

2009 ANNUAL INFORMATION FORM

Respecting Trust Units of

ENERVEST ENERGY AND OIL SANDS TOTAL RETURN TRUST

**Administered by
EnerVest Oil Sands Management Inc.**

March 29, 2010

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GLOSSARY OF TERMS

In this Annual Information Form, the following terms shall have the meanings set forth below, unless otherwise indicated.

"Additional Distribution" means a distribution that will, if necessary, be made automatically in each year to Unitholders of record on December 31 in order that the Trust will generally not be liable to pay income tax.

"Administration Fee" means the administration fee, equal to 1.10% per annum of the average Net Asset Value, calculated and payable monthly in arrears, plus an amount equal to the Service Fee.

"Administrative Services Agreement" means the administrative services agreement dated as of March 30, 2006 between the Administrator and the Trustee, on behalf of the Trust.

"Administrator" means the administrator and manager of the Trust, EnerVest Oil Sands Management Inc. and, if applicable, its successor.

"Assignment Agreement" means the assignment, assumption and consent agreement effective as of February 1, 2010 between Cypress, the Trust and the Administrator.

"Business Day" means any day except Saturday, Sunday or a statutory holiday in Calgary, Alberta or Toronto, Ontario.

"Canoe" means Canoe Financial L.P., the indirect owner of all of the issued and outstanding shares of the Administrator.

"CDS" means CDS Clearing and Depository Services Inc.

"CDS Participants" means participants in CDS.

"Cash and Cash Equivalents" means any one or more of the following investments, provided that such investments at the time of purchase have a remaining term to maturity of one year or less:

- (a) direct obligations of, and obligations fully guaranteed by, the United States of America or the Government of Canada or any agency or instrumentality thereof and backed by the full faith and credit of the United States of America or the Government of Canada;
- (b) demand deposits at, or certificates of deposit, term deposits or bankers acceptances issued by or securities sale and repurchase agreements with, any financial institution with a combined capital and surplus of at least \$1,000,000,000 and whose long-term unsecured and unguaranteed debt is rated at least A (low) by DBRS; at least A- by S&P; or at least A3 by Moody's or an equivalent rating of any other Rating Agency;
- (c) direct obligations of any province of Canada or any state of the United States of America, or any agency or instrumentality of any of the foregoing whose long term credit rating is at least A (low) by DBRS; at least A- by S&P; at least A3 by Moody's; or an equivalent rating of any other Rating Agency; or
- (d) commercial paper rated at the time of the purchase thereof at least R-1 (low) by DBRS; at least A-2 by S&P; or at least P-2 by Moody's or an equivalent rating by any other Rating Agency.

"CRA" means the Canada Revenue Agency.

"Current Yield" as at any date means, for any issuer, the most recently reported monthly or quarterly per unit or common share distribution or dividend for that issuer multiplied by 12 in the case of issuers that make monthly

distributions or dividends and by four in the case of issuers that make quarterly distributions or dividends and divided by the closing price per unit or common share of such issuer on such date.

"**Custodian**" means CIBC Mellon Global Securities Services Company., in its capacity as custodian under the Custodian Agreement (and certain of its affiliates).

"**Custodian Agreement**" means the custodian services agreement dated April 13, 2006 between the Manager, the Custodian, CIBC Mellon Global Securities Services Company.

"**Cypress**" means Cypress Capital Management Ltd.

"**DBRS**" means Dominion Bond Rating Service Limited.

"**Declaration of Trust**" means the declaration of trust dated as of February 22, 2006, as amended from time to time.

"**Distribution Date**" means the date on which cash distributions are paid by the Trust, such date is the date which is the 15th day after the applicable Record Date or, if such day is not a Business Day, the next Business Day.

"**EnerVest Group of Funds**" means EnerVest Energy and Oil Sands Total Return Trust or other closed-end income trusts that are part of the EnerVest group of funds.

"**Extraordinary Resolution**" means a resolution to be passed by the affirmative vote of 66 $\frac{2}{3}$ % of the votes cast, either in person or by proxy, at a meeting of Unitholders called for that purpose.

"**Independent Review Committee**" means the independent review committee of the Trust established in accordance with NI 81-107.

"**Income Fund**" means a trust, limited partnership or other entity structured to own debt and/or equity of an underlying operating company or other entity which carries on an active business, or structured to own real estate assets, or a royalty in revenues generated by the assets of an underlying company or other entity.

"**Investment Management Agreement**" means the investment management agreement dated as of March 30, 2006 between the Administrator and Cypress (as assigned to RiverStream from Cypress pursuant to the Assignment Agreement, as it may be amended from time to time.

"**Investment Management Fee**" means the investment management fee, payable monthly in arrears to the Portfolio Manager by the Administrator from the Administration Fee.

"**Moody's**" means Moody's Investors Services.

"**Net Asset Value**" or "**NAV**" means the net asset value of the Trust, as determined by subtracting the aggregate amount of the liabilities of the Trust from the Total Assets and as more particularly set forth in the Declaration of Trust.

"**NI 81-106**" means National Instrument 81-106 — Investment Fund Continuous Disclosure of the Canadian Securities Administrators, as it may be amended from time to time.

"**NI 81-107**" means National Instrument 81-107 — Independent Review Committee for Investment Funds of the Canadian Securities Administrators, as it may be amended from time to time.

"**Oil and Gas Issuers**" means issuers structured either as:

- (a) a trust, fund, partnership or similar issuer owning the debt and/or equity of an underlying entity involved in the development, mining, acquisition, transportation, production and sale of oil and natural gas; or

- (b) a trust, fund, partnership or similar issuer owning a royalty in the revenues generated by the production and sale of oil and natural gas reserves; or
- (c) a corporation, or similar issuer, which is involved in the exploration, development, mining, acquisition, transportation, production and sale of oil and natural gas; provided that the determination by the Administrator that an issuer of securities is an Oil and Gas Issuer is conclusive for all purposes herein.

"**Oil Sands**" or "**oil sands**" refers generally to extremely heavy oil, or bitumen, that is trapped in sands which in Canada is concentrated primarily in northeast Alberta.

"**Oil Sands Related Issuers**" means issuers whose business is directly or indirectly related to the acquisition, mining, development, extraction, processing, production, marketing, transportation, supply and sale of products and resources from the Oil Sands, as well as suppliers to Oil Sands projects who derive a portion of their revenue and net earnings from sales of products or provision of services to issuers participating in Oil Sands projects in Canada; provided that the determination by the Administrator that an issuer of securities is an Oil Sands Related Issuer is conclusive for all purposes herein.

"**Plan Agent**" means Computershare Trust Company of Canada, in its capacity as agent under the Reinvestment Plan.

"**Plan Participant**" means any holder of Trust Units who participates in the Reinvestment Plan.

"**Portfolio**" means the portfolio of Portfolio Securities acquired and managed by the Portfolio Manager on behalf of the Trust.

"**Portfolio Manager**" means the Trust's Portfolio Manager, Riverstream, and, if applicable, its successor.

"**Portfolio Securities**" means securities of Oil Sands Related Issuers and Oil and Gas Issuers, or other rights to acquire such securities including securities convertible into such units or shares.

"**Rating Agency**" means a rating agency approved or recognized by the Securities Valuation Office of the National Association of Insurance Commissioners (United States).

"**Record Date**" means the last Business Day of each month prior to the Termination Date.

"**Redemption Date**" means the last Business Day in October of each year, commencing in October 2007.

"**Redemption Valuation Dates**" means the three Business Days immediately preceding the applicable Redemption Date.

"**Reinvestment Plan**" means the distribution reinvestment and optional Trust Unit purchase plan of the Trust.

"**Reinvestment Plan Services Agreement**" means the reinvestment plan services agreement among the Administrator, on its own behalf and on behalf of the Trust, and Computershare Trust Company of Canada, in its capacity as the Plan Agent, establishing the Reinvestment Plan.

"**RiverStream**" means RiverStream Asset Management Ltd.

"**Service Fee**" means the fee calculated and payable quarterly in arrears and paid by the Administrator to investment dealers at an annual rate equal to 0.40% of the Net Asset Value of Trust Units held by clients of sales representatives of such investment dealers, plus applicable taxes.

"**S&P**" means Standard & Poor's Ratings Services, a division of The McGraw Hill Companies.

"SIFT Rules" means, collectively, the "Tax Fairness Plan" released by the Minister of Finance (Canada) on October 31, 2006, the guidelines released by the Minister of Finance (Canada) on December 15, 2006 and amended on December 4, 2008, with respect to the "normal growth" of certain trusts and partnerships that were publicly listed as of October 31, 2006 and Bill C- 52, an Act to implement certain provisions of the budget tabled in Parliament on March 19, 2007, which received Royal Assent on June 22, 2007.

"Tax Act" means the *Income Tax Act* (Canada), as now or hereafter amended, or successor statutes, and shall include the regulations promulgated thereunder.

"Termination Date" means the date the Trust is terminated.

"Total Assets" means the aggregate value of the assets of the Trust as determined in accordance with the terms of the Declaration of Trust.

"Trust" or **"EnerVest"** means EnerVest Energy and Oil Sands Total Return Trust, a closed-end investment trust established under the laws of Alberta pursuant to the Declaration of Trust.

"Trustee" means initially Computershare Trust Company of Canada, in its capacity as Trustee under the Declaration of Trust, and thereafter such successor as may be appointed the Trustee in accordance with the provisions of the Declaration of Trust.

"Trust Units" or **"Units"** means the transferable, redeemable trust units of the Trust, each of which represents an equal, fractional, undivided beneficial interest in the net assets of the Trust.

"TSX" means the Toronto Stock Exchange.

"Unitholders" means holders of Trust Units.

"Valuation Date" means, at a minimum, every Thursday of each week, the last Business Day of each fiscal quarter, December 31 of each year and the Termination Date, and includes any other date on which the Administrator elects, in its discretion, to calculate the Net Asset Value per Trust Unit.

FORWARD-LOOKING STATEMENTS

Certain statements included in this Annual Information Form as they relate to the Trust, the Trustee, the Portfolio Manager or the Administrator constitute forward-looking statements. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "expects", "does not expect", "is expected", "anticipates", "does not anticipate", "plans", "estimates", "believes", "does not believe" or "intends", or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or achieved) are not statements of historical fact but reflect the Trust's current expectations regarding future results or events and may be "forward-looking statements".

These forward-looking statements are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations, including the matters discussed below and under "Risk Factors" and in other sections of this Annual Information Form:

- competition;
- departure of key personnel or consultants;
- fluctuation in foreign exchange or interest rates;
- volatility of oil and natural gas prices;
- negative conditions in general economic and financial markets;
- losses from credit exposure;
- stock market volatility and market valuations;
- conflicts of interest; and
- changes in income tax laws and other government regulations.

With respect to forward-looking statements contained in this document, the Trust has made assumptions regarding, among other things: future exchange rates; the impact of increasing competition; the continuity of existing business relationships; conditions in general economic and financial markets; and the ability to obtain financing on acceptable terms.

The Trust believes the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct. These statements speak only as of the date of this Annual Information Form and neither the Trust or the Administrator undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required to do so by applicable laws.

Readers are cautioned that the foregoing lists of factors are not exhaustive. Should one or more of these risks and uncertainties materialize, or should the Trust's estimates or underlying assumptions prove incorrect, actual results, performance or achievements may vary materially from those described in forward-looking statements. Accordingly, readers are advised not to place undue reliance on forward-looking statements.

NAME AND FORMATION OF THE TRUST

EnerVest Energy and Oil Sands Total Return Trust (the "**Trust**" or "**EnerVest**") is a closed-end investment trust established under the laws of the Province of Alberta pursuant to a declaration of trust dated as of February 22, 2006, as amended from time to time (the "**Declaration of Trust**"). Computershare Trust Company of Canada is the trustee (the "**Trustee**") of the Trust and the administrator and manager of the Trust is EnerVest Oil Sands Management Inc. (the "**Administrator**"). CIBC Mellon Global Securities Services Company. (the "**Custodian**") is the custodian of the Trust's assets and Riverstream Asset Management Ltd. ("Riverstream") is EnerVest's Portfolio Manager (the "**Portfolio Manager**") pursuant to an investment management agreement dated as of March 30, 2006, (as assigned by an assignment assumption and consent agreement effective as of February 1, 2010 between Cypress Capital Management Ltd ("Cypress"), the Trust, and the Administrator (the "Assignment Agreement"), as it may be amended from time to time (the "Investment Management Agreement"). The Trust's head office is located at Suite 3900, 350-7th Avenue S.W., Calgary, Alberta, T2P 3N9.

HISTORY OF THE TRUST

2006

The Trust closed its initial public offering on April 13, 2006 with the placement of 5,000,000 transferable, redeemable Trust Units at a price of \$10.00 per Trust Unit. The Trust was created to invest the net proceeds from the initial public offering in an actively managed portfolio of: (i) companies, royalty and income trusts and similar issuers involved directly or indirectly in the development of the oil sands and whose business is directly or indirectly related to the acquisition, mining, development, extraction, processing, production, marketing, transportation, supply and sale of products and resources from the oil sands, as well as suppliers to oil sands projects who derive a portion of their revenue and net earnings from sales of products or provision of services to issuers participating in the oil sands projects in Canada; and (ii) traditional oil and gas royalty trusts and similar issuers. In addition, the Trust makes monthly cash distributions to holders of Trust Units. Following closing of the offering, the Trust Units began trading on the under the TSX symbol "EOS.UN".

On May 4, 2006, the Trust issued 59,518 Trust Units at a price of \$10.00 per Trust Unit pursuant to the exercise of the over-allotment option by the syndicate of investment dealers involved in the Trust's initial public offering. The net proceeds of \$565,421 were used to add to the existing portfolio managed by the Portfolio Manager.

On May 5, 2006, the Trust entered into a \$12.5 million 364-day revolving term credit facility with the Bank of Nova Scotia. The facility was secured by a first-ranking and exclusive charge on EnerVest's portfolio. Borrowings were limited to 25% of Total Assets after giving effect to the borrowings and are limited by virtue of the Investment Restrictions applicable to the Trust.

On June 15, 2006 the Trust announced that the TSX had accepted its Notice to Make a Normal Course Issuer Bid (the "**Bid**") to purchase, from time to time, as it considers advisable, up to 505,651 of its 5,059,518 then issued and outstanding Trust Units (being no greater than 10% of the public float which public float was, as of the date of the Bid, 5,056,518 Trust Units) on the open market through the facilities of the TSX. The price that EnerVest would pay for any Trust Units under the Bid would be the prevailing market price on the TSX at the time of such purchase. Trust Units acquired under the Bid were cancelled. The Bid commenced on June 19, 2006 and terminated on June 18, 2007. There were no purchases made under this bid.

2007

On April 30, 2007, EnerVest entered into a \$12.5 million 364-day revolving term credit facility with the Bank of Montreal, replacing the then existing credit facility. The facility is secured by a first-ranking and exclusive charge on EnerVest's portfolio (the "**Loan Facility**").

Under the Loan Facility, the Trust may borrow or issue senior debt securities in an aggregate amount of up to 25% of the Total Assets determined at the time of borrowing or issuance (including securities purchased with the amounts borrowed) for the purpose of purchasing additional securities of Oil and Gas Issuers and Oil Sands Related Issuers to be included in the Portfolio, effecting market purchases and redemptions of Trust Units, and paying fees and expenses of the Trust. In the event that the total amount borrowed by the Trust exceeds 25% of the total assets of the Trust, the Administrator and or Portfolio Manager will sell Portfolio Securities held by the Trust in an orderly manner and use the proceeds therefrom to reduce the outstanding indebtedness so that the amount borrowed by the Trust for such purposes does not exceed 25% of the Total Assets of the Trust.

On August 28, 2007, the Trust announced that the TSX had accepted its Notice to renew its Bid to purchase, from time to time, as it considers advisable, up to 425,764 of its 4,826,845 then issued and outstanding Trust Units (being no greater than 10% of the public float which public float was, as of the date of the Bid, 4,257,645 Trust Units) on the open market through the facilities of the TSX. The price that EnerVest would pay for any Trust Units under the Bid would be the prevailing market price on the TSX at the time of such purchase. Any Trust Units acquired under the Bid would be cancelled. The Bid commenced on August 29, 2007 and terminated on August 28, 2008. There were no purchases made by the Trust under the Bid from August 29, 2007 to August 28, 2008.

