ENERMARK INCOME FUND

RENEWAL ANNUAL INFORMATION FORM

For the year ended December 31, 2000

May 9, 2001

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GLOSSARY OF TERMS AND ABBREVIATIONS

"**ABCA**" means the *Business Corporations Act*, S.A. 1981, c.B-15, as amended, including the regulations promulgated thereunder;

"**Acquired Interests**" means the working interests acquired by EnerMark during 2000 as a result of the acquisitions of Western Star, the Hanna Assets, Pursuit, EBOC and Cabre.

"**ARTC**" means the royalty tax credit as provided for in the *Alberta Corporate Tax Act*, or in any similar legislative provision substituted therefor.

"**Cabre**" means Cabre Exploration Ltd.

"**Declaration of Trust**" means the declaration of trust dated as of February 24, 1996, as amended, providing for the creation of the Fund.

"**EBOC**" means EBOC Energy Ltd.

"**EES**" means Enerplus Energy Services Ltd., a wholly owned subsidiary of EGEM.

"**EGEM**" means Enerplus Global Energy Management Inc., a private company.

"**EMR**" means EMR Resource Management Ltd., a wholly owned subsidiary of EGEM.

"**EnerMark**" means EnerMark Inc., a corporation amalgamated under the ABCA.

"**EnerMark Notes**" means the unsecured, subordinated notes of EnerMark which have been, or may be, issued by EnerMark to the Fund.

"**Established Reserves**" means Proven Reserves plus 50% of Probable Reserves.

"**Fund Trustees**" means the trustees of the Fund from time to time appointed to the board of trustees of the Fund in accordance with the Declaration of Trust.

"**Fund**" means EnerMark Income Fund.

"**Hanna Assets**" means the property interest acquired by EnerMark in the Hanna, Alberta area on February 28, 2000.

"**Management Agreement**" means the Management, Advisory and Administrative Agreement dated February 27, 1996, as amended, among EnerMark, the Fund Trustees on behalf of the Fund and EMR.

"**Mark**" means Mark Resources Inc.

"**Mark Arrangement**" means the arrangement under Section 186 of the ABCA which was effective on April 3, 1996 resulting in the exchange of the securities of Mark for securities of the Fund as set forth in the Plan of Arrangement approved at a meeting of the shareholders of Mark held on April 2, 1996.

"**Probable Reserves**" and "**Proven Reserves**" have the meanings given to those terms in the notes under "Oil and Natural Gas Reserves".

"**Pursuit**" means Pursuit Resources Corp.

"**Quest**" means Quest Oil & Gas Inc.

"**Quest Arrangement**" means the Arrangement under Section 276 of the *Company Act* (British Columbia) which was effective on April 22, 1997 resulting in the exchange of Quest securities for securities of the Fund as set forth in the Plan of Arrangement approved at a meeting of the shareholders of Quest held on April 8, 1997.

"**Royalty**" means the 95% interest in EnerMark's petroleum substances within, upon or under its Canadian oil and natural gas properties granted to the Fund pursuant to the Royalty Agreement.

"**Revenue Canada**" means the Canada Customs and Revenue Agency.

"**Royalty Agreement**" means the royalty agreement between EnerMark and the Fund dated as of June 1, 1997, as amended.

"**Sproule**" means Sproule Associates Limited, independent petroleum consultants.

"**Sproule Report**" means the independent engineering evaluations of EnerMark's core oil, NGLs and natural gas interests prepared by Sproule dated March 27, 2001, utilizing commodity price forecasts of Sproule dated January 1, 2001.

"**Tax Act**" means the *Income Tax Act* (Canada).

"**Unitholders**" means the holders, from time to time, of the Trust Units.

"**Trust Units**" means the Trust Units of the Fund.

"**Western Star**" means Western Star Exploration Ltd.

All dollar amounts contained herein are in Canadian dollars unless otherwise stated.

ABBREVIATIONS

Oil and Natural Gas Liquids

Bbls	-	barrels
Bbls/d	-	barrels per day
BOPD	-	barrels of oil per day
Mbbls	-	thousand barrels
MMbbls	-	million barrels
NGLs	-	natural gas liquids

Natural Gas

Bcf	-	billion cubic feet
gj	-	gigajoule
Mcf	-	thousand cubic feet
Mcf/d	-	thousand cubic feet per day
MMcf	-	million cubic feet
MMcf/d	-	million cubic feet per day
MMBTU	-	million British Thermal Units

Other

BOE means barrel of oil equivalent, using the conversion factor of 6 Mcf of natural gas being equivalent to one barrel of oil. The conversion factor used to convert natural gas to oil equivalent is not necessarily based upon either energy or price equivalents at this time.

BOE/d means BOE per day.

MBOE means thousand barrel of oil equivalent.

W.I. means working interest.

WTI means West Texas Intermediate at Cushing, Oklahoma.

CONVERSION

The following table sets forth certain standard conversions between Standard Imperial Units and the International System of Units (or metric units).

To Convert From	To	Multiply By
Mcf	cubic metres	28.174
cubic metres	cubic feet	35.494
Bbls	cubic metres	0.159
cubic metres	Bbls	6.293
feet	metres	0.305
metres	feet	3.281
miles	kilometres	1.609
kilometres	miles	0.621
acres	hectares	0.405
hectares	acres	2.471
gigajoules	MMBTU	0.950

ENERMARK INCOME FUND

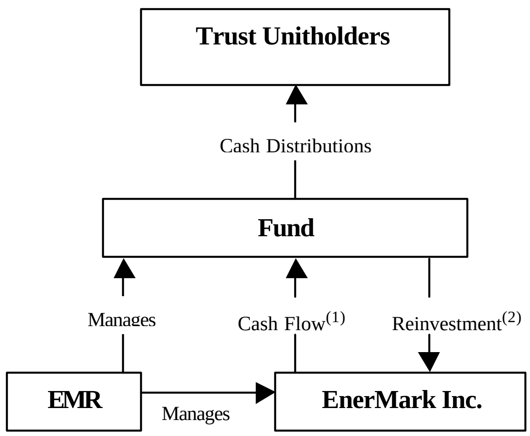
Renewal Annual Information Form

For the year ended December 31, 2000

STRUCTURE OF ENERMARK INCOME FUND

Structure

The structure of the Fund, EnerMark and EMR is set forth below:



Notes:

(1) Cash flow represents payments made by EnerMark to the Fund in respect of principal and interest payments on the EnerMark Notes and royalty payments in respect of the Royalty or other royalties granted by EnerMark to the Fund. Payments of dividend income on EnerMark shares held by the Fund may also be made.

(2) The Fund may invest the net proceeds from the issuance of Trust Units and repayments of principal on the EnerMark Notes derived from the sale of oil and natural gas properties in securities or royalties of EnerMark to enable EnerMark to make capital expenditures to develop or acquire additional oil and natural gas properties or to make other investments permitted under Section 132(6)(b) of the Tax Act.

EnerMark Income Fund

EnerMark Income Fund (the "Fund") is an unincorporated open-end energy investment trust created under the laws of the Province of Alberta pursuant to the Declaration of Trust.

The Fund is an open-end trust and was created initially for the purpose of completing the reorganization, by way of the Mark Arrangement, of Mark into a royalty trust structure. The Mark Arrangement was completed on April 3, 1996. The Fund's activities are restricted to investing in property or investments described in Section 132(6)(b) of the Tax Act, including securities of EnerMark, issuing Trust Units and making distributions to Unitholders as authorized by the Declaration of Trust. The beneficiaries of the Fund are the Unitholders. As at December 31, 2000, the Fund held all of the outstanding EnerMark Notes, the Royalty and 1,000,000 common shares of EnerMark, being all of the issued and outstanding common shares of EnerMark. The Fund and EnerMark are managed by EMR Resource Management Ltd. pursuant to the Management Agreement.

The head, principal and registered office of the Fund is located at 1900, 700 - 9th Avenue S.W., Calgary, Alberta T2P 3V4.

EnerMark Inc.

EnerMark, a company amalgamated under the ABCA, is a wholly-owned subsidiary of the Fund. EnerMark is an active oil and natural gas company operating in western Canada. EnerMark's primary focus is to maintain and enhance cash distributions to the Unitholders through the development of existing oil and natural gas properties, acquisition of new producing properties and the monetization, by way of sale or farmout, of EnerMark's undeveloped lands. Development efforts are concentrated on optimizing production from existing and new oil and natural gas reserves. Substantially all of EnerMark's oil, NGLs and natural gas reserves and related revenues are based in western Canada.

The head, principal and registered office of EnerMark is located at 1900, 700 - 9th Avenue S.W., Calgary, Alberta T2P 3V4.

EMR Resource Management Ltd.

EMR was incorporated under the ABCA on January 30, 1996 solely for the purpose of providing management, advisory and administrative services to EnerMark and the Fund pursuant to the Management Agreement. EMR is a member of the Enerplus Group of Companies.

The head, principal and registered office of EMR is located at 1900, 700 - 9th Avenue S.W., Calgary, Alberta T2P 3V4.

GENERAL DEVELOPMENT OF ENERMARK INCOME FUND

Organization of the Fund – Mark Arrangement

The Fund is a limited purpose trust and was created initially for the purpose of completing the Mark Arrangement, which essentially allowed security holders of Mark to exchange such securities for Trust Units of the Fund and a cash payment. The Mark Arrangement was completed on April 3, 1996.

The Mark Arrangement resulted in the issuance of 73,920,186 Trust Units to the former Mark shareholders and debenture holders, the payment of approximately $115.8 million in cash to the former Mark shareholders and the payment of approximately $2.9 million in cash to the former debenture holders with respect to accrued interest.

Quest Arrangement

On April 22, 1997, EnerMark acquired all of the issued and outstanding securities of Quest pursuant to the Quest Arrangement, making Quest a wholly-owned subsidiary of EnerMark. EnerMark and Quest were subsequently amalgamated. As part of the Quest Arrangement, EnerMark paid $112.8 million cash to the holders of Quest securities and the Fund issued 1,190,660 Trust Units to the former Quest securityholders.

Derrick Acquisition

On June 4, 1999, EnerMark acquired all of the outstanding shares of Derrick Energy Corporation. This acquisition was allocated among the Enerplus Group of Companies with EnerMark acquiring 20% of these assets at a net cost of $2.9 million.

Acquisition of Western Star Exploration Ltd.

Pursuant to a take-over bid which was completed in January 2000, the Fund acquired all of the outstanding common shares of Western Star for aggregate consideration of $21.7 million in cash and acquisition costs plus the issuance of 74,417 Trust Units and 116,276 warrants, with each warrant exercisable into one Trust Unit at a price of $4.00 per Trust Unit until December 31, 2000. In addition, the Fund assumed approximately $5.5 million of debt and working capital. On April 1, 2000, Western Star was amalgamated with EnerMark. Western Star's assets were comprised primarily of producing natural gas properties concentrated in the Hanna, Taber and Thornbury areas of Alberta.

Acquisition of Natural Gas Property at Hanna, Alberta

On February 28, 2000, EnerMark completed the acquisition of property interests in the Hanna, Alberta area (the "Hanna Assets") from an affiliate of a major Canadian pension fund for approximately $34.2 million, before costs related to the acquisition of approximately $500,000. Consideration paid for the property interests was comprised of $13 million of cash and the issuance of 6,050,000 Trust Units. A majority of the interests acquired with this acquisition increased interests in properties already held by EnerMark as a result of the acquisition of Western Star and resulted in EnerMark operating the property. Production from this property in respect of the acquired interests is currently 9.0 MMcf/d of natural gas.

Acquisition of Pursuit Resources Corp.

Pursuant to a take-over bid which was completed in April 2000, the Fund acquired all of the outstanding shares of Pursuit Resources Corp. for total consideration of approximately $81.7 million, paid with $14.7 million in cash and the issuance of 17,274,000 Trust Units. In addition, the Fund assumed approximately $36.1 million of Pursuit's net debt. Pursuit and its wholly owned Canadian subsidiaries were amalgamated with EnerMark effective July 1, 2000. The primary assets of Pursuit were located in the Chigwell, Prairiedale and Leo areas of Alberta.

Acquisition of EBOC Energy Ltd.

Pursuant to a take-over bid which was completed on September 1, 2000, the Fund acquired all of the issued and outstanding shares of EBOC Energy Ltd. ("EBOC"), a private oil and natural gas corporation, for total consideration of $148.2 million comprised of $143.6 million in cash and $4.6 million of related costs, plus the assumption of approximately $10 million of net debt. An independent engineering report by Sproule effective April 1, 2000 and subsequently recalculated using Sproule’s July 1, 2000 price forecast attributed proven reserves of 161 Bcf of natural gas and 1,189 Mbbls of crude oil and NGLs to the EBOC properties, with Established Reserves totalling 29,896 MBOE.

Acquisition of Cabre Exploration Ltd.

On December 21, 2000, the Fund acquired approximately 88.7% of the outstanding common shares of Cabre Exploration Ltd. pursuant to a securities exchange take-over bid, with the remaining Cabre shares acquired by the Fund in January 2001. EnerMark issued a total of 64,531,637 Trust Units to former Cabre shareholders, along with a total of 19,855,867 warrants, each warrant exercisable into one Trust Unit at a price of $4.59 at any time until December 17, 2001. Additionally, EnerMark incurred approximately $6.6 million in related costs and assumed approximately $39.6 million of debt from Cabre. EnerMark estimates that, as at July 1, 2000, after giving effect to Cabre’s $125 million disposition of its core northeastern Alberta natural gas assets, the reserves attributable to Cabre’s properties consisted of proven reserves of 104 Bcf of natural gas and 18,889 Mbbls of crude oil and NGLs Established Reserves totalling 40,532 MBOE.

Of the foregoing acquisitions, only the acquisitions of Cabre and EBOC qualify as "significant acquisitions" within the meaning of National Instrument 44-101 of the Canadian Securities Administrators.

Strategic Affiliation with El Paso Energy Corporation

On August 3, 2000, the Enerplus Group of Companies ("Enerplus") announced that it had formed a strategic affiliation with El Paso Energy Corporation ("El Paso") of Houston, Texas through the sale of the management companies responsible for the management of Enerplus' various public and private funds, including EMR, the manager of the Fund and EnerMark. El Paso controls over U.S. $46 billion in assets and has operations in natural gas transmission, merchant energy services, power generation, international project development, natural gas gathering and oil and natural gas production.

Recent Developments Since Fiscal Year-End

Revenue Protection Plan

On March 21, 2001, the Fund announced that EnerMark had entered into a revenue protection plan (the "Plan") for each of the second, third and fourth quarters of 2001, which is similar to the Plan implemented by EnerMark in 2000. This Plan will ensure a minimum level of revenue on approximately 50% of EnerMark's anticipated production volumes for the period. The key benefit of this arrangement is that it provides maximum flexibility which allows EnerMark to retain 100% of any pricing upside above the established floor level while insuring a base level of revenue and distributions.

The Plan will settle on a quarterly basis and guarantees that EnerMark will receive a minimum combined benchmark price of Cdn. $37.95/BOE on production volumes of 23,638/BOE per day (comprised of 11,000 Bbls/d of crude oil and approximately 76 MMcf/d of natural gas). Under the terms of the contract, the minimum benchmark prices are based on a WTI crude oil price of U.S. $25.00/Bbl (Cdn. $39.00/Bbl) and an Alberta AECO spot price for natural gas of Cdn. $6.17/Mcf. The total cost of this plan is approximately $0.04 per Trust Unit.

BUSINESS OF ENERMARK INC. AND THE FUND

EnerMark is an active oil and natural gas company operating in western Canada. During the year ended December 31, 2000, EnerMark held interests in oil and natural gas properties which yielded average production of 31,112 BOE/d before giving effect to the Cabre acquisition and only giving proportionate effect to production from the other Acquired Interests from the respective dates of their acquisition. See "Operational Information - Inclusion of Operations of Acquired Interests". EnerMark's year end exit production rate for 2000, including all Acquired Interests, was approximately 47,000 BOE/d.

General Overview

EnerMark's primary focus is to maintain and enhance cash distributions to the Unitholders through the development of existing oil and natural gas properties, acquisition of new producing properties and the monetization, by way of sale or farm out, of EnerMark's undeveloped lands. Development efforts are concentrated on optimizing production from existing and new oil and natural gas reserves.

Substantially all of EnerMark's crude oil and NGLs and natural gas reserves and related revenues are based in western Canada. As at December 31, 2000, EnerMark's asset base was estimated to contain Established Reserves of 85.6 MMbbls of crude oil and NGLs and 747.2 Bcf of natural gas, based on escalated price and cost assumptions, and an inventory of undeveloped acreage totalling 730,682 net acres. Continued exploitation of this undeveloped land base throughout 2000 resulted in 55 farm out wells drilled at no cost to EnerMark, 85% of which were successful. Many of the farm out well arrangements ensured that EnerMark would retain a royalty interest in the land. As a result, EnerMark currently has 744,703 acres of land under royalty arrangements. See "Oil and Natural Gas Reserves" and "Operational Information".

OPERATIONAL INFORMATION

Inclusion of Operations of Acquired Interests

Reserve information attributable to all of the Acquired Interests is included in the reserve information of EnerMark contained herein. See "Oil and Natural Gas Reserves". Production rates for properties (or portions thereof) acquired through acquisitions represent only the net production to EnerMark recorded subsequent to the applicable date of acquisition (outlined below) averaged over a full year. Production from the Western Star properties is included in EnerMark's results of operations from January 7, 2000. Production from the Hanna Assets is included in EnerMark's results of operations from February 28, 2000. Production from the Pursuit properties is included in EnerMark's results of operations from April 3, 2000. Production from the EBOC properties is included in EnerMark's results of operations from September 1, 2000. Production from the Cabre properties is not included in EnerMark's results of operations during 2000. However, the properties acquired in connection with the Cabre acquisition averaged production of

13,856 BOE/d comprosed of 7,273 Bbls/d of crude oil, 1,280 Bbls/d of NGLs and 31.8 MMcf/d of natural gas during the month of December 2000 (which is after giving effect to the disposition of certain properties by Cabre at such time).

Principal Producing Properties

The following paragraphs discuss the principal producing properties of EnerMark, including, where applicable, the additional properties or working interests attributable to the Acquired Interests as of the effective date of such acquisitions. All production information represents the net working interest of EnerMark in such property before deduction of royalty interests owned by others, and production figures for the year ended December 31, 2000 only include, where applicable, the net average production attributable to the Acquired Interests for the months following their acquisition by EnerMark or the Fund. All references to reserve volumes contained in each property are based upon the estimated volumes contained within the Sproule Report applicable to EnerMark's gross working interest in the property, which include reserves attributable to the Acquired Interests.

