

THIS LETTER OF TRANSMITTAL IS FOR USE ONLY IN CONJUNCTION WITH THE PLAN OF ARRANGEMENT INVOLVING VERMILION ENERGY TRUST, VERMILION RESOURCES LTD., VERMILION ENERGY INC. AND UNITHOLDERS AND TAP AWARD HOLDERS OF VERMILION ENERGY TRUST AND EXCHANGEABLE SHAREHOLDERS OF VERMILION RESOURCES LTD.

THIS LETTER OF TRANSMITTAL MUST BE VALIDLY COMPLETED, DULY EXECUTED AND RETURNED TO THE DEPOSITARY, COMPUTERSHARE INVESTOR SERVICES INC. IT IS IMPORTANT THAT YOU VALIDLY COMPLETE, DULY EXECUTE AND RETURN THIS LETTER OF TRANSMITTAL ON A TIMELY BASIS IN ACCORDANCE WITH THE INSTRUCTIONS CONTAINED HEREIN.

# VERMILION E N E R G Y



## LETTER OF TRANSMITTAL

### FOR REGISTERED HOLDERS OF TRUST UNITS OF VERMILION ENERGY TRUST AND SERIES A EXCHANGEABLE SHARES OF VERMILION RESOURCES LTD.

Unitholders and Exchangeable Shareholders are referred to the information circular and proxy statement of Vermilion Energy Trust (the "**Trust**") dated July 30, 2010 (the "**Information Circular**") which accompanies this Letter of Transmittal. Capitalized terms used but not defined in this Letter of Transmittal have the meanings set out in the Information Circular.

This Letter of Transmittal is for use by the registered holders ("**Unitholders**") of trust units (the "**Trust Units**") of the Trust and by registered holders ("**Exchangeable Shareholders**" and collectively with the Unitholders, "**Vermilion Securityholders**") of Series A exchangeable shares (the "**Exchangeable Shares**") of Vermilion Resources Ltd. ("**VRL**") in connection with the proposed Conversion. A special meeting of Vermilion Securityholders is scheduled for August 31, 2010 (the "**Meeting**") in respect of the proposed Conversion.

On the Effective Date, Unitholders will receive, in exchange for each Trust Unit held by them on the Effective Date, one common share in the capital of Vermilion Energy Inc. (a "**VEI Common Share**") and Exchangeable Shareholders will receive, in exchange for each Exchangeable Share held by them on the Effective Date, VEI Common Shares on the same basis as holders of Trust Units based on the number of Trust Units into which the Exchangeable Shares are exchangeable into on the Effective Date. Subject to the approval of the Conversion by Vermilion Securityholders, the approval of the Court of Queen's Bench of Alberta, the receipt of all regulatory approvals and the satisfaction or waiver of the other conditions to the completion of the Conversion, the Effective Date is anticipated to be on or about September 1, 2010.

Certain Exchangeable Shareholders who are residents of Canada may choose to recognize a portion of any capital gain that would otherwise arise on the exchange of Exchangeable Shares for VEI Common Shares by making a joint tax election under section 85 of the *Income Tax Act* (Canada) (and the analogous provisions of provincial or territorial income tax law) with VEI to defer all or part of the capital gain otherwise realized. Eligible holders of Exchangeable Shares wishing to make such a joint tax election with VEI are strongly advised to review the section of the Information Circular entitled "*Certain Canadian Federal Income Tax Considerations*" and to consult their own tax advisors

concerning the requirements for the election forms and the deadline for filing the joint tax election with the Canada Revenue Agency (and the applicable provincial tax authorities).

**In order for Vermilion Securityholders to receive certificates representing the VEI Common Shares issued to them under the Conversion, Vermilion Securityholders are required to validly complete, duly execute and return to Computershare Investor Services Inc. (the "Depository") this Letter of Transmittal together with the certificates representing their Trust Units and/or Exchangeable Shares and all other required documents as described herein in accordance with the instructions provided herein on a timely basis.**

A certificate representing the VEI Common Shares registered to a Vermilion Securityholder who has complied with the procedures set out in this Letter of Transmittal will, as soon as practicable after the Effective Date and after the receipt of all required documents: (i) be forwarded to the former Vermilion Securityholder at the address specified in this Letter of Transmittal by first class mail; or (ii) be made available at the office of the Depository at which the Letter of Transmittal and the certificate(s) for the Trust Units or Exchangeable Shares, as applicable, were delivered, for pickup by the Vermilion Securityholder, as requested by the Vermilion Securityholder in the Letter of Transmittal.

