) grants to Buyer and its authorized representatives from the Execution Date until the Closing Date, during normal business hours, reasonable access to, at Buyer's sole risk and expense, (i) the Assets for inspection and environmental examination as provided for in Section 7.2, and (ii) reasonable access to the Data and Seller's financial, title, contract, environmental, and operating data, information and personnel knowledgeable about this information available as of the Execution Date and that becomes available to Seller at any time prior to the Closing Date, including, without limitation, all data and information that is related to or that could disclose a breach of Seller's representations, warranties, or covenants under this Agreement, and (b) agrees to furnish to Buyer such other information in Seller's possession with respect to the Assets as Buyer may reasonably request; provided, however, that all such information shall be held in accordance with the Confidentiality Agreement. Seller's grant of access described in this Section 5.2 shall be subject to the terms, conditions, and restrictions of agreements related to Oil and Gas Properties to which Seller is a party, and Buyer shall indemnify and hold harmless Seller from and against any and all Claims arising from Buyer's inspection of the Assets, which indemnity obligation shall survive the Closing.

5.3. Consents to Assignment and Preferential Rights to Purchase.

5.3.1 Within five (5) Business Days after the Execution Date (or, with respect to consents to assignment or preferential rights to purchase or similar rights that are identified after the Execution Date, within two (2) Business Days after such identification), Seller shall prepare and send (a) notices to the holders of any required consents to assignment requesting consents to the conveyance of the applicable Asset and (b) notices to the holders of any applicable preferential rights to purchase or similar rights in compliance with the terms of such rights and requesting waivers of such rights. Any preferential purchase right must be exercised subject to all terms and conditions set forth in this Agreement, including the successful Closing of this

Agreement pursuant to Section 10 as to those Assets for which preferential purchase rights have not been exercised. The consideration payable under this Agreement for any particular Asset for purposes of preferential purchase right notices shall be the Allocated Value for such Asset. Seller shall use commercially reasonable efforts to cause such consents to assignment and waivers of preferential rights to purchase or similar rights (or the exercise thereof) to be obtained and delivered prior to Closing, provided that Seller shall not be required to make payments or undertake obligations to or for the benefit of the holders of such rights in order to obtain the required consents and waivers. Buyer shall cooperate with Seller in seeking to obtain such consents to assignment and waivers of preferential rights.

5.3.2 In the event that the Seller fails to obtain a consent prior to the Closing, and (i) the failure to obtain such consent would cause (A) the assignment of the Assets affected thereby to Buyer to be void or voidable, or (B) the termination or loss of a contract or an Asset under the express terms thereof, (ii) the consent is required from a governmental authority, or (iii) Seller has been notified that the holder of any such consent right has rejected or will otherwise not grant such consent, then Buyer shall have the right to elect that any such affected Asset (a "Hard Consent Asset") not be transferred to Buyer at Closing. In such cases, such Hard Consent Asset shall be retained by Seller and the Purchase Price shall be reduced by the Allocated Value of such Hard Consent Asset. If an unsatisfied consent requirement with respect to which an adjustment is made to the Purchase Price is subsequently satisfied prior to the date that is ninety (90) days after the Closing, a separate closing shall be held within five (5) Business Days thereof at which (i) Seller shall convey such Hard Consent Asset to Buyer in accordance with this Agreement, and (ii) Buyer shall pay an amount equal to the Allocated Value of such Hard Consent Asset to Seller. If such consent requirement is not satisfied within ninety (90) days after the Closing, Seller shall have no further obligation to sell and convey such Hard Consent Asset and related Assets and Buyer shall have no further obligation to purchase, accept, and pay for such Hard Consent Asset, and such Hard Consent Asset and related Assets shall be deemed to be deleted from the applicable Exhibits and Schedules to this Agreement for all purposes. For all other consent requirements that have not been satisfied as of Closing, the relevant Property and related Assets shall be transferred to Buyer by Seller at Closing with no reduction to the Purchase Price, and Seller shall thereafter continue to use commercially reasonable efforts to assist Buyer in obtaining such consent(s).

5.3.3 If any preferential right to purchase any Assets is exercised prior to Closing, the Purchase Price shall be reduced by the Allocated Value for such Assets, and the affected Assets shall be deemed to be deleted from the applicable Exhibits and Schedules to this Agreement for all purposes. Seller shall retain the consideration paid by the third parties with respect thereto, and shall have no further obligation with respect to such affected Assets under this Agreement. If a third party fails to exercise its preferential right to purchase as to any portion of the Assets prior to Closing and the time for the exercise or waiver of such preferential right to purchase has not yet expired, Buyer shall have the right to require Seller to retain the affected Assets at Closing, in which case the Purchase Price shall be reduced by the Allocated Value of the affected Assets at Closing, and the affected Assets shall be deemed to be deleted from the applicable Exhibits and Schedules for all purposes. If such preferential right to purchase is thereafter exercised, Seller shall transfer the affected Assets to the applicable third party, and shall be entitled to the consideration paid by the third party for such affected Assets. If such third party fails to exercise its preferential right to purchase on or before the end of the time period for

closing such purchase or the time for exercising such preferential right to purchase expires without exercise by the holder thereof, Seller shall assign, on the tenth (10^{th}) Business Day following the end of such time period or termination of such right without exercise, such Asset (or portion thereof) that was so excluded to Buyer effective as of the Effective Time pursuant to an instrument in substantially the same form as the Assignment, and Buyer shall pay to Seller the Allocated Value associated with such Asset (or portion thereof) that was so excluded.

6. Covenants of Buyer Pending Closing.

6.1. Conduct of Business Pending Closing. Buyer shall use its commercially reasonable efforts to cause all the conditions precedent to the obligations of Seller set forth in Section 9 to be satisfied on or prior to the Closing Date. Buyer shall cooperate with Seller in Seller's efforts to obtain the consents and approvals identified on Exhibit 3.12 and, in connection therewith, Buyer shall furnish such information as is reasonably requested by any lessors under any Lease to which any Oil and Gas Property is subject (provided Buyer's obligation to cooperate shall not include any obligation to make any payment of any amount to any Person).

6.2. Required Filings. Buyer covenants that from the Execution Date to the Closing Date, Buyer shall make or give all notifications, filings, consents, or approvals, from, to or with all governmental authorities as may be required to be made or given prior to Closing for Seller to convey and for Buyer to own the Assets following the consummation of the transactions contemplated in this Agreement.

7. Title and Environmental Examination. Certain definitions for this Section 7 appear in Section 7.4.

7.1. Title Examination.

7.1.1 From the date of this Agreement until 5:00 p.m. Central time on December 12, 2014 (the "Examination Period"), Seller shall afford to Buyer and its authorized representatives reasonable access during normal business hours to the office, personnel and books and records of Seller in order for Buyer to conduct a title examination as it may in its sole discretion choose to conduct with respect to the Oil and Gas Properties in order to determine whether Title Defects exist ("Buyer's Title Examination"). Such books and records shall include all abstracts of title, title opinions, title files, ownership maps, lease files, assignments, division orders, operating records and agreements, well files, financial and accounting records, geological, geophysical and engineering records, in each case insofar as same may now be in existence and in the possession of Seller. The cost and expense of Buyer's Title Examination, if any, shall be borne solely by Buyer.

7.1.2 If Buyer discovers any Title Defect, then Buyer shall have the right to deliver a Title Defect Notice of such discovery to Seller as soon as reasonably practicable but in no event later than the expiration of the Examination Period. Upon the receipt of an effective Title Defect Notice from Buyer, Seller shall have the option, but not the obligation, to attempt to cure such Title Defect at any time prior to the Closing. If Seller elects not to cure such Title Defect, or is unable to cure such Title Defect within the Cure Period, then Buyer's sole recourse for such Title Defect Amount shall be governed by Section 7.3. Any matters that may otherwise

constitute Title Defects, but for which Buyer has not delivered a Title Defect Notice to Seller shall be deemed to have been waived by Buyer for purposes of this Section 7, provided, that nothing contained in this Section 7 shall affect the special warranty of title contained in the Assignments.

7.2. Environmental Examination.

7.2.1 During the Examination Period, Seller shall afford to Buyer and its authorized representatives reasonable access during normal business hours to conduct such inspections of the Assets as it deems appropriate, including, but not limited to, environmental inspections for the purpose of determining matters that may affect the environment and the use and usability of the Assets (including, but limited to, a Phase I Environmental Site Assessment or other environmental assessment used to assess Environmental Liabilities related to the Assets or ownership or use thereof) ("Buyer's Environmental Examination"), provided that Buyer shall not conduct any invasive environmental inspections without Seller's prior written consent which may be withheld in its sole discretion. In the event that (a) the consultant engaged by Buyer to perform such inspections recommends in good faith that Buyer conduct an invasive environmental inspection with respect to an Asset, (b) prior to or as of the expiration of the Examination Period, Buyer provides written notice to Seller requesting the right to conduct an invasive environmental inspection with respect to the affected Asset and (c) Seller does not grant such consent within five (5) days following receipt of such request from Buyer, Buyer shall have the right to exclude such Asset from the transactions contemplated hereby at the Closing by delivering written notice of same to Seller prior to the Closing. In the event that Buyer delivers such exclusion notice to Seller prior to the Closing, such Asset shall be excluded from the Assets at the Closing, shall be deemed to be an Excluded Asset for all purposes of this Agreement, and the Purchase Price shall be reduced by the Allocated Value of such Asset at the Closing. Subject to this Section 7, Buyer shall accept the Assets subject to the conditions disclosed by any such inspections. The cost and expense of Buyer's Environmental Examination, if any, shall be borne solely by Buyer.

7.2.2 If Buyer discovers any Environmental Defect, then Buyer shall have the right to deliver an Environmental Defect Notice of such discovery to Seller as soon as reasonably practicable but in no event later than the expiration of the Examination Period. Upon the receipt of an effective Environmental Defect Notice from Buyer, Seller shall have the option, but not the obligation, to attempt to cure such Environmental Defect at any time prior to the Closing. If Seller elects not to cure, or is unable to cure within the Cure Period, such Environmental Defect, then Buyer's sole recourse for such Environmental Defect Amount shall be governed by Section 7.3. Any matters that may otherwise constitute Environmental Defects, but for which Buyer has not delivered an Environmental Defect Notice to Seller shall be deemed to have been waived by Buyer for purposes of this Section 7.

7.2.3 BUYER HEREBY AGREES TO INDEMNIFY, DEFEND, AND HOLD HARMLESS SELLER, ITS AFFILIATES, AND ITS AND THEIR RESPECTIVE OWNERS, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, REPRESENTATIVES, CONTRACTORS, SUCCESSORS, AND ASSIGNS FROM AND AGAINST ANY AND ALL DAMAGE TO SELLER'S PROPERTY AND ANY AND ALL CLAIMS AGAINST SELLER

ARISING FROM BUYER'S INSPECTING AND OBSERVING THE OIL AND GAS PROPERTIES. THIS INDEMNITY SHALL SURVIVE THE CLOSING DATE.

7.3. Defect Property Adjustments.

7.3.1 If Buyer delivers any Title Defect Notice or Environmental Defect Notice to Seller, then Seller and Buyer shall negotiate in good faith to determine the Title Defect Amount or the Environmental Defect Amount. If Seller and Buyer are unable to reach an agreement as to whether a Title Defect or an Environmental Defect exists, or if it does exist, the Title Defect Amount or the Environmental Defect Amount attributable such Title Defect or Environmental Defect, the provisions of Section 16 shall be applicable.

7.3.2 If the aggregate of the all Title Defect Amounts with respect to uncured Title Defects and all the Environmental Defect Amounts with respect to uncured Environmental Defects is less than two and one-half percent (2.5%) of the Purchase Price, then there shall be no adjustment in the Purchase Price on account of Title Defects or Environmental Defects.

7.3.3 If the aggregate of the Title Defect Amounts with respect to uncured Title Defects and all the Environmental Defect Amounts with respect to uncured Environmental Defects is equal to or greater than two and one-half percent (2.5%) of the Purchase Price, to the extent not otherwise cured or remedied by Seller prior to the Closing, then the Purchase Price shall be reduced by such excess amount at Closing, with such excess amount to be deposited by Buyer in an escrow account with an escrow agent pursuant to an escrow agreement to be mutually acceptable to Seller and Buyer for a period of time from the Closing Date through the earlier of the ninetieth (90^{th}) day following the Closing or the Business Day immediately preceding the first distribution by the Trust of the Adjusted Purchase Price (the "Cure Period"). During the Cure Period, Seller shall have the opportunity to cure any Title Defect and/or Environmental Defect for which a portion of the Purchase Price is escrowed at Closing, and if Seller cures any such Title Defect and/or Environmental Defect within the Cure Period, then the escrowed portion of the Purchase Price applicable thereto shall be released by the escrow agent to Seller within five (5) Business Days of such curative act or event. If Seller is unable to cure within the Cure Period any Title Defect and/or Environmental Defect for which a portion of the Purchase Price is escrowed at Closing, then the escrowed portion of the Purchase Price applicable thereto shall be released by the escrow agent to Buyer within five (5) Business Days of the expiration of Cure Period. Notwithstanding the foregoing provisions of this Section 7.3.3, no amount shall be put in escrow on account of any Title Defect or Environmental Defect that, in the Parties' reasonable and mutual agreement, is incapable of being cured by the expiration of the Cure Period.

7.4. Certain Definitions. As used in this Agreement:

7.4.1 "Actual NRI Acres" shall mean the aggregate sum, for all Reviewed Leases, of the product of Seller's actual net revenue interest of all hydrocarbon produced, saved and marketed from all Reviewed Leases through plugging, abandonment and salvage of all wells comprising or included in such Reviewed Leases without reduction of such interest throughout the life of such Reviewed Leases multiplied by the gross acres in the land covered by such Reviewed Leases stated in Exhibit 1.1.

7.4.2 "Actual Weighted NRI Amount" shall mean the weighted average of Seller's actual net revenue interest of all hydrocarbons produced, saved, and marketed from all Reviewed Leases, through plugging, abandonment, and salvage of all wells comprising or included in such Reviewed Leases without reduction of such interest throughout the life of such Reviewed Leases, which shall be a fraction, the numerator of which is the Actual NRI Acres and the denominator of which is the aggregate sum of the gross acres in the land covered by all Reviewed Leases stated in Exhibit 1.1.

7.4.3 "Defect Property" shall mean the Oil and Gas Property or Well affected by an uncured Title Defect or an uncured Environmental Defect.

7.4.4 "Defensible Title" shall mean, as of the Execution Date and the Closing Date, with respect to the Oil and Gas Properties and the Wells, such record title and ownership by Seller that:

(a) entitles Seller to receive and retain, without reduction, suspension or termination, (1) with respect to each Well, not less than the percentage set forth in Exhibit 1.2 as Seller's net revenue interest of all hydrocarbons produced, saved, and marketed from each such Well, through plugging, abandonment, and salvage of all wells comprising or included in such Oil and Gas Property without reduction of such interest throughout the life of such Well and (2) with respect to all Leases with respect to which Buyer has conducted its title review, a schedule of which shall be provided to Seller prior to or as of the expiration of the Examination Period (the "Reviewed Leases"), an Actual Weighted NRI Amount of not less than the Target Weighted NRI Amount;

(b) obligates Seller to bear not greater than the percentage set forth in Exhibit 1.1 or Exhibit 1.2 for each Asset listed thereon as Seller's working interest of the costs and expenses relating to the maintenance, development, and operation of each Lease comprising such Oil and Gas Property and of each Well, through plugging, abandonment, and salvage of all wells comprising or included in such Oil and Gas Property without increase of such interest under the applicable Lease throughout the life of such Asset;

(c) is free and clear of all Liens, except the Liens on Exhibit 3.7 that will be released at the Closing and Permitted Encumbrances; and

(d) is free of any imperfections that a reasonable prudent purchaser of oil and gas properties would not normally waive.

7.4.5 "Environmental Defect" shall mean any environmental defect in any Asset, including, but not limited to, (a) the existence of any condition, fact, or circumstance that violates or is otherwise not in compliance with any Environmental Law, (b) a Release or threatened Release into the environment of a Hazardous Substance required to be reported to a governmental authority or that requires any other response action or Remediation pursuant to Environmental Law, (c) the existence of any environmental pollution, contamination, degradation, damage, or injury for which remedial or corrective action is presently required (or if

known, would be presently required) under Environmental Law, (d) any claim by a Person asserting a violation of any Environmental Law; and (e) any Environmental Liability.

7.4.6 "Environmental Defect Amount" shall mean, with respect to an Environmental Defect, the reasonable cost to cure or to perform Remediation of such Environmental Defect, taking into consideration (a) the requirements of Environmental Laws, (b) customary industry practices, and (c) the continuing long-term need to operate the Asset.

7.4.7 "Environmental Defect Notice" shall mean a notice of Buyer to Seller of an Environmental Defect that: (a) is in writing, (b) is received by Seller on or prior to the expiration of the Examination Period, (c) describes the Environmental Defect in reasonable detail, (d) identifies the specific Asset affected by such matter, and (e) includes Buyer's estimate of Remediation with respect to such Environmental Defect as determined by Buyer in good faith.

7.4.8 "Net Acres" shall mean, as computed separately with respect to each Lease: (a) the number of gross acres in the land covered by such Lease, multiplied by (b) the lessor's mineral interest in the lands covered by such Lease, multiplied by (c) Seller's working interest in such Lease.

7.4.9 "NRI Plug Amount" shall mean, with respect to each Reviewed Lease, the amount specified on Exhibit 7.4.9 for the prospect in which such Reviewed Lease is located.

7.4.10 "Permitted Encumbrances" shall mean (a) Liens for Asset Taxes which are not yet delinquent, or, if delinquent, which are being contested in good faith in the ordinary course of business and for which adequate reserves have been established; (b) normal and customary Liens of co-owners under operating agreements, unitization agreements, and pooling orders relating to the Oil and Gas Properties or Wells, which obligations are not yet due and pursuant to which Seller is not in default; (c) mechanic's and materialman's Liens relating to the Oil and Gas Properties or Wells, which obligations are not yet due and pursuant to which Seller is not in default; (d) all approvals required to be obtained from governmental authorities that are lessors under Leases forming a part of the Oil and Gas Properties (or who administer such Leases on behalf of such lessors) which are customarily obtained post-closing; (e) preferential rights to purchase and consent to transfer requirements of any Person (to the extent same have been complied with in connection with the prior sale, assignment or the transfer of such Oil and Gas Property or Well and are not triggered by the consummation of the transactions contemplated herein); and (f) conventional rights of reassignment normally actuated by an intent to abandon or release a lease and requiring notice to the holders of such rights.

7.4.11 "Per NRI Acre Value" shall mean an amount equal to the Allocated Value of all Reviewed Leases divided by the Target NRI Acres.

7.4.12 "Target NRI Acres" shall mean the product of the Target Weighted NRI Amount multiplied by the gross acres in land covered by all Reviewed Leases stated in Exhibit 1.1.

7.4.13 "Target Weighted NRI Amount" shall mean a fraction, the numerator of which is equal to the aggregate sum, for all Reviewed Leases, of the product of the NRI Plug

Amount for a Reviewed Lease multiplied by the gross acres in the land covered by such Reviewed Lease stated in Exhibit 1.1 for such Reviewed Lease, and the denominator of which is the aggregate sum of the gross acres in the land covered by all Reviewed Leases stated in Exhibit 1.1.

7.4.14 "Title Defect" shall mean any particular defect in or failure of Seller's ownership of any Oil and Gas Property or Well that causes Seller to not have Defensible Title to such Oil and Gas Property or Well.

7.4.15 "Title Defect Amount" shall mean, with respect to a Defect Property, without duplication, the dollar amount by which such Defect Property is impaired as a result of the existence of one or more Title Defects, which amount shall be determined as follows:

(a) if the Title Defect is that (1) the actual net revenue interest of Seller attributable to any Well is less than that stated in Exhibit 1.2, then the Title Defect Amount is the product of the Allocated Value of such Well as set forth on Exhibit 1.2 multiplied by a fraction, the numerator of which is the difference between the actual net revenue interest and the net revenue interest stated in Exhibit 1.2, and the denominator of which is the net revenue interest stated in Exhibit 1.2 or (2) the Actual Weighted NRI Amount is less than the Target Weighted NRI Amount, then the Title Defect Amount is the product of the Per NRI Acre Value multiplied by an amount equal the Target Weighted NRI Amount less the Actual Weighted NRI Amount multiplied by the gross acres in the land covered by all Reviewed Leases stated in Exhibit 1.1;

(b) if the Title Defect results from Seller having a greater working interest in a Defect Property than the working interest stated in Exhibit 1.1 or Exhibit 1.2, without a corresponding increase in the net revenue interest, then the Title Defect Amount shall be equal to the decreased value of such Defect Property on account of such increased working interest;

(c) if the Title Defect reflects a discrepancy between (i) the Net Acres for the affected Defect Property, and (ii) the Net Acres stated in Exhibit 1.1 for such Defect Property, then the Title Defect Amount shall be the product of (1) the dollar value per Net Acre on Exhibit 1.1, and (2) the difference between the Net Acres stated in Exhibit 1.1 for such Defect Property and the actual Net Acres for such Defect Property;

(d) if the Title Defect results from the existence of a Lien, the Title Defect Amount shall be an amount sufficient to fully discharge such Lien; and

(e) if the Title Defect results from any matter not described in paragraphs (a), (b), (c), or (d) above, the Title Defect Amount shall be an amount equal to the difference between the value of the Defect Property or other Asset with such Title Defect and the value of the Defect Property or other Asset without such Title Defect (taking into account the Allocated Value of the affected Asset).

7.4.16 "Title Defect Notice" shall mean a notice of Buyer to Seller that: (a) is in writing, (b) is received by Seller on or prior to the expiration of the Examination Period,

(c) describes the Title Defect in reasonable detail, (d) identifies the specific Oil and Gas Property or Well affected by such Title Defect, and (e) includes the value of such Title Defect as determined by Buyer in good faith.

8. Conditions Precedent to the Obligations of Buyer. The obligations of Buyer to be performed at Closing are subject to the fulfillment, before or at Closing, of each of the following conditions, any one or more of which may be waived by Buyer:

8.1. Representations and Warranties. The representations and warranties by Seller and the Trust set forth in this Agreement shall be true and correct in all material respects (provided that any such representations and warranties that are qualified by "material," "material adverse effect" or similar materiality qualifiers shall not be further qualified hereby) as of the Closing Date, except to the extent that any such representation or warranty is made as of a specified date, in which case such representation or warranty shall have been true and correct in all material respects (provided that any such representations and warranties that are qualified by "material," "material adverse effect" or similar materiality qualifiers shall not be further qualified hereby) as of such specified date.

8.2. Seller Compliance. Seller shall have performed and complied in all material respects with each of the covenants and conditions required by this Agreement of which performance or compliance is required prior to or at the Closing.

8.3. No Injunctions. On the Closing Date, no temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction that restrains, enjoins or otherwise prohibits the consummation of the transactions contemplated by this Agreement or the other Transaction Documents shall be effective.

8.4. Seller's Deliveries. Seller shall have delivered, or tendered for delivery, the items required to be delivered by Seller pursuant to Section 10.2.1.

8.5. No Material Adverse Change. No material adverse change shall have occurred in respect of the Assets from the Execution Date until the Closing Date, including, without limitation, any pending or threatened claims or proceedings involving Seller in connection with the Assets, which claims or proceedings in the aggregate would, in the reasonable opinion of Buyer, have a material adverse effect on the title to the Assets, Buyer's ability to operate the Assets after the Closing, and/or the financial performance of the Assets consistent with performance of the Assets during the twelve (12) month period immediately preceding the Closing.

8.6. Transfer of Operatorship. Seller's Operator shall have formally transferred operations of the Wells to Buyer or its Affiliate.

8.7. Lien Releases. Seller shall have delivered to Buyer releases in recordable form from all parties holding Liens on the Assets as described on Exhibit 3.7.

8.8. Approvals. Seller shall have made all filings with governmental authorities as may be required of Seller prior to Closing for Seller to convey and for Buyer to own the Assets following the consummation of the transactions contemplated in this Agreement.

8.9. Certain Consents. The consents set forth in Exhibit 3.12 shall have been obtained.

8.10. Title, Environmental, Consents. The sum of (a) the aggregate Title Defect Amounts asserted in good faith by Buyer with respect to all Title Defects and not cured by Seller prior to the Closing, plus (b) the aggregate Environmental Defect Amounts asserted in good faith by Buyer with respect to all Environmental Defects to the extent not completely cured by Seller in compliance with Environmental Law prior to the Closing, plus (c) the aggregate Allocated Values of Assets that will not be conveyed to Buyer at Closing as provided in Section 5.3, does not exceed fifteen percent (15%) of the Purchase Price.

8.11. Required Approval. The Transaction Resolution shall have received the Required Approval by the Unitholders at the Trust Meeting.

8.12. Trust Compliance. The Trust shall have performed and complied in all material respects with each of the covenants by the Trust and conditions set forth in Section 34 and Section 35 of this Agreement of which performance or compliance is required prior to or at the Closing.

8.13. Redemption. Unitholders representing more than 5% of the Units shall not have delivered written notice of redemption of such Units to the Trust or taken any other action that would permit such Unitholders to consummate such a redemption under the terms of the Trust Indenture.

8.14. Claims or Threatened Claims. No (i) claim shall have been made or threatened against Seller or the Trust in connection with the completion of the transactions contemplated by this Agreement, which if determined adversely to Seller or the Trust, as applicable, would prevent Seller or the Trust, as applicable from fulfilling its obligations under this Agreement; and (ii) material claim shall have been made or any material claim threatened against the Buyer or its Affiliates (including Pine Brook Road Partners, LLC and its Affiliates) in connection with the completion of the transactions contemplated by this Agreement.

8.15. Asset Purchase Agreement. All conditions to closing contained in Section 8.1 of the Asset Purchase Agreement, except for those contained in Section 8.1(b), shall have been satisfied or waived in accordance with the terms of the Asset Purchase Agreement.

9. Conditions Precedent to the Obligations of Seller. The obligations of Seller to be performed at Closing are subject to the fulfillment, before or at Closing, of each of the following conditions, any one or more of which may be waived by Seller:

9.1. Representations and Warranties. The representations and warranties by Buyer set forth in this Agreement shall be true and correct in all material respects (provided that any

such representations and warranties that are qualified by "material," "material adverse effect" or similar materiality qualifiers shall not be further qualified hereby) as of the Closing Date.

9.2. Compliance. Buyer shall have performed and complied in all material respects with each of the covenants and conditions required by this Agreement of which performance or compliance is required prior to or at the Closing.

9.3. No Injunctions. At the Closing Date, no temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction that restrains, enjoins or otherwise prohibits the consummation of the transactions contemplated by this Agreement or the other Transaction Documents shall be effective.

9.4. Buyer's Deliveries. Buyer shall have delivered the items required to be delivered by Buyer pursuant to Section 10.2.2.

9.5. Approvals. Buyer shall have made all filings with governmental authorities as may be required of Buyer prior to Closing for Seller to convey and for Buyer to own the Assets following the consummation of the transactions contemplated in this Agreement.