Medicine Hat Glauconitic C Pool, Alberta

EnerMark has an approximate 65% working interest in this Glauconite zone oil pool located about 350 kilometres southeast of Calgary, Alberta. The development plan for this property, which is operated by EnerMark, includes the implementation of a waterflood to enhance crude oil recovery. A significant portion of the pool has been unitized and waterflood facilities are currently being constructed. Full-scale injection into the pool is anticipated to commence in May, 2001. EnerMark will have a 28% working interest in the unitized lands. Production in 2000 averaged 620 Bbls/d of crude oil and 800 Mcf/d of natural gas, for a total of 753 BOE/d. As at December 31, 2000, EnerMark’s property interest contained 4,958 MBOE of Established Reserves. Both crude oil and natural gas produced from this property are marketed at the prevailing spot price under short-term contracts.

Bantry, Alberta

EnerMark has an average 40% working interest in the Bantry Field located approximately 200 kilometres southeast of Calgary, Alberta. EnerMark operates a portion of its working interests in this property. Natural gas from this property is primarily produced from the Milk River and Medicine Hat formations. In 2000, production from the property averaged approximately 2.7 MMcf/d. As a result of a successful 30 well shallow natural gas infill-drilling program in the fourth quarter of 2000, production averaged 4.5 MMcf/d of natural gas in January 2001. Plans for this property in 2001 include installing additional compression and drilling another 90 shallow natural gas infill wells such that most of the pool will be developed on 80 acre spacing. As at December 31, 2000, EnerMark’s property interest contained 8,762 MBOE of Established Reserves.

A total of 4.0 MMcf/d from this property has been sold under a three year, fixed price arrangement of $2.44/Mcf. This arrangement terminates on November 1, 2001. The remainder of the natural gas is marketed at the prevailing market price under spot and short-term contracts.

Hanna Garden Plains, Alberta

EnerMark acquired working interests of approximately 80% in the Hanna Garden Plains field through the acquisitions of Western Star in January 2000 and the acquisition of the Hanna Assets from a private pension fund on February 28, 2000. This property, which is operated by EnerMark, is located approximately 200 kilometres northeast of Calgary, Alberta. The primary producing zone is the Second White Specks, which averaged production of 7.5 MMcf/d in 2000. In the fourth quarter of 2000 and first quarter of 2001 EnerMark drilled 46 Second White Specks natural gas wells and expanded the two field compressor sites. Completion and tie-in of these natural gas wells is scheduled for May 2001. Plans for the property in 2001 are to drill up to 90 additional natural gas wells, the majority of which will complete development of the lands on 320-acre spacing. As at December 31, 2000, EnerMark’s property interest in this area contained 19,507 MBOE of Established Reserves. The natural gas produced from this area is marketed primarily at the prevailing spot price.

Giltedge, Alberta

EnerMark has a 100% working interest in and operates the Giltedge field located 350 kilometres northeast of Calgary, Alberta. In 2000, production averaged 1,733 Bbls/d of crude oil and 967 Mcf/d of natural gas, for a total of 1,894 BOE/d, from this Lloydminster zone waterflood. Plans for the property in 2001 consist of exploiting the nonwaterflood portions of the pool with three horizontal wells. As at December 31, 2000 EnerMark's property interests contained 11,129 MBOE of Established Reserves. Production from this property is sold at the prevailing spot price under short-term contracts.

David, Alberta

EnerMark has a 100% working interest in and operates the David field located 300 kilometres northeast of Calgary, Alberta. There are 30 producing crude oil wells in this waterflood project that averaged production of 701 Bbls/d of crude oil, 6 Bbls/d of NGLs and 89 Mcf/d of natural gas from the Lloydminster formation in 2000. Expansion of the waterflood is planned for 2001 by converting additional wells to water injection. As at December 31, 2000, EnerMark's property interest contained 763 MBOE of Established Reserves. Production from this property is sold at the prevailing spot price under short-term contracts.

Heward, Saskatchewan

EnerMark has an average 95% working interest in and operates the Heward oil property located approximately 100 kilometres northwest of Estevan, Saskatchewan. This Frobisher crude oil pool has been exploited with 15 gross (14 net) vertical and horizontal wells. Production for 2000 averaged 349 Bbls/d of crude oil. As at December 31, 2000, EnerMark's property interest contained 758 MBOE of Established Reserves. Production from this property is sold at the prevailing spot price under short-term contracts.

Verger, Alberta

EnerMark has an average 16% working interest in the Verger field located approximately 200 kilometres southeast of Calgary, Alberta. Natural gas from this property is primarily produced from the Milk River and Medicine Hat formations. Natural gas production averaged 1.7 MMcf/d in 2000. As at December 31, 2000, EnerMark's property interest contained 2,241 MBOE of Established Reserves. Production from this property is sold at the prevailing spot price under short-term contracts.

Kessler, Alberta

EnerMark acquired an average of 71% working interest in and operatorship of the Kessler field through the acquisition of Cabre in December 2000. This area, which is located approximately 300 kilometres northeast of Calgary, Alberta, includes petroleum and natural gas rights on the Kessler, Kessler South, Kessler East, Hughenden and Shorncliffe properties. Production on these properties is primarily medium gravity crude oil from the Upper Mannville Cummings, Lloydminster and Sparky formations and heavy oil from the Lower Mannville and Dina reservoirs. There are 92 producing crude oil wells and one natural crude gas well on these properties that produced an average of 1,365 Bbls/d of crude oil during the first two months of 2001. Plans for 2001 include expanding the waterflood and drilling two Mannville infill crude oil wells in the Kessler property. As at December 31, 2000, EnerMark's property interest contained 1,709 MBOE of Established Reserves. Production from this property is sold at the prevailing spot price under short-term contracts.

Cadogan, Alberta

EnerMark has an average 95% working interest in and operates the Cadogan field located 300 kilometres northeast of Calgary, Alberta. This property was acquired through the acquisition of Cabre in December 2000. There are 32 producing crude oil wells in this waterflood project that averaged production from the Lloydminster formation of 583 Bbls/d of crude oil in the first two months of 2001. As at December 31, 2000, EnerMark's property interest contained 1,303 MBOE of Established Reserves. Production from this property is sold at the prevailing spot price under short-term contracts.

Auburndale, Alberta

EnerMark has an average 80% working interest in and operates the Auburndale field located 350 kilometres northeast of Calgary, Alberta. This property was acquired through the acquisition of Pursuit in April 2000. There are 21 producing crude oil wells and 4 producing natural gas wells on this property that averaged production of 552 Bbls/d of crude oil and 633 Mcf/d of natural gas, for a total of 658 BOE/d, in 2000. Four successful heavy oil wells were drilled in 2000 in the main producing Sparky pool. Plans are to drill three additional Sparky infill wells in 2001 and complete the development of the pool on 20 acre spacing. As at December 31, 2000, EnerMark's property interest contained 1,186 MBOE of Established Reserves. Production from this property is sold at the prevailing spot price under short-term contracts.

Prairiedale, Saskatchewan

EnerMark has an average 98% working interest in and operates the Prairiedale field located approximately 400 kilometres east of Calgary, Alberta. This property was acquired through the acquisition of Pursuit in April 2000. Natural gas from this property is primarily produced from the Viking formation and averaged 1.4 MMcf/d in 2000. Plans are to drill 6 Viking infill wells in 2001 to complete the development of the pool on 320 acre spacing. As at December 31, 2000, EnerMark's property interest contained 2,490 MBOE of Established Reserves. The natural gas production is marketed to a pool comprising both long-term and spot markets.

Bashaw, Alberta

EnerMark has varying working interests ranging from 50% to 100% in the Bashaw area located approximately 130 kilometres northeast of Calgary, Alberta. This property, which EnerMark operates, was acquired through the acquisition of EBOC in September 2000. The Bashaw area produces natural gas primarily from the Belly River and Mannville formations. In 2000, this area averaged production of approximately 2.9 MMcf/d of natural gas and 27 Bbls/d of NGLs. The natural gas is compressed and processed through both EnerMark owned and operated infrastructure as well as third party gas processing plants. Plans for 2001 include field compression optimization, uphole gas recompletions, and a high working interest drilling location scheduled for the third quarter offsetting an operated, high deliverability Mannville natural gas well. As at December 31, 2000, EnerMark's property interest contained 2,162 MBOE of Established Reserves. Production from this property is sold at the prevailing spot price under short-term contracts.

Valhalla, Alberta

EnerMark has varying working interests ranging from 35% to 100% in the Valhalla area located approximately 500 kilometres northwest of Calgary, Alberta. The Valhalla area, which EnerMark operates, produces crude oil and natural gas from the Doe Creek, Bluesky, Boundary Lake and Halfway formations. In 2000, the area produced an average of 1,600 BOE/d consisting of 721 Bbls/d of crude oil, 4.8 MMcf/d of natural gas and 83 Bbls/d of NGLs. Crude oil and natural gas is either processed at EnerMark owned and operated facilities or at non-operated facilities. Plans for 2001 include additions to and optimization of existing compression at the operated facilities. EnerMark also intends to drill several infill Halfway crude oil wells in 2001 to optimize both crude oil and natural gas recovery from this existing pool. As at December 31, 2000, EnerMark's property interest contained 4,925 MBOE of Established Reserves. Crude oil and NGLs production is marketed at the prevailing market price under short-term contracts. Natural gas is marketed under a variety of contracts including major netback priced pool aggregators and short-term contracts.

Joarcam, Alberta

EnerMark has varying working interests ranging from 65% to 100% in the Joarcam area of central Alberta located 300 kilometres northeast of Calgary, Alberta. This property, which EnerMark operates, was acquired through the acquisition of Cabre in December 2000. The Joarcam area produces crude oil, solution gas and gas cap gas from the Viking formation as well as non-associated gas from the Mannville formations. Since EnerMark acquired the property, production averaged 2,294 Bbls/d of crude oil, 130 Bbls/d of NGLs and 8.3 MMcf/d of natural gas in the first two months of 2001. All crude oil and gas produced from this property is processed at EnerMark operated facilities. Plans for 2001 include the drilling of up to 12 infill Viking crude oil wells, several non-associated gas well re-completions and tie-ins and facility optimizations. As at December 31, 2000, EnerMark's property interest contained 12,850 MBOE of Established Reserves. Production from this property is sold at the prevailing spot price under short-term contracts.

Pine Creek, Alberta

EnerMark has both operated and non-operated production in working interests ranging from 50% to 100% in the Pine Creek area located approximately 500 kilometres northwest of Calgary, Alberta. The Pine Creek area produces liquids rich natural gas from the Bluesky, Gething and Ostracod formations. In 2000, production averaged 5.9 MMcf/d of natural gas and 234 Bbls/d of NGLs. The majority of production from this area is compressed and processed through EnerMark-owned infrastructure with a portion of the natural gas handled through third party gas plants. As at

December 31, 2000, EnerMark's property interest contained 9,151 MBOE of Established Reserves. Production from this property is sold at the prevailing spot price under short-term contracts.

Progress, Alberta

EnerMark has a 100% working interest in the operated portion of the Progress area located approximately 600 kilometres northwest of Calgary, Alberta. This portion was acquired through the acquisition of Cabre in December 2000 and produces crude oil and solution gas from the Boundary Lake formation. Since EnerMark acquired its working interest in the operated portion of the property, the related production during the first two months of 2001 averaged 862 Bbls/d of crude oil, 61 Bbls/d of NGLs and 2.5 MMcf/d of natural gas. EnerMark also has a 27% working interest in the partner-operated Progress Halfway Gas Unit which produces non-associated gas from the Halfway formation. In 2000, production from the Halfway Gas Unit averaged 5.2 MMcf/d of natural gas and 85 Bbls/d of NGLs. As at December 31, 2000, EnerMark's total property interests in this area contained 5,786 MBOE of Established Reserves. Crude oil and NGLs production is marketed at the prevailing market price under short-term contracts. Natural gas is marketed under a variety of contracts including major netback priced pool aggregators and short-term spot priced contracts.

Willesden Green, Alberta

EnerMark has an average 50% working interest in the Willesden Green property which was acquired through the acquisition of Cabre in December 2000. This area is located 250 kilometres northwest of Calgary, Alberta and produces crude oil, NGLs and natural gas from various geological formations that averaged production of 33 Bbls/d of crude oil, 212 Bbls/d of NGLs and 4.4 MMcf/d of natural gas, for a total of 975 BOE/d, in the first two months of 2001. Some wells contain multiple producing zones or potential producing zones. As of March 2001, all of the undeveloped acreage is subject to a farm out arrangement that includes a 3 well drilling commitment. Development plans for the EnerMark-operated portion of the property include tie-in and production of a 5.0 MMcf/d Nisku sour natural gas well. This initial production date for this well is contingent on the completion of the sour gas train addition to the O'Chiese gas plant, which EnerMark anticipates will be in May 2001. As at December 31, 2000, EnerMark's property interest contained 3,434 MBOE of Established Reserves. Production from this property is sold at the prevailing spot price under short-term contracts.

Deep Basin, Alberta

EnerMark has an average working interest of 9% in the non-operated Deep Basin property which encompasses the Elmworth, Karr, Wapiti, and South Wapiti producing fields which are located approximately 500 kilometres northwest of Calgary, Alberta. In 2000, this property produced 2,392 BOE/d comprised of 11.3 MMcf/d of natural gas and 515 Bbls/d of NGLs. EnerMark owns sufficient capacity in compressor stations, gas gathering systems and gas processing plants to process its production from the 320 wells in which it has a working interest. As at December 31, 2000, EnerMark's property interest contained 7,724 MBOE of Established Reserves. Natural gas production from this property is marketed under a long-term contract to a major netback pool operator.

Benjamin, Alberta

EnerMark has an average working interest of 20% in the 6 producing gas wells in this foothills area which is located 80 kilometres northwest Calgary, Alberta. These wells produce from the Turner Valley formation. This property, which was acquired through the acquisition of EBOC in September 2000, produced 3.6 MMcf/d of natural gas for the year 2000. Several follow-up development drilling locations have been identified with the first one scheduled to be spudded June 2001. EnerMark has also participated in a compression and pipeline project which is anticipated will ensure plant processing capacity will be available for EnerMark's needs. As at December 31, 2000, EnerMark's property interest contained 17,827 MBOE of Established Reserves. Production from this property is sold at the prevailing spot price under short-term contracts.

Cranberry, Alberta

EnerMark has an average working interest of 38% in this non-operated property located in northwestern Alberta. Natural gas is produced from both the Slave Point and Debolt formations. During 2000, EnerMark sold its interest in the natural gas processing facilities and is paying third party processing fees thereafter. This property produced 4.1 MMcf/d of natural gas during 2000. As at December 31, 2000, EnerMark's property interest contained

4,547 MBOE of Established Reserves. Production from this property is sold at the prevailing spot price under short-term contracts.

Drilling Activities and Results

During 2000, EnerMark participated in the drilling of 302 gross wells (91 net wells) with a 96% net well success rate. The following table summarizes the number and type of wells that EnerMark drilled or participated in drilling for the years ended December 31, 2000 and 1999 including the activities attributable to the Acquired Interests from their respective dates of acquisition. See "Operational Information - Inclusion of Operations of Acquired Interests". EnerMark did not participate in drilling any exploratory wells in any such period. Other than wells designated as "Dry" in the table below, all wells described in the table are capable of production.

	Year Ended December 31,			
	2000		1999	
	Gross (1)	Net (2)	Gross (1)	Net (2)
Development Wells				
Oil	103	34	4	3
Natural Gas	184	54	97	15
Dry	15	3	4	2
Total working interest wells	302	91	105	20

Notes:

(1) "Gross" means the number of wells in which EnerMark has an interest.

(2) "Net" means the product of the total number of gross wells multiplied by EnerMark's percentage interest therein.

Summary of Production Locations

During the year ended December 31, 2000, 76% of EnerMark's oil and NGLs production and 93% of EnerMark's natural gas production came from Alberta, 2% of EnerMark's oil and NGLs production and 5% of EnerMark's natural gas production came from British Columbia, and 22% of EnerMark's oil and NGLs production and 2% of EnerMark's natural gas production came from Saskatchewan. The following table sets out the geographical areas of EnerMark's production from its major properties in 2000 and the average daily production from such properties during the year ended December 31, 2000. With respect to the inclusion of production from Acquired Interests, see "Operational Information - Inclusion of Operations from Acquired Interests".

