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Notice of Special Meeting of Unitholders and Management Information Circular

Special Meeting of Unitholders to be held on Monday, August 30, 2010.

Your Board of Directors of the Administrative Agent Unanimously Recommends that Unitholders VOTE:

FOR the Special Resolution

YOUR VOTE IS IMPORTANT.
VOTE YOUR PROXY TODAY.

SUSTAINABLE PRODUCTION ENERGY TRUST

August 6, 2010

Dear Unitholder:

You are invited to the Special Meeting of unitholders of the Fund ("**Unitholders**") to be held at Brookfield Place, 181 Bay Street, Suite 4400, Toronto, Ontario M5J 2T3 on August 30, 2010 at 8:30 a.m. The purpose of the meeting is to discuss the proposed reorganization of Sustainable Production Energy Trust (the "**Fund**"). The reorganization is intended to address the changes in the market place over the past few years and will involve broadening the current investment mandate, lower expenses and increasing liquidity.

Changes to the energy trust market in the past few years has increased the need for an expansion to the investment mandate of the Fund. The fluctuating market prices of natural gas in the last few years and the forthcoming changes to the tax treatment of income trusts which are scheduled to start on January 1, 2011, dictate the need for a reorganization of the Fund. Currently, the portfolio manager is required to maintain a prescribed percentage of holdings in oil and gas trusts and corporations. By broadening the mandate, we are better facilitating the portfolio manager to use its discretion with regards to investing in energy securities. As a result, the portfolio manager will be in a better position to adapt to the changes in the energy market and maintain current distribution levels.

As the Fund has decreased in size due to redemptions, it has seen an increase in per unit costs. In order to counter this, we plan on lowering per unit costs and improving liquidity by merging two additional energy funds into the Fund (the "**Continuing Fund**"). These funds are Energy Plus Income Fund and CGF Resource 2008 Flow-Through LP, both of which are also managed by the same portfolio manager as the Fund - Galileo Global Equity Advisors. By merging the funds, the Continuing Fund will have a larger market capitalization, resulting in lower costs per unit and increasing liquidity.

In order to achieve these proposed changes, the reorganization of the Fund must first be approved by Unitholders. Several features of the proposed reorganization are noted below:

1. **Galileo Continuing as Investment Manager**. Galileo Global Equity Advisors is a leading investment management firm based out of Toronto. Galileo will continue to serve as the portfolio manager for the Continuing Fund.

2. **Lower Expenses**. The Fund intends to merge two similar funds – Energy Plus Income Trust and CGF Resource 2008 Flow-Through LP – into it. In doing so, the Continuing Fund should benefit from reduced costs per unit.

3. **Broader Investment Mandate**. With the recent changes in the income trust market and the current decline in the price of natural gas, a broader investment mandate is necessary to provide more options for the portfolio manager. The investment strategy of the Continuing Fund will enable the portfolio manager to invest in a broader array of energy securities to better reflect the changing marketplace.

4. **Greater Liquidity and Continued TSX Listing.** Following the merger, the Continuing Fund is expected to have a significantly larger market capitalization. We expect that this could result in improved trading and liquidity for the units of the Fund.

5. **Warrants**. Unitholders in the Continuing Fund will be issued warrants at no cost that will allow them to acquire additional units of the Fund.

6. **Redemptions.** All Unitholders will be offered a special redemption privilege if the reorganization is approved. Unitholders who do not wish to hold units of the Continuing Fund will be able to redeem their units at net asset value.

7. **High Level of Distributions Maintained**. The Fund intends to continue paying a high level of monthly distributions.

We feel that the merger of the funds is in the best interest of all Unitholders and strongly encourage you to vote FOR the Special Resolution, including the reorganization of the Fund.

If you have any questions about the information contained in this circular or require assistance in completing the applicable form of proxy, please contact Kingsdale Shareholder Services Inc. by telephone at 1-877-659-1825 toll free in North America or (416) 867-2272 outside of North America or by email at contactus@kingsdaleshareholder.com.

Thank you for your ongoing support of and continued interest in the Fund.

Sincerely,

SUSTAINABLE PRODUCTION ENERGY TRUST,
by its administrative agent,
CROWN HILL CAPITAL CORPORATION

Wayne Pushka

President and Director

Vote FOR ☑ the Special Resolution

Special Redemption Right ONLY available if the Special Resolution is approved.

If you wish to redeem your units, notify your investment advisor.
Units issued upon the merger(s) and
redemption proceeds will be based on then prevailing NAVs.

NOTICE OF SPECIAL MEETING OF UNITHOLDERS AND MANAGEMENT INFORMATION CIRCULAR

SUSTAINABLE PRODUCTION ENERGY TRUST

SPECIAL MEETING OF UNITHOLDERS TO BE HELD ON AUGUST 30, 2010

August 6, 2010

SUSTAINABLE PRODUCTION ENERGY TRUST

NOTICE OF SPECIAL MEETING OF UNITHOLDERS

NOTICE IS HEREBY GIVEN of the Special Meeting (the "**Meeting**") of holders ("**Unitholders**") of units ("**Units**") of Sustainable Production Energy Trust (the "**Fund**") of which Crown Hill Capital Corporation is the administrative agent (the "**Administrative Agent**").

The Meeting will be held on August 30, 2010 at 8:30 a.m. (Toronto time) at Brookfield Place, 181 Bay Street, Suite 4400, Toronto, Ontario M5J 2T3. The purposes of the Meeting are:

1. to consider and, if thought appropriate, approve, with or without variation, a special resolution (the "**Special Resolution**") in the form attached as Appendix "A" to the accompanying management information circular (the "**Circular**") authorizing, among other things, a reorganization of the Fund (the "**Reorganization**") as described in the accompanying Circular including:

   (a) the merger of one or both of Energy Plus Income Trust ("**Energy Plus**") and CGF Resource 2008 Flow Through Limited Partnership (together with Energy Plus, the "**Merging Funds**") with the Fund (the "**Merger**"), the continuing entity to be named Energy Income Fund (the "**Continuing Fund**");

   (b) the creation of a special redemption right for Unitholders (the "**Cash Alternative**") permitting Unitholders who do not wish to remain invested in the Continuing Fund to have their units of the Continuing Fund redeemed at an amount equal to the net asset value per unit of the Continuing Fund as of the close of business on the Effective Date (as defined in the Circular), and any necessary amendments to the Fund's declaration of trust made as of August 29, 2005 (the "**Declaration of Trust**") to permit the creation of such special redemption right; and

   (c) the amendment of the Declaration of Trust to:

      (i) reflect the investment objectives, strategies and restrictions of the Continuing Fund;

      (ii) create an annual redemption right exercisable by unitholders of the Continuing Fund in substitution for the existing redemption features of the Fund commencing in November, 2011 pursuant to which the Continuing Fund will retire up to 10% of the public float of units of the Continuing Fund through such annual redemption combined with market purchases pursuant to the proposed on-going normal course issuer bid;

      (iii) replace the mandatory market purchase program with a normal course issuer bid procedure;

      (iv) govern the Continuing Fund under the laws of the Province of Ontario;

      (v) amend the matters that require unitholder approval, as further described under "Amendments to the Declaration of Trust - Unitholder Resolutions";

(vi) convert the role and responsibilities of the administrator of the Fund to that of a manager of the Continuing Fund; and

(vii) remove the administrative fee equal to 1.10% of average net asset value of the Fund and introduce a management fee equal to 0.70% of average net asset value of the Continuing Fund and an investment management fee paid directly by the Continuing Fund to the investment manager (the fee currently paid by the administrator to the investment manager is 0.40% of the average net asset value of the Fund);

(d) the termination of 2223785 Ontario Inc. as administrator of the Fund and the appointment of Crown Hill Capital Corporation as the manager and trustee of the Continuing Fund; and

2. to transact any other business which may properly come before the Meeting or any adjournment thereof.

As required under section 5.3 of National Instrument 81-107 — *Independent Review Committee for Investment Funds* ("**NI 81-107**"), the Administrative Agent presented the terms of the Special Resolution that may constitute a conflict of interest matter for the purposes of NI 81-107 to the Fund's independent review committee (the "**IRC**") for its recommendation. The IRC has reviewed the Special Resolution and, after due inquiry, recommends that the terms of the Special Resolution that may constitute a conflict of interest matter achieve a fair and reasonable result for the Fund.

NOTICE IS HEREBY FURTHER GIVEN that in the event the Meeting is adjourned because a quorum of Unitholders is not in attendance, or for any other reason, such adjourned meeting will be held on September 13, 2010 at 8:30 a.m. (Toronto time) at Brookfield Place, 181 Bay Street, Suite 4400, Toronto, Ontario M5J 2T3. The Unitholders present or represented by proxy at such adjourned meeting will form the necessary quorum for transacting the business before such adjourned meeting.

The specific details of the matters proposed to be put before the Meeting are set forth in the accompanying Circular.

To be effective, a proxy must be received by Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 9th Floor, North Tower, Toronto, Ontario M5J 2Y1, Canada, or by telephone at 1-866-732-VOTE (8683) or by internet at www.investorvote.com or by fax at 1-866-249-7775/(416) 263-9524 or by mail to Kingsdale Shareholder Services Inc. at 130 King Street West, Suite 2950, Toronto, Ontario M5X 1E2 or by fax at 1-866-545-5580/(416) 867-2271, not later than Thursday, August 26, 2010, at 8:30 a.m. (Toronto time) or, in the case of an adjournment of the Meeting, not less than 48 hours (excluding Saturdays, Sundays and civic or statutory holidays in the City of Toronto, Ontario) prior to the time of adjournment.

While it is expected that the solicitation will be primarily by mail, proxies may be solicited personally or by telephone by directors, officers and employees of the Administrative Agent at nominal cost. The Fund has engaged the services of Kingsdale Shareholder Services Inc. to provide solicitation services in connection with the Meeting. The cost of the solicitation of proxies for the Fund will be borne by the Fund. The information contained in this Circular is given as of July 29, 2010, unless otherwise specifically stated.

If you have any questions, please feel free to contact **Kingsdale Shareholder Services Inc.** by telephone at **1-877-659-1825** toll free in North America or **(416) 867-2272** outside of North America or by email at **contactus@kingsdaleshareholder.com**.

DATED at Toronto, Ontario this 6th day of August, 2010.

SUSTAINABLE PRODUCTION ENERGY TRUST,
by its administrative agent
CROWN HILL CAPITAL CORPORATION

Wayne Pushka

President and Director

SUSTAINABLE PRODUCTION ENERGY TRUST

MANAGEMENT INFORMATION CIRCULAR

TABLE OF CONTENTS

SUSTAINABLE PRODUCTION ENERGY TRUST

MANAGEMENT INFORMATION CIRCULAR

AUGUST 6, 2010

The information contained in this Management Information Circular (this "**Circular**") is furnished in connection with the solicitation by Crown Hill Capital Corporation (the "**Administrative Agent**") of proxies of Sustainable Production Energy Trust (the "**Fund**"), for use at the special meeting (the "**Meeting**") of holders of units ("**Units**") of the Fund (the "**Unitholders**") or any adjournment thereof. The Meeting will be held at Brookfield Place, 181 Bay Street, Suite 4400, Toronto, Ontario M5J 2T3, on August 30, 2010 at 8:30 a.m. (Toronto time) for the purposes set forth in the Notice of Special Meeting of Unitholders (the "**Notice**") accompanying this Circular. Except as otherwise stated herein, the information contained herein is given as of July 29, 2010.

GENERAL PROXY INFORMATION

Solicitation of Proxies

While it is expected that the solicitation will be primarily by mail, proxies may be solicited personally or by telephone by directors, officers and employees of the Administrative Agent at nominal cost. The Fund has also engaged the services of Kingsdale Shareholder Services Inc. to provide solicitation services in connection with the Meeting. The cost of the solicitation of proxies for the Fund will be borne by the Fund. The information contained in this Circular is given as of July 29, 2010, unless otherwise specifically stated.

If you have any questions about the information contained in this Circular or require assistance in completing the applicable form of proxy, please contact **Kingsdale Shareholder Services Inc.** by telephone at **1-877-659-1825** toll free in North America or **(416) 867-2272** outside of North America or by email at **contactus@kingsdaleshareholder.com**.

Appointment of Proxies, Voting Rights and Record Date

Registered Unitholders and NOBOs (as defined below) who wish to vote their Units should complete, execute and deliver by regular mail the enclosed form of proxy to Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 9th Floor, North Tower, Toronto, Ontario M5J 2Y1, Canada or by telephone at 1-866-732-VOTE (8683) or by internet at www.investorvote.com or by fax at 1-866-249-7775/(416) 263-9524 or by mail to Kingsdale Shareholder Services Inc., 130 King Street West, Suite 2950, Toronto, Ontario M5X 1E2 or by fax to 1-866-545-5580/(416) 867-2271. In order to be valid and acted upon at the Meeting, proxies shall be deposited with the Fund's transfer agent not later than Thursday, August 26, 2010, at 8:30 a.m. (Toronto time) or, in the case of an adjournment of the Meeting, not less than 48 hours (excluding Saturdays, Sundays and civic or statutory holidays in the City of Toronto, Ontario) prior to the time of adjournment. The chairman of the Meeting may, in his sole discretion, waive the requirement that proxies be received at least 48 hours prior to the commencement of the Meeting. In the event that the chairman waives such requirement, proxies may be deposited with the chairman of the Meeting on the day of the Meeting prior to the commencement thereof.

The record date for the Meeting has been established as July 20, 2010 (the "**Record Date**"). Each registered Unitholder is entitled to one vote at the Meeting for each Unit registered in the Unitholder's name at the close of business on the Record Date. Only Unitholders of record as at the Record Date are entitled to receive notice of and to vote in person or by proxy at the Meeting. As of July 29, 2010, the Fund had 2,967,887 Units issued and outstanding.

The individuals named in the accompanying form of proxy are officers and directors of the Administrative Agent. You have the right to appoint a person other than the officers and directors named in the accompanying form of proxy to represent you at the Meeting by inserting such person's name in the blank space provided in the form of proxy delivered with this Circular and delivering the completed proxy as set forth above. A person acting as a proxyholder need not be a Unitholder.

Revocability of Proxies

Registered Unitholders and NOBOs may revoke a proxy given for use at the Meeting at any time prior to its use. In addition to revocation in any other manner permitted by law, registered Unitholders and NOBOs may revoke a proxy before it is used by depositing an instrument in writing executed by you or your attorney authorized in writing, or, where the Unitholder is a corporation, by a duly authorized officer or attorney of the corporation, with (i) Computershare Investor Services Inc. at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or (ii) the chairman of the Meeting on the day of the Meeting or any adjournment thereof, prior to the commencement of the Meeting.

To exercise the right to revoke a proxy, an OBO (as defined below) who has completed a proxy (or a voting instruction form, as applicable) should carefully follow the instructions provided by the intermediary.

Non-Registered Unitholders

Non-registered Unitholders who have not objected to their intermediary disclosing certain ownership information about themselves to the Fund are referred to as "**NOBOs**". Non-registered Unitholders who have objected to their intermediary disclosing the ownership information about themselves to the Fund are referred to as "**OBOs**".

In accordance with the requirements of National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**"), the Fund is sending the Meeting materials directly to the NOBOs and, indirectly, through intermediaries to the OBOs.

Meeting Materials Received by OBOs from Intermediaries

The Fund has distributed copies of the Meeting materials to intermediaries for distribution to OBOs. Intermediaries are required to deliver these materials to all OBOs of the Fund who have not waived their rights to receive these materials, and to seek instructions as to how to vote their Units. Often, intermediaries will use a service company (such as Broadridge Financial Solutions, Inc.) to forward the Meeting materials to OBOs.

OBOs who receive Meeting materials will typically be given the ability to provide voting instructions in one of two ways:

(a) Usually, an OBO will be given a voting instruction form which must be completed and signed by the OBO in accordance with the instructions provided by the intermediary. In this case, instructions provided by the intermediary must be followed.

