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October 28, 2015

To the Unitholders of Dixie Energy Trust

RE: Dixie Energy Trust - Second Distribution

Dear Unitholder,

As you are aware, in December 2014, Dixie Energy Trust (the "Trust") closed a transaction to sell substantially all of the Trust's operating assets for a purchase price of \$47.5 million USD (the "Sale Transaction"). A special meeting of the holders of units of the Trust (the "Unitholders") was held on December 29, 2014 and the Unitholders approved the Sale Transaction and the winding-up of the Trust (the "Winding-Up") by 99.92% of votes cast.

On January 20, 2015, Dixie Energy Ltd. (the "Administrator"), in its capacity as Administrator of the Trust, obtained an order from the Court of Queen's Bench of Alberta (the "Court") pursuant to the Trustee Act, RSA 2000, T-8 (the "Claims Procedure Order"). The Claims Procedure Order appointed Ernst & Young Inc. as claims administrator (the "Claims Administrator") of the Trust in respect of the Winding-Up.

The Claims Procedure Order established a process for the Claims Administrator to solicit claims from all Unitholders and all creditors in respect of the Trust (the "Claims Process"). Following completion of the Sale Transaction, the Claims Process and after payment of the Trust's liabilities including outstanding loans, taxes arising from the Sale Transaction and other expenses related to the Winding-Up, the Trust's property comprised approximately CDN\$31.8 million of cash.

On April 7, 2015, the Administrator obtained an order of the Court authorizing the payment of an initial distribution to the Unitholders of \$0.39 per unit, totaling CDN\$22,262,198.01 (the "Initial Distribution"). The Initial Distribution of \$0.39 per unit was paid by Computershare Investor Services Inc. in its capacity as depositary agent for the Trust (the "Depositary Agent").

On October 19, 2015, the Administrator obtained an order of the Court authorizing the payment of a second distribution to the Unitholders of \$0.15 per unit, totaling CDN\$8,562,383.85 (the "Second Distribution"). Your Second Distribution of \$0.15 per unit being paid by the Depositary Agent accompanies this letter.

The remaining cash of approximately CDN\$1.4 million (the "Holdback") will be held by or on behalf of the Administrator in respect of taxes relating to the 2015 stub-period tax return for Dixie Energy Holdings (Canada) Ltd., contingent liabilities yet to crystallize and the possibility of currently unknown liabilities coming to light. At this time, the Claims Administrator is unable to estimate when the final distribution to Unitholders will be made. Once a final distribution date has been determined, the Administrator will apply to court for approval of such final distribution.

The appropriate 2015 tax slips will be sent out to Unitholders by the Depositary Agent of the Trust in 2016 as required by CRA.

Further information regarding the Second Distribution and the Holdback can be found on the Claims Administrator's website at www.ey.com/ca/dixieenergytrust.

Yours truly,

ERNST & YOUNG INC.

in its capacity as Claims Administration of Dixie Energy Trust
and not in its personal or corporate capacity

Robert J. Taylor, FCA