On October 23, 2007, the Trust filed a (final) long form prospectus with the securities regulatory authorities in each of the provinces of Canada pursuant to which the Trust issued to the holders of its outstanding Trust Units at the close of business (Calgary time) on November 1, 2007, 1,631,340 Warrants to subscribe for and purchase 1,631,340 Trust Units of the Trust. Each registered holder of Trust Units at the close of business on November 1, 2007 received one-half of one whole Warrant for each Unit held. Each whole Warrant entitled the holder thereof to purchase one Unit at a price of \$8.70. The Warrants were exercisable commencing on January 1, 2008 and any Warrants not exercised by 3:00 p.m. (Calgary time) on October 2, 2008 were void and of no value. The Warrants were listed and posted for trading on the TSX under the symbol EOS.WT. Prior to expiry of the Warrants, 936,301 Warrants were exercised, resulting in the issuance of 936,301 Trust Units and gross proceeds of \$8,145,819 paid to the Trust.

On November 1, 2007, the Trust announced that requests for redemptions of 1,501,386 Trust Units were submitted by Unitholders, being approximately 31.5% of the current issued and outstanding Trust Units as of the Redemption Date. Payment of the redemptions were made on November 15, 2007 at a redemption price of \$9.10 per Trust Unit. The redemption price was equal to the average Net Asset Value per Trust Unit on the Redemption Valuation Dates less the total of estimated brokerage fees and other costs associated with the disposition of a corresponding amount of the Portfolio Securities to fund such redemption.

2008

On April 15, 2008, EnerVest renewed its 364-day revolving term facility with the Bank of Montreal. The facility is secured by a first-ranking and exclusive charge on EnerVest's portfolio.

On April 25, 2008, EnerVest Limited Partnership, a limited partnership interest controlled by Avenir Diversified Income Trust, entered into an agreement with Canoe Financial Corp. (“**Canoe**”) to sell, indirectly, its interests in the Administrator to Canoe. The transaction closed on May 16, 2008. The transaction had no material impact on the structure or business of the Trust.

On August 27, 2008, the Trust announced that the TSX had accepted its notice to renew the Bid to purchase, from time to time, as it considers advisable, up to 364,599 of its 3,647,490 then issued and outstanding Trust Units (being no greater than 10% of the public float which public float was, as of the date of the Bid, 3,645,990 Trust Units) on the open market through the facilities of the TSX. The price that EnerVest would pay for any Trust Units under the Bid would be the prevailing market price on the TSX at the time of such purchase. Trust Units acquired under the Bid will be cancelled. The Bid commenced on August 29, 2008 and terminated on August 28, 2009. There were purchases made by the Trust under this bid.

On October 2, 2008, the Trust announced that requests for redemptions of approximately 2.3 million Trust Units were submitted by Unitholders, being approximately 60% of the current issued and outstanding Trust Units as of the Redemption Date. These redemptions were to be effective October 31, 2008. Given equity and crude oil market

contractions and the limited market for securities in such an environment, the Administrator determined that it was impractical to sell sufficient securities to raise the required redemption proceeds. On October 29, the Trust announced that the Administrator was suspending the October 31, 2008 redemption of the Trust Units, as allowed under the Declaration of Trust, until such time as market conditions permit the sale of sufficient securities to fund the redemptions. See "History of the Trust – 2009" for information with respect to the lifting of the suspension of the redemption.

2009

On March 9, 2009 the Trust announced that the suspension of the 2008 redemption was lifted and the redemption was settled. Payment of the redemption of 2,272,104 Trust Units were made on March 9, 2009 at a redemption price of \$4.22 per Trust Unit. The redemption price was equal to the average Net Asset Value per Trust Unit on the Redemption Valuation Date (based on the New Redemption Date) less the total of estimated brokerage fees and other costs associated with the disposition of a corresponding amount of the Portfolio Securities to fund such redemption.

On November 2, 2009, the Trust announced that requests for redemption of approximately 15% of the issued and outstanding units were submitted by unitholders. Payment of the redemption was made on or about November 16, 2009 at a redemption price of \$7.53 per Unit.

2010

On January 28, 2010, the Trust announced the assignment of Investment Management agreements for the Trust to RiverStream. RiverStream assumed the agreements from Cypress Capital Management Ltd. ("Cypress"), effective February 1, 2010. The fees and other investment manager obligations of the Trust were not changed as a result of this assignment.

RiverStream is a Calgary-based portfolio manager that brings extensive energy experience with local area and industry-specific knowledge. The team at RiverStream, led by Mr. Rafi G. Tahmazian, have been members of the Energy Sector Advisory Group and have acted as an advisor to Cypress since January 2009 for the EnerVest Natural Resource Fund and the Trust.

INVESTMENT RESTRICTIONS AND PRACTICES

EnerVest is subject to certain restrictions and practices contained in the Declaration of Trust, which are designed in part to ensure that the investments of EnerVest are diversified and to ensure the proper administration of EnerVest. In particular, the Declaration of Trust contains investment restrictions to the effect that EnerVest may not:

- (a) invest in securities other than Portfolio Securities and Cash and Cash Equivalents;
- (b) maintain a Portfolio for a period of more than 90 days where such Portfolio does not comply with the permitted minimum and maximum weightings of each asset class as set out in the Investment Strategy;
- (c) invest 10% or more of its Total Assets in the securities of any single issuer or in securities that are not listed on a recognized exchange in Canada or the United States;
- (d) borrow money, except that:
 - (i) short-term credits necessary for settlement of securities transactions are not considered borrowings; and
 - (ii) the Trust may borrow or issue senior debt securities in an aggregate amount of up to 25% of the Total Assets determined at the time of borrowing or issuance (including securities purchased with the amounts borrowed);

- (e) purchase or sell derivatives or commodity contracts, including futures contracts and options thereon;
- (f) make loans, except that the Trust may engage in securities lending and may purchase and hold debt obligations (including bonds, debentures or other obligations and certificates of deposit, bankers' acceptances and fixed term deposits) in accordance with the Trust's Investment Strategy;
- (g) purchase real estate or real estate mortgage loans;
- (h) make short sales of securities or maintain short positions;
- (i) own more than 10% of any class of securities of any one issuer or purchase the securities of an issuer for the purpose of exercising control over management of any issuer;
- (j) guarantee the securities or obligations of any person other than the Administrator, and then only in respect of the business of the Trust;
- (k) act as underwriter, except to the extent that the Trust may be deemed to be an underwriter in connection with the sale of Portfolio Securities;
- (l) make any investment that would result in the Trust failing to qualify as a "unit trust" or a "mutual fund trust" within the meaning of the Tax Act under the then current definitions of "unit trust" and "mutual fund trust"; and in order for the Trust to qualify under the current definition of "unit trust", among other requirements:
 - (i) at least 80% of the property of the Trust at all times must consist of any combination of (a) shares; (b) any property that, under the terms or conditions of which or under an agreement, is convertible into, is exchangeable for or confers a right to acquire shares; (c) cash; (d) bonds, debentures, mortgages, hypothecary claims, notes and other similar obligations; (e) marketable securities; (f) real property situated in Canada and interests in such property; and (g) rights to and interests in any rental or royalty computed by reference to the amount or value of production from a natural accumulation of petroleum or natural gas in Canada, from an oil and gas well in Canada or from a mineral resource in Canada;
 - (ii) not less than 95% of the income from the Trust (determined without reference to subsections 49(2.1) and 104(6) of the Tax Act) for each year must be derived from, or from the disposition of, investments described in (i) above;
 - (iii) not more than 10% of the Trust's property, at any time, may consist of bonds, securities or shares in the capital stock of any one corporation or debtor other than Her Majesty in Right of Canada or a province or a Canadian municipality;
- (m) with the exception of securities of the Trust's own issue, purchase securities from, sell securities to, or otherwise contract for the acquisition or disposition of securities with the Portfolio Manager or the Administrator or any of their respective affiliates, with any officer, director or shareholder of any of them, with any person, trust, firm or corporation managed by the Portfolio Manager or the Administrator or any of their respective affiliates or with any firm or corporation in which any officer, director or shareholder of the Portfolio Manager or the Administrator may have a material interest (which, for these purposes, includes beneficial ownership of more than 10% of the voting securities of such entity) unless, with respect to any purchase or sale of securities, either: (i) any such transaction is effected through normal market facilities, and the purchase price approximates the prevailing market price; or (ii) such purchase or sale is approved by a majority of the Administrator's independent directors;

- (n) invest in the securities of any non-resident corporation or trust or any other non-resident entity if the Trust would be required to mark its investment in such securities to market in accordance with proposed section 94.2 of the Tax Act or to include any significant amounts in income pursuant to proposed sections 94.1 or 94.3 of the Tax Act, as set forth in the proposed amendments to the Tax Act dealing with foreign investment entities, or invest in non-resident trusts other than an "exempt trust" as defined in section 94(1) of the Tax Act;
- (o) invest in any securities that would be a tax shelter investment within the meaning of section 143.2 of the Tax Act; or
- (p) invest in any securities of an issuer that would be a foreign affiliate of the Trust for the purposes of the Tax Act.

If a percentage restriction on investment or use of assets set forth above as an Investment Restriction is adhered to at the time of the transaction, later changes to the market value of the investment or the Total Assets will not be considered a violation of the Investment Restriction or require the elimination of any Portfolio Security (except for the restrictions in paragraph (l) above which must be complied with at all times and which may necessitate the selling of Portfolio Securities from time to time). If the Trust receives from an issuer subscription rights to purchase Portfolio Securities of that issuer, and if the Trust exercises those subscription rights at a time when the Trust's holdings of Portfolio Securities of that issuer would otherwise exceed the limits set forth above, the exercise of those rights will not constitute a violation of the Investment Restrictions if, prior to the receipt of Portfolio Securities on exercise of those rights and after announcement of the issuance of such rights, the Trust has sold at least as many Portfolio Securities of the same class and value as would result in the restriction being complied with.

The investment restrictions may not be changed without the approval by Unitholders of a resolution passed by two thirds of the votes cast at a meeting of Unitholders called for such purpose, except to the extent necessary to ensure compliance with applicable laws, regulations or other requirements imposed by applicable regulatory authorities from time to time.

INVESTMENT POLICIES AND STRATEGIES

The Declaration of Trust states that the assets of EnerVest and any monies available for reinvestment at any time are to be invested in accordance with EnerVest's investment objective, policies and restrictions as expeditiously as prudent investment practice permits.

The Trust, through the Portfolio Manager, achieves the Investment Objectives of the Trust by selecting and actively managing a diversified portfolio of securities of companies, royalty and income trusts, and similar issuers involved directly or indirectly in the development of the Oil Sands by investing in Oil Sands Related Issuers. The Portfolio Manager also invests in Oil and Gas Issuers to assist in providing ongoing monthly cash distributions.

The portion of the Portfolio invested in Oil Sands Related Issuers is diversified not only to include direct developers and miners of the Oil Sands, but also other issuers whose business is directly or indirectly related to the acquisition, mining, development, extraction, processing, production, marketing, transportation, supply and sale of products and resources from the Oil Sands. Suppliers to Oil Sands projects, who derive a portion of their revenue and net earnings from sales of products or provision of services to issuers participating in Oil Sands projects in Canada, are also included.

Pursuant to the Declaration of Trust, the Trust invests its assets in a Portfolio comprised of Portfolio Securities having a maximum and minimum permitted range among the asset classes as set out below. The following table sets forth the asset classes which may comprise the Portfolio, and the permitted minimum and maximum ranges for each such asset class. The relative weight of the percentages set forth below may fluctuate depending on the value of the underlying securities at any given time.

<u>Asset Class</u>	<u>Permitted Weighting</u>
Oil Sands Related Issuers	50 - 100%

Oil and Gas Issuers	0 - 50%
Cash and Cash Equivalents	0 - 20%

The Administrator, on the advice of the Portfolio Manager, determines which, if any, of the foregoing asset classes a particular Portfolio Security falls within and such determination shall be final.

The Trust Property and any monies available for reinvestment at any time is invested by the Portfolio Manager in accordance with the information above and the Investment Objectives, Investment Strategy and Investment Restrictions as expeditiously as prudent investment practice permits. During periods in which the Portfolio Manager and/or any sub-advisor believe changes in economic, financial or political conditions make it advisable, the Trust may for temporary defensive purposes, reduce its holdings of Portfolio Securities and invest in certain Cash and Cash Equivalents.

ELIGIBILITY FOR INVESTMENT

Provided that the Trust qualifies, and continues at all times to qualify, as a "mutual fund trust" under the Tax Act, and the Trust Units are listed on a designated stock exchange (which includes the TSX), the Trust Units will, subject to the provisions of any particular plan, be qualified investments under the Tax Act for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered education savings plans and tax-free savings accounts.

Notwithstanding the foregoing, if Trust Units held by a trust governed by a tax-free savings account are "prohibited investments" with respect to such account, the holder of the tax-free savings account will be subject to a penalty tax as set out in the Tax Act. A "prohibited investment" includes an interest in a trust which does not deal at arm's length with the holder, or an interest in a trust in which the holder has a "significant interest" (within the meaning of the Tax Act) or which does not deal at arm's length with a corporation, partnership or trust in which the holder has a "significant interest".

On October 16, 2009, the Minister proposed amendments to the Tax Act that will impact tax-free savings accounts (the "TFSA Proposals"). While the Minister has not yet introduced legislation in this regard, the TFSA Proposals include a prohibition on asset transfer transactions between tax-free savings accounts and other accounts. The TFSA Proposals apply to transactions that occur after October 16, 2009. Holders should consult their own tax advisors regarding the application of the TFSA Proposals in their particular circumstances.

DECLARATION OF TRUST

EnerVest is a closed-end investment trust established pursuant to the Declaration of Trust and governed by the laws of Alberta. The following description of the Declaration of Trust does not purport to be complete and is subject to, and is qualified in its entirety by reference to, the Declaration of Trust.

Description of Trust Units

The Trust is authorized to issue an unlimited number of transferable, redeemable Trust Units of beneficial interest, each of which represents an equal, fractional, undivided interest in the net assets of the Trust. Fractions of Trust Units may be issued which will have the same rights, restrictions, conditions and limitations attaching to whole Trust Units in the proportion which they bear to a whole Trust Unit, except fractional Trust Units will not have the right to notice of, or to attend or vote at meetings of Unitholders. Each Trust Unit entitles the holder to the same rights and obligations as a holder of any other Trust Unit and no holder of Trust Units is entitled to any privilege, priority or preference in relation to any other holder of Trust Units. Each holder of Trust Units is entitled to one vote for each Trust Unit held and is entitled to participate equally with respect to any and all distributions made by the Trust, including distributions of net income and net realized capital gains, if any. See "Cash Distributions". On termination or liquidation of the Trust, the holders of outstanding Trust Units of record are entitled to receive on a pro rata basis all of the assets of the Trust remaining after payment of all debts, liabilities and liquidation expenses of the Trust.

The number of Trust Units outstanding as of March 29, 2010 was 1,495,484.

Information and Reports to Unitholders

The Administrator, on behalf of the Trust, furnishes to Unitholders such financial statements (including interim unaudited and annual audited financial statements, accompanied by the management report of fund performance and analysis of the affairs and operations of the Trust) and other reports as are from time to time required by applicable law, including prescribed forms needed for the completion of Unitholders' tax returns under the Tax Act and equivalent provincial legislation.

Prior to any meeting of Unitholders, the Administrator, on behalf of the Trust, provides the Unitholders (along with notice of such meeting) all such information as is required by applicable law to be provided to such holders.