**This Letter of Transmittal is not for use by non-registered holders of Trust Units or Exchangeable Shares. If you are a non-registered holder of Trust Units or Exchangeable Shares and hold your Trust Units or Exchangeable Shares through a broker, investment dealer, bank, trust company or other intermediary, please complete the documentation provided to you by your broker or such other intermediary in accordance with the instructions provided by such intermediary.**

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**Please carefully read the Information Circular and the instructions set out below before completing this Letter of Transmittal.**

**No certificates representing fractional VEI Common Shares shall be issued under the Conversion. In lieu of any fractional VEI Common Shares, each holder of Vermilion Securities otherwise entitled to a fractional interest in a VEI Common Share will receive the nearest whole number of VEI Common Shares (with fractions equal to exactly 0.5 being rounded up). Vermilion Securities held by registered holders of Vermilion Securities on behalf of beneficial holders will be aggregated for such purposes.**

**The Plan of Arrangement in respect of the Conversion provides that any certificate formerly representing Trust Units or Exchangeable Shares that is not deposited with all other required documents before the fifth anniversary of the Effective Date shall cease to represent a right or claim of any kind or nature and the right of the holder of such Trust Units or Exchangeable Shares, as the case maybe, previously represented thereby to receive certificates representing VEI Common Shares (and any dividends, distributions and any interest thereon to which such holder is entitled in respect of such shares).**

TO: VERMILION ENERGY TRUST (the "Trust")  
 AND TO: VERMILION RESOURCES LTD. ("VRL")  
 AND TO: VERMILION ENERGY INC. ("VEI")  
 AND TO: COMPUTERSHARE INVESTOR SERVICES INC., AS DEPOSITARY

In connection with the Conversion, the undersigned hereby deposits with the Depositary for exchange upon the Conversion becoming effective, the enclosed certificate(s) representing Trust Units (the "Deposited Units") and/or the enclosed certificate(s) representing Exchangeable Shares ("Deposited Shares"), details of which are as follows: *(Please print or type.)*

Certificate Number(s)	Name in Which Registered	Number of Trust Units/Exchangeable Shares
TOTAL:		

*(If the space provided above is insufficient, details may be listed on a separate schedule to this Letter of Transmittal.)*

Some or all of my certificates representing Trust Units and/or Exchangeable Shares have been lost, stolen or destroyed. Please review Item 8 of the Instructions for the procedure to replace lost or destroyed certificates. *(Check box if applicable).*

**Representations, Warranties and Acknowledgements**

The undersigned:

1. represents and warrants that the undersigned is the owner of the Deposited Units and/or Deposited Shares, as applicable, represented by the certificates delivered herewith and has good title to the rights represented by such certificates, such Trust Units and/or Exchangeable Shares are free and clear of all liens, charges, encumbrances, claims and equities and the undersigned has full power and authority to deliver the certificates representing the Trust Units and/or Exchangeable Shares delivered herewith;
2. represents and warrants that all information provided by the undersigned in this Letter of Transmittal is true, accurate and complete;
3. represents and warrants that it is resident in the jurisdiction set out as "Address of Vermilion Securityholder" on page 6 of this Letter of Transmittal;
4. acknowledges that the undersigned has received a copy of the Information Circular;
5. represents and warrants that the undersigned has full power and authority to complete, execute and deliver this Letter of Transmittal and, unless the undersigned shall have revoked this Letter of Transmittal by notice in writing given to the Depositary, the undersigned will not, prior to such time, transfer or permit to be transferred or grant any security interest or other right or interest in and to any of the Trust Units or any of the Exchangeable Shares, as applicable, represented by the certificates delivered herewith;
6. directs the Depositary to send the certificates representing the VEI Common Shares to which the undersigned is entitled on completion of the Conversion to the address, or hold them for pickup, as indicated in this Letter of Transmittal, unless otherwise indicated under "Box A - Special Registration Instructions" or "Box B - Special Delivery Instructions" on page 5 of this Letter of Transmittal;
7. covenants and agrees to execute, upon request, any additional documents, transfers and other assurances as may be necessary or desirable to complete the exchange of certificate(s) representing Trust Units and/or Exchangeable Shares for certificates representing VEI Common Shares;

8. acknowledges that all authority conferred or agreed to be conferred by the undersigned herein may be exercised during any subsequent legal incapacity of the undersigned and shall survive the death, incapacity, bankruptcy or insolvency of the undersigned and all obligations of the undersigned herein shall be binding upon any heirs, personal representatives, successors and assigns of the undersigned; and
9. by virtue of execution of this Letter of Transmittal, shall be deemed to have agreed that all questions as to the validity, form, eligibility (including timely receipt) and acceptance of any certificates representing Trust Units and/or Exchangeable Shares deposited herewith will be determined by VEI in its sole discretion and that such determination shall be final and binding and acknowledges there shall be no duty or obligation on VEI, the Trust, VRL, the Depository or any other person to give notice of any defect or irregularity and no liability shall be incurred by any of them for failure to give such notice.

