

Wilmington

Capital Management Inc.

ANNUAL INFORMATION FORM
For the year ended December 31, 2013

March 18, 2014

WILMINGTON CAPITAL MANAGEMENT INC.
ANNUAL INFORMATION FORM
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(i) Form 51-101F1 – Statement of Reserves Data and Other Oil and Gas
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WILMINGTON CAPITAL MANAGEMENT INC.

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CONVENTIONS

Unless otherwise indicated, references herein to "\$" or "dollars" are to Canadian dollars. All financial information herein has been presented in Canadian dollars in accordance with International Financial Reporting Standards ("IFRS").

Abbreviations

Oil and Natural Gas Liquids

Bbl	Barrel
Mbbl	thousand barrels
Bbl/d	barrels per day
NGL	natural gas liquids

Natural Gas

Mcf	thousand cubic feet
MMcf	million cubic feet
Mcf/d	thousand cubic feet per day
MMcf/d	million cubic feet per day
MMBtu	million British Thermal Units

Other

API	American Petroleum Institute
°API	An indication of the specific gravity of crude oil measured on the API gravity scale. Liquid petroleum with a specified gravity of 28 °API or higher is generally referred to as light crude oil.
boe	barrel of oil equivalent of natural gas and crude oil on the basis of (unless otherwise stated) 1 boe for 6 Mcf of natural gas (this conversion factor is an industry accepted norm and is not based on either energy content or current prices)
boe/d	barrel of oil equivalent per day
\$M	thousand dollars
\$MM	million dollars
Mboe	1,000 barrels of oil equivalent
MMboe	million barrels of oil equivalent
WTI	West Texas Intermediate, the reference price paid in U.S. dollars at Cushing, Oklahoma for crude oil of standard grade.

Conversion

The following table sets forth certain standard conversions from Standard Imperial Units to 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 oil	6.290
Feet	Metres	0.305
Metres	Feet	3.281
Miles	Kilometres	1.609
Kilometres	Miles	0.621
Acres	Hectares	0.405
Hectares	Acres	2.471

WILMINGTON CAPITAL MANAGEMENT INC.

ANNUAL INFORMATION FORM

NOTE REGARDING FORWARD LOOKING STATEMENTS

This annual information form (the “Annual Information Form”) and the documents incorporated by reference herein may contain forward-looking statements. These statements relate to future events or the Corporation’s (as defined below) future performance. All statements other than statements of historical fact may be forward-looking statements. In some cases, forward-looking statements can be identified by terminology such as “may”, “will”, “should”, “expect”, “plan”, “anticipate”, “believe”, “estimate”, “predict”, “potential”, “continue”, “anticipate” or “intend” or the negative of these terms or other comparable terminology.

These statements are only predictions. Actual events or results may differ materially. In addition, this Annual Information Form and the documents incorporated by reference herein may contain forward-looking statements attributed to third party industry sources, which sources are not endorsed or adopted by the Corporation expressly or impliedly. Undue reliance should not be placed on these forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. By its nature, forward-looking information involves numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will not occur. Forward-looking statements in this Annual Information Form and the documents incorporated by reference herein include, but are not limited to, statements with respect to:

General

- expectations for the Corporation’s ability to meet its current capital requirements;
- expectations regarding the Corporation’s net income and financial results;
- expectations regarding future investments by the Corporation; and
- expectations of the Corporation’s ability to raise capital.

Real Estate – Self Storage Facilities

- expectations regarding the financial performance of the Trust (as defined below);
- expectations regarding future acquisitions of properties by the Trust; and
- expectations regarding the evolution of the Canadian self-storage industry.

Energy – Natural Gas Assets

- natural gas production levels;
- the performance characteristics of the gas assets held by Natural Gas Investees (as defined on the bottom of page 8);
- the size of natural gas reserves attributable to the assets held by Natural Gas Investees;
- the quality of and future net revenues from the reserves held by Natural Gas Investees;
- planned development of the gas properties held by Natural Gas Investees;
- capital expenditure programs and other expenditures;

- commodity prices, foreign currency exchange rates and interest rates; and
- supply and demand for natural gas.

Private Equity

- expectations for NCI's (as defined below) continued ability to raise private equity capital; and
- expectations regarding the financial performance of the private equity funds managed by NCI on behalf of the Corporation and other investors.

With respect to forward-looking statements in this Annual Information Form and the documents incorporated by reference herein, the Corporation has assumed, among other things:

- no material change in economic conditions or capital markets in Canada generally;
- no material change in the Canadian self-storage industry;
- no material unforeseen change in the condition of the fixed assets owned by the Trust;
- no material change in the demographics or economic conditions in the geographic areas in which the Trust's assets are located;
- that commodity prices will not deteriorate significantly;
- the ability of the Natural Gas Investees to engage service contractors;
- the ability of the Natural Gas Investees to market and transport its natural gas; and
- no material change in the Corporation's other investments or results of operations.

Statements relating to "reserves" or "resources" are deemed to be forward-looking statement, as they involve the implied assessment, based on certain estimates and assumptions that some or all of the resources described can be profitably produced in the future. Readers are cautioned that the foregoing list of factors is not exhaustive. The forward-looking statements contained in this Annual Information Form and certain documents incorporated by reference herein are expressly qualified by this cautionary statement.

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

- general economic conditions;
- availability of equity and debt financing;
- interest rate risk;
- credit risk as it relates to tenants and their ability to fulfill rental commitments;
- environmental risk;
- risks related to the business and operations of the Corporation, including the real estate and natural gas industries, demand and supply risk, development risks, competition for real estate and investment opportunities, natural gas investments, management of growth, general uninsured losses, failure to manage acquisitions, loss of key personnel (including personnel employed within the Corporation's operating platforms) and its impact on the ability of the Corporation to operate effectively, leverage

of the Corporation's assets, restrictive covenants, guarantees, environmental liability, litigation, property taxes and risks associated with indemnification obligations; and

- the other factors considered under “*Risk Factors*” in this Annual Information Form.

These factors should not be considered as exhaustive. The forward-looking statements contained in this Annual Information Form and the documents incorporated by reference herein are expressly qualified by this cautionary statement. Subject to applicable securities laws, the Corporation is not under any duty to update any of the forward-looking statements after the date of this Annual Information Form to conform such statements to actual results or to changes in the Corporation's expectations. Financial outlook information contained in this Annual Information Form and the documents incorporated by reference herein about prospective results of operations, financial position or cash flows is based on assumptions about future events, including economic conditions and proposed courses of action, based on management's assessment of the relevant information currently available. Any such financial outlook information should not be used for purposes other than for which it has been disclosed.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this Annual Information Form from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Treasurer of Wilmington Capital Management Inc., at 51 Yonge Street, Suite 200, Toronto, Ontario, M5E 1J1 (telephone 403 800-0869) and are also available electronically on the Corporation's SEDAR profile at www.sedar.com.

The business acquisition report of the Corporation dated March 22, 2011 relating to the acquisition of an interest in a property portfolio by the Trust, filed with the various provincial securities commissions or similar authorities in Canada, is specifically incorporated into and forms an integral part of this Annual Information Form.

Documents are not incorporated by reference to the extent their contents are modified or superseded by a statement contained in this Annual Information Form or in any other subsequently filed document that is also incorporated by reference in this Annual Information Form. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Annual Information Form.

CORPORATE PROFILE

Wilmington Capital Management Inc. (“**Wilmington**” or the “**Corporation**”) is a Canadian investment and asset management company focused on investments in the real estate and energy sectors. Wilmington invests its own capital, alongside partners and co-investors, in hard assets and private equity funds and manages these assets through operating platforms. As at December 31, 2013, Wilmington had approximately \$144.0 million of assets under management (\$56.0 million representing Wilmington's share).

Wilmington was formed pursuant to articles of amalgamation under the *Business Corporations Act* (Ontario) dated December 31, 1979. On March 8, 2002, the name of the Corporation was changed from Unicorp Inc. to Wilmington Capital Management Inc. The Corporation's head office is 505 - 3 Street S.W., Suite 700, Calgary, Alberta, T2P 3E6 and its registered office is 51 Yonge Street, Suite 200, Toronto, Ontario, M5E 1J1.

Wilmington's issued and outstanding Class A non-voting shares ("**Class A shares**") and Class B voting shares ("**Class B shares**") are listed on the Toronto Stock Exchange ("**TSX**") under the trading symbols WCM.A and WCM.B, respectively.

SUBSIDIARIES AND ASSOCIATES

As of December 31, 2013 and March 18, 2014, the Corporation had the following ownership interests in subsidiaries and associated entities.