9.6. Insurance. Buyer shall have provided Seller with such proof of insurance and/or bonding required by governmental authorities for Buyer to be designated as an operator under applicable law.

9.7. Required Approval. The Transaction Resolution shall have received the Required Approval by the Unitholders at the Trust Meeting.

9.8. Title, Environmental, Consents. The sum of (a) the aggregate Title Defect Amounts asserted in good faith by Buyer with respect to all Title Defects and not cured by Seller prior to the Closing, plus (b) the aggregate Environmental Defect Amounts asserted in good faith by Buyer with respect to all Environmental Defects to the extent not completely cured by Seller in compliance with Environmental Law prior to the Closing, plus (c) the aggregate Allocated Values of Assets that will not be conveyed to Buyer at Closing as provided in Section 5.3, does not exceed fifteen percent (15%) of the Purchase Price.

10. Closing.

10.1. The Closing. The assignment and purchase of the Assets pursuant to this Agreement shall be consummated (the "Closing") in Jackson, Mississippi, at the offices of Seller's counsel (or electronically at remote locations) (i) on December 29, 2014, or such other date as mutually agreed in writing by the Parties, if all conditions to Closing set forth in Section 8, and Section 9 hereof have been satisfied as of such date, or (ii) if all such conditions shall not have been satisfied on such date, the fourth (4th) Business Day after all such conditions shall have been satisfied or otherwise waived by the applicable Party (the "Closing Date").

10.2. Documents to be Delivered at Closing.

10.2.1 At the Closing, Seller shall deliver to Buyer the following instruments, dated the Closing Date, properly executed by authorized officers of Seller and, where appropriate, acknowledged:

(a) counterparts of an Assignment and Bill of Sale ("Assignment") from Seller in the form of Annex I sufficient to convey to Buyer (or its designated Affiliate) the Assets;

(b) such other instruments as are necessary to effectuate the conveyance of the Assets to Buyer;

(c) a certificate in the form of Annex II;

(d) a certificate of non-foreign status meeting the requirements Treasury Regulation Section 1.1445-2(b)(2);

(e) either (i) an affidavit of Seller that Seller will be a resident of the State of Mississippi, as determined by the Mississippi Department of Revenue, immediately after the Closing, or (ii) the withholding forms required by Section 27-7-308 of the Mississippi Code of 1972, as amended, and regulations promulgated thereunder by the Mississippi Department of Revenue;

(f) letters in lieu of division orders addressed to each purchaser of the Substances;

(g) with respect to any Wells as to which Seller is designated as the operator (i) letters resigning as operator of such Wells, (ii) assignment of such operating rights to Buyer or its Affiliate, and (iii) any forms promulgated by the appropriate governmental authority that Seller is required to execute in order to validly designate and appoint Buyer as the operator (the "Designation of Operator Forms"), if required by a governmental entity;

(h) copies of all payments made by Seller pursuant to Section 5.1.9; and

(i) assignment of the one-year term condominium lease located in Columbus, Mississippi, which Seller shall cause Seller's Operator to assign.

10.2.2 At the Closing, Buyer shall deliver to Seller the following instruments, dated the Closing Date, properly executed by authorized officers of Buyer and, where appropriate, acknowledged:

(a) a certificate in the form of Annex III,

(b) counterparts of the Assignment;

(c) Designation of Operator Forms, if any;

(d) evidence of bonds required by Section 4.8 (notwithstanding the foregoing, Buyer shall provide evidence of such bonds to Seller not less than two (2) Business Days prior to Closing); and

(e) the Adjusted Purchase Price as determined in accordance with Section 2.2 by wire transfer of immediately available funds to an account or accounts directed by Seller.

11. Casualty Loss. As used herein, the term "Casualty Loss" shall mean, with respect to all or any portion of any of the Assets, any destruction by fire, blowout, storm or other casualty or any taking, or pending or threatened taking, in condemnation or expropriation or under the right of eminent domain of any of the Assets or portion thereof, in each case during the Closing Period. Seller shall promptly notify Buyer of any Casualty Loss of which Seller becomes aware. If any Casualty Loss occurs during the Closing Period, and the result of the individual casualty exceeds fifteen percent (15%) of the Purchase Price, Buyer or Seller shall have the option to terminate this Agreement with no further obligation to the other Party (except such obligations expressly stated herein to survive termination), or close under this Agreement and Seller shall cause the Assets affected by such casualty to be repaired or restored to at least its condition prior to such casualty, at Seller's sole costs, as promptly as reasonably practicable (which work may extend after the Closing Date). In each case, Seller shall retain all rights to insurance and other claims against third parties with respect to the casualty, except to the extent the Parties otherwise agree in writing. If any Casualty Loss occurs during the Closing Period, and the result of the individual casualty is fifteen percent (15%) of the Purchase Price or less, Buyer and Seller shall nevertheless be required to close and Seller, at Closing, shall pay to Buyer all sums paid to Seller by third parties by reason of such casualty to the Assets and shall assign, transfer and set over to Buyer or subrogate Buyer to all right, title and interest (if any) in insurance claims, unpaid awards, and other rights, claims and causes of action against third parties arising out of such casualty insofar as such relates to the affected Assets.

12. Termination.

12.1. Termination Events. Prior to Closing, this Agreement may be terminated as follows:

12.1.1 by the mutual written agreement of Buyer and Seller with the termination to be effective the date such termination agreement is signed by both Seller and Buyer;

12.1.2 by Buyer, at Buyer's sole discretion, upon delivery of written notice to Seller at any time prior to the closing in the event that Seller has breached any representation, warranty or covenant contained in this Agreement such that any of Buyer's conditions to closing in Section 8 would not be satisfied;

12.1.3 by Seller, at Seller's sole discretion, upon delivery of written notice to Buyer at any time prior to the closing in the event that Buyer has breached any representation,

warranty or covenant contained in this Agreement such that any of Seller's conditions to closing in Section 9 would not be satisfied;

12.1.4 by either Buyer or Seller if the Closing has not occurred on or before February 27, 2015 (or such later date as agreed to in writing by Buyer and Seller);

12.1.5 by either Buyer or Seller, if any law is enacted, made, enforced or amended, as applicable, that makes the consummation of the transactions contemplated by this Agreement illegal or otherwise permanently prohibits or enjoins Buyer or Seller from consummating the transactions contemplated by this Agreement, and such law has, if applicable, become final and non-appealable;

12.1.6 by Buyer, if (a) the Trust Board or any committee of the Trust Board fails to unanimously recommend, or withdraws, or adversely amends, modifies or qualifies, publicly proposes or states its intention to do so, or fails to publicly reaffirm (without qualification) within two (2) Business Days after having been requested in writing by Buyer to do so, the Trust Board Recommendation, or takes any other action that is or becomes disclosed publicly and which can reasonably be interpreted to indicate that the Trust Board or a committee of the Trust Board does not support the sale of the Assets pursuant to this Agreement, or (b) the Trust Board or any committee of the Trust Board resolves or proposes to take any of the foregoing actions; or

12.1.7 by either Buyer or Seller in accordance with Section 11.

Notwithstanding the foregoing, a Party that is (or whose Affiliate is) in material breach of or material default under this Agreement or any other Transaction Document, or a Party whose (or whose Affiliate's) breach or default of this Agreement or any other Transaction Document caused one or more of the Closing conditions of Buyer or Seller contained herein to not be satisfied, shall not be entitled to terminate this Agreement.

12.2. Effect of Termination. If this Agreement is terminated pursuant to Section 12.1, this Agreement shall no longer be of any force or effect and there shall be no liability on the part of any Party, except for Buyer's indemnity obligations under Section 7.2.3, provided that if this Agreement is terminated pursuant to Section 12.1.2 or Section 12.1.3, then the terminating Party shall have the right to recover damages from the defaulting Party in connection with the defaulting Party's breach of this Agreement.

13. Tax Matters.

13.1. Asset Tax Prorations.

13.1.1 Asset Taxes shall be prorated between Buyer and Seller as of the Closing Date in accordance with: (i) Asset Taxes that are attributable to the severance or production of Hydrocarbons shall be allocated to the period in which the severance or production giving rise to such Asset Taxes occurred, (ii) Asset Taxes that are based upon or related to income or receipts or imposed on a transactional basis (other than such Asset Taxes described in clause (i)), shall be allocated to the period in which the transaction giving rise to such Asset Taxes occurred, and (iii) Asset Taxes that are ad valorem, property or other Asset Taxes imposed on a periodic basis

pertaining to a Straddle Period shall be allocated between the portion of such Straddle Period ending immediately prior to or on the date at which the Closing Date and the portion of such Straddle Period after the Closing Date by prorating each such Asset Tax based on the number of days in the applicable Straddle Period that occur on or before the Closing Date, on the one hand, and the number of days in such Straddle Period that occur after the Closing Date, on the other hand. For purposes of clause (iii) of the preceding sentence, the period for such Asset Taxes shall begin on the date on which ownership of the applicable Assets gives rise to liability for the particular Asset Tax and shall end on the day before the next such date.

13.1.2 If the actual Asset Taxes are not known or determinable on the Closing Date, Seller's share of such Taxes shall be determined by using the most recent information available in estimating the amount of such Asset Taxes, including, but not limited to, (a) the rates and millage for the year prior to the year in which the Closing occurs, with appropriate adjustments for any known and verifiable changes thereto, and (b) the assessed values for the year in which Closing occurs. When Buyer receives the actual Tax statements for the Assets from the appropriate Taxing Authorities, Buyer shall deliver to Seller a copy of such statements, together a statement of the amount, if any, by which Seller's proration exceeds or is less than the proration that would have been made had actual Tax statements been used to calculate Seller's proration under this Section 13. If the proration for Seller that would have been made using actual Tax statements exceeds that made at Closing under this Section 13, Seller shall pay to Buyer such difference within ten (10) Business Days of receipt of such statement. If the proration for Seller that would have been made using actual Tax statements is less than that made at Closing under this Section 13, Buyer shall pay to Seller such difference within ten (10) Business Days of receipt of such statement.

13.2. Recording Filing Fees. All recording and filing fees that may be imposed by reason of the sale, transfer, assignment and delivery of the Assets, shall be equally borne and timely paid by Buyer and Seller.

13.3. Cooperation on Tax Matters. Buyer and Seller shall (and shall cause their respective Affiliates to) cooperate fully with each other and make available or cause to be made available to each other for consultation, inspection and copying (at such other Party's expense) in a timely fashion such personnel (on a mutually convenient basis), Tax data, relevant Tax Returns or portions thereof and filings, files, books, records, documents, financial, technical and operating data, computer records and other information as may be reasonably required (a) for the preparation by such other Party of any Tax Returns or (b) in connection with any Tax audit or proceeding including one Party (or an Affiliate thereof) to the extent such Tax audit or proceeding relates to or arises from the transactions contemplated by this Agreement. Further, the Seller and the Buyer agree to retain all books and records with respect to Tax matters pertinent to the Assets relating to any Tax period beginning before the Closing Date until the expiration of the statute of limitations of the respective Tax periods and to abide by all record retention agreements entered into with any governmental authority.

14. Final Accounting.

14.1. Closing Statement.

14.1.1 As soon as practical and, in any event, no later than ninety (90) calendar days after the Closing Date, Buyer shall prepare and deliver to Seller a statement (the "Final Closing Statement") setting forth the adjustments to the Purchase Price in accordance with Section 2.2. The Final Closing Statement shall be prepared in accordance with this Agreement, and shall set forth Seller's calculation of the Seller's Credits, Buyer's Credits and the Adjusted Purchase Price.

14.1.2 Following the delivery of the Final Closing Statement, Buyer shall afford Seller the opportunity to examine the Final Closing Statement and Seller's calculation of the Seller's Credits, Buyer's Credits and the Adjusted Purchase Price, and such supporting schedules, analyses, workpapers, including the audit workpapers and other underlying records or documentation, as are reasonably necessary and appropriate in connection with such review. Buyer and Seller shall cooperate fully and promptly with such examination, and Buyer shall make available to Seller any records under Buyer's reasonable control that are requested by the Seller in connection with such review.

14.1.3 Within thirty (30) days following delivery of the Final Closing Statement to Seller, Seller shall have the right to deliver to Buyer a written notice (the "Objection Notice") of Seller's objections to the Final Closing Statement or Buyer's calculation of Seller's Credits, Buyer's Credits and/or the Adjusted Purchase Price. In the event Seller does not deliver an Objection Notice within such period, then the Final Closing Statement delivered by Buyer shall be deemed to be the Final Closing Statement for all purposes under this Agreement.

14.1.4 If Seller delivers the Objection Notice within such period, then Seller and Buyer shall endeavor in good faith to resolve the objections of Seller set forth in the Objection Notice. If there are any objections raised in a timely delivered Objection Notice that remain in dispute after such good faith attempt to resolve, then the remaining objections in dispute shall be submitted for resolution pursuant to Section 16.

14.2. Payments.

14.2.1 If the Adjusted Purchase Price at the Closing is greater than the final Adjusted Purchase Price, then Seller shall pay to Buyer the amount of such excess within ten (10) Business Days of the determination of the final Adjusted Purchase Price in accordance with Section 14.1.

14.2.2 If the final Adjusted Purchase Price is greater than the Adjusted Purchase Price at Closing, then Buyer shall pay such difference to Seller within ten (10) Business Days of the determination of the final Adjusted Purchase Price in accordance with Section 14.1.

14.3. No Duplicative Effect; Methodologies. The provisions of Section 14.1 shall apply in such a manner so as not to give the components and calculations duplicative effect to any item of adjustment and, except as otherwise expressly provided in this Agreement or in the

Closing Statement, the Parties covenant and agree that no amount shall be (or is intended to be) included, in whole or in part (either as an increase or reduction) more than once in the calculation of (including any component of) capital expenditures, or operating expenses or any other calculated amount pursuant to this Agreement if the effect of such additional inclusion (either as an increase or reduction) would be to cause such amount to be overstated or understated for purposes of such calculation. The Parties acknowledge and agree that, if there is a conflict between a determination, calculation or methodology set forth in the Final Closing Statement or the definitions contained in this Agreement, as applicable, on the one hand, and those provided by GAAP, on the other hand, (a) the determination, calculation or methodology set forth in the Final Closing Statement or the definitions contained in this Agreement, as applicable, shall control to the extent that the matter is included in the Final Closing Statement or the definitions contained in this Agreement, as applicable, as a line item or specific adjustment, and (b) the determination, calculation or methodology prescribed by GAAP shall control to the extent the matter is not so addressed in the Final Closing Statement or the definitions contained in this Agreement, as applicable, or requires reclassification as an asset or liability to be included in a line item or specific adjustment.

15. Survival and Indemnification.

15.1. Survival. The liability of Buyer, Seller and the Trust under each of their respective representations and warranties contained in this Agreement shall terminate at the Closing. For the avoidance of doubt, Section 3.24 shall survive the Closing. The covenants and agreements of the Parties contained in this Agreement shall survive the Closing for nine (9) months if to be performed prior to the Closing and until fully performed if to be performed after the Closing.

15.2. Indemnification by Buyer. UPON CLOSING, BUYER SHALL, TO THE FULLEST EXTENT PERMITTED BY LAW, RELEASE, DEFEND, INDEMNIFY, AND HOLD HARMLESS SELLER, ITS AFFILIATES, AND EACH OF THEIR RESPECTIVE MEMBERS, STOCKHOLDERS, DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, AND REPRESENTATIVES (COLLECTIVELY, "SELLER INDEMNIFIED PARTIES") FROM AND AGAINST ALL LIABILITIES ARISING FROM THE ASSUMED LIABILITIES, INCLUDING, WITHOUT LIMITATION, ANY ASSUMED LIABILITY BASED ON NEGLIGENCE, GROSS NEGLIGENCE, OR STRICT LIABILITY OF ANY SELLER INDEMNIFIED PARTY OR ON ANY OTHER THEORY OF LIABILITY, WHETHER IN LAW (WHETHER COMMON OR STATUTORY) OR EQUITY.

15.3. Liability Limitations.

15.3.1 The amount of any Liabilities for which any of the Seller Indemnified Parties is entitled to indemnification or other compensation under this Agreement or in connection with or with respect to the transactions contemplated in this Agreement shall be reduced by any corresponding (i) tax benefit created or generated or (ii) insurance proceeds realized.

15.3.2 None of the Seller Indemnified Parties shall be entitled to recover from Buyer for any Liabilities in excess of the actual compensatory damages, court costs and

reasonable attorneys' fees and expenses suffered by such Seller Indemnified Party. Seller on behalf of each of the Seller Indemnified Parties waives any right to recover consequential, incidental, special, treble, exemplary, punitive, or lost profits damages, provided that such waiver and limitation on damages shall not apply to claims of third-parties made against Seller.

15.3.3 After Closing, the sole and exclusive remedy of each of the Seller Indemnified Parties with respect to the purchase and sale of the Assets shall be pursuant to the express indemnification provisions of this Section 15. Except for claims made pursuant to the express indemnification provisions of this Section 15, Seller on behalf of each of the Seller Indemnified Parties shall be deemed to have waived, to the fullest extent permitted under applicable law, any right of contribution against Buyer or any of its Affiliates and any and all rights, claims and causes of action Seller may have against Buyer or any of its Affiliates arising under or based on any federal, state or local statute, law, ordinance, rule or regulation, or common law or otherwise.

15.4. Indemnification Procedures. All claims for indemnification under Section 15 shall be asserted and resolved as follows:

15.4.1 To make a claim for indemnification under Section 15, a Seller Indemnified Party shall notify Buyer of its claim, including the specific details of and specific basis under this Agreement for its claim (the "Claim Notice"). In the event that the claim for indemnification is based upon a claim by a Person other than any Seller Indemnified Party or its Affiliates against Buyer (a "Third Person Claim"), the Seller Indemnified Party shall provide its Claim Notice promptly after the Seller Indemnified Party has actual knowledge of the Third Person Claim and shall enclose a copy of all papers (if any) served with respect to the Third Person Claim; provided that the failure of any Seller Indemnified Party to give notice of a Third Person Claim as provided in this Section 15.4 shall not relieve the Indemnifying Person of its obligations under this Section 15 except to the extent such failure results in insufficient time being available to permit Buyer to effectively defend against the Third Person Claim or otherwise materially prejudices Buyer's ability to defend against the Third Person Claim. In the event that the claim for indemnification is based upon an inaccuracy or breach of a representation, warranty, covenant or agreement, the Claim Notice shall specify the representation, warranty, covenant or agreement which was inaccurate or breached.

15.4.2 In the case of a claim for indemnification based upon a Third Person Claim, Buyer shall have thirty (30) days from its receipt of the Claim Notice to notify the Seller Indemnified Party whether it admits or denies its obligation to defend the Seller Indemnified Party against such Third Person Claim under this Section 15. If Buyer does not notify the Seller Indemnified Party within such thirty (30)-day period whether Buyer admits or denies its obligation to defend the Seller Indemnified Party, it shall be conclusively deemed to have denied such indemnification obligation hereunder. The Seller Indemnified Party is authorized, prior to and during such thirty (30)-day period, to file any motion, answer or other pleading that it shall deem necessary or appropriate to protect its interests or those of Buyer and that is not prejudicial to Buyer.

15.4.3 If Buyer admits its obligation to defend the Seller Indemnified Party against a Third Person Claim, it shall have the right and obligation to diligently defend, at its sole

cost and expense, the Third Person Claim. Subject to the remainder of this Section 15.4.3, Buyer shall have full control of such defense and proceedings, including any compromise or settlement thereof. If requested by Buyer, the Seller Indemnified Party agrees to cooperate in contesting any Third Person Claim which Buyer elects to contest (provided, however, that Seller Indemnified Party shall not be required to bring any counterclaim or cross-complaint against any Person). The Seller Indemnified Party may at its own expense participate in, but not control, any defense or settlement of any Third Person Claim controlled by Buyer pursuant to this Section 15.4. Buyer shall not, without the written consent of the Seller Indemnified Party, settle any Third Person Claim or consent to the entry of any judgment with respect thereto unless such settlement or judgment (i) provides for the payment by Buyer of money as sole relief for the claimant, (ii) involves no finding or admission of any violation of Law or breach of contract or the rights of any Seller Indemnified Party, (iii) does not encumber any of the assets of any Seller Indemnified Party or agree to any restriction or condition that would apply to or adversely affect any Seller Indemnified Party or the conduct of any Seller Indemnified Party's business and (iv) includes a complete and unconditional release of each Seller Indemnified Party subject thereto from any and all liabilities in respect of such Third Person Claim.

15.4.4 If Buyer does not admit its obligation to defend the Seller Indemnified Party against a Third Person Claim or admits its obligation but fails to diligently defend or settle the Third Person Claim, then the Seller Indemnified Party shall have the right to defend against the Third Person Claim (at the sole cost and expense of Buyer, if the Seller Indemnified Party is entitled to indemnification hereunder), with counsel of the Seller Indemnified Party's choosing, subject to the right of Buyer to admit its obligation to defend the Person against a Third Person Claim and assume the defense of the Third Person Claim at any time prior to settlement or final determination thereof. If Buyer has not yet admitted its obligation to provide indemnification with respect to a Third Person Claim, the Seller Indemnified Party shall send written notice to Buyer of any proposed settlement and Buyer shall have the option for ten (10) days following receipt of such notice to (i) admit in writing its obligation to provide indemnification with respect to the Third Person Claim and consent to the proposed settlement, (ii) if its obligation is so admitted, reject, in its reasonable judgment, the proposed settlement or (iii) deny liability. If the Seller Indemnified Party settles any Third Person Claim over the objection of Buyer after Buyer has timely admitted its obligation in writing and assumed the defense of a Third Person Claim, the Seller Indemnified Parties shall be deemed to have waived any right to indemnity therefor.

15.4.5 In the case of a claim for indemnification not based upon a Third Person Claim, Buyer shall have thirty (30) days from its receipt of the Claim Notice to (i) cure the Liabilities complained of, (ii) admit its obligation to provide indemnification with respect to such Liabilities or (iii) dispute the claim for such indemnification. If Buyer does not notify the Seller Indemnified Party within such thirty (30)-day period that it has cured the Liabilities or that it disputes the claim for such indemnification, Buyer shall be conclusively deemed obligated to provide such indemnification hereunder.

16. Certain Disputes. Any controversy or claim arising out of or relating to this Agreement or the breach thereof, including any dispute arising out of or relating to Section 7 hereof ("Dispute"), shall be settled by arbitration administered by the American Arbitration Association ("AAA") under its Commercial Arbitration Rules ("Commercial Rules"), and judgment on the

award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. Buyer and Seller agree to pursue any such arbitration in good faith and with reasonable diligence, with the goal of concluding the arbitration as soon as practicable.

16.1. Number and Qualifications of Arbitrators. Any arbitration conducted as a result of this Section 16 shall be adjudicated by one (1) arbitrator. The Parties consider it important that such arbitrator shall have at least ten (10) years' experience in the oil and gas industry, preferably involving properties in the relevant jurisdiction in which the Assets subject to such Dispute are located, as an oil and gas attorney, title attorney, and/or environmental consultant depending upon the nature of the Dispute.

16.2. Selection of Arbitrator. The arbitrator shall be mutually agreed upon by the Parties within twenty (20) days of the commencement of the arbitration, provided that if the Parties are unable to agree on an arbitrator, such arbitrator shall be appointed as set out in Commercial Rule R-12.

16.3. Commencement of Hearing. The arbitration hearing shall commence within a reasonable time after the selection of the arbitrator. The arbitration shall be held either at a location mutually agreed to by the Parties, or failing agreement, in Houston, Texas.

16.4. Rules of Arbitration. The arbitrator shall order the Parties to promptly exchange copies of all exhibits and witness lists and, if requested, to (a) produce other relevant documents, (b) answer up to ten interrogatories, (c) respond to up to ten admissions, and (d) produce for deposition and at the arbitration hearing, all witnesses that such Party has listed and up to four (4) other persons within such Parties' control. Any additional discovery shall only occur by agreement of the Parties or as ordered by the arbitrator upon a finding of good cause. The arbitrator shall be bound by the rules of this Section 16. The arbitration shall be conducted under the current Commercial Rules of the AAA to the extent such rules do not conflict with the terms of this Section 16. The Parties may agree on such other rules to govern the arbitration that are not set out in this Section 16 as they may deem necessary. However, to the extent that a subject is not covered in this Section 16 and the Parties fail to agree thereon, the Commercial Rules of the AAA shall apply to the extent not inconsistent with this Section 16.

16.5. Legal Principles. The arbitrator shall have the power to award interim relief, and to grant specific performance. The arbitrator may award interest at the rate of up to 8% per annum. The Parties expressly agree that the arbitrator shall have absolutely no authority to award consequential, incidental, special, treble, exemplary, or punitive damages of any type under any circumstances. With respect to Section 7 Disputes, the arbitrator shall have the authority to award Title Defect Amounts and Environmental Defect Amounts, but the arbitrator shall not have the authority to award damages, interest, or penalties to any Party, regardless of whether such damages may be available under applicable law or under the Federal Arbitration Act or its rules.

16.6. Arbitrator's Award. The arbitrator shall render a written award decision no later than sixty (60) days after the closure of the hearing, provided that in the event of a dispute such arbitrator in his sole discretion shall deem a "Section 7 Dispute" the arbitrator shall render a written award no later than thirty (30) days after the closure of any hearing.

16.7. Award Binding. The award of the arbitrator shall be final, conclusive, and binding on the Parties as an award under the Federal Arbitration Act, and judgment thereon may be entered in a court of competent jurisdiction and enforced by any Party as a final judgment of such court. The Parties agree not to contest the award by appeal.

16.8. Costs. Unless the arbitrator directs otherwise, each Party shall be responsible for its own out-of-pocket costs and those of its counsel and other representatives, and the arbitrator's fees and other costs of conducting the arbitration shall be divided and shared equally by the Parties.

17. Further Assurances; Post-Closing Matters.

17.1. General. After the Closing, Seller and Buyer shall execute, acknowledge, and deliver or cause to be executed, acknowledged, and delivered such instruments and take such other action as may be necessary or advisable to carry out their obligations under this Agreement and under any exhibit, document, certificate, or other instrument delivered pursuant hereto.

17.2. Filings, Notices and Certain Governmental Approvals. Promptly after Closing Buyer shall record the assignments of the Assets executed at the Closing in all applicable real property records. With respect to consents and approvals not obtained prior to Closing, Buyer shall actively pursue all consents and approvals that may be required in connection with the assignment of the Assets to Buyer. Buyer obligates itself to take any and all action required by any regulatory agency to obtain such consent or approval, including but not limited to, the posting of any and all bonds or other security that may be required in excess of its existing lease, pipeline or area-wide bond.

17.3. [redacted] **Exchange.** In the event that the [redacted] Exchange does not close prior to the Closing Date, Buyer agrees to take assignment of and assume the obligations of Dixie Energy Holdings (US), Inc. and Dixie Energy Holdings [redacted], LLC under exchange agreement for the [redacted] Exchange. Redacted - Competitive Information

17.4. [redacted] **License.** As of the Closing, Seller shall cause the transfer to Buyer of that certain license from [redacted], permitting the use of certain seismic data regarding the [redacted] Redacted - Competitive Information

18. Notices. All notices required or permitted under this Agreement shall be in writing to the addresses below, and (a) if by overnight courier, shall be deemed to have been given and received one (1) Business Day after the date deposited with a recognized carrier of overnight mail, with all freight or other charges prepaid, (b) if by facsimile, shall be deemed to have been given when actually received, and (c) if mailed by U.S. mail, shall be deemed to have been given and received three (3) Business Days after the date when sent by registered or certified mail, postage prepaid.