The undersigned acknowledges and agrees that the covenants, representations and warranties of the undersigned herein shall survive the completion of the Conversion and the issuance of the VEI Common Shares.

#### **Additional Covenants, Agreements and Instructions**

The undersigned revokes any and all authority, other than as granted in this Letter of Transmittal or any proxy delivered by the undersigned for use at the Meeting, whether as agent, attorney-in-fact, attorney, proxy or otherwise, previously conferred or agreed to be conferred by the undersigned at any time, with respect to the Trust Units and/or Exchangeable Shares represented by the certificates being deposited. No subsequent authority, whether as agent, attorney-in-fact, attorney, proxy or otherwise will be granted with respect to the Trust Units and/or Exchangeable Shares represented by the certificates being deposited.

Unless otherwise indicated under "*Box A - Special Registration Instructions*" or "*Box B - Special Delivery Instructions*" on page 5 of this Letter of Transmittal (in which case registration or delivery should be made in accordance with those instructions), certificate(s) representing the VEI Common Shares to which the undersigned is entitled under the Conversion should be issued in the name of the undersigned and delivered to the undersigned at the address specified below the signature of the undersigned on page 6 of this Letter of Transmittal (or if no such address or delivery instructions are given, to the latest address of record on VEI's share register). If the Conversion is not completed, the undersigned directs the Depository to return the enclosed certificate(s) in accordance with the instructions in the preceding sentence.

By reason of the use by the undersigned of an English language form of Letter of Transmittal, the undersigned shall be deemed to have required that any contract evidenced by the Conversion as entered into through this Letter of Transmittal, as well as any documents related thereto, be drawn exclusively in the English language. En utilisant la version anglaise de la présente lettre d'envoi, le soussigné est réputé avoir demandé que tout contrat attesté par l'Conversion, tel qu'il est accepté au moyen de cette lettre d'envoi, de même que tous les documents qui s'y rapportant soient rédigés exclusivement en anglais.

**REGISTRATION AND DELIVERY INSTRUCTIONS**

**(If you want the VEI Common Shares issuable to you pursuant to the Conversion registered differently, please provide separate registration instructions for each registration)**

<b>BOX A</b> <b>SPECIAL REGISTRATION INSTRUCTIONS</b> <b>(See Instruction 3)</b>
<i>To be completed only if the certificate(s) for the VEI Common Shares are NOT to be issued in the name of the Vermilion Securityholder set out on page 3.</i>
Register in the Name of:  _____
<i>(please print)</i>
Address:  _____ _____ _____
<i>(include postal or zip code)</i>

<b>BOX B</b> <b>SPECIAL DELIVERY INSTRUCTIONS</b> <b>(See Instruction 3)</b>
<i>To be completed only if the certificate(s) for the VEI Common Shares are to be sent to a name or an address other than the name and address of the Vermilion Securityholder set out on page 3.</i>
Deliver certificates to the attention of:  _____
<i>(please print)</i>
Address:  _____ _____ _____
<i>(include postal or zip code)</i>

<b>BOX C</b>
<input type="checkbox"/> Check here if the certificate(s) for the VEI Common Shares are to be held for pick-up at the office of the Depository at which this Letter of Transmittal is deposited.

**SIGNATURE PAGE FOR LETTER OF TRANSMITTAL**

**Signature Guarantee**

*(if required under Items 3, 4 and 5 of the Instructions)*

**Vermilion Securityholder Signature**

*(Must be completed by all Vermilion Securityholders)*

Signature guaranteed by:

Dated: \_\_\_\_\_

\_\_\_\_\_  
Authorized Signature of Guarantor

\_\_\_\_\_  
Signature of Vermilion Securityholder or Authorized Representative *(see Items 4 and 6 of the Instructions)*

\_\_\_\_\_  
Name of Guarantor *(please print or type)*

\_\_\_\_\_  
Name of Vermilion Securityholder *(please print or type)*

\_\_\_\_\_  
Name of Authorized Representative, if applicable *(please print or type)*

\_\_\_\_\_  
Address of Guarantor *(please print or type)*

\_\_\_\_\_  
Capacity or Title of Vermilion Securityholder *(please print or type)*