Non-Resident Unitholders

At no time may non-residents of Canada (within the meaning of the Tax Act) be the beneficial owners of a majority of the outstanding Trust Units and the Trustee has informed the transfer agent and registrar of this restriction. The Trustee may require declarations as to the jurisdictions in which beneficial owners of Trust Units are resident. If the Trustee becomes aware, as a result of requiring such declarations as to beneficial ownership or otherwise, that the beneficial owners of 45% of the Trust Units then outstanding are, or may be, non-residents, or that such a situation is imminent, the Trustee may make a public announcement thereof. If the Trustee determines there is a risk that a majority of the Trust Units could become beneficially held by non-residents, the Trustee may send a notice to non-resident Unitholders, chosen in inverse order to the order of acquisition or registration or in such manner as the Trustee may consider equitable and practicable, requiring them to sell their Trust Units or a portion thereof within a specified period of not less than 30 days. If the Unitholders receiving such notice have not, within such period, sold the specified number of Trust Units or provided the Trustee with satisfactory evidence that they are not nonresidents, the Trustee may on behalf of such Unitholders sell such Trust Units and, in the interim, shall suspend the voting and distribution rights attached to such Trust Units. Upon such sale, the affected holders shall cease to be holders of Trust Units and their rights shall be limited to receiving the net proceeds of sale of such Trust Units.

Mandatory Market Purchases

At any time the market closing price is less than 95% of the latest published Net Asset Value per Trust Unit, subject to certain exceptions described in the Declaration of Trust and to compliance with any applicable regulatory requirements, the Trust is obligated to purchase for cancellation any such Trust Units offered in the market at the then prevailing market closing price up to a maximum amount in any calendar quarter of 1.25% of the number of Trust Units outstanding at the beginning of such calendar quarter. The Declaration of Trust provides that the Trust is not obligated to make such purchases if the Administrator reasonably believes that the Trust would be required to make an Additional Distribution in respect of that year after the making of such purchases or the Trust lacks the cash, debt capacity or other resources to make such purchases. The Trust provides the Net Asset Value per Trust Unit to Unitholders by posting that information on the Internet at www.enervest.com. All Trust Units purchased under all such circumstances are cancelled. For the year ended December 31, 2009, the mandatory repurchase program was suspended pursuant to the Declaration of Trust as EnerVest reasonably believed that the Trust lacked the resources to make such purchases due to the redemptions and subsequent reduction in Net Asset Value.

Repurchase of EnerVest Units

The Declaration of Trust provides that, subject to applicable law, the Trust may at any time and from time to time purchase Trust Units (in the open market or by invitation for tenders) for cancellation up to a maximum in any calendar year of 10% of the number of Trust Units outstanding at the beginning of such calendar year at a price per Trust Unit not exceeding the Net Asset Value per Trust Unit on the Valuation Date immediately prior to the offer to purchase such Trust Units. The 10% limit on discretionary market purchases of Trust Units outstanding at the beginning of the calendar year excludes the mandatory market purchases.

Since June 13, 2006, the Administrator has made the necessary filings to permit the Trust to make normal course purchases of Trust Units pursuant to the Bid. The Bid has generally been renewed by the Administrator annually. The most recent Bid expired on August 28, 2009 and was not renewed. Since June 13, 2006, the Trust has not repurchased any Trust Units under the Bid.

Modification of Declaration of Trust and Meetings of Unitholders

Except as provided below, the Declaration of Trust may be amended by a resolution passed by not less than a majority of the votes cast at a meeting of Unitholders of the Trust duly convened and held in accordance with the applicable provisions contained in the Declaration of Trust. Not less than 21 days notice will be given of any meeting of Unitholders. Except in respect of an Extraordinary Resolution, the quorum for any meeting of the Trust is two or more Unitholders present in person or represented by proxy representing not less than 5% of the Trust Units then outstanding. The quorum for a meeting at which an Extraordinary Resolution is to be considered is two or more Unitholders present in person or represented by proxy representing not less than 10% of the Trust Units then outstanding, unless the meeting is called for the purpose of removing the Administrator or terminating the Trust, in which case the quorum for the meeting is 20% of the Trust Units then outstanding. Generally, if a quorum is not present at a meeting within 30 minutes after the time fixed for the meeting, the meeting, if convened pursuant to a request of Unitholders, will be cancelled, but otherwise will be adjourned to another day, not less than 10 days nor more than 21 days later, selected by the chairperson of the meeting, and notice will be given to the Unitholders of such adjourned meeting. If a quorum for this meeting is not present within 30 minutes after the time fixed for the meeting, the meeting will be cancelled and the motion will be deemed terminated. At any such meetings each Unitholder will be entitled to one vote for each whole Trust Unit held.

The following may only be undertaken with the approval of Unitholders by an Extraordinary Resolution:

- (a) any termination of the Administrative Services Agreement other than in circumstances where the Administrator has been removed by the Trustee pursuant to the Declaration of Trust or the Administrative Services Agreement;
- (b) any change of the Administrator other than pursuant to the Administrative Services Agreement or in circumstances where the Administrator has been removed by the Trustee pursuant to the Declaration of Trust or the Administrative Services Agreement;
- (c) any change in the Investment Objectives, Investment Strategy or Investment Restrictions unless such changes are necessary to ensure compliance with applicable laws, regulations or other requirements imposed by applicable regulatory authorities from time to time;
- (d) an amendment to the Declaration of the Trust to permit the redemption or retraction of Trust Units at the option of a Unitholder or the Trust, other than as currently provided in the Declaration of Trust;
- (e) any amendment to the Declaration of Trust which would adversely affect the Administrator that has not been approved by the Administrator;
- (f) any material amendment to the Administrative Services Agreement and any increase in the Administration Fee;
- (g) the sale of all or substantially all of the assets of the Trust other than in the ordinary course of business or other than pursuant to a merger or other combination or consolidation of the Trust;
- (h) termination of the Trust; and
- (i) any amendment, modification or variation in the provisions or rights attaching to the Trust Units.

The Trustee is entitled to amend the Declaration of Trust without the consent of, or notice to, the Unitholders, to:

- (a) ensure compliance with applicable laws, regulations or requirements of any governmental authority having jurisdiction over the Trust;
- (b) maintain the status of the Trust as a "mutual fund trust" or a "registered investment" under the Tax Act;
- (c) make changes or corrections which counsel for the Trust advise are necessary or desirable for the correction of typographical mistakes or are required for the purpose of curing any ambiguity or defective or inconsistent provisions or omissions or manifest error; or
- (d) provide added protection for Unitholders upon the advice of counsel to the Trust, but only if such amendments do not adversely affect the pecuniary value of the interest of the Unitholders or restrict any protection for the Trustee or the Administrator or increase their respective responsibilities.

The holders of not less than 20% of the then outstanding Trust Units may requisition the Trustee to call a meeting of Unitholders for the purpose stated in the requisition, other than a request to remove the Administrator, where a request in writing of Unitholders holding, in aggregate, 25% or more of the Trust Units outstanding is required. The Administrator will not be entitled to vote any Trust Units held by it in any vote of Unitholders respecting the Administrator or the Administrative Services Agreement. The Portfolio Manager will not be entitled to vote any Trust Units held by it in any vote of Unitholders respecting the Portfolio Manager or the Investment Management Agreement.

Cash Distributions

On a monthly basis, cash distributions are declared and each Unitholder of record at the close of business on the last Business Day of that month is entitled to receive its pro rata share of any monthly distribution paid by the Trust. Monthly distributions are paid on the 15th day of the subsequent month or, if such day is not a Business Day, the next Business Day. The current cash distribution for the Trust is \$0.0417 per Trust Unit per month (\$0.5004 per Trust Unit per annum). It should be noted that cash distributions depend primarily upon the distributions and dividends received from the Portfolio Securities included in the Portfolio and therefore distributions may fluctuate. Unitholders are entitled to participate equally in respect of each Trust Unit held with respect to any and all distributions made by the Trust.

The distribution made to Unitholders by the Trust as at the Record Date of December 31 in each year may include an Additional Distribution which is payable on such date.

Unitholders are entitled to receive declared distributions if they are Unitholders of record as of the close of business on the relevant Record Date. Any declared distributions are calculated as at the close of business on the immediately preceding Record Date and made on each Distribution Date.

The distributions and dividends received by the Trust from issuers whose securities are held in the Portfolio may vary from month to month and certain of these issuers may pay distributions or dividends less frequently than monthly (particularly in respect of dividends, which are generally paid quarterly), with the result that the monthly cash available for distribution to Unitholders could vary substantially and there can be no assurance that the Trust will make any distributions in any particular month or months.

In order that the Trust will generally not be liable to pay income tax, the Declaration of Trust provides that the Additional Distribution will be, if necessary, automatically payable in each year to Unitholders of record on December 31. The amount of the Additional Distribution will be such that the Trust is not liable to pay tax under Part I of the Tax Act on its net income and net realized capital gains for such year. The Additional Distribution will reflect income received or generated on dispositions of securities which exceeds distributions made during the year to Unitholders of the Trust.

Reinvestment Plan

EnerVest's Reinvestment Plan allows Unitholders resident in Canada to elect to reinvest all monthly cash distributions made by the Trust in additional Trust Units in accordance with the terms of the Reinvestment Plan Services Agreement. Notwithstanding the foregoing, Unitholders who are not residents of Canada are not able to participate in the Reinvestment Plan and Unitholders who cease to be residents of Canada are required to terminate such Unitholders' participation in the Reinvestment Plan.

Subject to the foregoing, all monthly cash distributions are reinvested in additional Trust Units on behalf of those Unitholders who are residents of Canada and who elect to participate in the Reinvestment Plan (each such Unitholder being a "**Plan Participant**"). Such distributions due to Plan Participants are paid to the Plan Agent and applied to the purchase of Trust Units on behalf of Plan Participants in the following manner. If the weighted average trading price of the Trust Units on the TSX (or such other exchange or market on which the Trust Units are then listed) for the 10 trading days immediately preceding the relevant Distribution Date (the "**Market Price**") is greater than or equal to the Net Asset Value per Unit as at such Distribution Date, the Plan Agent, after the relevant Distribution Date, applies distributions to the purchase of Trust Units from the Trust at a price equal to the Net Asset Value per Unit as at the Distribution Date, provided that if the Net Asset Value per Unit as at the Distribution Date is less than 95% of the Market Price per Unit as at the Distribution Date, then Trust Units are purchased from the Trust at a price equal to 95% of the Market Price as at the Distribution Date. Otherwise, if the Market Price is less than the Net Asset Value per Unit as at the Distribution Date, purchases of Trust Units are made in the market during the 5 business days following the relevant Distribution Date, on any business day when the Market Price is less than the Net Asset Value per Unit as at such Distribution Date, and on the 6th business day after the Distribution Date the unused part (if any) of the distributions paid to the Plan Agent for the benefit of Plan Participants is applied to a purchase of Trust Units from the Trust at the Net Asset Value per Unit as at the Distribution Date. Unless otherwise determined by the Administrator, applicable brokerage fees and commissions incurred in connection with purchases of Trust Units made in the market pursuant to the Reinvestment Plan are paid by the Trust.

The Reinvestment Plan also allows Plan Participants, to the extent permitted under applicable law and regulatory rulings obtained, to make cash payments ("**Optional Cash Payments**"), which are invested in Trust Units by the Plan Agent. A Plan Participant may invest a minimum of \$100 per Optional Cash Payment and the terms of the Plan may limit the maximum amount of Optional Cash Payments by Plan Participants in order to ensure that the two percent limit described below is not exceeded. Optional Cash Payments are invested in additional Trust Units on the same basis as monthly cash distributions. A Plan Participant who wishes to make an Optional Cash Payment must ensure that the CDS Participant through which he or she holds his or her Trust Units is provided with such Optional Cash Payment sufficiently in advance of the Distribution Date so as to permit the CDS Participant to deliver the funds to the Plan Agent, typically by 3:00 p.m. (Mountain Time) on the day which is at least five business days prior to the Distribution Date. Optional Cash Payments received less than five business days prior to a Distribution Date will not be used by the Plan Agent to purchase Trust Units and will be returned to the CDS Participant without interest. The aggregate number of Trust Units that may be purchased with Optional Cash Payments in a calendar year may not exceed two percent of the outstanding Trust Units at the commencement of such calendar year, except for the 2006 calendar year in respect of which the number of Trust Units purchased with Optional Cash Payments may not exceed two percent of the outstanding Trust Units immediately following the Closing. The Trust Units purchased in the market or from the Trust are credited to CDS by the Plan Agent and CDS allocates the Trust Units on a pro rata basis to the applicable CDS Participant accounts on behalf of Plan Participants. The Trust does not issue fractional Trust Units. Any cash distributions or Optional Cash Payments not invested are allocated to CDS and CDS allocates on a pro rata basis to the applicable CDS Participant to be paid to the Plan Participant.

If the Trust Units are thinly traded, purchases in the market under the Reinvestment Plan may significantly affect the market price. Depending on market conditions and the timing of purchases, direct reinvestment of cash distributions by Unitholders in the market may be more, or less, advantageous than the reinvestment arrangements under the Reinvestment Plan. The Plan Agent's fees for administering the Reinvestment Plan are paid by the Trust.

The Trust has made arrangements with CDS for the Trust Units to be issued in book-entry form only. As a result, CDS Participants must elect monthly whether they wish to participate in the Reinvestment Plan, typically by 11:00 a.m. on the distribution record date (the "**Distribution Record Date**"). Unitholders may elect to participate in the

Reinvestment Plan by contacting the CDS Participants that hold his or her Trust Units. Similarly, a Unitholder may terminate his or her participation in the Reinvestment Plan by written notice to the CDS Participant. Unitholders are cautioned to confirm the specific arrangements with their CDS Participant in this regard as the notice periods and practices may vary from one CDS Participant to another.

The Administrator may terminate the Reinvestment Plan in its sole discretion on not less than 30 days notice to CDS on behalf of the Plan Participants and the Plan Agent. The Administrator, in consultation with the Plan Agent, may also amend, modify or suspend the Reinvestment Plan at any time in its sole discretion, provided that it gives not less than 30 days notice of that amendment, modification or suspension to Unitholders, which notice may be given by the Trust by issuing a press release or by publishing an advertisement containing a summary description of the amendment in at least one major daily newspaper of general and regular paid circulation in Canada or in any other manner the Administrator determines to be appropriate. The Trust is not required to issue Trust Units into any jurisdiction where that issuance would contravene applicable laws.

Unitholders may obtain a copy of EnerVest's Reinvestment Plan by contacting the Administrator. See the last page of this Annual Information Form for contact information.

Voting Rights

Each Unit is entitled to one vote. Unitholders have no voting rights in respect of the Portfolio. From time to time the Administrator, or as it may designate, the Portfolio Manager, determines whether or not to vote the portfolio and, if so, how such securities are voted.

Termination of EnerVest

The Trust does not have a fixed termination date but may be terminated at any time upon not less than 90 days written notice to the Administrator from the Trustee with the prior approval of the holders of at least 66 ⅔% of the Trust Units present in person or by proxy at a duly convened meeting of Unitholders called for the purpose of considering such resolution, provided that for such purpose a quorum will consist of two or more Unitholders present in person or by proxy holding at least 20% of the Trust Units then outstanding.

Prior to the Termination Date, the Portfolio Manager will convert the Portfolio to cash to the extent practicable or as applicable, and will satisfy or make appropriate provision for all liabilities of the Trust. The Administrator may, in its discretion and upon not less than 30 days' notice to the Unitholders, extend such Termination Date by a period of up to 90 days if the Portfolio Manager advises the Administrator that the Portfolio Manager will be unable to convert all of the Portfolio Securities to cash prior to the original Termination Date and the Administrator determines that it would be in the best interests of the Unitholders to do so.

The Trust will distribute to Unitholders their pro rata portions of the remaining assets of the Trust which will include cash or Units of EnerVest Diversified Income Trust or another income trust that is part of the EnerVest Group of Funds, as applicable, and, to the extent liquidation of certain assets is not practicable, the Portfolio Manager considers such liquidation not to be appropriate prior to the Termination Date or the termination occurs in connection with a merger as contemplated in the preceding sentence, such unliquidated assets in specie rather than in cash, subject to compliance with any securities or other laws applicable to such distributions. See "Risk Factors". Following such distribution, the Trust will be dissolved.