If to any Seller:	Dixie Energy Holdings (US), Inc. Attn: Ian Atkinson 736 6th Avenue SW Suite #1250	Copy to:	Brunini, Grantham, Grower & Hewes, PLLC Attn: Watts C. Ueltschey The Pinnacle Building 190 E. Capitol Street, Suite 100

	Calgary, AB T2P 3T7 Canada Facsimile: 403-452-9249		Jackson, Mississippi 39201 Facsimile: 601-960-6902
If to Buyer:	Gulf Pine Energy Partners, LP c/o Pine Brook Road Partners, LLC Attn: Andre Burba 60 East 42nd Street, 50th Fl. New York, New York 10165 Facsimile: 212-847-4329	Copy to:	Vinson & Elkins LLP Adam D. Larson First City Tower 1001 Fannin Street, Suite 2500 Houston, Texas 77002-6760 Facsimile: 713-615-5641
If to Trust	Dixie Energy Trust c/o Dixie Energy, Ltd. Attn: Ian Atkinson 736 6th Avenue SW Suite #1250 Calgary, AB T2P 3T7 Canada Facsimile: 403-452-9249	Copy to:	Norton Rose Fulbright Canada LLP 400 3rd Avenue SW Suite # 3700 Calgary, AB T2P 4H2 Canada Facsimile: 403-264-5973

19. **Assignment**. Neither Seller nor Buyer may assign their respective rights or delegate their respective duties or obligations arising under this Agreement, in whole or in part, by operation of law or otherwise, without the prior written consent of the other Party; provided that at Closing Buyer may, without the consent of Seller, assign all or any portion of its rights and obligations under this Agreement to its Controlled Affiliate, Gulf Pine Energy LP, a Delaware limited partnership.

20. **Governing Law**. This Agreement shall be governed and construed in accordance with the laws of the State of Texas without giving effect to any principles of conflicts of laws, provided that the validity of the various conveyances affecting the title to real property and oil and gas disputes arising out of this Agreement shall be governed by and construed in accordance with the laws of the jurisdiction in which such property is situated.

21. **Expenses and Fees**. Whether or not the transactions contemplated by this Agreement are consummated, each of the Parties hereto shall pay the fees and expense of its counsel, accountants, and other experts incident to the negotiation and preparation of this Agreement and consummation of the transactions contemplated hereby. Buyer and Seller shall be equally responsible for the cost of all fees for the recording of transfer documents and to the extent any sales, transfer, stamp, registration, use, or similar Taxes ("Transfer Taxes") result from the transfer of the Assets to Buyer under this Agreement. Buyer and Seller shall reasonably cooperate in good faith to minimize, to the extent permissible under applicable law, the amount of any such Transfer Taxes. All other costs shall be borne by the party incurring such costs.

22. **Integration**. This Agreement and its Exhibits and Annexes and the other Transaction Documents set forth the entire agreement and understanding of the Parties in respect of the transactions contemplated hereby and supersede all prior agreements, prior arrangements and prior understandings relating to the subject matter hereof.

23. **Waiver or Modification**. This Agreement may be amended, modified, superseded, or cancelled, and any of the terms, covenants, representations, warranties, or conditions hereof may be waived, only by a written instrument executed by a duly authorized officer of Buyer and Seller, or, in the case of a waiver or consent, by or on behalf of the Party or Parties waiving compliance or giving such consent. The failure of any Party at any time or times to require performance of any provision of this Agreement shall not affect its right at a later time to enforce such provision. No waiver by any Party of any condition, or of any breach of any covenant, agreement, representation, or warranty contained in this Agreement, in any one or more instances, shall be deemed to be or construed as a further or continuing waiver of any such condition or breach or waiver of any other condition or of any breach of any other covenant, agreement, representation, or warranty.

24. **Headings**. The Section headings contained in this Agreement are for convenient reference only and shall not in any way affect the meaning or interpretation of this Agreement.

25. **Invalid Provisions**. If any provision of this Agreement is held to be illegal, invalid, or unenforceable under present or future laws effective during the term hereof, such provision shall be fully severable; this Agreement shall be construed and enforced as if such illegal, invalid, or unenforceable provision had never comprised a part hereof; and the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid, or unenforceable provision or by its severance from this Agreement.

26. **Multiple Counterparts**. This Agreement may be executed in multiple counterparts, each of which for all purposes is to be deemed an original, any one of which may contain the execution of either Buyer or Seller, and all of such counterparts taken together shall constitute one completely executed original agreement. Delivery of an executed counterpart signature page by facsimile or by electronic mail transmission via PDF is as effective as executing and delivering this Agreement in the presence of the other Parties to this Agreement. This Agreement is effective upon delivery of one executed counterpart from each Party to the other Party.

27. **Third Parties**. Nothing in this Agreement shall entitle any Person other than the Parties hereto and their respective successors and permitted assigns to any claim, cause of action, benefit, remedy, or right of any kind, except for the rights of Seller Indemnified Parties.

28. **Waiver of Jury Trial**. EACH PARTY HERETO HEREBY KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY PROCEEDING BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH THIS AGREEMENT OR ANY COURSE OF CONDUCT, COURSE OF DEALING, OR STATEMENTS (WHETHER VERBAL OR WRITTEN) OF THE PARTIES. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE PARTIES TO ENTER INTO THIS AGREEMENT.

29. **Public Announcements**. No Party hereto (nor its Affiliates) shall issue any press release or make any public announcement relating to the subject matter of this Agreement without the prior written approval of the other Party (which will not be unreasonably withheld); provided that any Party may make any public disclosure it believes in good faith is required by applicable law or any listing or trading agreement concerning its publicly traded securities (in which case

the disclosing Party will advise the other Party in writing before making the disclosure and provide such other Parties an opportunity to review and comment upon such press release or other public announcement).

30. Certain Liability Matters.

30.1. Notwithstanding anything contained herein to the contrary, each Seller shall be jointly and severally liable with all other Seller parties hereunder for the breach of any provision of this Agreement by any Seller party.

30.2. Each of the following is herein referred to as a "Buyer Affiliate": (a) any direct or indirect holder of the equity interests of Buyer (whether limited or general partners, members, stockholders or otherwise), and (b) any director, officer, manager, employee, representative or agent of (i) Buyer or any subsidiary of Buyer, or (ii) any Person who directly or indirectly Controls Buyer. Except to the extent that a Buyer Affiliate is an express signatory thereto, no Buyer Affiliate shall have any liability or obligation to Seller or any Seller Indemnified Party of any nature whatsoever in connection with or under this Agreement, any of the Transaction Documents or the transactions contemplated by this Agreement, and Seller on behalf of itself and each of its Affiliates hereby waives and releases all claims of any such liability and obligation.

30.3. EXCEPT WITH RESPECT TO (A) ENVIRONMENTAL DEFECTS IN A DEFECT NOTICE THAT HAVE NOT BEEN REMEDIED BY SELLER OR (B) ANY EXCLUDED LIABILITIES, AT THE CLOSING BUYER HEREBY RELEASES, REMISES, AND FOREVER DISCHARGES THE SELLER INDEMNIFIED PARTIES FROM ANY AND ALL CLAIMS, KNOWN OR UNKNOWN, WHETHER NOW EXISTING OR ARISING IN THE FUTURE, CONTINGENT OR OTHERWISE, WHICH BUYER MIGHT NOW OR SUBSEQUENTLY MAY HAVE AGAINST THE SELLER INDEMNIFIED PARTIES, RELATING DIRECTLY OR INDIRECTLY TO CLAIMS ARISING OUT OF OR INCIDENT TO ENVIRONMENTAL LAWS, ENVIRONMENTAL LIABILITIES, THE RELEASE OF MATERIALS INTO THE ENVIRONMENT, OR PROTECTION OF HUMAN HEALTH, SAFETY, NATURAL RESOURCES, OR THE ENVIRONMENT, REGARDLESS OF FAULT, ALL TO THE EXTENT SAME RELATE TO THE ASSETS.

31. Specific Performance. The Parties agree that irreparable damage for which monetary damages, even if available, would not be an adequate remedy, would occur if any provision of this Agreement were not performed in accordance with the terms hereof (including failing to take such actions as are required hereunder in order to consummate the transaction contemplated hereby) and that the Parties shall be entitled to an injunction, specific performance and other equitable relief to prevent breaches (or threatened breaches) of this Agreement and to enforce specifically the performance of the terms and provisions hereof, this being in addition to any other remedy to which the Parties are entitled at law or in equity. Any Party seeking an injunction to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement shall not be required to provide any bond or other security in connection with any such order or injunction.

32. Seller's Representative.

32.1. Appointment. Dixie Energy Holdings (US), Inc., a Delaware corporation (the "Representative") is hereby appointed, authorized, and empowered to act as the agent of the Sellers in connection with, and to facilitate the consummation of the transactions contemplated by, this Agreement and the other Transaction Documents, and in connection with the activities to be performed on behalf of the Sellers under this Agreement, for the purposes and with the powers and authority hereinafter set forth in this Section 32, which shall include the full power and authority:

32.1.1 to take such actions and to execute and deliver such waivers, consents, and amendments in connection with this Agreement and the other Transaction Documents and the consummation of the transactions contemplated hereby and thereby as the Representative, in its reasonable discretion, may deem necessary or desirable to give effect to the intentions of this Agreement and the other Transaction Documents;

32.1.2 as the Representative of the Sellers, to negotiate and resolve all questions, disputes, conflicts, and controversies concerning the determination of any amounts (including the Adjusted Purchase Price) contemplated by this Agreement;

32.1.3 to enforce payment from the Purchase Price and of any other amounts payable to the Sellers, in each case on behalf of each Seller, in the name of the Representative; and

32.1.4 to receive payment of the Purchase Price on behalf of each Seller.

32.2. Buyer Reliance. Buyer shall be entitled to rely exclusively upon the communications of the Representative relating to the foregoing as the communications of the Sellers. Buyer need not be concerned with the authority of the Representative to act on behalf of all Sellers hereunder. Buyer shall not be held liable or accountable in any manner for any act or omission of the Representative in such capacity.

32.3. Representative Limitations. Notwithstanding anything to the contrary contained herein, the Parties acknowledge and agree that (a) the Representative may not enter into or grant any amendments, modifications, waivers, or consents described into this Section 32 unless such

amendments, modifications, waivers or consents shall affect each Seller similarly and to the same relative extent, and (b) any such amendment, modification, waiver, or consent that does not affect any Seller similarly and to the same relative extent as it affects other Sellers must be executed by such Seller to be binding on such Seller.

32.4. Attorney In Fact. Each Seller, by its execution of this Agreement, makes, constitutes and appoints the Representative (acting by or through any one or more of its officers), such Seller's true and lawful attorney in fact for and in such Seller's name, place, and stead and for its use and benefit, to prepare, execute, certify, acknowledge, swear to, or deliver any and all agreements, instruments or other documents, and to take any and all actions, that are within the scope and authority of the Representative provided for in this Section 32.4. The grant of authority provided for in this Section 32.4 (a) is coupled with an interest and is being granted, in part, as an inducement to Buyer to enter into this Agreement and shall be irrevocable and survive the death, incompetency, bankruptcy or liquidation of any Seller and shall be binding on any successor thereto and (b) shall survive any termination of this Agreement or the Closing.

33. Representations and Warranties of the Trust. The Trust represents and warrants to Buyer that:

33.1. Organization. The Trust is an unincorporated, open-ended limited purpose trust duly organized, validly existing, and in good standing under the laws of Alberta.

33.2. Authorization and Authority. The Trust has full trust power and authority to carry on its business as presently conducted, to enter into this Agreement and to perform its obligations under this Agreement. The execution and delivery by the Trust of this Agreement has been, and the performance by the Trust of its obligations under this Agreement and the transactions contemplated hereby shall be at the time required to be performed hereunder, duly and validly authorized by all requisite action on the part of the Trust.

33.3. Enforceability. This Agreement has been duly executed and delivered on behalf of the Trust, and constitutes a legal, valid, and binding obligation of the Trust enforceable in accordance with its terms, except as enforceability may be limited by Equitable Limitations.

33.4. Conflicts. The execution and delivery by the Trust of this Agreement does not, and the performance by the Trust of its obligations under this Agreement will not, (a) violate or be in conflict with, or, other than the Required Approval, require the consent or approval of any Person or entity under, any provision of the Trust Indenture, (b) conflict with, result in a material breach of, constitute a material default (or an event that with the lapse of time or notice, or both, would constitute a default) under any agreement or instrument to which the Trust is a party or is bound, or (c) violate any provision of or, other than the Required Approval, require any consent, authorization, or approval under any judgment, decree, judicial or administrative order, award, writ, injunction, statute, rule, or regulation applicable to the Trust.

33.5. Litigation and Claims. There are no pending suits, actions, or other proceedings to which the Trust is a party (or, to the Trust's knowledge, which have been threatened to be instituted against the Trust) which affect the execution and delivery by the Trust of this Agreement, the performance by the Trust of its obligations under this Agreement, or the

consummation of the transactions contemplated hereby. There are no bankruptcy, reorganization or receivership proceedings pending against, or being contemplated by the Trust, or to the Trust's knowledge, threatened against the Trust.

33.6. **Approvals**. Other than the Required Approval and the Trust's disclosure and filing requirements pursuant to applicable Canadian provincial securities laws, there are no approvals, consents, filings, or notifications required to be obtained, made, or given by the Trust as a condition to or in connection with the performance by the Trust of its obligations under this Agreement or the consummation of the transactions contemplated by this Agreement.

33.7. **Fairness Opinion**. The Trust Board has received the Trust Fairness Opinion.

33.8. **Trust Board Approval**. With the exception of Ian Atkinson who declared his interest in certain matters relating to the sale of the Assets and abstained from voting thereon, the Trust Board has unanimously (a) approved the sale of the Assets pursuant to this Agreement and approved this Agreement, (b) determined that the sale of the Assets pursuant to this Agreement is fair and in the best interests of the Trust, and (c) resolved to recommend to the Unitholders approval by the Unitholders of the sale of the Assets pursuant to this Agreement (the "Trust Board Recommendation").

34. **Trust Meeting**. The Trust shall:

34.1. convene and conduct the Trust Meeting in accordance with the Trust Indenture and applicable law as soon as reasonably practicable (and the Trust will use its reasonable commercial efforts to do so on December 29, 2014), and not adjourn, postpone or cancel (or propose the adjournment, postponement or cancellation of) the Trust Meeting without the prior written consent of Buyer (such consent not to be unreasonably withheld), except in the case of an adjournment as required for quorum purposes;

34.2. give notice to Buyer of the Trust Meeting and allow Buyer's representatives (including legal counsel) to attend the Trust Meeting;

34.3. advise Buyer once on a daily basis on each of the last five (5) Business Days prior to the voting date of the Trust Meeting, as to the aggregate tally of the proxies received by the Trust in respect of the Transaction Resolution;

34.4. promptly advise Buyer of any communication (written or oral) from any Unitholder in opposition to sale of the Assets under this Agreement, including any written notice of dissent; and

34.5. not change the record date for determining the Unitholders entitled to vote at the Trust Meeting in connection with any adjournment or postponement of the Trust Meeting unless required by applicable law.

35. **The Trust Circular**.

35.1. The Trust shall:

35.1.1 as soon as reasonably practicable following the date of this Agreement prepare and complete the Trust Circular together with any other documents required by law in connection with the Trust Meeting and the transactions contemplated by this Agreement;

35.1.2 cause the Trust Circular and such other documents to be filed and sent to each Unitholder and other Person as required by law, so as to permit the Trust Meeting to be held by the date specified in Section 34.1;

35.1.3 ensure that the Trust Circular complies in all material respects with applicable law, including applicable Canadian provincial securities laws, does not contain any Misrepresentation and provides the Unitholders with sufficient information to permit them to form a reasoned judgment concerning the matters to be placed before the Trust Meeting, and includes:

(a) a copy of the Trust Fairness Opinion;

(b) Trust Board Recommendation; and

(c) a statement of the number of Units subject to Voting Agreements, including that such Unitholders will, subject to law and in accordance with the Voting Agreements, vote all of their Units in favor of the Transaction Resolution and against any resolution submitted by any Unitholder that is inconsistent with the sale of the Assets under this Agreement;

35.1.4 give Buyer and its legal counsel a reasonable opportunity to review and reasonably comment on drafts of the Trust Circular, and shall give reasonable consideration to any comments made by Buyer and its legal counsel, and agree that all information relating solely to Buyer included in the Trust Circular must be in a form and content satisfactory to Buyer, acting reasonably;

35.1.5 indemnify and saves harmless Buyer, its Affiliates and their respective representatives from and against any and all liabilities, claims, demands, losses, costs, damages and expenses to which Buyer, any subsidiary of Buyer or any of their respective representatives may be subject or may suffer as a result of, or arising from:

(a) any Misrepresentation or alleged Misrepresentation contained in the Trust Circular; and

(b) any order made, or any inquiry, investigation or proceeding by any Canadian securities authority or other governmental authority, to the extent based on any Misrepresentation or any alleged Misrepresentation in the Trust Circular;

in each case other than any Misrepresentation or alleged Misrepresentation contained in the Buyer Information included in the Trust Circular.

35.2. Buyer shall provide all necessary information concerning Buyer that is required by law to be included by the Trust in the Trust Circular, any public announcement or regulatory filing or other related documents to the Trust in writing, and shall use its reasonable commercial

efforts to ensure that such information does not contain any Misrepresentation (the "Buyer Information").

35.3. Each of the Trust and Buyer shall promptly notify the other party if it becomes aware that the Trust Circular or Buyer Information, as applicable, contains a Misrepresentation, or otherwise requires an amendment or supplement.

36. **Trust Capacity**. The parties hereto acknowledge that the Administrator is entering into this Agreement solely in its capacity as administrator on behalf of the Trust and the obligations of the Trust hereunder shall not be binding upon the trustee of the Trust or the Administrator other than in each of their respective capacities as such, nor shall it be binding upon any unitholder, beneficial unitholder or any "annuitant" (as defined in the Trust Indenture), such that any recourse against the Trust, the trustee of the Trust, the Administrator or any beneficiary in any manner in respect of any indebtedness, obligation or liability arising hereunder or arising in connection herewith or from the matters to which this Agreement relates, including without limitation claims based on negligence or otherwise tortious behavior, shall be limited to, and satisfied only out of, the "Trust Property" (as defined in the Trust Indenture).

37. **Additional Defined Terms**. Certain terms used in this Agreement are defined in Section 7.4. Unless otherwise indicated, when used in this Agreement, the following terms shall have the respective meanings assigned to them in this Section 37:

"Administrator" means Dixie Energy Ltd., the administrator of the Trust.

"Affiliate" means, with respect to any Person, any other Person who, directly or indirectly, Controls or is Controlled by or is under common Control with such first Person.

"Asset Purchase Agreement" means that certain Asset Purchase Agreement dated the date hereof by and between Dixie Energy Ltd., a corporation incorporated under the laws of the Province of Alberta and Gulf Pine Energy Partners Ltd., a corporation incorporated under the laws of the Province of Alberta.

"Asset Taxes" means ad valorem, property, excise, severance, production, sales, use, and similar Taxes (including any interest, fine, penalty or additions to tax imposed by any governmental authority in connection with such Taxes) based upon operation or ownership of the Assets or the production of Hydrocarbons therefrom, but excluding, for the avoidance of doubt, (a) Income Taxes and (b) Transfer Taxes.

"Atkinson Trust" means The Atkinson Family Trust, a Canadian trust.

"Atkinson Trust Loan" means that certain loan by the Atkinson Trust to Seller in the original principal amount of Three Million and 00/100 Canadian Dollars (CAD$3,500,000.00) secured by the Leases.

"Britannia Capital" means Britannia Capital Ltd., an international business company incorporated in the Commonwealth of The Bahamas.

"Britannia Capital Loan" means that certain loan by Britannia Capital to Seller in the original principal amount of Ten Million and 00/100 Canadian Dollars (CAD$10,000,000.00) secured by the Leases.

"Business Day" or "business day" means a day other than Saturday or Sunday or any legal holiday for commercial banking institutions under the laws of the State of Mississippi.

"Closing Period" means the time period from the Execution Date to the Closing Date.

"Code" means Internal Revenue Code of 1986, as amended.

"Confidentiality Agreement" means that certain Confidentiality Agreement, effective as of July 16, 2014, between the Administrator, the Trust, and Pine Brook Road Partners, LLC, a Delaware limited liability company.

"Control" as used in this Agreement (including, with their correlative meanings, the terms "controlling", "controlled by" and "under common control with") means (1) with respect to a corporation, the ownership of voting securities or other equity interest in such corporation entitling the holder thereof to elect a majority of the board of directors of such corporation, (2) in the case of a limited partnership, the ownership of a majority of the voting equity interests of the general partner of such limited partnership, (3) in the case of a limited liability company, the ownership of a majority of the outstanding voting securities, membership interest or other equity interest (however characterized) of such limited liability company, and (4) in the case of any other entity, the ownership of voting securities or other equity interest in such entity entitling the holder thereof to elect a majority of, or otherwise control, the governing body of such entity.

"Cure Period" has the meaning set forth in Section 7.3.3.

"Environmental Laws" means all applicable federal, state, local, tribal and foreign laws, regulations, ordinances and similar provisions having the force or effect of law, all judicial and administrative orders and determinations, and all common law concerning or relating to public health and safety, worker health and safety, pollution or protection of the environment, the preservation, conservation and restoration of environmental quality (including threatened or endangered species), natural resource damages, including all those related to the presence, use, production, Remediation, control, cleanup, generation, handling, treatment, storage, transportation, disposal, emission, testing, processing, or Release into the indoor or outdoor environment of Hazardous Substances. The term Environmental Laws includes, without limitation, the Clean Air Act, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), the Federal Water Pollution Control Act, the Safe Drinking Water Act, the Toxic Substance Control Act, the Resource Conservation and Recovery Act, the Hazardous and Solid Waste Amendments Act of 1984, the Superfund Amendments and Reauthorization Act of 1986, the Hazardous Materials Transportation Act, the Clean Water Act, the National Environmental Policy Act, the Endangered Species Act, the Fish and Wildlife Coordination Act, the National Historic Preservation Act, the Occupational Safety and

Health Act, the Oil Pollution Act of 1990, the Mississippi Air and Water Pollution Control Law, the Mississippi Solid Waste Control Law, and the Mississippi Oil and Gas Conservation Law, as such laws may be amended from time to time and all regulations, orders, rulings, directives, requirements and ordinances promulgated thereunder.

"Environmental Liabilities" means all liabilities, obligations, responsibilities, Remediation, losses, damages (including natural resource damages), obligation to pay punitive and consequential damages to third parties, costs and expenses (including all reasonable fees, disbursements and expenses of counsel, experts, and consultants, and costs of investigation and feasibility studies), fines, penalties, sanctions, and interest which is related to or arise out of any violation of Environmental Law (including claims under common law for personal injury or property damage), or a Release or threatened Release or other violation of Environmental Law, in which case would require or result in requiring reporting, investigation, monitoring, or Remediation pursuant to Environmental Law.

Redacted - Competitive Information

"[redacted] Exchange" means the transactions contemplated by that certain Exchange of Mineral Interests, dated as of October 30, 2014, by and among Dixie Energy Holdings (US), Inc., [redacted], regarding the respective interests of [redacted] in the Maple Branch Prospect (as defined therein) in Mississippi and the interests of Dixie Energy Holdings ([redacted]), LLC, in the [redacted] Prospects (as defined therein) in [redacted].

"Hazardous Substances" means any: (1) any "hazardous substance," as defined by CERCLA, (2) any "hazardous waste" or "solid waste," in either case as defined by RCRA, and any analogous state statutes, and any regulations promulgated thereunder, (3) any solid, hazardous, dangerous or toxic chemical, material, waste or substance, within the meaning of and regulated by any applicable Environmental Laws, (4) any radioactive material, including any naturally occurring radioactive material, (5) any regulated asbestos-containing materials in any form or condition, (6) any regulated polychlorinated biphenyls in any form or condition, and (7) petroleum, petroleum hydrocarbons, or any fraction or byproducts thereof.

"Hydrocarbons" means oil, gas, condensate and other gaseous and liquid hydrocarbons or any combination thereof.

"Income Taxes" means any federal, state or local tax measured by or imposed on, in whole or in part, the net income of Seller that was or is attributable to Seller's ownership of an interest in or the operation of the Assets.

"Liabilities" means any and all claims, demands, causes of action, payments, charges, judgments, assessments, liabilities, damages, penalties, fines or costs and expenses paid or incurred by the Person seeking indemnification, including any legal or other expenses reasonably incurred in connection therewith.

"Liens" means any encumbrance, lien, security interest, claim, easement, right, agreement, instrument, obligation, burden or defect.

"Misrepresentation" means an untrue statement of a material fact or an omission to state a material fact required or necessary to make the statements contained therein not misleading in light of the circumstances in which they are made.

"Organizational Documents" means with respect to any particular entity: (a) if a corporation, its articles or certificate of incorporation and its bylaws; (b) if a limited partnership, its limited partnership agreement and its articles or certificate of limited partnership; (c) if a limited liability company, its articles of organization or certificate of formation and its limited liability company agreement or operating agreement; (d) all related equity holders' agreements, voting agreements, voting trust agreements, joint venture agreements or registration rights agreements; and (e) any amendment or supplement to any of the foregoing.

"Person" means an individual, corporation, limited liability company, partnership, limited liability partnership, joint venture, trust, unincorporated organization or any other entity, including any United States, foreign, state or local governmental entity or municipality or any authority, department, commission, board, bureau, agency, court, instrumentality or subdivision thereof.

"Release" means any spilling, leaking, pumping, pouring, placing, emitting, discarding, abandoning, emptying, discharging, depositing, migrating, injecting, escaping, leaching, dumping, or disposing or other releasing into the indoor or outdoor environment (including the abandonment or disposal of any barrels, containers or other closed receptacles), or the movement through the air, soil, surface water or groundwater, whether intentional or unintentional.

"Remediation" means all actions, including any expenditures, undertaken to implement, complete and maintain any (a) clean up, removal, remedial, investigation, response, restoration, repair, abatement, treatment, monitoring, construction, closure, disposal, corrective action or addressing any Release or threatened Release in any manner, (b) prevent, mitigate, eliminate, minimize, control, correct, contain, abate, or remove the Release or the threat of Release, or minimize any further Release or threat of Release so that it does not endanger or threaten to endanger public health or welfare or the indoor or outdoor environment, (c) perform studies, assessments and investigations of any Release or threat of Release or monitor and care for any Release or threat of Release, or (d) to correct or prevent a condition of noncompliance with Environmental Laws.