The Corporation holds a 42.13% interest in the Real Storage Private Trust (the "**Trust**"), which owns a portfolio of 20 operating self-storage facilities containing approximately 787,000 square feet of rentable area and a development property, located in Alberta, British Columbia and Ontario. The Trust was organized under the laws of Ontario. The Corporation holds its interest through voting units in the Trust, and the Trust itself holds its property portfolio through two subsidiary limited partnerships.

The Corporation holds a 50% voting interest in Network Capital Management Inc. ("**NCI**"). NCI was organized under the laws of Alberta and is a private, Calgary based investment company focused on raising and deploying private equity having a mandate to identify and invest in early stage opportunities in energy, energy services and special situations.

The Corporation invested \$8 million in the Network 2012 Fund (the "**Fund**"). The Fund is managed by NCI.

Wilmington holds a 59% interest in Shackleton 2011 Limited Partnership (the "**Shackleton Partnership**"), which owns a 100% working interest in certain natural gas producing and processing assets in the Shackleton field in Saskatchewan. The Shackleton Partnership was organized under the laws of Alberta. The Corporation holds a limited partnership interest through voting units in the Shackleton Partnership.

On July 30, 2013 the Corporation acquired a 36.5% interest in Northpoint Resources Ltd. ("**Northpoint**") which owns certain natural gas producing and processing assets in British Columbia, and together with the Shackleton Partnership, the "**Natural Gas Investees**".

RECENT DEVELOPMENTS

Three-Year History

On August 17, 2013, the Corporation obtained joint control over day to day operations of NCI pursuant to the shareholders agreement.

On July 30, 2013, the Corporation grew its natural gas platform by investing in Northpoint, a privately held oil and gas producer with assets in the Altares region of northeastern British Columbia. The Corporation acquired a 36.5% ownership interest in Northpoint for total cash consideration of \$2.2 million. In addition and as part of an overall recapitalization plan, Wilmington acquired \$0.8 million of a

10%, \$5 million debenture issue in Northpoint which matures on August 1, 2017. Northpoint's production during the third quarter of 2013 was 1,175 Boe/d and has total proved plus probable reserves totaling approximately 45,630 Mmcfe (7,605 Mboe). Northpoint is professionally managed by an experienced executive team. As part of the transaction, the Corporation is entitled to nominate three of the seven directors to the Northpoint board of directors.

Management and Directors of the Corporation have not filed a National Instrument form 51-101F3, **"Report of Management on oil and gas disclosure"** in relation to Northpoint. Northpoint's reserves committee of the Board of Directors of Northpoint are responsible for the review of Northpoint's procedures for providing information to the independent qualified reserves evaluator, to meet with the reserves evaluator, review the reserves data with the management of Northpoint. The reserves committee of Northpoint is responsible for the approval of Northpoint's GLJ report.

In May 2013, the Corporation invested an additional \$2.5 million in the Trust in exchange for units to fund the Trust's acquisition of three self storage facilities.

On July 31, 2013, the Corporation completed the sale of its interests in commercial land in San Francisco, California. The Corporation received total proceeds of USD \$20.0 million comprised of cash proceeds of USD \$983,000 and the transfer of the secured debt of USD \$19.0 million to the purchaser. Cash proceeds from the sale were used to settle certain loans payable. The sale was part of the steps in rationalizing the Corporation's core business.

In January 2012, Wilmington committed \$8.0 million to the Fund. The commitment was fully funded during the 2012 fiscal year and the Fund, at December 31, 2013, had invested 100% (2012 – 76%) of its capital in early stage opportunities.

On October 26, 2011, the Shackleton Partnership acquired a 100% working interest in certain natural gas producing and processing assets in the Shackleton Field in Saskatchewan. The aggregate cost of the acquisition including closing costs, amounted to approximately \$19 million and was funded by a combination of cash and debt. Wilmington's share of the cash consideration to complete the acquisition was \$6,215,000, which was funded by providing cash for subscription units in the Shackleton Partnership representing a 59% interest in the Shackleton Partnership. The remaining 40% indirect interest was acquired by four other investors in equal amounts and their share of the cash consideration to complete the acquisition was \$4,285,000 which was funded by providing cash for subscription units in the Shackleton Partnership. In connection with the acquisition, the Shackleton Partnership also entered into a credit facility with a Canadian bank in the amount of \$9.0 million of which \$8.5 million was drawn to fund the acquisition. The credit facility is secured by the assets. The assets are being professionally managed by Shackleton 2011 Services Inc. (formerly Airwell Services Ltd.) (the Shackleton Partnership **"Operator"**), an entity whose purpose is to provide management services to the Shackleton Partnership. Wilmington has a 51% direct interest in the Shackleton Partnership Operator. The remaining 49% interest is held by another entity with over 30 years of oil and gas field operations experience.

On August 17, 2011, Wilmington acquired 50% of the issued and outstanding voting shares in NCI for consideration consisting of 589,673 Class A shares issued by the Corporation. NCI is an investment company focused on private equity having a mandate to identify and invest in early stage opportunities in energy, energy services, and special situations. Pursuant to the transaction, the vendor retains control of day to day operations of NCI for a period of two years. Subsequent to the acquisition, the Corporation loaned \$50,000 to NCI by way of a non-interest bearing promissory note for working capital purposes. The loan is due on demand.

On February 2, 2011, the Corporation completed the acquisition through the Trust of a 46.15% indirect interest in a portfolio of 5 self-storage facilities and 2 development properties located in Alberta, British Columbia and Ontario. The aggregate cost of the property portfolio was approximately \$22.5 million and was funded by way of an assumption of debt, equity of \$5.0 million, funds from the Trust of \$400,000 and a bridge loan to the Trust in the amount of \$3.25 million. The Corporation's share of the cash consideration to complete this transaction was \$4.125 million which was funded by providing equity to the Trust in the amount of \$2.5 million and a bridge loan to the Trust in the amount of \$1.625 million.

Prior to January 7, 2011, the Corporation owned an 8% fully-diluted interest in Parkbridge Lifestyles Communities Inc. ("**Parkbridge**"), which acquires, operates and develops land sites that are leased to homeowners in manufactured home communities and to owners of recreational properties in seasonal recreational resorts. On October 4, 2010, Parkbridge announced that it had entered into an agreement with the British Columbia Investment Management Corporation ("**bcIMC**") whereby bcIMC would acquire all the issued and outstanding shares of Parkbridge for \$7.30 in cash per common share. Closing occurred on January 7, 2011. At a price of \$7.30 per share, the Corporation received proceeds of \$40.6 million from the sale of its shares in Parkbridge. Additional information on Parkbridge can be found on Parkbridge's SEDAR profile at www.sedar.com.

Developments Prior to 2011

On December 15, 2010, the Corporation reorganized its investment in the 370 Third Street land lease in San Francisco, California, held through 370 Third Street Holdings Inc. ("**370 Third Street Holdings**"), and entered into a new secured credit facility on which \$1.5 million net is drawn, bears interest at 4% per annum and is repayable on January 1, 2013. At maturity this credit facility is payable, at the Corporation's discretion, in cash or in shares of 370 Third Street Holdings.

On July 30, 2010, Wilmington completed the acquisition of a 45.45% indirect interest in a portfolio of 12 self-storage facilities in Southwestern Ontario through the acquisition of units in the Trust. The aggregate cost of the property portfolio, including closing costs, amounted to approximately \$20.7 million and was funded with proceeds from a \$12.7 million term facility (the "**Term Facility**") and equity of approximately \$8.0 million. An additional \$3.0 million of equity was raised by the Trust for working capital to fund short term requirements and other investment opportunities. The Term Facility is secured by the property portfolio and a guarantee by the Corporation equal to 22.725% of the Term Facility. The Corporation's share of the cash consideration to complete this initiative was \$5.0 million, which was mostly funded through borrowings under its credit facility.

Developments Prior to 2010

On September 30, 2009, the Corporation acquired 250,000 shares of Parkbridge at a price of \$4.00 per share.

On July 4, 2009, the Corporation acquired 1,932,944 shares of Parkbridge at a price of \$5.40 per share.

On January 10, 2008, Rosebridge Capital Corp. Inc. ("**Rosebridge**") announced that it had agreed to acquire ownership of 750,000 Class A shares and 458,092 Class B shares of the Corporation. Rosebridge is an affiliate of Joseph Killi, a director and the President and Chief Executive Officer of the Corporation.

On August 22, 2007, the Corporation received approval from the TSX for a normal course issuer bid to purchase up to 516,000 of the Class A shares, representing 10% of the public float of this class, and up to

49,000 of its Class B shares, representing 5% of this class, through open market purchases on the TSX. This bid commenced on August 25, 2007 and expired on or before August 24, 2008. Under this bid, the Corporation acquired and cancelled 1,000 Class B shares for \$2,900 at an average price of \$2.90 per share. All shares acquired under this bid were cancelled.