(b) Occasionally, however, an OBO may be given a proxy that has already been signed by the intermediary. This form of proxy is restricted to the number of Units owned by the OBO but is otherwise not completed. This form of proxy does not need to be signed by the OBO but must be completed by the OBO and returned to Computershare Investor Services Inc., in the manner described above for registered Unitholders and NOBOs.

The purpose of these procedures is to allow OBOs to direct the proxy voting of the Units that they own but that are not registered in their name. Should an OBO who receives either a form of proxy or a voting instruction form wish to attend and vote at the Meeting in person (or have another person attend and vote on their behalf), the OBO should strike out the persons named in the form of proxy as the proxy holder and insert the OBO's (or such other person's) name in the blank space provided or, in the case of a voting instruction form, follow the corresponding instructions provided by the intermediary. **In either case, OBOs who received Meeting materials from their intermediary should carefully follow the instructions provided by the intermediary.**

Meeting Materials Received by NOBOs from the Fund

As permitted under NI 54-101, the Fund has used a NOBO list to send the Meeting materials directly to the NOBOs whose names appear on that list. If you are a NOBO and the Fund's transfer agent, Computershare Investor Services Inc., has sent these materials directly to you, your name and address and information about your holdings of the Fund have been obtained from the intermediary holding such units on your behalf in accordance with applicable securities regulatory requirements.

By choosing to send these materials to you directly, the Fund (and not the intermediary holding those Units on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. The intermediary holding those Units on your behalf has appointed you as the proxyholder of such units, and therefore you can provide your voting instructions by completing the proxy included with this Circular. Please refer to the information under the headings "Appointment of Proxies, Voting Rights and Record Date" and "Revocability of Proxies" for a description of the procedure to return a proxy, your right to appoint another person or company to attend the Meeting, and your right to revoke the proxy.

Exercise of Discretion by Proxy

The Units represented by proxies which are hereby solicited (if properly executed and deposited) will be voted at the Meeting and, where a choice is specified with respect to any matter to be acted upon, such Units will be voted in accordance with the specification so made. **In the absence of such specification, Units will be voted FOR the proposed special resolution in the form attached as Appendix "A" (the "Special Resolution"). The accompanying form of proxy also confers discretionary authority upon the persons named in the proxy with respect to amendments to or variations of the matters set out in the accompanying Notice and with respect to other matters that may properly come before the Meeting**. As of the date of this Circular, the Administrative Agent does not know of any such amendments, variations or other matters that may properly come before the Meeting. However, if any such amendments, variations or other matters are properly brought before the Meeting, the persons named in the accompanying form of proxy will vote on such matters in accordance with their best judgment.

QUORUM FOR THE TRANSACTION OF BUSINESS

Pursuant to the declaration of trust made as of August 29, 2005 (the "**Declaration of Trust**") the quorum for any meeting of Unitholders called to consider a matter requiring the approval of Unitholders by way of a special resolution is two or more Unitholders present in person or represented by proxy holding not less than ten percent (10%) of the Units then outstanding. If a quorum is not present for the Meeting as at the appropriate time of 9:00 a.m. (Toronto time) on August 30, 2010, the Meeting will be adjourned to September 13, 2010 at 8:30 a.m. (Toronto time) at the same place as the original Meeting. The Unitholders present in person or represented by proxy at such adjourned meeting will form the necessary quorum and any proxy properly submitted prior to the time called for the Meeting will, unless revoked in the manner described above, be effective at the adjourned meeting.

REQUIRED UNITHOLDER APPROVAL FOR THE SPECIAL RESOLUTION

The Declaration of Trust requires that any change to the Fund's investment objectives or the provisions or rights attaching to the Units be approved by Unitholders by a special resolution. The Special Resolution will result in modifications to the investment objectives of the Fund and various rights attaching to the Units (for instance, the introduction of an annual redemption right), as well as terminating the administrative services agreement and appointing a new manager of the Fund, therefore, it must be approved by Unitholders by a special resolution. A special resolution must be passed by an affirmative vote of at least 75% of the votes cast in person or by proxy at a meeting of Unitholders called for the purpose of approving such special resolution. Therefore, the affirmative votes of three-quarters of Unitholders voting at the Meeting in person or by proxy will be required for passage of the Special Resolution.

PRINCIPAL HOLDERS OF UNITS

To the knowledge of the Fund, the Administrative Agent and the directors and officers of the Administrative Agent, no person or company beneficially owns, directly or indirectly, or exercises control or direction over Units carrying more than 10% of the voting rights attached to all of the issued and outstanding Units.

EXPENSES OF THE PROPOSALS

Whether or not the Special Resolution is approved, all costs and expenses incurred in connection with the Meeting (or any adjournment thereof) will be borne by the Fund.

TERMINATION OF THE PROPOSAL

The Administrative Agent may, without further notice to, or action on the part of, Unitholders, determine not to proceed with the transactions contemplated by the Special Resolution if the Administrative Agent determines in its sole judgment that it would be inadvisable for the Fund to proceed with the matters contemplated by the Special Resolution.

IF THE SPECIAL RESOLUTION IS NOT APPROVED

If the Special Resolution is not approved, it is unlikely that the benefits set out herein will be achieved in a timely fashion, if at all, and there is a possibility that the Fund will incur a loss. If the Special Resolution is not approved, the Administrative Agent intends to continue to operate the Fund pursuant to its current provisions.

SPECIAL MEETING BUSINESS

The purpose of this Meeting of Unitholders of the Fund, Sustainable Production Energy Trust, is to consider and, if thought appropriate, to approve the Special Resolution in the form attached as Appendix "A" to this Circular approving:

(a) the merger of one or both of Energy Plus Income Trust ("**Energy Plus**") and CGF Resource 2008 Flow Through Limited Partnership ("**CGF Resource**", together with Energy Plus, the "**Merging Funds**") with the Fund (the "**Merger**"), the continuing entity to be named Energy Income Fund (the "**Continuing Fund**"),

(b) the creation of a special redemption right for Unitholders (the "**Cash Alternative**") permitting Unitholders who do not wish to remain invested in the Continuing Fund

to have their units of the Continuing Fund redeemed at an amount equal to the net asset value per unit of the Continuing Fund as of the close of business on the Effective Date (as defined below), and any necessary amendments to the Declaration of Trust to permit the creation of such special redemption right,

(c) the amendment of the Declaration of Trust to reflect the investment objectives, strategies and restrictions of the Continuing Fund, create an annual redemption right exercisable by unitholders of the Continuing Fund in substitution for the existing redemption features of the Fund commencing in November, 2011, replace the mandatory market purchase program with a normal course issuer bid procedure, govern the Continuing Fund under the laws of the Province of Ontario and amend the matters that require unitholder approval (the "**Amendments**" and, together with the Merger and the Cash Alternative, the "**Reorganization**"),

(d) the amendment of the Declaration of Trust to convert the role and responsibilities of the administrator of the Fund to that of a manager of the Fund,

(e) the amendment of the Declaration of Trust to remove the administrative fee equal to 1.10% of average net asset value of the Fund and in its place, (i) introduce a management fee payable by the Continuing Fund to the manager equal to 0.70% of average net asset value of the Continuing Fund, and (ii) an investment management fee payable directly by the Continuing Fund to the investment manager (the fee currently paid by the administrator to the investment manager is 0.40% of the average net asset value of the Fund), and

(f) the termination of 2223785 Ontario Inc. as administrator of the Fund and the appointment of Crown Hill Capital Corporation ("**Crown Hill**") as the trustee and manager of the Continuing Fund (the "**Manager**").

Subject to the fulfilment of the conditions to the Merger set out herein, the Merger is expected to occur on or about September 29, 2010, or such other date (the "**Effective Date**") determined by Crown Hill as the Administrative Agent of the Fund. The Administrative Agent may also choose to merge each of the Merging Funds into the Continuing Fund on separate dates. In the event that the Merging Funds are merged into the Continuing Fund on separate dates, the Effective Date shall be the earlier of the separate dates on which a merger of the Merging Funds take place. Unitholders will become unitholders of the Continuing Fund.

BENEFITS OF THE REORGANIZATION

The Administrative Agent believes that the Reorganization, if approved by Unitholders, will result in the following benefits:

1. Cash Alternative

Upon completion of the Merger, unitholders of the Continuing Fund who do not wish to remain invested in the Continuing Fund will be entitled to the Cash Alternative, allowing them to have their units of the Continuing Fund redeemed at an amount equal to the net asset value per unit of the Continuing Fund as of the close of business on the Effective Date.

2. Continued High Level of Monthly Distributions

Upon completion of the Merger, it is the intention of the Manager to continue paying a high level of monthly distributions with the first distribution payable to unitholders of record of the Continuing Fund at the close of business on the last business day of the month in which the Merger takes place. There will be no interruption in the flow of monthly distributions as a result of the Merger. Based on an estimate of the distributable income generated by the current portfolio of the Merging Funds, the Manager expects that the Continuing Fund will distribute a monthly amount equivalent of approximately 6.4% of current net asset value per year.

3. Greater Liquidity

The Continuing Fund will have a significantly larger market capitalization than the Fund. This larger market capitalization is expected to result in greater liquidity of units of the Continuing Fund.

4. Reduction in per Unit Operating Costs

Following the Merger, it is expected that fund operating costs on a per Unit basis will potentially be reduced because such fund operating costs will be allocated over a more substantial unit base. Cost savings will also be realized by taking advantage of economies of scale available to funds with greater asset bases. Any savings will be passed on to Unitholders. Also, by combining the roles of manager and trustee of the Continuing Fund, the Continuing Fund saves money on not having to pay for a separate trustee.

5. Warrant Issuance

Following the Merger, the Continuing Fund will also issue warrants to unitholders in the Continuing Fund at no costs to enable such unitholders to acquire additional units of the Continuing Fund. The terms of the warrants will be announced by the Manager after the implementation of the Reorganization. The issuance of warrants will provide investors with the opportunity to benefit from increases in the value per unit of the Continuing Fund.

6. Flexibility and Liquidity for Unitholders

The Administrative Agent proposed the Merger with a view to providing Unitholders with an opportunity to participate in a closed end investment fund with greater liquidity, potentially reduced operating costs and an expanded investment objective and strategy. The Administrative Agent recognizes that some Unitholders may, nonetheless, prefer to redeem their investment. To accommodate this, the Fund is offering Unitholders the Cash Alternative.

DETERMINATION OF THE ADMINISTRATIVE AGENT

Recommendation of the Board of Directors of the Administrative Agent

The board of directors of the Administrative Agent has unanimously determined that the proposed Special Resolution is in the best interests of the Fund and the Unitholders.

The board of directors of the Administrative Agent believes that this opportunity should be offered to Unitholders for their consideration. In arriving at this determination, the board of directors considered, among other things, the reasons set forth above. The full text of the form of the Special Resolution to be passed by Unitholders approving the Reorganization is annexed hereto as Appendix "A".

The board of directors of the Administrative Agent unanimously recommends that Unitholders vote FOR the Special Resolution set forth in the attached Appendix "A", approving the Reorganization and appointing Crown Hill as the trustee and manager of the Fund.

The board of directors of the Administrative Agent makes no recommendation regarding whether any Unitholder should continue to hold their Units or sell their Units in the market. These are determinations that each Unitholder should make in consultation with his or her financial advisors.

DETERMINATION OF THE INDEPENDENT REVIEW COMMITTEE

As required under section 5.3 of National Instrument 81-107 — *Independent Review Committee for Investment Funds* ("**NI 81-107**"), the Administrative Agent presented the terms of the Special Resolution that may constitute a conflict of interest matter for the purposes of NI 81-107 to the Fund's independent review committee (the "**IRC**") for its recommendation. Please see "DETAILS OF THE REORGANIZATION". The IRC reviewed such conflict of interest and other matters it considered necessary or relevant and, having regard to, among other things, the process proposed for implementing the Special Resolution, including the requirement to obtain Unitholder approval, after due enquiry recommends that the terms of the Special Resolution that may constitute a conflict of interest achieve a fair and reasonable result for the Fund. While the IRC has considered and reviewed the Special Resolution as required by NI 81-107, it is not the role of the IRC to recommend that Unitholders vote in favour of the Special Resolution. Accordingly, Unitholders should review the specifics of the Special Resolution and make their own decision.

DETAILS OF THE REORGANIZATION

Description of the Merger

The Unitholders will become unitholders of the Continuing Fund on the Effective Date, subject to the fulfillment of the conditions to the Merger described below under "Conditions to the Merger". The following events will occur in chronological order:

- The net asset value of the portfolio of the Fund will be determined on the Effective Date (or, in the event that the mergers of each of the Merging Funds take place on separate dates, on each of those separate dates) in accordance with the Declaration of Trust.
- The Fund will acquire the investment portfolios and other assets of the Merging Funds on the Effective Date (or, in the event that the mergers of each of the Merging Funds take place on separate dates, on each of those separate dates) and will not assume any liabilities of the Merging Funds, which will retain sufficient assets to satisfy estimated liabilities, if any.
- Each of the Merging Funds will receive units of the Continuing Fund with an aggregate net asset value equal to the respective value of the portfolio assets and other assets that the Continuing Fund will be acquiring from the Merging Fund as at the close of business on the business day immediately prior to the Effective Date (or, in the event that the mergers of each of the Merging Funds take place on separate dates, at the close of business of each of the business days prior to each of those separate dates). No fractional units of the Continuing Fund will be issued and all fractions will be rounded down to the nearest whole number.
- Upon receipt of units of the Continuing Fund, the Merging Funds will distribute the units of the Continuing Fund received to their unitholders in exchange for the units of the Merging Funds. Each unitholder will receive units of the Continuing Fund equal in value to the net asset value of his or her units of the Merging Fund as of the close of business on the business day

immediately prior to the Effective Date (or, in the event that the mergers of each of the Merging Funds take place on separate dates, at the close of business of each of the business days prior to each of those separate dates). No fractional units of the Continuing Fund will be issued and all fractions will be rounded down to the nearest whole number.

- The Cash Alternative will be made available to the unitholders of the Continuing Fund on a business day to be determined by the Manager and in any event no later than one week after the Effective Date. Such business day will be after the Effective Date. The Manager will announce such business day by way of a press release.
- The Merging Funds will continue until wound up by the Manager.
- The Continuing Fund will continue trading on the Toronto Stock Exchange (the "**TSX**") and will trade under the symbol SPU.UN or such other symbol as may be approved by the TSX.

The Merger is expected to provide Unitholders with the opportunity to hold an investment in an entity that has a larger market capitalization, the potential for increased liquidity and lower per unit operating costs.

Conditions to the Merger

The completion of the Merger will be subject to a number of conditions which must be satisfied on or before the Effective Date including:

- approval of the Special Resolution by Unitholders;
- completion of the conditions set out in Section 604(g) of the TSX Company Manual with regards to Energy Plus including (a) approval of the independent review committee of Energy Plus, and (b) unitholders of Energy Plus being provided a redemption right for cash proceeds which are not less than net asset value, together with not less than 20 business days notice by press release including a description of such redemption right and the transaction;
- approval of the Merger by unitholders of CGF Resource by a resolution passed by the appropriate majority of such unitholders; and
- conditional approval by the TSX of the listing of the Continuing Fund.

In the event that the unitholders of CGF Resource do not approve the Merger, CGF Resource shall not be merged into the Fund.

Cash Alternative

The Cash Alternative will permit Unitholders who do not wish to remain unitholders of the Continuing Fund to have their units redeemed for an amount in cash equal to 100% of the net asset value per unit of their units of the Continuing Fund determined on the close of business on the Effective Date (the "**Redemption Amount**").

Unitholders of the Continuing Fund who wish to redeem their units of the Continuing Fund under the Cash Alternative must ensure that the request to redeem their units of the Continuing Fund is received by no later than the close of business on Thursday, August 26, 2010.

Please note that if you exercise the right to receive the Cash Alternative you are not obliged to exercise such right in respect of all units of the Continuing Fund that you own.