"Required Approval" means the required level of Unitholder approval for the Transaction Resolution, being both: (a) 66 2/3% of the votes cast on the Transaction Resolution by Unitholders present in person or represented by proxy at the Trust Meeting; and (b) a majority of the votes cast on the Transaction Resolution by Unitholders present in person or represented by proxy at the Trust Meeting, excluding any votes required to be excluded pursuant to Multilateral Instrument 61-101 – Protection of Minority Securityholders in Special Transactions.

"Seller's Knowledge" means the actual knowledge of any fact, circumstance, or condition of the following: Ian Atkinson, Calvin Yau, Chris Birchard, Erin Buschert, Marc Houle, Jim McFadyen, Gary McMurren, and Karen Tanaka.

"Seller's Operator" means Dixie Energy (US), Inc., a Delaware corporation.

"Seller Taxes" means (a) Income Taxes imposed by any applicable laws on Seller or any Affiliate of Seller, or any combined, unitary, or consolidated group of which any of the foregoing is or was a member, (b) Asset Taxes allocable to Sellers pursuant to Section 13.1.1, (c) Transfer Taxes allocable to Sellers pursuant to Section 21, (d) any Taxes imposed on or with respect to the ownership or operation of the Excluded Assets, and (e) any other liability for Taxes imposed on or with respect to the ownership or operation of the Assets for any Tax period (or portion thereof) ending on or prior to the Closing Date or in connection with the sale of the Assets (including any liability Buyer may have for such Taxes as a result of being a transferee or successor of Seller).

"Straddle Period" means any tax period beginning before and ending after the Effective Time.

"Tax" or "Taxes" means (i) all taxes, assessments, fees, unclaimed property and escheat obligations, and other charges of any kind whatsoever imposed by any governmental authority, including any federal, state, local and/or foreign income tax, surtax, remittance tax, presumptive tax, net worth tax, special contribution tax, production tax, value added tax, withholding tax, gross receipts tax, windfall profits tax, profits tax, ad valorem tax, personal property tax, real property tax, sales tax, goods and services tax, service tax, transfer tax, use tax, excise tax, premium tax, stamp tax, motor vehicle tax, entertainment tax, insurance tax, capital stock tax, franchise tax, occupation tax, payroll tax, employment tax, unemployment tax, disability tax, alternative or add-on minimum tax and estimated tax, (ii) any interest, fine, penalty or additions to tax imposed by a governmental authority in connection with any item described in clause (i), and (iii) any liability in respect of any item described in clauses (i) or (ii) above, that arises by reason of a contract, assumption, transferee or successor liability, operation of law (including by reason of participation in a consolidated, combined or unitary Tax Return) or otherwise.

"Tax Return" means any return, declaration, report, claim for refund, or information return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

"Taxing Authority" means any governmental authority exercising Taxing authority or Tax regulatory authority.

"Transaction Documents" means this Agreement, the Assignment, any other agreement between Seller and Buyer that expressly states that it constitutes a Transaction Document for purposes of this Agreement, all other agreements, documents, and instruments entered into as of or after the Execution Date and at or prior to the Effective Time in connection with the transactions contemplated by this Agreement, and all agreements and certificates delivered by the Parties at the Closing.

"Transaction Resolution" means the special resolution approving the sale of the Assets pursuant to this Agreement to be considered at the Trust Meeting.

"Transfer Tax" has the meaning set forth in Section 21.

"Treasury Regulation" shall mean the regulations promulgated by the United States Department of the Treasury pursuant to and in respect of provision of the Code. All references herein to sections of the Treasury Regulations shall include any corresponding provision or provisions of succeeding, similar, substitute, temporary, or final Treasury Regulations.

"Trust Board" means the board of directors of the Administrator.

"Trust Board Recommendation" has the meaning set forth in Section 33.8.

"Trust Circular" means the notice of the Trust Meeting and accompanying management information circular, including all schedules, appendices and exhibits to, and information incorporated by reference in, such management information circular, to be sent to the Unitholders in connection with the Trust Meeting, as amended, supplemented or otherwise modified from time to time in accordance with the Trust Indenture and applicable law.

"Trust Executives" means Ian Atkinson, Calvin Yau, Chris Birchard, Erin Buschert, Marc Houle, Jim McFadyen, Gary McMurren, and Karen Tanaka.

"Trust Fairness Opinion" means the opinion of Dundee Capital Markets Inc. to the Trust Board to the effect that, as of the date of such opinion, and subject to the assumptions, limitations and qualifications contained therein, the sale of the Assets under this Agreement is fair, from a financial point of view, to the Trust.

"Trust Indenture" means the Second Amended and Restated Trust Indenture of the Trust made as of February 28, 2013, as amended by a supplemental indenture made as of June 6, 2014, and all amendments to those documents.

"Trust Meeting" means the annual and special meeting of Unitholders, including any adjournment or postponement of such meeting, to consider, and if thought fit, approve, among other things, the sale of the Assets pursuant to this Agreement.

"Trustee" means Computershare Trust Company of Canada as Administrative Agent for Olympia Trust Company, the trustee of the Trust.

"Unit" means a unit of Trust created and designated as such in accordance with the Trust Indenture.

"Unitholders" means the registered or beneficial holders of the Units of the Trust, as the context requires.

"Voting Agreements" means the voting support agreements entered and to be entered into among each of the Trust Executives and directors of the Administrator (and other Unitholders, as the case may be), the Trust and the Administrator pursuant to which, among other things, Unitholders have agreed, subject to the terms and conditions of such voting support agreements, to vote all Units held by them in favor of the sale of the Assets under this Agreement.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the undersigned authorized representatives of the Parties have executed this Agreement as of the date set first forth above.

SELLER:

Dixie Energy Holdings (US), Inc.

By: *Signed "Ian Atkinson"*
Ian Atkinson, President and CEO

Dixie Energy Holdings (Maple Branch), LLC

By: Dixie Energy Holdings (US), Inc.,
Its Sole Member

By: *Signed "Ian Atkinson"*
Ian Atkinson, President and CEO

Dixie Energy Holdings (Strong Field), LLC

By: Dixie Energy Holdings (US), Inc.,
Its Sole Member

By: *Signed "Ian Atkinson"*
Ian Atkinson, President and CEO

Dixie Energy Holdings (HWM), LLC

By: Dixie Energy Holdings (US), Inc.,
Its Sole Member

By: *Signed "Ian Atkinson"*
Ian Atkinson, President and CEO

Dixie Energy Holdings (McKinley Gas), LLC

By: Dixie Energy Holdings (US), Inc.,
Its Sole Member

By: *Signed "Ian Atkinson"*
Ian Atkinson, President and CEO

Dixie Energy Holdings (Star), LLC

By: Dixie Energy Holdings (US), Inc.,
Its Sole Member

By: *Signed "Ian Atkinson"*
Ian Atkinson, President and CEO

Dixie Energy Holdings (Brooklyn Queens), LLC

By: Dixie Energy Holdings (US), Inc.,
Its Sole Member

By: *Signed "Ian Atkinson"*
Ian Atkinson, President and CEO

Dixie Energy Holdings (White Castle Dome), LLC

By: Dixie Energy Holdings (US), Inc.,
Its Sole Member

By: *Signed "Ian Atkinson"*
Ian Atkinson, President and CEO

Dixie Energy Holdings (Wiley Dome), LLC

By: Dixie Energy Holdings (US), Inc.,
Its Sole Member

By: *Signed "Ian Atkinson"*
Ian Atkinson, President and CEO

TRUST:

Dixie Energy Trust

By: Dixie Energy, Ltd., Its Administrator

By: *Signed "Ian Atkinson"*
Ian Atkinson, President and CEO

BUYER:

Gulf Pine Energy Partners, LP

By: Gulf Pine Energy Partners GP, LLC,
Its General Partner

By: *Signed "Andre Burba"*
Name: Andre Burba
Title: Authorized Person

EXHIBIT 1.1

OIL AND GAS PROPERTIES

Redacted – Confidential Information

EXHIBIT 1.1.A.

OVERRIDING ROYALTY INTERESTS

Redacted – Confidential Information

EXHIBIT 1.1.B.

ROYALTY INTERESTS

Redacted – Confidential Information

EXHIBIT 1.2

WELLS

Redacted – Confidential Information

EXHIBIT 1.4

SURFACE CONTRACTS
Redacted – Confidential Information

(Maple Branch)

EXHIBIT 1.5

MOON-HINES-TIGRETT PIPELINE

Redacted - Confdential Information

All of Seller's right, title and interest to all rights of way and easements related to the McKinley Creek Gathering System, including, but not limited to the gathering system beginning at the Wells listed below and terminating in the [redacted], Monroe County, Mississippi, being further described and set forth on Parts 1 through 3 attached hereto

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

McKinley Creek Part 1: Redacted – Confidential Map of Gathering System

McKinley Creek Part 2:

Approximately 11.75 miles of four inch (4”) diameter pipe

Approximately 5 miles of three and one-half inch (3 ½ “) diameter pipe

Approximately .25 miles of two inch (2”) diameter pipe

A two inch (2”) meter run with bypass

A Barton three (3) pen chart recorder

McKinley Creek Part 3: Redacted – Confidential Information with a Schedule of Easements

EXHIBIT 3.7

LIENS

Leasehold Deed of Trust, Assignment of Leases, and Security Agreement, dated as of July 31, 2014, between Dixie Energy Holdings (Maple Branch), LLC, as grantor, in favor of M. Binford Williams, Jr., as trustee, for the benefit of Britannia Capital Ltd., filed of record as Instrument Number 2014004382, in the office of the Chancery Clerk of Monroe County, Mississippi.

Leasehold Deed of Trust, Assignment of Leases, and Security Agreement, dated as of July 31, 2014, between Dixie Energy Holdings (Maple Branch), LLC, as grantor, in favor of M. Binford Williams, Jr., as trustee, for the benefit of Britannia Capital Ltd., filed of record in Book 2014, Page 16111, in the office of the Chancery Clerk of Lowndes County, Mississippi.

UCC Financing Statement of Dixie Energy Holdings (US), Inc., and Dixie Energy Holdings (Maple Branch), LLC, as debtor, in favor of Britannia Capital Ltd., as secured party, filed of record as Instrument Number 141033391, in the office of the Secretary of State of the State of Delaware.

Leasehold Deed of Trust, Assignment of Leases, and Security Agreement, dated as of July 31, 2014, among Dixie Energy Holdings (US), Inc., and Dixie Energy Holdings (Maple Branch), LLC, as grantor, in favor of Jarrett Reed, as trustee, for the benefit of The Atkinson Family Trust, filed of record as Instrument Number 2014004427, in the office of the Chancery Clerk of Monroe County, Mississippi.

Leasehold Deed of Trust, Assignment of Leases, and Security Agreement, dated as of July 31, 2014, among Dixie Energy Holdings (US), Inc., and Dixie Energy Holdings (Maple Branch), LLC, as grantor, in favor of Jarrett Reed, as trustee, for the benefit of The Atkinson Family Trust, filed of record in Book 2014, Page 16518, in the office of the Chancery Clerk of Lowndes County, Mississippi.

EXHIBIT 3.8

INSURANCE; CONDEMNATION

See attached Policy Information

16 Pages

INSURANCE BINDER
Redacted - Confidential Information

Dixie Energy (U.S.), Inc.
1835 Highway 45N
Box 306
Columbus, Mississippi 39705
USA

INSURANCE COMPANY: Gemini Insurance Company thru Berkley Oil & Gas

EFFECTIVE: August 1, 2014 **EXPIRATION:** Issuance of Policy

PREMIUM: [redacted] **POLICY NUMBER:** [redacted]
POLICY FEE:
TAXES & FEES: [redacted]

PACKAGE

Limits of Liability

Section I) ***Drilling Wells Insured:***
[redacted] any one Occurrence Combined Single Limit

Workover Wells Insured:
[redacted] any one Occurrence Combined Single Limit

Producing Wells Insured:
[redacted] any one Occurrence Combined Single Limit

Care, Custody and Control, if endorsed hereto, is a separate limit of:
[redacted] any one Occurrence;

Section II) As Per Schedule: [redacted]

Currency

All values shown in US currency

Coverages

Interest

Section I)
A Control of Well
B Redrill/Extra Expense
C Pollution and Cleanup

Section II) Oil & Gas Lease Onshore Property Physical Damage

Conditions

Section I) BOG 2012 Control of Well Form, including the following:
Control of Well and resultant wells out of control
Redrill – same depth and condition at time of loss
Pollution above ground or waterbottom arising from out of control Wells Insured, 90 days discovery by Insured or Operator, 180 days reporting once known to Insured.

Joint Venture Escalation, Deliberate Well Firing, Farm-In/Out Wells, Directors and Officers as Additional Insureds, Oklahoma and Texas RRD 5 – 10 rated as Area 1 0 – 12,500, Priority of Payments

Section II) BOG Oil & Gas Well Lease Onshore property 05/12
Amended Valuation and Co-Insurance Clause Endorsement 12/10 (RCV/85%)

Endorsements

Underground Control of Well BOG-01 12/10
Care, Custody and Control – With Unsound Location Buyback BOG-02 5/12
Workover Endorsement BOG-03 12/10
Extended Redrill & Restoration Costs BOG-04 1/12
Extended Coverage BOG-05 1/12
Plugging and Abandonment Expenses BOG-06 1/12
Evacuation Expenses BOG-07 1/12
Extended Pollution Onshore BOG-08 1/12
Turnkey Wells – Operator/Non-Operator Bog-09 12/10
50% of Drilling Rate if completion not included
20% of Drilling Rate if completion included
20% of Drilling Rate if completion not performed

100% of Drilling Rate if contract includes 'mud out' clause or if any drilling on daywork or footage basis
Retention is any one Occurrence and the greater of:
1) [redacted] or
2) Limit carried by drilling contractor
10% Margin Clause BOG-13 1/12
Removal of Wreckage and/or Debris – Area 1 and 2 Only BOG-14 12/10
Additional Assured when required by contract BOG-19 05/12
Kick Assistance Program BOG-20 06/12
Rating Area definition amended to include all land Wells 0-12,500'TVD as Rating Area 1

Amendments/Limitations/Exclusions

General Conditions BOG 1/12
10.0% No Claims Bonus subject to renewal with Gemini Insurance Company through J.H. Blades & Co., Inc. BOG-GC1 1/12
Definition of Named Windstorm Endorsement BOG-GC3 12/10
Early Notice of Cancellation Endorsement BOG-GC7 1/12
Privacy Notice PN2600 09/13
Policyholder Notice – Potential Restrictions of Terrorism Coverage PN2602 12/13
U.S. Treasury Department's Office of Foreign Assets Control ("OFAC") Advisory Notice to Policyholders IL P 00101 04
Exclusion of Certified Acts of Terrorism IL 09 53 01 08

Audit Basis Quarterly Adjustable

Deductions/Retentions

Section I) ***Drilling Wells Insured:***
[redacted] any one Occurrence

Workover Wells Insured:
[redacted] any one Occurrence

Producing Wells Insured:
[redacted] any one Occurrence

Care, Custody and Control:
[redacted] any one Occurrence;

Section II) [redacted] of applicable loss values, whichever is greater – any one Occurrence

NAMED INSUREDS

As per attached Schedule of Named Insureds

This binder is a temporary insurance contract, subject to the conditions shown.

CONDITIONS: The Company binds the kind(s) of insurance stipulated on this form. This insurance is subject to the terms, conditions, and limitations of the policy(ies) in current use by the Company. This binder may be cancelled by the Insured by surrender of this binder or by written notice to the Company stating when cancellation will be effective. This binder may be cancelled by the Company by notice to the Insured in accordance with the policy conditions. This binder is cancelled when replaced by a policy. If this binder is not replaced by a policy, the Company is entitled to charge a premium for the binder according to the Rules and Rates in use by the Company.

LLOYD SADD INSURANCE BROKERS LTD.

per: [redacted]

INSURANCE BINDER
Redacted - Confidential Information

Dixie Energy (U.S.), Inc.
1835 Highway 45N
Box 306
Columbus, Mississippi 39705
USA

INSURANCE COMPANY: Gemini Insurance Company

EFFECTIVE: August 1, 2014 **EXPIRATION:** Issuance of Policy

PREMIUM: [redacted] **POLICY NUMBER:** [redacted]
POLICY FEE:
TAXES & FEES: [redacted]

MINIMUM & RETAINED PREMIUM: [redacted]

COMMERCIAL GENERAL LIABILITY

A.	[redacted]	Public Liability – Any One Occurrence
	[redacted]	General Aggregate
B.	[redacted]	Products/Completed Operations – Aggregate Limit
C.	[redacted]	Damage to Premises You Rent

Currency

All values shown in US currency

Coverages

Energy Commercial General Liability
Service of Suit
Personal and Advertising Injury Limit - [redacted]
Medical Payments - [redacted]
Hired & Non-Owned Automobile - [redacted]

Amendments/Limitations/Exclusions

Texas Important Notice
Privacy Notice
Policyholder Notice – Potential Restrictions of Terrorism Coverage
Schedule of Forms and Endorsements
Energy Commercial General Liability Policy
Classification Schedule
Earlier Notice of Cancellation Provided By Us
No. of Days Notice – 30
Any person or organization required by written contract to receive notice as per list of such notices provided to J.H. Blades & Co., Inc. at YOUR request
Service of Suit

LloydSadd INSURANCE BROKERS

Amendments/Limitations/Exclusions Continued

U.S. Treasury Department's Office of Foreign Assets Control ("OFAC")
Advisory Notice to Policyholders
Disclosure Pursuant to Terrorism Risk Insurance Act
Exclusion of Other Acts of Terrorism Committed Outside the United States
Cap on Losses Certified Acts of Terrorism

Deductible

None

NAMED INSUREDS

As per attached Schedule of Named Insureds

This binder is a temporary insurance contract, subject to the conditions shown.

CONDITIONS: The Company binds the kind(s) of insurance stipulated on this form. This insurance is subject to the terms, conditions, and limitations of the policy(ies) in current use by the Company. This binder may be cancelled by the Insured by surrender of this binder or by written notice to the Company stating when cancellation will be effective. This binder may be cancelled by the Company by notice to the Insured in accordance with the policy conditions. This binder is cancelled when replaced by a policy. If this binder is not replaced by a policy, the Company is entitled to charge a premium for the binder according to the Rules and Rates in use by the Company.

LLOYD SADD INSURANCE BROKERS LTD.

per: [redacted]

LloydSadd INSURANCE BROKERS

INSURANCE BINDER
Redacted - Confidential Information

Dixie Energy (U.S.), Inc.
1835 Highway 45N
Box 306
Columbus, Mississippi 39705
USA

INSURANCE COMPANY: Gemini Insurance Company

EFFECTIVE: August 1, 2014 **EXPIRATION:** Issuance of Policy

PREMIUM: [redacted] **POLICY NUMBER:** [redacted]
POLICY FEE:
TAXES &FEES: [redacted]

MINIMUM & RETAINED PREMIUM: [redacted]

UMBRELLA LIABILITY

[redacted] Each Occurrence

[redacted] Personal and Advertising Injury Limit

[redacted] Products-Completed Operations Aggregate

[redacted] General Aggregate Limit (Except Covered Autos & Products-Completed Operations

[redacted] Self Insured Retention

Underlying Coverages

	Limits
Commercial General Liability	
General Aggregate	[redacted]
Products-Completed Operations Aggregate Limit	
Personal and Advertising Injury Limit	
Each Occurrence Limit	
Automobile Liability	
BI and PD Combined Each Accident	[redacted]
Employers Liability	
Bodily Injury By Accident	
Each Accident	[redacted]
Bodily Injury By Disease	
Each Policy	[redacted]
Each Employee	

Currency

All values shown in US currency

LloydSadd INSURANCE BROKERS

Amendments/Limitations/Exclusions

Texas Important Notice
Privacy Notice
Policyholder Notice – Potential Restrictions of Terrorism Coverage
Schedule of Forms and Endorsements
Energy Commercial Umbrella Liability Policy
Schedule of Underlying Insurance
Non-Concurrency Exclusion – Coverage A – Excess Follow Form
Liability Insurance
Service of Suit
U.S. Treasury Department's Office of Foreign Assets Control ("OFAC" – Advisory Notice to Policyholders
Exclusion of Certified Acts of Terrorism and Exclusion of Other Acts of Terrorism Committed Outside the US

NAMED INSUREDS

As per attached Schedule of Named Insureds

This binder is a temporary insurance contract, subject to the conditions shown.

CONDITIONS: The Company binds the kind(s) of insurance stipulated on this form. This insurance is subject to the terms, conditions, and limitations of the policy(ies) in current use by the Company. This binder may be cancelled by the Insured by surrender of this binder or by written notice to the Company stating when cancellation will be effective. This binder may be cancelled by the Company by notice to the Insured in accordance with the policy conditions. This binder is cancelled when replaced by a policy. If this binder is not replaced by a policy, the Company is entitled to charge a premium for the binder according to the Rules and Rates in use by the Company.

LLOYD SADD INSURANCE BROKERS LTD.

per: [redacted]

LloydSadd INSURANCE BROKERS

INSURANCE BINDER

Dixie Energy (U.S.), Inc.
1835 Highway 45N
Box 306
Columbus, Mississippi 39705
USA

INSURANCE COMPANY: Berkley Regional Insurance Company thru
McGriff, Seibels & Williams, Inc.

EFFECTIVE: August 1, 2014 **EXPIRATION:** Issuance of Policy

PREMIUM: [redacted] **POLICY NUMBER:** [redacted]
POLICY FEE: [redacted]

US WORKERS COMPENSATION

Policy Limits

Workers Compensation	Statutory Benefits
Employers Liability	[redacted]
Other States	All States except Monopolistic States (ND, OH, WA, WY) and States Mentioned Below

Currency

All values shown in US currency

States Covered

Mississippi
Employers Liability for Monopolistic States: ND, OH, WA, WY

Endorsements, Limitations and Amendments

Named Insured Endorsement – Specified Entities
All State Mandated Endorsements
Pending Rate Change Endorsement, where applicable
Premium Discount Endorsement, where applicable
Voluntary Compensation
Alternate Employer Endorsement – Blanket Basis as allowed by state
Blanket Waiver of Subrogation when required by written contract
Foreign Terrorism Premium Endorsement – where approved and required

NAMED INSUREDS

As per attached Schedule of Named Insureds

This binder is a temporary insurance contract, subject to the conditions shown.

CONDITIONS: The Company binds the kind(s) of insurance stipulated on this form. This insurance is subject to the terms, conditions, and limitations of the policy(ies) in current use by the Company. This binder may be cancelled by the Insured by surrender of this binder or by written notice to the Company stating when cancellation will be effective. This binder may be cancelled by the Company by notice to the Insured in accordance with the policy conditions. This binder is cancelled when replaced by a policy. If this binder is not replaced by a policy, the Company is entitled to charge a premium for the binder according to the Rules and Rates in use by the Company.

LLOYD SADD INSURANCE BROKERS LTD.

per: 

SCHEDULE OF NAMED INSUREDS

DIXIE ENERGY (U.S.), INC.

AUGUST 1, 2014 - AUGUST 1, 2015

NAMED INSURED	PRINCIPAL(S)	INTEREST/OPERATIONS
USA - COMMERCIAL GENERAL LIABILITY, UMBRELLA LIABILITY AND CONTROL OF WELL		
Dixie Energy (U.S.), Inc.		

WELLS OPERATED
DIXIE ENERGY (US), INC.
AUGUST 1, 2014 – AUGUST 1, 2015

Redacted – Confidential Information

WELLS NON-OPERATED
DIXIE ENERGY (US), INC.
AUGUST 1, 2014 – AUGUST 1, 2015

Redacted – Confidential Information

WELL EQUIPMENT
DIXIE ENERGY (US), INC.
AUGUST 1, 2014 – AUGUST 1, 2015

Redacted – Confidential Information

WELL RENTAL EQUIPMENT
DIXIE ENERGY (US), INC.
AUGUST 1, 2014 – AUGUST 1, 2015

Redacted – Confidential Information

WORKERS' COMPENSATION RATING INFORMATION - USA

DIXIE ENERGY (U.S.), INC.

AUGUST 1, 2014 - AUGUST 1, 2015

Redacted - Confidential Information

NO	LOCATION	STATE	LOCATION CODE	CLASS CODE	DUTIES, CLASSIFICATION	# OF EMPLOYEES	ESTIMATED ANNUAL REMUNERATION	RATE	TOTAL
1	1835 Hwy 45 North Box 306, Columbus, MS 39705	MS	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
					[redacted]			[redacted]	[redacted]
					[redacted]			[redacted]	[redacted]
					[redacted]			[redacted]	[redacted]
					[redacted]				[redacted]
					[redacted]				[redacted]
					[redacted]				[redacted]
TOTALS							[redacted]		[redacted]

ALL VALUES SHOWN ARE IN US CURRENCY

EXHIBIT 3.10

MATERIAL CONTRACTS

(a) Agreements with any Affiliates of Seller:

None

(b) Purchase Agreements:

None

(c) Agreements to sell, lease, farmout, or otherwise dispose of Seller's interests

Redacted – Confidential Information

(d) Operating Agreements and Exploration or Development Agreements

Redacted – Confidential Information

(e) Contracts with Aggregate Payments/Receivables:

Redacted – Confidential Information

(f) Debt Instruments:

Irrevocable Letter of Credit P442617C08829 in favor of Mississippi State Oil and Gas Board (as Beneficiary) $100,000

Monroe County Electric Power Association Certificate # 60388 granted to Dixie Energy (US), Inc. $5,000

Monroe County Electric Power Association Certificate # 60389 granted to Dixie Energy (US), Inc. $5,000

The Britannia Capital Loan as defined in Section 37 of the Agreement

The Atkinson Trust Loan as defined in Section 37 of the Agreement

(g) Leases where Seller is Lessor

None

(h) Hedge Contracts

None

(i) Areas of Mutual Interest:

Redacted – Confidential Information

Areas of Exclusion:

Redacted – Confidential Information

(j) Geological and Geophysical Agreements

Company	Product	Class	Agreement
LMKR	Geographix	Software	Licence
IHS	Petra	Software	Licence
IHS	Enerdeq (Data bundle)	Web Portal to Data	Licence
IHS	Geosyn	Software	Licence
Oil Finders	SeisWARE	Software	none
Blue Marble	Global Mapper	Software	none
MJ	Raster Logs	Software	Licence
MJ	Logsleuth	Data (Raster well logs)	Licence
Drilling Info	DrillInfo	Web Portal to Data	Licence
WellGreenTech	Digitized log curves	Data (digital well logs)	Ownership
AL OGB	Gov't data	Well file data	Licence

EXHIBIT 3.12

APPROVALS

Lessor Approvals:

Redacted – Confidential Information

Lender Approvals:

Britannia Capital Ltd.

The Atkinson Family Trust

Landlord Approval:

[Landlord] for condominium lease in Columbus, MS.

EXHIBIT 3.13

COMPLIANCE WITH LAWS AND PERMITS

Dixie Energy engaged Environmental Compliance Services and we have identified a requirement to obtain a Synthetic Minor Operating Permit for air emissions from the DEQ for two of the existing producing sites in order to be compliant. The application is currently being prepared and will be submitted within the 21 day time frame allowed within the self-reporting procedure that is administered by the DEQ. Although there is a mechanism for the DEQ to administer a penalty for the non-compliance, upon consultation with our environmental firm we feel that there is a low risk to be assigned such penalty. There are no further investigations or governmental proceedings.