Location	Crude Oil (Bbls/d)	NGLs (Bbls/d)	Natural Gas (Mcf/d)	Total (BOE/d) (6 Mcf/d=1 BOE/d)
Alberta				
Deep Basin	-	515	11,259	2,392
Giltedge	1,733	-	967	1,894
Valhalla	721	83	4,779	1,600
Hanna Garden	-	1	7,462	1,245
Pine Creek	7	227	5,946	1,225
Progress Halfway	-	85	5,209	953
Cranberry	-	97	4,052	772
Medicine Hat Glauc C	620	-	800	753
David	701	7	89	723
Auburndale	552	-	633	658
Benjamin	-	8	3,594	607
Utikuma	574	1	86	589
Little Horse	552	-	-	552
Kaybob South	-	166	2,222	536
Bashaw	-	27	2,948	518
Chigwell	1	47	1,977	378

Location	Crude Oil (Bbls/d)	NGLs (Bbls/d)	Natural Gas (Mcf/d)	Total (BOE/d) (6 Mcf/d=1 BOE/d)
Leo	19	9	1,786	326
Bantry	-	-	2,732	455
Chauvin South	363	-	-	363
Jenner Non-operated	192	-	667	303
Verger	1	-	1,702	285
Taber	-	-	1,642	274
Hotchkiss	1	-	1,423	238
Leo Non-operated	7	10	1,281	231
Cherhill Unit 1	26	-	1,174	222
Alexis	74	4	856	221
Gift Lake	211	-	-	211
Golden Spike	2	42	741	168
Thornbury Non-operated	-	-	909	152
Other	2,400	720	27,223	7,655
Alberta Total	**8,757**	**2,049**	**94,159**	**26,499**
% of Total EnerMark	*72%*	*97%*	*93%*	*85%*
Saskatchewan				
Battle Creek	381	-	-	381
Heward	349	-	-	349
West Kingsford	277	-	-	277
Tatagwa	269	-	-	269
Prairiedale	9	-	1,443	250
Maidstone	225	-	-	225
Freda Lake Unit	194	-	-	194
Butte Non-Unit	162	-	-	162
Other	1,194	-	574	1,289
Saskatchewan Total	**3,060**	**0**	**2,017**	**3,396**
% of Total EnerMark	*25%*	*0%*	*2%*	*11%*
British Columbia	**259**	**62**	**5,297**	**1,204**
% of Total EnerMark	*2%*	*3%*	*5%*	*4%*
Manitoba	**13**			**13**
TOTAL	**12,089**	**2,111**	**101,473**	**31,112**

Location of Major Production Facilities

Crude Oil Production Facilities

Area Name [(1)]	Facility Location	Type of Facility	W.I. %	Gross Treating Capacity (Bbls/d)	W.I. Treating Capacity (Bbls/d)
Auburndale	9-15-47-6 W4M	Emulsion Treating & Water Disposal Facilities	100%	2,000	2,000
Battle Creek	15-33-2-26 W3M	Emulsion Treating & Water Disposal Facilities	100%	6,000	6,000
Butte Unit [(2)]	05-34-011-19 W3M	Emulsion Treating & Water Injection Facilities	12%		
Cadogan	10-14-39-3 W4M	Emulsion Treating & Water Disposal Facilities	100%	9,000	9,000
Chauvin South	15-24-43-2 W4M	Emulsion Treating & Water Disposal Facilities	100%	5,000	5,000
David	12-24-40-3 W4M	Emulsion Treating & Water	100%	30,000	30,000

Area Name [1]	Facility Location	Type of Facility	W.I. %	Gross Treating Capacity (Bbls/d)	W.I. Treating Capacity (Bbls/d)
		Disposal Facilities			
Freda Lake [2]	01-31-014-18 W2M	Emulsion Treating & Water Injection Facilities	30%		
Gift Facility [2]	06-19-078-10 W5M	Oil Battery	24%		
Giltedge	5-24-47-5 W4M	Emulsion Treating & Water Disposal Facilities, Refrigeration, Compression	100%	30,000	30,000
Heward	13-14-9-9 W2M	Emulsion Treating & Water Disposal Facilities	100%	18,000	18,000
Jenner [2]	10-32-020-08 W4M	Oil Battery	8%		
Joarcam	6-29-49-21 W4M	Emulsion treating, water injection	95%	2,800	2,660
Joarcam	11-3-49-21 W4	Emulsion treating, water injection	82%	10,000	8,200
Kessler	2-11-39-8 W4M	Emulsion Treating & Water Disposal Facilities	100%	6,000	6,000
Little Horse	7-35-77-13 W6M	Emulsion treating, water disposal	65%	13,775	8,954
Medicine Hat	4-2-13-5 W4M	Emulsion Treating & Water Disposal Facilities	67%	6,000	4,002
Medicine Hat	4-15-13-5 W4M	Emulsion Treating Facilities	67%	1,000	667
Medicine Hat	16-7-13-5 W4M	Emulsion Treating Facilities	67%	2,000	1,334
Princess	7-8-19-11 W4M	Emulsion Treating & Water Disposal Facilities, Gas Sweetening	100%	6,000	6,000
Progress	7-31-76-8 W6M	Emulsion Treating, Water Injection	100%	2,000	2,000
Progress [2]	06-19-077-09 W6M	Emulsion Treating, Water Disposal & Gas Conservation Facility	25%		
Shorncliffe	1-22-40-8 W4M	Emulsion Treating & Water Injection Facilities	66%	38,000	24,928
Tatagwa	15-29-5-15 W4M	Emulsion Treating & Water Injection Facilities	100%	3,000	3,000
Valhalla	6-29-76-10 W6	Emulsion Treating, Water Disposal	86%	4,600	3,956
Valhalla Doe Creek [2]	10-14-076-10 W6M	Emulsion Treating & Water Injection Facilities	20%		

Natural Gas Production Facilities

Area Name [1]	Facility Location	Type of Facility	W.I. %	Gross Processing Capacity (MMcf/d)	W.I. Processing Capacity (MMcf/d)
Auburndale	9-15-47-6 W4M	Compression & dehydration	100%	2.5	2.5
Bantry	5-8-19-13 W4M	Compression & dehydration	46%	12.0	5.5
Bashaw	8-10-42-22 W4	Compression, dehydration, processing	27%	12.0	3.2
Botha Facility [2]	07-16-098-05 W6M	Compression, refrigeration & dehydration	10%	16.7	1.7
Burnt Timber Gas Plant [2]	10-13-030-07 W5M	Refrigeration, sweetening, sulphur recovery & stabilization/storage for Pentanes Plus	3%	128.1	4.2
Elmworth Gas Plant [2]	SE-08-070-11 W6M	Turboexpansion and ethane extraction	6%	575.0	34.9
Hanna Garden	4-29-32-14 W4M	Compression & dehydration	84%	6.0	5.0
Hanna Garden	6-14-34-13 W4M	Compression & dehydration	100%	6.0	6.0
Joarcam	6-29-49-21 W4	Compression, dehydration, processing	99%	5.5	5.4
Joarcam	5-23-49-21 W4	Compression, dehydration, processing	93%	10.0	9.3
Joarcam	11-3-49-21 W4	Compression, dehydration, processing	86%	9.5	8.2
Karr Gas Processing Plant[2]	NW-10-065-02 W6M	Turboexpansion & ethane extraction	2%	110.0	2.1
Leo Gas Plant [2]	13-24-036-17 W4M	Compression & refrigeration	21%	25.2	5.4
Pine Creek Gas Plant [2]	10-23-057-19 W5M	Compression, refrigeration & dehydration	40%	16.0	6.4
Pine Creek	6-16-57-18 W5	Compression, dehydration	73%	12.0	8.8
Pine Creek	10-23-57-19 W5	Compression, dehydration, processing	40%	20.0	8.0
Prairiedale	9-30-32-25 W4M	Compression & dehydration	100%	3.0	3.0
Progress Gas Plant[2]	02-01-078-10 W6M	Compression, sweetening, refrigeration & dehydration	10%	140.3	14.1

Area Name [1]	Facility Location	Type of Facility	W.I. %	Gross Processing Capacity (MMcf/d)	W.I. Processing Capacity (MMcf/d)
South Wapiti Gas Plant (Shallow Cut) [2]	NE-09-067-09 W6M	Compression, refrigeration & dehydration	1%	300.0	4.0
Valhalla	6-29-76-10 W6	Compression, dehydration	86%	6.0	5.2
Valhalla	10-17-75-10 W6	Compression, dehydration, processing	35%	6.0	2.1
Valhalla Burnt River Gas Processing Facility[2]	08-20-076-09 W6M	Compression, refrigeration & dehydration	11%	32.0	3.4
Verger	4-2-23-15 W4M	Compression & dehydration	20%	12.0	2.4
Wapiti Deep Cut Plant[2]	04-08-069-08 W6M	Turboexpansion & ethane extraction	3%	355.8	11.1
Wapiti Gas Plant (Shallow Cut) [2]	SW-08-069-08 W6M	Compression, refrigeration & dehydration	3%	120.0	3.5

Notes:
(1) Operated unless otherwise noted
(2) Non-operated

Oil and Natural Gas Wells and Lease Holdings

The following table summarizes, as at December 31, 2000 (and including all Acquired Interests, including Cabre), EnerMark's interests in producing and shut-in wells which it believes are capable of production, along with EnerMark's interest in undeveloped oil and natural gas leases and rights:

	Producing Wells				Shut-in Wells [1]				Acres	
	Oil		Natural Gas		Oil		Natural Gas			
Area	Gross[2]	Net[3]	Gross[2]	Net[3]	Gross[2]	Net[3]	Gross[2]	Net[3]	Gross[2]	Net[3]
Alberta	1,882	831.9	2,453	622.7	360	120.4	341	112.3	1,235,663	598,123
Saskatchewan	1,315	214.8	103	45.7	326	95.7	12	4.3	39,983	28,662
British Columbia	132	26.7	82	13.0	82	13.2	55	14.6	220,416	103,620
Manitoba	30	8.0	–	–	1	0.2	1	–	524	277
Total	3,359	1,081.4	2,638	681.4	763	229.5	409	131.2	1,496,586	730,682

Notes:
(1) "Shut-In" wells means wells which are not producing but which may be capable of production. Shut-in wells in which EnerMark has an interest are located no further than 10 kilometres from gathering systems, pipelines or other means of transportation.
(2) "Gross" wells/acres are defined as the total number of wells/acres in which EnerMark has an interest.
(3) "Net" wells/acres are defined as the product of the numbers obtained by multiplying each gross well/acre by EnerMark's percentage working interest therein.

Reserves Reconciliation

	Crude Oil (Mbbls)		Natural Gas (MMcf)		NGLs (Mbbl)		Total (MBOE)		Established Reserves (MBOE)
	Proven	Probable	Proven	Probable	Proven	Probable	Proven	Probable	
Opening Reserves as of December 31, 1999	45,365	21,797	305,171	118,778	7,363	2,956	103,590	44,549	125,865
Production	(4,424)	-	(37,139)	-	(773)	-	(11,387)	-	(11,387)
Acquisitions	19,721	6,440	464,808	82,874	5,698	1,178	102,887	21,430	113,602
Divestments	(523)	(191)	(8,097)	(1,093)	(89)	(11)	(1,962)	(384)	(2,154)
Drilling, Development and Revisions	(2,918)	2,990	(69,327)	(17,027)	(800)	(1,061)	(15,272)	(909)	(15,727)
Year-end Reserves as at December 31, 2000	57,221	31,036	655,416	183,532	11,399	3,062	177,856	64,686	210,199

Quarterly Production History

The following tables summarize the average daily production (before deduction of royalties payable to others) from EnerMark's producing properties for the periods indicated. Production information from the Acquired Interests (with the exception of Cabre) is included on a proportionate basis from their respective dates of acquisition. See

"Operational Information - Inclusion of Operations of Acquired Interests". Average production from Cabre's property interests which were acquired by EnerMark consisted of 7,273 Bbls/d of crude oil, 1,280 Bbls of NGLs and 31.8 MMcf/d of natural gas, for a total of 13,856 BOE/d, in December of 2000.

	Year Ended December 31, 2000				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total Year
Crude Oil (Bbls/d)					
Light/Medium	6,236	7,558	7,762	8,610	7,546
Heavy	4,470	4,929	4,812	3,966	4,543
	10,706	12,487	12,574	12,576	12,089
NGLs (Bbls/d)	1,695	2,101	1,856	2,790	2,111
Total liquids (Bbls/d)	12,401	14,588	14,430	15,366	14,200
Natural gas (Mcf/d)	81,153	93,444	104,045	126,943	101,473
Total BOE/d	25,927	30,162	31,771	36,523	31,112

	Year Ended December 31, 1999				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total Year
Crude Oil (Bbls/d)					
Light/Medium	7,821	7,327	7,307	7,352	7,450
Heavy	3,600	3,986	4,092	4,180	3,966
	11,421	11,313	11,399	11,532	11,416
NGLs (Bbls/d)	2,094	1,968	1,857	2,004	1,980
Total liquids (Bbls/d)	13,515	13,281	13,256	13,536	13,396
Natural gas (Mcf/d)	74,792	70,416	68,765	72,933	71,713
Total BOE/d	25,980	25,017	24,717	25,692	25,348

Historical Production Revenues

Gross production revenues (before deduction of royalties payable to others) for each of EnerMark's products during the years ended December 31, 2000 and 1999 are as follows:

	2000		1999	
	$ Million	% of Total Revenue	$ Million	% of Total Revenue
Crude Oil	$149.0	44%	$ 96.9	57%
NGLs	25.0	7%	11.7	7%
Natural gas	169.2	49%	60.9	36%
Total	$343.2	100%	$169.5	100%

Quarterly Product Netbacks

The following tables show EnerMark's average netbacks received for each of the last eight fiscal quarters and the years then ended.

Crude Oil and NGLs Netbacks ($/Bbl)

	Year Ended December 31, 2000				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total Year
Sales price	$34.81	$34.79	$38.90	$32.90	**$35.33**
Hedging	(1.57)	(1.58)	(2.10)	(2.13)	**(1.86)**
Royalties	(7.38)	(7.21)	(7.97)	(6.62)	**(7.28)**
Operating costs(1)	(4.74)	(6.05)	(6.33)	(6.53)	**(5.97)**
Netback	$21.12	$19.95	$22.50	$17.62	**$20.22**
Average selling price:					
Crude oil					
Light/medium	$38.67	$37.36	$41.06	$36.49	**$38.34**
Heavy	$32.31	$32.32	$35.53	$25.79	**$31.74**
Total crude oil	$36.01	$35.37	$38.95	$33.11	**$35.86**
NGLs	$27.22	$31.37	$38.60	$31.95	**$32.33**

	Year Ended December 31, 1999				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total Year
Sales price	$14.80	$19.40	$26.13	$29.04	**$22.39**
Hedging	-	-	(0.18)	(0.54)	**(0.18)**
Royalties	(2.36)	(3.20)	(4.84)	(6.15)	**(4.15)**
Operating costs(1)	(4.77)	(4.80)	(5.09)	(5.99)	**(5.17)**
Netback	$ 7.67	$11.40	$16.02	$16.36	**$12.89**
Average selling price:					
Crude oil					
Light/medium	$16.43	$21.71	$28.72	$32.18	**$24.68**
Heavy	$13.89	$18.03	$25.13	$26.53	**$21.21**
Total crude oil	$15.63	$20.42	$27.43	$30.13	**$23.47**
NGLs	$10.26	$13.57	$18.14	$22.80	**$16.14**

Natural Gas Netbacks ($/Mcf)

	Year Ended December 31, 2000				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total Year
Sales price	$2.56	$3.18	$4.43	$6.81	**$4.52**
Hedging	0.08	(0.02)	(0.01)	0.10	**0.04**
Royalties	(0.69)	(0.69)	(1.25)	(1.73)	**(1.16)**
Operating costs(1)	(0.65)	(0.56)	(0.71)	(0.66)	**(0.65)**
Netback	$1.30	$1.91	$2.46	$4.52	**$2.75**

	Year Ended December 31, 1999				
	First Quarter	**Second Quarter**	**Third Quarter**	**Fourth Quarter**	**Total Year**
Sales price	$1.91	$2.09	$2.61	$2.64	**$2.31**
Hedging	-	0.01	0.05	0.03	**0.02**
Royalties	(0.32)	(0.38)	(0.58)	(0.56)	**(0.45)**
Operating costs[(1)]	(0.46)	(0.36)	(0.52)	(0.48)	**(0.46)**
Netback	$1.13	$1.36	$1.56	$1.63	**$1.42**

Notes:

(1) Operating costs are expenses incurred in the operation of producing properties and include items such as field staff costs, power, fuel, chemicals, repairs and maintenance, property taxes, lease rentals, processing and treating fees, overhead fees and other costs.

Capital Expenditures

The ongoing capital expenditures of EnerMark are financed through the issuance of additional Trust Units, bank borrowing, the withholding of amounts from cash distributions to Unitholders and the use of working capital. The following table summarizes EnerMark's capital expenditures in the categories and for the periods indicated.

	Year Ended December 31, 2000				
($ 000's)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	**Total**
Development drilling and completions	$ 9,306	$ 3,803	$ 4,731	$ 9,262	**$27,102**
Plant and facilities	1,189	5,417	1,730	3,525	**11,861**
Office and other expenditures	461	140	221	211	**1,033**
	10,956	9,360	6,682	12,998	**39,996**
Producing property acquisitions	37,168	3,196	7,659	3,086	**51,109**
Total capital expenditures	48,124	12,556	14,341	16,084	**91,105**
Property dispositions	(481)	(5,121)	(7,385)	(12,274)	**(25,261)**
Net capital expenditures	$47,643	$7,435	$6,956	$3,810	**$65,844**

	Year Ended December 31, 1999				
($ 000's)	**First Quarter**	**Second Quarter**	**Third Quarter**	**Fourth Quarter**	**Total**
Development drilling and completions	$ 2,944	$ 1,659	$ 2,556	$ 7,877	**$15,036**
Plant and facilities	1,389	385	559	1,514	**3,847**
Office and other expenditures	591	351	354	592	**1,888**
	4,924	2,395	3,469	9,983	**20,771**
Producing property acquisitions	577	4,756	526	2,463	**8,322**
Total capital expenditures	5,501	7,151	3,995	12,446	**29,093**
Property dispositions	(1,930)	(1,353)	(13,228)	(446)	**(16,957)**
Net capital expenditures	$ 3,571	$ 5,798	$(9,233)	$12,000	**$12,136**

Exploration and Development

The primary focus of EnerMark is to pursue growth opportunities through the development of existing reserves, the monetization of EnerMark's exploratory lands and the acquisition of new properties. High risk exploration plays, as well as EnerMark's undeveloped acreage, will continue to be farmed out, sold, or exchanged for producing properties with upside potential. Development efforts will be concentrated on optimizing production from existing and new reserves, and developing new properties in a cost effective manner. EnerMark will continue its ongoing property rationalization program and any sale proceeds may be used to acquire interests in core areas or new prospects with exploitation opportunities.

Marketing Arrangements

No individual customer accounts for the marketing of more than 10% of EnerMark's gross revenue from crude oil, NGLs or natural gas sales.

Crude Oil and NGLs

EnerMark's crude oil and NGLs production are marketed to a diverse portfolio of intermediaries and end users. EnerMark received an average price before hedging of $35.86/Bbl for its crude oil and $32.33/Bbl for its NGLs for the year ended December 31, 2000, compared to $23.47/Bbl of crude oil and $16.14/Bbl for NGLs for the year ended December 31, 1999.

Natural Gas

In marketing its natural gas production, EnerMark efforts are directed to provide a mix of contracts, customers and geographic markets. EnerMark's percentage of revenues attributable to natural gas has risen over the past five years from 23% in 1996 to 49% in 2000. The average price before hedging received by EnerMark for its natural gas in 2000 has increased by 96% to $4.52/Mcf from $2.31/Mcf in 1999.

Future Commitments

EnerMark has firm commitments for gathering, processing and transmission services that require EnerMark to deliver certain minimum quantities of crude oil and NGLs and natural gas to third parties or pay the corresponding tariffs. EnerMark holds 5.0 MMcf/d of pipeline capacity on the Alliance Pipeline. This 15 year capacity obligation was assumed through the acquisition of Cabre in December of 2000. EnerMark has sufficient production to meet these commitments.

EnerMark uses various types of financial instruments and fixed price physical sales contracts to manage the risk related to fluctuating commodity prices. As at March 31, 2001, the following contract positions were outstanding. The natural gas collar instruments described below were entered into with El Paso Merchant Energy Canada Inc., which is an affiliate of EMR.

