

VERMILION ENERGY INC.

AMENDED AND RESTATED DIVIDEND REINVESTMENT PLAN

Features of the Plan include the following

- Shareholders, other than non-residents of Canada (as defined in the *Income Tax Act* (Canada)), may elect to reinvest their cash dividends from Common Shares of Vermilion Energy Inc. (the "**Corporation**") in new Common Shares of the Corporation or, at the discretion of the Corporation, in Common Shares acquired through the facilities of the Toronto Stock Exchange.
- Common Shares acquired through reinvestment of cash dividends will be acquired or issued at the prevailing market rates and will be credited to the participant's account.
- Participants will receive additional Common Shares equal to 5% of their cash dividends.
- Participants do not pay any costs associated with the Plan, including the payment of brokerage commissions.
- Full investment of all funds is possible since whole and fractional Common Shares are credited to the participant's account.
- Statements of account will be mailed to each participant after every investment.
- Reinvestment of cash dividends does not affect tax liability.
- If Shareholders do not participate, cash dividends will continue to be paid in the usual manner.

Transition from Previous Plan of Vermilion Energy Trust

This Amended and Restated Dividend Reinvestment Plan (the "**Plan**") amends, restates and supersedes the Distribution Reinvestment Plan of Vermilion Energy Trust dated February 1, 2008, as amended (the "**DRIP Plan**"). An eligible Shareholder, as described below, who is a registered holder of Common Shares and was a participant in the DRIP Plan on August 31, 2010 will be deemed to be a participant in the Plan, without any further action on their part.

An eligible holder of Common Shares who is a beneficial owner of Common Shares (*i.e.*, a shareholder whose Common Shares are not registered in their own name but are instead held through a broker, investment dealer, financial institution or other nominee) and previously participated in the DRIP Plan should contact the nominee holder through which they hold their Common Shares to confirm their continued participation in the Plan.

Purpose

This Plan allows eligible holders of Common Shares ("**Shareholders**") to conveniently purchase additional Common Shares by reinvesting their cash dividends.

Participation

Except as described below, a registered Shareholder is eligible to join the Plan at any time by completing the Reinvestment Enrollment - Participant Declaration Form ("**Enrollment Form**") and returning it to Computershare Trust Company of Canada (the "**Plan Agent**") no later than five (5) business days prior to the relevant record date for the cash dividend.

Beneficial Shareholders whose Common Shares are not registered in their own name but instead are held through a broker, investment dealer, financial institution or other nominee, may participate in the Plan by either:

- (a) having their Common Shares transferred into their own name; or
- (b) by contacting the nominee to request information on how to participate in the Plan on their behalf.

Under the terms of the Plan, Shareholders may direct the Plan Agent to reinvest cash dividends on all of the Common Shares registered in their name for the acquisition of new Common Shares or, at the discretion of the Corporation, to acquire existing Common Shares through the facilities of the Toronto Stock Exchange at prevailing market rates.

A registered Shareholder shall become a participant in the Plan in regard to the investment of dividends as of the first dividend record date following receipt by the Plan Agent five (5) business days prior to the record date of a properly completed Enrollment Form. If an Enrollment Form is received by the Plan Agent after the fifth business day prior to the record date for a particular cash dividend (the "**Record Date**"), the cash dividend will be paid to the Shareholder in the usual manner and participation in the Plan with regard to cash dividends will commence with the next cash dividend date ("**Cash Dividend Date**"). Record Dates for cash dividends on the Common Shares are the last day of each month.

The Plan is not available to non-residents of Canada.

Method of Purchase

Cash dividends payable on the Common Shares registered in the Plan, will be applied automatically on each Cash Dividend Date to the purchase of Common Shares from treasury or, at the discretion of the Corporation, through the facilities of the Toronto Stock Exchange commencing on the Cash Dividend Date. New Common Shares will also be acquired with the cash dividends from Common Shares accumulated in the participant's account.

A participant's account will be credited with the number of new Common Shares, including fractions computed to six decimal places. Full investment of funds under the Plan is possible as whole and fractional Common Shares are credited to a participant's account.