EXHIBIT 3.14

ROYALTIES IN SUSPENSE

Redacted – Confidential Information

EXHIBIT 3.19

PROPOSED OPERATIONS OR EXPENDITURES

Redacted – Confidential Information

EXHIBIT 3.22

ABANDONMENT NOTICES

Dixie Energy has received and addressed a notice to plug and abandon two wells licensed by Fletcher Petroleum that had conductor barrel set. Dixie has received a one year extension prior to initiating any remedial action as we have identified prospective drilling locations from these surfaces.

EXHIBIT 5.1

CONDUCT OF BUSINESS PENDING CLOSING

None

EXHIBIT 7.4.9

NRI PLUG AMOUNTS
Redacted – Confidential Information

FORM OF ASSIGNMENT AND BILL OF SALE

[PRIOR TO EXECUTION DOCUMENT WILL BE CONFORMED TO ALABAMA, MISSISSIPPI OR LOUISIANA, AS APPLICABLE, RECORDING REQUIREMENTS, INCLUDING INFORMATION ON DOCUMENT PREPARATION AND INDEXING INSTRUCTIONS.]

Prepared By and Return To:
John M. Flynt (MS Bar No. 10455)
Brunini, Grantham, Grower & Hewes, PLLC
190 East Capitol Street, Suite 100
Jackson, Mississippi 39201
601-948-3101

Assignor(s):
[Name, Street Address and Phone Number]

Assignee:
[Name, Street Address and Phone Number]

Indexing Instructions: Please make a marginal notation of this Assignment on each lease listed on Exhibit A-1.

[Enter Indexing Instructions]

[NTD: Subject to local counsel review.]

THE STATE OF _____

COUNTY OF _____

ASSIGNMENT AND BILL OF SALE

THIS ASSIGNMENT AND BILL OF SALE ("Assignment") is executed and delivered as of [**December 29**], 2014, by _____, a _____ ("Assignor") to _____, a _____ ("Assignee"). Reference is made to the Purchase and Sale Agreement, dated as of November 17, 2014, among Assignor, as Seller, and Assignee, as Buyer, with respect to the Assets (as defined below) (the "Purchase Agreement"). All capitalized terms used herein that are not otherwise defined herein shall have the meaning attributed to such terms in the Purchase Agreement.

ARTICLE I
CONVEYANCE OF ASSETS AND
ASSUMPTION OF LIABLITIES

Assignor, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, does hereby GRANT, SELL, ASSIGN, CONVEY, TRANSFER, SET OVER, and DELIVER unto Assignee, as of the date first set forth above to be effective as of 7:00 a.m., local time, at the location of each of the Oil and Gas Properties (as defined below) on such date (the "Effective Time"), the properties and interests described in Sections 1 through 9 below (the "Assets"), excluding and reserving to Assignor the Excluded Assets and Excluded Liabilities as defined herein:

1. **Oil and Gas Properties**. All of Assignor's right, title and interest in and to all oil and gas leases located in [**Alabama**][**Mississippi**][**Louisiana**], including, without limitation, the oil and gas leases described on Exhibit A-1 attached hereto (the "Leases"), whether the interest of Assignor in such properties is fee interests, leasehold interests, working interests, farmout rights, overriding royalty (described on Exhibit A-2) or other non-working interests (including non-participating royalty interests described on Exhibit A-3), operating rights, or other mineral rights of every nature, and any rights that arise by operation of law or otherwise in all properties and lands pooled, unitized, communitized, or consolidated with such properties (such interest, the "Oil and Gas Properties"), and the lands subject to any of the Oil and Gas Properties (the "Land"), whether or not the Leases are properly or completely described in Exhibit A-1, Exhibit A-2, or Exhibit A-3 or wholly omitted therefrom.

2. **Wells**. All of Assignor's right, title and interest in and to oil, condensate or natural gas wells, water source wells, and water and other types of injection wells located on any of the Land, including those described on Exhibit B, or used or held for use in connection with any of the Oil and Gas Properties, whether producing, operating, shut-in, or temporarily abandoned (such interest, the "Wells").

3. **Substances**. All of Assignor's right, title and interest in and to all severed crude oil, natural gas, casinghead gas, drip gasoline, natural gasoline, petroleum, natural gas liquids, condensate, products, liquids, and other hydrocarbons and other minerals or materials of every kind and description produced from or attributable to the Oil and Gas Properties (such interest, the "Substances") and not yet past a measuring point at the Effective Time.

4. **Surface Contracts**. All of Assignor's right, title and interest in and to surface leases, servitudes, easements, privileges, right-of-way agreements, licenses, or other agreements that are used or held for use in connection with the Oil and Gas Properties, including, without limitation, those described on Exhibit C (such interest, the "Surface Contracts").

5. **Equipment**. All of Assignor's right, title and interest in and to physical facilities or interests therein, equipment, platforms, tanks, buildings, pipelines, flow lines, gathering lines, structures, and fixtures of every type and description to the extent that the same are located on, used, or held for use in connection with the ownership or operation of the Assets described in Sections 1 through 4 above, including, without limitation, all of Assignor's interest in the Moon-Hines-Tigrett Pipeline described on Exhibit D, including related rights-of-way (the "McKinley Creek Gathering System").

6. **Information and Data**. All of Assignor's right, title and interest in and to title information, engineering reports and other technical data, seismic data, lease, production, accounting and land files and databases, surveys, regulatory filings, magnetic tapes, electronic files and databases, interpretations and other analysis, books, records and files that relate to the Assets (the "Data").

7. **Contracts**. All of Assignor's right, title and interest in and to all contracts, commitments, agreements, operating agreements, exploration agreements, and arrangements that relate to the Assets, and any and all amendments, ratifications, or extensions of the foregoing, together with (a) all rights, privileges, claims, causes of action, and benefits of Assignor thereunder; and (b) all rights of Assignor thereunder to audit the records of any party thereto and to receive refunds of any nature thereunder, except with respect to any Excluded Assets.

8. **Permits**. To the extent assignable, all of Assignor's right, title and interest in and to all franchises, licenses, permits, approvals, consents, certificates, registrations, waivers, clearances and other authorizations and other rights granted by, given or otherwise made available under any governmental authority and all certificates of convenience or necessity, immunities, privileges, grants, and other rights, that relate to the Assets or the ownership or operation thereof (the "Permits").

9. **Payment Rights**. Except with respect to any Excluded Assets, all of Assignor's right, title and interest in and to all (a) accounts, instruments, and general intangibles (as such terms are defined in the applicable Uniform Commercial Code) attributable to the Assets; and (b) Liens in favor of Assignor, whether choate or inchoate, under any law, rule, or regulation or under any of the contracts described in Section 7 arising from the ownership or sale or other disposition of any of the Assets (such interests, the "Payment Rights").

10. **Excluded Assets**. Notwithstanding the foregoing provisions in Sections 1 through 9 above, the following assets shall not constitute Assets and shall not be sold, assigned, or conveyed to Assignee pursuant to Article 1 (such assets as described herein below, the "Excluded Assets"):

(a) all Permits that are not assignable in connection with the transactions contemplated by this Agreement;

(b) to the extent and only to the extent attributable to the Excluded Liabilities, all rights and causes of action, arising, occurring, or existing in favor of Assignor and attributable to the period prior to the Effective Time in the nature of recoupment rights, recovery rights, accounting adjustments, erroneous payments, or other claims of reimbursement in favor of Assignor and for which Assignor does not receive a credit under Section 2.2.1 of the Purchase Agreement;

(c) all corporate governance documents of Assignor;

(d) any refund of (i) costs, (ii) Taxes (including, but not limited to, Tax credits for horizontal drilling) with respect to (A) Income Taxes imposed on Assignor or any Affiliate of Assignor, (B) Asset taxes allocated to Assignor pursuant to Section 13.1.1 of the Purchase Agreement, or (C) Taxes imposed on or with respect to the Excluded Assets, or (iii) other expenses borne by Assignor attributable to the period prior to the Effective Time;

(e) all deposits, cash, checks, funds, and accounts receivable attributable to Assignor's interests in the Assets with respect to any period of time prior to the Effective Time;

(f) all computer or communications equipment, software, or intellectual property (including tapes, data and program documentation and all tangible manifestations and technical information relating thereto) owned, licensed, or used by Assignor, other than the Data, and all office equipment and furniture; and

(g) any logo, service mark, copyright, trade name, or trademark of or associated with Assignor or any Affiliate of Assignor or any business of Assignor or of any Affiliate of Assignor.

11. Assumption of Liabilities. At the Closing, Assignee shall assume and undertake to pay, perform, and discharge all obligations and liabilities of Assignor with respect to or arising from the Assets, whether known or unknown, contingent or otherwise, and regardless of whether such obligations or liabilities arose prior to, on or after the Closing Date (excluding the Excluded Liabilities, the "Assumed Liabilities"), in each case other than the following (the "Excluded Liabilities"):

(a) all Liabilities for Seller Taxes;

(b) any liability related to the Excluded Assets;

(c) any liability arising out of or resulting from any breach of any representation, warranty, covenant or agreement of Assignor;

(d) any liability caused by or arising out of or resulting from any personal injury (including death), to the extent related to the ownership or operation of the Assets by Assignor or its Affiliates and arising from events occurring prior to the Closing;

(e) any liability caused by or arising out of or resulting from any offsite disposal by Assignor or its Affiliates prior to the Closing of Hazardous Substances arising from the operation or use of the Assets;

(f) any liability caused by or arising out of or resulting from any Hedge Contracts relating to the Assets;

(g) any liability caused by or arising out of or resulting from any Debt Instruments relating to the Assets;

(h) any liability arising out of Property Expenses incurred prior to the Effective Time; and

(i) any Liabilities related to any claim by any Unitholder of the Trust to the extent relating to, arising as a result of, or otherwise regarding the transactions contemplated by the Purchase Agreement or any other Transaction Document.

TO HAVE AND TO HOLD all of Assignor's rights, titles and interests in and to the Assets, together with all rights, titles, interests, estates, remedies, powers, and privileges thereunto appertaining unto Assignee and Assignee's successors, legal representatives, and assigns forever, subject to the Permitted Encumbrances.

ARTICLE II
MISCELLANEOUS

1. Special Warranty of Title. THIS CONVEYANCE IS MADE BY ASSIGNOR AND ACCEPTED BY ASSIGNEE WITHOUT WARRANTY, EITHER EXPRESS OR IMPLIED, EXCEPT ASSIGNOR SHALL WARRANT AND DEFEND THE TITLE TO THE ASSETS CONVEYED TO ASSIGNEE AGAINST EVERY PERSON WHOMSOEVER LAWFULLY CLAIMING THE ASSETS OR ANY PART THEREOF BY, THROUGH OR UNDER ASSIGNOR, BUT NOT OTHERWISE; PROVIDED, FOR THE AVOIDANCE OF DOUBT, THAT THE FOREGOING SPECIAL WARRANTY OF TITLE SHALL APPLY TO THE EXTENT THAT ASSIGNOR DOES NOT HAVE DEFENSIBLE TITLE TO THE ASSETS AS A RESULT OF ASSIGNMENTS, SALES, CONVEYANCES, OR LIENS, IN EACH CASE, CREATED BY, THROUGH OR UNDER ASSIGNOR, BUT NOT OTHERWISE.

2. Overriding Royalty. The overriding royalty interests assigned hereby (described on Exhibit A-2) are free and clear of all costs of development and operation, except applicable taxes and fees on production, and are paid in the same manner as royalty in the Leases.

The overriding royalty interests assigned hereby shall not merge with other leasehold interests of the Assignee in the Leases, whether now owned or hereafter acquired.

3. Agreements. This Assignment is made subject to and is burdened by the terms, covenants, and conditions of the Purchase Agreement (including, without limitation, certain representations, warranties, and indemnities), Leases, Oil and Gas Properties, and the other documents and interests described on Exhibits A-1, A-2 and A-3. If there is a conflict between

the terms and provisions of the Purchase Agreement and this Assignment, the provisions of the Purchase Agreement shall control.

4. Counterparts. This Assignment may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same Assignment.

5. Successors and Assigns. The terms, covenants, and conditions contained in this Assignment are binding upon and inure to the benefit of Assignor and Assignee and their respective successors and assigns.

6. Further Assurances. Assignor agrees to execute, acknowledge, and deliver to Assignee, from time to time, without further consideration, such other additional instruments, notices, division orders, transfer orders, and other documents, and to do all such other and further acts and things as may be reasonably necessary to more fully and effectively grant, convey, and assign to Assignee the Assets granted and assigned herein.

7. Governing Law. THIS ASSIGNMENT SHALL BE GOVERNED AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF [MISSISSIPPI] **[NTD: SUBJECT TO LOCAL COUNSEL REVIEW.]** WITHOUT GIVING EFFECT TO ANY PRINCIPLES OF CONFLICTS OF LAWS, EXCEPT THAT THE LAWS OF ANOTHER JURISDICTION SHALL APPLY TO THIS ASSIGNMENT INSOFAR AS THIS ASSIGNMENT COVERS OR RELATES TO A PART OF THE ASSETS FOR WHICH IT IS MANDATORY THAT THE LAW OF THAT OTHER JURISDICTION, WHEREIN SUCH PART OF THE ASSETS IS LOCATED, MUST APPLY.

[SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Assignment to be duly executed on the date of the respective acknowledgements below but effective as of the Effective Time.

ASSIGNOR: **ASSIGNEE:**

PROVINCE OF ALBERTA, CANADA

CITY OF CALGARY

Personally appeared before me, the undersigned authority in and for the said county and state, on this _____ day of _____, 2014, within my jurisdiction, the within named _____, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed in the above and foregoing instrument and acknowledged that he/she executed the same in his/her representative capacity, and that by his/her signature on the instrument, and as the act and deed of the person or entity upon behalf of which he/she acted, executed the above and foregoing instrument, after first having been duly authorized so to do.

_____
(NOTARY PUBLIC)

My commission expires:

_____

ASSIGNEE:

[_____], LP

By: _____

STATE OF _____

COUNTY OF _____

Personally appeared before me, the undersigned authority in and for the said county and state, on this _____ day of _____, 2014, within my jurisdiction, the within named _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed in the above and foregoing instrument and acknowledged that he/she/they executed the same in his/her/their representative capacity(ies), and that by his/her/their signature(s) on the instrument, and as the act and deed of the person(s) or entity(ies) upon behalf of which he/she/they acted, executed the above and foregoing instrument, after first having been duly authorized so to do.

_____
(NOTARY PUBLIC)

My commission expires:

_____

EXHIBIT A-1

TO

ASSIGNMENT AND BILL OF SALE

Leases

[See Attached]

EXHIBIT A-2

TO

ASSIGNMENT AND BILL OF SALE

Overriding Royalty Interests

[See Attached]

EXHIBIT A-3

TO

ASSIGNMENT AND BILL OF SALE

Non-Participating Royalty Interests

[See Attached]

EXHIBIT B

TO

ASSIGNMENT AND BILL OF SALE

Wells

[See Attached]

EXHIBIT C

TO

ASSIGNMENT AND BILL OF SALE

Surface Contracts

[See Attached]

EXHIBIT D

TO

ASSIGNMENT AND BILL OF SALE

The McKinley Creek Gathering System

[See Attached]

FORM OF CERTIFICATE OF SELLER

Pursuant to the Purchase and Sale Agreement ("Agreement") made and entered into as of November 17, 2014, among DIXIE ENERGY HOLDINGS (US), INC., a Delaware corporation, DIXIE ENERGY HOLDINGS (STRONG FIELD), LLC, a Delaware limited liability company, DIXIE ENERGY HOLDINGS (MAPLE BRANCH), LLC, a Delaware limited liability company, DIXIE ENERGY HOLDINGS (STAR), LLC, a Delaware limited liability company, DIXIE ENERGY HOLDINGS (HWM), LLC, a Delaware limited liability company, DIXIE ENERGY HOLDINGS (WILEY DOME), LLC, a Delaware limited liability company, DIXIE ENERGY HOLDINGS (BROOKLYN QUEENS), LLC, a Delaware limited liability company, DIXIE ENERGY HOLDINGS (MCKINLEY GAS), LLC, a Delaware limited liability company, and DIXIE ENERGY HOLDINGS (WHITE CASTLE DOME), LLC, a Delaware limited liability company (collectively, "Seller"), with respect to their respective Assets, and GULF PINE ENERGY PARTNERS, LP, a Delaware limited partnership ("Buyer"), and DIXIE ENERGY TRUST, an unincorporated open-ended limited purpose trust established under the laws of the Province of Alberta, Canada, Seller hereby certifies to Buyer as follows (capitalized terms used but not defined herein have the meanings given to such terms in the Agreement):

1. Seller has performed and complied in all material respects with each of the covenants and conditions required by the Agreement of which performance or compliance is required prior to or at the Closing; and

2. The representations and warranties by Seller and the Trust set forth in the Agreement are true and correct in all material respects (provided that any such representations and warranties that are qualified by "material," "material adverse effect" or similar materiality qualifiers shall not be further qualified hereby) as of the Closing Date, except to the extent that any such representation or warranty is made as of a specified date, in which case such representation or warranty was true and correct in all material respects (provided that any such representations and warranties that are qualified by "material," "material adverse effect" or similar materiality qualifiers shall not be further qualified hereby) as of such specified date.

[Signatures on Following Page]

This certificate is executed [**December 29**], 2014.

SELLER:

Dixie Energy Holdings (US), Inc.

By: _____
Ian Atkinson, President and CEO

Dixie Energy Holdings (Star), LLC
By: Dixie Energy Holdings (US), Inc.,
Its Sole Member

By: _____
Ian Atkinson, President and CEO

Dixie Energy Holdings (Maple Branch), LLC
By: Dixie Energy Holdings (US), Inc.,
Its Sole Member

By: _____
Ian Atkinson, President and CEO

Dixie Energy Holdings (Brooklyn Queens), LLC
By: Dixie Energy Holdings (US), Inc.,
Its Sole Member

By: _____
Ian Atkinson, President and CEO

Dixie Energy Holdings (Strong Field), LLC
By: Dixie Energy Holdings (US), Inc.,
Its Sole Member

By: _____
Ian Atkinson, President and CEO

Dixie Energy Holdings (White Castle Dome), LLC
By: Dixie Energy Holdings (US), Inc.,
Its Sole Member

By: _____
Ian Atkinson, President and CEO

Dixie Energy Holdings (HWM), LLC
By: Dixie Energy Holdings (US), Inc.,
Its Sole Member

By: _____
Ian Atkinson, President and CEO

Dixie Energy Holdings (Wiley Dome), LLC
By: Dixie Energy Holdings (US), Inc.,
Its Sole Member

By: _____
Ian Atkinson, President and CEO

Dixie Energy Holdings (McKinley Gas), LLC
By: Dixie Energy Holdings (US), Inc.,
Its Sole Member

By: _____
Ian Atkinson, President and CEO

FORM OF CERTIFICATE OF BUYER

Pursuant to the Purchase and Sale Agreement ("Agreement") made and entered into as of November 17, 2014, among DIXIE ENERGY HOLDINGS (US), INC., a Delaware corporation, DIXIE ENERGY HOLDINGS (STRONG FIELD), LLC, a Delaware limited liability company, DIXIE ENERGY HOLDINGS (MAPLE BRANCH), LLC, a Delaware limited liability company, DIXIE ENERGY HOLDINGS (STAR), LLC, a Delaware limited liability company, DIXIE ENERGY HOLDINGS (HWM), LLC, a Delaware limited liability company, DIXIE ENERGY HOLDINGS (WILEY DOME), LLC, a Delaware limited liability company, DIXIE ENERGY HOLDINGS (BROOKLYN QUEENS), LLC, a Delaware limited liability company, DIXIE ENERGY HOLDINGS (MCKINLEY GAS), LLC, a Delaware limited liability company, and DIXIE ENERGY HOLDINGS (WHITE CASTLE DOME), LLC, a Delaware limited liability company (collectively, "Seller"), with respect to their respective Assets, GULF PINE ENERGY PARTNERS, LP, a Delaware limited partnership ("Buyer"), and DIXIE ENERGY TRUST, an unincorporated open-ended limited purpose trust established under the laws of the Province of Alberta, Canada, Buyer hereby certifies to Seller as follows (capitalized terms used but not defined herein have the meanings given to such terms in the Agreement):

1. Buyer has performed and complied in all material respects with each of the covenants and conditions required by the Agreement of which performance or compliance is required prior to or at the Closing; and

2. The representations and warranties by Buyer set forth in the Agreement are true and correct in all material respects (provided that any such representations and warranties that are qualified by "material," "material adverse effect" or similar materiality qualifiers shall not be further qualified hereby) as of the Closing Date.

This certificate is executed [**December 29**], 2014.

BUYER:

GULF PINE ENERGY PARTNERS, LP

By: Gulf Pine Energy Partners GP, LLC, Its General Partner

By: _____
Name:
Title:

ASSET PURCHASE AGREEMENT

THIS AGREEMENT dated effective the 17th day of November, 2014,

BETWEEN:

DIXIE ENERGY LTD., a corporation incorporated under the laws of the Province of Alberta (the **Vendor**)

- and -

GULF PINE ENERGY PARTNERS LTD., a corporation incorporated under the laws of the Province of Alberta (the **Purchaser**)

RECITALS:

WHEREAS the Vendor has agreed to sell to the Purchaser and the Purchaser has agreed to purchase from the Vendor the Assets and assume the Assumed Obligations;

AND WHEREAS the Assets represent all or substantially all of the assets of the Vendor;

NOW THEREFORE in consideration of the foregoing and of the mutual representations, warranties, covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and subject to the terms and conditions hereof, the Parties hereby agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Defined Terms

Whenever used in this Agreement, the following words and terms shall have the meanings set out below and grammatical variations of such terms have corresponding meanings:

Agreement means this asset purchase agreement, including all schedules referenced herein, and references to "Article", "Section" or "Schedule" mean and refer to the specified Article, Section or Schedule of this Agreement;

Assets means, collectively, the Leased Property, the Licenses and the Physical Assets;

Assumption of Liabilities Agreement means the assumption of liabilities agreement in the form attached as Schedule "F";

Assumed Employee Obligations means the liabilities and obligations relating to the Employees of the Vendor that will be assumed by the Purchaser immediately following the Closing Date and as detailed in Schedule "D" but only to the extent such liabilities and obligations do not result from a breach of the representation provided in Section 4.1(j);

Assumed Obligations means the Assumed Employee Obligations and the liabilities and obligations arising from and relating to the period from and after the Closing Date pursuant to and in connection with the Leased Property, each to be assumed by the Purchaser as of and after the Closing Date;

Bill of Sale means the bill of sale, in the form attached as Schedule "E";

Closing has the meaning ascribed to such term in Section 3.2(a);

Closing Date has the meaning ascribed to such term in Section 3.2(a);

Employees means individuals who are full-time or part-time employees or individuals who are engaged on contract to provide employment services to the Vendor as of the date hereof;

Employment Agreement has the meaning ascribed to such term in Section 6.3(a);

Employment Related Liabilities means all employment-related liabilities including unpaid wages, salaries, bonuses (including retention bonuses), incentives, allowances, pensions, perquisites, public holiday pay, overtime, vacation pay, benefit plans, severance pay, payment in lieu of reasonable notice, notice of termination or termination pay, employment related claims, grievances, arbitration awards, penalties, assessments, claims for injury, disability, death, workers' compensation and any other compensation, damages or employment related liabilities in respect of the Employees other than the Assumed Employee Obligations;

Governmental Entity means any (a) federal, provincial, territorial, state, county, municipal, local, foreign or other government, (b) governmental or quasi-governmental authority of any nature (including any governmental agency, branch, department, official, or entity and any court, arbitrator or other tribunal), or (c) body exercising, or entitled to exercise, any administrative, executive, judicial, legislative, police, regulatory, or taxing authority or power of any nature, including any arbitral tribunal;

Lease has the meaning ascribed to such term in Section 4.1(h);

Leased Property means the leased property listed on Schedule "B";

Licenses means the software programs, agreements and licenses listed on Schedule "C";

Liens means security interests, charges, mortgages, hypothecs, pledges, liens, title retention agreements, exceptions, reservations, easements, rights of occupation, any matter capable of registration against title, options, agreements of purchase and sale, rights of pre-emption, privileges, claims, rights and other encumbrances of any nature whatsoever, and any agreement to create any of the foregoing;

Officers has the meaning ascribed to such term in Section 6.3(c);

Parties means the Purchaser and the Vendor, and **Party** means any one of them;

Partnership has the meaning ascribed to such term in Section 3.2(a);

Partnership PSA has the meaning ascribed to such term in Section 3.2(a);

Permitted Encumbrances means:

(a) non-consensual statutory Liens arising in the ordinary course of business;

(b) the rights reserved to or vested in any Governmental Entity by the terms of any lease, licence, franchise, grant or permit acquired by the Vendor or by any statutory provision, to terminate such lease, licence, franchise, grant or permit, or to require annual or other payments as a condition to the continuance thereof; and

(c) assignments of insurance provided to landlords (or their mortgagees) pursuant to the terms of any lease, and Liens reserved in any lease for rent or for compliance with the terms of such lease;

Physical Assets means the assets listed on Schedule "A";

Purchase Price has the meaning ascribed to such term in Section 3.1; and

Transferred Employee has the meaning ascribed to such term in Section 6.3(a).

1.2 Certain Rules of Interpretation

In this Agreement:

(a) Time shall be of the essence;

(b) Descriptive headings of Articles and Sections are inserted solely for convenience of reference and are not intended as complete or accurate descriptions of the content of such Articles or Sections;

(c) Words importing the singular number only shall include the plural and vice versa, and words importing gender shall include all genders; and

(d) The words "including" or "includes" shall mean "including (or includes) without limitation".

1.3 Currency

Unless otherwise specified, all references to money amounts shall be deemed to refer to Canadian currency.

1.4 Entire Agreement

This Agreement, together with all other agreements, instruments, certificates, assignments and other documents to be delivered by the Parties pursuant to this Agreement, constitute the entire agreement between the Parties pertaining to the subject matter of this Agreement, and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties and there are no representations, warranties or other agreements between the Parties in connection with the subject matter of this Agreement except as specifically set forth in this Agreement and any document delivered pursuant to this Agreement. Notwithstanding anything to the contrary in this Section 1.4, the Parties acknowledge that this Agreement and the instruments and agreements contemplated hereby are deemed to be "Transaction Documents" under and as defined in the Partnership PSA

1.5 Amendments and Waivers

No amendment or waiver of any provision of this Agreement shall be binding on any Party to this Agreement unless consented to in writing by such Party. No waiver of any provision of this Agreement shall constitute a waiver of any other provision nor shall any waiver constitute a continuing waiver unless otherwise provided.

1.6 Governing Law and Attornment

This Agreement shall be conclusively deemed to be a contract made under, and shall for all purposes be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein. The Parties hereby attorn to the exclusive jurisdiction of the courts of the Province of Alberta.