Instrument	Commodity	Volume per day	Weighted Average Price	Contract Term
Call option	Natural gas	5,000 gj	$2.50 Cdn/gj at AECO	Nov. 1, 1998 - Oct. 31, 2001
Combined put/swap				
Put option component	Natural gas	800 gj	$2.70 Cdn/gj at AECO	Expired Mar. 31, 2001
Fixed price component	Natural gas	800 gj	$2.75 Cdn/gj at AECO	Apr. 1, 2000 - Oct. 31, 2004
Collar (all components)				
Sold call component	Natural gas	16,000 gj	$7.00 Cdn/gj at AECO	Nov. 1, 2000 - Oct. 31, 2001
Sold call component	Natural gas	10,000 gj	$5.00 Cdn/gj at AECO	Nov. 1, 2001 - Oct. 31, 2002
Sold call component	Natural gas	7,500 gj	$5.00 Cdn/gj at AECO	Nov. 1, 2002 - Oct. 31, 2003
Purchased put component	Natural gas	25,000 gj	$3.50 Cdn/gj at AECO	Nov. 1, 2000 - Oct. 31, 2001
Purchased put component	Natural gas	20,000 gj	$3.50 Cdn/gj at AECO	Nov. 1, 2001 - Oct. 31, 2002
Purchased put component	Natural gas	15,000 gj	$3.50 Cdn/gj at AECO	Nov. 1, 2002 - Oct. 31, 2003
Revenue Protection Plan				
Gas component of plan	Natural gas	80,000 gj	$5.85 Cdn/gj at AECO	Apr. 1, 2001 - Dec. 31, 2001
Oil component of plan	Crude Oil	11,000 Bbls	$39.00 Cdn/bbl WTI at NYMEX	Apr. 1, 2001 - Dec. 31, 2001
Fixed price physical sales contract	Natural gas	5,000 gj	$2.00 Cdn/gj at AECO	Nov. 1, 1998 - Oct. 31, 2001
Fixed price physical sales contract	Natural gas	5,000 gj	$3.71 Cdn/mmbtu at Chicago	Nov. 1, 1998 - Oct. 31, 2001
Fixed price physical sales contract	Natural gas	5,000 gj	$2.49 Cdn/gj at AECO	Nov. 1, 1999 - Oct. 31, 2002

OIL AND NATURAL GAS RESERVES

The independent petroleum engineering firm of Sproule Associates Limited ("Sproule"), has carried out an evaluation of EnerMark's major properties which represent approximately 73% of the total Established Reserves as at December 31, 2000. The remaining reserves were internally prepared by EMR with qualified engineers using the same evaluation parameters including the same escalated price forecast as that utilized by Sproule. The reserve figures contained herein include reserves attributable to all of the Acquired Interests.

The following tables summarize the evaluation of reserves and future net production revenue as at December 31, 2000. The tables incorporate the pricing assumptions contained in Notes 10, and 11 or 12 to the tables.

The present worth of estimated future net production revenue contained in the following tables may not be representative of the fair market value of the reserves. Readers are cautioned that where the present worth of estimated future net production revenue is based on escalating price and cost assumptions, there is no assurance that such price and cost assumptions will be attained and variances could be material. The recovery and reserve estimates of EnerMark's crude oil, NGLs and natural gas reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual reserves may be greater than or less than the estimates provided for herein. The Probable Reserves volumes and the present value of estimated future cash flows from such reserves as shown in the tables have been reduced by a factor of 50% to account for risk.

Oil and Natural Gas Reserves and Present Value of Estimated Future Cash Flows Including ARTC Based on Escalated Price Assumptions

	Working Interest Reserves(1)						Present Value of Estimated Future Net Cash Flow, $000 Discounted at Rates of:			
	Gross			Net						
	Oil Mbbls	Gas MMcf	NGLs Mbbls	Oil Mbbls	Gas MMcf	NGLs Mbbls	0%	10%	15%	20%
Proven Reserves(2)										
Developed Producing(3)(4)	49,018	482,309	9,077	42,113	361,877	6,263	2,126,580	1,200,334	1,038,927	927,397
Developed Non-Producing(3)(5)	428	43,220	1,001	349	33,091	714	112,264	63,162	51,690	44,077
Undeveloped (6)	7,775	129,887	1,321	6,287	100,751	918	291,922	173,032	132,260	103,792
Total Proven Reserves	57,221	655,416	11,399	48,749	495,719	7,895	2,530,766	1,436,528	1,222,877	1,075,266
Probable Reserves at 50% (7)	15,518	91,766	1,531	12,798	72,994	1,056	455,510	111,468	77,247	56,930
Established Reserves	72,739	747,182	12,930	61,547	568,713	8,951	2,986,276	1,547,996	1,300,124	1,132,196

Oil and Natural Gas Reserves and Present Value of Estimated Future Cash Flows Including ARTC Based on Constant Price Assumptions

	Working Interest Reserves(1)						Present Value of Estimated Future Net Cash Flow, $000 Discounted at Rates of:			
	Gross			Net						
	Oil Mbbls	Gas MMcf	NGLs Mbbls	Oil Mbbls	Gas MMcf	NGLs Mbbls	0%	10%	15%	20%
Proven Reserves(2)										
Developed Producing(3)(4)	50,197	484,690	8,956	42,824	362,414	6,144	3,489,814	1,834,070	1,530,227	1,324,396
Developed Non-Producing(3)(5)	434	43,224	1,003	340	33,078	713	232,790	116,954	92,659	76,731
Undeveloped (6)	7,841	130,193	1,268	6,265	100,743	874	704,298	363,083	279,750	222,930
Total Proven Reserves	58,472	658,107	11,227	49,429	496,235	7,731	4,426,902	2,314,107	1,902,636	1,624,057
Probable Reserves at 50%(7)	16,686	90,441	1,460	13,581	71,725	1,001	724,478	205,525	144,922	108,530
Established Reserves	75,158	748,548	12,687	63,010	567,960	8,732	5,151,380	2,519,632	2,047,558	1,732,587

Notes:

(1) "**Gross Reserves**" are the remaining reserves owned by the Fund, before deduction of any royalties. **"Net Reserves"** are the gross remaining reserves of the properties in which the Fund has an interest, less all royalties (and interests) owned by others.

(2) "**Proven Reserves**" are those quantities of oil, natural gas and natural gas by-products, which, upon analysis of geologic and engineering data, appear with a high degree of certainty to be recoverable at commercial rates in the future from known oil and natural gas reservoirs under current economic and operating conditions for reserves based on constant price and cost assumptions, and presently anticipated economic and operating conditions for the reserves based on escalated price and cost assumptions. There is relatively little risk with these reserves.

(3) "**Proven Developed Reserves**" are Proven Reserves which can be expected to be recovered through existing wells with existing equipment and operating methods.

(4) "**Proven Developed Producing Reserves**" are Proven Reserves which are presently being produced from completion intervals open for production in existing wells. As at December 31, 2000, these reserves were on production and represent approximately 68% of EnerMark's total proven and risked probable oil and NGLs reserves and 65% of EnerMark's total proven and risked probable natural gas reserves.

(5) "**Proven Developed Non-producing Reserves**" are Proven Reserves which are currently not being produced but do exist in completed intervals but not producing in existing wells, behind casing in existing wells or at minor depths below the present bottom of existing wells. These Proven Reserves are expected to be produced through the existing wells in the predictable future. These reserves are classified as Proven Developed Reserves since the cost of making such reserves available for production is relatively small compared to the cost of a new well.

(6) "**Proven Undeveloped Reserves**" are Proven Reserves that are expected to be recovered from new wells on undrilled acreage, or from existing wells where relatively major expenditures are required for the completion of these wells or for the installation of processing and gathering facilities prior to the production of these reserves. Reserves on undrilled acreage are limited to those drilling units offsetting productive wells that are reasonably certain of production when drilled.

(7) "**Probable Reserves**" are those reserves which may be recoverable as a result of the beneficial effects which may be derived from the future institution of some form of pressure maintenance or other secondary recovery method, or as a result of a more favourable performance of the existing recovery mechanism than that which would be deemed proven at the present time, or those reserves which may reasonably be assumed to exist because of geophysical or geological indications and drilling done in regions which contain proven reserves. Probable reserve values for the petroleum and natural gas properties have not been reduced to account for risk. **The probable reserves and the future net cash flow from probable reserves has been discounted by a factor of 50% to account for the risk associated with the probability of obtaining production from such reserves.**

(8) Includes the ARTC based on current legislation in place on January 1, 2001.

(9) Natural gas reserves are reported at a base pressure of 14.65 pounds per square inch and a base temperature of 60º F.

(10) Prices for oil F.O.B. Edmonton are based upon 40º API oil having less than 0.4% sulphur. Prices for natural gas are based upon a base pressure of 14.65 pounds per square inch and base temperature of 60º F. The wellhead oil prices were adjusted for quality and transportation to reflect the actual price to be received. The natural gas prices were adjusted, where necessary, only for heating values and the differing costs of service applied by various purchasers. The natural gas liquids prices were adjusted to reflect current prices received.

(11) The escalated price and cost case assumes the continuance of current laws and regulations, and any increase in selling prices also take inflation into account. The product price forecasts used are as follows:

			Plant Gate						
			Natural Gas Liquids				Natural Gas		
Year	**WTI Cushing Oklahoma**	**Edmonton Par Price 40 API**	**Ethane**	**Propane**	**Butane**	**Pentanes**	**Alberta**	**Sask.**	**B.C.**
	(US$/bbl)	**($/bbl)**	**($/bbl)**	**($bbl)**	**($/bbl)**	**($/bbl)**	**($/MMBTU)**	**($/MMBTU)**	**($/MMBTU)**
2001	28.20	41.87	22.45	28.97	31.21	46.97	7.93	8.00	8.05
2002	24.41	35.85	16.35	23.63	25.39	38.39	5.73	5.80	5.85
2003	21.12	30.44	12.40	19.06	20.42	32.03	4.30	4.37	4.37
2004	21.44	30.95	11.34	18.35	19.61	31.98	3.91	3.99	3.99
2005	21.76	30.96	11.34	17.34	18.46	31.71	3.91	3.99	3.99
2006	22.08	30.96	11.35	17.34	18.46	31.71	3.91	4.00	4.00
2007	22.42	30.97	11.35	17.35	18.47	31.72	3.91	4.00	4.00
2008	22.75	31.44	11.56	17.61	18.75	32.20	3.98	4.07	4.07
2009	23.09	31.45	11.57	17.62	18.75	32.21	3.98	4.07	4.07
2010	23.44	31.93	11.77	17.88	19.04	32.70	4.06	4.15	4.15
2011	23.79	32.41	11.98	18.16	19.33	33.20	4.13	4.22	4.22
2012	24.15	32.91	12.19	18.43	19.62	33.70	4.21	4.30	4.30

Escalation Rate of 1.5% thereafter

(12) The constant price and cost case assumes the continuance of product prices and operating costs for 2001 and the continuance of current laws and regulations. Product prices have not been escalated beyond these dates nor have operating and capital costs been increased on an inflationary basis. The annual revenue to be received from the production of the reserves was based on the following prices:

Oil:	WTI Cushing, Oklahoma (U.S.$/bbl)	$28.20
	Edmonton Par Price 40° API ($/bbl)	$41.87
Natural Gas:	Alberta ($/MMBTU)	$7.93
	Saskatchewan ($/MMBTU)	$8.00
	British Columbia ($/Mcf)	$8.05
Natural Gas Liquids:	Ethane ($/bbl)	$22.45
	Propane ($/bbl)	$28.97
	Butane ($/bbl)	$31.21
	Pentanes ($/bbl)	$46.97

(13) Capital expenditures required to achieve the future net revenue attributable to Proven Reserves in the escalated price and cost case were estimated to be $152.5 million, of which $71.2 million is required in 2001 and $22.3 million is required in 2002. Capital expenditures required to achieve the future net revenue attributable to Probable Reserves in the escalated price and cost case are estimated to be $115.9 million, of which $19.0 million is required in 2001 and $23.7 million is required in 2002.

(14) Capital expenditures required to achieve the future net revenue attributable to Proven Reserves in the constant price and cost case are estimated to be $138.2 million of which $71.9 million is required in 2001 and $22.1 million is required in 2002. Capital expenditures required to

achieve the future net revenue attributable to Probable Reserves in the constant price and cost case are estimated to be $106.1 million, of which $21.0 million is required in 2001 and $22.8 million is required in 2002.

(15) "Estimated Future Net Production Revenue" has been calculated before deduction of income tax. **The present worth of Estimated Future Net Production Revenue is not to be construed as fair market value.**

Estimated Future Net Pre-Tax Cash Flows Established Reserves[1]
Escalating Cost and Price Case
($000's except for production)

Year	Annual Production (MBOE)	Working Interest Revenue[2]	Royalty Burdens	Net Revenue After Royalty Burdens	Operating Expenses	Net Production Revenue [3]	Net Capital Investment	Net Cash Flow Before Income Taxes [4][5]
2001	17,926	711,802	174,024	537,778	77,768	460,010	80,748	379,262
2002	18,868	583,243	138,260	444,983	84,799	360,184	34,147	326,037
2003	17,628	432,510	96,801	335,709	83,983	251,726	15,419	236,307
2004	15,369	361,987	77,223	284,764	79,155	205,609	15,519	190,090
2005	13,577	321,422	66,754	254,668	74,866	179,802	8,756	171,046
2006	12,018	286,071	58,202	227,869	70,862	157,007	1,391	155,616
2007	10,525	252,060	50,525	201,535	67,244	134,291	1,086	133,205
2008	9,327	227,686	44,956	182,730	64,436	118,294	1,497	116,797
2009	8,209	200,269	39,165	161,104	59,646	101,458	2,741	98,717
2010	7,353	182,661	35,465	147,196	55,091	92,105	3,076	89,029
Remaining	79,399	2,559,109	467,734	2,091,375	955,121	1,136,254	46,084	1,090,170
TOTAL:	210,199	6,118,820	1,249,109	4,869,711	1,672,971	3,196,740	210,464	2,986,276

Cash Flow Before Income Taxes Discounted to January[5] 1, 2001 at:

10%:	$1,547,996
15%:	$1,300,124
20%:	$1,132,196

Notes:

(1) Proven Reserves plus 50% Probable Reserves.
(2) Includes royalty interest revenue, third party processing and other income.
(3) Working interest revenue less royalty burdens and operating expenses.
(4) Undiscounted.
(5) Cash flow before income taxes is stated prior to interest, general and administrative expenses and management fees.

Estimated Future Net Pre-Tax Cash Flows Established Reserves[1]
Constant Cost and Price Case
($000's except for production)

Year	Annual Production (MBOE)	Working Interest Revenue[2]	Royalty Burdens	Net Revenue After Royalty Burdens	Operating Expenses	Net Production Revenue [3]	Net Capital Investment	Net Cash Flow Before Income Taxes [4][5]
2001	17,925	708,259	172,789	535,470	78,188	457,282	82,342	374,940
2002	18,945	752,801	187,233	565,568	84,500	481,068	33,453	447,615
2003	17,633	705,474	172,078	533,396	82,291	451,105	14,844	436,261
2004	15,411	616,508	145,582	470,926	76,661	394,265	14,297	379,968
2005	13,633	544,119	124,737	419,382	71,850	347,532	7,770	339,762
2006	12,088	480,125	107,806	372,319	67,445	304,874	1,159	303,715
2007	10,591	421,771	93,240	328,531	62,884	265,647	1,875	263,772
2008	9,389	374,846	81,707	293,139	59,198	233,941	1,294	232,647
2009	8,292	330,995	71,647	259,348	54,354	204,994	2,249	202,745
2010	7,443	297,479	63,997	233,482	49,551	183,931	2,529	181,402
Remaining	81,253	3,369,092	675,802	2,693,290	675,299	2,017,991	29,438	1,988,553
TOTAL:	212,604	8,601,469	1,896,618	6,704,851	1,362,221	5,342,630	191,250	5,151,380

Cash Flow Before Income Taxes Discounted[5] to January 1, 2001 at:

10%:	$2,519,632
15%:	$2,047,558
20%:	$1,732,587

Notes:

(1) Proven Reserves plus 50% Probable Reserves.
(2) Includes royalty interest revenue, third party processing and other income.
(3) Working interest revenue less royalty burdens and operating expenses.
(4) Undiscounted.
(5) Cash flow before income taxes is stated prior to interest, general and administrative expenses and management fees.

INFORMATION CONCERNING THE FUND AND ENERMARK

Description of Trust Units

The Fund is authorized to create and issue an unlimited number of Trust Units pursuant to the Declaration of Trust. The Declaration of Trust provides for, among other things, the calling of meetings of Unitholders, the conduct of business at such meetings, notice provisions and the appointment and removal of Fund Trustees.

All Trust Units issued rank equally with previously issued Trust Units in respect of distributions under the Declaration of Trust. Each Trust Unit represents an equal undivided beneficial interest in any distributions from, and in any net assets of, the Fund in the event of termination or winding-up of the Fund. All Trust Units are of the same class with equal rights and privileges. Each Trust Unit is transferable, entitles the holder thereof to participate equally in distributions, including the distributions of net income and net realized capital gains of the Fund and distributions on liquidation, is not subject to future calls or assessments and entitles the holder thereof to one vote at all meetings of Unitholders for each Trust Unit held.

The following is a summary of the material attributes and characteristics of the Trust Units which does not purport to be complete. Reference is made to the Declaration of Trust for the full text of such attributes and characteristics.

Purpose Of The Fund

The Fund has been established for the purposes of acquiring and holding EnerMark securities and a royalty granted by EnerMark. The Fund's activities are restricted to investing in property or investments described in Section 132(6)(b) of the Tax Act, including securities of EnerMark, the EnerMark Notes held by the Fund, the Royalty and any other royalties or securities granted or issued by EnerMark.

Cash Distributions

The Fund Trustees intend to make cash distributions in amounts equal to all of the interest, royalty and dividend income of the Fund, net of the Fund's administrative expenses. In addition, Unitholders may, at the discretion of the Fund Trustees, receive distributions in respect of repayments of principal made by EnerMark to the Fund on the EnerMark Notes held by the Fund. It is anticipated, however, that the Fund may reinvest a substantial portion of the repayments of principal on the EnerMark Notes held by the Fund to acquire additional oil and natural gas properties or to develop the oil and natural gas properties of EnerMark with a view to enhancing EnerMark's funds flow from operations. Cash distributions will be made monthly to Unitholders of record on the 10th day of each month and shall be payable on or before the 20th day of such month. The cash distributions made in the month of January of each year will be made to Unitholders of record on December 31st of each preceding year, payable on January 20th.

Income Taxes

The Fund is required to file an income tax return every year. Any net taxable income in the Trust is allocated to Unitholders.

The Fund qualifies as a mutual fund trust under the Tax Act and, accordingly, Trust Units are qualified investments for RRSPs, RRIFs, RESPs and DPSPs.

The following is a general summary of the income tax consequences to a Unitholder who is a Canadian resident and holds the Trust Units as a capital property.

- When the Fund has taxable income in any specific year, each Unitholder is required to include, in computing income, the Unitholder's pro-rata share of the amount that would be the taxable income of the Fund whether or not the amount was actually paid to the Unitholder in that year. Income of a Unitholder is considered income from property and not resource revenue.