Payment in respect of the Cash Alternative will be made as soon as practically possible and in any event no later than one week after the Effective Date, on a business day to be determined by the Manager

and announced by a press release. The Continuing Fund will pay interest calculated at the prime rate on all amounts payable to Unitholders redeeming pursuant to the Cash Alternative. If the Special Resolution is approved, the Declaration of Trust will be amended to facilitate the Cash Alternative.

Warrant Issuance

The Fund will also issue warrants to acquire additional units of the Continuing Fund. The terms of the warrants will be announced by the Manager after the implementation of the Reorganization. The issuance of warrants will provide investors with the opportunity to benefit from increases in the value per unit of the Continuing Fund.

The Special Resolution

You are being asked to consider and, if thought appropriate, approve, with or without variation, the Special Resolution in the form attached as Appendix "A".

Effect of the Reorganization

It is anticipated that the Reorganization will allow the Continuing Fund to continue its investment activities with assets under management much greater than the Fund thus achieving economies of scale and potentially reducing operating costs on a per unit basis.

DESCRIPTION OF THE CONTINUING FUND

Overview of the Structure of the Continuing Fund

Following the Merger, the Fund will continue as the Continuing Fund and will change its name to "Energy Income Fund". The Continuing Fund will be a closed end investment trust governed under the laws of the Province of Ontario pursuant to the amended and restated Declaration of Trust, which will be amended and restated to address the changes described in this Circular.

The Fund's principal office will continue to be located at 141 Adelaide Street West, Suite 1006, Toronto, Ontario, M5H 3L5.

Crown Hill shall be appointed the trustee and manager of the Continuing Fund and the investment manager of the Continuing Fund shall be Galileo Global Equity Advisors Inc. ("**Galileo Global**"), who is currently the investment manager of the Fund (the "**Investment Manager**"). The membership of the independent review committee of the Continuing Fund shall be identical to the IRC of the Fund. See "INDEPENDENT REVIEW COMMITTEE - The IRC".

Listing on a Stock Exchange

Assuming it obtains the required approvals, the Continuing Fund shall continue to list on the TSX and shall trade under the symbol "SPU.UN" or such other symbol as may be approved by the TSX.

Consequence of the Merger

As a consequence of the Merger, Unitholders of the Fund and unitholders of the Merging Funds shall become unitholders of the Continuing Fund in proportion to the value of their holdings prior to the Merger. Immediately following the Merger, the Continuing Fund will hold the aggregate assets of the Fund and the Merging Funds immediately prior to the Merger. It is expected that the Investment Manager will adjust the holdings of the Continuing Fund in an orderly manner following the Merger such that the portfolio of the Continuing Fund best reflects the investment objectives, investment strategies and

investment restrictions of the Continuing Fund. Following the Reorganization, it is expected that unitholders of the Continuing Fund will continue to receive stable monthly distributions.

Securities Law Matters

The Continuing Fund will not be considered to be a mutual fund under the securities legislation of the provinces and territories of Canada. Consequently, the Continuing Fund will not be subject to the various policies and regulations that apply to mutual funds under such legislation, notably National Instrument 81-102 – *Mutual Funds* ("**NI 81-102**"). The Continuing Fund will be subject to certain other requirements and restrictions contained in applicable securities laws, including National Instrument 81-106 – *Investment Fund Continuous Disclosure* ("**NI 81-106**"), which governs the continuous disclosure obligations of investment funds such as the Continuing Fund, and NI 81-107, which governs the formation, composition and function of independent review committees of investment funds. The Continuing Fund will be managed in accordance with those applicable requirements and restrictions.

Description of Units of the Continuing Fund

The Continuing Fund will be authorized to issue an unlimited number of transferable, redeemable units of beneficial interest, each of which represents an equal, fractional, undivided interest in the net assets of the Continuing Fund. Units of the Continuing Fund may only be issued as fully paid and non-assessable.

All units of the Continuing Fund will be entitled to participate: (i) equally with respect to any and all distributions made by the Continuing Fund to unitholders of the Continuing Fund including distributions of net income and net realized capital gains, when and as declared, and (ii) on a *pro rata* basis, in distributions upon the termination or liquidation of the Continuing Fund, of all of the assets of the Continuing Fund remaining after payment of all debts, liabilities and liquidation expenses of the Continuing Fund.

All units of the Continuing Fund will rank among themselves equally and rateably without discrimination, preference or priority.

At all meetings of unitholders of the Continuing Fund, each holder of units of the Continuing Fund entitled under the amended and restated Declaration of Trust to vote thereat will have one vote for each whole unit of the Continuing Fund held.

Investment Objectives, Strategies and Restrictions of the Continuing Fund

The Declaration of Trust of the Fund shall be amended such that the Continuing Fund will, in addition to its new name and the adoption of the Cash Alternative, differ from the Fund in the following respects:

Investment Objectives

The investment objectives of the Continuing Fund are:

(a) to provide unitholders with monthly cash distributions; and

(b) to achieve a total return on the Portfolio (defined below) of the Continuing Fund that is greater than the total return provided by a benchmark index (the "**Benchmark Index**") as selected by the Manager, from time to time.

The initial Benchmark Index will be the S&P/TSX Capped Energy Trust Index.

Investment Strategies

1. The Continuing Fund shall invest its assets in a portfolio ("**Portfolio**") comprised of securities ("**Portfolio Securities**"), without reference to any specific issuer or security, among the asset classes as set out below and subject to compliance with the investment restrictions of the Continuing Fund.

   Asset Classes

   (i) Oil and Gas Trusts;

   (ii) Energy Securities;

   (iii) Other Resource Securities; and

   (iv) Cash and Short Term Investments.

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

2. The assets of the Continuing Fund and any monies available for reinvestment at any time shall be invested by the Investment Manager in accordance with the investment policies and the Continuing Fund's investment objectives, strategy and restrictions as expeditiously as prudent investment practice permits.

Investment Restrictions

1. Unless otherwise specified in the below investment restrictions, if a percentage restriction on investment or use of assets set forth below as an investment restriction is adhered to at the time of the transaction, later changes to the market value of an investment or of the total assets of the Continuing Fund, will not be considered a violation of the restriction (except for the restrictions in subsections (b), (c) and (e) below which must be complied with at all times and which may necessitate the selling of securities from time to time). If the Continuing Fund receives from an issuer subscription rights to purchase securities of that issuer, and if the Continuing Fund exercises such subscription rights at a time when the Portfolio holdings of securities of that issuer would otherwise exceed the limits set forth below, it will not constitute a violation if, prior to receipt of securities upon exercise of such rights, the Continuing Fund has sold at least as many securities of the same class and value as would result in compliance with the restriction. Except as otherwise provided herein, the Continuing Fund will not:

   (a) borrow money, except that the Continuing Fund may borrow in accordance with the provisions under "Power to Borrow".

   (b) make any investment that would result in the Continuing Fund failing to qualify as a "unit trust" within the meaning of the Tax Act;

   (c) enter into agreements that could give rise to tax liability under section 207.1(5) of Part XI.I of the Tax Act;

   (d) hold securities of any non-resident entity that would be subject to the application of the non-resident trust rules in proposed section 94 of the Tax Act or the foreign investment

entity rules in proposed sections 94.1 to 94.4 of the Tax Act (or amendments to such proposals, provisions as enacted into law or successor provisions thereto);

(e) make or hold any investment that would result in the Continuing Fund failing to qualify as a "mutual fund trust" within the meaning of the Tax Act;

(f) purchase real estate or real estate mortgage loans, other than through the ownership of securities issued by issuers that invest in real estate; or

(g) act as an underwriter except to the extent that the Continuing Fund may be deemed to be an underwriter in connection with the sale of securities issued by the Continuing Fund or securities in its Portfolio.

2. If any regulatory authority having jurisdiction over the Continuing Fund or any property of the Continuing Fund enacts any law, regulation or requirement that is in conflict with any investment restriction then in force, such investment restriction in conflict will, if the Manager on the advice of counsel to the Continuing Fund so resolves, be deemed to have been amended to the extent necessary to resolve any such conflict, and any such amendment will not require the approval of or notice to the unitholders of the Continuing Fund, whether or not such amendment is material.

Power to Borrow

1. The Manager has the power to:

(a) borrow money and incur indebtedness (which for these purposes includes, without limitation, borrowing on margin, issuing notes or other securities and entering into agreements and arrangements, including trust indentures and incurring indebtedness for various purposes including purchasing securities in accordance with the Investment Strategy and subject to the Investment Restrictions, effecting market purchases and retractions of units of the Continuing Fund, paying fees and expenses of the Continuing Fund, and for working capital purposes); and

(b) charge, mortgage, hypothecate, pledge and/or grant security interests in, free and clear from any and all trusts, all or any of the then currently owned or subsequently acquired property of the Continuing Fund, to secure such borrowed funds, indebtedness or guarantee or the performance of any obligation of the Continuing Fund under any contract or agreement of the Continuing Fund, which powers specifically include the power to enter into, draw upon and comply with the terms and conditions of the one or more loan facilities obtained by the Continuing Fund to be used for the purposes described in this sub paragraph ("**Loan Facility**").

2. Notwithstanding the above, the Continuing Fund may not borrow in excess of 20% of the total assets of the Continuing Fund for the purpose of purchasing securities to be included in the Portfolio, effecting market purchases and retractions of units of the Continuing Fund, and paying fees and expenses of the Continuing Fund and, in the event that the total amount borrowed by the Continuing Fund at any time exceeds 20% of the total assets of the Continuing Fund, the Manager and/or any Investment Manager will sell investments of the Continuing Fund in an orderly manner and use the proceeds therefrom to reduce the outstanding indebtedness so that the amount borrowed by the Continuing Fund for such purposes does not exceed 20% of the total assets of the Continuing Fund.

3. The Continuing Fund may refinance the Loan Facility through borrowings or through the issuance of other debt or debt-like instruments.

Distribution Policy

On a monthly basis, cash distributions will be declared and each unitholder of record of the Continuing Fund, at the close of business on the last business day of that month (the "**Distributions Record Date**"), will be entitled to receive its *pro rata* portion of any monthly distribution paid by the Continuing Fund plus the Unitholder's *pro rata* share of any further cash distributions declared by the Continuing Fund as of the relevant Distributions Record Date. The monthly distribution is payable on the 15th day of the subsequent month or, if such day is not a business day, the next business day. The Continuing Fund will include in each monthly distribution one-third of the quarterly distribution expected to be received from those Canadian income funds included in the Portfolio which pay distributions on a quarterly basis. Unitholders will be entitled to participate equally in respect of each unit of the Continuing Fund held with respect to any and all distributions made by the Continuing Fund.

Distributions over the life of the Continuing Fund will primarily be derived from distributions and net realized capital gains from the Portfolio and, in certain circumstances, by returning capital.

Unitholders of the Continuing Fund will be entitled to receive declared distributions if they were Unitholders of record as of 5:00 p.m. (Toronto time) on the relevant Distributions Record Date. Any declared distributions will be made on each distribution date, and calculated as at the close of business on the immediately preceding Distributions Record Date.

The distributions received by the Continuing Fund from issuers whose securities are held in the Portfolio may vary from month to month and certain of these issuers may pay distributions less frequently than monthly, with the result that the monthly cash available for distribution to unitholders of the Continuing Fund could vary substantially and there can be no assurance that the Continuing Fund will make any distributions in any particular month or months.

The Continuing Fund has also adopted a distribution reinvestment plan and optional trust unit purchase plan (the "**Plan**") pursuant to which distributions paid to unitholders of the Continuing Fund may be reinvested automatically on each unitholder's behalf at the option of such unitholder to purchase additional units of the Continuing Fund in accordance with the Plan. Subject to the terms and conditions of the Plan and applicable securities laws, unitholders of the Continuing Fund may also apply additional cash payments towards the purchase of additional units of the Continuing Fund under the Plan. Notwithstanding the availability of the Plan, all distributions to non-resident unitholders of the Continuing Fund are paid in cash and may not be reinvested.

Amendments to the Declaration of Trust.

Annual Redemption Provisions

In substitution for the existing redemption features of the Fund, on an annual basis commencing in November, 2011, unitholders of the Continuing Fund will be entitled to redeem units such that the Continuing Fund will retire 10% of the public float of units of the Continuing Fund through such annual redemption combined with market purchases pursuant to the proposed on-going normal course issuer bid. Unitholders of the Continuing Fund are entitled to retract their units outstanding on the last business day of each month at an amount equal to (a) the lesser of: (i) 90% of the weighted average trading price of a unit during the preceding 15 trading days and (ii) the closing market price on that day, less (b) any retraction costs. As well, the board of directors of the Manager may set a date on which units will be retracted at the

transactional net asset value per unit of the Continuing Fund which may differ from the reported net asset value per unit.

Normal Course Issuer Bid

The Continuing Fund will, subject to regulatory approvals, replace the mandatory market purchase program with a normal course issuer bid procedure to permit the Continuing Fund to purchase up to 10% of the outstanding units of the Continuing Fund on the TSX from time to time. The Continuing Fund may purchase units in the market for cancellation if the Manager determines that such purchases are accretive to unitholders of the Continuing Fund. The Continuing Fund may not purchase more than 2% of the outstanding units of the Continuing Fund in any 30 day period. Units purchased will be cancelled.

Governing Law

The Declaration of Trust shall be amended so that the Continuing Fund shall be governed under the laws of the Province of Ontario instead of the Province of Alberta. Subsequent to the amendment, the rights of all parties and the validity, construction and effect of every provision of the amended and restated Declaration of Trust shall be subject to and construed according to the laws of the Province of Ontario. Any court of competent jurisdiction in the Province of Ontario shall have exclusive jurisdiction in all matters respecting the creation, administration and enforcement of the Continuing Fund.

Service Fees

The "**Service Fee**", which is calculated quarterly and paid to dealers at the end of each calendar quarter equal to not more than 0.40% annually of the net asset value of Units held by clients of sales representatives of such dealers, plus applicable taxes, will be removed. The other fees and commissions not discussed in this Circular will remain as described in the Declaration of Trust.

Unitholder Resolutions

The following may only be undertaken with the approval of the unitholders of the Continuing Fund by an extraordinary resolution (which must be passed by an affirmative vote of at least 66 $^{2}/_{3}$% of the votes cast in person or by proxy at a meeting of unitholders called for the purpose of approving such extraordinary resolution):

(a) a change in the investment objectives of the Continuing Fund;

(b) a change in the investment restrictions of the Continuing Fund unless such changes are necessary to ensure compliance with applicable laws, regulations or other requirements imposed by applicable regulatory authorities from time to time;

(c) any change in the basis of calculating fees or other expenses that are charged to the Continuing Fund which could result in an increase in charges to the Continuing Fund, other than a fee or expense charged by a "person" (as defined in the *Securities Act*, Ontario) that is at arm's length to the Continuing Fund;

(d) a change of the Manager of the Continuing Fund, other than a change resulting in an affiliate of such person, assuming such position or, removal of the trustee of the Continuing Fund;

(e) a reorganization with, or transfer of assets to, a mutual fund trust, if the Continuing Fund ceases to continue after the reorganization or transfer of assets; and the transaction results in unitholders of the Continuing Fund becoming securityholders in the mutual fund trust;

(f) the sale of all or substantially all of the assets of the Continuing Fund; and

(g) a termination of the Continuing Fund.

Risk Factors Related to Investment in the Continuing Fund

Certain risk factors relating to the Continuing Fund are described below. Additional risks and uncertainties not currently known, or that are currently considered immaterial, may also impair the operations of the Continuing Fund. If any such risk actually occurs, the business, financial condition, liquidity or results of operations of the Continuing Fund, and the ability of the Continuing Fund to make distributions on the units of the Continuing Fund (the "**Continuing Fund Units**"), could be materially adversely affected.

Volatility of Oil and Natural Gas Prices

The operational results and financial condition of the Oil and Gas Trusts included in the Portfolio will be dependent in many cases upon the prices received for oil and gas production. Oil and gas prices have fluctuated widely during recent years and are affected by supply and demand factors, political events, weather and general economic conditions, among other things. Any decline in oil and gas prices could have an adverse effect on the distributions received from the Oil and Gas Trusts included in the Portfolio and the value of such Oil and Gas Trusts.

