

**VERMILION ENERGY TRUST**  
**DISTRIBUTION REINVESTMENT PLAN**



**Features of the Plan include the following**

- Unitholders, other than non-residents of Canada (as defined in the *Income Tax Act* (Canada)), may elect to reinvest their cash distributions from Trust Units of Vermilion Energy Trust (the "Trust") in new Trust Units of the Trust or, at the discretion of Vermilion Resources Ltd., in Trust Units acquired through the facilities of the Toronto Stock Exchange.
- Trust Units acquired through reinvestment of cash distributions will be acquired or issued at the prevailing market rates and will be credited to the participant's account.
- Participants will receive additional Trust Units equal to 5% of their cash distributions.
- 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 Trust Units are credited to the participant's account.
- Statements of account will be mailed to each participant after every investment.
- Reinvestment of cash distributions does not affect tax liability.
- If Unitholders do not participate, cash distributions will continue to be paid in the usual manner.

**Purpose**

The Distribution Reinvestment Plan allows eligible holders of Trust Units to conveniently purchase additional Trust Units by reinvesting their cash distributions.

**Participation**

Except as described below, a registered holder of Trust Units 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 distribution.

Beneficial owners of Trust Units whose Trust Units are not registered in their own name may participate in the Plan by either:

- (a) having their Trust Units transferred into their own name; or
- (b) by contacting their broker, trust company, bank or other nominee to request information on how to participate in the Plan on their behalf;

Under the terms of the Plan, holders of Trust Units may direct the Plan Agent to reinvest cash distributions on all of the Trust Units registered in their name for the acquisition of new Trust Units or, at the discretion of the Trust, to acquire existing Trust Units through the facilities of the Toronto Stock Exchange at prevailing market rates.

A registered holder shall become a participant in the Plan in regard to the investment of distributions as of the first distribution 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 distribution (the "Record Date"), the cash distribution will be paid to the holder of Trust Units in the usual manner and participation in the Plan with regard to cash distributions will commence with the next cash distribution date ("Cash Distribution Date"). Record Dates for cash distributions on the Trust Units are the last day of each month.

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

### **Method of Purchase**

Cash distributions payable on the Trust Units registered in the Plan, will be applied automatically on each Cash Distribution Date to the purchase of Trust Units from treasury or, at the discretion of Vermilion Resources Ltd., through the facilities of the Toronto Stock Exchange commencing on the Cash Distribution Date. New Trust Units will also be acquired with the cash distributions from Trust Units accumulated in the participant's account.

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

Trust Units 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 Trust.

### **Price of New Trust Units**

The average market price (the "Market Purchase Price") at which participants purchase new Trust Units will be based upon the average price for which Trust Units are acquired through the facilities of the Toronto Stock Exchange for the purposes of the Plan, commencing on the Cash Distribution Date. In the event that Vermilion Resources Ltd. elects not to purchase any Trust Units through the facilities of the Toronto Stock Exchange in respect of any Cash Distribution Date, but to issue new Trust Units from treasury, the price at which the new Trust Units shall be issued will be based on the weighted average price of all Trust Units traded on the Toronto Stock Exchange on the 10 trading days preceding a Cash Distribution Date (the "Investment Price"). Purchases which are effected by means of the reinvestment of distributions 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 Trust Units equal to an additional 5% of the number of Trust Units purchased on reinvestment of distributions and invested in accordance with the Plan.

### **Cost**

There is no charge to participants for reinvesting distributions. The Plan Agent's fees for handling the reinvestment of distributions will be paid by the Trust. There will be no brokerage charges with respect to Trust Units 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 distributions paid on the participant's Trust Units for the relevant period, the number of new Trust Units purchased or issued through the Plan for the period, the dates of these purchases or issuances, the applicable purchase price per Trust Unit and the updated total number of Trust Units 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 distributions for tax purposes.

## **Trust Unit Certificates**

Generally, certificates for new Trust Units 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 Trust Unit certificates. However, participants who require a Trust Unit certificate but who do not wish to terminate participation in the Plan, may obtain a certificate for any number of whole Trust Units 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 Trust Unit.

Plan accounts are maintained in the names in which certificates were registered with the Trust at the time the participant enrolled in the Plan. Consequently, certificates for whole Trust Units withdrawn from the Plan will be registered in exactly the same manner when issued.

Trust Units 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 Trust Units 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 Trust Units and the Trust Units remaining in a participant's account will continue to have cash distributions 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 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 Trust Units or provide cash for any whole Trust Unit held for participants.

When a participant terminates participation in the Plan, or when the Plan is terminated by the Trust, the participant will receive a certificate for the whole Trust Units held in the participant's account and a cash payment for any fraction of a Trust Unit. The cash payment for any fraction of a Trust Unit 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 Trust Units contained in the participant's account will be issued in the name of the deceased participant along with cash payments for any fraction of a Trust Unit 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 distributions will be paid in cash to the holder of the Trust Units.

### **Disposition of Trust Units held in Certificate Form**

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

### **Offerings**

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

### **Trust Unit Distributions and Trust Unit Splits**

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

### **Trust Unit Voting**

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

### **Responsibility of the Trust and the Plan Agent**

Neither the Trust 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 Trust 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 Trust or otherwise, that a Unitholder 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 Trust Units beneficially held by such Unitholder in multiple names and addresses or in variations of the same name and address, notify the Trust of the circumstances of such participation or attempted participation, assist the Trust in evaluating those circumstances and, if so advised by the Trust in its sole discretion, take such actions as are appropriate, including without limitation to consolidate such participation to one Participant or terminate such Unitholder's participation in the Plan.

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

## **Amendment, Suspension or Termination of the Plan**

The Trust 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 Trust, participants will receive a certificate for whole Trust Units being held for them, a cash payment for any fraction of a Trust Unit 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 Trust.

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 Trust from the issuance of new Trust Units under the Plan will be used for general corporate purposes.

## **Effective Date**

The effective date of this Plan is February 1, 2003, as amended effective February 28, 2008 and December 7, 2009.