

VERMILION ENERGY INC.  
Dividend Reinvestment Plan Questions and Answers



The following series of questions and answers explains some of the key features of the Dividend Reinvestment Plan (the "*Plan*") of Vermilion Energy Inc. ("*Vermilion*").

The answers are, however, of a summary nature only, and are expressly subject to the complete text of the Plan, a copy of which may be obtained from the Plan Agent (as defined below) or Vermilion at any time upon request or from Vermilion's website at [www.vermilionenergy.com](http://www.vermilionenergy.com). Shareholders of Vermilion should carefully read the complete text of the Plan before making any decisions regarding participation in the Plan.

1. **What does the Plan offer?**

If you are an eligible holder ("*Shareholder*") of common shares ("*Shares*") of Vermilion as described in the Plan and summarized under Question #4 below, the Plan provides an opportunity for you to receive additional Shares at a discounted subscription price equal to 98% of the prevailing Average Market Price (as defined in the Plan), by reinvesting the cash dividends ("*Dividends*") declared payable by Vermilion on your Shares, upon and subject to the terms and conditions of the Plan.

*You are not required to participate in the Plan.* If you do not elect to participate, then you will continue to receive your regular Dividends in the usual manner.

In order to participate in the Plan, you must enroll, or be deemed to have enrolled, in the Plan directly or indirectly through the broker, investment dealer, financial institution or other nominee through which you hold your Shares ("*your broker*").

2. **How does participating in the Plan result in my receiving additional Shares?**

Participation in the Dividend Reinvestment Plan involves the reinvestment of your Dividends in new Shares purchased on your behalf from Vermilion.

New Shares purchased through reinvestment of your Dividends will be credited to your account under the Plan or, if you are enrolled through your broker, with your broker.

The number of additional Shares that may be purchased under the Plan is subject to proration in certain events, as more particularly described in the Plan. See also Question #10 below.

3. **What are the advantages of the Plan?**

The Dividend Reinvestment Plan provides a convenient and cost-effective way for you to increase your investment in Vermilion without incurring commissions, service charges or similar fees in connection with the purchase of new Shares from treasury (subject to any fees that may be charged by your broker). The new Shares purchased with reinvested Dividends will be bought at a 2% discount to the Average Market Price. Subject to the policies of your broker, full investment of reinvested funds is possible since fractions of Shares can be credited to accounts maintained under the Plan.

4. **Is the Plan available to all Shareholders?**

Your eligibility to participate in the Plan will depend on whether you meet the residency and other criteria set forth in the Plan.

**Residents of Canada.** Shareholders who are resident in Canada may participate in the Plan.

**Residents of Other Foreign Jurisdictions.** Shareholders who are resident in any jurisdiction outside of Canada (other than the United States) may participate in the Plan only if their participation is permitted by the laws of the jurisdiction in which they reside and provided that Vermilion is satisfied, in its sole discretion, that such laws do not subject the Plan or any of Vermilion, the Plan Agent or the Plan Broker to additional legal or regulatory requirements. Any such Shareholders wishing to participate in the Plan should consult legal counsel where they reside to determine their eligibility to participate.

**Residents of the United States.** Unless otherwise determined by Vermilion, a Shareholder who is a resident of the United States or is otherwise a "U.S. person" as that term is defined in Regulation S under the United States *Securities Act of 1933*, as amended, may not participate in the Plan. A "U.S. person" includes, without limitation, any natural person resident in the United States, any partnership or corporation organized or incorporated under the laws of the United States, any estate of which any executor or administrator is a U.S. person and any trust of which any trustee is a U.S. person.

Vermilion and the Plan Agent also reserve the right to deny or cancel participation in the Plan in certain extraordinary circumstances described in the Plan, or prescribe a minimum number of Shares that a particular Shareholder must hold to be eligible for, or continue to be enrolled in, the Plan. See "*Eligibility Requirements*" in the Plan.

#### 5. **How do I elect to enroll in and become a participant in the Plan?**

Only registered Shareholders may directly enroll in the Plan. Beneficial owners of Shares may, however, indirectly participate in the Plan through their broker. See "*Enrollment*" in the Plan.

If you are an eligible Shareholder with Shares registered in your own name, then you may enroll in the Plan by using the internet or by delivering to the Plan Agent a duly completed Enrollment Form. For enrollment by using the internet or to obtain a copy of the Enrollment Form, see the Plan Agent's website at [www.investorcentre.com](http://www.investorcentre.com). A copy of the Enrollment Form may also be obtained by calling the Plan Agent at 1-800-564-6253, or from Vermilion's website at [www.vermillionenergy.com](http://www.vermillionenergy.com). A duly completed Enrollment Form must be received by 3:00 p.m. (Calgary time) on the fifth (5th) business day preceding a Dividend record date in order to be effective for the corresponding Dividend payment date.

If you are an eligible Shareholder but your Shares are not registered in your own name, you cannot enroll in the Plan directly, but may do so indirectly through your broker by providing appropriate enrollment instructions. Your broker may require certain information or documentation from you before it will act upon your enrollment instructions. Please contact your broker to confirm any information or documentation required to give effect to your instructions, to confirm your broker's policies concerning continued participation following initial enrollment, and to inquire about applicable deadlines.

#### 6. **At what price will new Shares be purchased for my account under the Plan?**

New Shares purchased with reinvested Dividends under the Plan will be purchased from treasury of Vermilion at a 2% discount to the Average Market Price.