On September 1, 2006, the Corporation distributed its investment in Class A Limited Voting shares (the “**Brookfield Class A shares**”) of Brookfield Asset Management Inc. (“**Brookfield**”) to the holders of its Class A shares and Class B shares. This investment consisted of approximately 2.3 million Brookfield Class A shares (or approximately 3.5 million Brookfield Class A shares reflecting Brookfield’s three-for-two stock split in June 2007) acquired at a cost of \$28.5 million, which had a quoted market value at the time of the distribution of approximately \$110 million.

On August 23, 2006, the Corporation received approval from the TSX for a normal course issuer bid to purchase up to 553,000 of the Class A shares, representing 10% of the public float of this class, and up to 49,000 of its Class B shares, representing 5% of this class, through open market purchases on the TSX. This bid commenced on August 25, 2006 and expired on August 24, 2007. Under this bid, the Corporation acquired and cancelled 170,200 Class A shares for \$510,470 at an average price of \$3.00 per share and 200 Class B shares for \$600 at an average price of \$3.00 per share.

Under the Corporation’s prior normal course issuer bid, which expired on August 24, 2006, the Corporation purchased and cancelled 8,300 Class A shares and 4,200 Class B shares at an average price per share of \$12.54 and \$13.00, respectively.

In December 2005, the Corporation announced the sale of the land and associated lease located at 181 University Avenue in Toronto for net proceeds of \$6.1 million after expenses and the repayment of associated debt of \$17.4 million. This sale closed in January 2006.

In September 2005, the Corporation distributed approximately 12.8 million non-voting common shares of Parkbridge with a market value of \$64.0 million and a book value of \$20.0 million, to its Class A and Class B shareholders, reducing its interest in Parkbridge from 34%. On January 7, 2011 the Corporation sold its fully diluted 8% equity interest in Parkbridge.

BUSINESS OF THE CORPORATION

Overview

The Corporation is a Canadian investment and asset management company that owns investments in real estate and energy related assets, and whose principal objective is to acquire and hold assets which provide shareholders with capital appreciation over the longer term as opposed to current income.

Wilmington creates value for shareholders in several ways:

- Wilmington seeks out niche opportunities to invest in hard assets – real estate or energy related – where the Corporation can add scale to an existing platform, improve valuations and earn attractive cash flow and total returns.
- Wilmington invests in and manages private equity funds on behalf of the Corporation and co-investors, and deploys these funds in early stage opportunities in energy, energy services, and special situations that exhibit high growth potential. Superior valuation gains are realized by monetizing these investments at appropriate times.

- By investing alongside sophisticated partners and investors, Wilmington is able to scale the capital under management and enhance its financial returns.

Total assets under management through the Corporation's asset platforms and its funds under management amounted to \$144.0 million at December 31, 2013 and represent the Corporation's interests (approximately \$56.0 million) as well as assets managed on behalf of partners and co-investors.

As at December 31, 2013, Wilmington's investment in operating platforms owning hard assets consisted of (i) a 42.13% interest in 20 self-storage facilities and one development property located in Alberta, British Columbia and Ontario, (ii) a 59% interest in natural gas producing and processing assets in Saskatchewan and (iii) a 36.5% interest in natural gas producing and processing assets in British Columbia. These business segments collectively represent approximately 70% of the Corporation's invested capital. Wilmington's investment in NCI and private equity funds, including monies invested in NCI's 2012 private equity fund represents 27% of invested capital. The remaining 3% of invested capital is primarily represented in uncommitted cash.

Principal Business Interests

Wilmington organizes its business into a number of distinct operating platforms which the Corporation develops and maintains to ensure that the underlying assets are effectively managed and their values are enhanced in the near to longer term timeframes.

Real Estate – Self Storage Facilities

Wilmington holds a 42.13% interest in the Trust which owns 20 self-storage facilities containing 787,997 square feet of rentable area and one development property, located in Alberta, British Columbia and Southwestern Ontario. Wilmington believes the Trust is currently the sixth largest owner and operator of self-storage facilities in Canada.

The Canadian self-storage industry is relatively young and highly fragmented. The industry has experienced significant growth over the past several years in response to a robust housing market, specifically multi-family, as well as the demographic shifts associated with an aging population as seniors and empty nesters continue downsizing their homes. Management of the Corporation believes that this trend will continue for the foreseeable future as municipal planners continue to focus on increased residential density across the country and as the Canadian population continues to age and downsize their homes, thereby driving demand for off-site storage facilities. The self-storage market in Canada is estimated to currently comprise approximately 2,500 facilities and just over 80 million square feet.

The nature of the self-storage business has become increasingly sophisticated; therefore the professional management requirements associated with running such facilities has intensified. The facilities owned by the Trust are managed internally. Prior to October 15, 2012, the facilities were managed by a third party manager, Real Storage Management Inc. The key executives of the Trust have a 7-year history of developing and operating self-storage facilities in British Columbia, Alberta, Saskatchewan and Ontario and have a 12% ownership interest in the Trust. As of December 31, 2013, the Trust's head office had six employees and one acquisition consultants. There were an additional 41 individuals employed directly in operating the Trust's self storage facilities.

The Trust operates facilities in markets where competitors are primarily private owners and operators, with little operational scale. While national self-storage owners and operators have consolidated parts of the Canadian self-storage industry, this has not happened on a widespread basis, particularly in the markets where the Trust operates, and is intended to operate, facilities. Management of the Corporation believes that the experience of the senior management of the Trust and that of the employees at the Trust's facilities, along with the operational scale of the Trust, its relationship with its equity partners and lenders, and its market knowledge of key regions within Canada will enable it to compete effectively.

Energy – Natural Gas Assets

Shackleton Partnership

Wilmington, through the Shackleton Partnership in which the Corporation holds a 59% interest, owns a 100% working interest in the Shackleton Field encompassing 16,154 acres (or 25 sections) of contiguous land in the Milk River basin in Saskatchewan (the "Shackleton Property") with total proved and probable producing reserves as at December 31, 2013 in the amount of 14,445 Gross MMcf (14,411 Net MMcf) (2,407 Gross Mboe / 2,402 Net Mboe) including a 100% owned gas gathering and processing system. Sales for the month of December 2013 averaged 3,608 Mcf/d (or 601 Boe/d) of sweet natural gas from 100 wells.

Northpoint Resources Ltd.

Northpoint is a private Canadian energy company with production oil and natural gas asset in the Altares area of British Columbia. As at December 31, 2013, the Corporation owned approximately 2.2 million common shares of Northpoint, representing 36.5% of Northpoint's equity.

Northpoint holds 24,331 net acres in the Altares region of British Columbia with total proved and probable reserves as at December 31, 2013 in the amount of 45.900 Gross Mmcf (38,928 Net Mmcf) (7,650 Gross Mboe/6488 Net Mboe). Sales for the month of December 2013 averaged 1107Mcf/d/

For the year ended December 31, 2013, the Corporation accounted for its investment in Northpoint using the equity method. Pursuant to National Instrument 51-101 – Standards of Disclosure of Oil and Gas Activities ("NI 51-101"), the Corporation is required to separately disclose information concerning Northpoint's oil and gas reserves and future net revenues as at December 31, 2013 and certain costs incurred by Northpoint since acquisition date of July 31, 2013, based on the Corporation's equity interest in Northpoint. This information is set out in Schedule C – National Instrument 51-101 - Equity Investments Disclosure.

Readers are cautioned that Wilmington does not have any direct or indirect interest in, or right to the reserves or future net revenue of Northpoint disclosed in Schedule C nor does Wilmington have any direct or indirect obligations in respect of, or liability for, the costs incurred by Northpoint disclosed in Schedule C. The Corporation is a shareholder of Northpoint just like any other shareholder of Northpoint.

The attached Schedule C has been prepared based on non-publically disclosed information provided by Northpoint's management.

The Natural Gas Investees are long life assets and have a number of embedded opportunities for improving future production.

The results of operations of the Natural Gas Investees are highly dependent on certain factors, notably fluctuations in the price of natural gas and the ability to extract natural gas cost-effectively. These factors are described in more detail in “Risk Factors” beginning on page 19 of this Annual Information Form.

The Natural Gas Investees operations are subject to environmental regulations in the jurisdictions in which it operates. Such regulations cover a wide range of matters, including without limitation prevention of waste, pollution and protection of the environment, labour regulations and worker safety. Under such regulations, there are clean-up costs and liabilities for toxic or hazardous substances, which may exist on or under any of its properties or which may be produced as a result of its operations. Environmental legislation and legislation relating to the exploration and production of natural resources are likely to evolve in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their directors, officers and employees. Such stricter standards could impact the costs of the Natural Gas Investees and have an adverse effect on results of operations.