The Trust may also be terminated without Unitholder approval in connection with a merger or other combination or consolidation of the Trust with any one or more funds within the EnerVest Group of Funds if:

- (a) the continuing fund has similar investment objectives as set forth in its declaration of trust, as determined in good faith by the Administrator in its sole discretion;
- (b) the funds being merged are all funds within the EnerVest Group of Funds;

- (c) the Administrator has determined in good faith that there will be a reduction in the aggregate general and administrative expenses attributed to each fund being merged as a result of the merger and that the management expense ratio of the continuing fund will not be higher than the management expense ratio of the Trust;
- (d) the merger of the funds is done on a relative Net Asset Value per Unit basis; and
- (e) the merger of the funds must be capable of being accomplished on a tax-deferred "rollover" basis for Unitholders of the Trust.

If there is a merger between the Trust and another fund within the EnerVest Group of Funds, the Unitholders will have the option of either (i) converting their Trust Units into units of the continuing fund; or (ii) redeeming their Trust Units prior to the merger at a redemption price per unit equal to 100% of the Net Asset Value per Trust Unit less the aggregate of all brokerage fees, commissions, tax liabilities and other costs associated with the disposition of a corresponding amount of the Portfolio Securities to fund such redemptions.

PORTFOLIO SECURITIES

Acquisition of Portfolio Securities

Portfolio Securities of EnerVest are generally acquired by the Portfolio Manager through trades made through the facilities of the Toronto Stock Exchange.

Characteristics of Portfolio Securities

The Trust seeks to achieve its Investment Objectives by selecting and actively managing a diversified portfolio of securities of companies, royalty and income trusts and similar issuers involved directly or indirectly in the development of the Oil Sands and by investing in Oil and Gas Issuers.

Oil Sands Related Issuers are businesses which are directly or indirectly related to the acquisition, mining, development, extraction, processing, production, marketing, transportation, supply and sale of products and resources from the Oil Sands, as well as suppliers to Oil Sands projects who derive a portion of their revenue and net earnings from sale of products or provision of services to issuers participating in Oil Sands projects in Canada.

Oil and Gas Issuers

Oil and Gas Issuers are issuers structured as:

- (a) a trust, fund, partnership or similar issuer owning the debt and/or equity of an underlying equity involved in the development, mining, acquisition, transportation, production and sale of oil and natural gas;
- (b) a trust, fund, partnership or similar issuer owning a royalty in the revenues generated by the production and sale of oil and natural gas; and
- (c) a corporation, or similar issuer involved in the exploration, development, mining, acquisition, transportation, production and sale of oil and natural gas.

Valuation of Portfolio Securities and Calculation of Net Asset Value

The Net Asset Value per Trust Unit is calculated by dividing the Net Asset Value by the total number of outstanding Trust Units (before giving effect to any issue of Trust Units issued on that date). The Administrator calculates the Net Asset Value per Trust Unit as at the close of business on each Valuation Date.

The Trust provides the Net Asset Value per Trust Unit to Unitholders by posting such information on the Internet at www.enervest.com.

For the purpose of calculating Net Asset Value per Trust Unit, the Total Assets are determined as follows:

- (a) the value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash received (or declared to holders of record on a date before the Valuation Date as of which the Total Assets are being determined, and to be received) and interest accrued and not yet received, is deemed to be the full amount thereof provided that if the Administrator has determined that any such deposit, bill, demand note, account receivable or prepaid expense is not otherwise worth the full amount thereof, the value thereof is deemed to be such value as the Administrator determines to be the fair value thereof;
- (b) the value of any security which is listed or traded upon a stock exchange (or if more than one, on the principal exchange for the security, as determined by the Administrator) is determined by taking the latest available sale price of recent date, or lacking any recent sales or any record thereof, the simple average of the latest available ask price and the latest available bid price (unless in the opinion of the Administrator such value does not reflect the value thereof and in which case the latest ask price or bid price is used), as at the date of valuation on which the Total Assets are being determined, all as reported by any means in common use, provided that for the purpose of calculating the redemption price of Trust Units, the value of any security is equal to the weighted average trading price for the last three Business Days of the month of redemption;
- (c) the value of any security which is traded over-the-counter is priced at the average of the last bid and ask prices quoted by a major dealer in such securities;
- (d) the value of any security which is not listed or traded on a stock exchange or the resale of which is restricted by reason of a representation, undertaking or agreement by the Trust or by the Trust's predecessor in title is determined on the basis of such price or Current Yield equivalent quotations (which may be public quotations or may be obtained from major market makers) as the Administrator determines best reflects its fair value;
- (e) listed securities subject to a hold period are valued as described above with an appropriate discount as determined by the Administrator and investments in private companies and other assets for which no published market exists are valued at the lesser of cost and the most recent value at which such securities have been exchanged in an arm's length transaction which approximates a trade effected in a published market, unless a different fair market value is otherwise determined to be appropriate by the Administrator;
- (f) the value of any security or property to which, in the opinion of the Administrator, the above principles cannot be applied (whether because no price or Current Yield equivalent quotations are available as above provided, or for any other reason) is the fair value thereof determined in good faith in such manner as the Administrator from time to time adopts; and
- (g) the value of all assets of the Trust quoted or valued in terms of foreign currency, the value of all funds on deposit and contractual obligations payable to the Trust in foreign currency and the value of all liabilities and contractual obligations payable by the Trust in foreign currency are translated into Canadian currency at the rate of exchange quoted by a Canadian financial institution designated by the Administrator from time to time for such purposes, such conversion to be effected as closely as practicable to the time of valuation.

The Declaration of Trust contains details of the manner in which the value of liabilities (including accrued and contingent liabilities) are to be deducted in determining the Net Asset Value.

The Net Asset Value per Trust Unit is calculated in Canadian dollars.

NI 81-106 requires an investment fund, such as the Trust, to calculate its Net Asset Value in accordance with Canadian GAAP. Canadian GAAP was modified by the introduction of Section 3855 Financial Instruments — Recognition and Measurement ("**Section 3855**") of the handbook of the Canadian Institute of Chartered Accountants. Section 3855 redefines fair value as being the closing bid price for long positions and the closing ask price for short positions, in lieu of the closing or last trade price for all positions. Section 3855 applies to interim and annual financial statements for fiscal years beginning on or after October 1, 2006. Therefore, the combined effect of NI 81-106 and Section 3855 would require the Trust to determine the value of securities listed on a recognized public securities exchange using the fair value as defined by Section 3855 instead of the valuation principles described above. However, the Canadian securities regulatory authorities have issued a related decision (the "**CSRA Decision**") that permits investment funds, such as the Trust, to calculate its Net Asset Value in accordance with Canadian GAAP without giving effect to Section 3855 ("**Pricing NAV**") for purposes other than issuing annual or interim financial statements, such as the issue and redemption of Units. Amendments to NI 81-106 was made during 2009 permitting funds to have two different net asset values: one for financial statements which will be prepared in accordance with Canadian GAAP on a bid price basis (referred to as "net assets" or net assets per unit"); and another for all other purposes, including purchases and redemptions, on a closing price basis (referred to as "net asset value" or "net asset value per unit").

The Trust has determined to rely on this relief, pending completion by the CSA of their review of this matter. Financial statements of the Trust contains a reconciliation of the Net Asset Value that is reported in such financial statements in accordance with Canadian GAAP to the Net Asset Value used by the Trust for all other purposes as determined in accordance with Pricing NAV.

PURCHASE OF UNITS

The Trust Units are listed and posted for trading on the TSX under the ticker symbol EOS.UN. An investor who wishes to purchase Trust Units can do so through the facilities of the TSX by contacting their Portfolio Manager. Investors may also purchase Trust Units through any new offering of Trust Units at the time of any such offering or by purchasing Trust Units from existing holders of Trust Units, subject to compliance with applicable regulatory requirements. Investors should contact their investment representatives to determine their eligibility and ability to participate in any new offering of Trust Units that may take place in the future. Investors should contact their investment representatives to determine what fees, if any, are payable in connection with purchase of Trust Units.

The price of the Trust Units purchased is determined by the bid and ask prices for the Trust Units, as established through the facilities of the TSX. While EnerVest calculates the Net Asset Value per Trust Unit at the close of business on each Valuation Date and at a minimum, publishes it weekly, investors are not able to purchase Trust Units at these amounts and must purchase their Trust Units through the facilities of the TSX or by purchasing Trust Units from existing holders of Trust Units, subject to compliance with applicable regulatory requirements.

A dealer may make provision in arrangements that it has with an investor that will require the investor to compensate the dealer for any losses suffered by the dealer in connection with a failed settlement of a purchase of Trust Units by such investor.

REDEMPTION OF UNITS

Trust Units can be surrendered for redemption for a period from September 15 until 3:00 p.m. (Mountain Time) on the 10th Business Day following September 15th of each year (the "**Redemption Period**"), subject to the Trust's right to suspend redemptions in certain circumstances. See "History of the Trust – 2008". Unitholders whose Trust Units are redeemed receive a redemption price per Trust Unit equal to 100% of the average Net Asset Value per Trust Unit as determined on the Redemption Valuation Dates less (i) the aggregate of all brokerage fees, commissions, tax liabilities and other costs associated with the disposition of a corresponding amount of the Portfolio Securities to fund such redemption; and (ii) if the Administrator determines that it is not practicable or necessary for the Trust to effect all or part of such disposition, then the aggregate of all brokerage fees, commissions, tax liabilities and other costs that the Administrator estimates would have resulted from such disposition. The redemption proceeds are paid net of any amount required to be withheld therefrom under applicable law. Payment of the redemption price is made on or before the 15th calendar day in November, provided that if the 15th calendar day is not a Business Day the payment of the redemption price is made on the first Business Day

following the 15th calendar day, subject to the Administrator's right to suspend redemptions in certain circumstances.

A Unitholder who desires to exercise redemption privileges must do so by causing the CDS Participant through which he or she holds his or her Trust Units to deliver to CDS at its office in the City of Toronto on behalf of the Unitholder a written notice of the Unitholder's intention to redeem Trust Units by no later than 3:00 p.m. (Mountain Time) on the day which is 20 Business Days prior to a Redemption Date. A Unitholder who desires to redeem Trust Units should ensure that the CDS Participant is provided with notice of his or her intention to exercise his or her redemption right sufficiently in advance of the Redemption Date deadline so as to permit the CDS Participant to deliver a notice to CDS by 3:00 p.m. (Mountain Time) on the day which is 20 Business Days prior to the Redemption Date.

By causing a CDS Participant to deliver to CDS a notice of the Unitholder's intention to redeem Trust Units, the Unitholder is deemed to have irrevocably surrendered his or her Trust Units for redemption and appointed such CDS Participant to act as his or her exclusive settlement agent with respect to the exercise of such redemption privilege and the receipt of payment in connection with the settlement of obligations arising from such exercise.

Any redemption notice that CDS determines to be incomplete, not in proper form, not duly executed or not delivered within the Redemption Period is, for all purposes, void and of no effect and the redemption privilege to which it relates is considered, for all purposes, not to have been exercised thereby. A failure by a CDS Participant to exercise redemption privileges or to give effect to the settlement thereof in accordance with a Unitholder's instructions does not give rise to any obligations or liability on the part of the Trust, the Trustee or the Administrator to the CDS Participant or the Unitholder.

Suspension of Redemptions

The Administrator may direct the Trustee to suspend the redemption of Trust Units or payment of redemption proceeds: (a) for the whole or any part of a period during which normal trading is suspended on one or more stock exchanges, options exchanges or futures exchanges on which more than 50% of the Portfolio Securities included in the Portfolio (by value) are listed and traded; or (b) for any period not exceeding 120 days during which the Administrator determines that conditions exist which render impractical the sale of assets of the Trust or which impair the ability of the Administrator to determine the value of the assets of the Trust. The suspension may apply to all requests for redemption received prior to the suspension for which payment has not been made, as well as to all requests received while the suspension is in effect. In such circumstances, all Unitholders shall have, and shall be advised that they have, the right to withdraw their requests for redemption. The suspension shall terminate in any event on the first Business Day on which the condition giving rise to the suspension has ceased to exist, provided that no other condition under which a suspension is authorized then exists. To the extent not inconsistent with official rules and regulations promulgated by any government body having jurisdiction over the Trust, any declaration of suspension made by the Administrator shall be conclusive. See "History of the Trust—2008"

RESPONSIBILITY FOR TRUST OPERATIONS

The Administrator

The Administrator was incorporated on February 1, 2006. Its head office is located at Suite 3900, 350 – 7th Avenue S.W., Calgary Alberta, T2P 3N9. The registered office is located at Suite 3500, 855 – 2nd Street S.W., Calgary, Alberta, T2P 4J8. The Administrator was organized for the sole purpose of administering and managing the Trust. The Administrator is a subsidiary of EnerVest Management Ltd., a corporation wholly-owned by Canoe.

The Administrator is a member of the EnerVest group of companies, which was founded in 1995 and is involved primarily in investment management services. As of the date of this Annual Information Form, the EnerVest Group had 9 full-time employees and one contract employee.

The EnerVest Group manages approximately \$1.5 billion in capital. Managed investments include EnerVest, EnerVest Diversified Income Trust, oil and gas flow-through share limited partnerships and the mutual fund EnerVest Natural Resource Fund Ltd.

Administrative Services Agreement

Pursuant to the Administrative Services Agreement, the Administrator has exclusive authority to manage the operations and affairs of the Trust and to make all decisions regarding the business of the Trust, and has authority to bind the Trust. The Administrator may, pursuant to the terms of the Administrative Services Agreement, delegate certain of its powers to third parties at no additional cost to the Trust where, in the discretion of the Administrator, it would be in the best interests of the Trust to do so. The Administrator is required to exercise its powers and discharge its duties honestly, in good faith and in the best interests of the Trust and to exercise the care, diligence and skill of a prudent and qualified administrator. Among other restrictions imposed on the Administrator, it may not dissolve the Trust or wind up the Trust's affairs except in accordance with the provisions of the Declaration of Trust.

The Administrator has coordinated the organization of the Trust, works to develop and implement all aspects of the communications, marketing and distribution strategies of the Trust, manages the ongoing business and administration of the Trust and monitors the performance of the Portfolio Manager. The Administrator monitors the compliance of the Portfolio Manager with the Investment Strategy and the Investment Restrictions. Funds of the Administrator are not intermingled with those of the Trust.

Under the terms of the Administrative Services Agreement, the Administrator is responsible for providing, or causing to be provided, management, investment and administrative services and facilities to the Trust, including, without limitation:

- (a) the retention, monitoring, and payment of the Portfolio Manager, as well as monitoring relationships with the Custodian, the transfer agent and other organizations serving the Trust;
- (b) the authorization and payment on behalf of the Trust of operation expenses incurred on behalf of the Trust, the negotiation of contracts with third party providers of services (including, but not limited to, custodians, transfer agents, legal counsel, auditors and printers);
- (c) the provision of office space, telephone, office equipment, facilities, supplies and executive, secretarial and clerical services;
- (d) the preparation of accounting, management and other reports (including semi-annual and annual financial statements, tax reporting to Unitholders and income tax returns) and all matters relating to any auditor of the Trust;
- (e) keeping and maintaining the books and records of the Trust and the supervision of compliance by the Trust with record keeping requirements under applicable regulatory regimes;
- (f) the calculation of the amount, and the determination of the frequency, of distributions by the Trust and the setting of any targeted level of annual distributions;
- (g) the handling of communications and correspondence with Unitholders and the preparation of notices of distributions to Unitholders;
- (h) the preparation and supervision of the publication of the Net Asset Value;
- (i) monitoring ongoing compliance with the Investment Objectives, the Investment Strategy and the Investment Restrictions;
- (j) responding to investors' enquiries and general investor relations in respect of the Trust;

- (k) dealing with banks, custodians and subcustodians, including in respect of the maintenance of bank records and the negotiation and securing of bank financing or refinancing;
- (l) the setting of debt levels of the Trust, after reviewing the recommendation of the Portfolio Manager in respect thereof;
- (m) reviewing fees and expenses charged to the Trust and ensuring the timely payment thereof;
- (n) providing assistance to the Trustee with respect to:
 - (i) the preparation of the Trust's reports to relevant securities regulatory authorities and any similar organization of any government or the committee of any stock exchange to which the Trust is obligated to report and to otherwise assist the Trustee in dealing with any such regulatory authorities; and
 - (ii) the organization of meetings of Unitholders; and
 - (iii) the provision of such other managerial and administrative services as may be reasonably required for the ongoing business and administration of the Trust, including maintenance of the website, or as required by applicable law.