Reserve Estimates

The reserve and recovery estimates for the Oil and Gas Trusts 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 and Gas Trusts.

No Assurances on Achieving Investment Objectives

There is no assurance that the Continuing Fund will be able to achieve its distribution objective or that the Portfolio will earn any return or will return to investors an amount equal to or in excess of either the original issue price of the Continuing Fund Units or the total return of the Benchmark Index over the term of the Continuing Fund.

There is no assurance that the Continuing Fund will be able to pay monthly distributions. The funds available for distribution to unitholders of the Continuing Fund will vary according to, among other things, the distributions paid on the Portfolio Securities.

Currency Exposure

As the Portfolio may include Portfolio Securities denominated in U.S. dollars, the net asset value and distributions, when measured in Canadian dollars, may be affected by changes in the value of the U.S. dollar relative to the Canadian dollar.

Loss of Investment

An investment in the Continuing Fund will be 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 Continuing Fund Unit will vary in accordance with the value of the securities acquired by the Continuing Fund, and in some cases the value of Portfolio Securities owned by the Continuing Fund may be affected by factors beyond the control of the Investment Manager, Manager or the Continuing Fund. There is no assurance that an adequate market will exist for securities acquired by the Continuing Fund. Securities issued by issuers who are not reporting issuers in all provinces may be subject to an indefinite hold period under certain provincial securities legislation. Portfolio Securities which the Continuing Fund may acquire may, in many circumstances, be issued by Oil and Gas Trusts which have limited operating histories.

There can be no assurance that the Oil and Gas Trusts and the issuers of Other Resource Securities 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 Continuing Fund 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 Continuing Fund cannot predict whether the Portfolio Securities held by it will trade at a discount to, a premium to, or at their net asset value.

Sensitivity to Interest Rates

The market price for the Continuing Fund 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 Continuing Fund Units and increase the costs to the Continuing Fund of borrowing.

Commodity Price Fluctuations

The operations and financial condition of the issuers of the majority of the Portfolio Securities which will be held by the Continuing Fund and, accordingly, the amount of distributions paid on such securities will be dependent on commodity prices applicable to such issuers. Prices for commodities may vary 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 U.S. dollar market price.

Accordingly, an increase in the value of the Canadian dollar against the U.S. dollar could reduce the amount of distributions paid on such securities.

Composition of Portfolio

The composition of the Portfolio may vary widely from time to time and may from time to time be concentrated by type of security, commodity, industry or geography, resulting in the Portfolio being less diversified than anticipated.

Reliance on the Investment Manager and the Manager

The Continuing Fund will be dependent on the Investment Manager for investment advisory and portfolio management services under an investment management agreement which the Continuing Fund expects to enter into immediately following the Merger and on the Manager for administration and management services under the amended and restated Declaration of Trust.

Trading at a Discount

Securities of closed-end investment trusts may not trade at net asset value and the Continuing Fund cannot predict whether Continuing Fund Units will trade above, at or below their net asset value per Continuing Fund Unit.

Nature of Units of the Continuing Fund

The Continuing Fund 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 of the Continuing Fund. Unitholders will 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 Continuing Fund may at times incur indebtedness under a Loan Facility in an amount up to 20% of the value of the total assets of the Continuing Fund. The indebtedness will be secured by the Portfolio. There can be no assurance that such a strategy will enhance returns and in fact the strategy may 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. In the event that a loan facility is entered into and is called by the lender, the Continuing Fund 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 Continuing Fund to incur losses.

Illiquid Securities

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

Canadian Resource Linked Corporate Securities

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 higher growth and 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.

Installment Receipts

Certain of the Portfolio Securities the Continuing Fund will purchase may be installment receipts representing ownership interests in trust units, the original issue price of which is payable on an installment basis. The Continuing Fund may be required to pay subsequent installments despite a decline in the value of the securities of an issuer in which the Continuing Fund invests.

Taxation

A trust will be deemed not to be a mutual fund trust if it is established or maintained primarily for the benefit of non-residents, 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-residents 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 at any time is taxable Canadian property within the meaning of the Tax Act and certain other types of specified property. However, to date this proposal has not been pursued by Department of Finance (Canada) ("**Finance**").

On October 31, 2003, Finance announced a proposal (the "**REOP Proposal**") relating to the deductibility of losses under the Tax Act. Under the REOP Proposal, a taxpayer would be considered to have a loss from a business or property for a taxation year only if, in that year, it was reasonable to assume that the taxpayer would realize a cumulative profit from the business or property during the time that the taxpayer carried on, or could reasonably be expected to carry on, the business or held, or could reasonably be expected to hold, the property. Profit, for this purpose, would not include capital gains or capital losses. If the REOP Proposal were to apply to the Continuing Fund, deductions that would otherwise reduce the Continuing Fund's taxable income could be denied, with after-tax returns to the unitholders of the Continuing Fund reduced as a result. On February 23, 2005, Finance (Canada) announced that a more modest legislative initiative to replace the REOP Proposal would be released for comment at an early opportunity. No such alternative legislative proposal has been released to date.

If the Continuing Fund ceases to qualify as a "mutual fund trust" under the Tax Act, the income tax considerations would be materially and adversely different in certain respects. 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 of the Continuing Fund.

The Canada Revenue Agency (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. If the CRA's view were to apply to the Continuing Fund, part of the interest payable by the Continuing Fund in connection with money borrowed to acquire certain Portfolio Securities could be nondeductible, increasing the net income of the Continuing Fund for tax purposes and the taxable component of distributions to unitholders of the Continuing Fund. Income of the Continuing Fund which is not distributed to unitholders of the Continuing Fund would be subject to non-refundable income tax in the Continuing Fund.

The Continuing Fund currently does not own any "non-portfolio property" (as defined in the SIFT Legislation) and, having regard for the investment restrictions, is not expected to acquire any non-portfolio

property. Consequently, the Continuing Fund does not, and is not expected to, qualify as a "SIFT trust", and is, therefore, not expected to be subject, directly, to the SIFT Legislation. However, most of the trusts (other than REITs) and partnerships that are included in the Portfolio would qualify as SIFT trusts or SIFT partnerships, as the case may be, under the SIFT Legislation. Therefore, when the SIFT Legislation becomes effective with respect to grandfathered SIFT trusts and SIFT partnerships on January 1, 2011, those issuers will become subject to the new 29.5% tax (as amended) on their income from non-portfolio properties and taxable capital gains from dispositions of non-portfolio properties, and distributions (or, in the case of issuers that are partnerships, allocations) of such income, net of such tax, will be treated by the Continuing Fund as eligible dividends received from taxable Canadian corporations. Distributions of capital by such issuers will not be affected by the SIFT Legislation. The implementation of the SIFT Legislation is expected to result in adverse tax consequences to certain unitholders of the Continuing Fund (in particular, unitholders that are tax exempt or non-residents of Canada) and to impact cash distributions from the Continuing Fund.

Status of the Continuing Fund

As the Continuing Fund will not be a mutual fund as defined under Canadian securities laws, the Continuing Fund will not be subject to the Canadian policies and regulations that apply to open-end mutual funds, including without limitation NI 81-102, except insofar as that instrument prescribes a form of annual information form for mutual funds, which form applies with limited exceptions to the Continuing Fund.

Termination Fee

If the Special Resolution is passed, the net asset value of the Continuing Fund could decline due to the Termination Fee payable to the administrator of the Fund upon termination of the Administrative Services Agreement as described under "NEW MANAGER OF THE FUND - Termination Fee". The administrator of the Fund has agreed to reduce the amount of the Termination Fee to which it is entitled such that the administrator of the Fund would only be paid the percentage of the Termination Fee which it is due under the Administrative Services Agreement equal to the percentage of the units of the Continuing Fund pursuant to the Cash Alternative.

Conflict of Interest

The Investment Manager and its, and the Manager's, directors and officers and their respective affiliates (but not the Manager itself) 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 none of the directors or officers of the Manager will be able to devote his or her full time to the business and affairs of the Continuing Fund or the Manager, each will 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 Manager and the Continuing Fund.

Securities Lending

The Continuing Fund may engage in securities lending as described under "POLICIES OF THE BOARD - Securities Lending". Although the Continuing Fund will receive collateral for the loans and such collateral will be marked to market, the Continuing Fund 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.

Changes in Legislation

There can be no assurance that income tax laws and government incentive programs relating to the natural resource industries represented in the Portfolio will not be changed in a manner which adversely affects the distributions received by the Continuing Fund or by the unitholders of the Continuing Fund.

Other Investment Considerations

Pursuant to the amended and restated Declaration of Trust, the Continuing Fund will not be subject to the restrictions imposed on investments which may be made by a trust as set out in the *Trustee Act* (Ontario). The termination of either the Manager or the Investment Manager may result in additional fees being paid to the Manager or the Investment Manager, as the case may be, at the time of termination.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is, as of the date of this Circular, a summary of the principal Canadian federal income tax considerations under the Tax Act generally applicable to Unitholders who at all relevant times, for purposes of the Tax Act, are resident or are deemed to be resident in Canada, hold their Units as capital property and deal at arm's length and are not affiliated with the Merging Funds.

Generally, Units will be considered to be capital property to a holder provided that the holder does not hold such securities in the course of carrying on a business of buying and selling securities and has not acquired them in one or more transactions considered to be an adventure in the nature of trade. Certain Unitholders who might not otherwise be considered to hold their 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 a Unitholder that is a "financial institution" (as defined in the Tax Act for purposes of the mark-to-market rules), a "specified financial institution", a Unitholder an interest in which is a "tax shelter investment" (all as defined in the Tax Act) or to a Unitholder to whom the "functional currency" reporting rules contained in the Tax Act apply.

This summary is based upon the facts set out in this Circular, the provisions of the Tax Act in force on the date of this Circular and the current published administrative policies of the CRA. This summary takes into account all specific proposals to amend the Tax Act which have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date of this Circular (the "**Tax Proposals**"), although there can be no assurance that any such proposals will be implemented in their current form or at all. Except for the Tax Proposals, this summary does not otherwise take into account or anticipate any changes in law, whether by legislative, governmental or judicial decision or action, or administrative policies or assessing practices, and does not take into account any provincial, territorial or foreign tax legislation or considerations which may differ significantly from those discussed in this Circular.

This summary is of a general nature only; it is not exhaustive of all possible Canadian federal income tax considerations applicable to the transactions described herein. No advance income tax ruling has been applied for or obtained from the CRA to confirm the tax consequences of any of the transactions described herein. Moreover, the income or other tax consequences will vary depending on the particular circumstances of a Unitholder, including the province or provinces in which such holder resides or carries on business. This summary is not intended to be legal or tax advice to any particular Unitholder.

This summary assumes that the Fund will, at all relevant times, qualify as a "mutual fund trust" (within the meaning of the Tax Act). If the Fund was to not so qualify, the Canadian federal income tax consequences described herein would differ in several material respects.

Consequence of the Merger

The Merger will have no material tax consequences for the Fund.

Exercise of the Cash Alternative

Unitholders who choose to redeem their Units in the Fund pursuant to the Cash Alternative will realize a capital gain (or capital loss) to the extent that the Unitholder's proceeds of disposition (which would not include distributions of income or capital gains made concurrently with payment of proceeds of disposition) exceed (or are less than) the aggregate of the adjusted cost base of the Units and any reasonable costs of disposition.

Generally, one-half of any capital gain (a ''taxable capital gain'') realized by 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 may 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 those years, including taxable capital gains realized on the disposition of Units.

Any interest paid to redeeming unitholders in respect of amounts payable under the Cash Alternative must be included in computing the income of the Unitholder for the year.

Eligibility for Investment

The Units of the Fund will be, as of the date of the Merger, qualified investments for trusts governed by registered retirement savings plans, registered retirement income funds, registered disability savings plans, registered education savings plans, deferred profit sharing plans and tax-free saving accounts.

NEW MANAGER OF THE FUND

Proposed Change from Administrator to Manager

The Administrative Agent is seeking approval from Unitholders of the Special Resolution for an amendment to the Declaration of Trust to convert the role and responsibilities of the administrator to that of a manager of the Fund. The role and responsibilities of the Manager will be governed by the amended and restated Declaration of Trust.

Duties and Services to be Provided by the Manager

The role and responsibilities of the Manager will include the duties and responsibilities previously performed by the administrator of the Fund. See "ADMINISTRATION OF THE FUND".

The Manager is responsible for the day-to-day business of the Fund, including the provision of or arrangement for certain administrative services required by the Fund. It is proposed that the Declaration of Trust will be amended to describe the role and functions of the Manager. The Manager will be responsible for all managerial administrative functions currently provided by the administrative agent to the Fund.

The Manager shall work to develop and implement all aspects of the communications, marketing and distribution strategies of the Fund and shall manage the ongoing business and administration of the Fund. The Manager shall provide, or cause to be provided, management, investment and administrative services and facilities to the Fund, including, without limitation: (a) the retention, monitoring and payment of the Investment Manager, as well as monitoring relationships with the Custodian (as defined below), the transfer agent and other organizations serving the Fund; (b) the authorization and payment on behalf of the Fund of operation expenses incurred on behalf of the Fund, (c) the negotiation of contracts with third party providers of services; (d) the preparation of accounting, management, tax and other reports (including quarterly and annual reports, financial statements and reports sent to securities regulatory authorities) and all matters relating to any auditor of the Fund; (e) keeping and maintaining the books and records of the Fund and the supervision of compliance by the Fund with record keeping requirements under applicable regulatory regimes; (f) the calculation of the amount, and the determination of the frequency, of distributions by the Fund 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 of the Fund; (i) monitoring ongoing compliance with the investment objectives, investment strategy and investment restrictions of the Fund; (j) responding to investors' enquiries and general investor relations in respect of the Fund; and (k) the provision of such other managerial and administrative services as may be reasonably required for the ongoing business and administration of the Fund, including maintenance of a website, or as required by applicable law.

Termination Fee

In order to convert the role and responsibilities of the administrator of the Fund to that of a manager of the Fund, the Fund would have to terminate the Administrative Services Agreement.

If the administrator of the Fund is terminated for any reason (other than for breach of the Administrative Services Agreement, any fraudulent act or as a result of certain events of bankruptcy, insolvency or a general assignment for the benefit of its creditors), the Fund must pay to the administrator of the Fund, in cash, at the time of termination a termination fee ("**Termination Fee**") of an amount equal to an estimate of the value of two years of the administrative fee ("**Administrative Services Fee**"). The Administrative Services Fee for each year of service is equal to 1.10% of the average net asset value of the Fund and, therefore, the Termination Fee would be equal to 2.2% of the average net asset value of the Fund. The Termination Fee will be calculated on a *pro forma* basis, based on the net asset value at the time of termination, together with the reasonable expenses of the administrator resulting from such termination, including without limitation, costs incurred to terminate employees, office and equipment leases and agreements for services with third parties.

2223785 Ontario Inc., the administrator of the Fund, has agreed to reduce the Termination Fee to which it is entitled pursuant to the Administrative Services Agreement such that it will only be paid a percentage of the Termination Fee equal to the percentage of units of the Continuing Fund redeemed pursuant to the Cash Alternative. For example, if 20% of the units of the Continuing Fund are redeemed pursuant to the Cash Alternative, the Termination Fee will be reduced to 20% of 2.2% of the average net asset value of the Fund (equal to 0.44% of the average net asset value of the Fund).

Appointment of Trustee and Manager

The Administrative Agent is seeking approval from Unitholders for the appointment of Crown Hill, the Administrative Agent, as the trustee and manager of the Fund.

Please refer to the table under "ADMINISTRATION OF THE FUND − Directors and Officers of the Administrative Agent" for information about the prior experience of the officers and directors of Crown Hill.