The Shackleton property is professionally managed by Shackleton 2011 GP Inc. (the “**Shackleton Partnership Operator**”), an entity whose purpose is to provide management services to the Shackleton Partnership. Wilmington has a 51% ownership interest in the Shackleton Partnership Operator. The remaining 49% is held by an entity with a proven track record in reservoir engineering and production management. As of December 31, 2013, the Operator had 2 employees and there was an additional individual employed directly by the Shackleton Partnership.

Northpoint is professionally managed internally by an experienced team. As of December 31, 2013, Northpoint had four employees and two consultants.

Private Equity

Wilmington holds a 50% interest in NCI, a Calgary based investment company with a proven track record in capital management that spans over 18 years. NCI’s primary business is focused on raising and deploying private equity having a mandate to identify and invest in early stage opportunities principally in energy and energy related services. As at December 31, 2013, NCI managed approximately \$40 million of funded and committed capital (Wilmington’s share \$8.0 million). The rapid formation of junior oil and gas companies operating in Canada’s western basin and employing new drilling technology provides NCI with the unique opportunity of continuing to deliver strong returns to its investors, including the Corporation. NCI competes with various other asset management firms with respect to both raising capital and making investments. NCI had 3 employees as of December 31, 2013.

Other Business of the Corporation

On July 31, 2013, the Corporation completed the sale of its interests in commercial land in San Francisco, California. The Corporation received total proceeds of USD \$20.0 million comprised of cash proceeds of USD \$983,000 and the transfer of the secured debt of USD \$19.0 million to the purchaser. Cash proceeds from the sale were used to settle certain loans payable. The sale was part of a series of steps in rationalizing the Corporation’s core business.

Business Strategy

Wilmington focuses on investing in operating platforms that are capable of generating cash flow, growth and value creation opportunities. The Corporation strives to achieve these objectives by:

- investing in platforms that are scalable and where Wilmington can add meaningful value by providing strategic and operational expertise;
- actively raising capital from partners or investors who invest alongside Wilmington's own capital. This strategy makes the Corporation managers of capital, materially increases total capital deployable and ultimately enhances the Corporation's return;
- balancing the Corporation's investments between hard assets that generate reliable cash flow and growth and private equity investments capable of delivering superior capital appreciation in the near term; and
- investing in sectors that have identifiable upside such as real estate and energy areas, in which Wilmington has expertise.

As at December 31, 2013, Wilmington has taken significant steps to put in place the foundation for achieving future growth. The Corporation manages its capital judiciously and has adopted sound financial policies, which limit our exposure to debt and limit recourse to the assets being financed.

See "Risk Factors" beginning on page 20 of this Annual Information Form for certain risks relating to the business of the Corporation.

STATEMENT OF RESERVES AND OTHER OIL AND GAS INFORMATION

In accordance with National Instrument 51-101- Standards of Disclosure for Oil and Gas Activities ("**NI 51-101**") and the Canadian Oil and Gas Evaluation Handbook, GLJ Petroleum Consultants Ltd. ("**GLJ**") prepared separate reports with respect to the Shackleton Partnership's (the "**Shackleton GLJ Report**") and Northpoint's gas reserves (the "**Northpoint GLJ Report**"). GLJ evaluated, effective as at December 31, 2013, the reserves data and other oil and gas information on behalf of the Shackleton Partnership and Northpoint. The preparation date of the Shackleton GLJ Report is March 3, 2014 and the preparation date of the Northpoint's GLJ Report is February 6, 2014.

See the Statement of Reserves Data and other Oil and Gas Information attached hereto as Schedule "B", the Report on Reserves Data by Independent Qualified Reserves Evaluator or Auditor and the Report of Management on Oil and Gas Disclosure for complete NI 51-101 oil and gas reserves disclosure for the Shackleton Partnership as at December 31, 2013.

In accordance with NI 51-101, the Corporation is required to separately disclose information concerning Northpoint's oil and gas reserves and future net revenues as at December 31, 2013 and certain costs incurred by Northpoint since the acquisition date of July 31, 2013, based on the Corporation's equity interest in Northpoint. This information is set out in Schedule C – National Instrument 51-101 Equity Investments Disclosure.

The reserves data set forth in the Statement of Reserves Data and other Oil and Gas Information attached hereto as Schedule "B" and "C" are based upon Shackleton GLJ Report and Northpoint GLJ Report, as the case may be, and summarize the natural gas reserves of the Shackleton Partnership and Northpoint respectively, and the net present values of future net revenue for these reserves using forecast prices and costs. The evaluation procedures included in the Shackleton GLJ Report and the Northpoint GLJ Report detail the reserves definitions, price and market demand forecasts and general procedures used by GLJ in these respective evaluations.

All evaluations of future revenue are, unless otherwise noted in the tables, after the deduction of future income tax expenses, royalties, development costs, production costs and well abandonment costs but before consideration of indirect costs such as administrative, overhead and other miscellaneous expenses.

The estimated future net revenues contained in the Shackleton GLJ Reports and the Northpoint GLJ Report do not necessarily represent the fair market value of the Shackleton Partnership's or Northpoint's reserves. There is no assurance that the forecast price and cost assumptions contained in the Shackleton GLJ Report and the Northpoint GLJ Report will be attained and variances could be material. Other assumptions and qualifications relating to costs and other matters are included in the Shackleton GLJ Report or the Northpoint GLJ Report, as the case may be. The recovery and reserves estimates on the Shackleton Partnership and Northpoint properties described herein are estimates only. The actual reserves on the Shackleton Property or Northpoint Property may be greater or less than those calculated.

DESCRIPTION OF SHARE CAPITAL

The authorized share capital of the Corporation consists of six classes of shares, each unlimited in number: namely, Class I Preference shares issuable in series; Class II Preference shares issuable in series; Class III Preference shares issuable in series; Class A shares; Class B shares; and Common shares. As at March 18, 2014, there were 7,524,992 Class A shares and 997,744 Class B shares issued and outstanding. No Class I Preference, Class II Preference, Class III Preference or Common shares are issued and outstanding as of March 18, 2014.

The Class A shares do not carry full voting rights. Holders of Class A shares are entitled, voting separately as a class, to elect two members of the Board of Directors (the “**Board**”) of the Corporation (each Class A shareholder being entitled for such purposes to one vote for each Class A share held), but shall otherwise have no right to vote as shareholders other than as specifically provided in the *Business Corporations Act* (Ontario). The Class A shares rank equally with Class B shares in the payment of dividends and on the liquidation, dissolution or winding up of the Corporation. The Class A shares become convertible into Class B shares on a share-for-share basis after an offer has been made to purchase Class B shares which must, by reason of applicable securities laws or stock exchange by-laws, regulations or policies, be made to each holder of Class B shares whose last recorded address is in the jurisdiction to which the relevant requirement applies. This conversion right shall not come into effect if:

- (a) holders of at least 50% of the outstanding Class B shares reject the offer;
- (b) a simultaneous offer on the same terms and conditions is made to holders of Class A shares;
- (c) the Board determines that the offer is not *bona fide* or is made primarily for the purpose of causing the conversion right to come into effect; or
- (d) the offer is not completed in accordance with its terms.

Holders of Class B shares are entitled to vote on all matters that come before the shareholders of the Corporation and are entitled to one vote for each Class B share held.

DIVIDENDS

The following table summarizes the dividends paid by the Corporation during the past three years ended December 31:

	2013	2012	2011
Dividends paid per:			
Class A share	Nil	Nil	Nil
Class B share	Nil	Nil	Nil

At its meeting on March 7, 2007, the Board decided not to declare any further dividends on its Class A and Class B shares at that time and such dividend policy remains in place as at the date hereof.

In addition to the semi-annual dividend paid on June 30, 2006, the Corporation distributed on September 1, 2006 a special dividend to the holders of its Class A and Class B shares consisting of 0.28 Brookfield Class A shares (or 0.42 Brookfield Class A shares reflecting the three-for-two stock split in June 2007) and \$1.25 in cash for every Class A and Class B share of the Corporation held. As a result of this special dividend, the board of directors decided in November 2006 not to declare the regular semi-annual dividend of \$0.08 per Class A and Class B share that would have been paid on December 31, 2006.

In addition to semi-annual dividends for 2005, the Corporation distributed on September 12, 2005 a special dividend to the holders of its Class A shares and Class B shares consisting of a combination of the non-voting shares of Parkbridge and cash as follows:

- (i) Canadian residents who held 10 or more Class A shares or 10 or more Class B shares of the Corporation received 16 non-voting shares of Parkbridge for every whole integral number of 10 Class A shares or 10 Class B shares held, as well as a cash dividend on any additional Class A shares or Class B shares equal to \$8.08 per Class A share or Class B share; and
- (ii) Canadian residents who held fewer than 10 Class A shares or Class B shares and all non-resident holders received a cash dividend equal to \$8.08 per Class A share or Class B share.