- An investor's adjusted cost base in a Trust Unit equals the purchase price of the Trust Unit less any non-taxable cash distributions received from the date of acquisition. Upon disposition of the Trust Units, the Unitholder will have a capital gain or a capital loss.

Fund Trustees

The Declaration of Trust establishes a board of trustees comprised of not more than nine nor less than three members. The Fund Trustees shall be reappointed or replaced every year as may be determined by a majority of the votes cast at an annual meeting of the Unitholders. The Fund Trustees are responsible for, among other things: (i) acting for, voting on behalf of and representing the Fund as a shareholder and holder of the EnerMark Notes held by the Fund; (ii) maintaining records and providing reports to Unitholders; (iii) supervising the activities of the Fund; (iv) managing the affairs of the Fund; and (v) declaring distributions from the Fund to Unitholders.

A Fund Trustee may resign upon written notice to the Fund and may be removed by a majority of the votes cast at a special meeting of the Unitholders. The vacancy created by such removal may be filled at the same meeting, failing which it may be filled by the Board of Trustees.

The Fund has retained EMR to effect the actual administration of these duties, provided, however, that the Fund Trustees will continue to be ultimately responsible for the performance of these duties. Pursuant to the Management Agreement, EMR agrees that the number of Fund Trustees that it is allowed to put forward as its representatives will constitute a minority of the total number of Fund Trustees on the Board of Trustees at any time and, unless unanimously agreed by all Fund Trustees present at any meeting of the Board of Trustees, will constitute a minority of persons voting in respect of any particular resolution.

Standard of Care of Fund Trustees

The Declaration of Trust provides that the Fund Trustees shall act honestly and in good faith with a view to the best interests of the Fund and in connection therewith shall exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The Declaration of Trust further provides that the Fund Trustees shall be entitled to indemnification from the Fund in respect of the exercise of their powers and the discharge of their duties in the absence of breach of their duties and standard of care. The duties and standard of care of the Fund Trustees provided in the Declaration of Trust are similar to those imposed on a director of a corporation.

Except as expressly prohibited by law, the Fund Trustees may grant or delegate certain of the Fund Trustees' authority to effect the actual administration of the duties of the Board of Trustees under the Declaration of Trust. The Fund Trustees have granted broad discretion to EMR to administer and manage the day-to-day operations of the Fund, and to make executive decisions which conform to the general policies and general principles set forth in the Declaration of Trust or otherwise established by the Fund Trustees.

Limitations on Liability of Fund Trustees

The Declaration of Trust provides that Fund Trustees shall be under no liability for any action taken in good faith in reliance on prima facie properly executed documents or for the disposition of monies or securities, nor shall they be liable or responsible in any way for depreciation or loss incurred by reason of the sale of any security. This provision, however, shall not protect the Fund Trustees in cases of willful misfeasance, bad faith, negligence or disregard of their obligations and duties nor shall it protect the Fund Trustees in any case where the Fund Trustees fail to act honestly, in good faith and in the best interests of the Unitholders, with that degree of care, diligence and skill that a reasonably prudent trustee would exercise in comparable circumstances. The Fund Trustees may retain an expert or advisor in connection with the performance of its duties under the Declaration of Trust and may act or refuse to act on the advice of any such expert or advisor without liability. The Fund Trustees, where they have met their standard of care, shall be indemnified out of the assets of the Fund for any taxes or other governmental charges imposed upon the Fund Trustees in consequence of their performance of their duties but shall have no additional recourse against Unitholders. In addition, the Declaration of Trust contains other customary provisions limiting the liability of the Fund Trustees.

Limitations on Liability of Unitholders

The Declaration of Trust provides that no Unitholder will be subject to any liability in connection with the Fund or its obligations and affairs and, in the event that a court determines that Unitholders are subject to any of those liabilities, those liabilities will be enforceable only against, and will be satisfied only out of, the Fund's assets. Personal liability may also arise in respect of claims against the Fund that do not arise under contracts, including claims in tort, claims for taxes and possibly certain other statutory liabilities. The possibility of any personal liability of this nature arising is considered unlikely. In respect of any obligations that the Fund is required to assume, the Fund Trustees will use their best efforts to ensure that these are in writing and contain provisions to exempt the Fund Trustees and the Unitholders from any liability thereunder and to limit any such liability to the assets of the Fund.

Notwithstanding the terms of the Declaration of Trust, Unitholders may not be protected from liabilities of the Fund to the same extent that a shareholder is protected from the liabilities of a corporation.

Records

EMR, on behalf of the Fund Trustees, keeps such books and records as are necessary for the proper recording of the business transactions of the Fund. These records are, as nearly as practicable, in accordance with those required to be maintained by a distributing corporation incorporated under the ABCA. Unitholders shall at all times have access to such records to the same extent as if they were shareholders of such a corporation. All such records are kept by EMR at its office in Calgary, Alberta.

All EnerMark securities owned by the Fund (including the EnerMark Notes, the Royalty and EnerMark common shares) are held by EMR on behalf of the Fund or by a custodian on behalf of the Fund at its principal corporate trust office in Calgary, Alberta.

Reporting to the Unitholders

The sole assets of the Fund are securities of EnerMark, including the EnerMark Notes and the common shares of EnerMark, and the Royalty. The consolidated accounts of the Fund are audited annually by an independent recognized firm of chartered accountants appointed by the Unitholders (currently PricewaterhouseCoopers LLP, Chartered Accountants) and the financial statements of the Fund, together with the report of such chartered accountants, are mailed by the Fund Trustees to Unitholders within appropriate regulatory time periods in each calendar year. The year end of the Fund is December 31.

The Declaration of Trust provides that the registered holder of a Trust Unit shall have the right, upon payment of reasonable production costs, to obtain a copy of the Declaration of Trust and the right to inspect and, on payment of the reasonable charges of the registrar therefor, to procure a list of the registered Unitholders for purposes connected with the Fund.

Amendments to Declaration of Trust

The Declaration of Trust may be amended or altered from time to time by at least 66 2/3% of the votes cast at a meeting of the Unitholders called for such purpose.

The Fund Trustees may, without the approval of the Unitholders, make certain amendments to the Declaration of Trust, including amendments:

1. for the purpose of ensuring continuing compliance with applicable laws, regulations, requirements or policies of any governmental or other authority having jurisdiction over the Fund Trustees or over the Fund;

2. deemed necessary or advisable to ensure that the Fund has not been established nor maintained primarily for the benefit of non-residents;

3. which, in the opinion of the Fund Trustees, provides additional protection for the Unitholders;

4. to remove any conflicts or inconsistencies in the Declaration of Trust or to make minor corrections which are, in the opinion of the Fund Trustees, necessary or desirable and not prejudicial to the Unitholders; and

5. which, in the opinion of the Fund Trustees, are necessary or desirable as a result of changes in taxation laws.

Voting Rights in the Fund

At all meetings of the Unitholders, each holder is entitled to one vote in respect of each Trust Unit held. Meetings of Unitholders may be called on 21 days notice, but not more than 50 days prior notice, and held for the purposes of: the removal or election of the Fund Trustees by Unitholders; the appointment or removal of auditors of the Fund; the confirmation or appointment of a new Fund Trustee; the approval of the issue of Trust Units; the approval of amendments to the Declaration of Trust; the sale of the assets of the Fund as an entirety; or the termination of the Fund. In any event, meetings of Unitholders may be called at any time by the Fund Trustees and shall be called by the Fund Trustees and held annually or upon written request of Unitholders holding in the aggregate not less than 10% of the issued and outstanding Trust Units. The request is to specify the purpose or purposes for which such meeting is to be called. All activities necessary to organize any such meeting will be undertaken by EMR on behalf of the Fund Trustees. Except where otherwise provided in the Declaration of Trust, matters requiring the approval of the Unitholders must be approved by a special resolution of Unitholders holding at least 66 2/3% of the votes cast at a duly called meeting of Unitholders ("Special Resolution").

The Declaration of Trust contains provisions as to the notice required and other procedures with respect to the calling and holding of meetings of Unitholders.

Redemption Right

The Trust Units are redeemable at any time on demand by the holders thereof upon delivery to the Fund of the certificate or certificates representing such Trust Units, accompanied by a duly completed and properly executed notice requesting redemption. Upon receipt of the redemption request by the Fund, all rights to and under the Trust Units tendered for redemption shall be surrendered and the holder thereof shall be entitled to receive a price per Trust Unit (the "Market Redemption Price") equal to the lesser of: (i) 85% of the "market price" of the Trust Units on the principal market on which the Trust Units are quoted for trading during the 10 trading day period commencing immediately after the date on which the Trust Units are surrendered for redemption; and (ii) the "closing market price" on the principal market on which the Trust Units are quoted for trading on the date that the Trust Units are surrendered for redemption. The entitlement of Unitholders to receive cash upon the redemption of their Trust Units is subject to the limitation that the total amount payable by the Fund in respect of such Trust Units and all other Trust Units tendered for redemption in the same calendar month and in any preceding calendar month during the same year shall not in the aggregate exceed $2,000,000; provided that the Fund Trustees may, in their sole discretion, waive such limitation in respect of any calendar month. If this limitation is not so waived, the Market Redemption Price payable by the Fund in respect of Trust Units tendered for redemption in such calendar month shall be paid on the last day of the following month by: (i) the Fund distributing EnerMark Notes having an aggregate principal amount equal to the aggregate Market Redemption Price of the Trust Units tendered for redemption; or (ii) if the Fund does not hold EnerMark Notes having a sufficient principal amount outstanding to effect such payment, by the Fund issuing its own promissory notes having an aggregate principal amount equal to the aggregate Market Redemption Price of the Trust Units tendered for redemption, which promissory notes, ("Redemption Notes") shall have terms and conditions substantially identical to those of the EnerMark Notes.

It is anticipated that this redemption right will not be the primary mechanism for holders of Trust Units to dispose of their Trust Units. EnerMark Notes and Redemption Notes, which may be distributed in specie to Unitholders in connection with a redemption, will not be listed on any stock exchange and no market is expected to develop in such EnerMark Notes. EnerMark Notes and Redemption Notes will not be qualified investments for trusts governed by registered retirement savings plans, registered retirement income funds or deferred profit sharing plans.

Non-Resident Unitholders

Certain provisions of the Tax Act require that the Fund not be established nor maintained primarily for the benefit of non-residents of Canada within the meaning of the Tax Act ("Non-Residents"). Accordingly, in order to comply with such provisions, the Declaration of Trust contains restriction on the ownership of Trust Units by Unitholders who are Non-Residents. Unitholders will be required to provide to the Fund Trustees a "Residence Declaration" specifying whether or not they are Non-Residents from time to time as the Fund Trustees may determine to be necessary, but not less than once per year. If a registered Unitholder does not provide a Residence Declaration when requested to do so by the Fund Trustees, the Fund Trustees may sell or redeem Trust Units on behalf of such non-compliant Unitholder as set forth below and may make any distribution to such Unitholder by depositing such amounts in a Canadian chartered bank (net of withholding tax) and delivering such amounts upon the provision by the non-compliant Unitholder of the Residence Declaration to the Fund Trustees. If as a result of such Residence Declarations the Fund Trustees become aware that in excess of 40% of the issued and outstanding Trust Units are held or may be held by Non-Residents or that such a situation is imminent, the Fund Trustees will issue a public announcement thereof. In the event that the Fund Trustees become aware that 45% or more of the issued and outstanding Trust Units are beneficially owned by Non-Residents, the Fund Trustees shall make a public announcement thereof and shall not accept any subscriptions for Trust Units from or issue or register a transfer of Trust Units to any person unless such person provides a Resident Declaration that the person is not a Non-Resident or that such person does not hold those Trust Units for the benefit of any Non-Resident. In the event that the Fund Trustees become aware, as a result of requiring Residence Declarations, that a majority of the Trust Units are held or beneficially owned by Non-Residents, the Fund Trustees shall send a notice to Non-Residents chosen in inverse order to the order of acquisition or registration, requiring them to sell their Trust Units or a specific portion thereof within a period of time not less than 120 days from the date of such notice. If such Unitholders have not sold the specified number of Trust Units or have not proven to the Fund Trustees that they are not Non-Residents within such period, the Fund Trustees may at their sole option, on behalf of such Unitholders, either sell such Trust Units or tender such Trust Units for redemption and in the interim the Fund Trustees shall suspend the voting and distribution rights attached to such Trust Units and shall make any distribution in respect of such Trust Units by depositing such amounts in a separate account in a Canadian chartered bank (net of any applicable withholding tax).

Thereafter the rights of such Unitholders shall be limited to receiving the net proceeds of sale and any withheld distributions (net of any applicable withholding tax) attributable to their Trust Units upon surrender of the certificates representing same. The net proceeds of any such sale will be held on behalf of such Unitholders by depositing them in a separate account maintained for such purposes in a Canadian chartered bank. In no event shall Non-Residents be entitled to vote in respect of any special resolution to amend the Non-Resident provisions in the Declaration of Trust.

Termination of the Fund

The Unitholders may vote by way of Special Resolution to terminate the Fund at any meeting of the Unitholders duly called for the purpose of considering termination of the Fund.

If the Unitholders approve termination, the Fund Trustees will endeavour to convert all Fund assets into money, settle all Fund liabilities and distribute the net proceeds on a pro-rata basis to Unitholders. Any Fund assets not so converted into money will also be distributed pro rata to Unitholders after provision for any outstanding Fund liabilities.

Management of the Fund

Fund Trustees

The Declaration of Trust establishes a board of trustees comprised of not more than nine nor less than three members. The Fund Trustees shall be reappointed or replaced every year as may be determined by a majority of the votes cast at an annual meeting of the Trust Unitholders. The Fund Trustees are responsible for, among other things: (i) acting for, voting on behalf of and representing the Fund as a shareholder and holder of the EnerMark

Notes; (ii) maintaining records and providing reports to Trust Unitholders; (iii) supervising the activities of the Fund; (iv) managing the affairs of the Fund; and (v) declaring distributions from the Fund to Trust Unitholders.

EMR Resource Management Ltd.

Pursuant to the Declaration of Trust and in accordance with the Management Agreement, EMR has agreed to act as manager of the Fund and its wholly-owned subsidiary, EnerMark. The Fund Trustees and the board of directors of EnerMark have retained EMR to provide comprehensive management services and have delegated certain authority to EMR to administer and regulate the day-to-day operations of the Fund and EnerMark and to make executive decisions which conform to general policies and general principles previously established by the Fund Trustees and the board of directors of EnerMark. EMR will provide the executive officers to the Fund and EnerMark, subject to the approval of the Fund Trustees or board of directors of EnerMark, as the case may be.

EMR provides its services pursuant to the Management Agreement. The Management Agreement has an initial term of three years and, commencing December 31, 1997, may be renewed for successive three year terms by the Fund Trustees and the board of directors of EnerMark. The Fund Trustees renewed the Management Agreement for a three year term effective December 31, 2000. For administrative purposes, EMR (together with the other management companies included in the Enerplus Group of Companies) has engaged EGEM as agent to provide the services for which EMR is responsible under the Management Agreement.

EMR has been engaged by EnerMark to, among other things: (i) coordinate and manage EnerMark's funding, short-term investments and banking operations; (ii) maintain and manage EnerMark's oil and natural gas properties; (iii) advise with respect to the exploration and development of its oil and natural gas properties, the purchase of replacement properties and the disposition of certain existing properties, if any, and other dealings with such oil and natural gas properties; and (iv) make available to EnerMark office space and equipment and all necessary clerical, administrative and accounting services as may be required to perform its services.

EMR has been engaged by the Fund to, among other things: (i) collect and keep accounts of and effect the payment of cash distributions and any other distributions to Trust Unitholders; (ii) provide Trust Unitholders with financial reports, tax information and other materials required to be sent to Trust Unitholders pursuant to the Declaration of Trust; (iii) provide advisory services, coordination and administration of the assets of the Fund; (iv) make available to the Fund office space and equipment and all necessary clerical, administrative and accounting services as may be required to perform its services; and (v) provide reports and recommendations to the Fund Trustees in respect of the business and affairs of the Fund.

In its role under the Management Agreement as manager and administrator of EnerMark and the Fund, EMR receives an annual fee of $200,000, payable quarterly, plus a fee equal to the excess of 2.2% of EnerMark's operating cash flow over the $200,000 annual fee, as outlined in the Management Agreement. In addition, EMR will be entitled to reimbursement of general administrative costs and expenses related to its performance under the Management Agreement by the Fund and EnerMark.

If additional oil and natural gas properties are purchased, directly or indirectly, for EnerMark or the Fund, EMR will receive a fee of 1.5% of the purchase price of such properties or any other assets which may be acquired through a property exchange or swap, and in the event of dispositions of EnerMark's oil and natural gas properties, directly or indirectly, EMR will receive a fee of 1.25% of the sale price of such properties or any other assets which may be disposed of through a property exchange or swap, provided that such purchase and sale transactions are made with third parties who are at arm's length to EMR and other related parties. Additionally, EMR will be paid an amount agreed upon by the Trustees and EMR in respect of any acquisitions or dispositions of securities where less than all of the outstanding securities of an entity have been acquired.

EMR is one of the Enerplus Group of Companies formed solely for the purpose of the performance of the Management Agreement. The Enerplus Group of Companies manage a number of other private and public entities which are involved in the oil and natural gas business, employing management, operational, exploitation and development strategies similar to that employed by the Fund and EnerMark. As a result, certain directors, officers and employees of EMR, and certain consultants retained by EMR from time to time, are also directors, officers and employees of affiliates of EMR, or may be consultants retained by affiliates of EMR engaged in substantially the same business. The Management Agreement contains provisions which require EMR to make disclosure to the board of trustees and the board of directors of EnerMark of the fact and substance of any particular conflict of interest, if one should occur, and to use all reasonable efforts to resolve such conflict of interest in a manner which will treat the Fund or EnerMark, as the case may be, and the other interested party in an even handed manner taking into account all of the circumstances of the Fund or EnerMark, as the case may be, and such interested party and to act honestly and in good faith in resolving such matters.

The executive officers provided by EMR to the Fund and EnerMark divide their time between the management of the Fund and EnerMark and other management obligations and interests, including those of affiliates of EMR.

In addition, two representatives of EMR are on the board of trustees of the Fund and the board of directors of EnerMark, namely, Marcel J. Tremblay, and Robert L. Zorich. There are provisions in the Management Agreement which stipulate that the EMR representatives will always comprise a minority of the members of the board of trustees of the Fund and the members of the board of directors of EnerMark voting in respect of any matter. One other trustee, Mr. Jack W. Peltier, is also a director of Enerplus Resources Corporation, the operating entity of Enerplus Resources Fund, which is managed by an affiliate of EMR. There are provisions for disclosure by a Fund Trustee or a member of the board of directors of EnerMark or various officers or employees of the Fund or EnerMark in respect of conflicts of interest, and provisions which exempt such persons from liability in respect of such matters under certain circumstances, including disclosure by any such persons.