Benefits to Unitholders

Benefits to Unitholders related to the appointment of Crown Hill as trustee and manager of the Fund are anticipated to be as follows:

- Crown Hill will be able to more effectively and efficiently manage the Fund as the trustee and managerial duties are now the responsibility of one party;
- There is no additional fee payable to Crown Hill as trustee, thereby saving the Continuing Fund the cost of a third party trustee;
- Crown Hill has extensive experience in managing funds and efficiencies will be attained through its fund management business and experience;
- more choice of investments and investment styles through Crown Hill's increased fund family;
- a commitment from Crown Hill to seek to achieve growth and strong performance in the retail market;
- as fund manager, Crown Hill is a well-capitalized and well-established firm in Canada; and
- there will be no change in the Investment Manager, and Unitholders will continue to benefit from the expertise of the Investment Manager.

Subsequent to the appointments, Crown Hill will assume the roles and responsibilities related to the trustee and manager functions of the Fund and its duties as the trustee and manager of the Fund will be governed by the Declaration of Trust. The responsibilities related to portfolio management will remain with the Investment Manager.

Manager Financial Arrangements

Management Fee

For its services to the Fund as the Administrative Agent, Crown Hill receives the Administrative Services Fee equal to 1.10% of the average net asset value of the Fund.

Subsequent to the appointment of Crown Hill as the trustee and manager of the Fund, the Administration Fee will be removed and Crown Hill will no longer receive the Administrative Services Fee and will instead receive a management fee ("**Management Fee**") from the Fund equal to 0.70% of the average net asset value of the Fund per annum, plus applicable taxes, calculated and payable monthly in arrears.

Subsequent to the Merger, Crown Hill will be appointed the trustee and manager of the Continuing Fund, and Crown Hill will receive the Management Fee, which will be an amount equal to equal to 0.70% of the average net asset value of the Continuing Fund per annum, from the Continuing Fund as well as be reimbursed by the Continuing Fund for the expenses listed in the paragraph below under the heading "FEES AND EXPENSES - Operating Expenses of the Fund".

Investment Management Fee

Galileo Global is the Investment Manager pursuant to the Investment Management Agreement (as defined below).

For its services to the Fund, the Investment Manager is paid an investment management fee (the "**Investment Management Fee**"), which is an amount equal to 0.40% of the average net asset value of the

Fund per annum, plus applicable taxes, calculated and payable monthly in arrears. However, the Investment Management Fee payable to the Investment Manager for its services to the Fund is the responsibility of the Administrator and not the Fund, and was paid out of the Administrative Services Fee.

The Administrative Agent is seeking approval from Unitholders of the Special Resolution for an amendment to the Declaration of Trust to amend the payment of the investment management fee paid to the Fund due to the removal of the Administrative Services Fee subsequent to the appointment of Crown Hill as the trustee and manager of the Fund.

It is expected that, following the negotiation of a new investment management agreement between the Continuing Fund and Galileo Global, the Investment Management Fee will remain at an amount equal to 0.40% of the average net asset value of the Continuing Fund per annum, plus applicable taxes, calculated and payable monthly in arrears. This fee will be the responsibility of the Continuing Fund and not Crown Hill, the newly appointed trustee and manager of the Continuing Fund. This change in the responsibility for paying the Investment Management Fee has been reflected in the lower Management Fee paid to Crown Hill as the Management Fee has decreased from the Administrative Services Fee by an amount equal to the current Investment Management Fee.

SUMMARY OF THE FUND AND MERGING FUNDS

The following is a description of certain key elements of the Fund and Merging Funds:

	Sustainable Production Energy Trust	**Energy Plus Income Trust**	**CGF Resource 2008 Flow Through Limited Partnership**
Net asset value per unit as at July 29, 2010:	5.64	7.19	17.76
Units outstanding:	2,967,887	4,569,305	293,666
Net assets:	16,743,824	32,864,798	5,215,400

Appendices "B1" and "B2" contain only a summary of certain attributes of the Merging Funds. Such appendices are qualified in their entirety, and should be read in conjunction with, the documents incorporated by reference herein relating to the Merging Funds. For general information regarding the Fund and each Merging Fund involved in the Reorganization, refer to SEDAR at www.sedar.com and Citadel's website at www.citadelfunds.com.

INFORMATION CONCERNING THE FUND

Overview of the Structure of the Fund

Sustainable Production Energy Trust, the Fund, is a closed end investment trust established under the laws of the Province of Alberta pursuant to a Declaration of Trust dated August 29, 2005.

The Fund is administered by the Administrative Agent pursuant to the Administrative Services Agreement and the Administration Assignment Agreement (as defined below). The Administrative Agent, Crown Hill Capital Corporation, was incorporated under the laws of Province of Ontario on January 21, 2009 and has as its business the provision of administrative services, and management and trustee services to investment funds. The head and principal office of the Administrative Agent is located at 141 Adelaide Street West, Suite 1006, Toronto, Ontario, M5H 3L5; telephone: (416) 361-9673, toll free: 1-877-261-9674; email: investorrelations@citadelfunds.com; website: www.citadelfunds.com.

On August 27, 2009, Valiant Trust Company (the "**Trustee**"), a wholly-owned subsidiary of Canadian Western Bank, replaced Computershare Trust Company of Canada as trustee for the Fund. CIBC Mellon Global Securities Services Company is the custodian of the assets of the Fund (the "**Custodian**").

Galileo Global Equity Advisors Inc. (formerly Galileo Equity Management Inc.) is the investment counsel and portfolio manager which provides investment advisory and portfolio management services to the Fund pursuant to an investment management agreement dated August 29, 2005 between the administrator of the Fund and the Investment Manager, as amended (the "**Investment Management Agreement**").

The Fund's principal office is located at 141 Adelaide Street West, Suite 1006, Toronto, Ontario, M5H 3L5.

The Fund 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 Fund. 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 vote. Each trust unit entitles the Unitholder to the same rights and obligations as any other Unitholder and no Unitholder is entitled to any privilege, priority or preference in relation to any other Unitholder. Each Unitholder 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 Fund, including distributions of net income and net realized capital gains, if any. On termination or liquidation of the Fund, Unitholders of record are entitled to receive on a *pro rata* basis all of the assets of the Fund remaining after payment of all debts, liabilities and liquidation expenses of the Fund.

On July 1, 2004, the *Income Trusts Liability Act* (Alberta) came into force. This statute provides that holders of units of a trust are not, as beneficiaries, liable for any act, default, obligation or liability of the Trustee that arises after July 1, 2004.

Listing on a Stock Exchange

The units of the Fund is currently listed for trading on the TSX under the symbol SPU.UN and may generally be purchased or traded only through the facilities of the TSX, as the Fund does not continuously distribute its units.

Securities Law Matters

The Fund is not considered to be a mutual fund under the securities legislation of the provinces and territories of Canada. Consequently, the Fund is not subject to the various policies and regulations that apply to mutual funds under such legislation, notably NI 81-102. The Fund is subject to certain other requirements and restrictions contained in applicable securities laws, including NI 81-106, which governs the continuous disclosure obligations of investment funds such as the Fund, and NI 81-107, which governs the formation, composition and function of independent review committees of investment funds. The Fund is managed in accordance with those applicable requirements and restrictions.

Investment Objectives and Strategy

The Fund's investment objectives are:

(a) ***Distributions***: to provide Unitholders of trust units of the Fund with monthly cash distributions; and

(b) ***Sustainable Reserve Life***: to maintain the production and reserves (on a barrel of oil equivalent basis) underlying each Unit over time by combining a portfolio of oil and gas trusts with a portfolio of oil and gas corporations (collectively, the "**Fund Portfolio Securities**").

The Fund, through the Investment Manager, seeks to achieve the investment objectives by selecting and actively managing a diversified portfolio of Fund Portfolio Securities (the "**Fund Portfolio**") represented by Canadian oil and gas royalty trusts and junior oil and gas corporations. A fundamental objective of the Fund is to maintain the reserve life of the Fund Portfolio by employing an investment strategy focused on maintaining the underlying crude oil and natural gas production and reserves (on a barrel of oil equivalent basis) attributable to each Unit over time by combining a portfolio of royalty trusts, which as a group generally have declining reserves and production per trust unit, with a portfolio of junior oil and gas corporations, which as a group generally have increasing reserves and production per share. In this way, the Fund strives for each Unit to be represented by a sustainable reserve life, providing the underlying basis to support and sustain both distributions (which are directly correlated to the cash flow generated from the sale of the underlying production) and net asset value (as hereinafter defined) (which is directly correlated to the underlying crude oil and natural gas reserves) over time, subject to fluctuations in current and future commodity prices and other factors.

The following table sets forth the asset classes which may comprise the Fund Portfolio, and the permitted minimum and maximum weightings of each such asset class.

Asset Class	**Permitted Weighting**
Oil and Gas Trusts	50 − 100%
Oil and Gas Corporations	0 − 50%
Cash and Cash Equivalents	0 − 25%

ADMINISTRATION OF THE FUND

The Administrator

The Fund was administered by Sustainable PE Management Inc. (the "**Former Administrator**") pursuant to an administrative services agreement dated August 29, 2005 between the Fund, by its attorney at the time, Computershare Trust Company of Canada, and the Former Administrator, (the "**Administrative Services Agreement**"). On June 3, 2009, Citadel Fund Administrator LP (the "**Interim Administrator**") assumed all the rights and duties of the administration of the Fund under the Administrative Services Agreement and as of that date became the administrator of the Fund. The Administration Services Agreement was transferred by the Interim Administrator to 2223785 Ontario Inc. (the "**Delegator**") pursuant to the Asset Purchase Agreement. The Delegator and 1472278 Alberta Ltd. (the "**Delagatee**") entered into the Administration Agency and Delegation Agreement under which the Delagatee was delegated the Delagator's responsibilities and obligations under Administrative Services Agreement. Pursuant to an administration agency and delegation agreement assignment and assumption agreement dated December 22, 2009 ("**Administration Assignment Agreement**"), the Delagatee delegated its responsibilities and obligations under the Administration Agency and Delegation Agreement with respect to the Fund to the Administrative Agent, Crown Hill, who as of that date became the administrative agent of the Fund.

The Administrative Services Agreement

Pursuant to the Administrative Services Agreement, the administrator of the Fund (the "**Administrator**") has exclusive authority to manage the operations and affairs of the Fund and to make all decisions regarding the business of the Fund, and has authority to bind the Fund.

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 Fund where, in the discretion of the Administrator, it would be in the best interests of the Fund 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 Fund 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 Fund or wind up the Fund's affairs except in accordance with the provisions of the Declaration of Trust.

The Administrator coordinated the organization of the Fund, develops and implements all aspects of the communications, marketing and distribution strategies of the Fund and manages the ongoing business and administration of the Fund. The Administrator is responsible for monitoring the compliance of the Investment Manager with the investment strategy and the investment restrictions, but does not participate in the day-to-day management of the Fund Portfolio. Funds of the Administrator are not intermingled with those of the Fund.

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 Fund, including, without limitation:

(a) the retention, monitoring, and payment of the Investment Manager, as well as monitoring relationships with the Custodian, the transfer agent and other organizations serving the Fund;

(b) the authorization and payment on behalf of the Fund of operating expenses incurred on behalf of the Fund, 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 reports to Unitholders, financial statements, tax reporting to Unitholders and income tax returns) and all matters relating to any auditor of the Fund;

(e) keeping and maintaining the books and records of the Fund and the supervision of compliance by the Fund with record keeping requirements under applicable regulatory regimes;

(f) the calculation of the amount, and the determination of the frequency, of distributions by the Fund 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 of the Fund;

(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 Fund;

(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 Fund, after reviewing the recommendation of the Investment Manager in respect thereof;

(m) reviewing fees and expenses charged to the Fund and ensuring the timely payment thereof;

(n) providing assistance to the Trustee with respect to:

(i) the preparation of the Fund's reports to relevant securities regulatory authorities and any similar organization of any government or the committee of any stock exchange to which the Fund 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

(o) the provision of such other managerial and administrative services as may be reasonably required for the ongoing business and administration of the Fund, including maintenance of the website, or as required by applicable law.

The Administrative Services Agreement, unless terminated as described below, will continue until the termination date of the Fund. The Administrator's appointment may be terminated by the Fund on 90 days' written notice by the Trustee, on behalf of the Fund, 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 Fund on 90 days' written notice by the Trustee, on behalf of the Fund, to the Administrator upon an extraordinary resolution.

If the Administrator is terminated for any reason (other than for breach of the Administrative Services Agreement, any fraudulent act or as a result of certain events of bankruptcy, insolvency or a general assignment for the benefit of its creditors), the Fund must pay to the Administrator, in cash, at the time of termination an amount equal to an estimate of the value of two years of the Administrative Fee (as defined below), calculated on a *pro forma* basis, based on the net asset value at the time of termination, together with the reasonable expenses of the Administrator resulting from such termination, including without limitation, costs incurred to terminate employees, office and equipment leases and agreements for services with third parties.

The Administrator will not engage in any business other than the administration of the business of the Fund. The services of the officers and directors of the Administrator are not exclusive to the Fund. 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.

Administrative Fee

In consideration for the administrative services performed by the Administrator, the Fund pays the Administrator an administrative fee (the "**Administrative Fee**"). The Administrative Fee is payable in

cash and is an amount equal to 1.10% of the average net asset value of the Fund per annum, plus applicable taxes.

Ongoing Expenses

In addition to the Administrative Fee, the service fee and any debt service costs under any loan agreement, the Fund will pay 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 Fund's continuous public filing and other obligations, and commissions, fees and other expenses associated with the execution of transactions in respect of the Fund Portfolio.

The Administrative Agent

Pursuant to the Administration Assignment Agreement, the Administrative Agent was delegated the rights and duties of the administration of the Fund under the Administrative Services Agreement and has exclusive authority to manage the operations and affairs of the Fund and to make all decisions regarding the business of the Fund, and has authority to bind the Fund.

In consideration for the administrative services performed by the Administrative Agent, the Fund pays the Administrative Agent the Administrative Services Fee, which is an amount equal to the Administrative Fee. The Fund, in addition to the Administrative Services Fee, pays all of the Administrative Agent's expenses incurred in connection with its duties as the administrative agent of the Fund.

Directors and Officers of the Administrative Agent

The name, municipality of residence, position held, number and principal occupation of each director and officer of the Administrative Agent are set out below:

Name and Municipality of Residence	Position with the Administrative Agent	Principal Occupation
WAYNE PUSHKA Toronto, Ontario	President, Chief Executive Officer, Chairman of the Board of Directors and Secretary	President of Crown Hill Capital Corporation
GARY VAN NEST Toronto, Ontario	Director	Chairman of MedX Health Corp., Chairman of Woodland Biofuels and Director of Davis Rea Ltd.
MICHAEL BURNS Maple, Ontario	Director	President of Kingfield Investments Limited
DAVINDRA PERSAUD Ajax, Ontario	Chief Financial Officer	Chief Financial Officer of Crown Hill Capital Corporation

Wayne L. Pushka: Mr. Pushka is the President, Chief Executive Officer, Chairman of the Board of Directors and Corporate Secretary of Crown Hill Capital Corporation. He has 18 years of experience in the financial industry with a focus on risk management and portfolio construction. Prior to starting the Manager, he has held various consultant and advisory roles at Scotia McLeod, BARRA International (one of the world's premiere financial risk management consulting firms) and Canada Mortgage and Housing

Corporation. He has advised on and constructed numerous domestic and international bond, equity and derivative portfolios for pension funds, banks and insurance companies in Canada and across Asia. Mr. Pushka holds a B.Sc. (Physics) from McMaster University, a M.Sc. (Theoretical Physics) from Carleton University, a M.B.A. from Queen's University and is a Chartered Financial Analyst charterholder.

Gary Van Nest: Mr. Van Nest has over 40 years of experience in the brokerage, merchant banking, investment management and venture capital industries. His past titles and positions include: President of Wisener & Partners Co. Ltd., one of the first Canadian Institutional Brokerage boutiques; President and CEO of Triarch Corporation, one of Canada's early merchant banking organizations; Chairman of Elliott and Page Ltd., one of Canada's largest investment counseling and management organizations; and President of Canadian Venture Capital Corporation, one of Bay Street's early venture investing organizations.