MARKET FOR SECURITIES

The Corporation's Class A shares and Class B shares are listed on the TSX under the trading symbols, **WCM.A** and **WCM.B**, respectively. The following tables set out trading information for 2013 for the Class A shares and Class B shares, based on information provided by the TSX:

Class A Shares (TSX: WCM.A)

Month 2013	Price per Share			Volume Traded #
	High C\$	Low C\$	Average C\$	
January	3.20	2.81	3.00	700
February	3.00	3.00	3.00	400
March	3.05	3.00	3.01	42,200
April	3.01	3.00	3.00	1,300
May	---	---	---	---
June	---	---	---	---
July	3.01	3.00	3.01	100
August	3.01	3.00	3.00	300
September	3.09	3.00	3.05	5,700
October	3.09	3.00	3.07	2,400
November	3.20	3.00	3.06	14,100
December	3.25	3.00	3.15	7,600

Class B Shares (TSX: WCM.B)

Month 2013	Price per Share			Volume Traded #
	High C\$	Low C\$	Average C\$	
January	3.20	3.00	3.05	400
February	---	---	---	---
March	3.00	3.00	3.00	200
April	---	---	---	---

May	---	---	---	---
June	---	---	---	---
July	---	---	---	---
August	---	---	---	---
September	3.06	3.00	3.03	200
October	3.08	3.05	3.06	2,100
November	---	---	---	---
December	3.29	3.05	3.22	9,500

DIRECTORS AND OFFICERS

The Board currently consists of five directors, all of whom are elected annually to serve as directors of the Corporation until the next annual meeting of shareholders or until their successors are elected or appointed. The following is a list of incumbent directors, their respective places of residence, principal occupations for the past five years, titles with the Corporation, and year in which they became a director. Also listed are the officers of the Corporation.

Name, Residence and Principal Occupation	Title	Year Became Director
Ian G. Cockwell ^{(1),(2)} , Ontario, Canada Corporate Director	Chairman and Director	1988
Joseph F. Killi ⁽²⁾ , Alberta, Canada President, Rosebridge Capital Corp. Inc.	President and Chief Executive Officer, and Director	1998
Edward C. Kress ⁽¹⁾ , Ontario, Canada Corporate Director	Director	2005
David V. Richards , Alberta, Canada Managing Director, Network Capital Management Inc.	Director	2012
Marc D. Sardachuk ⁽¹⁾ , Alberta, Canada Managing Partner, Law Investments LP	Director	2008
J. Francis Cooke , Ontario, Canada Managing Partner, Ursataur Capital Management	Treasurer	n/a
Christopher Killi , Alberta, Canada Vice President, Finance, Wilmington Capital Management Inc.	Vice President, Finance	n/a
Patrick Craddock , Alberta, Canada Corporate Controller, Wilmington Capital Management Inc.	Corporate Controller	n/a
Alex Powell , Alberta, Canada Corporate Secretary, Wilmington Capital Management Inc.	Corporate Secretary	n/a

(1) Member of the Audit and Corporate Governance Committee.

(2) Member of the Reserves Committee

All of the directors listed above were elected to the Board at the Annual Meeting of Shareholders held on May 14, 2013. All of the directors and officers listed above have held their current positions for the past

five years, except as follows. Prior to September 2011, Mr. Cockwell was Vice Chairman, Brookfield Residential Properties Inc. and prior to April 2011, Mr. Cockwell was President and Chief Executive Officer, Brookfield Homes Corporation. Prior to December 8, 2011, Mr. Joseph Killi was Chairman of Parkbridge Lifestyle Communities Inc. Prior to June 2010, Mr. Kress was Group Chairman Power, Brookfield Asset Management Inc. Prior to September 30, 2009, Mr. Sardachuk was President and Chief Executive Officer, Realex Properties Corp. Prior to January 2009, Mr. Cooke was a Principal at Boston Consulting Group. Prior to November 2011, Mr. Christopher Killi was Director of Finance of the Corporation and prior to February 2010, he was a Manager in the Disputes, Analysis and Valuations group at PricewaterhouseCoopers LLP. Prior to July 15, 2013, Patrick Craddock was Corporate Controller of Winstar Resources Ltd. and prior to December 20, 2011 was a Manager in the Audit and Assurance group at Pricewaterhouse Coopers LLP. Prior to December 8, 2011, Ms. Powell was Manager, Corporate Services and Administration, Parkbridge Lifestyle Communities Inc.

As at March 18, 2014, the directors and executive officers of the Corporation, as a group beneficially own, or exercise control or direction over directly or indirectly 2,547,400 Class A shares of the Corporation, representing approximately 34% of the issued and outstanding Class A shares and 758,092 Class B shares, representing approximately 76% of the issued and outstanding Class B shares.

Cease Trade Orders, Bankruptcies, Penalties and Sanctions

To the knowledge of the Corporation, no directors or executive officers of the Corporation are, as at the date hereof, or have been, within the 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company, including the Corporation and any personal holding companies, that (i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days (collectively, an “**Order**”) that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to an Order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

To the knowledge of the Corporation, no directors or executive officers of the Corporation or securityholders holding a sufficient number of securities of the Corporation to materially affect its control (i) are, as at the date hereof, or have been within 10 years before the date hereof, a director or executive officer of any company, including the Corporation and any personal holding companies, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; (ii) have, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or securityholder; or (iii) have been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority, or have entered into a settlement agreement with a securities regulatory authority, or have been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

Certain directors of the Corporation are associated with other companies or entities, which may give rise to conflicts of interest. In accordance with the *Business Corporations Act* (Ontario), directors who have a material interest in any person who is a party to a material contract or proposed material contract with the Corporation are required, subject to certain exceptions, to disclose that interest and abstain from voting on any resolution to approve that contract. In addition, the directors are required to act honestly and in good faith with a view to the best interests of the Corporation. However, no assurances can be given that opportunities identified by such directors will be provided to the Corporation.

RISK FACTORS

Risks Related to the Corporation

Financial Reporting

A significant portion of the Corporation's assets and operations are constituted by its investments in the Trust, NCI, Network 2012 Fund and Northpoint. Those investments are accounted for by the Corporation on an equity basis, with the result of the investments, and the results of operations of the Trust, NCI, Network 2012 Fund and Northpoint, appear as single lines in each of the consolidated balance sheet and income statement of the Corporation and with disclosure, in the notes of the consolidated financial statements, of summarized information as to the assets, liabilities, results of operations and other items in accordance with International Financial Reporting Standards. Neither the Trust, NCI, Network 2012 Fund nor Northpoint is a reporting issuer or otherwise required by law to prepare and make available financial statements or management's discussion and analysis of the results of operations of those entities to the public, generally, or to the holders of shares of the Corporation, specifically. As a result, financial reporting with respect to the results of operations and financial condition of the Trust, NCI, Network 2012 Fund and Northpoint will be limited.

Class A Shares

The Class A shares and Class B shares do not have the same rights. The Class A shares entitle the holders to elect two directors and the Class B shares entitle the holders to elect three directors. The Class A shares rank equally with Class B shares in the payment of dividends and on the liquidation, dissolution or winding up of the Corporation; and become convertible into Class B shares, each of which carries one vote per share, in certain circumstances (as described in "Description of Share Capital" on page 11 of this Annual Information Form). The Class A shares do not otherwise have the right to vote on matters submitted to the Corporation's shareholders for approval. Holders of and potential investors in Class A shares should be aware of the limitations on voting rights attached to the Class A shares relative to the Class B shares.

Third Party Management

The vast majority of the Corporation's investments are in assets which the Corporation does not directly manage. The assets of the Shackleton Partnership are managed by third-party managers, the assets of Network 2012 Fund are managed by NCI, and the Corporation jointly controls the day to day operations of NCI as of August 17, 2013. The assets of the Trust and Northpoint are managed by employees of the respective organizations. While the Corporation maintains certain rights with respect to both management of those assets and termination of those third-party management relationships, the Corporation is reliant on those third-party managers and indirect managers with respect to the effective management and results of operations of those assets, and the Corporation retains less control over management of those assets than if the Corporation managed the assets directly.

Risks Related to the Operations of the Trust

Economic Conditions

The Trust's business is dependent on rental income for a substantial portion of its revenue and operating results are sensitive to prevailing economic conditions, including changes in regional and national economic conditions, particularly as they may affect rental rates in its properties. The Trust's operating results in individual markets could be adversely affected by local or regional economic downturns which could have a material adverse effect on the business, financial condition and operating prospects of the Trust. Reductions in credit availability for potential tenants, or economic uncertainty, which could cause potential tenants to defer discretionary spending, could negatively impact occupancy, which in turn could negatively impact the rate of future rental income growth.