#### 7. **Will a Direct Registration System Advice or Share certificate be issued for new Shares purchased for me under the Plan?**

Neither a Share certificate nor a Direct Registration System Advice evidencing your registered ownership of Shares will be issued for Shares purchased under the Plan. If you are validly enrolled in the Plan, then new Shares purchased for your account will be credited to your account under the Plan or, if you are enrolled indirectly through your broker, with your broker. You may, however, request a Direct Registration System Advice or certificate for any number of whole Shares held under the Plan by the Plan Agent for your account. See "*Withdrawal of Shares*" in the Plan.

If you are a registered Shareholder participating directly in the Plan, then the Plan Agent will maintain an account for you with respect to purchases of Shares made under the Plan for your account and will issue an unaudited statement regarding purchases made under Plan on a monthly basis. These statements are your continuing record of purchases of Shares made for your account under the Plan and should be retained for income tax purposes.

Eligible Shareholders who participate in the Plan indirectly through their broker should consult such broker to confirm what statements or reports, if any, will be provided by such broker, whether for tax reporting purposes or otherwise.

#### 8. **Can I sell Shares held for my account under the Plan?**

Any Shares held under the Plan by the Plan Agent for your account cannot be sold, pledged or otherwise disposed of while so held. If you wish to sell any such Shares, you must first withdraw them from under the Plan. See "*Withdrawal of Shares*" in the Plan.

9. **How can I terminate my participation under the Plan?**

If you are enrolled in the Plan directly and wish to voluntarily terminate your participation in the Plan, you may do so by delivering to the Plan Agent a duly completed termination portion of the voucher located on the reverse of the statement of account issued by the Plan Agent. A termination request form may also be obtained from the Plan Agent at the address below. Alternatively, you may follow the instructions at the Plan Agent's self-service web portal at [www.investorcentre.com](http://www.investorcentre.com).

If you are enrolled in the Plan indirectly through your broker, you may voluntarily terminate your participation under the Plan by providing appropriate instructions to your broker. You should consult with your broker to confirm what information or documentation may be required to give effect to your instructions, and to inquire about any applicable deadlines. See "*Termination of Participation*" and "*Change of Election*" in the Plan.

A termination request (or notice of an individual participant's death) must be received by 3:00 p.m. (Calgary time) on the fifth (5th) business day preceding a Dividend record date in order to take effect for that Dividend. Termination requests received after that time will not be effective until the next Dividend record date.

10. **Are there circumstances where I may not be able to acquire additional Shares, as the case may be, in accordance with my election?**

Yes. Your ability to acquire additional Shares under the Plan on any particular Dividend payment date depends on the amount of new equity, if any, that Vermilion determines to make available under the Plan for that Dividend payment date, and on the elections that other eligible Shareholders have made under the Plan.

If Vermilion is not able to accept all elections for a particular component of the Plan, then Shares issuable under the Plan on the applicable Dividend payment date will be prorated among all participants.

If Vermilion determines not to issue any equity through the Plan on a particular Dividend payment date, or the availability of new Shares is prorated in accordance with the terms of the Plan, or for any other reason a Dividend cannot be reinvested under the Plan, in whole or in part, then participants will be entitled to receive from Vermilion the full amount (less any applicable withholdings) of the regular Dividend on each Share in respect of which the Dividend is payable but cannot be reinvested under the Plan in accordance with the applicable election.

11. **How will the Plan Agent purchase new Shares for me with reinvested Dividends?**

On each Dividend payment date, the Plan Agent will, on your behalf, reinvest the Dividends payable on your Shares that are validly enrolled in the Plan in new Shares purchased directly from Vermilion. Such new Shares will, depending on your election, be credited to your account under the Plan.

12. **What are the Canadian income tax consequences for Canadian residents participating in the Plan?**

Participation in the Plan does not relieve you of any liability for Canadian income taxes that may be payable in respect of the Dividends reinvested in new Shares under the Plan. In determining taxes payable, it is important to recognize that multiple transactions occur under the Plan even though you may only see the result of the final transaction. Participation in the Plan involves two transactions:

- (i) first, you will receive a Dividend from Vermilion; and
- (ii) second, you will use the cash from the Dividend to purchase new Shares at 98% of the Average Market Price.

The first transaction will result in the receipt of a taxable dividend on your existing Shares equal to the amount of the Dividend, and the new Shares purchased under the second transaction will have an initial cost for tax purposes equal to the amount of the Dividend used to purchase such Shares.

The Plan provides a further description of certain Canadian federal income tax considerations relevant to participation in the Plan. The description is, however, a summary only and does not constitute legal or tax advice to any particular Shareholder. **You are urged to consult your own tax advisors concerning the implications of your participation in the Plan having regard to your particular circumstances.**

13. [Where can I get further information?](#)

If you have any questions regarding the Plan, please direct them to the Plan Agent or to Vermilion, as follows:

Computershare Trust Company of Canada  
100 University Avenue, 8th Floor, North Tower  
Toronto, Ontario M5J 2Y1  
Attention: Dividend Reinvestment Department

or by calling the National Customer Contact Centre at:

1-800-564-6253 (Toll free in North America) or (514) 982-7555  
or by visiting [www.investorcentre.com/service](http://www.investorcentre.com/service)

Vermilion Energy Inc.  
3500, 520 – 3<sup>rd</sup> Avenue S.W.  
Calgary, Alberta T2P 0R3  
Attention: Investor Relations  
Tel: (866) 895-8101  
Email: [investor\\_relations@vermilionenergy.com](mailto:investor_relations@vermilionenergy.com)  
Fax: (403) 476-8100

or by visiting [www.vermilionenergy.com](http://www.vermilionenergy.com)

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