Acquisition and Disposition Strategy

As part of its ongoing activities, EnerMark selectively acquires producing oil and natural gas properties. Credit facilities are maintained which enable EnerMark to pursue the purchase of properties as opportunities arise. Additional Trust Units, debentures, notes or other evidences of indebtedness may be issued by the Fund from time to time to fund capital expenditures, the acquisition of additional properties and the repayment of indebtedness of EnerMark.

EMR may recommend the acquisition of producing oil and natural gas properties which comply with the Guidelines for Oil and Gas Acquisitions set out in the Management Agreement and may proceed without the prior approval of the Board if the purchase price does not exceed $2,000,000 or such greater amount as the Board may specify from time to time. The Management Agreement provides for the following Guidelines for Oil and Gas Acquisitions:

1. the aggregate purchase price paid for a property is not to exceed the present worth, using a prescribed discount rate, of estimated future net cash flow from the property, as shown in the engineering report, after deducting general and administrative and management fees and incorporating the impact of debt financing, but before income taxes, where the discount rate is the lesser of :

    (a) twice the yield on 10 year Government of Canada Bonds; and,
    (b) the yield on 10 year Government of Canada Bonds, plus 4%;

2. not more than 25% of the asset value of all properties is to be attributable to a single pool and not more than 75% of the value of all oil and gas properties owned by the managed entity would be attributable to natural gas;

3. each acquisition of a property, or group of properties, for an aggregate purchase price of $5.0 million or more is to be based on an independent engineering report or an audit conducted by an independent engineer, the results of which report or audit may be modified to incorporate EMR's views of the engineering analysis contained in that report or audit;

4. commodity price or exchange rate assumptions used in acquisition evaluations will be from an independent engineer or with the consent of the Board of Directors of EnerMark or the Board of Trustees of the Fund, as the case may be, will be the assumptions recommended by EMR; and

5. such other guidelines as may be approved by the Board of Directors of EnerMark or the Board of Trustees of the Fund.

The strategy employed by EMR is to maximize the level of sustainable production of oil and natural gas from EnerMark's existing properties and to supplement production by reserve acquisitions and development. Capital expenditures are focused on development activity as opposed to exploration. Certain exploration properties may be sold, farmed out or developed emphasizing the use of third party resources.

In addition, as part of the services provided by EMR to EnerMark and the Fund, EMR may recommend that EnerMark enter into agreements to dispose of oil and natural gas properties and make farmouts and other dispositions of such properties. Approval by the Board of any such dispositions is required for those properties having a value equal to or greater than $2,000,000 or such greater amount as the Board may specify from time to time.

Environment and Safety

EMR recognizes that an effective Environment and Safety Management Program will result in the protection of the environment and the health and safety of all persons and communities affected by and involved in its activities. The prevention of losses to people, equipment, materials and damage to the environment is a combined effort of EMR and its employees. EMR strives to continually improve its programs to meet the growing challenges faced by oil and gas operations in Western Canada.

Employee Training

Operational and environment and safety training for EMR staff and operators are key components of EMR's Environment and Safety ("E & S") programs. EMR has developed the Job Performance Management System ("JPMS"), a comprehensive approach to planned development and progression of field operations personnel as well as managing risk in EnerMark's field operations. All field areas and district offices have the JPMS available as a key reference resource for job procedures, policies, and corporate Emergency Response Plan information and government regulations. In addition, the Employee Competence Tracking System is a key component of the JPMS and provides the means to manage an employee's progress and measure the overall effectiveness of the program. With this program, EMR ensures that employees and contract operating personnel are properly prepared at all times to carry out their tasks safely, responsibly and effectively.

All new or transferred employees and summer students working in the field go through an orientation program prior to working in that area. The program is designed to provide the new personnel with the required training and familiarize them with the operations and hazards associated with their responsibilities. EnerMark's Environment and Safety department members regularly take courses in Occupational Health and Safety, due diligence, environmental regulation, site remediation and waste handling, in order to continually improve our E & S programs.

Acquisition Due Diligence Investigations

EnerMark takes a pro-active approach to the investigation of existing environmental liabilities when acquisition opportunities are being evaluated. Potential soil and ground water issues are identified at this stage to help protect the Fund from purchasing properties with significant environmental liabilities.

Site Inspection Program

As part of its due diligence program, EnerMark conducts both internal and third party site inspections at selected facilities each year. The program consists of inspections conducted by third party safety or environmental consultants or an internal team that consists of E & S staff, operations staff and field foremen or operators. In total, 12 operated properties and three non-operated properties were inspected in 2000 with no material issues identified by these inspections.

Human Resources

EnerMark has no employees as all of EnerMark's administrative, operational and management functions are performed by EMR pursuant to the Management Agreement.

Bank Financing

As at December 31, 2000, EnerMark had a revolving production credit facility (the "Facility") from a syndicate of Canadian chartered banks in the amount of $420 million available for general corporate purposes.

During the revolving period of the Facility, interest payments only are required. The Facility is reviewed annually and may be extended from time to time at the lender's option for periods of up to 364 days. If the Facility is not extended, an automatic term loan facility results requiring monthly interest payments and quarterly principal payments to amortize the loan over the term period. The term period shall be a maximum period of five years with the term and the required principal payments being commensurate with EnerMark's cash flow profile. The Facility will provide EnerMark with various pricing options but, if a prime based loan is selected, the loan will initially bear interest at the lender's prime rate. Any unused amounts in respect of the revolving facility will be subject to a per annum standby fee which will be payable monthly, in arrears.

The Facility provides the lender with security over substantially all of the assets of EnerMark in priority to all royalties or other securities of EnerMark held by the Fund, including the EnerMark Notes, the Royalty and any other present or future royalties or securities granted or issued by EnerMark to the Fund.

The Fund has agreed with the lender that the EnerMark Notes, the Royalty and all other royalties and securities of EnerMark held by the Fund are subordinated and postponed to the rights and remedies of the lender in respect of the present and future indebtedness of EnerMark to the lender and the security granted to the lender for such indebtedness.

As at December 31, 2000, $144 million of the Facility was unutilized.

EnerMark Notes

The Fund is the holder of all of the issued and outstanding EnerMark Notes. The EnerMark Notes are unsecured and bear interest from the date of issue at various interest rates of 8%, 10% or the prime rate plus 1.0%. In certain circumstances, and dependent on the amount of available cash flow of EnerMark and the provisions of any secured financing, EnerMark may make principal payments on the EnerMark Notes.

Available cash flow for a calendar year shall, in general terms, consist of EnerMark's gross production revenue plus its ARTC less all: royalties; taxes; general and administrative expenses; operating expenses; capital expenditures; principal and interest payments on all secured debt and on the EnerMark Notes; and fees payable to EMR. Because of the variable factors determining available cash flow, EnerMark may not be required in any calendar year to pay any principal to the Fund as the sole holder of the EnerMark Notes. Payments made under the Royalty will reduce any cash flow otherwise available. As a result, the entire principal amount of the EnerMark Notes may not be paid until maturity.

Royalty

Pursuant to the Royalty Agreement, EnerMark has granted to the Fund the Royalty in respect of EnerMark's oil and natural gas properties and the Fund is entitled to be paid, by way of cash distributions, the amount payable in respect of the Royalty monthly on or about the 20th day of the second month following the month in which a cash distribution relates. Cash distributions will equate to the income to which the Fund is entitled, being the gross revenues received by EnerMark for petroleum substances, produced, saved and marketed from its Canadian oil and natural gas properties subject to the Royalty, less certain permitted deductions. Additionally, to the extent EnerMark disposes (whether by sale, farmout or otherwise) of any of its Canadian oil and natural gas properties that are subject to the Royalty, any net proceeds from such dispositions are allocated as to 95% of the Royalty thereon. The Royalty share of such proceeds are to be paid immediately upon receipt to the Fund, subject to subordination to the prior payment in full of all Debt as defined in the Royalty Agreement.

UNITHOLDER RIGHTS PLAN

On March 17, 1999, the Fund entered into a Unitholder Rights Plan Agreement (the "Rights Plan") with CIBC Mellon Trust Company, as Rights Agent, which was approved by Unitholders on May 7, 1999. The Rights Plan generally provides that following any person or entity acquiring 20% or more of the issued and outstanding Trust Units (except pursuant to certain permitted or excepted transactions) and upon the occurrence of certain other events, each holder of Trust Units, other than such person or entity, shall be entitled to acquire Trust Units at a discounted price. The Rights Plan is similar to other shareholder or unitholder rights plans adopted in the energy sector at such time.

INDUSTRY CONDITIONS

Canadian Government Regulation

The oil and natural gas industry is subject to extensive controls and regulations imposed by various levels of government. It is not expected that any of these controls or regulations will affect the operations of the Fund and EnerMark in a manner materially different than they would affect other oil and natural gas corporations of similar size.

Pricing and Marketing - Oil

In Canada, producers of oil negotiate sales contracts directly with oil purchasers, with the result that the market determines the price of oil. The price depends in part on oil quality, prices of competing fuels, distance to market, the value of refined products and the supply/demand balance. Oil exports may be made pursuant to export contracts with terms not exceeding one year in the case of light crude, and not exceeding two years in the case of heavy crude, provided that an order approving any such export has been obtained from the National Energy Board ("NEB"). Any oil export to be made pursuant to a contract of longer duration requires an exporter to obtain an export license from the NEB and the issue of such a licence requires the approval of the Governor in Council.

Pricing and Marketing - Natural Gas

In Canada the price of natural gas sold in intra-provincial, interprovincial and international trade is determined by negotiation between buyers and sellers. The price received by a natural gas producer depends, in part, on the price of competing natural gas and other fuels, type of natural gas produced, access to downstream transportation, length of contract term, weather conditions and the supply/demand balance.

The governments of Alberta, British Columbia and Saskatchewan also regulate the volume of natural gas which may be removed from those provinces for consumption elsewhere based, mainly in the case of removals exceeding two years, on such factors as reserve availability, transportation arrangements, and market considerations.

Exports from Canada

In order to export oil or natural gas from Canada, certain approvals are required from the NEB and the Government of Canada. The approval(s) required are dependent on the hydrocarbon substance being exported and the length of the proposed export arrangement.

Royalties and Incentives

In addition to federal regulation, each province has legislation and regulations which govern land tenure, royalties, production rates, environmental protection and other matters. The royalty regime is a significant factor in the profitability of oil and natural gas production. Royalties payable on production from lands other than Crown lands are determined by negotiations between the mineral owner and the lessee. Crown royalties are determined by government regulation and are generally calculated as a percentage of the value of the gross production, and the rate of royalties payable generally depends in part on prescribed reference prices, well productivity, geographical location, field discovery date and the type or quality of the petroleum product produced.

From time to time the governments of Canada, Alberta, British Columbia and Saskatchewan have established incentive programs which have included royalty rate reductions, royalty holidays and tax credits for the purpose of encouraging oil and natural gas exploration or enhanced planning projects, although the trend is toward eliminating these types of programs in favour of long-term programs which enhance predictability for producers. Oil and natural gas royalty holidays and reductions for specific wells will reduce the amount of Crown royalties paid by EnerMark to the provincial governments.

Canadian Environmental Regulation

The oil and natural gas industry is currently subject to environmental regulation pursuant to provincial and federal legislation. Environmental legislation provides for restrictions and prohibitions on releases or emissions of various substances produced or utilized in association with certain oil and natural gas industry operations and can affect the location of wells and facilities and the extent to which exploration and development is permitted. In addition, legislation requires that well and facility sites be abandoned and reclaimed to the satisfaction of provincial authorities. A breach of such legislation may result in the imposition of fines and penalties, the suspension or revocation of necessary licenses and authorizations, restrictions on the transfer of well and facility sites and civil liability for pollution damage. In Alberta, environmental compliance has been governed by the Alberta Environmental Protection and Enhancement Act ("AEPEA") since September 1, 1993. In addition to replacing a variety of older statutes which related to environmental matters, AEPEA also imposes certain new environmental compliance, reporting and monitoring responsibilities and stricter environmental standards on oil and natural gas operators in Alberta and in certain instances also imposes greater fines and penalties for violations. As well, the AEPEA permits greater public involvement in environmental assessment and enforcement.

RISK FACTORS

The following are certain risk factors relating to the business of the Fund and EnerMark which prospective investors should carefully consider before deciding whether to purchase Trust Units. The following information is a summary only of certain risk factors and is qualified in its entirety by reference to, and must be read in conjunction with, the detailed information appearing elsewhere in this Renewal Annual Information Form.

Limited Purpose Trust

The Fund is a limited purpose trust which is entirely dependent upon the operations and assets of EnerMark through its ownership directly and indirectly, of the common shares of EnerMark, the EnerMark Notes and the Royalty. Accordingly, the Fund is dependent upon the ability of EnerMark to meet its interest and principal repayment obligations under the EnerMark Notes and to pay the Royalty. EnerMark's income will be received from the production of oil and natural gas from EnerMark's existing Canadian resource properties and will be susceptible to the risks and uncertainties associated with the oil and natural gas industry generally. Since EnerMark's primary focus is to pursue growth opportunities through the development of existing reserves and the acquisition of new properties, EnerMark's involvement in the exploration for oil and natural gas is minimal. As a result, if the oil and natural gas reserves associated with EnerMark's Canadian resource properties are not supplemented through additional development or the acquisition of additional oil and natural gas properties, the ability of EnerMark to meet its obligations to the Fund may be adversely affected.

Redemption of Trust Units

It is anticipated that the redemption right associated with Trust Units will not be the primary mechanism for holders of Trust Units to dispose of their Trust Units. Cash distributions upon redemption are subject to limitations, and EnerMark Notes, which may be distributed *in specie* to Unitholders in connection with a redemption, will not be listed on any stock exchange and no market is expected to develop in such EnerMark Notes. In addition, there may be resale restrictions imposed by law upon recipients of any securities pursuant to the redemption right, and EnerMark Notes will not be qualified investments for trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans and deferred profit sharing plans.

Exploitation and Development

Exploitation and development risks are due to the uncertain results of searching for and producing oil and natural gas using imperfect scientific methods. These risks are mitigated by using highly skilled staff, focusing exploitation efforts in areas in which EnerMark has existing knowledge and expertise or access to such expertise, using up-to-date technology to enhance methods and controlling costs to maximize returns. Advanced oil and natural gas related technologies such as three dimensional seismography, reservoir simulation studies and horizontal drilling will be used by EnerMark to improve its ability to find, develop and produce oil and natural gas.

Operations

EnerMark's operations are subject to all of the risks normally incident to the operation and development of oil and natural gas properties and the drilling of oil and natural gas wells, including encountering unexpected formations or pressures, blow-outs, craterings and fires, all of which could result in personal injuries, loss of life and damage to property of EnerMark and others. EnerMark has both safety and environmental policies in place to protect its operators and employees, as well as to meet the regulatory requirements in those areas where it operates. In addition, EnerMark has liability insurance policies in place, in such amounts as it considers adequate, however, it will not be fully insured against all of these risks, nor are all such risks insurable. Business interruption insurance may also be purchased for selected facilities, to the extent that such insurance is available. EnerMark may become liable for damages arising from such events against which it cannot insure or against which it may elect not to insure because of high premium costs or other reasons. Costs incurred to repair such damage or pay such liabilities will reduce payments made by EnerMark to the Fund.

Continuing production from a property, and to some extent the marketing of production therefrom, are largely dependent upon the ability of the operator of the property. To the extent the operator fails to perform these functions properly, revenue may be reduced. Payments from production generally flow through the operator and there is a risk of delay and additional expense in receiving such revenues if the operator becomes insolvent. Although satisfactory title reviews are to be conducted in accordance with industry standards, such reviews do not guarantee or certify that a defect in the chain of title may not arise to defeat the claim of EnerMark to certain properties. A reduction of the payments made by EnerMark to the Fund could result in such circumstances.

Oil and Natural Gas Prices

EnerMark's results of operations and financial condition, and therefore the amounts paid to the Fund by EnerMark, are dependent on the prices received for its oil and natural gas production. Oil and natural gas prices have fluctuated widely during recent years and are determined by supply and demand factors, including weather and general economic conditions as well as conditions in other oil producing regions, which are beyond the control of EnerMark or the Fund. Any decline in oil and natural gas prices could have a material adverse effect on EnerMark's operations, financial condition, proved reserves and the level of expenditures for the development of its oil and natural gas reserves. World oil prices are quoted in United States dollars and the price received by Canadian producers is therefore affected by the Canadian/U.S. dollar exchange rate that may fluctuate over time. A material increase in the value of the Canadian dollar may negatively impact EnerMark's net production revenue. EMR may manage the risk associated with changes in commodity prices and foreign exchanges rates by causing EnerMark to, from time to time, enter into oil or natural gas price hedges and forward foreign exchange contracts. To the extent that EnerMark engages in risk management activities related to commodity prices and foreign exchange rates, it will be subject to credit risks associated with counterparties with which it contracts.

Capital Investment

The timing and amount of capital expenditures will directly affect the amount of income for distribution to Unitholders. Distributions may be reduced, or even eliminated, at times when significant capital or other expenditures are made. To the extent that external sources of capital, including the issuance of additional Trust Units, become limited or unavailable, the Fund’s and EnerMark's ability to make the necessary capital investments to maintain or expand their oil and gas reserves and to invest in assets, as the case may be, will be impaired. To the extent that the Fund or EnerMark is required to use distributable cash flow to finance capital expenditures, property acquisitions or asset acquisitions, as the case may be, the level of distributable income will be reduced.

Debt Service

EnerMark has secured credit facilities. Variations in interest rates and scheduled principal repayments could result in significant changes in the amount required to be applied to debt service before payment of any amounts to the Fund. Certain covenants of the agreement with the lender may also limit payments to the Fund. Although it is believed that the bank line of credit is sufficient, there can be no assurance that the amount will be adequate for the financial obligations of EnerMark or that additional funds can be obtained or obtained on favourable terms.

EnerMark's lenders have been provided with security over substantially all of the assets of EnerMark. If EnerMark becomes unable to pay its debt service charges or otherwise commits an event of default such as bankruptcy, the lenders may foreclose on or sell EnerMark's properties free from or together with the EnerMark Notes, the Royalty or any other securities or royalties of EnerMark held by the Fund.