Access to Capital

The ability of the Trust to grow and to provide returns to its unitholders is partly dependent upon the Trust's ability to access and attract capital in the equity and debt markets. The state of the capital and debt markets in recent years makes the raising of equity and debt capital uncertain.

Real Estate Industry

All real estate investments are subject to varying degrees of risk, depending on the nature of the property in question. The value of the Trust's investments in its properties is subject to changes in general economic conditions (such as the availability and cost of mortgage funds), local conditions (such as the over-supply of self storage facilities), attractiveness of such properties to current and potential residents, competition from others with similar developments and the ability of the Trust to adequately maintain and improve its properties. The Trust may be unable to obtain financing to maintain an appropriate capital structure. There is no certainty that financing will be available upon the maturity of any existing mortgage at interest rates equal to or lower than the interest rate payable under an expiring mortgage, or at all.

Demand and Supply Risk

The value of real property and any improvements thereon may depend on the strength of the real estate market in the Trust's target markets. The Trust's future income may be adversely affected if there is a marked increase in the current vacancy rates, or decrease in the market rental rates, for competitive storage space in the target markets or if the Trust is unable to continue to lease a significant number of its storage units on economically favourable lease terms. In the event of default by a tenant, the Trust may experience delays in enforcing its rights as lessor and may incur costs in protecting its investment.

Competition for Real Estate Investments

The Trust competes for suitable real estate investments with individuals, corporations and institutions (both Canadian and foreign) which are currently seeking, or which may in the future seek, real estate investments similar to those sought by the Trust. Some of these investors may have greater financial resources than those of the Trust. An increase in the availability of investment funds, and an increase in interest in real estate investments, would tend to increase competition for real estate investments, thereby increasing purchase prices and reducing yields therefrom. In addition, the Trust may require additional financing to complete future real estate acquisitions, which financing may not be available on terms acceptable to the Trust.

Management of Growth

The Trust may be subject to growth-related risks including capacity constraints and pressure on internal systems and controls. The ability of the Trust to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its

employee base. The failure of the Trust to deal with this growth could have a material adverse effect on the business, financial condition, operations and operating prospects of the Trust.

General Uninsured Losses

The Trust, directly or indirectly, carries comprehensive general liability, specified peril, extended coverage and limits and deductibles customarily carried for properties similar to the Trust's properties. There are, however, certain types of risks (generally of a catastrophic nature, such as acts of war or terrorism or environmental contamination), which are either uninsurable or not economically insurable. Should an uninsured or underinsured loss occur, the Trust could lose its investment in, and anticipated profits and cash flows from, one or more of its properties, and would continue to be obligated to repay any recourse mortgage indebtedness on such properties.

Failure to Manage Acquisitions

Any failure by the Trust to execute and successfully operate acquisitions or other significant transactions could have a negative impact on its financial results. The Trust expects to acquire other self-storage facilities and development properties. If acquired facilities or development properties are poorly integrated into the Trust's portfolio or are not subsequently managed effectively, the financial results of the business may suffer.

Loss of Key Personnel May Affect the Trust's Ability to Operate Effectively

The Trust's operations are highly dependent upon the participation of the key executives. The loss of the services of the of key executives, or the Trust's inability to attract and retain qualified and experienced personnel, may materially adversely affect the Trust's ability to operate and enhance the value of its assets.

Leverage of the Trust's Assets

In acquiring or developing facilities and properties, the Trust may directly or indirectly borrow money from lenders whose interest in the assets of the Trust would be senior to that of the equity holders of the Trust, including the Corporation. If the assets of the business were to decline, this loss of value would be borne first by the equity holders of the Trust, including the Corporation. The indebtedness of the Trust could have important consequences including the following:

- it may limit the Trust's ability to borrow money for other purposes including for working capital, capital expenditures, acquisitions, debt service requirements and general corporate or other purposes;
- it may limit the Trust's flexibility in planning for, or reacting to, changes in its business and future business opportunities;
- it may make the Trust more vulnerable than less leveraged companies to a downturn in its business or the broader economy;
- the debt service requirements of the Trust's indebtedness could restrict its ability to generate cash;
- a portion of the Trust's cash flow from operations will be dedicated to the repayment of its then-current indebtedness and will not be available for other purposes, including distributions; and
- there would be a material adverse effect on the Trust and its financial condition if it were unable to service its indebtedness or obtain additional financing, as required.

Restrictive Covenants

The Term Facility and the debt facility relating to certain properties within the Trust's property portfolios contain restrictions that require the Partnerships to satisfy specified financial ratios and tests. The Partnerships' ability to comply with those financial ratios and tests may be affected by events beyond

their control, and the Partnerships may not be able to meet those ratios and tests. A breach of any of the covenants to comply with such ratios and tests could result in a default under such facilities and the lenders under such facilities could elect in certain circumstances to declare all amounts borrowed under the facilities, together with accrued interest, to be immediately due and payable and could proceed against the collateral securing that indebtedness.

Guarantee

Each of the investors in the Trust has agreed with the lender providing the Term Facility (the “Lender”) that each of them will, under certain circumstances and in limited proportions, assume the borrower’s Term Facility obligations. It is unlikely that the Lender would require the Corporation to fulfill a portion of the borrower’s obligations under the Term Facility unless the assets of the business were, in the perspective of the Lender, materially impaired. If the Corporation were required to fulfill its obligation to assume a portion of the obligations of the borrower under the Term Facility, it may have to raise debt or equity capital or sell assets at a value or a time that may not be preferable or which may not yield full value.

Environmental Liability

The Trust’s facilities have been assessed for environmental matters. As an owner and operator of real properties, under various federal, provincial and local environmental laws, the Trust is required to clean up spills or other releases of hazardous or toxic substances on or from the Trust’s facilities and accordingly the Trust may incur significant environmental costs. Certain environmental laws impose liability whether or not the owner knew of, or was responsible for, the presence of the hazardous or toxic substances. In some cases, liability may not be limited to the value of the property. The presence of these substances or the failure to properly remediate any resulting contamination, whether from environmental or microbial issues, also may adversely affect the owner’s or operator’s ability to sell, lease or operate its property or to borrow using its property as collateral. To the Corporation’s knowledge, the properties comprising the property portfolio are in material compliance with applicable environmental regulations, however, as a result of the potential existence of unknown environmental issues and frequent changes to environmental regulation and the interpretation and enforcement thereof, there can be no assurance that compliance with environmental regulation or obligations imposed thereunder will not have a material adverse effect on the Trust in the future.

Litigation

In the operation of rental real estate, the Trust is routinely exposed to litigation matters in the normal course of business from customers and employees. There are, however, no legal proceedings material to the business of the Trust, nor is the Corporation aware of any material threatened legal proceedings against the Trust or any of the properties comprising the property portfolio, or of any material basis on which legal proceedings may be commenced against the Trust or such properties. However, there can be no assurance that the Trust will not be subject to material litigation in the future. Such litigation could result in substantial costs and diversion of management efforts regardless of the results of such litigation, and an adverse result could subject the Trust to significant liabilities.

Property Taxes

Real property taxes may increase in the future as property tax rates change and as the Trust facilities are reassessed by tax authorities. Such increases could adversely impact the Trust’s profitability, which could cause a decline in distributions paid by the Trust to unitholders, including the Corporation.

Risks Related to the Self-Storage Industry

Competition

In the markets in which the Trust's properties are located, competition is significant and affects occupancy levels, rental rates and operating expenses. In addition, competitors may offer amenities that the Trust's properties may be unable to offer. Additional development of self-storage facilities in the markets where the Trust has facilities could intensify competition. Such competition would have an adverse impact on both occupancy and rental rates.

Operational Risks

The value of the facilities in which the Trust has invested or will invest, directly or indirectly, may be reduced by general risks of owning rental real estate. As the Trust derives substantially all of its income from rental real estate operations, it is subject to the general risks of operating rental real estate-related assets, including:

- lack of demand for rental spaces or units at facilities;
- changes in general economic or local conditions;
- changes in supply of or demand for similar or competing facilities in an area;
- expropriation of properties by governmental authorities;
- the impact of changing regulation including modifications to environmental, real estate, zoning or tax laws which could make it more costly or time consuming to develop new facilities or to expand, modify or renovate existing facilities; and
- changes in interest rates which impact interest expense under the Trust's debt facilities and increase the cost of acquiring, developing, expanding or renovating facilities.

Developmental Risks

While the Trust does not currently have any properties under development, it expects to explore development opportunities. Delays in development of any property would reduce profitability. Rental real estate development (including the development of self-storage facilities) is subject to timing, budgeting and other risks that could adversely affect the Trust's operating results including:

- construction delays or cost overruns that may increase project costs;
- receipt of zoning, occupancy and other required governmental permits and authorizations;
- development costs incurred for projects that are not pursued to completion;
- shortages in construction materials or labour;
- acts of God, such as earthquakes, hurricanes, floods or fires that could adversely impact a project; and
- ability to raise capital.