During his career Mr. Van Nest has also been involved as a director/officer of several notable public and private companies, such as Eldorado Nuclear, now Cameco; Toromont Industries Ltd.; Pathfinder Beverages Ltd.; Noble China Ltd., the first and largest formal Canada China foreign joint ventures and one of the largest national brewers and distributors of beer in China, and Kyrgoil Corp., the company which built and operated the first and only oil refinery in the Kyrgyz Republic. Mr. Van Nest also served as Chairman of the early fundraising efforts for Young People's Theatre in Toronto, as Director of The Royal Canadian Geographical Society for five years and as a Director and supporter of the Hospice Calgary Society. Mr. Van Nest holds a Bachelor of Commerce degree from the University of Windsor, and did postgraduate studies at McGill University and the University of Toronto. Mr. Van Nest currently resides in Toronto, Ontario, where he serves as Chairman of Woodland Biofuels Inc. and MedX Health Corp. He also remains a director of several other public and private companies.

Michael Burns: Mr. Burns has over 50 years of experience in the financial industry. He was educated at Trinity College School and Cornell University. His business career began in 1958 at Burns Bros. and Denton (now Nesbitt Burns). In 1977 Mr. Burns joined the Crown Life Insurance Company. He held various positions during his time at Crown Life Insurance Company including Vice President, Chairman and CEO. From 1980 to 2006 Mr. Burns held various positions in Extendicare Inc. including Chairman and CEO, President and CEO and Deputy Chairman. Michael Burns was also the Chairman of the Independent Committee for Dome Petroleum.

During his career Mr. Burns has also been involved as a director and/or officer of several private and public companies, such as Ivy Funds, Denison Mines, Dome Petroleum, Algoma Central Corp., Extendicare Inc., Landmark Global Financial Inc., Security National Bank, Lateral Vector Resources, Bralorn Resources Ltd., Crown Life Insurance Company, Kingfield Group of Companies, SJM Oil and Gas and PVI Inc.

Davindra Persaud: Mr. Persaud is the Chief Financial Officer of Crown Hill Capital. He has over 12 years of financial experience with public and private companies, with a focus on financial services and management. Prior to joining Crown Hill, he held various roles at amongst others, Deloitte & Touche LLP (formerly Mintz & Partners LLP) and RSM Richter LLP. Most recently, Davindra was Corporate Controller at Mortgagebrokers.com. Davindra is a Chartered Accountant and is a member of the Ontario Institute of Chartered Accountants. He received a Bachelor of Arts degree (Economics) from the University of Western Ontario.

The directors and officers of the Administrative Agent 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.

Remuneration of Directors and Officers

The Chairman of the Former Administrator was paid, for services as director and Chairman of the Former Administrator, an annual retainer of $17,500, and each of the other directors of the Former Administrator was paid an annual retainer of $15,000. In addition to the annual retainer, each of the non-executive directors of the Administrative Agent received $1,000 per meeting attended plus expenses of attending those meetings. Directors of the Former Administrator received a total of $39,220 from the Fund in 2009.

The officers of the Former Administrator were employees or consultants of CIFSG Funds Inc. and receive their remuneration from CIFSG Funds Inc. The Former Administrator was reimbursed by the Fund for all of its expenses in accordance with the terms of the Administrative Services Agreement.

The Interim Administrator independent directors were each paid a signing fee of $20,000, a $10,000 quarterly fee, and a $5,000 per annum audit committee fee. In addition, each of the independent directors of the Interim Administrator received $1,000 per meeting attended plus expenses of attending those meetings. Independent directors of the Interim Administrator received a total of $4,684 from the Fund in 2009.

The officers of the Interim Administrator were employees or consultants of 1472278 Alberta Ltd., an affiliate of the Interim Administrator and receive their remuneration from 1472278 Alberta Ltd. The Interim Administrator was reimbursed by the Fund for all of its expenses in accordance with the terms of the Administrative Services Agreement.

The directors and officers of the Administrative Agent did not receive compensation from the Fund for the period from December 18, 2009 to December 31, 2009.

The Administrative Agent independent directors are each paid a $12,500 quarterly fee and $1,000 per meeting attended plus expenses of attending those meetings. Independent directors of the Administrative Agent received a total of $4,305 from the Fund for the period from January 1, 2010 to June 30, 2010.

The officers of the Administrative Agent are employees or consultants of the Administrative Agent, and receive their remuneration from the Administrative Agent. The Administrative Agent is reimbursed by the Fund for all of its expenses in accordance with the terms of the Administrative Services Agreement.

INVESTMENT MANAGEMENT OF THE FUND

Investment Manager

Galileo Global (formerly Galileo Equity Management Inc.) is the Investment Manager pursuant to an investment management agreement ("**Investment Management Agreement**") made as of August 29, 2005 between the Investment Manager and Sustainable PE Management Inc. (the administrator of the Fund at the time of the signing of the Investment Management Agreement).

Michael Waring, who is an officer and director of the Investment Manager is the portfolio manager responsible for the Fund.

Please refer to the table under "Officers and Directors of the Investment Manager" for information about their prior experience.

Investment Management Agreement

Under the Investment Management Agreement, subject to the general supervision and control of the Administrator, the Investment Manager is responsible for the discretionary management of the investment portfolio of the Fund on a segregated basis, including the purchase and sale of portfolio securities.

The Investment Management Agreement will continue until the termination of the Fund, unless terminated as follows. The Investment Manager's appointment may be terminated by the Administrator, on behalf of the Fund on 15 days written notice to the Investment Manager in the event of the failure of the Investment Manager to perform its duties and discharge its obligations under the Investment Management Agreement, or any malfeasance or misfeasance of the Investment Manager in the performance of its duties under the Investment Management Agreement. The Investment Management Agreement may be terminated immediately in the event of the commission by the Investment Manager of any fraudulent act or any misrepresentation in the Investment Management Agreement, and shall be automatically terminated if the Investment Manager becomes bankrupt, insolvent, passes a resolution for its winding up or dissolution or deemed dissolution, makes a general assignment for the benefit of its creditors or in the event that the Investment Manager or Michael Waring loses a registration or license required in order for it or him (as the case may be) to fulfill its or his duties under the Investment Management Agreement. In addition to the foregoing, the Investment Management Agreement may be terminated by either of the Administrator or the Investment Manager at any time by the delivery by the Administrator or the Investment Manager, as the case may be, to the other party to the Investment Management Agreement of a notice of termination (a "**Notice of Termination**") specifying the date the Investment Management Agreement shall terminate, which date of termination shall not be less than 3 months following the date of delivery of the Notice of Termination. In the event of the delivery of a Notice of Termination, the Investment Management Agreement shall terminate on the date set out in such Notice of Termination.

For its services to the Fund, the Investment Manager is paid the Investment Management Fee, which is an amount equal to 0.40% of the average net asset value of the Fund per annum, plus applicable taxes, calculated and payable monthly in arrears.

Officers and Directors of the Investment Manager

The names, places of residence, present positions and principal occupations during the preceding five years of the directors and officers of Investment Manager are as follows:

Name and Place of Residence	Present Position with the Investment Manager	Principal Occupation During past Five Years
MICHAEL WARING Toronto, Ontario	President, Chief Investment Officer and a Director	President of the Investment Manager since April 2000. Mr. Waring has over 28 years' experience as an investment manager and investment analyst. Mr. Waring holds BA and MBA degrees and the CFA charter.
GRANT COLBY Victoria, British Columbia	Chief Executive Officer and Managing Director	Chief Executive Officer of the Investment Manager since July 2009. Mr. Colby has over 15 years' experience as an investment manager at leading wealth management firms.

Name and Place of Residence	Present Position with the Investment Manager	Principal Occupation During past Five Years
EVELYN FOO Toronto, Ontario	Chief Financial Officer	Chief Financial Officer of the Investment Manager since May 2009. Prior thereto, Ms. Foo was with CIBC where she was the Controller for the CIBC family of investment funds. Ms. Foo is a Chartered Accountant.
ROBERT JOHNSON Victoria, British Columbia	Director	Director of the Investment Manager since July 2009. Mr. Johnson has over 18 years' experience in the private equity real estate sector.
BRIAN BAPTY Vancouver, British Columbia	Director	Director of the Investment Manager since July 2009. Mr. Bapty has over 10 years of experience in research and analysis in the healthcare and biotechnology arena.
MARC BELHUMEUR Calgary, Alberta	Director	Director of the Investment Manager since July 2009. Mr. Belhumeur is the Chief Operating Officer of the Northland group of companies.
HUAIZHEN PENG	Director	Director of the Investment Manager since April 2010. Mr. Peng has over 10 years' experience as investment manager at wealth management firms in the United Kingdom.

Principal Advisors of the Investment Manager

The name and position held by those individuals employed by the Investment Manager and who are principally responsible for the day-to-day management of a material portion of the Fund Portfolio Securities are as follows:

Michael Waring, B.A., M.B.A., CFA, Michael Waring has overall responsibility for overseeing the investment management activities of the Investment Manager in respect of the Fund Portfolio. Mr. Waring has over 28 years' experience as an investment manager or investment analyst, both in respect of U.S. and Canadian equities, the last seven of which as principal of Galileo Equity Management Inc. For a period of 15 years prior to forming the Investment Manager, Mr. Waring was a vice-president, director and portfolio manager at KBSH Capital Management Inc., a private investment management firm with close to $12 billion under management. In addition, from 1982 to 1985, Mr. Waring was a communications analyst at CIBC Wood Gundy Inc.

Michael McCullough, Hon B. Comm, Michael McCullough is an Equity Trader and along with Jackie Daye, is responsible for the trading of Fund Portfolio Securities. Mr. McCullough has ten years securities industry experience. He joined the Investment Manager in January 2005 as a Trader/Analyst. Mr. McCullough has completed Level 1 CFA. He has completed numerous courses with the Canadian Securities Institute and is pursuing a CMT designation.

Jackie Daye, Hon B. Comm, Jackie Daye is an Assistant Equity Trader and along with Michael McCullough, is responsible for the trading of Fund Portfolio Securities. Ms. Daye has 5 years securities industry experience and joined the Investment Manager in January 2005.

INDEPENDENT REVIEW COMMITTEE

The IRC

In accordance with NI 81-107, the Administrative Agent has appointed an independent review committee comprised of at least three members whom are independent of the Administrative Agent, entities related to the Administrative Agent and the Fund. The mandate of the IRC is to review and provide its decisions to the Administrative Agent on conflict of interest matters that the Administrative Agent has referred to the IRC for review. The Administrative Agent is required to identify conflict of interest matters inherent in its management of the Fund and request input from the IRC in respect of how it manages those conflicts of interest, as well as its written policies and procedures outlining its management of those conflicts of interest. The IRC has adopted a written charter which it follows when performing its functions and is subject to requirements to conduct regular assessments. In performing their duties, members of the IRC are required to act honestly, in good faith and in the best interests of the Fund and to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Prior to June 3, 2009, the Fund's IRC was the same independent review committee as the rest of the Citadel funds all funds managed by subsidiaries of Canadian Income Fund Group Inc. (which included the Fund) (the "**Former IRC**"). In connection with the acquisition of the administration agreements of the Citadel Funds by the Interim Administrator, a new independent review committee was formed (the "**Interim IRC**"). On January 19, 2010, as a result of the change in the administrator of the Fund due to the acquisition of the Interim Administrator by Crown Hill, the Administrative Agent believed that the costs to the to the Fund would be reduced if the Former IRC resigned and was replaced with the same IRC for all of the investment funds managed by the Administrative Agent and by Crown Hill Investment Corp., an affiliate of the Administrative Agent.

The members of the current IRC of the Fund have expertise in a variety of fields, including financial institutions, investment funds, other investment businesses, energy and accounting. After the Merger, the Continuing Fund will continue to have the same IRC members as listed below under "Composition of the IRC".

Securities regulators have given the IRC a mandate to review mutual fund conflict of interest matters identified and referred to the IRC by the Administrative Agent and to give its approval or recommendation, depending on the conflict of interest matter. The IRC's focus is on the question of whether the Administrative Agent's proposed action achieves a fair and reasonable result for the Fund.

At least once per year, the IRC reviews and assesses the adequacy and effectiveness of the policies and procedures relating to conflict of interest matters in respect of the Funds, and also conducts a self-assessment of the IRC's independence, compensation and effectiveness.

Composition of the IRC

The members of the IRC are John N. Campbell, Andrew Fleming, Mark L. Maxwell and Mark L. Arthur. The following is a brief description of the backgrounds of the members of the IRC:

John N. Campbell: Originally from Port Colborne, Mr. Campbell graduated from Ryerson and spent the next twelve years working for Norton Company in various positions in sales, product engineering and

marketing in Canada and internationally. In 1971 he switched careers and became owner & CEO of Davis Forwarding (now part of Livingston International), an international freight forwarding company, handling export freight and logistic project management. In 1979, with partners, he formed Petrolon Canada which is now part of a large international group of companies owned by Quaker State. During this period, until 1997, Mr. Campbell consulted for international companies in Europe, UK and South Africa. In 1997, with partners, he founded Transcourt Inc., a leading leasing company providing liquid bulk tankers to trucking companies. Mr. Campbell recently semi-retired as President and CEO of Transcourt Inc. but remains a Vice President. Mr.Campbell has served on many volunteer boards locally and internationally. He is on the Canadian and International Boards of Medical Ministry International, overseeing the establishing of permanent medical centers throughout the world. He is also on the Canadian Board and chairs the USA Board of Mission Training International.

Andrew Fleming: Mr. Fleming is a senior partner with the law firm Ogilvy Renault LLP. He has extensive experience in business law, including company, securities and banking law, and regulatory requirements relating to corporate transactions, financings and mergers and acquisitions. Mr. Fleming has been involved in all aspects of company law, including advising on general corporate matters relating to governance and structure and assisting in major corporate reorganizations by way of arrangements or amalgamations. Mr. Fleming has participated in all aspects of securities law including public financings (acting for issuers, underwriters and purchasers) in Canada, the United States and Europe, private placements, including project financings, and merger and acquisitions work related primarily to public take-over bids. Mr. Fleming is a member of the Canadian roster of arbitrators of the International Chamber of Commerce. From 1989 to 1992 Mr. Fleming was a resident partner of Osler Renault in London, an international partnership of Ogilvy Renault and Osler, Hoskin & Harcourt of Toronto. Mr. Fleming returned to London in October 1995 to resume similar responsibilities with Osler Renault and in April 1996, upon the demerger of Osler Renault, became the head of Ogilvy Renault's London office. From 1999 to 2006, he was a member of the Executive Committee of the Firm and in August 1999 he relocated to Toronto as Managing Partner, then Co Managing Partner, of the Firm's Toronto office, a position he held until 2003.

Mark L. Maxwell: Mr. Maxwell is President of Tower Asset Management Inc. and has over 20 years of financial industry experience. Prior to launching Tower Asset Management Inc., Mr. Maxwell was the President and Director of Rockwater Asset Management and prior to that he was President and Director of Georgian Capital Partners with $4.6 billion under management. He has had extensive experience in corporate treasury, fixed income analysis and risk management, as well as ten years of experience as an equity analyst in the financial services industry while employed by Dean Witter, as a partner at Gordon Capital and a Managing Director at CIBC World Markets. Mr. Maxwell earned a M.B.A. in Finance from Baylor University in Waco, Texas in 1984, a B.A. at Trinity Western University in Langley, B.C. in 1981 and completed his CFA designation in 1991.

Mark L. Arthur: Mr. Arthur joined Jovian Capital as Executive Vice President in 2003 and became President in August 2007. His career includes eight years with RBC Dominion Securities where he held positions as Vice President and Director, as well as Vice Chairman of the Investment Strategy Committee. From 1989 to 2000 Mr. Arthur was President, and Chief Investment Officer (CIO) for Royal Bank Investment Management Inc. Up until 2002, Mr. Arthur was President, CIO and Director of RBC Global Investment Management Inc., Vice President Investments and Director of Royal Mutual Funds and Chairman of RBC Investments Global Investment Strategy Committee. Mr. Arthur is a Chartered Financial Analyst charterholder.