\_\_\_\_\_  
Address of Vermilion Securityholder *(please print or type)*

\_\_\_\_\_  
( )  
Area code & telephone number during business hours

\_\_\_\_\_  
( )  
Area code & facsimile number

\_\_\_\_\_  
Social Insurance Number or U.S. Resident Taxpayer Identification Number (must be provided)

## INSTRUCTIONS

### 1. Exchange

In order for a holder of Trust Units and/or Exchangeable Shares to receive certificates representing the VEI Common Shares to which he/she is entitled under the Conversion, this Letter of Transmittal (or a manually executed facsimile copy hereof) validly completed and duly executed as required by the instructions set forth below, together with accompanying certificates representing the holder's Trust Units and/or Exchangeable Shares and all other documents required by this Letter of Transmittal, must be received by the Depository at its office specified on the last page of this document.

### 2. Use of Letter of Transmittal

- (a) **The method used to deliver this Letter of Transmittal and any accompanying certificates representing the Trust Units and/or Exchangeable Shares is at the option and risk of the holder surrendering them, and delivery will be deemed effective only when such documents are actually received. The Trust recommends that the necessary documentation be hand delivered to the Depository at the addresses specified on the last page of this Letter of Transmittal, and a receipt obtained therefor. Otherwise, the use of registered mail with return receipt requested, and with proper insurance obtained, is recommended.**
- (b) **This Letter of Transmittal is for use only by registered holders of Trust Units and/or Exchangeable Shares. A Vermilion Securityholder whose Trust Units and/or Exchangeable Shares are held by a nominee should contact their broker, investment banker, trust company or other nominee for instructions.**

### 3. Special Registration and Delivery Instructions

The boxes entitled "*Box A - Special Registration Instructions*" and "*Box B - Special Delivery Instructions*" on page 5 of this Letter of Transmittal should be completed, as applicable, if the certificate(s) for the VEI Common Shares to which a registered Vermilion Securityholder is entitled pursuant to the Conversion are to be: (a) issued in the name of a person other than the person signing the Letter of Transmittal; (b) sent to someone other than the person signing the Letter of Transmittal; (c) sent to the person signing the Letter of Transmittal at an address other than that appearing below that person's signature on page 6 of this Letter of Transmittal; or (d) held by the Depository for pick-up. See also Instruction 5 "*Guarantee of Signatures*" below.

### 4. Signatures

This Letter of Transmittal must be validly completed, dated and duly signed by the holder of the Trust Units and/or Exchangeable Shares or by such holder's duly authorized representative (in accordance with Item 6 of the Instructions).

- (a) If this Letter of Transmittal is signed by the registered owner(s) of the accompanying certificate(s), such signature(s) on this Letter of Transmittal must correspond with the name(s) as registered or as written on the face of such certificate(s) without any change whatsoever, and the certificate(s) need not be endorsed. If such transmitted certificate(s) are owned of record by two or more joint owners, all such owners must sign this Letter of Transmittal.
- (b) If this Letter of Transmittal is signed by a person other than the registered owner(s) of the accompanying certificate(s), or if a certificate representing VEI Common Shares is to be issued to a person other than the registered owner(s):
  - (i) such deposited certificate(s) must be endorsed or be accompanied by appropriate unit/share transfer power(s) of attorney properly completed by the registered owner(s); and

- (ii) the signature(s) on such endorsement or power(s) of attorney must correspond exactly to the name(s) of the registered owner(s) as registered or as appearing on the certificate(s) and must be guaranteed as noted in Item 5 of the Instructions.

#### 5. **Guarantee of Signatures**

If this Letter of Transmittal is signed by a person other than the registered owner(s) of the Trust Units and/or Exchangeable Shares or if the certificates representing the VEI Common Shares are to be sent to a person other than the registered owner(s) of the Trust Units and/or Exchangeable Shares, such signature must be guaranteed by an Eligible Institution, or in some other manner satisfactory to the Depository (except that no guarantee is required if the signature is that of an Eligible Institution).

An "**Eligible Institution**" means a Canadian Schedule I chartered bank, a member of the Securities Transfer Agents Medallion Program (STAMP), a member of the Stock Exchanges Medallion Program (SEMP) or a member of the New York Stock Exchange Inc. Medallion Signature Program (MSP). Members of these programs are usually members of a recognized stock exchange in Canada or the United States, members of the Investment Industry Regulatory Organization of Canada, members of the Financial Industry Regulatory Authority or banks and trust companies in the United States.