Purchase of Royalty

The price paid by the Fund for the purchase of the Royalty was based on engineering and economic assessments made by independent engineers. These assessments include a number of material assumptions regarding such factors as recoverability and marketability of oil, natural gas, natural gas liquids and sulphur, future prices of oil, natural gas, natural gas liquids and sulphur and operating costs, future capital expenditures and royalties and other government levies which will be imposed over the producing life of the reserves. Many of these factors are subject to change and are beyond the control of the operators of EnerMark's properties, EnerMark, EMR or the Fund. In particular, changes in the prices of and markets for petroleum, natural gas, natural gas liquids and sulphur from those anticipated at the time of making such assessments will affect the return on the value of the Trust Units. In addition, all such assessments involve a measure of geological and engineering uncertainty which could result in lower production and reserves than attributed to the properties of EnerMark.

Delay in Cash Distributions

In addition to the usual delays in payment by purchasers of oil and natural gas to the operators of EnerMark's properties, and by the operator to EMR or EnerMark, payments between any of such parties may also be delayed by restrictions imposed by lenders, delays in the sale or delivery of products, delays in the connection of wells to a gathering system, blowouts or other accidents, recovery by the operator of expenses incurred in the operation of the properties or the establishment by the operator of reserves for such expenses.

Reserves

Although Sproule and EMR have carefully prepared the reserve figures of EnerMark and believed that the methods of estimating reserves have been verified by operating experience, such figures are estimates and no assurance can be given that the indicated levels of reserves will be produced. Probable reserves estimated for properties may require revision based on the actual development strategies employed to prove such reserves. Declines in the reserves of EnerMark which are not offset by the acquisition or development of additional reserves may reduce the underlying value of Trust Units to Unitholders.

Investment Eligibility

If the Fund ceases to qualify as a mutual fund trust, the Trust Units will cease to be qualified investments for RRSPs, RRIFs, RESPs and DPSPs ("Exempt Plans"). Where at the end of any month an Exempt Plan holds Trust Units that are not qualified investments, the Exempt Plan must, in respect of that month, pay a tax under Part XI.1 of the Tax Act equal to 1% of the fair market value of the Trust Units at the time such Trust Units were acquired by the Exempt Plan. In addition, where a trust governed by an RRSP or RRIF holds Trust Units that are not qualified investments, the trust will become taxable on its income attributable to the Trust Units while they are not qualified investments. RESPs which hold Trust Units that are not qualified investments may have their registration revoked by Revenue Canada.

Environmental Concerns

The oil and natural gas industry is subject to environmental regulation pursuant to local, provincial and federal legislation. A breach of such legislation may result in the imposition of fines or issuance of clean up orders in respect of EnerMark or its properties. Such legislation may be changed to impose higher standards and potentially more costly obligations on EnerMark. Although EnerMark has established a reclamation fund for the purpose of funding its currently estimated future environmental and reclamation obligations based on its current knowledge, there can be no assurance that EnerMark will be able to satisfy its actual future environmental and reclamation obligations.

While EnerMark has established a reserve for extraordinary and significant site reclamation or abandonment costs, actual abandonment costs incurred in ordinary course in a specific period are deducted for purposes of calculating the income to be subsequently paid to the Fund and will reduce the amount of distributable income available for distribution to Unitholders.

Reliance on the Manager

Unitholders will be dependent on the management of EMR in respect of the administration and management of all matters relating to EnerMark's operations and properties, the Royalty, the Fund and Trust Units. The loss of the services of key individuals or termination of the Management Agreement could have a detrimental effect on the Fund and EnerMark. EMR and affiliates of EMR currently operate approximately 70% of the total daily production of EnerMark's properties. Investors who are not willing to rely on the management of EMR should not invest in the Trust Units.

Depletion of Reserves

The Fund has certain unique attributes which differentiate it from other oil and gas industry participants. Distributions of distributable income in respect of EnerMark's operations and properties, absent commodity price increases or cost effective acquisition and development activities, will decline over time in a manner consistent with declining production from typical oil, natural gas and natural gas liquids reserves. EnerMark will not be reinvesting cash flow in the same manner as other industry participants. Accordingly, absent capital injections, EnerMark's initial production levels and reserves will decline.

EnerMark's future oil and natural gas reserves and production, and therefore its cash flows, will be highly dependent on EnerMark's success in exploiting its reserve base and acquiring additional reserves. Without reserve additions through acquisition or development activities, EnerMark's reserves and production will decline over time as reserves are exploited.

To the extent that external sources of capital, including the issuance of additional Trust Units, become limited or unavailable, EnerMark's ability to make the necessary capital investments to maintain or expand its oil and natural gas reserves will be impaired. To the extent that EnerMark is required to use cash flow to finance capital expenditures or property acquisitions, the level of distributable income will be reduced.

There can be no assurance that EMR, on behalf of EnerMark, will be successful in developing or acquiring additional reserves on terms that meet the Fund's investment objectives.

Additional Financing

To the extent that external sources of capital, including the issuance of additional Trust Units become limited or unavailable, the Fund's and EnerMark's ability to make the necessary capital investments to maintain or expand its oil and gas reserves will be impaired. To the extent that the Fund or EnerMark is required to use cash flow to finance capital expenditures or property acquisitions, the level of distributable income will be reduced.

Competition

There is a strong competition relating to all aspects of the oil and gas industry. The Fund, EnerMark and EMR will actively compete for capital, skilled personnel, undeveloped lands, reserves acquisitions, access to drilling rigs, service rigs and other equipment, access to processing facilities and pipeline and refining capacity and in all other aspects of its operations with a substantial number of other organizations, many of which may have greater technical and financial resources than the Fund and EnerMark. Some of those organizations not only explore for, develop and produce oil and natural gas, but also carry on refining operations and market petroleum and other products on a world wide basis and as such have greater and more diverse resources on which to draw.

Return of Capital

Trust Units will have no value when reserves from EnerMark's properties can no longer be economically produced or marketed and, as a result, cash distributions do not represent a "yield" in the traditional sense as they represent both return of capital and return on investment. Holders of Trust Units will have to obtain the return of capital invested out of cash flow derived from their investments in the Trust Units during the period when reserves can be economically recovered.

Potential Conflicts of Interest

There may be circumstances in which the interests of EMR, its affiliates or entities managed by such parties will conflict with those of Unitholders. EMR or its affiliates may acquire oil and gas properties on its own behalf or on behalf of persons other than the Unitholders. EMR or its affiliates may manage and administer such additional properties, as well as enter into other types of energy-related management, advisory and investment activities. Neither EMR nor its affiliates, or their respective management, will carry on their full-time activity on behalf of Unitholders and, when acting on their own behalf or on behalf of others, may at times act in competition with the interests of Unitholders.

In the event of such conflicts, decisions will be made on a basis consistent with the objectives and financial resources of each group of interested parties, the time limitations on investment of such financial resources, and on the basis of operating efficiencies having regard to the then current holdings of properties of each group of interested parties consistent with the duties of EMR to each such group of persons. EMR will use all reasonable efforts to resolve such conflicts of interest in a manner which will treat the Fund or EnerMark, and the other interested party fairly taking into account all of the circumstances of the Fund or EnerMark and such interested party and to act honestly and in good faith in resolving such matters.

Circumstances may arise where members of the board of trustees of the Fund or the board of directors of EnerMark or EMR are directors or officers of corporations which are in competition to the interests of the Fund, EnerMark and EMR. No assurances can be given that opportunities identified by such board members will be provided to EMR and the Fund.

Nature of Trust Units

The Trust Units do not represent a traditional investment in the oil and natural gas sector and should not be viewed by investors as shares in EnerMark. The Trust Units are also dissimilar to conventional debt instruments in that there is no principal amount owing directly to Unitholders. The Trust Units represent a fractional interest in the Fund. As holders of Trust Units, 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. The Fund's sole assets will be the shares of EnerMark, the EnerMark Notes, the Royalty and certain other investments permitted under the Declaration of Trust. The price per Trust Unit is a function of anticipated distributable income, the properties acquired by EnerMark and EMR's ability to effect long-term growth in the value of the Fund. The market price of the Trust Units will be sensitive to a variety of market conditions including, but not limited to, interest rates and the ability of the Fund to acquire suitable oil and natural gas properties. Changes in market conditions may adversely affect the trading price of the Trust Units.

Unitholder Limited Liability

The Declaration of Trust provides that no Unitholder will be subject to any liability in connection with the Fund or its obligations and affairs or with respect to any act or omission of the Fund Trustees and no Unitholder is liable to indemnify the Fund Trustees with respect to any liabilities incurred by the Fund Trustees with respect to any taxes payable by the Fund or the Fund Trustees provided, however, that in the event that a court determines Unitholders are subject to any such liabilities, the liabilities will be enforceable only against, and will be satisfied only out of the Fund's assets.

The operations of the Fund will be conducted, upon the advice of counsel, in such a way and in such jurisdictions as to avoid as far as possible any material risk of liability on the Unitholders for claims against the Fund.

Changes in Legislation

There can be no assurances that income tax laws and government incentive programs relating to the oil and gas industry, such as the status of mutual fund trusts and the resource allowance, will not be changed in a manner which adversely affects the Fund and Unitholders. There can be no assurance that Revenue Canada or the United States Internal Revenue Service will agree with how the Fund calculates its income for tax purposes or that Revenue Canada or the United States Internal Revenue Service will not change its administrative practices to the detriment of the Fund or its Unitholders.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following tables set forth selected consolidated financial information of the Fund for the past three years.

Three Year Detailed Statistical Review

	Year Ended December 31,		
($thousands, except per Unit amounts)	**2000**	**1999**	**1998**
Financial			
Gross oil and gas sales	$343,182	$169,541	$134,102

($thousands, except per Unit amounts)	Year Ended December 31, 2000	1999	1998
Funds flow from operations	$177,837	$82,089	$63,929
Per Trust Unit	$1.14	$0.69	$0.58
Net income	$82,150	$25,754	$8,881
Per Trust Unit – Basic	$0.53	$0.22	$0.08
Per Trust Unit - Fully diluted	$0.53	$0.22	$0.08
Capital expenditures (net)	$65,844	$12,136	$56,516
Total assets	$1,567,952	$576,901	$617,881
Long term debt	$275,944	$131,315	$184,034
Cash available for distribution			
Funds flow from operations	$177,837	$82,089	$63,929
Cash withheld for debt reduction	($11,746)	($3,900)	-
Proceeds on sale of property, plant and equipment	-	-	$6,130
Pursuit Resources Corp. operating cash flow net of cash withheld for debt reduction	$2,090	-	-
Cash available for distribution	$168,181	$78,189	$70,059
Cash available for distribution per Unit	$0.950	$0.640	$0.640

The above financial data has been taken from the audited consolidated financial statements of the Fund for the years ended December 31, 2000, 1999 and 1998. The audited consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

Effective January 1, 2000, the Fund adopted the new recommendations of the Canadian Institute of Chartered Accountants for the computation and disclosure of earnings per share and income taxes. The diluted earnings per share for each of the three years shown have been restated in accordance with the new recommendations. The recommendations for incomes taxes have been applied retroactively without restatements of the 1999 and 1998 financial statements. The effects of these accounting changes are disclosed in the notes to the respective audited consolidated financial statements.

In 2000, the Fund acquired 88.65% of Cabre, and all outstanding shares of EBOC, Pursuit and Western Star for cash, Trust Unit and warrant consideration totalling $512 million plus the assumption of $91 million in net long-term debt. These acquisitions have increased the assets and revenues of the Fund. Results of operations for these entities have been included in the Fund's information since their respective dates of acquisition. See "Operational Information - Inclusion of Operations of Acquired Interests". Additional discussion regarding the comparability of the above financial data may be found in "Management's Discussion and Analysis of Financial Condition and Results of Operations".

Cash Distribution Policy and Distributions to Unitholders

The Fund Trustees intend to make cash distributions in amounts equal to all of the interest, royalty and dividend income of the Fund, net of the Fund's administrative expenses. In addition, Unitholders may, at the discretion of the Fund Trustees, receive distributions in respect of repayments of principal made by EnerMark to the Fund on the EnerMark Notes. The Fund's current practice is that cash distributions will be made monthly to Trust Unitholders of record on the 10th day of each month and shall be payable on or before the 20th day of such month. The cash distributions made in the month of January of each year will be made to Trust Unitholders of record on December 31, of each preceding year, payable on January 20th.

The following cash distributions in respect of the months indicated have been made or declared to Unitholders.

2000

Month	Record Date	Payment Date	Amount Per Trust Unit
January	March 10, 2000	March 20, 2000	$0.06
February	April 10, 2000	April 20, 2000	$0.06
March	May 10, 2000	May 20, 2000	$0.09
April	June 10, 2000	June 20, 2000	$0.06
May	July 10, 2000	July 20, 2000	$0.06
June	August 10, 2000	August 20, 2000	$0.09
July	September 10, 2000	September 20, 2000	$0.06
August	October 10, 2000	October 20, 2000	$0.06
September	November 10, 2000	November 20, 2000	$0.12
October	December 10, 2000	December 20, 2000	$0.08
November	December 31, 2000	January 20, 2001	$0.08
December	February 10, 2001	February 20, 2001	$0.13
TOTAL			**$0.95**

1999

Month	Record Date	Payment Date	Amount Per Trust Unit
January	March 10, 1999	March 20, 1999	$0.03
February	April 10, 1999	April 20, 1999	$0.03
March	May 10, 1999	May 20, 1999	$0.05
April	June 10, 1999	June 20, 1999	$0.03
May	July 10, 1999	July 20, 1999	$0.03
June	August 10, 1999	August 20, 1999	$0.09
July	September 10, 1999	September 20, 1999	$0.05
August	October 10, 1999	October 20, 1999	$0.05
September	November 10, 1999	November 20, 1999	$0.10
October	December 10, 1999	December 20, 1999	$0.06
November	December 31, 1999	January 20, 2000	$0.06
December	February 10, 2000	February 20, 2000	$0.06
TOTAL			**$0.64**

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following is management's discussion and analysis of variations in operating results for the year ended December 31, 2000 compared to the year ended December 31, 1999 based on the audited consolidated financial statements of the Fund. As a result of changing practices in the oil and gas industry in Canada, the Fund has adopted the international standard of 6:1 in converting natural gas to oil equivalent barrels. All BOE amounts are based on this conversion factor.

Revenues

Gross revenues were $343.2 million for the year ended December 31, 2000 versus $169.5 million for the year ended December 31, 1999. The average crude oil and NGLs price was $35.33/bbl which represents a $12.94/bbl or 58% increase over the 1999 price of $22.39/bbl. Natural gas averaged $4.52/Mcf, 96% higher than the price in 1999 of $2.31/Mcf. In 2000 the Fund's commodity hedging program reduced oil and natural gas revenues by $9.1 million or $0.80 per BOE. Including the effects of the hedging program, oil and NGLs prices averaged $33.47/bbl and natural gas prices averaged $4.53/Mcf for the year. Crude oil and NGLs production for 2000 averaged 14,200 bbls/d, up 6% from the 1999 average of 13,396 bbls/d while natural gas averaged 101,473 Mcf/d during 2000 which was 41% higher than the 1999 average of 71,713 Mcf/d. Interest and other income decreased in 2000 by $0.4 million.

The following table analyzes the changes in crude oil, NGLs and natural gas revenues, daily sales volumes and prices over the past year:

Analysis of sales revenues

($ millions)	Crude Oil Revenues	NGLs Revenues	Natural Gas Revenues	Total Revenues
1999 sales revenues	$ 96.9	$ 11.7	$ 60.9	$169.5
Changes in 2000 sales revenues				
Price variance	54.8	13.0	83.2	151.0
Volume variance	6.1	0.3	25.2	31.6
Cost of hedging	(8.8)	-	(0.1)	(8.9)
	52.1	13.3	108.3	173.7
2000 sales revenues	$ 149.0	$ 25.0	$ 169.2	$343.2

Operating statistics

	2000	1999	Change
Average daily production			
Crude oil (bbls)	12,089	11,416	+6%
NGLs (bbls)	2,111	1,980	+7%
Natural gas (Mcf)	101,473	71,713	+41%
BOE per day (6:1)	31,112	25,348	+23%
Average selling price			
Pre-hedging:			
Crude oil per bbl	$ 35.86	$ 23.47	+53%
NGLs per bbl	$ 32.33	$ 16.14	+100%
Natural gas per Mcf	$ 4.52	$ 2.31	+96%
Average selling price			
After hedging:			
Crude oil per bbl	$ 33.67	$ 23.26	+45%
NGLs per bbl	$ 32.33	$ 16.14	+100%
Natural gas per Mcf	$ 4.53	$ 2.33	+94%

Expenses

The net royalty rate for 2000 increased by 4.6% over 1999 levels to 23.6%. Royalty expense, net of ARTC, increased by $48.8 million or 152% as a result of the higher oil and NGL prices and acquisitions during the year. Operating expenses were $55.0 million in 2000 compared to $37.2 million for 1999 due to higher production volumes. On a BOE basis, operating expenses increased to $4.83 per BOE in 2000 from $4.02 per BOE in 1999. This increase is attributable to a change in the mix of properties arising from acquisitions, the maturity of producing areas and higher costs of energy used in connection with oil and gas operations.

General and administrative costs expensed increased by $1.5 million or 26% to $7.2 million due to higher activity levels associated with the Fund's acquisition activities.

On a BOE basis, the increase was 2% to $0.63 per BOE. Management fees increased by $2.4 million or 107% as a result of higher oil and gas operating income.

Interest expense increased by $6.2 million to $15.3 million in 2000 due to higher average outstanding bank debt arising in connection with corporate acquisitions during 2000.

Depletion, depreciation and amortization increased by $18.5 million or 30% in 2000 due to the increase in production volumes and the addition of proven reserves at a cost greater than the depletion rate in 1999. The charge for depletion and amortization on a BOE basis increased to $7.05 from $6.69 per BOE in 1999.

Funds Flow From Operations and Net Income

Funds flow from operations increased by $95.7 million or 117% to $177.8 million in 2000 due to higher crude oil and natural gas revenues and increased production volumes.

Net income increased by $56.4 million or 219% primarily due to the increase in funds flow from operations offset in part by higher future taxes and depletion, depreciation and amortization.

Quarterly Financial Information

($ millions, except per Unit amounts)	Oil and Gas Revenue, Net of Royalties	Net Income	Net Income Per Unit Basic	Net Income Per Unit Diluted
2000				
First quarter	$ 43.5	$10.1	$0.08	$0.08
Second quarter	55.4	10.9	0.07	0.07
Third quarter	68.6	23.9	0.16	0.16
Fourth quarter	94.7	37.3	0.22	0.22
Total	$262.2	$82.2	$0.53	$0.53
1999				
First quarter	$ 25.8	$ 0.8	$0.01	$0.01
Second quarter	30.6	3.5	0.03	0.03
Third quarter	39.2	8.4	0.07	0.07
Fourth quarter	41.8	13.1	0.11	0.11
Total	$137.4	$25.8	$0.22	$0.22

Cash Available for Distribution

In view of the significant increases in oil and natural gas prices in 2000 and the increase in debt to fund corporate acquisitions (refer to Note 7 to the Fund's audited consolidated financial statements for the year ended December 31, 2000) the Fund's Board of Trustees determined to apply a portion of the cash otherwise available for distribution to debt reduction. In 2000 the Fund applied $11.7 million compared to $3.9 million in 1999 against payment of outstanding bank indebtedness which represented a payment equivalent to approximately $0.07 per Unit. In addition, cash available for distribution includes $2.1 million of Pursuit Resources Corp. net cash flow after providing for the repayment of $4.0 million withheld for the reduction of Pursuit's debt. Overall, cash available for distribution, after providing for debt repayment, increased by 115% to $168.2 million from $78.2 million in 1999 or $0.95 per Unit versus $0.64 per Unit for 1999.

