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April 15, 2015

[Name & Address of Non-resident Unitholder]

RE: Dixie Energy Trust – Initial Distribution

Dear Unitholder,

As you are likely aware, in December 2014, Dixie Energy Trust (“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 (“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. (“EY”) 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 comprises approximately \$31.8 million CAD 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 \$22,262,198.01 (the “Initial Distribution”). Your Initial Distribution, being paid by Computershare Investor Services Inc. in its capacity as depositary agent for the Trust (the “Depositary Agent”), of \$0.39 per unit accompanies this letter.

The remaining cash of approximately \$9.5 million CAD (the “Holdback”) will be held by or on behalf of the Administrator in respect of: i) contingent liabilities yet to crystallize; ii) the possibility of currently unknown liabilities coming to light; and iii) assessment of the Canadian and United States tax returns by the Canada Revenue Agency (“CRA”) and the Internal Revenue Service, respectively, in connection with the Sale Transaction. It is anticipated that there will be a second distribution from the Holdback prior to December 31, 2015, with the remaining portion of the Holdback held beyond December 31, 2015. The Claims Administrator will advise Unitholders of the remaining Holdback requirements commensurate with the anticipated second distribution.

As the 2014 tax returns have not yet been finalized, the Initial Distribution has been treated for tax purposes as a dividend. As you are a non-resident of Canada and the Administrator has [has not] received your NR301 form, 15% [25%] of your Initial Distribution has been withheld to be remitted to the CRA. It is estimated to be determined by the Administrator prior to April 30, 2015, whether (all or a portion of) the Initial Distribution is a return of capital or a taxable dividend. When the character of the Initial Distribution is clarified the Depositary Agent will make the appropriate remittances to the CRA and will remit to the holder any net amount withheld from the Initial 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 Initial 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

A handwritten signature in black ink, appearing to be 'RJT', is written over a faint, light-colored rectangular stamp or watermark.

Robert J. Taylor, FCA