#### 6. **Fiduciaries, Representatives and Authorizations**

Where this Letter of Transmittal or any certificate or unit/share transfer power of attorney is executed by a person as an executor, administrator, trustee, guardian, attorney-in-fact or agent or on behalf of a corporation, partnership or association, or is executed by any other person acting in a fiduciary or representative capacity, such person should so indicate when signing and this Letter of Transmittal must be accompanied by satisfactory evidence of the authority to act. Any of the Trust, VRL, VEI or the Depository, at their discretion, may require additional evidence of authority or additional documentation.

#### 7. **Miscellaneous**

- (a) If the space on this Letter of Transmittal is insufficient to list all certificates for Trust Units and/or Exchangeable Shares, additional certificate numbers and numbers of Trust Units and/or Exchangeable Shares may be included on a separate signed list affixed to this Letter of Transmittal.
- (b) If Trust Units and/or Exchangeable Shares are registered in different forms (e.g. "John Doe" and "J. Doe"), a separate Letter of Transmittal should be signed for each different registration.
- (c) No alternative, conditional or contingent deposits of Trust Units or Exchangeable Shares will be accepted. All depositing Vermilion Securityholders by execution of this Letter of Transmittal (or copy thereof) waive any right to receive any notice by the Depository.
- (d) Additional copies of this Letter of Transmittal may be obtained from the Depository at the offices specified on the last page of this Letter of Transmittal. This Letter of Transmittal is also available on the SEDAR website at [www.sedar.com](http://www.sedar.com) under the Trust's profile.
- (e) It is strongly recommended that, prior to completing this Letter of Transmittal, you read the accompanying Information Circular.
- (f) This Letter of Transmittal will be construed in accordance with and governed by the laws of the Province of Alberta and the federal laws of Canada applicable therein.

#### 8. **Lost, Stolen or Destroyed Certificates**

If a Trust Unit or Exchangeable Share certificate has been lost, stolen or destroyed, this Letter of Transmittal should be completed as fully as possible and forwarded, together with a letter describing the loss, to the Depository. The Depository will respond with the replacement requirements in order for you to receive your entitlement, which shall include a requirement to provide a declaration of loss and such other requirements as the Depository or Vermilion's transfer agent may determine in their sole discretion, including an indemnity bond and indemnification against any claim that may be made against the Trust, VRL, VEI, the Depository or the Trust's transfer agent with respect to the certificate alleged to be lost, stolen or destroyed.

9. **Return of Certificates**

If the Conversion does not proceed for any reason, any certificate(s) for Trust Units and/or Exchangeable Shares received by the Depositary will be returned to you forthwith in accordance with your delivery instructions in Block A or, failing such address being specified, to the Vermilion Securityholder at the last address of the Vermilion Securityholder as it appears on the securities register of the Trust or VRL, as the case may be.

10. **Privacy Notice from Computershare Investor Services Inc.**

Computershare Investor Services Inc. is committed to protecting individuals' personal information. In the course of providing its services, Computershare Investor Services Inc. receives non-public personal information from transactions it performs for investors, forms sent to it, other communications Computershare Investor Services Inc. has with investors or representatives, etc. This information could include name, address, social insurance number, social security number, securities holdings and other financial information. Computershare Investor Services Inc. uses this information to administer investor accounts, to better serve investors' and clients' needs and for other lawful purposes relating to its services. Computershare Investor Services Inc. has prepared a Privacy Policy to tell you more about its information practices and how personal information is protected. It is available at Computershare Investor Services Inc.'s website, [www.computershare.com](http://www.computershare.com) or by writing to us at 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1.

Computershare Investor Services Inc. will use the information you are providing on this form in order to process your request and will treat your signature(s) on this form as your consent to the above.





**Office of the Depositary  
Computershare Investor Services Inc.**

Toll Free (Canada and US): 1-800-564-6253  
Telephone (Outside North America): 1-514-982-7555  
Web Site: [www.computershare.com](http://www.computershare.com)  
Email: [corporateactions@computershare.com](mailto:corporateactions@computershare.com)

**By Ordinary Mail**

**Computershare Investor Services Inc.**  
P.O. Box 7021, 31 Adelaide St E.  
Toronto, Ontario M5C 3H2

Attention: Corporate Actions

**By Hand, Courier or Registered Mail**

**In Calgary:**

**Computershare Investor Services Inc.**  
600, 530 – 8th Avenue S.W.  
Calgary, Alberta T2P 3S8

Attention: Corporate Actions

**In Toronto:**

**Computershare Investor Services Inc.**  
100 University Avenue, 9th Floor  
Toronto, Ontario M5J 2Y1

Attention: Corporate Actions

*Any questions and requests for assistance may be directed by Vermilion Securityholders to the Depositary at its telephone numbers, email address and location set out above.*