POLICIES OF THE BOARD

The Board of Directors has established certain policies relating to business practices, risk management controls and internal conflicts of interest, details of which are as follows.

Use of Derivatives

The Fund may invest in or use derivative instruments for hedging purposes consistent with its investment objectives and investment strategy and subject to its investment restrictions, as permitted by legislation applicable to investment funds from time to time. The Fund does not presently use derivatives. Prior to doing so, the Administrator would establish written policies and procedures governing their use.

Securities Lending

The Declaration of Trust prohibits the Fund from making loans, except that the Fund 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 Funds' investment strategy.

In particular, in order to generate additional returns, the Fund may lend Fund Portfolio Securities to borrowers acceptable to the Fund pursuant to the terms of a securities lending agreement between the Fund and each borrower, under a securities lending agreement: (i) the borrower will pay to the Fund a negotiated securities lending fee and will make compensation payments to the Fund equal to any distributions received by the borrower on the securities borrowed; (ii) the securities loans must qualify as "securities lending arrangements" for the purposes of the Tax Act; and (iii) the Fund will receive collateral securities.

The board of directors reviews and approves any lending and risk management practices carried out by the Fund.

Proxy Voting Policies and Procedures

The Fund has adopted written policies on how its securities are voted. Generally, these policies prescribe that voting rights should be exercised with a view to the best interests of the Fund and its Unitholders. The Investment Manager will implement such policies on behalf of the Fund. The following is a summary of such policies only.

The proxy voting policies that have been developed by the Fund are general in nature and cannot contemplate all possible proposals with which the Fund may be presented. When exercising voting rights, the Fund generally will vote with management of the issuers on matters that are routine in nature, and for non-routine matters will vote in a manner that, in its view, will maximize the value of the Fund's investment in the issuer. In order to carry out the proxy voting policies, the Investment Manager will review research on management performance, corporate governance and any other factors it considers relevant. Where appropriate in the circumstances, including with respect to any situations in which the Investment Manager is in a conflict of interest position, the Investment Manager will seek the advice of the Administrator prior to casting its vote.

The policies and procedures that the Fund follows when voting proxies relating to Fund Portfolio Securities are available on request, at no cost, by calling 1-877-261-9674 or by writing to Citadel Group of Funds at 141 Adelaide Street West, Suite 1006, Toronto, Ontario, M5H 3L5. The Fund's proxy voting record for the period ended June 30, 2009 is available at no cost to any Unitholder upon request and the Fund's proxy voting record for the period ended June 30, 2010 will be available at no cost to any Unitholder upon request at any time after August 31, 2010. The proxy voting records for the Fund also will be available at www.citadelfunds.com.

Policy on Short Term Trades

The Fund has no policies or procedures relating to the monitoring, detection and deterrence of short-term trades of Units by investors.

TRADING PRICE AND VOLUME

The Fund is currently listed on the TSX under the symbol SPU.UN and commenced trading on the TSX on October 17, 2005. The following table sets forth the reported high and low prices and the trading volume as reported by http://tradingdata.tsx.com for the shares for each month for the twelve (12) month period prior to July 21, 2010.

Date	High (CAD $)	Low (CAD $)	Volume
June 2010	5.53	5.18	94,308
May 2010	5.84	5.10	168,020
April 2010	5.92	5.57	135,057
March 2010	5.88	5.45	79,018
February 2010	5.73	5.33	55,637
January 2010	5.64	5.26	109,538
December 2009	5.40	5.13	151,552
November 2009	5.35	4.86	118,535
October 2009	5.34	4.98	709,674
September 2009	5.20	4.77	142,527
August 2009	5.00	4.63	149,383
July 2009	4.65	4.10	107,516

FEES AND EXPENSES

Administrative Services Fee and Management Fee

For its services to the Fund as the Administrative Agent, Crown Hill receives the Administrative Services Fee equal to 1.10% of the average net asset value of the Fund.

Subsequent to the appointment of Crown Hill as the trustee and manager of the Fund, the Administration Fee will be removed and Crown Hill will no longer receive the Administrative Services Fee and will instead receive the Management Fee from the Fund equal to 0.70% of the average net asset value of the Fund per annum, plus applicable taxes, calculated and payable monthly in arrears.

Investment Management Fee

For its services to the Fund, the Investment Manager is paid the Investment Management Fee equal to 0.40% of the average net asset value of the Fund per annum, plus applicable taxes, calculated and payable monthly in arrears.

Removal of Service Fees

The Service Fee which is equal to not more than 0.40% annually of the net asset value of Units held by clients of sales representatives of such dealers, plus applicable taxes, will be removed.

Operating Expenses of the Fund

The Fund will also pay for all expenses incurred in connection with its operation and administration. These expenses include, without limitation: mailing and printing expenses for periodic reports to Unitholders; fees payable to the valuation agent for performing certain valuation services; fees payable to the custodian for acting as custodian of the assets of the Fund; fees payable to the transfer agent and registrar for performing certain financial, record keeping, reporting and general administrative services; fees payable to the auditors and legal advisors; on-going regulatory filing fees and other fees; any reasonable out of pocket expenses incurred by Crown Hill, its affiliates, or its agents in connection with their on-going obligations to the Fund; expenses relating to portfolio transactions; and any expenditures which may be incurred upon the termination of the Fund. The Fund is also responsible for its other costs of portfolio transactions and any extraordinary expenses which may be incurred from time to time.

ANNUAL RETURNS AND ADMINISTRATIVE EXPENSE RATIO

	2009	2008	2007	2006	2005
Annual Returns	55.17%	-6.19%	-6.21%	-25.34%	4.00%
Administrative Expense Ratio	2.95%	2.51%	2.69%	2.52%	1.91%

UNITHOLDER MATTERS

Reporting of Net Asset Value

The net asset value per Unit of the Fund will be made available on a weekly basis at no cost on the website of the Administrative Agent at www.citadelfunds.com. Unitholders may also request such information by calling (416) 361-9673 or toll free at 1-877-261-9674.

From time to time the Administrative Agent or Investment Manager may, at its discretion, communicate the net asset value per Unit to data vendors or other relevant parties.

Reporting to Unitholders

The Fund will furnish to Unitholders such financial statements (including interim unaudited and annual audited financial statements) and other reports as are from time to time required by applicable law to be furnished by the Administrative Agent, including prescribed forms needed for the completion of Unitholders' tax returns under the Tax Act and equivalent provincial or territorial legislation.

OTHER BUSINESS

The Administrative Agent knows of no other business to be presented at the Meeting. If any additional matters should be properly presented, it is intended that the enclosed proxy will be voted in accordance with the judgment of the persons named in the proxy.

INTERESTS IN MATTERS TO BE ACTED UPON

The Administrative Agent is entitled to receive from the Fund an Administrative Services Fee for its services to the Fund, calculated and payable monthly in arrears, as further described under "ADMINISTRATION OF THE FUND − The Administrative Services Agreement". In addition, the Administrative Agent is entitled to be reimbursed by the Fund for all expenses incurred in connection with the operation and administration of the Fund.

As further described under "NEW MANAGER OF THE FUND − Termination Fee", if the Special Resolution is passed, the Fund will have to pay the Termination Fee to 2223785 Ontario Inc. in order to terminate the Administrative Services Agreement. 2223785 Ontario Inc. is an affiliate of the Administrative Agent.

The Investment Manager is entitled to receive from the Administrative Agent an Investment Management Fee for its services to the Fund, calculated and payable monthly in arrears, as further described under "INVESTMENT MANAGEMENT OF THE FUND − Investment Management Agreement".

CONFLICTS OF INTEREST

To the knowledge of the Fund, the Administrative Agent and the directors and officers of the Administrative Agent, as a group, beneficially own, directly or indirectly, less than 1% of the outstanding Units of the Fund as at July 29, 2010.

The services of the Administrative Agent and their officers and directors are not exclusive to the Fund. The Administrative Agent or any of its affiliates and associates may, at any time, engage in the promotion, management or investment management of any other fund or trust which invests primarily in securities held by the Fund, and provide similar services to other investment funds and other clients and engage in other activities. Investment decisions for the Fund are made independently of those made for other clients and independently of investments of the Administrative Agent. On occasion, however, the Administrative Agent may make the same investment for the Fund and for one or more of their other clients. If the Fund and one or more of the other clients of the Administrative Agent are engaged in the purchase or sale of the same security, the transactions will be effected on an equitable basis.

As at July 29, 2010, the members of the IRC did not hold any securities of the Fund or the Administrative Agent. In addition, the percentage of securities of each class or series of voting securities beneficially owned, directly or indirectly, in aggregate, by all members of the IRC in any service provider of the Fund or the Administrative Agent is less than 1%.

CUSTODIAN

CIBC Mellon Global Securities Services Company has been appointed the custodian of the Fund's assets pursuant to a custodian agreement dated October 17, 2005 entered into by the trustee of the Fund, on behalf of the Fund, the administrator of the Fund and the Custodian. The Custodian may employ sub-custodians as considered appropriate in the circumstances. The address of the Custodian is 320 Bay Street, P.O. Box 1, 6th Floor, Toronto, Ontario M5H 4A6.

AUDITORS

The auditors of the Fund are Ernst & Young LLP, Chartered Accountants, Ernst & Young Tower, 222 Bay Street, P.O. Box 251, Toronto, Ontario M5K 1J7, who were appointed on January 22, 2010. The previous auditors of the Fund were PricewaterhouseCoopers LLP, Toronto, Canada.

REGISTRAR AND TRANSFER AGENT

Computershare Trust Company of Canada has been appointed the registrar, transfer agent and distribution agent for the Fund pursuant to a registrar, transfer agency and distribution agency agreement dated August 30, 2005 among the trustee of the Fund, on behalf of the Fund, the administrator of the Fund and the Trustee, in its capacity as registrar, transfer and distribution agent. The register and transfer ledger will be kept by the Trustee at its principal stock and bond transfer offices located in Toronto and Calgary.

LEGAL MATTERS

McMillan LLP, counsel to the Fund, has provided legal advice to the Fund upon trust, securities and tax law matters in connection with the matters detailed in this Circular.

NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Circular and the documents incorporated by reference herein contain forward-looking statements. These statements relate to future events or the Fund's future performance. All statements other than statements of historical fact are forward-looking statements. In some cases, forward-looking statements can be identified by terminology such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", "continue", or the negative of these terms or other comparable terminology. These statements are only predictions. Actual events or results may differ materially. In addition, this Circular and the documents incorporated by reference herein may contain forward-looking statements attributed to third party industry sources. Forward-looking statements are based on certain factors and assumptions including, results of operations, performance and effective income tax rates. Undue reliance should not be placed on these forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. By its nature, forward-looking information involves numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will not occur.

Although the Administrative Agent believes that the expectations reflected in the forward-looking statements are reasonable based on the information currently available, there can be no assurance that such expectations will prove to be correct. The Administrative Agent cannot guarantee future results, levels of activity, performance, or achievements. Moreover, neither the Administrative Agent nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements. Some of the risks and other factors, certain of which are beyond the Fund's control, which could cause results to differ materially from those expressed in the forward-looking statements contained in this Circular and the documents incorporated by reference herein include, but are not limited to:

- general economic conditions in Canada, the United States and globally;
- the timing and the ability to carry out the Reorganization, including the Merger;
- fluctuations in the net asset value;
- fluctuation in foreign exchange or interest rates; and
- stock market volatility and market valuations.

The forward-looking statements contained in this Circular and the documents incorporated by reference herein are expressly qualified by this cautionary statement. Forward-looking statements are given only as at the date of this Circular and each of the Administrative Agent and the Fund disclaims any duty to update or revise any of the forward-looking statements after the date of this Circular to conform such statements to actual results or to changes in the Fund's expectations, whether as a result of new information, future events or otherwise, except as required by applicable law.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference into this Circular from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated by reference herein may be obtained from the SEDAR website at www.sedar.com or, on request, without

charge to Unitholders from the Administrative Agent at 141 Adelaide Street West, Suite 1006, Toronto, Ontario M5H 3L5.

The following documents filed with the various provincial securities commissions or similar authorities in Canada are specifically incorporated into and form an integral part of this Circular:

- the annual information form of each of the Fund and the Merging Funds dated March 31, 2010;
- the comparative financial statements, together with the accompanying report of the auditors, for the fiscal year ended December 31, 2009, of each of the Fund and the Merging Funds;
- management's report of fund performance of each of the Fund and the Merging Funds for the fiscal year ended December 31, 2009;
- independent review committee report to unitholders of the Fund and the Merging Funds for the period from July 21, 2009 to December 31, 2009; and
- any material change reports of either the Fund or the Merging Funds filed since December 31, 2009.

ADDITIONAL INFORMATION

Additional information on the Fund is provided in the Fund's financial statements, annual information form and management's report of fund performance. Financial information is provided in the Fund's comparative financial statements and management's report of fund performance for its most recently completed financial year. Copies of these documents may be obtained free of charge on request to the Administrative Agent at 141 Adelaide Street West, Suite 1006, Toronto, Ontario M5H 3L5. If you wish, this information may be accessed on SEDAR at www.sedar.com. Additional information can also be obtained on the Administrative Agent's website at www.crownhill.ca.

APPROVAL

The contents of this Circular and its sending to Unitholders have been approved by the directors of the Administrative Agent.

DATED at Toronto, Ontario this 6th day of August, 2010.

SUSTAINABLE PRODUCTION ENERGY TRUST,
by its administrative agent
CROWN HILL CAPITAL CORPORATION

Wayne Pushka

President and Director

APPENDIX "A" -
SPECIAL RESOLUTION OF
SUSTAINABLE PRODUCTION ENERGY TRUST
(the "Fund")

BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. The reorganization of the Fund in substantially the manner described in the management information circular of the Fund (the "**Circular**") accompanying this special resolution is hereby authorized and approved, including:

   (a) the merger of one or both of Energy Plus Income Trust and CGF Resource 2008 Flow Through Limited Partnership with the Fund, the continuing entity to be named Energy Income Fund (the "**Continuing Fund**");

   (b) the creation of a special redemption right for unitholders of the Fund permitting unitholders of the Fund ("**Unitholders**") who do not wish to remain invested in the Continuing Fund to have their units of the Continuing Fund redeemed at an amount equal to the net asset value per unit of the Continuing Fund as of the close of business on the Effective Date, and any necessary amendments to the Fund's declaration of trust made as of August 29, 2005 (the "**Declaration of Trust**") to permit the creation of such special redemption right; and

   (c) the amendment of the Declaration of Trust to:

      (i) reflect the investment objectives, strategies and restrictions of the Continuing Fund;

      (ii) create an annual redemption right exercisable by unitholders of the Continuing Fund in substitution for the existing redemption features of the Fund commencing in November, 2011 pursuant to which the Continuing Fund will retire up to 10% of the public float of units of the Continuing Fund through such annual redemption combined with market purchases pursuant to the proposed on-going normal course issuer bid;

      (iii) replace the mandatory market purchase program with a normal course issuer bid procedure;

      (iv) govern the Continuing Fund under the laws of the Province of Ontario;

      (v) amend the matters that require unitholder approval, as further described in the Circular;

      (vi) convert the role and responsibilities of the administrator to that of a manager of the Fund; and

      (vii) remove the administrative fee equal to 1.10% of average net asset value of the Fund and introduce a management fee equal to 0.70% of average net asset value of the Continuing Fund and an investment management fee paid directly by the Continuing Fund to the investment manager (the fee currently paid by the administrator to the investment manager is 0.40% of the average net asset value of the Fund).

2. The termination of 2223785 Ontario Inc. as administrator of the Fund and the appointment of the Crown Hill Capital Corporation ("**Crown Hill**") as the manager and trustee of the Continuing Fund is hereby approved.

3. Crown Hill is hereby authorized and directed for and on behalf of the Fund to execute and deliver all such documents and to take such action as may be necessary or advisable in order to carry out the intent of the foregoing resolution and the matters authorized thereby, including making consequential amendments to the Declaration of Trust, such determination to be conclusively evidenced by the execution and delivery of such document or the performance of such action by any director or officer of Crown Hill.