Common Shares issued pursuant to the Plan will initially be registered in the name of Computershare Trust Company of Canada as plan agent for the participants. If Computershare Trust Company of Canada ceases to act as the plan agent under the Plan, another plan agent will be designated by the Corporation.

Price of New Common Shares

The average market price (the "**Market Purchase Price**") at which participants purchase new Common Shares will be based upon the average price for which Common Shares are acquired through the facilities of the Toronto Stock Exchange for the purposes of the Plan, commencing on the Cash Dividend Date. In the event that the Corporation elects not to purchase any Common Shares through the facilities of the Toronto Stock Exchange in respect of any Cash Dividend Date, but to issue new Common Shares from treasury, the price at which the new Common Shares shall be issued will be based on the weighted average price of all Common Shares traded on the Toronto Stock Exchange on the 10 trading days preceding a Cash Dividend Date (the "**Investment Price**"). Purchases which are effected by means of the reinvestment of dividends will be purchased at the Investment Price or the Market Purchase Price, as the case may be.

Each participant will also be credited with that number of Common Shares equal to an additional 5% of the number of Common Shares purchased on reinvestment of dividends and invested in accordance with the Plan.

Cost

There is no charge to participants for reinvesting dividends. The Plan Agent's fees for handling the reinvestment of dividends will be paid by the Corporation. There will be no brokerage charges with respect to Common Shares acquired through open market purchases.

Statement of Account

The Plan Agent will maintain an account for each participant in the Plan. A statement of account will be mailed by the Plan Agent to each participant on a monthly basis after each investment. This statement will set out the amount of the cash dividends paid on the participant's Common Shares for the relevant period, the number of new Common Shares purchased or issued through the Plan for the period, the dates of these purchases or issuances, the applicable purchase price per Common Share and the updated total number of Common Shares being held for the participant in the Plan. These statements are a participant's continuing record of the cost of purchases and should be kept for tax purposes. In addition, each participant will receive the appropriate information annually for reporting dividends for tax purposes.

Common Share Certificates

Generally, certificates for new Common Shares purchased through the Plan will be held for participants and reported on the statement of account. This service protects against loss, theft or destruction of Common Share certificates. However, participants who require a Common Share certificate but who do not wish to terminate participation in the Plan, may obtain a certificate for any number of whole Common Shares held in their account by duly completing the withdrawal portion of the voucher located on the reverse of the statement of account and delivering it to the Plan Agent. A certificate will not be issued for a fraction of a Common Share.

Plan accounts are maintained in the names in which certificates were registered with the Corporation at the time the participant enrolled in the Plan. Consequently, certificates for whole

Common Shares withdrawn from the Plan will be registered in exactly the same manner when issued.

Common Shares being held for a participant in the Plan may not be pledged, sold or otherwise disposed of by a participant. The participant who wishes to do so must request that a certificate for the required number of Common Shares be issued before such action may be taken. Certificates will generally be issued to participants within two weeks of receipt by the Plan Agent of a participant's withdrawal request. Both the new certificated Common Shares and the Common Shares remaining in a participant's account will continue to have cash dividends reinvested pursuant to the Plan.

Termination of Participation

Participation in the Plan may be terminated by completing the termination portion of the voucher located on the reverse of a participant's statement of account and delivering it to the Plan Agent, signed by the registered holder or his or her agent. If such notice is not signed by the registered holder, sufficient evidence of another's authority to act on behalf of the registered holder must be supplied. If notice of termination is not received by the Plan Agent at least five (5) business days before the Record Date, settlement of the participant's account will not commence until after the investment has been completed.

Generally, a termination will be processed within two weeks of receipt by the Plan Agent of a written request for termination. The Plan Agent does not sell Common Shares or provide cash for any whole Common Share held for participants.