The Administrative Services Agreement, unless terminated as described below, continues until the Termination Date. The Administrator's appointment may be terminated by the Trust on 90 days' written notice by the Trustee, on behalf of the Trust, to the Administrator in the event of either the persistent failure of the Administrator to perform its duties and discharge its obligations under the Administrative Services Agreement, or the continuing malfeasance or misfeasance of the Administrator in the performance of its duties under the Administrative Services Agreement. The Administrative Services Agreement may be terminated immediately in the event of the commission by the Administrator of any fraudulent act, and shall be automatically terminated if the Administrator becomes bankrupt, insolvent or makes a general assignment for the benefit of its creditors. In addition, the Administrative Services Agreement may be terminated at any time by the Trust on 90 days' written notice by the Trustee, on behalf of the Trust, to the Administrator upon an Extraordinary Resolution. In such an event, the Administrator would be entitled to receive any portion of the administration fee owing and any expenses incurred, but not paid, to the Administrator up to the date of termination.

The Administrator does not engage in any business other than the administration of the business of the Trust. The services of the officers and directors of the Administrator are not exclusive to the Trust. Affiliates, associates (as defined in the *Securities Act* (Alberta)) and principals of the Administrator may, at any time, engage in the administration of any other fund or trust.

The Administrator may at any time convene a meeting of the Unitholders of the Trust and is required to convene a meeting on receipt of a request in writing of Unitholders holding, in aggregate, 20% or more of the Trust Units outstanding, other than a request to remove the Administrator where a request in writing of Unitholders holding, in aggregate, 25% or more of the Trust Units outstanding is required. Each Unitholder is entitled to one vote for each Unit held. A quorum consists of two or more Unitholders present in person or represented by proxy and holding or representing by proxy at least 5% of the Trust Units outstanding (except for purposes of passing an Extraordinary Resolution in which case, for a quorum to exist, such persons must hold or represent at least 10% of the Trust Units outstanding and entitled to vote thereon, or in the case of an Extraordinary Resolution to remove the Administrator or terminate the Trust, for a quorum to exist, such persons must hold or represent at least 20% of the Trust Units outstanding and entitled to vote thereon).

Directors and Officers of the Administrator

The following table summarizes the name, place of residence, all positions held with the Administrator as of the date hereof and principal occupations during the preceding five years for each of the officers and directors of the Administrator:

Name and Place of Residence	Position	Principal Occupation
Jacob Roorda Calgary, Alberta	President, Chief Executive Officer and Director	Mr. Roorda is the President and Chief Executive Officer of Canoe Financial Corp., the general partner of the partnership which is the indirect owner of the Administrator. Prior to joining Canoe Financial Corp. in October, 2008, he was a consultant at Caribou Capital Corp, which he joined in May 2008; prior to that, he served in various capacities, including as a Vice-President and President of Harvest Energy Trust, an income trust listed on the Toronto Stock Exchange, which he joined in July 2002.
David J. Rain Calgary, Alberta	Vice-President and Director	Mr. Rain is a director and the Chief Financial Officer of Caribou Capital Corp. From August 2004 to March 2006, Mr. Rain was the Chief Financial Officer of Harvest Energy Trust and prior thereto from October 2001 to March 2004 was the Chief Financial Officer of Petrobank Energy and Resources Ltd.
Crain N. Spurn Calgary, Alberta	Corporate Secretary and Director	Mr. Spurn is a partner with Venn Law. Prior to March 2010, Mr. Spurn was a partner with Blake, Cassels & Graydon LLP, a Canadian law firm.
Marcy Bowers Calgary, Alberta	Director of Corporate Finance	Ms. Bowers is the Director of Corporate Finance of Caribou Capital Corp. Prior to April 2005, she was the Manager of Canadian Tax and a Senior Tax Analyst for Precision Drilling Corp.
Renata Colic Calgary, Alberta	Director of Finance and Investor Relations	Ms. Colic is the Director of Finance and Investor Relations at Canoe Financial Corp. Prior to joining Canoe Financial Corp. in October 2008, she was the Manager of Accounting Policy at Enbridge Gas Distribution Inc. from July 2007 to August 2008. From February 2005 to April 2007 she was the Manager of Corporate Reporting at Harvest Energy Trust.

The directors of the Administrator are appointed to serve on the board of directors until such time as their successor is appointed, they are removed or they otherwise cease to hold office.

PORTFOLIO MANAGER

The Portfolio Manager has been retained to perform various investment management services for the Trust and has been granted discretionary authority with respect to the investment or reinvestment of the Trust's assets, subject to compliance with the Investment Objectives, Investment Strategy and Investment Restrictions specified in the Declaration of Trust.

RiverStream has replaced Cypress Capital Management Ltd. as the Portfolio Manager for the Trust effective February 1, 2010. Pursuant to the investment management agreement dated March 30, 2006, between Cypress, and the Trust, as assigned by the assignment, assumption and consent agreement dated effective February 1, 2010 between Cypress, the Trust and RiverStream, RiverStream provides portfolio management services to the Trust pursuant to the terms of the Investment Management Agreement. See "Portfolio Manager – Investment Management Agreement.

RiverStream is a Calgary, Alberta based portfolio manager which provides energy and natural resource portfolio investment services. RiverStream currently has approximately \$50 million of assets under management. Rafi Tahmazian, Senior Portfolio Manager, is the lead Portfolio Manager of RiverStream. Mr. Tahmazian has over 20 years of investment management experience. Since January 2009, Mr. Tahmazian has been a member of the Energy Sector Advisory Group for the Trust-. From 1996 to 2008 Mr. Tahmazian was a partner and later became Vice Chairman and Managing Director at FirstEnergy Capital Corp., a leading investment dealer that focuses on the energy industry.

RiverStream emphasizes fundamentals such as a quality management, production profile, reserve additions, reserve quality, finding and development costs, cash flow growth, balance sheet strength and valuation in the market place, as critical variables influencing its investment decisions in the oil and gas resource sector.

Investment Management Agreement

Under the Investment Management Agreement, the Portfolio Manager is permitted to provide investment advisory services to other clients, including clients which may invest in the same types of securities as the Trust, and in providing such services the Portfolio Manager may use information furnished by others. Conversely, information furnished by others to the Portfolio Manager in providing services to other clients may be useful to the Portfolio Manager in providing services to the Trust.

When the Portfolio Manager decides to recommend the buying or selling of the same security for the Trust that the Portfolio Manager has selected for one or more of its other clients, the orders for all such security transactions are placed for execution by methods determined by the Portfolio Manager to be fair and equitable to the Trust and such other clients.

Under the terms of the Investment Management Agreement, the Portfolio Manager is required to exercise the powers and discharge the duties of its office honestly, in good faith and in the best interests of the Trust and, in connection therewith, to exercise the degree of care, diligence and skill that a reasonably prudent Portfolio Manager would exercise in comparable circumstances.

All fees payable to the Portfolio Manager are the responsibility of the Administrator, and not the Trust. Pursuant to the terms of the Investment Management Agreement, the Portfolio Manager may, in consultation with the Administrator, retain such sub-advisors as it considers appropriate. The fees of any sub-advisor are the responsibility of the Portfolio Manager and/or the Administrator, and not the Trust. The Investment Management Agreement provides that the Portfolio Manager is at all times responsible to the Trust for any advice provided or given by any sub-advisor. The Portfolio Manager, from time to time, seeks the Administrator's assistance in evaluating the securities in which the Trust may invest for the Portfolio.

The Investment Management Agreement remains in effect unless it is terminated by the Administrator or the Portfolio Manager on 60 days notice to the other party. The Investment Management Agreement may be terminated immediately by the Administrator if the Portfolio Manager commits any fraudulent act in the performance of its duties, makes a material deliberate misrepresentation in the Investment Management Agreement, becomes bankrupt or insolvent, passes a resolution for its winding up or dissolution, is ordered dissolved or makes a general assignment for the benefit of its creditors.

BROKERAGE ARRANGEMENTS

The purchase and sale of Portfolio Securities of EnerVest are arranged through registered brokers and dealers selected on the basis of the Portfolio Manager's assessment of the ability of the broker or dealer to execute transactions promptly and on favourable terms and the quality and value of services provided to the Trust by the broker or dealer, such as research, statistical and other services used in assessing potential investments and, when applicable, the negotiation of commissions in connection therewith. The Trust is responsible for paying those commissions.

No pre-arrangements have been made with any brokers or dealers with regard to the purchase and sale of portfolio securities and none are contemplated.

TRUSTEE

Computershare Trust Company of Canada is the trustee of EnerVest (the "**Trustee**"). The Trustee's principal offices in Calgary, Alberta are located at 600, 530 - 8th Avenue S.W., Calgary, AB T2P 3S8.

The Declaration of Trust provides that the Trustee is not liable in carrying out its duties under the Declaration of Trust except in cases of wilful misconduct, bad faith, gross negligence or disregard of its obligations and duties or in

cases where the Trustee fails to act honestly and in good faith with a view to the best interests of the Unitholders and in connection therewith to exercise the degree of care, diligence and skill that a reasonably prudent trustee would exercise in comparable circumstances. In addition, the Declaration of Trust contains other customary provisions limiting the liability of the Trustee and indemnifying the Trustee in respect of certain liabilities incurred by it in carrying out its duties.

The Declaration of Trust acknowledges that the Trustee may provide services to the Trust in other capacities, provided that the terms of any such arrangements are no less favourable to the Trust than those which would be obtained from parties which are at arm's length for comparable services.

CUSTODIAN OF PORTFOLIO SECURITIES

The Portfolio Securities and cash of the Trust are held in safekeeping by its Custodian. The head office of the Custodian is located in Toronto, Ontario. The Custodian may appoint sub-custodians outside Canada and the sub-custodians may hold Portfolio Securities. The Custodian continues to have overall responsibility for the assets of EnerVest. The Administrator may appoint and remove the Custodian provided that any appointed party shall in all cases be a Canadian chartered bank or a trust company which complies with the requirements of the applicable regulatory authorities.

The Custodian Agreement may be terminated by the Administrator or the Custodian upon at least 90 days' written notice. The Custodian Agreement may be terminated immediately if any party becomes insolvent or makes an assignment for the benefit of creditors, or if a petition in bankruptcy is filed by or against that party and is not discharged within 30 days, or if proceedings for the appointment of a receiver for that party are commenced and not discontinued within 30 days.

AUDITORS

The auditors of the Trust are PricewaterhouseCoopers LLP at its principal offices in Calgary, Alberta.

REGISTRAR

The transfer agent and registrar for the Units is Computershare Trust Company of Canada at its principal offices in Calgary and Toronto.

CONFLICTS OF INTEREST

The information in this Section is current as of the date of this Annual Information Form.

Conflicts of Interest of the Administrator and the Portfolio Manager

The services of the Administrator and its officers, directors or employees are not exclusive to the Trust. The Administrator or any of its affiliates and associates may, at any time, engage in the promotion, management, investment management or administration of any other entity which invests primarily in the same securities as those held by the Trust, and provide similar services to other investment funds and other clients, and engage in other activities.

The Declaration of Trust acknowledges that the Administrator may provide services to the Trust in other capacities, provided that the terms of any such arrangements are no less favourable to the Trust than those which would be obtained from parties which are at arm's length for comparable services, and the Trust pays all expenses associated with such additional services.

Conflicts of interest may arise with respect to proposed investments of the Trust to the extent that persons associated with the Administrator are also involved in or associated with issuers in which the Trust may invest funds or which 30 are in competition with the Trust. Conflicts of interest are generally delegated to the Independent Review Committee. See below under the heading "Trust Governance – Independent Review Committee".

The services of the Portfolio Manager are not exclusive to the Trust. The Portfolio Manager may act as the portfolio manager to other funds and may act as the portfolio manager to other funds with investment strategies similar to those of the Trust. Since the Investment Advisor will continue to manage the investments of its other clients, the Portfolio Manager may acquire or dispose of the same investment for the Trust and one or more of its other clients. However, because of different investment policies, the Portfolio Manager may be selling an investment for one client and buying the same investment for another client. Under the Investment Management Agreement, the Portfolio Manager has agreed, in accordance with its policies and procedures, to allocate opportunities to acquire and dispose of investments fairly among the Trust and its other clients that have similar investment objectives and to make investment decisions for the Trust independently of those made for its other clients and independently of its own investments.

Principal Holders Of Securities

The Trust

To the knowledge of the directors and officers of the Administrator, as of March 29, 2010, there are no persons who own, beneficially or of record, directly or indirectly, or who exercise control or direction over, more than 10% of any of the Units.

The Administrator

EnerVest Management Ltd. ("EML") owns 100% of the voting securities of the Administrator. EML is a direct wholly-owned subsidiary of Canoe. In addition, the directors and officers of the Administrator may be directors and officers of the administrator of one or more issuers similar to the Trust.

TRUST GOVERNANCE

The Administrator is responsible for fund governance. Please see page 23 for information regarding members of the Administrator's board of directors. One director of the Trust, Craig Spurn, is independent to the Administrator in the sense that he is not involved in the day-to-day operations of the Administrator.

Principals of the Administrator meet regularly to review the investment policies of the Trust with respect to regulatory issues, risk management controls, internal conflicts of interest and general business practices relating to the operations of the Trust.

Independent Review Committee

EnerVest has established an Independent Review Committee to which conflict of interest matters are referred by the Administrator for review or approval in accordance with NI 81-107. The Independent Review Committee is composed of three individuals, each of whom is independent of the Administrator and its affiliates. The initial members of the Independent Review Committee are Allen B. Clarke, William J. Byrne and Mark Brown. Their biographies are as follows:

Allen B. Clarke – Chair

Mr. Clarke acts as a consultant on design, implementation and marketing of financial products and reviews on matters of corporate governance. He was the founder, Chief Executive Officer and Chief Investment Officer of Opus 2 Financial, an investment portfolio company, from 1999 to 2004. Prior to this, Mr. Clarke was a Senior Vice-President at AGF Funds.

William J. Byrne

Mr. Byrne was the former Deputy Minister of Alberta for Advanced Education. Other portfolios held by Mr. Byrne in his long career with the Government of Alberta included Alberta Community Development,

Cultural Facilities and Historic Resources. He holds a Masters and a Doctor of Philosophy from Yale University.

Mark Brown

Mr. Brown is a former Vice President of the TSX Venture Exchange and its predecessor exchanges (CDNX and the Alberta Stock Exchange) responsible for company listings and corporate finance activities in Alberta from 1995 to 2007. Prior to 1995 Mr. Brown was with the Alberta Securities Commission. Mr. Brown is a Chartered Accountant and is currently working at the Olympic Oval in Calgary as a business manager.

The Administrator believes that these individuals are independent within the meaning of NI 81-107 and have the skills and experience to carry out the requirements of the Independent Review Committee. EnerVest has always been committed to high standards of corporate governance and believes that the Independent Review Committee will play an important role in continuing to meet these standards.

NI 81-107 came into force on November 1, 2006. The initial members of the Independent Review Committee were appointed on May 1, 2007 and full compliance with NI 81-107 was achieved by November 1, 2007.

The Administrator reports to the Independent Review Committee regularly on the operation of the Trust and periodically on (i) compliance with their policies and procedures for dealing with conflict of interest matters, (ii) appropriate resolution of potential or perceived conflicts of interest; (iii) general compliance with regulatory requirements; and (iv) the accuracy of Net Asset Value calculations.

The Trust is responsible for the fees and expenses (including costs of independent counsel or advisors, if the Independent Review Committee deems it appropriate to retain such experts) of the Independent Review Committee and the members of the Independent Review Committee are indemnified by the Trust.

The members of the Independent Review Committee are not responsible for the investments made by the Trust, or the performance of the Trust. The members of the Independent Review Committee are required to act honestly and in good faith and conduct such reasonable investigations that a reasonable person (who is not a professional manager) with a comparable mandate would conduct and are indemnified by the Trust, except in cases of wilful misconduct, bad faith, negligence or breach of their standard of care.