1.7 Schedules

The schedules to this Agreement, as listed below, are an integral part of this Agreement:

Schedule "A" - Physical Assets

Schedule "B"	-	Leased Property
Schedule "C"	-	Licenses
Schedule "D"	-	Assumed Employee Obligations
Schedule "E"	-	Form of Bill of Sale
Schedule "F"	-	Form of Assumption of Liabilities Agreement

1.8 Severability

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, provided that the exclusion of such provision does not materially alter the spirit and intent of this Agreement, not invalidate the remaining provisions hereof and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. In respect of any provision so determined to be unenforceable or invalid, the Parties agree to negotiate in good faith in order to replace the unenforceable or invalid provision with a new provision that is enforceable and valid in order to give effect to the business intent of the original provision to the extent permitted by law and in accordance with the intent of this Agreement.

ARTICLE 2
PURCHASE AND SALE

2.1 Assets to be Sold

Subject to the terms and conditions of this Agreement, at Closing, the Vendor shall sell, convey, assign, transfer and deliver to the Purchaser, and the Purchaser shall purchase, acquire and accept from the Vendor, free and clear of all Liens other than Permitted Encumbrances, all of the right, title and interest of the Vendor in and to all of the property, assets, undertaking and rights of the Vendor which are owned or leased by the Vendor and include, without limiting the foregoing, the following:

(a) all assets of the Vendor, including the Physical Assets listed on Schedule "A";

(b) any leased property, including the Leased Property listed on Schedule "B", and all leasehold improvements and fixtures associated with such Leased Property; and

(c) all licences, permits, registrations, authorities, franchises, certificates and other authorizations relating to the Assets including those listed on Schedule "C", which are capable of being transferred or assigned to the Purchaser and which the Purchaser is qualified to assume.

2.2 Obligations to be Assumed by the Purchaser From and After Closing

The Purchaser shall assume, pay, discharge and perform any obligations in connection with or pursuant to the Assumed Obligations as of and after the Closing Date.

ARTICLE 3
PURCHASE PRICE AND CLOSING

3.1 Purchase Price

The purchase price (the **Purchase Price**) for the Assets shall be one dollar ($1.00) payable in cash at Closing.

3.2 Closing Arrangements

(a) The closing of the purchase and sale of the Assets (the **Closing**) shall take place simultaneously with the consummation by Gulf Pine Energy Partners, LP (the

Partnership) of the transactions contemplated by that certain Purchase and Sale Agreement (the **Partnership PSA**), dated the date hereof, by and among the Partnership and Dixie Energy Holdings (US), Inc. and the other parties thereto (the **Closing Date**).

(b) At the Closing, the Vendor and the Purchaser shall execute and deliver the following:

(i) the Bill of Sale in connection with the Assets; and

(ii) the Assumption of Liabilities Agreement.

(c) At the Closing, the Vendor shall deliver, or shall cause to be delivered, to the Purchaser the following:

(i) such surveys, bills of sale, transfers, deeds, conveyances, endorsements, assignments, discharges, consents and other good and sufficient instruments of transfer and conveyance as may be required by the Purchaser to vest in the Purchaser good and marketable title in and to the Assets;

(ii) each of the Third Party Consents contemplated in Section 6.2 or otherwise required in connection with the transfer to the Purchaser of the Assets including, without limitation, the Leased Property and the Licenses; and

(iii) any other documents and instruments required by this Agreement or reasonably requested by the Purchaser to give effect to the transactions contemplated by this Agreement.

(d) At the Closing, the Purchaser shall deliver, or shall cause to be delivered to the Vendor the Purchase Price.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES OF THE VENDOR

4.1 Representations and Warranties of the Vendor

The Vendor represents and warrants as follows to the Purchaser, and acknowledges that the Purchaser is relying on such representations and warranties in connection with the purchase of the Assets:

(a) The Vendor is a corporation validly existing under the laws of the Province of Alberta, and has full corporate power and authority to own, lease and operate its properties and carry on its business as it is now being conducted and perform its obligations hereunder.

(b) All necessary corporate action and proceedings have been taken by the Vendor to enable it to enter into this Agreement and perform its obligations hereunder. This Agreement has been duly authorized, executed and delivered by the Vendor and is a legal, valid and binding obligation of the Vendor, enforceable against it by the Purchaser in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency and other laws affecting the rights of creditors generally and except that equitable remedies may be granted only in the discretion of a court of competent jurisdiction.

(c) No person other than the Purchaser has any written or oral agreement or option or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement or option for the purchase or acquisition of any of the Assets.

(d) The Vendor has complied in all material respects with all laws, statutes, ordinances, regulations, rules, judgments, decrees, orders, site plans, licences, permits, approvals, consents, certificates, registrations and authorizations applicable to the Assets.

(e) Neither the execution and delivery of this Agreement by the Vendor nor the consummation of the transactions effected hereby will violate or conflict with (i) any provision of the constating documents, by-laws or resolutions of the board of directors (or any committee thereof) or shareholders of the Vendor, (ii) any judgment, decree, order or award of any court, governmental body or arbitrator having jurisdiction over the Vendor, or (iii) any applicable law, statute, ordinance, regulation or rule.

(f) Except for: (i) any approvals or filings required to transfer the Licenses and assign the Leased Property, there are no requirements to make any filing with, give any notice to or obtain any licence, permit, certificate, registration, authorization, consent or approval of, any Governmental Entity as a condition to the lawful consummation of the transactions contemplated by this Agreement.

(g) The Assets are owned legally and beneficially by the Vendor prior to the Closing and shall be owned legally and beneficially by the Vendor at Closing with good and marketable title thereto, free and clear of all Liens other than the Permitted Encumbrances. As at the Closing Date, the Assets owned and leased by the Vendor constitute all or substantially all of the assets owned or leased by the Vendor.

(h) Schedule "B" sets forth the municipal address of the real property that is leased by the Vendor (the **Lease**). The Vendor is not a party to any lease or agreement to lease in respect of any real property, whether as landlord or tenant, other than the Lease. The Lease is in good standing and in full force and effect, and the Vendor has not received written notice, nor does the Vendor have knowledge, that the Lease will be or is intended to be cancelled or terminated. The premises under the Lease are being lawfully occupied in compliance with applicable law.

(i) Schedule "C" sets out a complete and accurate list of all Licenses held by or granted to the Vendor and each such License is valid, subsisting and in good standing.

(j) The Assumed Employee Obligations as set forth in Schedule "D" do not exceed, in the aggregate, $1,000.

ARTICLE 5
REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

5.1 Representations and Warranties of the Purchaser

The Purchaser hereby represents, warrants and acknowledges as follows to the Vendor and acknowledges that the Vendor is relying on such representations and warranties in connection with the sale of the Assets:

(a) The Purchaser is a corporation validly existing under the laws of the Province of Alberta, and has full corporate power and authority to own, lease and operate its properties and carry on its business as it is now being conducted and perform its obligations hereunder.

(b) All necessary actions and proceedings have been taken by the Purchaser to enable it to enter into this Agreement and to perform its obligations hereunder. This Agreement has been duly authorized, executed and delivered by the Purchaser, and is a legal, valid and binding obligation of the Purchaser, enforceable against the Purchaser by the Vendor in accordance with its terms, except as enforcement may be limited by bankruptcy,

insolvency and other laws affecting the rights of creditors generally and except that equitable remedies may be granted only in the discretion of a court of competent jurisdiction.

ARTICLE 6
COVENANTS OF THE PARTIES

6.1 Further Assurances

Each of the Parties shall use all commercially reasonable efforts in good faith as may be required to consummate the transactions contemplated hereby. On and after the Closing Date, the Parties shall take all appropriate action and shall execute all documents, instruments or conveyances of any kind that may be reasonably necessary or advisable to carry out the provisions hereof.

Without in any way limiting the foregoing, the Purchaser agrees that following the Closing, the Vendor shall have the right to use the Assets, at no additional cost, but solely in connection with transactions contemplated under the Partnership PSA.

6.2 Third Party Consents

Prior to and after the Closing, the Vendor shall use all commercially reasonable efforts to obtain all consents, waivers, authorizations and approvals (**Third Party Consents**) on terms acceptable to the Purchaser, acting reasonably, required in connection with the transfer of the Assets (including, but not limited to, the Licenses and the Leased Property) and the assumption of the Assumed Obligations.

6.3 Employees

(a) Effective upon the Closing, the Purchaser shall offer employment to all Employees employed with the Vendor immediately prior to the Closing (each a **Transferred Employee**), on terms of employment provided for in the Employment Agreement (as defined herein). The terms of employment shall be outlined in the employment agreement (each an **Employment Agreement**) between the Purchaser and each Transferred Employee executed and delivered by the Purchaser and each Transferred Employee on the date hereof.

(b) The Vendor shall be responsible for all Employment Related Liabilities payable to, or in respect of, any Employees that arise before, on or after the Closing Date but relate to the period prior to the Closing Date other than, and for greater certainty, the Assumed Employee Obligations. The Purchaser shall be responsible for Employment Related Liabilities payable to, or in respect of, any Transferred Employees that arise and relate to the period after the Closing Date.

(c) Notwithstanding Section 6.3(a), each of the executive officers of the Vendor, namely Ian Atkinson, President, Chief Executive Officer and director, Calvin Yau, Vice President Finance and Chief Financial Officer and Karen Tanaka, Vice President, Corporate Affairs and Secretary (collectively, the **Officers**), shall continue, from and after the Closing Date, as officers and directors, as applicable, with the Vendor until such time as is deemed appropriate by the Officers to relinquish such positions.

6.4 Costs and Expenses; Certain Tax Matters

Except as specifically set forth in this Agreement, each of the Parties shall bear the respective costs and expenses incurred or to be incurred by each of the Parties in connection with this Agreement and the consummation of the transactions contemplated hereby.

The Parties will use their commercially reasonable efforts to minimize (or eliminate) any taxes payable under the Excise Tax Act (Canada) in respect of the Closing by, among other things, making such elections and taking such steps as may be provided for under that Act (including, for greater certainty, making a joint election in a timely manner under Section 167 of that Act) as may reasonably be requested by the Purchaser in connection with the Closing.

ARTICLE 7
SURVIVAL PERIODS

7.1 Survival of Representations and Warranties

The representations and warranties contained in this Agreement and in all certificates and documents delivered pursuant to or contemplated by this Agreement shall survive the Closing for a period of twelve (12) months following the Closing Date and, notwithstanding such Closing.

ARTICLE 8
CONDITIONS OF CLOSING

8.1 Conditions of Closing in Favour of the Purchaser

The obligation of the Purchaser to complete the transactions contemplated by this Agreement is subject to (a) the delivery by the Vendor at or prior to the Closing Date of all documents listed in Sections 3.2(b) and 3.2(c) and (b) the consummation of the Partnership PSA.

8.2 Conditions of Closing in Favour of the Vendor

The obligations of the Vendor to complete the transactions contemplated by this Agreement is subject to (a) the delivery by the Purchaser at or prior to the Closing Date of (i) all documents listed in Sections 3.2(b) and (ii) the Purchase Price payable to the Vendor and (b) the consummation of the Partnership PSA.

ARTICLE 9
GENERAL

9.1 Assignment

This Agreement shall not be assigned by any Party without the prior written consent of the other Party, such consent to not be unreasonably withheld; provided, that the Purchaser may assign this Agreement to any affiliate of the Purchaser provided such affiliate of the Purchaser is an entity incorporated pursuant to or otherwise continued under the legislation of any province or territory of Canada or the federal legislation of Canada.

9.2 Enurement

This Agreement shall be binding upon and enure solely to the benefit of the Parties hereto and nothing in this Agreement, express or implied, is intended to or shall confer upon any other person any rights, benefits or remedies of any nature whatsoever under or by reason of this Agreement.

9.3 Notices

Unless otherwise provided herein, any notice, request, instruction or other document to be given hereunder by one Party to the other Party shall be in writing and shall be delivered in person, by nationally recognized overnight courier or by facsimile transmission as follows:

If to the Vendor: Dixie Energy Ltd.

Suite 1250, 736 - 6th Avenue S.W.
Calgary, AB T2P 3T7

Attention: Karen Tanaka
Facsimile: (403) 452-9249

If to the Purchaser: Gulf Pine Energy Partners Ltd.
Suite 1250, 736 - 6th Avenue S.W.
Calgary, AB T2P 3T7

Attention: Karen Tanaka
Facsimile: (403) 452-9249

With a copy to: Gulf Pine Energy Partners GP, LLC
c/o Pine Brook Road Partners, LLC
60 East 42nd Street, 50th Floor
New York, New York 10165

Attention: Andre Burba
Facsimile: (212) 847-4329

or to such other place and with such other copies as any Party may designate by written notice to the other Party. Notice shall be deemed effective upon delivery by overnight courier or upon delivery confirmation from the delivering party's facsimile machine. Any rejection or refusal to accept or the inability to deliver any notice because of a changed address of which no notice was given shall be deemed to be receipt of the notice as of the date of such rejection, refusal or inability to deliver.

9.4 Benefit of the Agreement

This Agreement shall enure to the benefit of and be binding upon the Parties hereto and their respective successors and permitted assigns.

9.5 Partnership PSA

Notwithstanding anything to the contrary in this Agreement, if (a) the consummation of the transactions contemplated by the Partnership PSA does not occur on or prior to February 19, 2015 (or such later date as agreed to in writing by the parties to the Partnership PSA) or (b) the Partnership PSA is terminated in accordance with its terms, then, on the date of such failure of the consummation of the transactions contemplated by the Partnership PSA to occur or of such termination, this Agreement shall immediately terminate and all rights and obligations of the Parties under this Agreements shall terminate

[Remainder of page intentionally left blank.]

9.5 Counterparts

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or by e-mail in PDF format shall be as effective as delivery of a manually executed counterpart of this Agreement.

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the Parties as of the date first above written.

DIXIE ENERGY LTD.

Per: *Signed "David Anderson"*
Name: David Anderson
Title: Director

GULF PINE ENERGY PARTNERS LTD.

Per: *Signed "Andre Burba"*
Name: Andre Burba
Title: Authorized Person

SCHEDULE "A"

This Schedule "A" is part of and incorporated by reference in the Asset Purchase Agreement to which this Schedule "A" is attached.

Physical Assets

- Office furniture consisting of:
    - L-Shaped Desk (12)
    - Bookcase (12)
    - Lateral 2 Drawer Cabinet (12)
    - Lateral 3 Drawer Cabinet (2)
    - Magnetic Whiteboard (12)
    - High Back Leather Chair (18)
    - High Back Mesh Chair (13)
    - Stacking Chair (20)
    - Arm Chair (2)
    - Bar Stool (4)
    - Boardroom Table (2)
    - Side Table (2)
- Computer hardware and related equipment consisting of:
    - Computer (10)
    - Monitor (20)
    - Printer (1)
    - Server (1)

SCHEDULE "B"

This Schedule "B" is part of and incorporated by reference in the Asset Purchase Agreement to which this Schedule "B" is attached.

Leased Property

- Calgary Office Building - Suite 1250, 736 - 6th Avenue S.W., Calgary, AB T2P 3T7

SCHEDULE "C"

This Schedule "C" is part of and incorporated by reference in the Asset Purchase Agreement to which this Schedule "C" is attached.

Licenses

- Microsoft Office (10)
- Adobe Acrobat Pro (1)

SCHEDULE "D"

This Schedule "D" is part of and incorporated by reference in the Asset Purchase Agreement to which this Schedule "D" is attached.

Assumed Employee Obligations

- Vacation Pay Carry-Forward
- Payroll Services
- Benefit Plan

SCHEDULE "E"

This Schedule "E" is part of and incorporated by reference in the Asset Purchase Agreement to which this Schedule "E" is attached.

BILL OF SALE

THIS BILL OF SALE effective as of the **[●]** day of **[●]**, 2014.

Pursuant to an Asset Purchase Agreement dated effective the 17th day of November, 2014 (the **Purchase Agreement**) between Dixie Energy Ltd. (the **Vendor**), a corporation incorporated under the laws of the Province of Alberta and Gulf Pine Energy Partners Ltd., a corporation incorporated under the laws of the Province of Alberta (the **Purchaser**), the Purchaser has agreed to purchase from the Vendor, and the Vendor has agreed to sell to the Purchaser, all of the Vendor's right, title and interest in and to the Assets. All capitalized terms used, but not defined herein, shall have the meanings given to them in the Purchase Agreement.

NOW THEREFORE, in consideration of the payment by the Purchaser of the consideration specified in the Purchase Agreement, the receipt and sufficiency of which is hereby acknowledged, and in further consideration of the mutual covenants and agreements contained in the Purchase Agreement, and pursuant to the terms of the Purchase Agreement, the Vendor does hereby convey, transfer, assign, sell and deliver to the Purchaser and its successors and assigns all of the Vendor's right, title and interest in and to the Assets.

To the extent of any conflict between the terms and conditions of this Bill of Sale and the terms and conditions of the Purchase Agreement, the terms and conditions of the Purchase Agreement shall govern, supersede and prevail. Notwithstanding anything to the contrary, nothing herein is intended to, nor shall it, extend, amplify or otherwise alter the representations, warranties, covenants and obligations of the Vendor or the Purchaser contained in the Purchase Agreement.

This Bill of Sale shall be construed and interpreted, and the rights of the parties shall be determined, in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein, without regard to the choice of law principles of the Province of Alberta or of any other jurisdiction.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have caused this Bill of Sale to be duly executed as of the date first written above.

DIXIE ENERGY LTD.

Per: _____
Name:
Title:

GULF PINE ENERGY PARTNERS LTD.

Per: _____
Name:
Title:

SCHEDULE "F"

This Schedule "F" is part of and incorporated by reference in the Asset Purchase Agreement to which this Schedule "F" is attached.

ASSUMPTION OF LIABILITIES AGREEMENT

This Assumption of Liabilities Agreement effective as of the **[●]** day of **[●]**, 2014 is made and entered into by and between Dixie Energy Ltd., a corporation incorporated under the laws of the Province of Alberta (the **Vendor**), and Gulf Pine Energy Partners Ltd., a corporation incorporated under the laws of the Province of Alberta (the **Purchaser**). Pursuant to an Asset Purchase Agreement dated effective the 17th day of November, 2014, (the **Purchase Agreement**) between the Vendor and the Purchaser, the Purchaser has agreed to purchase from the Vendor, and the Vendor has agreed to sell to the Purchaser, all of the Vendor's right, title and interest in and to the Assets. All capitalized terms used herein, but not defined herein, shall have the meanings given to them in the Purchase Agreement.

For valuable consideration as set forth in the Purchase Agreement, the receipt and sufficiency of which is hereby acknowledged, the Purchaser hereby assumes and agrees to pay, perform or discharge, as the case may be, the Assumed Obligations.

To the extent of any conflict between the terms and conditions of this Assumption of Liabilities Agreement and the terms and conditions of the Purchase Agreement, the terms and conditions of the Purchase Agreement shall govern, supersede and prevail. Notwithstanding anything to the contrary, nothing herein is intended to, nor shall it, extend, amplify or otherwise alter the representations, warranties, covenants and obligations of the Vendor or the Purchaser contained in the Purchase Agreement.

This Assumption of Liabilities Agreement shall be binding upon the parties hereto and enure to the benefit of their respective successors and permitted assigns. This Assumption of Liabilities Agreement shall be construed and interpreted, and the rights of the parties shall be determined, in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein, without regard to the choice of law principles of the Province of Alberta or of any other jurisdiction.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have caused this Assumption of Liabilities Agreement to be duly executed as of the date first written above.

DIXIE ENERGY LTD.

Per: _____
Name:
Title:

GULF PINE ENERGY PARTNERS LTD.

Per: _____
Name:
Title:

APPENDIX "F"
CORPORATE GOVERNANCE DISCLOSURE

Set forth below is a description of the Administrator's current corporate governance practices, as prescribed by Form 58-101F2, which is attached to National Instrument 58-101 entitled "*Disclosure of Corporate Governance Practices*" ("NI 58-101"). The requirements of Form 58-101F2 are set out below in italics:

1. BOARD OF DIRECTORS

Disclose how the board of directors (the board) facilitates its exercise of independent supervision over management, including:

The non-management directors (Messrs. Anderson, Kelly and Oke) and the independent directors (Messrs. Kelly and Oke) have adopted the practice of meeting in-camera at each quarterly board meeting at which annual and interim continuous disclosure documents are approved, and at such other board meetings as the non-management directors and independent directors consider necessary. In addition, the board has appointed a non-management director (Mr. Anderson) to act as the Chairman of the Board.

(i) the identity of directors that are independent, and

The Board of Directors of the Administrator has determined that the following two directors of the Administrator are independent in accordance with NI 58-101:

Michael Kelly
Jeff Oke

(ii) the identity of directors who are not independent, and the basis for that determination.

The Board of Directors of the Administrator has determined that the following two directors of the Administrator are not independent:

David Anderson
Ian Atkinson

David Anderson is not considered to be independent as Mr. Anderson was, until April 10, 2014, the President of the Administrator.

Ian Atkinson is not considered to be independent as Mr. Atkinson is currently the President and Chief Executive Officer of the Administrator.

2. DIRECTORSHIPS

If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.

The following directors are presently directors of other issuers that are reporting issuers (or the equivalent):

Name of Director	Names of Other Issuers
David Anderson	EmberClear Corp.

3. ORIENTATION AND CONTINUING EDUCATION

Describe what steps, if any, the board takes to orient new board members, and describe any measures the board takes to provide continuing education for directors.

Due to the small size of the Board of Directors and the Trust's early stage of development, no formal program currently exists for the orientation of new directors. Rather, existing directors and management provide orientation to new members on an informal and ad hoc basis. In addition, new directors of the Administrator will be given a copy of the relevant governance documents of the Trust and the Administrator and access to the corporate records of the Trust and the Administrators and management of the Administrator make themselves available to provide a presentation to new directors respecting the nature and operation of Dixie's business and provide all additional information requested by new directors.

Due to the Trust's early stage of development, no formal continuing education program currently exists for the directors of the Administrator; however, the Administrator encourages directors to attend, enrol or participate in courses and/or seminars dealing with financial literacy, corporate governance and related matters and may pay the cost of such courses and seminars. Each director of the Administrator has the responsibility for ensuring that he maintains the skill and knowledge necessary to meet his obligations as a director.

4. ETHICAL BUSINESS CONDUCT

Describe what steps, if any, the board takes to encourage and promote a culture of ethical business conduct.

Although the Board endeavours to encourage and promote a culture of high ethical standards in all its business dealings, due to the Trust's early stage of development, it has not taken specific steps (such as the adoption of a code of conduct) at this time to encourage and promote such standards.

5. NOMINATION OF DIRECTORS

Disclose what steps, if any, are taken to identify new candidates for board nomination, including (i) who identifies new candidates, and (ii) the process of identifying new candidates.

The Board as a whole has the responsibility of selecting nominees for election to the Board. At present, the Board does not have a specified process by which the Board identifies new candidates for Board nomination but rather the identification of new candidates is done on an informal basis by both members of the Board and management based on their assessment of the relevance of prospective members' background and skills to the Trust's current and planned operations and the then current needs of the Board.

6. COMPENSATION

Disclose what steps, if any, are taken to determine compensation for the directors and CEO, including: (i) who determines compensation, and (ii) the process of determining compensation.

In 2013, subsequent to the Trust becoming a "reporting issuer", the Board established a Governance, Nomination and Compensation Committee (the "**Compensation Committee**"). The Compensation Committee has been delegated the responsibility for reviewing matters relating to the compensation of the executive officers of the Dixie Group and the Board and to make recommendations to the Board regarding compensation policies, guidelines and strategies of the Dixie Group and the compensation to be paid to the Dixie Group's executive officers and directors. The Compensation Committee was dissolved in April 2014, following which the Board has the responsibilities previously delegated to the Compensation Committee.

For details regarding the steps taken to determine compensation for the directors and Chief Executive Officer during the year ended December 31, 2013, including who determined compensation and the process of determining compensation, see "*Form 51-102F6 – Statement of Executive Compensation in Respect of the Year Ended December 31, 2013*" attached as Appendix "H" hereto.

7. OTHER BOARD COMMITTEES

If the board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.

The Board does not have any other committees other than the audit committee.

8. ASSESSMENTS

Disclose what steps, if any, that the board takes to satisfy itself that the board, its committees, and its individual directors are performing effectively.

The Board reviews annually, on an informal basis, the composition of the Board and its committees and the performance of the Board, its committees, and the individual directors of the Administrator to ensure that they are performing effectively.

APPENDIX "G"
AUDIT COMMITTEE DISCLOSURE

THE AUDIT COMMITTEE'S CHARTER

The charter of the audit committee (the "**Audit Committee**") of the Board of Directors of the Administrator is attached to this Appendix "G" as Schedule "A".

COMPOSITION OF THE AUDIT COMMITTEE

The members of the Audit Committee are Messrs. Michael Kelly (Chair), David Anderson and Jeff Oke. Of such individuals, only Messrs. Kelly and Oke are considered independent (in accordance with National Instrument 52-110 *Audit Committees*) ("**NI 52-110**"). Each of the foregoing individuals is considered financially literate (in accordance with NI 52-110).

RELEVANT EDUCATION AND EXPERIENCE

For a description of the education and experience of each Audit Committee member that is relevant to the performance of his responsibilities as an Audit Committee member, see "*Matters to be Acted Upon at the Meeting-Election of Directors*" in the body of this Circular.

AUDIT COMMITTEE OVERSIGHT

At no time since the commencement of the Trust's most recently completed financial year has a recommendation of the Audit Committee to nominate or compensate an external auditor not been adopted by the Board.

RELIANCE ON CERTAIN EXEMPTIONS

At no time since the commencement of the Trust's most recently completed financial year has the issuer relied on (i) the exemption in section 2.4 of NI 52-110, or (ii) an exemption from NI 52-110, in whole or in part, granted under Part 8 thereof.

PRE-APPROVAL POLICIES AND PROCEDURES

The Audit Committee's mandate provides that the Audit Committee will pre-approve, in accordance with applicable law, any non-audit services to be provided to the Trust by the external auditor, with reference to compatibility of the service with the external auditors' independence and, where appropriate, delegate to one or more members of the Audit Committee the authority to grant pre-approvals of non-audit services with the members of the Audit Committee being informed of any such pre-approvals at the next regularly scheduled meeting of the Audit Committee.

EXTERNAL AUDITOR SERVICE FEES

The following table sets out the aggregate fees billed by the Trust's external auditor in the past year for the category of fees described.

	December 31, 2012	**December 31, 2013**
Audit Fees	$31,000	$146,811
Audit Related Fees	$nil	$nil
Tax Fees[(1)]	$12,975	$129,596
All Other Fees[(2)]	$nil	$141,745
Total	**$49,425**	**$418,152**

Notes:

(1) "Tax Fees" consist of fees billed for professional services rendered by the Trust's external auditor for tax compliance, tax advice and tax planning. These services consisted of taxation services relating to the Trust's structure.

(2) "All Other Fees" includes fees billed for products and services provided by the Trust's external auditors other than the services reported above.

EXEMPTION

As the Trust is a "venture issuer" for the purposes of NI 52-110, it is exempt from the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110 and is relying on the exemption set forth in section 6.1 of NI 52-110 in relation thereto.