When a participant terminates participation in the Plan, or when the Plan is terminated by the Corporation, the participant will receive a certificate for the whole Common Shares held in the participant's account and a cash payment for any fraction of a Common Share. The cash payment for any fraction of a Common Share will be based on the closing market price on the business day immediately preceding receipt by the Plan Agent of the direction to terminate. Participation in the Plan will be terminated upon receipt by the Plan Agent of evidence of the death of a participant and a written direction to terminate. In such case a certificate for the whole Common Shares contained in the participant's account will be issued in the name of the deceased participant along with a cash payment for any fraction of a Common Share in the account. Requests for issuance of a certificate in the name of an estate must be accompanied by appropriate documentation.

After termination of participation in the Plan all cash dividends will be paid in cash to the holder of the Common Shares.

Disposition of Common Shares held in Certificate Form

If a participant sells or transfers all of his or her Common Shares held in certificate form that are enrolled in the Plan, the Plan Agent will continue to invest the cash dividend on the Common Shares being held for the participant in the Plan until a notice of termination is received by the Plan Agent.

Offerings

If the Corporation makes available to registered holders of Common Shares any rights to subscribe for additional Common Shares or other securities, rights and certificates will be forwarded to participants in the Plan in proportion to the number of whole Common Shares being held for them. Such rights will not be made available for any fraction of a Common Share held for a participant.

Common Share Dividends and Common Share Splits

Any Common Share dividend (other than a Common Share dividend paid as a result of participation in the Plan) and any Common Shares resulting from a share split, will be credited to the participant's account based on the whole and fractional Common Shares being held for the participant in the Plan. Certificates for Common Shares resulting from such a Common Share dividend or share split on Common Shares held in certificate form by a Plan participant, will be mailed directly to the participant in the same manner as to holders of Common Shares who are not participating in the Plan.

Common Share Voting

Whole Common Shares held for a participant's account under the Plan are voted in the same manner as Common Shares held in certificate form, either by proxy or by participation in person. Common Shares for which instructions are not received, will not be voted.

Responsibility of the Corporation and the Plan Agent

Neither the Corporation nor the Plan Agent shall be liable for any act undertaken or omitted in good faith, or have any duties, responsibilities or liabilities except as are expressly set forth in the Plan or are required by law. In particular, the Corporation and the Plan Agent must comply with all applicable laws now or hereafter in force which may impose a duty to permit any properly authorized party to have access to, and examine and make copies of, any records relating to the Plan.

The Plan Agent shall at any time upon becoming aware, as a result of being so advised by the Corporation or otherwise, that a Shareholder is participating or attempting to participate in the Plan primarily with a view to arbitrage trading or as more than one participant, including without limitation by registering the Common Shares beneficially held by such Shareholder in multiple names and addresses or in variations of the same name and address, notify the Corporation of the circumstances of such participation or attempted participation, assist the Corporation in evaluating those circumstances and, if so advised by the Corporation in its sole discretion, take such actions as are appropriate, including without limitation to consolidate such participation to one Participant or terminate such Shareholder's participation in the Plan.

Participants should recognize that neither the Corporation nor the Plan Agent can assure a profit or protect against a loss on Common Shares purchased under the Plan.

Amendment, Suspension or Termination of the Plan

The Corporation reserves the right to amend, suspend or terminate the Plan at any time upon not less than 30 days prior notice to the participants provided that any amendment to the Plan must be approved by the Toronto Stock Exchange and further provided that any action to amend, suspend or terminate the Plan shall have no retroactive effect if it would prejudice the interests of the participants. Participants will be sent written notice of any such amendment, modification, suspension or termination. If the Plan is terminated by the Corporation, participants will receive a certificate for whole Common Shares being held for them, a cash payment for any fraction of a Common Share and the return of any uninvested cash payments.

Notices

All notices required to be given to a participant in the Plan will be mailed to the participant at the most recent address shown on the records of the Corporation.

All communications to the Plan Agent and requests for forms or information regarding the Plan, should be directed to:

COMPUTERSHARE TRUST COMPANY OF CANADA
100 University Avenue, 9th Floor
Toronto, Ontario M5J 2Y1

or participants may contact the Plan Agent's National Customer Contact Centre at:

1-800-564-6253

Use of Proceeds

Proceeds received by the Corporation from the issuance of new Common Shares under the Plan will be used for general corporate purposes.

Effective Date

The effective date of this Plan is ●, 2010.