In accordance with NI 81-107, the mandate of the Independent Review Committee is to consider and provide recommendations to the Administrator on conflicts of interest to which the Administrator is subject when managing the Trust. The Administrator is required under NI 81-107 to identify conflicts of interest inherent in its management of the Trust and request input from the Independent Review Committee on how it manages those conflicts of interest, as well as its written policies and procedures outlining its management of those conflicts of interest. The Independent Review Committee provides its recommendations to the Administrator with a view to the best interests of the Trust. The Independent Review Committee reports annually to Unitholders of the Trust as required by NI 81-107. The reports of the Independent Review Committee are available free of charge from the Administrator on request by contacting the Administrator at 1-877-434-2796 or on SEDAR at www.sedar.com.

PROXY VOTING

Introduction

The Trust has developed policies and procedures to describe how it intends to vote on some commonly raised or potentially contentious issues.

As part of the Administrator's obligation to Unitholders and in support of strong corporate governance, the Administrator exercises voting rights in the best interests of Unitholders. The Administrator participates in the corporate governance process by voting for securityholder resolutions that are likely to enhance securityholder value and by opposing resolutions that are likely to dilute or diminish securityholder value. The Administrator only

refrains from exercising proxies for the Trust when doing so would cause the Trust to not comply with the corporate or securities laws applicable to it.

Although these policies and procedures contain specific voting recommendations, these are not rigid positions and the Administrator may consider extenuating circumstances that might cause it to deviate from a specific guideline. In such instances the Administrator considers each proposal on a case by case basis.

These policies and procedures are reviewed on a regular basis.

Standing Policy

The Trust's standing policy for proxy voting is based on several key principles, including:

1. Management is accountable to the Board of Directors. The Board of Directors is accountable to and reports to the securityholders. The Board of Directors is responsible for maximizing long-term growth of securityholder value.
2. The Board of Directors should reinforce these concepts when making management appointments and by appropriately defining the separate roles of Board members and management.
3. The proxy vote is an important asset of the Trust. Stakeholders with fiduciary obligations are obligated to exercise their ownership rights by voting proxies diligently in order to optimize the long-term value of their investments.
4. Ownership rights should not be subordinated. Minority securityholders should not be treated differently from controlling securityholders. All securityholders have a right to receive proper notice of corporate actions and to vote on issues that have a material impact on their investments.
5. The interests of all stakeholders (investors, management, directors and employees), are best served when their goals converge with the long-term economic objectives of the corporation or business. Proper allocation of the rewards are important to the establishment and maintenance of long-term value.

Specific Standing Policies for Routine Matters

I. Board of Directors

In proxy voting matters pertaining to the nomination and election of board members and the establishment and operation of board committees, the Trust uses the following specific policies as a guideline in reaching a decision:

1. It is imperative that Boards of Directors are independent from management and insiders in general in order to ensure that Boards are able to represent securityholders without potential of conflict. Voting is structured to encourage independence through:
 - (a) the majority of the Board of Directors is composed of independent, unrelated directors;
 - (b) all Boards should have, at a minimum, audit and corporate governance committees. These committees should be composed of a majority of independent, unrelated directors and should be lead by an independent director. Committee members should possess appropriate skills and expertise relative to the mandate of the committee on which they serve;
 - (c) the Chairman of the Board of Directors and the Chief Executive Officer should be different individuals; and
 - (d) the Board of Directors should be nominated individually and therefore the Administrator does not support any slate voting of the Board.

2. The Administrator looks for Boards of Directors that are diverse, experienced, competent and motivated to represent their companies and businesses:
 - (a) Boards should be of appropriate size to ensure its orderly and effective operations;
 - (b) Board members should be adequately compensated (which may include stock options) to ensure commitment to their role and responsibilities;
 - (c) all Boards should attempt to draw members from different backgrounds and expertise that provide useful and relevant industry experience; and
 - (d) there should be an established internal process for evaluating the contributions of current Board members and for nominating new Board members.

II. Auditors

The Administrator generally supports the choice of auditors recommended by the Board of Directors, specifically by the audit committee of those directors.

However it is important to have auditors that remain independent of the company or the business. The Administrator would vote against management's recommendation if the auditors were changed without suitable explanation.

III. Executive Compensation

In proxy voting matters pertaining to executive compensation, EnerVest uses the following specific policies as a guideline in reaching a decision:

1. variable compensation should be directly tied to pre-determined and measurable performance benchmarks that are consistent with long-term creation of securityholder value;
2. compensation policies should not reward failure;
3. the Administrator does not support company loans to employees or directors to purchase securities;
4. security based compensation as an incentive can be effective in aligning the long-term interests of management and securityholders; and
5. when evaluating stock option plans the Administrator considers the following:
 - (a) the Administrator does not support plans that authorize securities representing more than 10% of the outstanding securities;
 - (b) the Administrator opposes stock options that are granted with an exercise price that is less than 100% of the fair market value of the underlying security at the date of the grant;
 - (c) the Administrator opposes repricing, replacing, extending or otherwise altering stock options where the stock price falls or underperforms the market; and
 - (d) options should not have any voting rights granted to them.
6. The Administrator votes against any excessive "golden parachutes" or other unreasonably large settlements to departing executives.

Circumstances When the Trust May Deviate From Standing Policy

The Trust may deviate from its standing policy for routine matters when an investment carries out unacceptable practices. Each instance where the Trust deviates from its standing policy is evaluated on a case by case basis with the intention of voting the proxy in the best interests of the Trust's Unitholders.

Specific Policies for Non-Routine Matters

Takeover Protection

In proxy voting mailers pertaining to takeover protection, the Trust uses the following specific policies as a guideline in reaching a decision:

1. the Trust does not generally support defense strategies as they usually serve only to entrench management and discourage potential buyers from offering higher bids in the event a company or business becomes an acquisition target;
2. Generally the Trust votes its proxies regarding takeover protection issues according to the following principles:
 - (a) proposed takeover protection measures, which could potentially dilute securityholder value, should be approved in advance by a full securityholder vote;
 - (b) takeover protection measures should be structured with the goal of maximizing long-term value for all securityholders;
 - (c) lock-up agreements should be structured so that competing bids are not prevented;
 - (d) partial takeover bids should be offered equally to all securityholders on a pro-rata basis and remain open for a sufficient period of time to allow for informed decisions; and
 - (e) adopted takeover protection measures should have a sunset clause not greater than three years, after which they must be resubmitted to a security holder vote for renewal.

Securityholders Rights

In proxy voting matters pertaining to securityholders rights, the Trust uses the following specific policies as a guideline in reaching a decision:

1. General Policies on Securityholders Rights

Changes to securityholders rights should be reviewed by a committee of independent directors and then submitted to a securityholder vote. Any issuance of new securities with rights that exceed those in securities currently outstanding should be offered equally to all securityholders on a pro-rata basis.

2. Unequal or Subordinate Voting Securities

Generally the Trust opposes the creation of securities with unequal or multiple -voting rights. Securities with multiple -voting rights concentrate control among a few individuals and generally are not in the best interests of all securityholders.

3. Super-Majority Voting Securities

Super-majority voting rights require a level of securityholder approval above a simple majority. They may range as high as 80% of outstanding securities. Super-majority voting rights can make a securityholder

approval all but impossible. Generally the Trust votes against super-majority voting rights that exceed 2/3 (67%) of the outstanding securities.

4. **Linked Proposals**

Linked proposals are resolutions that link two issues together. Generally the Trust votes against linked proposals.

5. **Security Buybacks — Normal Course Issuer Bids**

Common share buybacks can enhance long-term securityholder value. Share buybacks near or below net asset value can often be beneficial to securityholders. Generally the Trust supports security buyback plans or normal course issuer bids.

Procedures Implementing Proxy Policy

Proxy Voting Record

The Trust has internally appointed an individual who is responsible for collecting, updating and maintaining a proxy voting record.

The Trust's proxy voting record complies with NI 81-106.

Voting Procedures

As proxies are received at the Trust's offices they are forwarded to the Trust's investor relations department ("**Investor Relations**").

Investor Relations will review the proxy and if it falls within the Trust's Standing Policy for Routine Matters it will vote the proxy in accordance with the Standing Policy.

If a proxy contains resolutions that are not covered by the Standing Policy or if circumstances exist that the Trust may consider deviating from the Standing Policy, Investor Relations will review the proxy with a senior officer of the Administrator.

In addition, Investor Relations or the senior officer may consult with the Portfolio Manager regarding such proxy. However the Trust is responsible for voting its proxies and not the Portfolio Manager. If a conflict of interest arises between shareholders and the Portfolio Manager (or an affiliate or associate of the Portfolio Manager), the Trust votes the proxy in the best interests of its Unitholders.

The policies and procedures that the Administrator follows when voting proxies relating to portfolio securities are available on request, at no cost, by calling toll-free 1-877-434-2796 or by writing to us at the address indicated on the last page of this Annual Information Form.

In addition, the proxy voting record for the Trust for the most recent period ending June 30 of each year is available free of charge to any securityholder of the Trust upon request at any time after August 31 of that year. The information is also available on our Internet site at www.enervest.com.

FEES AND EXPENSES

Administration Fee and Investment Management Fee

The Administration Fee is payable in cash. The Portfolio Manager, pursuant to the Investment Management Agreement, is paid the Investment Management Fee. The Investment Management Fee is payable monthly in arrears in cash by the Administrator from the Administration Fee and not by the Trust.

Service Fee

The Administrator, pursuant to the Administrative Services Agreement, calculates and pays to investment dealers the Service Fee calculated and payable quarterly in arrears at an annual rate equal to 0.40% of the Net Asset Value of Trust Units held by clients of the sales representatives of such investment dealers, plus applicable taxes. The Service Fee is paid by the Trust.

Administration Fees and Service Fees totalled \$179,724 for the year ended December 31, 2009 .

Ongoing Expenses

In addition to the Administration Fee and any debt service costs under the Trust's loan facility, the Trust pays all of its own expenses and the Administrator's expenses incurred in connection with its duties as the Administrator, including the Trustee's fees, custodial fees, directors' fees, taxes (other than the Administrator's own corporate taxes), legal, audit and valuation fees, Unitholder reporting costs, website maintenance costs, registrar and transfer agency costs, printing and mailing costs, listing fees and expenses, salaries, benefits and consulting fees and other administrative expenses, costs to be incurred in connection with the Trust's continuous public filing and other obligations, and commissions, fees and other expenses associated with the execution of transactions in respect of the Portfolio.

Additional Services

Any arrangements for additional services between the Trust and the Administrator, or any affiliate thereof, that have not been described in this Annual Information Form are on terms that are no less favourable to the Trust than those available from arm's length parties (within the meaning of the Tax Act) for comparable services or requires the approval of a majority of the Administrator's independent directors.

INCOME TAX CONSIDERATIONS

The following is a general summary of the principal Canadian federal income tax considerations, as of the date hereof, for the Trust and for a prospective individual investor (other than a trust) who, for the purposes of the Tax Act, is resident in Canada, holds Trust Units as capital property and deals with the Trust at arm's length and is not affiliated with the Trust. This summary is based upon the current provisions of the Tax Act and regulations thereunder, all specific proposals to amend the Tax Act and such regulations publicly announced by the Minister of Finance (Canada) ("**Finance**") prior to the date hereof and the current published administrative and assessing policies of the Canada Revenue Agency. This summary does not take into account or anticipate any other changes in law, whether by legislative, administrative or judicial action, and it does not take into account provincial or foreign income tax legislation or considerations.

Generally, Trust Units are considered to be capital property to a holder provided the holder does not hold the Trust Units in the course of carrying on a business of trading or dealing in securities and has not acquired them in one or more transactions considered to be an adventure in the nature of trade. Certain holders who might not otherwise be considered to hold their Trust Units as capital property may in certain circumstances, be entitled to have them treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act.

This summary is not applicable to (i) a Unitholder that is a "financial institution" as defined in the Tax Act for purposes of the mark-to-market rules, (ii) a Unitholder that is a "specified financial institution" as defined in the Tax Act, (iii) a Unitholder an interest in which would be a "tax shelter investment" as defined in the Tax Act, or (iv) a Unitholder to whom the functional currency reporting rules in subsection 261(5) of the Tax Act apply. Any such Unitholders should consult their own tax advisors.

This summary is of a general nature only and is not exhaustive of all possible Canadian federal income tax consequences applicable to Unitholders and is not intended to be legal or tax advice to any particular Unitholder and no representations to any particular Unitholder are made. In addition, the income tax consequences of acquiring,

holding and selling Trust Units will vary depending on the Unitholder's particular situation. Consequently, Unitholders should consult their own tax advisors for advice with respect to their particular circumstances.

Status of the Trust

This summary is premised on the assumption that the Trust will qualify at all times as a "mutual fund trust" within the meaning of the Tax Act. In order to so qualify, there must be at least 150 Unitholders, each of whom owns not less than one "block" of Trust Units having a fair market value of not less than \$500. A "block" of Trust Units means 100 Trust Units if the fair market value of one Trust Unit is less than \$25, 25 Trust Units if the fair market value of one Trust Unit is \$25 or more but less than \$100 and 10 Trust Units if the fair market value of one Trust Unit is \$100 or more. In order to qualify as a mutual fund trust the Trust generally cannot at any time reasonably be considered to have been established or to be maintained primarily for the benefit of non-resident persons unless all or substantially all of its property is property other than "taxable Canadian property" as defined in the Tax Act. Tax proposals released on September 16, 2004 proposed that a trust would cease to qualify as a mutual fund trust for purposes of the Tax Act if, at any time after 2004, the fair market value of all trust units held by non-resident persons or partnerships which are not Canadian partnerships for the purpose of the Tax Act is more than 50% of the fair market value of all issued and outstanding trust units unless no more than 10% (based on fair market value) of the trust's property is at any time taxable Canadian property within the meaning of the Tax Act and certain other types of specified property. However, this proposal was not included in the Notice of Ways and Means motion tabled in the House of Commons by the Minister on December 6, 2004 or in any subsequent Notice of Ways and Means Motions. In addition, the undertaking of the Trust must be restricted to the investing of its funds in property (other than real property or an interest in real property) and the Trust also must meet certain quantitative investment restrictions on a continuous basis. The Trust has met these requirements at all relevant times and the Administrator expects the Trust to continue to so qualify at all material times. In the event the Trust were not to qualify at all times as a "mutual fund trust", the income tax consequences described below would in some respects be materially different. Among other consequences, if the Trust does not qualify throughout any taxation year as a mutual fund trust, the Trust may be required to pay a special tax under Part XII.2 of the Tax Act in respect of that year, and may be subject to alternative minimum tax.

Taxation of the Trust

The Trust is subject to tax under Part I of the Tax Act on the amount of its income for the year, including net realized taxable capital gains, less the portion thereof that it claims in respect of amounts that are paid or payable to Unitholders in the year. Provided the Trust makes distributions in each year of its net income and net realized capital gains, and provided the Trust deducts in computing its income the full amount available for deduction in each year, the Trust will not generally be liable for any material amount of income tax under Part I of the Tax Act.

Where the Portfolio Securities include units of other trusts resident in Canada, the Trust is required to include in the calculation of its income such portion of the net income and net taxable capital gains of such issuer as is paid or becomes payable to the Trust in the year, notwithstanding that certain of such amounts may be reinvested in additional Portfolio Securities of that issuer. Provided appropriate designations are made by the issuer, any net taxable capital gains realized by the issuer, foreign source income and taxable dividends received by the issuer from taxable Canadian corporations that are paid or become payable to the Trust and are designated by the issuer effectively retain their character as such in the hands of the Trust. The Trust is generally required to reduce the adjusted cost base of the Portfolio Securities of such issuer to the extent that all amounts paid or payable by the issuer to the Trust exceed the amounts included in the income of the Trust plus the Trust's share of the non-taxable portion of capital gains of such issuer, the taxable portion of which was designated in respect of the Trust. If the adjusted cost base to the Trust of the Portfolio Securities of such an issuer becomes at any time a negative amount, that negative amount is deemed to be a capital gain realized by the Trust in that taxation year and the Trust's adjusted cost base of such Portfolio Securities will thereafter be increased by the amount of such deemed capital gain.