SCHEDULE "A" TO APPENDIX "G"
DIXIE ENERGY LTD.
AUDIT COMMITTEE CHARTER

General

Dixie Energy Ltd. (the "**Corporation**") is the administrator of Dixie Energy Trust (the "**Trust**") and as such, the board of directors of the Corporation (the "**Board of Directors**") is responsible for the stewardship of the affairs of the Trust and the Trust's direct and indirect subsidiary entities (together with the Corporation and the Trust, the "**Dixie Group**"), for the benefit of the unitholders of the Trust (the "**Unitholders**"). The Board of Directors has established an Audit Committee (the "**Committee**") the primary role of which is to assist the Board of Directors in fulfilling its oversight responsibilities regarding the following matters:

1. the integrity, accuracy and completeness of the Trust's consolidated financial statements and related management discussion and analysis ("**MD&A**");

2. the selection (subject to approval by the unitholders of the Trust ("**Unitholders**")), engagement and monitoring of the activities of the Trust's external auditor;

3. the Dixie Group's risk management strategy;

4. the Dixie Group's compliance with legal, statutory and regulatory requirements as they relate to financial statements and taxation matters; and

5. any additional duties set out in this Charter or otherwise delegated to the Committee by the Board of Directors.

While the Committee has the responsibilities and powers set forth in this Charter, the role of the Committee is oversight. It is not the duty of the Committee to plan or conduct audits or to determine that the Trust's consolidated financial statements are complete and accurate and are in accordance with Canadian generally accepted accounting principles applicable to publicly accountable enterprises being International Financial Reporting Standards as adopted by the Canadian Accounting Standards Board ("**IFRS**"). These are the responsibility of senior financial management of the Corporation (the "**Management**") on behalf of the Trust and it is the responsibility of the Trust's external auditor to express an opinion on the Trust's consolidated financial statements based on their audit.

Composition and Operation

The Board of Directors will appoint a minimum of three directors of the Corporation ("**Directors**") as members of the Committee.

The Board of Directors will in each year appoint a chairman of the Committee (the "**Committee Chair**"). In the Committee Chair's absence, or if the position is vacant, the Committee may select another member as Committee Chair. The Committee Chair will have the right to exercise all powers of the Committee between meetings but will attempt to involve all other members of the Committee as appropriate prior to the exercise of any powers and will, in any event, advise all other members of the Committee of any decisions made or powers exercised.

All members of the Committee shall be financially literate. While the Board of Directors shall determine the definition of and criteria for financial literacy, this shall, at a minimum, include the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Trust's financial statements.

Directors who are not members of the Committee may attend all or any part of meetings of the Committee, but shall not be entitled to vote on any questions before the Committee. Other than members of the Board of Directors,

entitlement to attend all or any portion of any Committee meeting shall be determined by the Committee Chair or by the members of the Committee.

Mandate

The Committee's duties and responsibilities include, but are not limited to, the following matters:

Financial Reporting and Disclosure

In connection with the financial reporting and disclosure obligations of the Trust, the Committee will:

1. review the audited consolidated annual financial statements of the Trust as prepared by Management in conjunction with the external auditors, the related MD&A and the associated press releases for submission to the Board of Directors for approval;

2. review the unaudited consolidated quarterly financial statements of the Trust as prepared by Management, the related MD&A and the associated press releases for submission to the Board of Directors for approval;

3. review with Management and the external auditor, significant accounting practices employed by the Dixie Group and disclosure issues, including complex or unusual transactions, judgement-related areas such as the financial implications of reserves or estimates, and significant changes to accounting principles, with a view to gaining reasonable assurance that the accounting policies and critical accounting estimates are appropriate and that the financial statements are accurate within reasonable levels of materiality, are complete, do not contain any misrepresentations and present fairly the Trust's financial position and results of operations in accordance with IFRS;

4. review and assess any new or proposed developments in accounting and reporting standards that may affect or have an impact on the Trust;

5. confirm through discussions with Management and the external auditor that Canadian IFRS and all applicable laws or regulations related to financial reporting and disclosure have been complied with;

6. review any unresolved significant issues between Management and the external auditor that could affect the financial reporting or internal controls of the Dixie Group;

7. review any actual or anticipated litigation or other events, including tax assessments, which could have a material current or future effect on the Trust's consolidated financial statements, and the disclosure of such in the financial statements;

8. discuss with Management the effect of any off-balance sheet transactions, arrangements, obligations and other relationships with unconsolidated entities or other persons that may have a material current or future effect on the Trust's financial condition, changes in financial condition, results of operations, liquidity, capital expenditures, capital resources, or significant components of revenues and expenses;

9. review and discuss with the Chief Executive Officer and Chief Financial Officer of the Corporation the procedures undertaken in connection with the Chief Executive Officer and Chief Financial Officer certifications for the annual and/or quarterly filings with applicable securities regulatory authorities;

10. review or satisfy itself that adequate procedures are in place for the review of the Trust's public disclosure of financial information extracted from the Trust's financial statements and periodically assess the adequacy of those procedures; and

11. review accounting, tax, legal and financial aspects of the operations of the Trust as the Committee considers appropriate.

Oversight of Internal Controls

The Committee will:

1. monitor the quality and integrity of the Dixie Group's system of internal controls, disclosure controls and management information systems through discussions with Management and the external auditor;

2. oversee the system of internal controls by:

   (a) consulting with the external auditor regarding the effectiveness of the Dixie Group's internal controls;

   (b) monitoring policies and procedures for internal accounting, financial controls and management information, electronic data controls and computer security;

   (c) obtaining from Management adequate assurances that all statutory payments and withholdings have been made; and

   (d) taking other actions as considered necessary;

3. oversee investigations of alleged fraud and illegality relating to the Dixie Group's finances and any resulting actions; and

4. establish procedures for the receipt, retention and treatment of complaints received by the Dixie Group regarding accounting, internal accounting controls or auditing matters, the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters and for the protection from retaliation of those who report such complaints in good faith.

External Auditor Appointment and Removal

The Committee will:

1. recommend the appointment or replacement of the external auditor to the Board of Directors, who will consider the recommendation prior to submitting the nomination to the Unitholders for their approval;

2. review Management's plans for an orderly transition to a new external auditor, if required;

3. pre-approve, in accordance with applicable law, any non-audit services to be provided to the Trust by the external auditor, with reference to compatibility of the service with the external auditors' independence and, where appropriate, delegate to one or more members of the Committee the authority to grant pre-approvals of non-audit services with the members of the Committee being informed of any such pre-approvals at the next regularly scheduled meeting of the Committee; and

4. review and approve the Dixie Group's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor.

External Auditor Liaison

The external auditor will report directly to the Committee and will be accountable to the Committee and the Board of Directors, as representatives of the Unitholders.

In its role as liaison with the external auditor, the Committee will:

1. be directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Trust, including the resolution of any disagreements between Management and the external auditor regarding financial reporting;

2. review all material written communications between the external auditor and the Dixie Group, including any post-audit management letter containing the recommendations of the external auditor, Management's response and, subsequently, follow up on identified weaknesses; and

3. meet with the external auditor independently from Management at least annually to discuss and review specific issues and any significant matters that the auditor may wish to bring to the Committee for its consideration.

External Auditor Review

The Committee will:

1. review with Management, and make recommendations to the Board of Directors, regarding the fee related to the audit. In making a recommendation with respect to the fee, the Committee shall consider the number and nature of reports issued by the external auditor, the quality of internal controls, the size, complexity and financial condition of the Dixie Group, and the extent of other support provided by the Dixie Group and Management to the external auditor;

2. review any other matters related to the external audit that are to be communicated to the Committee under generally accepted auditing standards or that relate to the external auditor; and

3. review with Management and the external auditor any correspondence with regulators or governmental agencies, employee complaints or published reports that raise material issues regarding the Dixie Group's financial statements or accounting policies.

Risk Management

The Committee will:

1. review and assess the adequacy of the Dixie Group's risk management policies and procedures with respect to the Dixie Group's principal business risks;

2. review with Management, the Dixie Group's major risk exposures and the steps taken by Management to monitor and control such exposures;

3. review and monitor the results of Management's commodity price, financial and credit exposure management activities including oil and natural gas, foreign currency and interest rate hedging activities and the use of derivative instruments;

4. review and assess the adequacy of the implementation of appropriate systems to mitigate and manage the risks, and report regularly to the Board of Directors; and

5. review the Dixie Group's insurance program.

Related Party Transactions

The Committee will review with Management all related party transactions and the development of policies and procedures related to those transactions.

Complaint Procedures

The Committee will establish and review procedures relating to the receipt, retention and treatment of complaints received by the Dixie Group respecting accounting, internal accounting controls or auditing matters and the confidential anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

Board of Directors Relationship and Reporting

The Committee will:

1. report to the Board of Directors on Committee activities, issues and related recommendations; and

2. oversee appropriate disclosure of the Committee mandate, and other information required to be disclosed by applicable securities laws, in the Trust's annual information form and all other applicable disclosure documents, including any management information circular distributed in connection with the solicitation of proxies from Unitholders.

Administrative Matters

The following general provisions shall have application to the Committee:

1. A quorum of the Committee shall be the attendance of two (2) members thereof present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and hear each other. No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present or by a resolution in writing signed by all the members of the Committee.

2. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee, by resolution of the Board of Directors. If and whenever a vacancy shall exist on the Committee, the remaining members may exercise all its powers so long as a quorum remains.

3. The Committee may invite such officers, directors and employees of the Dixie Group or the Corporation, as it may see fit, from time to time to attend at meetings of the Committee and to assist thereat in the discussion of matters being considered by the Committee. The external auditor is to appear before the Committee when requested to do so by the Committee.

4. The time and place for the Committee meetings, the calling and the procedure at such meetings shall be determined by the Committee having regard to the by-laws of the Corporation.

5. The Committee shall meet a minimum of four (4) times a year.

6. The Committee Chair shall preside at all meetings of the Committee. In the absence of the Committee Chair or in the event of a vacancy in the position of the Committee Chair, the other members of the Committee shall appoint a representative amongst them to act as Committee Chair for that particular meeting.

7. The Committee shall report to the Board of Directors on such matters and questions relating to the financial position of the Dixie Group as the Board of Directors may from time to time refer to the Committee.

8. The members of the Committee shall, for the purpose of performing their duties, have the right to inspect all the books and records of the Dixie Group, and to discuss such books and records that are in any way related to the financial position of the Trust with the officers and employees of the Dixie Group and the external auditor of the Trust.

9. The Committee shall meet, in separate, non-management, in camera sessions at each regularly scheduled meeting.

10. Minutes of each meeting will be kept. Where minutes have not yet been prepared, the Committee Chair shall provide the Board of Directors with oral reports on the activities of the Committee.

11. The external auditors shall report directly to the Committee and the external auditors and internal auditors (if any) shall have a direct line of communication to the Committee through its chair and may bypass management if deemed necessary. The Committee, through its chair, may contact directly any employee in the Corporation as it deems necessary, and any employee may bring before the Committee any matter involving questionable, illegal or improper financial practices or transactions.

Duties and Reliance

In exercising their powers and discharging their duties under this charter and applicable law, each member of the Committee must:

1. act honestly and in good faith with a view to the best interests of the Corporation and the Dixie Group (on a consolidated basis); and

2. exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Each member of the Committee will be entitled to reasonable reliance, or reliance in good faith, on:

1. financial statements of the Trust represented to the member of the Committee by an officer of the Corporation or in a written report of the external auditor of the Dixie Group to reflect fairly the financial condition of the Dixie Group; and

2. a report, statement or opinion of an expert, being a person or company whose profession gives authority to a statement made in a professional capacity by the person or company including, without limitation, an accountant, actuary, appraiser, auditor, engineer, financial analyst, geologist or lawyer.

In order to carry out its duties, the Committee may retain or appoint, at the Corporation's expense, such independent counsel and other experts and advisors, as it deems necessary and may set and pay the compensation for any counsel or advisor so engaged. The Committee may also request any officer or employee of the Corporation or the Dixie Group to attend a meeting of the Committee or to meet with any members of, or consultants or advisors to, the Committee.

Review of Terms of Reference

The Committee shall review and reassess the adequacy of these terms at such times as the Chair deems appropriate and recommend any changes arising out of same to the Board of Directors. Such review shall include the evaluation of the performance and effectiveness of the Committee.

APPENDIX "H"
STATEMENT OF EXECUTIVE COMPENSATION
IN RESPECT OF THE YEAR ENDED DECEMBER 31, 2013

Introduction

The following disclosure is intended to communicate the compensation (including all plan and non-plan compensation, direct or indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite) that Dixie Energy Trust (the "**Trust**"), a subsidiary of the Trust and/or Dixie Energy Ltd. (the "**Administrator**"), the administrator of the Trust, paid, made payable, awarded, granted, gave or otherwise provided, directly or indirectly, during the year ended December 31, 2013, to:

1. the Chief Executive Officer ("**CEO**"), Chief Financial Officer ("**CFO**") and each of the three (3) other most highly compensated executive officers of the Administrator (other than the CEO and CFO) who were serving as executive officers of the Administrator at the end of the most recently completed financial year of the Trust whose total compensation during such financial year exceeded $150,000, if any (each a "**Named Executive Officer**" or "**NEO**" and collectively, the "**Named Executive Officers**" or "**NEOs**"); and

2. any person that acted as a director of the Administrator or a trustee of the Trust, as the case may be, at any time during the year ended December 31, 2013.

Until February 28, 2013, the Trust had a board of trustees (the "**Trustees**" or the "**Board of Trustees**") and the Administrator had a board of directors (the "**Directors**" or the "**Board of Directors**"). On February 28, 2013, the Trust retained Olympia Trust Company as corporate trustee, which delegated many of its powers to the Administrator.

Year Ended December 31, 2013

Compensation Governance

The Administrator, as administrator of the Trust, is responsible for the stewardship of the affairs of the Trust and the Trust's direct and indirect subsidiaries (collectively, together with the Administrator, the "Dixie Group"), for the benefit of the unitholders of the Trust.

In 2013, the Directors formed a compensation committee, but given the limited number of directors, employees, consultants and executive officers of the Dixie Group during such period, no formal policies or practices were adopted in the determination of compensation payable to the Dixie Group's directors, employees, consultants and executive officers during the year ended December 31, 2013. Notwithstanding the foregoing, the Administrator's compensation practices are largely based on a "pay-for-performance" philosophy that supports the objective of building and developing the Trust's business, as further discussed below under "*Compensation Discussion and Analysis – Executive Compensation Principles*".

At no time since the formation of the Trust has a compensation consultant or advisor been retained by the Administrator or the Trust to assist the Directors or the Trustees to determine the compensation of the Directors or executive officers of the Dixie Group.

Compensation Discussion and Analysis
Executive Compensation Principles

The Dixie Group's compensation program is administered by the Directors and is based on a "pay-for-performance" philosophy, which supports its objective of building and developing its business. The Dixie Group’s compensation policies are founded on the principle that compensation should be aligned with unitholders' interests, while also recognizing that the Dixie Group’s corporate performance is dependent upon the retainment of highly trained, experienced and committed directors, executive officers and employees who have the necessary skill sets, education,

experience and personal qualities required to manage our business. The Dixie Group's compensation program also recognizes that the various components thereof must be sufficiently flexible to adapt to unexpected developments in the oil and gas industry and the impact of internal and market-related occurrences from time to time.

The Dixie Group's executive compensation program is comprised of the following principal components: (a) base salary; (b) short-term incentive compensation comprised of discretionary cash bonuses; and (c) long-term incentive compensation comprised of share options and long-term incentive awards, all as further described below. Together, these components support our long-term growth strategy and are designed to address the following key objectives of our compensation program:

- align executive compensation with unitholders' interests;
- attract and retain highly qualified management; and
- focus performance by linking incentive compensation to the achievement of business objectives and financial and operational results.

The aggregate value of these principal components and related benefits is used as a basis for assessing the overall competiveness of the Dixie Group's executive compensation package.

The Dixie Group's compensation program is primarily designed to reward performance and, accordingly, the performance of both the Trust, as well as the individual performance of executive officers of the Administrator during the year in question, is examined by the Board of Directors in conjunction with setting executive compensation packages. The Board of Directors does not set specific performance objectives in assessing the performance of the CEO and other executive officers; rather the Board of Directors uses its experience and judgment in determining an overall compensation package for the CEO and other executive officers.

For the year ended December 31, 2013, executive officer compensation was a combination of cash compensation and long term incentive compensation – Options (as defined below) and Restricted Awards (as defined below) and was determined by the Directors on an ad hoc basis using the Directors' experience and judgment and recommendations received from the NEOs, without any formal objectives, criteria or detailed analysis. The Directors (and when applicable the individual Trustees of the Trust) did not receive any cash compensation for their services however, the Directors were granted Options and Restricted Awards in 2013.

The base salary paid to NEOs in 2013 (other than the former CEO, Rick Fletcher, who was not paid a salary for acting in such capacity) was intended to provide a fixed level of competitive pay that reflects each NEO's primary duties and responsibilities and the level of skills and experience required to successfully perform his/her role. The base salaries paid to the NEOs for the financial year ended December 31, 2013 were determined based on the Trust's size and stage of development and were believed to be low relative to the base salaries paid by other public "mutual fund trusts" operating in the oil and gas industry. Currently, each NEO is either engaged by the Administrator pursuant to a month-to-month consulting services agreement between the Administrator and corporations controlled by such individuals and are paid a monthly fee in accordance therewith or are employees of the Administrator and are paid a monthly salary.

During the year ended December 31, 2013, the former CEO, Rick Fletcher, did not receive any compensation (directly or indirectly) in his capacity as Chief Executive Officer of the Administrator, although until August 31, 2013 fees were paid by the Administrator to a company in which Mr. Fletcher has an ownership interest for certain administrative services provided by such company to the Administrator.

Risk Implications Associated with Compensation Policies and Practices

In evaluating the Dixie Group's compensation practices, the Directors determined that the Dixie Group's compensation practices do not expose the Trust to any material or excessive risk.

Restrictions on Purchase of Financial Instruments

Given that the Trust Units are not publicly traded, the Administrator has not considered it necessary to adopt any specific prohibitions to limit the ability of a Named Executive Officer to purchase financial instruments (including prepaid variable forward contracts, equity swaps, collars or units of exchange funds) that are designed to hedge or offset a decrease in the market value of equity securities granted as compensation or held, directly or indirectly, by an NEO or Director.

Developments During the Year Ended December 31, 2013

Formation of Compensation Committee

In 2013, subsequent to the completion of a plan of arrangement transaction that resulted in the Trust becoming a "reporting issuer" in certain Provinces of Canada, the Board of Directors established a Governance, Nomination and Compensation Committee (the "**Compensation Committee**"). At the time of formation, the Compensation Committee was delegated the responsibility for reviewing matters relating to the compensation of the executive officers of the Dixie Group and the Board of Directors and to make recommendations to the Board of Directors regarding compensation policies, guidelines and strategies of the Dixie Group and the compensation to be paid to the Dixie Group's executive officers and Directors. Notwithstanding the foregoing, due to the size of the Dixie Group, the number of Directors and the limited number of compensation decisions required to be made in 2013, compensation matters during the year ended December 31, 2013 were determined by the Board of Directors as a whole (subject to the abstention of certain Directors when and where required and appropriate). Subsequent to the resignation of two directors in 2014 (being Rick Fletcher and Earl Fawcett), the Board of Directors agreed to dissolve the Compensation Committee and further agreed to review all compensation matters by the Board of Directors as a whole (subject to the abstention of certain Directors when and where required and appropriate).

In 2013, the Compensation Committee was comprised of Jeff Oke (Chair), David Anderson and Rick Fletcher. Only Mr. Oke was an "independent" director for the purposes of National Instrument 58-101 – Disclosure of Corporate Governance Practices. The biographical summaries of each member of the Compensation Committee in 2013 are set forth below.

Jeff Oke – Mr. Oke is a partner with Burnet, Duckworth & Palmer LLP in Calgary, where he has practiced securities law for 15 years. Mr. Oke primarily advises public and private energy and energy services companies on financing, mergers and acquisitions, governance, stock exchange and securities commission compliance and other corporate matters. He has served as corporate secretary of numerous public and private companies. Mr. Oke has a Bachelor of Arts (Honours) degree from Queen's University and a Bachelor of Laws degree from the University of Calgary.

Rick Fletcher – Mr. Fletcher was the Chief Executive Officer of the Administrator from October 14, 2012 until April 19, 2013 and was the Chief Executive Officer of Dixie Energy Holdings (US), Ltd. from May 7, 2013 until April 2, 2014. Subsequent to year-end, Mr. Fletcher resigned as a Director of the Administrator and Chief Executive Officer of Dixie Energy Holdings (US), Ltd. effective April 2, 2014. Mr. Fletcher has been Chief Executive Officer of Fletcher Petroleum Corp. (an oil and gas exploration and production company) since 2009. Mr. Fletcher has also been a director of Fletcher Petroleum Services (an oil and gas services company) since 2002.

David Anderson - Mr. Anderson has been the President of the Administrator since its formation on June 28, 2012 and subsequent to year-end resigned as President of the Administrator and was appointed Chairman of the Board of the Administrator effective April 10, 2014. Mr. Anderson has been Chief Financial Officer of EmberClear Corp. (an energy development company) since 2003 and President and Chief Executive Officer of Winsome Capital Inc. (a private venture capital company) since 1993.

Adoption of Incentive Plans

Effective February 1, 2013, the Board of Directors approved a unit option plan (the "**Option Plan**") and a restricted and performance incentive award plan (the "**Award Plan**", and together with the Option Plan, the "**Incentive Plans**") to be utilized as the long-term compensation plans of the Dixie Group.

The Board of Directors believes that with the adoption of the Incentive Plans the executive officers' compensation package now contains a balanced set of elements designed to achieve the objectives of the Trust's compensation philosophy, which includes a strong pay for performance based orientation. The fixed element (being base salary) provides a competitive base of secure compensation necessary to attract and retain executive talent. The variable elements (being the Incentive Plans) are designed to balance short-term goals with the long-term interests of the Trust and motivate superior performance of both. The Incentive Plans also serve to align executive officers' interests with the interests of unitholders and helps retain executive talent. The Board of Directors believes that the combination of a fixed salary together with participation in the variable Incentive Plans delivers a competitive, performance-orientated compensation package.

A summary of the material terms of the Incentive Plans is set forth below.

Trust Unit Option Plan

The Option Plan is intended to afford persons who provide services to the Dixie Group an opportunity to obtain an increased proprietary interest in the Trust by permitting them to purchase Trust Units and to aid in attracting as well as retaining and encouraging the continued involvement of such persons with the Dixie Group. The Option Plan provides for the granting of Options to officers, directors, employees, consultants and other service providers ("**Optionees**") of the Dixie Group. The Option Plan is administered by the Board or a committee of the Board of the Administrator appointed from time to time by the Board to administer the Option Plan (the Board or, if appointed, such committee, is referred to as the "**Committee**").

The maximum number of Trust Units issuable on exercise of Options outstanding at any time (and issuable under the Award Plan) is limited, in the aggregate, to 10% of the issued and outstanding Trust Units. Options that are cancelled, terminated or expired prior to exercise of all or a portion thereof shall result in the Trust Units that were reserved for issuance thereunder being available for a subsequent grant of Options pursuant to the Option Plan.

The number of Trust Units issuable pursuant to Options granted under the Option Plan or under the Award Plan: (i) to insiders at any time may not exceed 10% of the outstanding Trust Units; and (ii) issued to insiders within any one year period may not exceed 10% of the outstanding Trust Units. Options granted under the Option Plan are not assignable.

Options have a term not to exceed five years and, subject to the terms of the Option Plan, shall vest in such manner as determined by the Committee. In the absence of any determination to the contrary, Options will vest and be exercisable as to one third on each of the first, second and third anniversaries of the date of grant, subject to acceleration of vesting in the discretion of the Committee. If an Option is set to expire within seven (7) business days following the end of a Black Out Period (as such term is defined in the Option Plan), and the Optionee is subject to the Black Out Period, the expiry date of the Option shall be extended for seven (7) business days following the end of the Black Out Period.

The exercise price of any Options granted is determined by the Committee at the time of grant. The Option Plan does not contain any provisions for financial assistance by the Trust in respect of Options granted thereunder.

The Option Plan provides Optionees with an election, if permitted by the Committee, for a cashless exercise ("**Cashless Exercise**") of an Optionee's vested and exercisable Options. If an Optionee elects a Cashless Exercise the Optionee shall surrender its Options in exchange for the issuance by the Trust of that number of Trust Units equal to the number determined by dividing the Market Price (as defined in the Option Plan and as calculated as at the date of exercise) into the difference between the Market Price and the exercise price of such Option.

If an Optionee ceases to be a director, officer, employee of, or service provider to, the Dixie Group for any reason, other than termination for cause or death, the Optionee shall have until the earlier of the date that is: (i) 90 days, following the Optionee ceasing to be a director, officer, employee or consultant or other service provider; or (ii) the expiry date of the Option, to exercise Options held; provided that the number of Trust Units that the Optionee (or his or her heirs or successors) shall be entitled to purchase until such date shall be the number of Trust Units which the

Optionee was entitled to purchase on the date the Optionee ceased to be an officer, director, employee, consultant or other service provider, as the case may be.

The Committee may amend or discontinue the Option Plan or Options granted thereunder at any time without Unitholder approval, provided that any amendments that require approval of any stock exchange on which the Trust Units are listed for trade (if any) may not be made without the approval of such stock exchange. In addition, no amendment to the Option Plan or Options granted pursuant to the Option Plan may be made without the consent of the Optionee, if it adversely alters or impairs any Option previously granted to such Optionee.

Restricted and Performance Award Incentive Plan

Overview

The principal purposes of the Incentive Plan are to: (i) retain and attract qualified persons, employees, officers or directors of the Dixie Group (collectively, "**Service Providers**") that the Dixie Group requires; (ii) promote a proprietary interest in the Trust by such Service Providers and to encourage such persons to remain in the employ or service of the Dixie Group and put forth maximum efforts for the success of the business of the Dixie Group; and (iii) focus management of the Dixie Group on operating and financial performance and long-term total Unitholder value.

Incentive-based compensation such as the Incentive Plan is an integral component of compensation for Service Providers. The attraction and retention of qualified Service Providers has been identified as one of the key risks to Dixie's long-term strategic growth plan. The Incentive Plan is intended to maintain Dixie's competitiveness within the North American oil and gas industry to facilitate the achievement of increased Unitholder value.

Similar to the Option Plan, the Board or a committee which may be appointed by the Board (the "**Committee**"), have the authority to administer the Incentive Plan.