The risks associated with delays in development would increase in the event the Trust expanded the number of development properties it owns. The "lease-up" period, that time in which a newly developed or acquired facility rapidly increases its occupancy to a steady-state level, could be delayed as a result of poor execution, competition or other factors that would adversely impact the Trust's profitability. It may take the Trust a significant amount of time before it achieves an optimal level of occupancy and can fully take advantage of newly developed or acquired facilities.

Risks Related to Natural Gas Industry and the Operations of the Natural Gas Investees

Production Risks

The long-term commercial success of the Natural Gas Investees depends on their respective ability to commercially produce its respective natural gas reserves. Moreover, the Natural Gas Investees may determine that current markets or pricing conditions make future production uneconomic.

Future gas production may involve unprofitable efforts due to wells that are productive but do not produce sufficient net revenues to return a profit after operating and other costs. In addition, environmental damage could greatly increase the cost of operations, and various field operating conditions may adversely affect the production from successful wells. These conditions include delays in obtaining governmental approvals or consents, shut-ins of connected wells resulting from extreme weather conditions, insufficient storage or transportation capacity or other geological and mechanical conditions. While diligent well supervision and effective maintenance operations can contribute to maximizing production rates over time, production days and declines from normal field operating conditions cannot be eliminated and can be expected to adversely affect revenue and cash flow to varying degrees.

In addition, gas operations are subject to the risks of future workovers and production of natural gas properties, including encountering unexpected pressures, premature declines of reservoirs, blow-outs, cratering, fires and spills. Losses resulting from the occurrence of any of these risks could have a materially adverse effect on future results of operations, liquidity and financial condition.

Retention of Key Business Relationships

The Natural Gas Investees rely on strategic relationships with other entities such as land owners and holders of royalty entitlements and also on good relationships with regulatory and governmental departments. While management of the Natural Gas Investees have no reason to believe otherwise, there can be no assurance that its existing relationships will continue to be maintained or that new ones will be formed successfully, and the Natural Gas Investees could be affected adversely by changes to such relationships or difficulties in forming new ones. Any circumstance which causes the early termination or non-renewal of one or more of these key business alliances or contracts could have an adverse impact on the Natural Gas Investees, its respective business, operating results and prospects.

Environmental Risks

All phases of the natural gas business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of federal, provincial and local laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills release or emissions of various substances produced in association with natural gas operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach of applicable environmental legislation may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. The discharge of natural gas or other pollutants into the air, soil or water may give rise to liabilities to governments and third parties and may require the Natural Gas Investees to incur costs to remedy such discharge. Although the Corporation believes that the Natural Gas Investees are, and will continue to be, in material compliance with current applicable environmental regulations, no assurance can be given that environmental laws will not result in a

curtailment of production or a material increase in the costs of production activities or otherwise have a material adverse effect on the Natural Gas Investees, respective business, financial condition, results of operations and prospects.

There has been much public debate with respect to Canada's ability to meet emission targets and the government's strategy or alternative strategies with respect to climate change and the control of greenhouse gases. Implementation of strategies for reducing greenhouse gases, whether to meet the limits the Kyoto Protocol or as otherwise determined, could have a material impact on the nature of natural gas operations, including those of the Natural Gas Investees. Given the evolving nature of the debate related to climate change and the control of greenhouse gases and resulting requirements, it is not possible to predict the impact on the Natural Gas Investees and their respective operations and financial condition.

Production and Operating Risks

The future success of the Natural Gas Investees will depend upon their respective ability to bring into production the gas reserves that are economically recoverable. Except to the extent that the Natural Gas Investees conducts successful redevelopment activities, the reserves of the Natural Gas Investees will generally decline as gas is produced. There can be no assurance that the Natural Gas Investees respective future redevelopment plans will result in significant additional reserves.

Natural gas operations are subject to all the risks and hazards typically associated with such operations, including hazards such as fire, explosion, blowouts and formation damage each of which could result in substantial damage to natural gas wells, producing facilities, other property and the environment or in personal injury. In accordance with industry practice, the Natural Gas Investees are not fully insured against all of these risks, nor are all such risks insurable. Although liability insurance is maintained in amounts which are considered adequate, the nature of these risks is such that liabilities could exceed policy limits in which case significant costs could be incurred which could have a materially adverse effect upon the financial condition of the Natural Gas Investees. Government regulations relating to environmental matters could also increase the cost of carrying on business or require the alteration or cessation of operations in certain areas.

Uncertainty of Natural Gas Reserve Evaluations

This Annual Information Form contains estimates of the Natural Gas Investees respective gas reserves and their respective estimated future net revenue therefrom that rely upon various assumptions, including assumptions as to gas prices, operating expenses, capital expenditures, taxes and availability of funds. The process of estimating gas reserves is complex, requiring significant decisions and assumptions in the evaluation of available geological, geophysical, engineering and economic data for each reservoir. As a result, such estimates are inherently imprecise. Actual future production, gas prices, revenues, taxes, development expenditures, operating expenses and quantities of recoverable gas reserves may vary substantially from those estimated in the respective reserves reports. Any significant variance in these assumptions could materially affect the estimated quantities and present value of reserves set forth in the Annual Information Form. In addition, such reserves may be subject to downward or upward revisions based upon production history, results of future redevelopment, prevailing gas prices and other factors, many of which are beyond the control of the Natural Gas Investees. Actual production, revenues, taxes, development expenditures and operating expenses with respect to reserves will likely vary from the estimates used, and such variances may be material.

The present value of future net revenues referred to in this Annual Information Form should not be construed as the current market value of the estimated gas reserves attributable to the Natural Gas Investees' properties. The estimated discounted future net cash flows from proved reserves are generally based on prices and costs as of the date of the estimate, whereas actual future prices and costs may be materially higher or lower. Actual future net cash flows will be affected by increases or decreases in consumption by gas purchasers and changes in governmental regulations or taxation. The timing of actual future net cash flows from proved reserves, and thus their actual present value, will be affected by the timing of both the production and the incurrence of expenses in connection with redevelopment gas production of gas properties.

Future Financing Requirements

It is possible that in the future the Natural Gas Investees will need additional financing to continue in business. In such an event there can be no assurance that such financing will be available or, if available, will be on reasonable terms. To the extent financing is not available, lease expiry dates, work commitments, rental payments and option payments may not be satisfied and could result in a loss of property ownership or earning opportunities by the Natural Gas Investees.

Economic and Price Risks

Changes in the general economic climate in which the Natural Gas Investees operate may adversely affect their respective financial performance and the value of their respective assets. In particular, the current and expected future prices of gas can change rapidly and significantly and this can have a substantial effect on the value of the Natural Gas Investees respective production assets and their respective potential future revenue and profits that might be earned from successful redevelopment of those assets. The marketability of any gas discovered will be affected by numerous factors beyond the control of the Natural Gas Investees. These factors include market fluctuations, capacity of gas pipelines and processing equipment and government regulations including regulations relating to taxation, royalties, allowable production, local and export markets for gas production, and environmental protection.

The demand for, and price of, natural gas is highly dependent on a variety of factors including North American supply and demand, the level of consumer product demand, weather conditions, the price and availability of alternative fuels, actions taken by governments and political developments. North American gas prices have fluctuated widely in recent years and may continue to fluctuate significantly in the future. Fluctuations in natural gas prices and, in particular a material decline in the price of natural gas, may have a materially adverse effect on the Natural Gas Investees' business, financial condition and results of current operations. Additionally, gas prices could affect the viability of producing and/or redeveloping the Natural Gas Investees interests.

Labour Requirements

The Natural Gas Investees may be required to hire and train local workers in its natural gas operations. Some of these workers may organize into labour unions and any strike or labour unrest could adversely affect the Natural Gas Investees ongoing operations and its ability to explore for, produce and market its oil and gas production.

Insurance

Involvement in the development of natural gas properties may result in the Natural Gas Investees becoming subject to liability for pollution, blow-outs, property damage, personal injury or other hazards. Although the Natural Gas Investees have obtained insurance in accordance with industry standards to address such risks, such insurance has limitations on liability that may not be sufficient to cover the full extent of such liabilities. In addition, such risks may not, in all circumstances, be insurable or, in certain circumstances, the Natural Gas Investees may choose not to obtain insurance to protect against specific risks due to the high premiums associated with such insurance or for other reasons. The payment of such uninsured liabilities would reduce funds available. If the Natural Gas Investees suffers a significant event or occurrence that is not fully insured, or if the insurer of such event is not solvent, then the Natural Gas Investees would be required to fund any shortfall.