Cash available for distribution is paid out by way of monthly cash payments to Unitholders on the 20th day of each month with an adjustment at quarter's end.

The following table analyzes changes in cash available for distribution over the past year:

($ millions)	**Crude Oil & NGLs Revenues**	**Natural Gas Revenues**	**Expenses**	**Total**
1999 cash available for distribution				$ 78.2
Changes in 2000				
Price variance	$59.0	$ 83.1	$ -	142.1
Volume variance	6.4	25.2	$ -	31.6
Royalties, net of ARTC	-	-	(48.8)	(48.8)

Operating and other costs	-	-	(29.2)	(29.2)
	$65.4	$108.3	$(78.0)	95.7
Pursuit cash flows net of debt reduction				2.1
Cash withheld for debt reduction				(7.8)
				90.0
2000 cash available for distribution				**$168.2**

Liquidity and Capital Resources

As at December 31, the Company's capital structure was as follows:

	2000		**1999**	
($ millions)	**Amount**	**%**	**Amount**	**%**
Equity	$ 770.9	72	$375.4	74
Bank debt, net of working capital	296.9	28	134.5	26
Total	**$1,067.8**	**100**	**$509.9**	**100**

As at December 31, 2000, the Fund had an unused line of credit of $144.1 million compared to $68.7 million at December 31, 1999.

Capital Expenditure Funding

The Fund's ongoing capital expenditures are financed through new issues of equity, bank borrowing, and funds flow from operations.

Loan principal payments and interest are allowable deductions from cash distributions to Unitholders. During the year ended December 31, 2000 $11.7 million was deducted from cash distributions for bank loan payments related to capital expenditures, compared to $3.9 million in 1999.

Net capital expenditures before corporate acquisitions for the year 2000 were $65.8 million (1999 - $12.1 million). The following table summarizes the Fund's capital expenditures for each of 2000 and 1999, excluding corporate acquisitions.

	2000	**1999**
Producing property acquisitions	$51,109	$ 8,322
Development drilling and completions	27,102	15,036
Plant and facilities	11,861	3,847
Office and other expenditures	1,033	1,888
Total capital expenditures	91,105	29,093
Property dispositions	(25,261)	(16,957)
Net capital expenditures	$65,844	$12,136

In addition to the above capital expenditures, the Fund acquired four subsidiaries during the year, the details of which are described in Note 7 of the Notes to the consolidated financial statements.

Income Taxes

The Fund qualifies as a mutual fund trust under the Canadian Income Tax Act and, accordingly, Units of the Fund are qualified investments for RRSPs, RRIFs and DPSPs. Each year, the fund is required to file an income tax return and any net taxable income in the Fund is allocated to the Unitholders.

The following is a general summary of the income tax consequences to a Unitholder who is a Canadian resident and holds the Units as a capital property:

When the Fund has taxable income in any specific year, each Unitholder is required to include, in computing income, the Unitholder's pro-rata share of the amount that would be taxable income of the Fund whether or not the amount was actually paid to the Unitholder in that year. Income of a Unitholder is considered income from property and not resource revenue.

An investor's adjusted cost base ("ACB") in a Trust Unit equals the purchase price of the Unit less any non-taxable cash distributions received from the date of acquisition. To the extent a Unitholder's ACB in a Trust Unit is reduced below zero, such amount will be deemed to be a capital gain to the Unitholder and the Unitholder's ACB in the Trust Unit will be reduced to $Nil. In general, Unitholders will have a capital gain or a capital loss upon disposition of the Units.

The following table represents the taxable portion of cash distributions per Trust Unit for the 2000 and 1999 taxation years:

		2000		1999	
Record date	**Payment date**	**Distribution**	**Taxable Portion**	**Distribution**	**Taxable Portion**
February 10	February 20	$ 0.0600	$ 0.0288	$ 0.0400	$ 0.0107
March 10	March 20	0.0600	0.0288	0.0300	0.0080
April 10	April 20	0.0600	0.0288	0.0300	0.0080
May 10	May 20	0.0900	0.0432	0.0500	0.0134
June 10	June 20	0.0600	0.0288	0.0300	0.0080
July 20	July 20	0.0600	0.0288	0.0300	0.0080
August 10	August 20	0.0900	0.0432	0.0900	0.0241
September 10	September 20	0.0600	0.0288	0.0500	0.0134
October 10	October 20	0.0600	0.0288	0.0500	0.0134
November 10	November 20	0.1200	0.0576	0.1000	0.0267
December 10	December 20	0.0800	0.0384	0.0600	0.0160
December 31	January 20, 2001	0.0800	0.0384	0.0600	0.0160
Total taxable amount		$ 0.8800	$ 0.4224	$ 0.6200	$ 0.1657

Risk Management

Certain risks are associated with the finding, development, production and marketing of oil and gas products. In addition, the oil and gas industry is subject to federal and provincial government regulation.

Commodity pricing is another risk faced by energy companies such as EnerMark. A Risk Management Committee has been established to continually evaluate market conditions. The Committee meets on a monthly basis and makes recommendations concerning the forward sale of commodity prices, foreign exchange and bank interest rates. As of December 31, 2000, no crude oil hedges were in place and the natural gas hedges in place are fully described in Note 9 to the consolidated financial statements.

While EnerMark has no control over commodity pricing and changes in legislation, including changes to the ARTC, the Fund has developed several strategies to mitigate these risks. For example, new property acquisitions must meet the following guidelines:

- Evaluated by independent engineers where the purchase price exceeds $5 million;
- Purchase price on a single transaction not to exceed present worth of estimated future net cash flow using a discount rate equal to the lesser of:
- twice the yield on 10 year Government of Canada bonds, or
- the yield on 10 year Government of Canada bonds plus 4% after deducting general and administrative expenses and incorporating the impact of debt financing, but before income taxes;
- Not more than 25% of the value of all oil and natural gas properties to be attributable to a single pool;

- Not more than 75% of the value of all oil and natural gas properties to be attributable to natural gas;
- Such other guidelines as approved by the Board of Trustees of the Fund and the Board of Directors of EnerMark Inc.

Furthermore, the following strategies also help mitigate risk:

- Farm out exploratory or other high-risk drilling prospects;
- Participate in low-risk development activities;
- Use reliable suppliers;
- Monitor pipeline and market conditions closely;
- Market products to a diverse range of buyers;
- Meet or exceed industry standards for liability insurance and purchase business interruption insurance for selected facilities where available;
- Keep abreast of current affairs to act quickly and proactively where possible; and
- Use the latest technology to improve all facets of business processes.

MARKET FOR SECURITIES

The Trust Units are listed and posted for trading on The Toronto Stock Exchange. The trading symbol for the Trust Units is EIF.UN.

DIRECTORS AND OFFICERS

The Fund does not have any directors but a board of trustees has been established pursuant to the Declaration of Trust. The officers of the Fund and EnerMark are the same as the officers of EMR described below under "Officers of EMR".

Fund Trustees

The following table outlines the name, municipality of residence, principal occupation for the past five years and the number of Trust Units beneficially owned, directly or indirectly, or over which control or direction is exercised, for each of the Fund Trustees:

Name and Municipality of Residence	Office	Principal Occupation During Past Five Years	Trustee Since	Trust Units Beneficially Owned (4)
Jack W. Peltier (2)(3)(5) Calgary, Alberta	Chairman of the Board of Trustees	President of Ipperwash Resources Ltd. (an oil and natural gas production, consulting, management services and portfolio investment company).	February, 1996	32,500
Marcel J. Tremblay Calgary, Alberta	Trustee, President and Chief Executive Officer	President, Chairman of the Board and Chief Executive Officer of EES.	February, 1996	202,730
André Bineau (1) Montreal, Quebec	Trustee	Vice President of Association de bienfaisance et de retraite des policiers et policières de la Communauté urbaine de Montréal	February, 1996	41,000
Neal H. Eggen (1)(2)(3) Calgary, Alberta	Trustee	Businessman.	February, 1996	23,334

Name and Municipality of Residence	Office	Principal Occupation During Past Five Years	Trustee Since	Trust Units Beneficially Owned[(4)]
Douglas Martin[(1)(6)] Calgary, Alberta	Trustee	President of Charles Avenue Capital Corp. (a private merchant banking company) since April, 2000. Prior thereto, Chairman of the Board of Pursuit Resources Corp.	July, 2000	135,130
Harry B. Wheeler[(2)] Calgary, Alberta	Trustee	President of Colchester Investments Ltd. (a private investment firm) since January, 2001. Prior thereto, Chairman of the Board of Cabre Exploration Ltd.	January, 2001	2,330,163
Robert L. Zorich[(7)] Houston, Texas USA	Trustee	Managing Director of EnCap Investments L.L.C. (a wholly owned subsidiary of El Paso Energy Corporation which provides private equity financing to the oil and natural gas industry).	January, 2001	32,500

Notes:

(1) The Fund Trustees have established an Audit Committee comprised of André Bineau as Chairman and Neal H. Eggen and Douglas Martin.

(2) The Fund Trustees have established an Environmental, Safety and Reserves Committee comprised of Neal H. Eggen as Chairman and Jack W. Peltier and Harry B. Wheeler.

(3) The Fund Trustees have established a Corporate Governance and Human Resources Committee comprised of Douglas Martin as Chairman, Jack W. Peltier and Neal H. Eggen.

(4) As of March 31, 2001. The information as to the number of Trust Units beneficially owned, directly or indirectly, or over which control or direction is exercised, not being within the knowledge of the Fund, EnerMark or EMR, has been furnished by the Fund Trustees individually.

(5) From April 3, 1995 to August 11, 1995, Ipperwash Resources Ltd. ("Ipperwash"), a corporation controlled by Mr. Peltier, was retained by a special investigative committee of the board of directors of Granisko Resources Inc. ("Granisko") to provide executive and management services to Granisko while Granisko was attempting to restructure its secured debt. In conjunction with such retention, Mr. Peltier was appointed as President and a director of Granisko. On August 11, 1995, a receiver/manager was appointed to handle Granisko's affairs and Mr. Peltier resigned from his offices, although Ipperwash continued to provide management services to Granisko until September 30, 1995.

(6) From 1991 to 2000, Mr. Martin was director of Coho Energy, Inc. ("Coho"), an oil and natural gas corporation that was listed on the TSE and NASDAQ. In 1999, Coho filed for protection under United States federal bankruptcy law, from which it was released in April, 2000. The directors of Coho were not held responsible for any actions. Mr. Martin resigned as a director of Coho in April of 2000.

(7) In late 1997, Mr. Zorich was appointed to the board of directors of Benz Energy Inc. ("Benz"), a Vancouver Stock Exchange listed company at the time, as a representative of Mr. Zorich's employer, Encap Investments L.L.C., which had provided certain financing to Benz. On November 8, 2000, Benz, together with its wholly-owned subsidiary, Texstar Petroleum Inc., jointly filed a petition for protection under United States federal bankruptcy law, and on January 19, 2001, the shares of Benz were made subject to a cease trade order by the Alberta Securities Commission and suspended from trading on the Canadian Venture Exchange Inc. for failing to file required financial information.

The Declaration of Trust provides that the Fund Trustees shall act honestly and in good faith with a view to the best interests of the Fund and in connection therewith shall exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The Declaration of Trust further provides that the Fund Trustees shall be entitled to indemnification from the Fund in respect of the exercise of their powers and the discharge of their duties in the absence of breach of their duties and standard of care. The duties and standard of care of the Fund Trustees provided in the Declaration of Trust are similar to those imposed on a director of a corporation.

Except as expressly prohibited by law, the Fund Trustees may grant or delegate certain of the Fund Trustees' authority to effect the actual administration of the duties of the board of trustees under the Declaration of Trust. The Fund Trustees may grant broad discretion to a third party to administer and manage the day-to-day operations of the Fund, and to make executive decisions which conform to the general policies and general principles set forth in the Declaration of Trust or otherwise established by the Fund Trustees.

Directors of EnerMark

EnerMark's board of directors is to be comprised of not more than nine and not less than three members. The board of directors of EnerMark is currently comprised of the same individuals who serve as the Fund Trustees.

Officers of EMR

EMR provides management, advisory and administrative services to the Fund and EnerMark pursuant to the Management Agreement subject to supervision of the board of directors of EnerMark. The following table outlines the names, municipalities of residence and principal occupation of the officers of EMR who will be responsible for the provision of executive services.

The name, municipality of residence, position held, principal occupation for the past five years and number of Trust Units beneficially owned or controlled, directly or indirectly, or over which control or direction is exercised, of each officer of EMR are set out below:

Name and Municipality of Residence	Position with EMR	Principal Occupation for Past Five Years	Trust Units Beneficially Owned [(1)]
Marcel J. Tremblay Calgary, Alberta	Director, President and Chief Executive Officer	President and Chief Executive Officer, EES since 1985.	202,730
Gordon J. Kerr Calgary, Alberta	Executive Vice President and Chief Financial Officer	Executive Vice President and Chief Financial Officer, EES since January, 2001. Prior thereto, Senior Vice President of Financial Services, EES since September, 2000. Prior thereto, Vice President, Finance & Chief Financial Officer, EES since 1998. Prior thereto, Strategic Development Consultant to EES since 1996. Prior thereto, Vice President & Chief Financial Officer, Mark Resources Inc.	11,433
Eric P. Tremblay Calgary, Alberta	Senior Vice President of Capital Markets	Senior Vice President of Capital Markets, EES, since September 2000. Prior thereto, Senior Vice President, Corporate Development, EES since January, 2000. Prior thereto, Vice President, Corporate Development, EES since 1996. Prior thereto, Manager, Business Development of EES.	4,836
Verne G. Johnson Calgary, Alberta	Senior Vice President of Funds Management	Senior Vice President of Funds Management, EES since September, 2000. Prior thereto, consultant to EES since January, 2000. Prior thereto, President and Chief Executive Officer, ELAN Energy Inc. since 1989.	558
Heather J. Culbert Calgary, Alberta	Senior Vice President, Corporate Services	Senior Vice President, Corporate Services, EES since February, 2001. Prior thereto, Vice President, Management Information Systems & Administration, EES since 1996. Prior thereto, Director of information and Administrative Services of EES.	7,549
Daryl W. Cook Calgary, Alberta	Vice President, Operations	Vice President, Operations, EES since 1997. Prior thereto, Vice President, Exploitation and Land of EES.	6,946
Dorothy I. Else Calgary, Alberta	Vice President, Land	Vice President, Land, EES since 1998. Prior thereto, Manager of Land of EES.	4,451
Wayne T. Foch Calgary, Alberta	Vice President, Finance	Vice President, Finance, EES since February, 2001. Prior thereto, Treasurer, EMR Resource Management Ltd. since 1996.	4,220
Darrell E. Shaw Calgary, Alberta	Vice President, Exploitation	Vice President, Exploitation, EES since 1998. Prior thereto, General Manager, Exploitation of EES.	4,506
I. Laura Pierrot Calgary, Alberta	Vice President and Treasurer	Vice President and Treasurer, EES since/February 2001. Prior thereto, Treasurer, EES.	1,251
Jo-Anne M. Caza Calgary, Alberta	Vice President, Investor Relations	Vice President, Investor Relations, EES since January, 2000. Prior thereto, Manager Investor Relations, EES since 1995.	1,330
Richard D. Parsons Calgary, Alberta	Controller	Controller, EES.	2,068
Christina S. Meeuwsen Calgary, Alberta	Corporate Secretary	Corporate Secretary, EES since 1996. Prior thereto, Assistant Corporate Secretary of EES.	1,288
Joanne M. Danyschuk Calgary, Alberta	Assistant Corporate Secretary	Assistant Corporate Secretary, EES since 1997. Prior thereto, Corporate Law Clerk, Blake, Cassels & Graydon LLP.	613

Note:

(1) As of March 31, 2001. The information as to Trust Units beneficially owned, directly or indirectly, or over which control or direction is exercised, not being within the knowledge of the Fund, EnerMark or EMR, has been furnished by the officers individually.

The Fund Trustees and officers of EMR named above beneficially own, directly or indirectly, an aggregate of 2,848,346 Trust Units, representing approximately 1.1% of the Trust Units outstanding on March 31, 2001.

Certain of the trustees, directors and officers named above are directors or officers of other entities managed by the Enerplus Group of Companies or may be directors or officers of other issuers which are in competition with the Fund, EnerMark and EMR and as such may encounter conflicts of interests in the administration of their duties with respect to the Fund and EnerMark. See "Information Concerning the Fund and EnerMark – Management of the Fund" and "Risk Factors - Potential Conflicts of Interest".

ADDITIONAL INFORMATION

The Fund shall provide to any person, upon request to the Corporate Secretary of EMR:

(a) when the securities of the Fund are in the course of a distribution pursuant to a short form prospectus or a preliminary short form prospectus has been filed in respect of a distribution of its securities:

(i) one copy of this Renewal Annual Information Form of the Fund, together with one copy of any document, or the pertinent pages of any document, incorporated by reference in this Annual Information Form,

(ii) one copy of the comparative financial statements of the Fund for its most recently completed financial year together with the accompanying report of the auditor and one copy of any interim financial statements of the Fund subsequent to the financial statements for its most recently completed financial year,

(iii) one copy of the information circular of the Fund in respect of its most recent annual meeting of Unitholders that involved the election of Fund Trustees (the "Information Circular") or one copy of any annual filing prepared in lieu of that Information Circular, as appropriate, and

(iv) one copy of any other documents that are incorporated by reference into the preliminary short form prospectus or short form prospectus and are not required to be provided under (i) to (iii) above; or

(b) at any other time, one copy of any other documents referred to in (a)(i), (ii) and (iii) above, provided the Fund may require the payment of a reasonable charge if the request is made by a person who is not a security holder of the Fund.

Additional information regarding trustees', directors' and certain officers' remuneration and indebtedness, principal holders of Trust Units, options to purchase Trust Units and interests of insiders in material transactions is contained in the Information Circular. Additional information is provided in the Fund's comparative combined financial statements for the year ended December 31, 2000.

EnerMark Income Fund
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