4. Notwithstanding that this resolution has been passed by the Unitholders, Crown Hill is hereby authorized to delay or terminate the changes contemplated by this resolution if Crown Hill determines in its sole discretion that it would be necessary or desirable.

APPENDIX "B1" -
INFORMATION CONCERNING ENERGY PLUS INCOME TRUST

Overview of the Structure

Energy Plus Income Trust ("**Energy Plus**") is a closed-end investment trust established under the laws of the Province of Alberta pursuant to a declaration of trust dated September 23, 2004.

Energy Plus was administered by N.A. Energy Management Inc. ("**N.A. Energy**") pursuant to an administrative services agreement dated September 22, 2004 between Energy Plus, by its attorney at the time, Computershare Trust Company of Canada, and N.A. Energy, as amended and restated October 12, 2005 (the "**EP Administrative Services Agreement**"). On June 3, 2009, Citadel Fund Administrator LP (the "**Interim Administrator**"), a subsidiary of CH Fund Administration LP, assumed all the rights and duties of the administration of the Fund under the EP Administrative Services Agreement and as of that date became the administrator of Energy Plus. The EP Administration Services Agreement was transferred by the Interim Administrator to 2223785 Ontario Inc. (the "**Delegator**") pursuant to an asset purchase agreement between the Citadel Fund Administration LP and the Delegator dated as of November 16, 2009 (the "**Asset Purchase Agreement**"). The Delegator and 1472278 Alberta Ltd. (the "**Delagatee**") entered into an administration agency and delegation agreement on November 16, 2009 (the "**Administration Agency and Delegation Agreement**") under which the Delagatee was delegated the Delagator's responsibilities and obligations under EP Administrative Services Agreement. Pursuant to an administration agency and delegation agreement assignment and assumption agreement dated December 22, 2009, the Delagatee delegated its responsibilities and obligations under the Administration Agency and Delegation Agreement with respect to Energy Plus to Crown Hill, who as of that date became the administrative agent of Energy Plus.

On August 27, 2009, Valiant Trust Company, a wholly-owned subsidiary of Canadian Western Bank, replaced Computershare Trust Company of Canada as trustee for Energy Plus. CIBC Mellon Global Securities Services Company is the custodian of the assets of Energy Plus. Galileo Equity Management Inc. is the investment counsel and portfolio manager which provides investment advisory and portfolio management services to Energy Plus pursuant to an investment management agreement dated September 24, 2004 between Crown Hill and Galileo Equity Management Inc. Energy Plus' principal office is located at 141 Adelaide Street West, Suite 1006, Toronto, Ontario, M5H 3L5.

Listing on a Stock Exchange

The units of Energy Plus are listed for trading on the TSX under the symbol EPF.UN and may generally be purchased or traded only through the facilities of the TSX, as Energy Plus does not continuously distribute its units.

Securities Law Matters

Energy Plus is not considered to be a mutual fund under the securities legislation of the provinces and territories of Canada. Consequently, Energy Plus is not subject to the various policies and regulations that apply to mutual funds under such legislation, notably National Instrument 81-102 – *Mutual Funds*. Energy Plus is subject to certain other requirements and restrictions contained in applicable securities laws, including National Instrument 81-106 – *Investment Fund Continuous Disclosure*, which governs the continuous disclosure obligations of investment funds such as Energy Plus, and National Instrument 81-107 — *Independent Review Committee for Investment Funds*, which governs the formation, composition and function of independent review committees of investment funds. Energy Plus is managed in accordance with those applicable requirements and restrictions.

Investment Objectives and Strategy

Energy Plus was created to provide holders of units of Energy Plus with monthly cash distributions while attempting to achieve a total return on its portfolio of securities over the term of Energy Plus that is greater than the total return provided by the S&P/TSX Capped Energy Trust Index over the same period (collectively, the "**Investment Objectives**"). The portfolio (the "**Portfolio**") consists of:

(a) Oil and Gas Trusts: funds, the units of which are listed and posted for trading on a Canadian or U.S. stock exchange, as the case may be, structured either as:

(i) a trust owning the debt and/or equity of an underlying entity involved in the development, acquisition, production and sale of oil and/or natural gas or in the provision of services to the oil and gas industry and including, without limitation, petroleum product treatment, waste processing and disposal, terminalizing and storage, supply of drilling fluids and drilling services and excavating services, or

(ii) a trust owning a royalty in the revenues generated by oil and/or natural gas reserves; and

(b) Other Resource Securities: the securities of any entity that is not an Oil and Gas Trust, but including other income funds, where the principal underlying business of the entity is the acquisition, development, production, marketing, transportation and/or sale of natural resources; provided that the determination by the Administrator that an issuer of securities is an Oil and Gas Trust or a security is an Other Resource Security is conclusive. Collectively the units of Oil and Gas Trusts and the Other Resource Securities, and rights to acquire such securities, are the "Portfolio Securities".

Energy Plus, through the investment manager of Energy Plus, seeks to achieve the Investment Objectives by selecting and actively managing a diverse portfolio of Portfolio Securities focused on oil and gas royalty trusts and oilfield service funds. In doing so, the investment manager of Energy Plus employs an "asset and commodity mix allocation" investment approach whereby the investment manager of Energy Plus under-weights or over-weights Energy Plus' investments amongst commodities (primarily oil and gas but also coal and forest products and other resource commodities) and asset classes of Portfolio Securities and cash from time to time, within the constraints of the permitted weightings set out below, as considered appropriate based on the investment manager of Energy Plus' view of current and anticipated market conditions. Oil and Gas Trusts and Other Resource Securities often behave differently from each other depending on many factors, including commodity mix. Under various market conditions the appropriate commodity and asset mix can often capitalize on performance opportunities while lowering the overall risk of an investment portfolio.

APPENDIX "B2" -
INFORMATION CONCERNING CGF RESOURCE 2008 FLOW-THROUGH LIMITED PARTNERSHIP

Overview of the Structure

CGF Resource 2008 Flow-Through Limited Partnership ("**CGF Resource**") is a limited partnership formed on December 19, 2007 pursuant to a partnership agreement under the *Partnership Act* (Alberta). The general partner of CGF Resource is CGF 2008 FT Management Ltd. (the "**General Partner**") and the initial limited partner was 899259 Alberta Ltd. CGF Resource is governed under the laws of the Province of Alberta pursuant to a limited partnership agreement Amended and Restated as of August 29, 2008, (the "**Partnership Agreement**"). Upon completion of its first closing on October 21, 2008 and over allotment option, CGF Resource raised $7.3 million on the issuance of 293,666 units at a price of $25.00 per unit. CGF Resource raised $4.2 million from new unitholders with an additional $3.1 million coming from unitholders of CGF Resource 2006 Flow-Through Limited Partnership.

The General Partner is incorporated under the *Business Corporations Act* (Alberta). The principal place of business of the General Partner is 141 Adelaide Street West, Suite 1006, Toronto, Ontario, M5H 3L5. On June 3, 2009 Citadel Fund Administrator LP acquired all of the outstanding shares of the General Partner. On December 18, 2009, Crown Hill acquired Citadel Fund Administrator LP. The General Partner has no significant financial resources or assets and was specifically formed to manage the affairs of CGF Resource and will not carry on any other business. The General Partner has developed and implements all aspects of CGF Resource's communications, marketing and distribution strategies and manages or supervises the management of the ongoing business and administrative affairs of CGF Resource. The General Partner or appropriately registered agents thereof also assists with identifying prospective investments in resource companies and monitoring the investment portfolio of CGF Resource to ensure compliance with the investment objectives and strategy of CGF Resource.

The General Partner had retained an administrator, CGF Resource FT Funds Management Ltd. to provide certain management and administrative services to CGF Resource pursuant to an administrative services agreement ("**CGF Administrative Services Agreement**"). On June 3, 2009, Citadel Fund Administrator LP (the "**Interim Administrator**") assumed all the rights and duties of the administration of CGF Resource under the CGF Administrative Services Agreement and as of that date became the administrator of CGF Resource. The CGF Administration Services Agreement was transferred by the Interim Administrator to 2223785 Ontario Inc. (the "**Delegator**") pursuant to the Asset Purchase Agreement. The Delegator and 1472278 Alberta Ltd. (the "**Delagatee**") entered into the Administration Agency and Delegation Agreement under which the Delagatee was delegated the Delagator's responsibilities and obligations under CGF Administrative Services Agreement. Pursuant to an administration agency and delegation agreement assignment and assumption agreement dated December 22, 2009 ("**CGF Administration Assignment Agreement**"), the Delagatee delegated its responsibilities and obligations under the Administration Agency and Delegation Agreement with respect to CGF Resource to the Crown Hill, who as of that date became the administrative agent of CGF Resource.

CIBC Mellon Global Securities Services Company is the custodian of the assets of CGF Resource. Galileo Equity Management Inc. was retained by the administrator of CGF Resource on behalf of the General Partner on behalf of CGF Resource to assist CGF Resource in selecting investments, initially in flow-through shares of resource issuers, with the objective of achieving capital appreciation for limited partners of CGF Resource (the "**Limited Partners**").

Listing on a Stock Exchange

The units of CGF Resource are not listed for trading on any exchange and CGF Resource does not continuously distribute its units.

Securities Law Matters

CGF Resource is not considered to be a mutual fund under the securities legislation of the provinces and territories of Canada. Consequently, CGF Resource is not subject to the various policies and regulations that apply to mutual funds under such legislation. CGF Resource is subject to certain other requirements and restrictions contained in applicable securities laws, including National Instrument 81-106 – *Investment Fund Continuous Disclosure*, which governs the continuous disclosure obligations of investment funds, such as CGF Resource.

Investment Objectives and Strategy

The Partnership Agreement provides that CGF Resource's investment objective is to provide Limited Partners with a tax-assisted investment in a diversified portfolio of flow-through shares and other securities of resource companies with a view to earning income and achieving capital appreciation for Limited Partners. In accordance with the Partnership Agreement, CGF Resource's investment strategy entails initially investing in flow-through shares of resource companies engaged in oil and gas or mining exploration, development and/or production or certain energy production, including renewable energy, that may incur Canadian Renewable and Conservation Expense that: (a) have experienced management; (b) have a strong exploration program in place; (c) may require time to mature; and (d) offer the potential for future growth.

The Partnership Agreement sets out the investment guidelines to which CGF Resource is subject. Pursuant to the Partnership Agreement, the investment guidelines may only be amended with the consent of the Limited Partners given by an extraordinary resolution passed by the affirmative vote of at least 66 ⅔% of the votes cast, either in person or by proxy, at a meeting of Limited Partners called for the purpose of approving such resolution. These investment guidelines provide, among other things, as follows:

(a) at least 80% of the gross proceeds will be invested in resource companies that are listed on a stock exchange and at least 50% of the gross proceeds will be invested in resource companies that are listed on the TSX, the New York Stock Exchange, the American Stock Exchange, NASDAQ, the London Stock Exchange, the AIM stock exchange, the TSX Venture Exchange, the Australian Stock Exchange or the South African JSE Security Exchange and at least 25% of the gross proceeds will be invested in resource companies that are listed on the TSX;

(b) not more than 20% of the gross proceeds will be invested in any one resource company;

(c) CGF Resource will not own more than 10% of any class of equity or voting securities (and for this purpose all equity based securities owned by CGF Resource shall be deemed to have been converted or exercised into the underlying equity securities and all fully paid equity based securities issued by a resource company shall be deemed to have been exercised into the underlying equity securities) of any resource company or purchase securities of any resource company for the purpose of exercising control or management over such resource company;

(d) not more than 20% of the gross proceeds in aggregate will be invested in resource companies that are related issuers;

(e) CGF Resource may borrow an amount not to exceed 15% of the gross proceeds pursuant to a loan facility and CGF Resource will not otherwise borrow;

(f) CGF Resource will not purchase or sell commodities if the intention is to take physical delivery of the commodity, except that CGF Resource may purchase or sell gold or gold certificates provided that, following any such purchase, no more than 10% of the net asset value (determined at the date the relevant share purchase agreement is entered into) would consist of gold and gold certificates and provided that any purchase of gold certificates shall be restricted to certificates issued by an issuer approved by the securities regulatory authorities;

(g) CGF Resource will not purchase the securities of any mutual fund other than in connection with the liquidity alternative;

(h) CGF Resource will not guarantee the securities or obligations of any person;

(i) CGF Resource will not purchase or sell real estate or interests therein;

(j) CGF Resource will not lend money, provided that CGF Resource may purchase: (i) debt obligations issued by the Government of Canada or any agency thereof or by the government of any province of Canada or any agency thereof, or investment grade short term commercial paper or interest bearing accounts of Canadian chartered banks or trust companies with assets in excess of $15 billion pending the making of investments in accordance with the investment concept of CGF Resource; and (ii) debt obligations which are convertible into equity securities of issuers that meet the investment objective, investment strategy and investment concept of CGF Resource;

(k) CGF Resource will not purchase or sell derivatives;

(l) CGF Resource will not act as an underwriter except to the extent that CGF Resource may be deemed to be an underwriter in connection with the sale of securities in its investment portfolio;

(m) CGF Resource will not make short sales of securities or maintain a short position in any security; and

(n) CGF Resource will not purchase mortgages.

VOTING INSTRUCTIONS

NON-REGISTERED (BENEFICIAL) UNITHOLDERS

If your units are held in a brokerage account or otherwise through an intermediary you are a "non-registered (beneficial) unitholder" and a Voting Instruction Form was mailed to you with this package.

Canadian Non-Registered (Beneficial) Unitholders Who Have Not Objected Disclosing Ownership Information About Themselves To The Fund (referred to as "NOBOs"):

- **Mail:** To the offices of Computershare Investor Services Inc. Attention: Proxy Department, 100 University Avenue, 9th Floor, North Tower, Toronto, Ontario M5J 2Y1 **or to** Kingsdale Shareholder Services Inc. at 130 King Street West, Suite 2950, P.O. Box 361, Toronto, Ontario, M5X 1E2 **or**
- **Fax:** Computershare Investor Services Inc.: 1-866-249-7775/416-263-9524 **or** Kingsdale Shareholder Services Inc.: 1-866-545-5580/416-867-2271 **or**
- **Online:** Visit www.investorvote.com and enter your 15 digit control number **or**
- **Phone:** 1-866-734-VOTE (8683) and quote your 15 digit control number.

Canadian Non-Registered (Beneficial) Unitholders Who Have Objected Disclosing Ownership Information About Themselves To The Fund (referred to as "OBOs"):

Visit www.proxyvote.com and enter your 12 digit control number or call **1-800-474-7493** or fax your Voting Instruction Form to **(905) 507-7793** in order to ensure that it is received before the deadline.

U.S. Non-Registered (Beneficial) Unitholders:

Visit www.proxyvote.com and enter your 12 digit control number or call **1-800-454-8683**.

VOTE BY TELEPHONE OR VIA THE INTERNET, FAX OR MAIL IN ORDER FOR IT TO BE RECEIVED BY THE DEADLINE

VOTING INSTRUCTION FORMS MUST BE RECEIVED NO LATER THAN THURSDAY, AUGUST 26, 2010 AT 8:30 A.M. (TORONTO TIME)

PLEASE ENSURE THAT YOU SIGN AND DATE THE VOTING INSTRUCTION FORMS

QUESTIONS ON VOTING YOUR VOTING INSTRUCTION FORMS PLEASE CALL:

Telephone Toll Free: 1-877-659-1825

Toll Free Fax: 1-866-545-5580

Outside North America Call Collect: 1-416-867-2272

Any questions and requests for assistance may be directed to the Proxy Solicitation Agent:

The Exchange Tower
130 King Street West, Suite 2950, P.O. Box 361
Toronto, Ontario
M5X 1E2

North American Toll Free Phone:

1-877-659-1825

Email: contactus@kingsdaleshareholder.com

Facsimile: 416-867-2271

Toll Free Facsimile: 1-866-545-5580

Outside North America, Banks and Brokers Call Collect: 416-867-2272