Under the terms of the Incentive Plan, any eligible Service Provider may be granted restricted awards ("**Restricted Awards**"), performance awards ("**Performance Awards**" and together with the Restricted Awards, the "**Incentive Awards**"), or a combination thereof. In determining the Service Providers to whom Incentive Awards may be granted ("**Grantees**"), the number of Restricted Awards and/or Performance Awards and the allocation of the Incentive Awards between Restricted Awards and Performance Awards, the Committee may take into account such factors as it shall determine in its sole discretion, including any one or more of the following factors: (i) compensation data for comparable benchmark positions among the Trust's peer group; (ii) the duties, responsibilities, position and seniority of the Grantee; (iii) the individual contributions and potential contributions of the Grantee to the success of the Dixie Group; (iv) any bonus payments paid or to be paid to the Grantee in respect of his or her individual contributions and potential contributions to the success of the Dixie Group; (v) the Fair Market Value (as defined in the Incentive Plan) or current market price of the Trust Units at the time of grant of such Incentive Awards; (vi) any other equity based compensation currently held by the Grantee; and (vii) such other factors as the Committee shall deem relevant in its sole discretion in connection with accomplishing the purposes of the Incentive Plan.

Restricted Awards

Subject to the terms and conditions of the Incentive Plan (including such additional or different conditions to the determination of vesting and payment as may be prescribed at the time of grant), Restricted Awards entitle the holder to a sum (an "**Award Value**") to be paid as to one-third of the Award Value underlying such Restricted Awards on each of the first, second and third anniversaries of the date of grant of such Restricted Awards. In the case of Restricted Awards, the Award Value is calculated at the Payment Date(s) (being the date upon which the Trust is required to pay to the Grantee all or a portion of the Award Value to which the Grantee is entitled pursuant to such Incentive Award in accordance with the terms thereof) by multiplying the number of Restricted Awards by the Fair Market Value of the Trust Units. The Fair Market Value is determined on the applicable Payment Date as the volume weighted average of the prices at which the Trust Units traded on any stock exchange the Trust Units are traded (or, if the Trust Units are then listed and posted for trading on more than one exchange, on such exchange on

which the Trust Units are then listed and posted for trading as may be selected for such purpose by the Committee in its sole discretion) for the five (5) trading days immediately preceding such date. In the event that the Trust Units are not listed and posted for trading on any stock exchange, the Fair Market Value shall be the fair market value of the Trust Units as determined by the Committee in its sole discretion, acting reasonably and in good faith.

Performance Awards

Subject to the terms and conditions of the Incentive Plan (including such additional or different conditions to the determination of vesting and payment as may be prescribed at the time of grant), Performance Awards will entitle the holder to the Award Value to be paid a portion of the Award Value underlying such Performance Awards upon the satisfaction of both time and performance criteria as established at the time of grant, and unless otherwise determined by the Committee, the applicable Award Value will be paid as follows:

(a) as to one-third of the Performance Awards, the Award Value underlying such Performance Awards shall be paid on the first anniversary of the grant date of the Performance Awards;

(b) as to one-third of the Performance Awards, the Award Value underlying such Performance Awards shall be paid on the second anniversary of the grant date of the Performance Awards; and

(c) as to the remaining one-third of the Performance Awards, the Award Value underlying such Performance Awards shall be paid on the third anniversary of the grant date of the Performance Awards.

The Payout Multiplier in respect of Performance Awards is determined by the Committee based on an assessment of the achievement of the Trust's Performance Measures (as defined and described below) in respect of the applicable period. The payout multiplier (the "**Payout Multiplier**") for a particular period can be one of 0x (for fourth quartile ranking), 1x (for third quartile ranking), 1.5x (for second quartile ranking) or 2x (for first quartile ranking) (or such other Payout Multiplier as the Board of Directors shall determine from time to time).

The Trust's performance measures (the "**Performance Measures**") are the performance measures to be taken into consideration by the Committee in granting Incentive Awards under the Plan and determining the Payout Multiplier in respect of any Performance Award, which may include, without limitation, the following:

(d) Relative Total Unitholder Return (as defined and described below); and

(e) such additional measures as the Committee, in its sole discretion, shall consider appropriate in the circumstances.

The relative total unitholder return ("**Relative Total Unitholder Return**") is the percentile rank, expressed as a whole number, of total unitholder return ("**Total Unitholder Return**"), measured as the total return to Unitholders on the Trust Units calculated using cumulative distributions, if any, on a reinvested basis and the change in the trading price of the Trust Units on any stock exchange (if any) over such period (or, if the Trust Units are then listed and posted for trading on more than one stock exchange, on such stock exchange on which the Trust Units are then listed and posted for trading as may be selected for such purpose by the Committee in its sole discretion) relative to returns calculated on a similar basis on securities of members of the Trust's peer comparison group (being public Canadian oil and gas issuers that in the opinion of the Committee are competitors of the Trust) over the applicable period.

Distribution Equivalents

The Incentive Plan provides for cumulative adjustments to the number of Trust Units to be issued pursuant to Restricted Award or Performance Award on each date that distributions are paid on the Trust Units by an amount equal to a fraction having as its numerator the amount of the distribution per Trust Unit and having as its denominator the price, expressed as an amount per Trust Unit, paid by participants in Trust's distribution reinvestment plan, if any, to reinvest their distributions in additional Trust Units on the applicable distributions

payment date (the "**Reinvestment Price**"), provided that if the Trust has suspended the operation of such plan or does not have such a plan, then the Reinvestment Price shall be equal to the Fair Market Value of the Trust Units on the trading day immediately preceding the distribution payment date.

Under the Incentive Plan, in the case of a non-cash distribution, including Trust Units or other securities or property, the Committee will, in its sole discretion and subject to the approval of any stock exchange (if any), determine whether or not such non-cash dividend will be provided and, if so provided, the form in which it shall be provided.

Change of Control

In the event of a Change of Control (as defined in the Incentive Plan) of the Trust, the Payment Date(s) applicable to all outstanding Incentive Awards will be accelerated such that the balance of the Award Value attaching to such Incentive Awards will be paid immediately prior to the date upon which the Change of Control occurs.

Method of Payment of Award Value

On the applicable Payment Date, the Trust, at its sole and absolute discretion, shall have the option of settling the Award Value to which the holder of Incentive Awards is entitled in the form of either cash or in Trust Units which may either be acquired by the Trust on the stock exchange on which the Trust Units may be listed from time to time (if any) or, subject to approval by the any applicable stock exchange, issued from the treasury of the Trust, or some combination thereof.

The Incentive Plan does not contain any provisions for financial assistance by the Trust in respect of Incentive Awards granted thereunder.

Maximum Dilution and Other Limitations

The Incentive Plan provides that the maximum number of Trust Units available for issuance from treasury of the Trust at any time pursuant to outstanding Incentive Awards and under the Option Plan shall not exceed 10% of the issued and outstanding Units. Incentive Awards (or the Award Value thereof) that are cancelled, surrendered, terminated or expired prior to the final Payment Date shall result in such Trust Units being available to be issued, at the election of the Trust, and in respect of a subsequent grant of Incentive Awards pursuant to the Incentive Plan to the extent of any Trust Units which were not issued from treasury in respect of such Incentive Award. In addition: (i) the number of Trust Units that are available to be issued from treasury of the Trust to insiders at any time, under all security based compensation arrangements of the Trust, shall not exceed 10% of the issued and outstanding Units; and (ii) the number of Trust Units issued to insiders from treasury of the Trust, within any one year period, under all security based compensation arrangements of the Trust, shall not exceed 10% of the issued and outstanding Units.

The Expiry Date of all Incentive Awards granted pursuant to the Incentive Plan is December 15th of the third calendar year following the calendar year in which the Incentive Award was granted.

Blackout Extension

If a Grantee is prohibited from trading in securities of the Trust as a result of the imposition by the Trust of a trading black-out (a "**Black-Out Period**") and the Payment Date of an Incentive Award held by such Grantee falls within a Black-Out Period, then the Payment Date of such Incentive Award shall be extended to a date which is six (6) business days following the end of such Black-Out Period, unless such extension would cause the Payment Date to extend beyond the Expiry Date, in which case the Payment Date shall remain on the Expiry Date. In such case, the Fair Market Value utilized in determining the Award Value in respect of such Payment Date shall be the lesser of the Fair Market Value determined based on: (i) the five (5) trading days immediately prior to the commencement of such Black-Out Period; and (ii) the five (5) trading days immediately prior to the Expiry Date.

Early Termination Events

Unless otherwise determined by the Committee or unless otherwise provided in the agreement pertaining to a particular Incentive Award or any written employment or consulting agreement governing a Grantee's role as a Service Provider, the following provisions shall apply in the event that a Grantee ceases to be a Service Provider:

(f) *Death* - If a Grantee ceases to be a Service Provider as a result of the Grantee's death, effective as of the date that is 90 days after the Cessation Date (being the date that is the first occur of the effective date of the Service Provider's termination or resignation and the date that the Service Provider ceases to be in the active performance of the usual customary day-to-day duties of the Service Provider's position or job) all outstanding Incentive Award Agreements under which Incentive Awards have been granted to such Grantee, whether Restricted Awards or Performance Awards, in respect of the Award Value thereof for which the Payment Date shall not have occurred on or before 90 days after the Cessation Date shall be immediately terminated and all rights to receive payments thereunder shall be forfeited by the Grantee (or the heirs and successors of such Grantee); provided that the Committee, taking into consideration the performance of such Grantee and the performance of the Trust since the date of grant of the Incentive Awards, may determine in its sole discretion the Payout Multiplier to be applied to any Performance Awards held by the Grantee.

(g) *Termination for Cause* - If a Grantee ceases to be a Service Provider as a result of termination for cause, effective as of the Cessation Date all outstanding Incentive Award Agreements under which Incentive Awards have been made to such Grantee, whether Restricted Awards or Performance Awards, in respect of the Award Value thereof for which the Payment Date shall not have occurred on or before the Cessation Date shall be immediately terminated and all rights to receive payments thereunder shall be forfeited by the Grantee.

(h) *Other Termination* - If a Grantee ceases to be a Service Provider for any reason other than as provided for in (a) and (b) above, effective as of the date that is 60 days after the Cessation Date and notwithstanding any other severance entitlements or entitlement to notice or compensation in lieu thereof, all outstanding Incentive Award Agreements under which Incentive Awards have been made to such Grantee, whether Restricted Awards or Performance Awards, in respect of the Award Value thereof for which the Payment Date shall not have occurred on or before 60 days after the Cessation Date shall be terminated and all rights to receive payments thereunder shall be forfeited by the Grantee.

Assignment Restricted

Except in the case of death, the right to receive the Award Value pursuant to an Incentive Award granted to a Service Provider may only be exercised by such Service Provider personally. Except as otherwise provided in the Incentive Plan, no assignment, sale, transfer, pledge or charge of an Incentive Award, whether voluntary, involuntary, by operation of law or otherwise, vests any interest or right in such Incentive Award whatsoever in any assignee or transferee and, immediately upon any assignment, sale, transfer, pledge or charge or attempt to assign, sell, transfer, pledge or charge, such Incentive Award shall terminate and be of no further force or effect.

Amendment Provisions

The Committee may amend or discontinue the Plan and Incentive Awards granted thereunder (including Incentive Award Agreements governing such Incentive Awards) at any time without Unitholder approval; provided that any amendment to the Plan or Incentive Awards granted thereunder (including Incentive Award Agreements governing such Incentive Awards) that requires approval of any stock exchange on which the Units are listed for trading (if any) may not be made without approval of such stock exchange.

In addition, no amendment to the Plan or Incentive Awards granted pursuant to the Plan (including Incentive Award Agreements governing such Incentive Awards) may be made without the consent of the Grantee, if it adversely

alters or impairs any Incentive Awards previously granted to such Grantee under the Plan, in the sole discretion of the Committee.

Named Executive Officer Compensation

Summary Compensation Table

All executive officer services are provided to the Trust by the Administrator under an administrative services agreement between Olympia Trust Company, the trustee of the Trust, and the Administrator. The Administrator is provided certain technical and administrative services by others, including the services of Mr. Anderson pursuant to a month-to-month consulting services agreement between the Administrator and a corporation controlled by him; and Mr. Dumba and Ms. Tanaka as employees of the Administrator. All dollar amounts set forth below in respect of compensation earned by an NEO is in respect of compensation paid by the Administrator to the respective NEO (or their applicable holding companies).

The following table sets forth information concerning the compensation paid to the Dixie Group's NEOs (being those individuals who served as the Administrator's CEO, CFO, President and Vice-President and Corporate Secretary) during the year ended December 31, 2013. Other than as set forth below, no other person served as a NEO of the Administrator during 2013.

Name and principal position	Year	Salary ($)	Trust Unit-based awards ($)[6]	Option-based awards ($)[7]	Non-equity incentive plan compensation ($)		Pension value ($)	All other compensation	Total compensation ($)
					Annual Incentive Plans ($)	Long-term incentive plans			
Rick Fletcher Chief Executive Officer[1]	2013 2012	Nil[1][2] Nil [1][2]	75,000 -	64,755 -	- -	- -	- -	163,512[1][2] 79,477[1][2]	303,267[1][2] 79,477[1][2]
David Anderson President	2013 2012	120,000[3] 30,000[3]	125,000 -	107,925 -	- -	- -	- -	- -	392,925[3] 30,000[3]
Kevin Dumba Chief Financial Officer	2013 2012	120,000[4] 32,000[4]	50,000 -	43,170 -	- -	- -	- -	- -	213,170[4] 32,000[4]
Karen Tanaka VP and Corporate Secretary [8]	2013 2012	110,000[5] Nil	50,000 -	43,170 -	- -	- -	- -	- -	203,170[5] -

Notes:

(1) Mr. Fletcher was appointed Chief Executive Officer of the Administrator on October 14, 2012 and resigned as Chief Executive Officer of the Administrator on April 19, 2013. Mr. Fletcher was the Chief Executive Officer of Dixie Energy Holdings (US), Ltd. from May 7, 2013 to April 2, 2014. During the year ended December 31, 2013, Mr. Fletcher did not receive any compensation (directly or indirectly) in his capacity as Chief Executive Officer of the Administrator.

(2) From September 1, 2012 to August 31, 2013, fees of US$20,000 per month were paid to Fletcher Petroleum Corp., a company in which Mr. Fletcher has a 75% ownership interest and Daniel Sloan (the President of Dixie Energy Holdings (US), Ltd. from May 7, 2013 to April 2, 2014) has a 25% ownership interest, for certain administrative services provided by Fletcher Petroleum Corp. to the Administrator.

(3) From October 1, 2012 to December 31, 2013, fees of $10,000 per month (plus applicable taxes) were paid to Winsome Capital Inc., a company controlled by David Anderson, for services rendered in acting as the President of the Administrator. On April 10, 2014, Mr. Anderson resigned as President of the Administrator and was appointed Chairman of the Board of the Administrator.

(4) From October 1, 2012 to December 31, 2012 fees of $28,000 (plus applicable taxes) were paid to Kevin Dumba Inc., a company controlled by Kevin Dumba for services rendered in acting as the Chief Financial Officer of the

Administrator. Kevin Dumba Inc. was paid $4,000 (plus applicable taxes) for the services provided by it in September 2012. From January 1, 2013 to April 30, 2013 Kevin Dumba Inc. was paid $40,000 for services and from May 1, 2013 to December 31, 2013 Kevin Dumba received a salary of $10,000 per month as the Chief Financial Officer of the Administrator.

(5) From January 1, 2013 to May 31, 2013 Karen Tanaka received a salary of $8,000 per month as VP & Corporate Secretary of the Administrator. From June 1, 2013 to December 31, 2013 Karen Tanaka received a salary of $10,000 per month as the VP & Corporate Secretary of the Administrator.

(6) On February 1, 2013, the Board of Directors granted the NEOs Restricted Awards under the Award Plan. The value of such awards as set forth in the above table is determined by multiplying the number of Restricted Awards granted by the fair market value of the underlying Trust Units on the date of grant ($0.50 per Trust Unit). The fair value of the Restricted Awards has been determined in accordance with a valuation methodology identified in IFRS 2 Share-based Payment. *The actual value realized upon the vesting and payment of such Restricted Awards may be greater or less than the grant date fair value indicated.*

(7) On February 1, 2013, the Board of Directors granted the NEOs Trust Unit options having an exercise price of $0.50 per Trust Unit. The value of such options as set forth in the above table is based upon the estimated fair value of the Trust Unit options on the grant date of $0.4317 per option. Such grant date fair value was estimated using the Black-Scholes option pricing model with the following assumptions: risk free interest rate 1.31% - 1.56%; expected volatility - 150%; expected life – three to five years; expected dividend yield – nil. The fair value of the Trust Unit options has been determined in accordance with a valuation methodology identified in IFRS 2 Share-based Payment. *The actual value realized upon the future exercise of Trust Unit options may be greater or less than the grant date fair value indicated.*

(8) Subsequent to the year ended December 31, 2013, Ms. Tanaka was appointed Vice-President, Corporate Affairs of the Administrator.

Incentive Plan Awards

On February 1, 2013, 250,000 Options at an exercise price of $0.50 per Trust Unit and 250,000 Restricted Awards were granted to David Anderson; 150,000 Options at an exercise price of $0.50 per Trust Unit and 150,000 Restricted Awards were granted to Mr. Fletcher; and 100,000 Options at an exercise price of $0.50 per Trust Unit and 100,000 Restricted Awards were granted to Mr. Dumba; and 100,000 Options at an exercise price of $0.50 per Trust Unit and 100,000 Restricted Awards were granted to Ms. Tanaka.

Outstanding Option-Based Awards and Restricted Awards

The following table sets forth for each of the Named Executive Officers, all option-based and unit-based awards outstanding at the end of the year ended December 31, 2013.

	Option-Based Awards				**Unit-based Awards**		
Name	**Number of securities underlying unexercised options (#)**	**Option exercise price ($)**	**Option Expiration date**	**Value of unexercised in-the-money options ($)[(1)]**	**Number of units that have not vested (#)**	**Market or payout value of unit-based awards that have not vested ($)[(2)]**	**Market or payout value of vested unit-based awards not paid out or distributed ($)**
Rick Fletcher[(3)]	150,000	0.50	2018-02-01	45,000	150,000	120,000	Nil
David Anderson	250,000	0.50	2018-02-01	75,000	250,000	200,000	Nil
Kevin Dumba	100,000	0.50	2018-02-01	30,000	100,000	80,000	Nil
Karen Tanaka	100,000	0.50	2018-02-01	30,000	100,000	80,000	Nil

Notes:

(1) The value of unexercised in-the-money Options has been determined by subtracting the exercise price at which Trust Units may be acquired pursuant to the exercise of the Options from the Administrator's best estimate of the fair market value of the Trust Units on December 31, 2013 ($0.80).

(2) The market or payout value of unit-based awards that have not vested has been determined by multiplying the number of Restricted Awards by the Administrator's best estimate of the fair market value of the Trust Units on December 31, 2013 ($0.80).

(3) Mr. Fletcher was appointed Chief Executive Officer of the Administrator on October 14, 2012 and resigned as Chief Executive Officer of the Administrator on April 19, 2013.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth the dollar value that would have been realized by the Named Executive Officers if their option-based and unit-based awards that vested during the last completed financial year of the Trust had been exercised on their vesting date.

Name	Option-based awards - Value vested during the year ($)	Share-based awards - Value vested during the year ($)	Non-equity incentive plan compensation - Value earned during the year ($)
Rick Fletcher[(1)]	Nil	Nil	Nil
David Anderson	Nil	Nil	Nil
Kevin Dumba	Nil	Nil	Nil
Karen Tanaka	Nil	Nil	Nil

Note:

(1) Mr. Fletcher was appointed Chief Executive Officer of the Administrator on October 14, 2012 and resigned as Chief Executive Officer of the Administrator on April 19, 2013.

Pension Plan Benefits

The Administrator does not have a pension plan or similar benefit program.

Termination and Change of Control Benefits

As at December 31, 2013, neither the Administrator, nor any other entity in the Dixie Group, was a party to any contract, agreement, plan or arrangement with an NEO providing for payments to an NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Trust or a change in an NEO's responsibilities.

DIRECTOR COMPENSATION

Neither the Trust nor the Administrator paid any cash fees to the Directors for acting in such capacity during the year ended December 31, 2013. Directors were eligible to be reimbursed for out-of-pocket expenses incurred in carrying out their duties as directors. In addition, the Trust did not pay cash fees to the individual Trustees for acting in such capacity from January 1, 2013 to February 28, 2013.

Following the adoption of the Incentive Plans in 2013, each of the non-management directors is entitled to participate in the Option Plan and the Award Plan.

Directors' Summary Compensation Table

The following table sets forth information concerning the compensation provided to the Directors, other than Directors who are also Named Executive Officers, during the year ended December 31, 2013.

Name	Fees earned ($)	Trust Unit-based awards[5] ($)	Option-based awards[6] ($)	Non-equity incentive plan compensation ($)	Pension value ($)	All other compensation ($)	Total ($)
Ian Atkinson[1]	-	25,000	21,585	-	-	-	46,585
Earl Fawcett[2][3]	-	25,000	21,585	-	-	33,725[2]	80,310
John Mackay[4]	-	-	-	-	-	-	-
Jeff Oke	-	25,000	21,585	-	-	-	46,585

Notes:

(1) Mr. Atkinson was appointed President and Chief Executive Officer of the Administrator on April 10, 2014.

(2) During 2013, consulting fees totalling $33,725 (plus applicable taxes) were paid to 1154347 Alberta Ltd., a company owned by Mr. Fawcett, for certain geological consulting services provided by Mr. Fawcett to the Administrator.

(3) Mr. Fawcett resigned as a Director subsequent to the year ended December 31, 2013.

(4) Mr. Mackay resigned as a Trustee and a Director on January 30, 2013.

(5) Represents the value of Restricted Awards granted under the Award Plan. The value of such awards is determined by multiplying the number of Restricted Awards granted by the fair market value of the underlying Trust Units on the date of grant ($0.50 per Trust Unit). The fair value of the Restricted Awards has been determined in accordance with a valuation methodology identified in IFRS 2 Share-based Payment. *The actual value realized upon the vesting and payment of such Restricted Awards may be greater or less than the grant date fair value indicated.*

(6) Represents the value of Trust Unit options granted under the Option Plan having an exercise price of $0.50 per Trust Unit. The value of such options is based upon the estimated fair value of the Trust Unit options on the grant date of $0.4317 per option. Such grant date fair value was estimated using the Black-Scholes option pricing model with the following assumptions: risk free interest rate 1.31% - 1.56%; expected volatility - 150%; expected life – three to five years; expected dividend yield – nil. The fair value of the Trust Unit options has been determined in accordance with a valuation methodology identified in IFRS 2 Share-based Payment. *The actual value realized upon the future exercise of Trust Unit options may be greater or less than the grant date fair value indicated.*

Incentive Plan Awards

For the year ended December 31, 2013, an aggregate of 50,000 Options at an exercise price of $0.50 per Trust Unit and 50,000 Restricted Awards were granted to Mr. Fawcett; an aggregate of 50,000 Options at an exercise price of $0.50 per Trust Unit and 50,000 Restricted Awards were granted to Mr. Atkinson; and an aggregate of 50,000 Options at an exercise price of $0.50 per Trust Unit and 50,000 Restricted Awards were granted to Mr. Oke.

Outstanding Option-Based Awards and Restricted Awards

The following table sets forth for each of the Directors, other than Directors who are also Named Executive Officers, all option-based and unit-based awards outstanding at the end of the year ended December 31, 2013.

	Option-Based Awards				Unit-based Awards		
Name	Number of securities underlying unexercised options (#)	Option exercise price ($)	Option Expiration date	Value of unexercised in-the-money options ($)[1]	Number of units that have not vested (#)	Market or payout value of unit-based awards that have not vested ($)[2]	Market or payout value of vested unit-based awards not paid out or distributed ($)
Ian Atkinson[3]	50,000	0.50	2018-02-01	15,000	50,000	40,000	Nil
Earl Fawcett[4]	50,000	0.50	2018-02-01	15,000	50,000	40,000	Nil
John Mackay[5]	-	-	-	-	-	-	-
Jeff Oke	50,000	0.50	2018-02-01	15,000	50,000	40,000	Nil

Notes:

(1) The value of unexercised in-the-money Options has been determined by subtracting the exercise price at which Trust Units may be acquired pursuant to the exercise of the Options from the Administrator's best estimate of the fair market value of the Trust Units as at December 31, 2013 ($0.80).
(2) The market or payout value of unit-based awards that have not vested has been determined by multiplying the number of Restricted Awards by the Administrator's best estimate of the fair market value of the Trust Units as at December 31, 2013 ($0.80).
(3) Mr. Atkinson was appointed President and Chief Executive Officer of the Administrator on April 10, 2014.
(4) Mr. Fawcett resigned as a Director subsequent to the year ended December 31, 2013.
(5) Mr. Mackay resigned as a Trustee and a Director on January 30, 2013.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth the dollar value that would have been realized by the Directors, other than Directors who are also Named Executive Officers, if their option-based and unit-based awards that vested during the last completed financial year of the Trust had been exercised on their vesting date.

Name	Option-based awards - Value vested during the year ($)	Share-based awards - Value vested during the year ($)	Non-equity incentive plan compensation - Value earned during the year ($)
Ian Atkinson[(1)]	Nil	Nil	Nil
Earl Fawcett[(2)]	Nil	Nil	Nil
John Mackay[(3)]	Nil	Nil	Nil
Jeff Oke	Nil	Nil	Nil

Notes:

(1) Mr. Atkinson was appointed President and Chief Executive Officer of the Administrator on April 10, 2014.
(2) Mr. Fawcett resigned as a Director subsequent to the year ended December 31, 2013.
(3) Mr. Mackay resigned as a Trustee and a Director on January 30, 2013.

APPENDIX "I"
SECURITIES AUTHORIZED FOR ISSUANCE UNDER
EQUITY COMPENSATION PLANS

The following table sets forth information in respect of securities authorized for issuance under equity compensation plans of the Trust as at December 31, 2013.

Plan Category	**Number of securities to be issued upon exercise of outstanding Options, warrants and rights**[2][3] **(a)**	**Weighted average exercise price of outstanding Options, warrants and rights (b)**	**Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)**
Equity compensation plans approved by unitholders	750,000 Options 850,000 RSUs	$0.50 $0.80	3,077,839
Equity compensation plans not approved by unitholders	N/A	N/A	N/A
Total[1]	1,600,000	-	3,077,839

Note:

(1) The maximum number of Options to acquire Trust Units and RSUs the Trust may grant in the aggregate cannot exceed 10% of the issued and outstanding Trust Units, which, as of December 31, 2013 was 4,677,839 Trust Units and as of December 2, 2014 was 46,778,390. The maximum amount of Options and RSUs reserved for issuance as of December 31, 2013 was 3,077,839 (4,677,839 less 750,000 Options and 850,000 RSUs outstanding) and as of December 2, 2014 was 3,444,505 (4,677,839 less 550,000 Options and 683,334 RSUs outstanding). 200,000 Options and 166,666 RSUs expired in June 2014.

(2) The Trust intends to enter into Option cancellation agreements with the holders of Options to cancel all outstanding Options at Closing.

(3) The Trust plans to settle outstanding previously vested RSUs (being an aggregate of 283,334 RSUs) at Closing by way of a cash payment to the holders thereof in accordance with the provisions of the Incentive Plan, and to settle the remaining RSUs (being an aggregate of 400,000 RSUs) that vest at Closing in accordance with the provisions of the Incentive Plan through the issuance by the Trust at Closing of Trust Units in accordance with the provisions of the Incentive Plan.