With respect to Portfolio Securities that include interests in limited partnerships, the Trust is required to include or, subject to certain restrictions, is entitled to deduct, in computing its income, its share of the net income or loss for tax purposes of the partnership allocated to the Trust for the fiscal period of the partnership ending in the Trust's taxation year, whether or not a distribution is received. In general, the adjusted cost base to the Trust of the securities

of such partnership at a particular time is equal to the actual cost of such securities plus the share of the income of the partnership allocated to the Trust for fiscal years of the partnership ending before the particular time less the share of losses of the partnership allocated to the Trust for fiscal years of the partnership ending before the particular time and less the Trust's share of any distributions received from the partnership before the particular time. If the adjusted cost base to the Trust of the securities of such limited partnership is negative, the amount by which it is negative is deemed to be a capital gain realized by the Trust and the Trust's adjusted cost base of such securities is increased by the amount of such deemed capital gain.

The Trust is also required to include in its income for each taxation year all interest that accrues to it to the end of the year, or becomes receivable or is received by it before the end of the year, except to the extent that such interest was included in computing its income for a preceding taxation year, and all dividends received (or deemed to be received) in the year on shares of corporations held by it.

In computing its income for tax purposes for a taxation year, the Trust may deduct reasonable administrative, interest and other expenses incurred in that year to earn income and may generally, over a five year period, deduct any offering expenses incurred (including Agents' fees).

The CRA has expressed a view that, in certain circumstances, the deductibility of interest on money borrowed to invest in an income trust may be reduced on a pro rata basis in respect of distributions from the income trusts that are a return of capital which are not reinvested, or otherwise used, for an income-earning purpose. Counsel to the Trust are of the view that, while the ability to deduct interest depends on the facts, based on the jurisprudence, CRA's published administrative positions and an understanding of the nature of the expected distributions from the Income Funds in which the Trust invests, the Trust's ability to deduct interest on money borrowed to acquire income trust units should not be affected by the CRA's view. If the CRA's view were to prevail and apply to the Trust, part of the interest payable by the Trust on money borrowed to acquire income trust units could be non-deductible, increasing the net income of the Trust for tax purposes and the taxable component of distributions to Unitholders. Income of the Trust that is not distributed to Unitholders would be subject to non-refundable income tax in the Trust.

Upon the actual or deemed disposition of Portfolio Securities, the Trust generally realizes a capital gain (or capital loss) to the extent that the proceeds of disposition exceed (or are exceeded by) the adjusted cost base of such Portfolio Securities and any reasonable costs of disposition, provided such Portfolio Securities are capital property to the Trust. The Trust has made an election under subsection 39(4) of the Tax Act so that all Portfolio Securities that are "Canadian securities", (as defined in the Tax Act) are deemed to be capital property.

The after tax return from an investment in Units to Unitholders subject to Canadian income tax can be made up of both a return on capital and a return of capital. That composition may change over time, thus affecting an investor's after tax return.

Under the proposals introduced October 31, 2003 (the "**October 31, 2003 Proposals**"), a taxpayer will have a loss for a taxation year from a particular source that is a business or a property only if, in that year, it is reasonable to expect that the taxpayer will realize a cumulative profit from the business or property during the time that the taxpayers carried on, and can reasonably be expected to carry on, the business or has held and can reasonably be expected to hold the property. Profit in this sense will not include capital gains. If the deduction of losses of the Trust was limited in a particular year, the taxable income of the Trust would be increased along with the taxable amount of distributions to unitholders. The Trust does not believe that the October 31, 2003 Proposals will have a material effect on its tax position.

SIFT Rules

Recent amendments to the Tax Act (the "**SIFT Rules**") include provisions relating to the taxation of certain publicly traded partnerships and trusts which hold one or more "non-portfolio properties" (as defined in the Tax Act). A trust that was a "SIFT trust" (as defined in the Tax Act) on October 31, 2006 (an "**Existing SIFT**"), will be subject to trust level taxation as of January 1, 2011 in respect of certain distributions that are attributable to the trust's "non-portfolio earnings" at a rate that is equivalent to the federal corporate income tax rate plus the provincial SIFT tax rate. The provincial SIFT tax rate will be based on the general provincial corporate income tax rate in each province

in which the SIFT trust has a permanent establishment. Taxable distributions that are not allocated to any province will instead be subject to a 10% per cent rate in addition to the general federal corporate tax rate. The provincial tax rate applied to taxable distributions allocated to the Province of Quebec will be deemed to be nil to take into account provincial taxes on SIFT trusts imposed by Quebec.

Non-portfolio earnings are, generally, income (other than certain dividends) from, or capital gains realized on, "non-portfolio properties". The amount of a distribution in respect of which this tax is payable will be taxed in the hands of the unitholders of the SIFT trust as though it were a taxable dividend from a taxable Canadian corporation, which dividend will be eligible for the enhanced gross-up and dividend tax credit if paid to an individual resident in Canada. The SIFT Rules could become applicable to an Existing SIFT on a date earlier than January 1, 2011, if the Existing SIFT exceeds normal growth guidelines as determined by reference to the normal growth guidelines issued by the Department of Finance (Canada) on December 15, 2006 and amended by the Department of Finance (Canada) on December 4, 2008.

It is not expected that the Trust will hold any non-portfolio properties. Accordingly, it is not expected that the Trust itself would be considered a "SIFT trust" and therefore it is expected that the Trust will continue to not be directly liable for any material amount of income tax.

Taxation of Unitholders

A Unitholder is generally required to include in computing income for a particular taxation year of the Unitholder such portion of the net income of the Trust for a taxation year, including net realized taxable capital gains, as is paid or becomes payable to the Unitholder in that particular taxation year, whether received in cash or reinvested in additional Trust Units. Distributions by the Trust to a Unitholder will reduce the adjusted cost base of the Unitholder's Trust Units, except to the extent that such distributions are included in the Unitholder's income or constitute the Unitholder's share of the non-taxable portion of capital gains of the Trust the taxable portion of which was designated by the Trust in respect of the Unitholder. To the extent that the adjusted cost base of a Trust Unit would otherwise be less than nil, the negative amount will be deemed to be a capital gain realized by the Unitholder from the disposition of the Trust Unit in the year in which the negative amount arises and the Unitholder's adjusted cost base of the Trust Unit is thereafter increased by the amount of such deemed capital gain. Provided that appropriate designations are made by the Trust, such portion of (a) the net realized taxable capital gains of the Trust (including taxable capital gains of issuers that are designated as such to the Trust), and (b) the taxable dividends received by the Trust on shares of taxable Canadian corporations (including taxable dividends received by issuers that are designated as such to the Trust), as is paid or becomes payable to a Unitholder effectively retains its character and is treated as such in the hands of the Unitholder. Provided that appropriate designations are made by the Trust, foreign source income earned by (or deemed to be earned by), and foreign income taxes paid (or deemed to be paid) by, the Trust are deemed to be foreign source income of, and foreign income taxes paid by, the Unitholders.

To the extent that amounts are designated as taxable dividends from taxable Canadian corporations, the applicable gross-up and dividend tax credit rules apply to an individual Unitholder. In the case of a Unitholder that is a corporation, amounts designated as taxable dividends are included in computing income but, generally, are also deductible in computing taxable income. A private corporation or a "subject corporation" (as defined in the Tax Act) which is entitled to deduct such dividends in computing its taxable income is normally subject to a 33 1/3% refundable tax under Part IV of the Tax Act. Corporations, other than private corporations and certain financial intermediary corporations, should consult their own tax advisors as to the possible application of tax under Part IV.1 of the Tax Act on amounts designated by the trust as taxable dividends. An additional refundable 6 2/3% tax is payable by Unitholders that are Canadian-controlled private corporations in certain circumstances. Any loss of the Trust for purposes of the Tax Act cannot be allocated to, and cannot be treated as a loss of, the Unitholders.

The non-taxable portion of net realized capital gains of the Trust that is paid or becomes payable to a Unitholder in a year is not included in computing the Unitholder's income for the year and does not reduce the adjusted cost base of the Unitholder's Trust Units. Any amount in excess of the income of the Trust and the non-taxable portion of net realized capital gains designated to a Unitholder for a taxation year that is paid or becomes payable to the Unitholder in such year is not generally included in computing the Unitholder's income for the year. However, the payment by the Trust of such excess amount in respect of a Trust Unit generally reduces the adjusted cost base of such Trust

Unit to the Unitholder. To the extent that the adjusted cost base of a Trust Unit would otherwise be less than zero, the Unitholder is deemed to realize a capital gain equal to that negative amount and the Unitholder's adjusted cost base of the Trust Unit is thereafter increased by the amount of such deemed capital gain.

The Net Asset Value reflects any income and gains of the Trust that have accrued or been realized but have not been made payable at the time Trust Units are acquired. Accordingly, a Unitholder who acquires additional Trust Units, including on the reinvestment of distributions, may become taxable on the Unitholder's share of such income and gains of the Trust.

Any additional Trust Units acquired by a Unitholder in satisfaction of an Additional Distribution, on a reinvestment of distributions from the Trust or on the investment of an Optional Cash Payment has an initial cost to the Unitholder equal to the amount of the distributions so reinvested or the amount of the Optional Cash Payment, as the case may be. The cost of such Trust Units is averaged with the adjusted cost base of all other Trust Units then held by the Unitholder as capital property to determine the adjusted cost base of each Trust Unit held by the Unitholder. If a Unitholder participates in the Reinvestment Plan or makes an Optional Cash Payment and the Unitholder acquires a Trust Unit from the Trust at a price that is less than the then fair market value of the Trust Unit, it is the administrative position of the CRA that the Unitholder must include the difference in income and that the cost of the Trust Unit will be correspondingly increased.

Upon the disposition or deemed disposition by a Unitholder of a Trust Unit, whether on a sale, a redemption, a purchase by the Trust or otherwise, a capital gain (or capital loss) will be realized by the Unitholder to the extent that the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of the Trust Unit to the Unitholder immediately before the disposition. Where a Unitholder that is a corporation or trust (other than a mutual fund trust) disposes of a Trust Unit, the Unitholder's capital loss from the disposition may be reduced by the amount of dividends designated by the Trust in respect of the Unitholder in certain circumstances. Analogous rules apply where a corporation or trust (other than a mutual fund trust) is a member of a partnership that disposes of Trust Units.

Generally, one-half of any capital gain (a "**taxable capital gain**") realized by, or designated by the Trust in respect of, a Unitholder in a taxation year must be included in computing the income of the Unitholder for that year and one-half of any capital loss (an "**allowable capital loss**") realized by a Unitholder in a taxation year must be deducted from taxable capital gains realized by the Unitholder in that year. Allowable capital losses for a taxation year in excess of taxable capital gains for that year generally may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against taxable capital gains realized in such years, to the extent and under the circumstances described in the Tax Act.

A Unitholder that throughout the relevant taxation year is a "Canadian-controlled private corporation" as defined in the Tax Act may be liable to pay an additional refundable tax of 6 ²/₃% on certain investment income, including taxable capital gains and certain income from the Trust. In the case of a Unitholder who is an individual, including most trusts, capital gains realized on the disposition or deemed disposition of Trust Units or amounts designated by the Trust to the Unitholder as net realized capital gains or taxable dividends from taxable Canadian corporations may give rise to a liability for alternative minimum tax.

RISK FACTORS

An investment in EnerVest is subject to a number of risks, including those described below.

Volatility of Oil and Natural Gas Prices

The operations and financial condition of the issuers of the majority of the Portfolio Securities which are held by the Trust and, accordingly, the amount of distributions paid on such securities is dependent on commodity prices applicable to such issuers. Prices for commodities have fluctuated widely during recent years and are determined by supply and demand factors including weather and general economic and political conditions. A decline in commodity prices could have an adverse effect on the operations and financial condition of the issuers of such securities and the amount of distributions paid on such securities. In addition, certain commodity prices are based on

a United States dollar market price. Accordingly, an increase in the value of the Canadian dollar against the United States dollar could reduce the amount of distributions and dividends paid on such securities.

The impact on the oil and gas industry from commodity price volatility is significant. During periods of high prices, producers generate sufficient cash flows to conduct active exploration programs without external capital. Increased commodity prices frequently translate into very busy periods for service suppliers triggering premium costs for their services. Purchasing land and properties similarly increase in price during these periods. During low commodity price periods, acquisition costs drop, as do internally generated funds to spend on exploration and development activities. With decreased demand, the prices charged by the various service suppliers also decline.

Additionally, any decline in oil and gas prices could result in a decrease of cash flow available to Oil Sands Related Issuers and Oil and Gas Issuers for reinvestment. This, in turn, could result in a decrease of per share production and reserve growth of Oil Sands Related Issuers and Oil and Gas Issuers and an increase of the per unit depletion of production and reserves. In such circumstances, the Trust may need to increase the percentage of Oil Sands Related Issuers and Oil and Gas Issuers in the Portfolio to maintain the reserve life, which could have an adverse effect on the distributions available to Unitholders.

The volatility of oil and natural gas prices may become an increasing concern to the operations and financial condition of the issuers of a majority of the Portfolio Securities held by the Trust if there is an increased emphasis placed upon the use of alternative sources of fuels as compared to sources of fuel from the Oil Sands.

Current Global Financial Conditions

While central banks as well as global governments are attempting to restore much needed liquidity to the global economies, no assurance can be given that economics around the world will restore liquidity in the near to medium term, if at all. Some of these economies may experience significantly diminished growth and some may suffer a recession or, if applicable, a further recession. These market conditions and unexpected volatility or illiquidity in financial markets may also adversely affect the prospects of the Trust and the value of the Portfolio Securities. A substantial drop in the markets in which the Trust invests could be expected to have a negative effect on the Trust.

Reserve Estimates

The reserve and recovery estimates for the Oil Sands Related Issuers and Oil and Gas Issuers included in the Portfolio are only estimates and the actual production and ultimate reserves may be greater or less than the estimates provided. Any decline in the oil and natural gas estimates could have an adverse effect on the value of Oil Sands Related Issuers and Oil and Gas Issuers.

Alberta Royalty Rate Changes

As EnerVest invests in issuers who explore for and produce bitumen, conventional oil and natural gas, the implementation of the royalty regime in Alberta will have an impact on the market prices of such issuers and consequently on the Net Asset Value of EnerVest.

In addition to federal regulations, each province in Canada has legislation and regulations which govern land tenure, royalties, production rates, environmental protection and other matters. In all Canadian jurisdictions, producers of oil and natural gas are required to pay annual rental payments in respect of Crown leases, and royalties and freehold production taxes in respect of oil and natural gas produced from Crown and freehold lands, respectively. The royalty regime is a significant factor in the profitability of oil and natural gas production. Royalties payable on production from lands other than Crown-owned lands are determined by negotiations between the freehold mineral owner and the lessee. Crown royalties are determined by government regulation and are generally calculated as a percentage of the value of the gross production. The rate of royalties payable generally depends in part on prescribed reference prices, well productivity, geographical location, field discovery date and the type or quality of the petroleum product produced. Other royalties and royalty-like interests are from time to time carved out of the working interest owner's interest through non-public transactions. These are often referred to as overriding royalties, gross overriding royalties or net profits or net carried interests.

From time to time, the federal and provincial governments in Canada have established incentive programs which have included royalty rate reductions (including for specific wells), royalty holidays and tax credits for the purpose of encouraging oil and natural gas exploration or enhanced planning projects. If applicable, oil and natural gas royalty holidays, reductions and tax credits would effectively reduce the amount of Crown royalties paid by oil and gas producers to the provincial governments.

Environmental Regulations

Oil Sands extraction operations, pipelines and upgraders are subject to environmental regulation pursuant to federal and provincial legislation and regulations. These laws require various approvals and provide for restrictions and prohibitions on releases or emissions of various substances produced or used in association with such operations. Risks of substantial costs and liabilities are inherent in Oil Sands operations and a violation of any such law may result in the issuance of remedial orders, the suspension of approvals or the imposition of fines or penalties.

In December 2002 the Government of Canada ratified the Kyoto Protocol and it became legally binding on February 16, 2005. This protocol calls for Canada to reduce its greenhouse gas emissions to 6 percent below 1990 levels during the period between 2008 and 2012. In addition, the Federal government of Canada also recently introduced a regulatory regime to reduce greenhouse gas emissions.

All phases of the oil and natural gas business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of federal, provincial and local laws and regulations. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. In 2002, the Government of Canada ratified the Kyoto Protocol which calls for Canada to reduce its greenhouse gas emissions to specified levels. There has been much public debate with respect to Canada's ability to meet these targets and the Government's strategy or alternative strategies with respect to climate change and the control of greenhouse gases.

On March 10, 2008, the Government of Canada released "Turning the Corner – Taking Action to Fight Climate Change" which provides additional guidance with respect to the Government's plan to reduce greenhouse gas emissions by 20% by 2020 and by 60% to 70% by 2050.

Implementation of strategies for reducing greenhouse gases whether to meet the limits required by the Kyoto Protocol or the new regulatory framework could have a material impact on the nature of oil and natural gas operations. Given the evolving nature of the debate related to climate change and the control of greenhouse gases and resulting requirements, it is not possible to predict at this time either the nature of those requirements or the impact on the Trust and its operations and financial condition.

No Assurances on Achieving Investment Objectives

There is no assurance that the Trust will achieve its distribution objective or that the Portfolio will earn any positive return over the short term or long term. The levels of distributions paid on the Portfolio Securities and the market value of the Portfolio Securities will vary from time to time and certain of these issuers may pay distributions less frequently than quarterly, with the result that the Trust's distributable cash flow available for distributions could vary substantially.

There is also no assurance that the Trust will be able to meet its objective of providing monthly cash distributions to Unitholders that meet the currently targeted distribution of \$0.0417 per Trust Unit per month or \$0.5004 per Trust Unit per annum, or the targeted distribution from time to time. The funds available for distribution to Unitholders will vary according to, among other things, the levels of distributions paid on securities comprising the Portfolio Securities and the value of these securities.

Loss of Investment

An investment in the Trust is appropriate only for investors who have the capacity to absorb a loss of some or all of their investment.

Performance and Marketability of Portfolio Securities

The Net Asset Value per Trust Unit will vary in accordance with the value of the securities acquired by the Trust, and in some cases the value of Portfolio Securities owned by the Trust may be affected by factors beyond the control of the Portfolio Manager, Administrator or the Trust. There is no assurance that an adequate market will exist for securities acquired by the Trust. Securities issued by issuers who are not reporting issuers in any province may be subject to an indefinite hold period under certain provincial securities legislation. Portfolio Securities which the Trust may acquire may, in many circumstances, be issued by Oil Sands Related Issuers and Oil and Gas Issuers which have limited operating histories. There can be no assurance that the Oil Sands Related Issuers and Oil and Gas Issuers whose securities constitute the Portfolio will be able to sustain their current distribution levels and their forecast distributions may not be realized. The value of these securities will be influenced by factors which are not within the control of the Trust and which, in the case of resource-oriented royalty and income trusts, include the financial performance of the respective issuers, commodity prices, exchange rates, interest rates, the hedging policies employed by such issuers, environmental risks, political risks, issues relating to the regulation of the natural resource industry and operational risks relating to the resource sector and other financial market conditions. The Trust cannot predict whether the Portfolio Securities held by it will trade at a discount to, a premium to, or at their Net Asset Value per Trust Unit.

Distributions of Oil Sands Related Issuers and Oil and Gas Issuers

Historical distribution payments of Oil Sands Related Issuers and Oil and Gas Issuers may not be reflective of future distribution payments, which will be determined by the directors or trustees, as the case may be, of such issuers after taking into account the prevailing financial circumstances at the relevant time. The actual amount distributed by Oil Sands Related Issuers and Oil and Gas Issuers is at the discretion of the board of directors or board of trustees of such issuers, as the case may be. The funds available for distribution to Unitholders will vary according to, among other things, the distributions paid on the Portfolio Securities.

Liquidity Issues

The Trust may invest in junior or medium-sized companies. Investment in the securities of junior and medium-sized companies may be more volatile than investments in larger companies or trusts, as junior and medium-sized companies generally experience both higher growth rates and higher failure rates. The trading volume of these securities is normally lower than that of larger companies or trusts. Such securities may be less liquid than others and could make it difficult to purchase or sell a security at a time or price desired. Changes in the demand for these securities generally have a disproportionate effect on their market price, tending to make prices rise more in response to increased buying demand and fall more in response to selling pressure.

Sensitivity to Interest Rates

The market price for the Trust Units and the value of the Portfolio Securities at any given time will be affected by the level of interest rates prevailing at such time. A rise in interest rates will have a negative effect on the market price of the Trust Units and increase the costs to the Trust of borrowing.

Diversification

The Portfolio will be concentrated by type of security, commodity, industry and geography, resulting in the Portfolio being less diversified than other closed-end funds.

Reliance on the Portfolio Manager and the Administrator

The Trust will be dependent on the Portfolio Manager for investment advisory and portfolio management services under the Investment Management Agreement and on the Administrator for administration and management services under the Administrative Services Agreement. Investors who are not willing to rely on the Portfolio Manager or management of the Administrator should not subscribe for or purchase EnerVest Units.

Trading at a Discount or Premium

Securities of closed-end investment trusts may not trade at Net Asset Value per Unit and the Trust cannot predict whether Trust Units will trade above, at or below their Net Asset Value per Trust Unit. There is also no assurance that market purchase and/or redemptions of Trust Units by the Trust will result in the Trust Units trading at a price which is equal to the Net Asset Value per Trust Unit. The Trust anticipates that the market price of the Trust Units will vary from the Net Asset Value per Trust Unit based on the relative demand for and supply of Trust Units in the market, the Trust's investment performance, the Trust Units yield and investor perception of the Trust's overall attractiveness as an investment as compared with other investment alternatives.

Fluctuations in Net Asset Value

The Net Asset Value and the funds available for distributions, if any, will vary according to, among other things, the value of the Portfolio and the distributions and dividends paid thereon. Fluctuations in the market value of the Portfolio may occur for a number of reasons beyond the control of the Administrator, Portfolio Manager and the Trust. The value of the Portfolio will be influenced by the performance of the issuers whose securities are included in the Portfolio, their distribution and dividend payment policies and yields, and financial market and economic conditions generally. A substantial drop in the North American equities markets could be expected to have a negative effect on the Trust. If such a drop were to lead to a significant decline in the Net Asset Value of the Trust, the Trust could be prevented from meeting its Investment Objectives. The Net Asset Value may also be negatively affected if significant redemptions occur on a Redemption Date.

Nature of Trust Units

The Trust Units do not share certain attributes normally associated with equity securities or debt instruments. Trust Units are dissimilar to debt instruments in that there is no principal amount owing to Unitholders. Unitholders do not have the statutory rights normally associated with ownership of shares of a corporation including, for example, the right to bring "oppression" or "derivative" actions.

Leverage

The Trust may at times incur indebtedness under the Loan Facility in an amount up to 25% of the value of the Total Assets of the Trust. The indebtedness is secured by the Portfolio. There can be no assurance that such a strategy will enhance returns and may in fact reduce returns (both distributions and capital). If the Portfolio Securities suffer a substantive decrease in value, the leverage component will cause a decrease in Net Asset Value in excess of that which would otherwise be experienced. If the Loan Facility is called by the Lender, the Trust may be required to liquidate the Portfolio to repay the indebtedness at a time when the market for the securities in the Portfolio may be depressed, thereby forcing the Trust to incur losses.

Illiquid Securities

If the Portfolio Manager is unable, or determines that it is inappropriate, to dispose of some or all of the Portfolio Securities prior to the Termination Date, Unitholders may, subject to applicable laws, receive distributions of securities in specie upon the termination of the Trust for which there may be an illiquid market or which may be subject to resale restrictions of indefinite duration. In addition, if the Portfolio Manager determines that it is appropriate to acquire certain securities for the Portfolio, the Portfolio Manager may be unable to acquire such securities in quantities or at prices which are acceptable to the Portfolio Manager where the market for such

securities is particularly illiquid. In addition, the Trust may invest in private issuers to which there would be no current market for their securities.

Income Tax Matters

While the Trust has been structured so that it generally will not be liable to pay income tax, the information available to the Trust and the Administrator relating to the characterization, for tax purposes, of the distributions received by the Trust in any year from issuers of the Trust's investments may be insufficient as at December 31 of that year to ensure that the Trust will make sufficient distributions in order that the Trust will not be liable to pay income tax in respect of that year. Additionally, the Trust may receive distributions on some of its Portfolio Securities in the form of additional units of such securities instead of cash and accordingly may be required to issue additional units to Unitholders instead of cash.

There can be no assurance that Canadian federal and provincial income tax laws respecting the treatment of mutual fund trusts will not be changed in a manner that adversely affects the Unitholders. If the Trust ceases to qualify as a "mutual fund trust" under the Tax Act, the income tax considerations described under the heading "Canadian Federal Income Tax Considerations" would be materially and adversely different in certain respects.

The CRA has expressed a view that, in certain circumstances, the deductibility of interest on money borrowed to invest in an income trust may be reduced on a pro rata basis in respect of distributions from the income trust that are a return of capital which are not reinvested for an income earning purpose. Counsel to the Trust are of the view that, while the ability to deduct interest depends on the facts, based on the jurisprudence, CRA's administrative positions and an understanding of the nature of the expected distributions from the Income Funds in which the Trust will invest, the CRA's view should not affect the Trust's ability to deduct interest on money borrowed to acquire units of income trusts included in the Portfolio. If the CRA's view were to apply to the Trust, part of the interest payable by the Trust in connection with money borrowed to acquire certain Portfolio securities could be non-deductible, increasing the net income of the Trust for tax purposes and the taxable component of distributions to Unitholders. Income of the Trust which is not distributed to Unitholders would be subject to non-refundable income tax in the Trust.

Recent amendments to the Tax Act will impose income tax on the Canadian income fund issuers in which the Trust invests (other than real estate investment trusts that meet prescribed conditions under the new rules), beginning in 2011 or sooner. See "Income Tax Considerations – Taxation of the Trust". The SIFT Rules are expected to result in adverse tax consequences to such Canadian income funds and may adversely impact cash distributions from such Canadian income funds to the Trust. Based on the Trust's portfolio, it is not expected that the Trust itself would be considered a "SIFT trust" as defined in the Tax Act, and therefore it is expected that the Trust will continue not to be directly liable for any material amount of income tax.

Status of the Trust

As the Trust is not a mutual fund as defined under Canadian securities laws, the Trust is not subject to the Canadian policies and regulations that apply to open-end mutual funds, including National Instrument 81-102 of the Canadian Securities Administrators entitled "Mutual Funds".

The Trust is not a trust company and, accordingly, is not registered under the trust company legislation of any jurisdiction, as it does not carry on business as a trust company. The Trust Units are not "deposits" within the meaning of the *Canada Deposit Insurance Corporations Act* (Canada) and are not insured under the provisions of that Act or any other legislation.

Conflict of Interest

The Portfolio Manager and its directors and officers and the directors and officers of the Administrator and their respective affiliates and associates may engage in the promotion, management or investment management of any other fund or trust which invests primarily in royalty trusts, income funds, real estate investment trusts, limited partnerships, debt instruments and equity instruments.

Although each of the directors or officers of the Administrator intends to devote as much time as is necessary to supervise the management of (in the case of the directors), or to manage the business and affairs of (in the case of officers), the Administrator and the Trust, none of them will devote his or her full time to the business and affairs of the Trust or the Administrator.

Securities Lending

The Trust may engage in securities lending. Although the Trust will receive collateral for the loans and such collateral will be marked to market, the Trust will be exposed to the risk of loss should the borrower default on its obligation to return the borrowed securities and the collateral is insufficient to reconstitute the portfolio of loaned securities.

Merger with Another Fund

Pursuant to the Declaration of Trust, in addition to termination by prior approval of at least 66 2/3% of Unitholders present in person or by proxy at a duly convened meeting of Unitholders called to consider such termination, the Trust may be terminated without Unitholder approval in connection with a merger or other combination or consolidation of the Trust with any one or more funds within the EnerVest Group of Funds.

Redemption Rights

If the Trust is called upon to redeem Trust Units, there is a risk that the Trust's liquidity position could be adversely affected as it may not be possible to convert all of the Trust's assets to cash. In such a circumstance, certain assets of the Trust will be distributed in kind. It is possible that assets of the Trust delivered to Unitholders in connection with the termination of the Trust will not be listed on any stock exchange and that no market will develop for such assets. Assets so distributed may be subject to resale restrictions under applicable securities laws and may not be qualified investments for registered retirement savings plans, registered retirement income funds, deferred profit sharing plans and registered education savings plans which would have adverse tax consequences to such plans and/or their annuitants or beneficiaries.

REMUNERATION OF DIRECTORS, OFFICERS AND TRUSTEES

EnerVest as a trust does not have any directors, officers or employees. The Administrator does have directors and officers (see discussion under "Responsibility for Trust Operations - Directors and Officers of the Administrator") but does not have any employees or consultants that receive compensation from the Administrator or from any subsidiary of the Administrator. EnerVest pays the Administrator a monthly administration fee (see discussion under "Responsibility for Trust Operations – Administrative Services Agreement") and EnerVest reimburses the Administrator for all expenses incurred on EnerVest's behalf by the Administrator in connection with the operation and administration of EnerVest.

Only independent directors of the Manager are paid a fee for their services as directors. Currently independent directors are paid an aggregate fee of \$5,000 per annum in respect of the Manager's activities on behalf of the entire EnerVest Group.

For the fiscal year ended December 31, 2009, the Trustee was paid \$35,225 for carrying out the duties of trustee of EnerVest. See discussion under "Trustee of EnerVest".

For the fiscal year ended December 31, 2009, the members of the Independent Review Committee, as a group, were paid \$1,349 for carrying out the duties of the independent review committee of EnerVest.

MATERIAL CONTRACTS

The Trust's material contracts are as follows:

1. The Declaration of Trust. See page 11 for details of the Declaration of Trust.

2. The Administrative Services Agreement. See page 21 for details of the Administrative Services Agreement.
3. The Investment Management Agreement. See page 23 for details of the Investment Management Agreement.
4. The Assignment Agreement. See page 23 for details of the Assignment Agreement.
5. The Custodian Agreement. See page 25 for details of the Custodian Agreement.
6. The credit facility effective April 27, 2009, the Trust, as borrower, and a Canadian financial institution, as lender, for an amount up to \$2.0 million.

These agreements are available for inspection at the office of the Administrator during normal business hours.

LEGAL AND ADMINISTRATIVE PROCEEDINGS

The Administrator is not aware of any material litigation outstanding, threatened or pending as of the date hereof by or against EnerVest, the Administrator or any of its affiliates.

PENALTIES AND SANCTIONS

No current director or officer or securityholder holding a sufficient number of securities of the Trust to affect materially the control of the Trust has been subject to: (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

OTHER MATERIAL INFORMATION

Securities Authorized for Issuance Under Equity Compensation Plans

EnerVest has no Units authorized for issuance under equity compensation plans.

Indebtedness of Directors and Executive Officers

No director or officer of the Administrator is at the date of this Annual Information Form indebted to EnerVest or was indebted to EnerVest at any time during the financial year completed December 31, 2009.

Appointment of Auditor

The auditors of EnerVest are PricewaterhouseCoopers LLP, Chartered Accountants, Suite 3100, 111 — 5th Avenue S.W., Calgary, Alberta. The auditors were appointed effective April 13, 2006.

ENERVEST ENERGY AND OIL SANDS TOTAL RETURN TRUST

Additional information about the Trust is available in the Trust's management reports of fund performance and financial statements. You can get a copy of these documents, at no cost by calling toll free 1-800-434-2796, from your dealer, by e-mail at info@envervest.com, or on our website at www.envervest.com.

These documents and other information about the Trust, such as information circulars and material contracts, are also available at www.sedar.com.

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