In addition, the Natural Gas Investees do not maintain title insurance and there is no guarantee of title to any of their properties. The possibility exists that title to one or more properties may be lost due to an omission in the claim of title. The properties may be subject to prior unregistered agreements or transfers or native land claims, and title may be affected by undetected defects. The Natural Gas Investees have investigated the rights to explore the various gas properties it holds or proposes to participate in, and the Natural Gas Investees believe that those rights are in good standing. In addition, many of the Natural Gas Investees properties are located on private property and may be subject to delays and/or disputes with landowners in certain circumstances. Such delays/disputes may affect the Natural Gas Investees ability to produce or redevelop its gas properties.

Seasonal Activity

The operations of the Natural Gas Investees are subject to the seasonal nature of production and redevelopment activity in western Canada. Accordingly, the revenues of the Natural Gas Investees may be impacted by their inability to conduct operations due to seasonal weather conditions.

Title to Properties and Consequences of Failure to Satisfy Prescribed Permit or License Terms and Conditions

In all cases, the terms and conditions of the permit or license granting the Natural Gas Investees, or the party from which the Natural Gas Investees acquired, the right to explore for, and develop, gas, prescribe a work program and the date or dates before which such work program must be done. The Natural Gas Investees believe that they are in substantial compliance with all such permits and licenses. However, varying circumstances, including the financial resources available to the Natural Gas Investees, equipment availability, and other circumstances beyond the Natural Gas Investees control or influence may result in the failure to satisfy the terms and conditions of a permit or license and result in the complete loss of the interest in the permit or license without compensation. Such terms and conditions may be renegotiated with applicable regulatory authorities, but there is no assurance that if a term or condition of a license or permit that is required to be satisfied has not been met, that such term or condition will be successfully renegotiated with the applicable authority.

Future Litigation

The Natural Gas Investees may be subject to litigation arising out its respective operations. Although there currently are no such lawsuits, damages claimed under any future litigation may be material or may be indeterminate, and the outcome of such litigation may materially impact the Natural Gas Investees respective business, results of operations or financial condition. While the Natural Gas Investees assess

the merits of each lawsuit and defend themselves accordingly, they may be required to incur significant expense or devote significant financial resources to defending themselves against such litigation. In addition, the adverse publicity surrounding such claims may have a material adverse effect on the Natural Gas Investees businesses.

Income Taxes

Although the Shackleton Partnership is not directly taxable, it has filed or will file all required income tax returns and believes that it is in full compliance with the provisions of applicable tax legislation. However, such returns are subject to reassessment by the applicable taxation authority. In event of a successful reassessment of the Shackleton Partnership, whether by re-characterization of development expenditures or otherwise, such reassessment may have an impact on current and future taxes payable by the Corporation.

Northpoint is directly taxable and has filed or will file all required income tax returns and believes that it is in full compliance with the provisions of applicable tax legislation. However, such returns are subject to reassessment by the applicable taxation authority, In the event of successful reassessment of Northpoint, whether by re-characterization of development expenditures or otherwise, such reassessment may have an impact on current and future taxes payable by the Northpoint.

Government Regulation

The oil and gas industry is subject to extensive legislation and regulation governing its operations including land tenure, development, production, processing, transportation, marketing, environmental protection, exports, taxes, labour standards and health and safety standards imposed by legislation enacted by various levels of government. Outlined below are some of the more significant aspects of the legislation, regulations and agreements governing the oil and gas industry. All current legislation is a matter of public record and the Natural Gas Investees are unable to predict what additional legislation or amendments may be enacted.

Pricing and Marketing – Natural Gas

The price of natural gas is determined by negotiation between buyers and sellers. Natural gas exported from Canada is subject to regulation by the Natural Energy Board (“NEB”) and the Government of Canada. Exporters are free to negotiate prices with purchasers, provided that export contracts continue to meet certain other criteria prescribed by the NEB and the Government of Canada. The Governments of Alberta, Saskatchewan and British Columbia also regulate the volume of natural gas that may be removed from the province for consumption elsewhere based on such factors as reserve availability, transportation arrangements and market considerations.

Royalties and Incentives

In addition to federal regulation, the applicable provinces have 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 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 the prescribed reference prices, well productivity, geographical location, field discovery date, the method of recovery 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 natural gas exploration or enhanced production projects.

Natural gas royalty holidays and reductions for specific wells reduce the amount of Crown royalties paid by the Company to governments. These incentives increase the net income of the Company. There are no assurances that the government's programs or other incentives currently in place will remain so.

Land Tenure

Natural gas rights located in Saskatchewan, British Columbia and other western provinces are owned predominantly by the respective provincial governments. Provincial governments grant rights to explore for and produce oil and natural gas pursuant to leases, licenses and permits for varying terms and on conditions set forth in provincial legislation including requirements to perform specific work or make payments. Natural gas rights located in such provinces can also be privately owned and rights to explore for and produce such oil and natural gas are granted by lease on such terms and conditions as may be negotiated.

Environmental Regulations

The natural gas industry is subject to environmental regulation pursuant to local, provincial and federal legislation. Environmental legislation provides for restrictions and prohibitions on releases or emissions of various substances produced in association with certain natural gas industry operations and can affect the location and operation of wells and other 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 or clean-up orders.

Risks Related to the Private Equity Industry and Operations of NCI

Ability to Complete Investments

NCI's financial performance is based on its ability to make, and subsequently monetize, investments. A decline in the pace or size of such investments could reduce NCI's management fees and amount of proceeds from the monetization of investments. Many factors could cause such a decline in the pace or size of investments, including the inability of NCI's investment professionals to identify attractive investment opportunities, competition for such opportunities among other potential investors, and NCI's failure to consummate identified investment opportunities because of business, regulatory or legal complexities and adverse developments in the economy or financial markets.

Ability to Raise Capital

NCI's ability to raise capital from third party investors depends on a number of factors, including certain factors that are outside its control. Certain factors, such as the performance of the stock market or economic conditions generally, could inhibit or restrict the ability or willingness of third party investors to make investments in NCI's investment funds or the asset classes in which NCI invests. NCI's ability to raise new funds could similarly be hampered if the general appeal of private equity investments were to decline. An investment in a private equity fund is more illiquid and the returns on such investment may be more volatile than an investment in securities for which there is a more active and transparent market. Private equity investments could fall into disfavor as a result of concerns about liquidity and

short-term performance. There are no assurances that NCI can find or secure commitments from new investors.

Competition

The private equity and asset management business is intensely competitive, with competition based on a variety of factors, including investment performance, investor liquidity and willingness to invest, fund terms (including fees), brand recognition and business reputation. NCI competes with a number of private equity funds and other sponsors managing pools of capital. A number of factors could serve to increase NCI's competitive risks, such as:

- NCI's funds may not perform as well as competitors' funds or other available investment products;
- some of NCI's competitors have significant amounts of capital, and some of them have similar investment objectives to NCI's, which may create additional competition for investment opportunities;
- some of NCI's competitors may have a lower cost of capital and access to funding sources that are not available to NCI, which may create competitive disadvantages for NCI with respect to investment opportunities; and
- there are relatively few barriers to entry impeding new private equity or other alternative asset management firms who may seek to compete with NCI.

Liquidity

NCI invests in securities that are not publicly traded. In some cases, NCI may be prohibited by contract or by applicable securities laws from selling such securities for a period of time. NCI may not be able to sell these securities publicly unless their sale is registered under applicable securities laws, or unless an exemption from such registration is available. Alternatively, due to the private nature of the companies in which NCI invests, and the lack of a deep market for these companies' securities, NCI may be limited in its ability to monetize investments until such time as a market develops for such securities or the company is sold.

Lack of Control

Investments by NCI will generally be in companies that NCI does not control. Those investments will be subject to the risk that the company in which the investment is made may make business, financial or management decisions with which NCI does not agree, or that the majority stakeholders or the management of the company may take risks or otherwise act in a manner that does not serve NCI's interests. If any of the foregoing were to occur, the values of investments by NCI could decrease and NCI's financial condition, results of operations and cash flow could suffer as a result.

Seniority

In some cases, the companies in which NCI invests will have indebtedness or equity securities, or may be permitted to incur indebtedness or to issue equity securities, that rank senior to NCI's investment. By their terms, such instruments may provide that their holders are entitled to receive payments of dividends, interest or principal on or before the dates on which payments are to be made in respect of NCI's investment. Also, in the event of insolvency, liquidation, dissolution, reorganization or bankruptcy of a company in which an investment is made, holders of securities ranking senior to NCI's investment would typically be entitled to receive payment in full before distributions could be made in respect of NCI's investment. After repaying senior security holders, the company may not have any remaining assets to

use for repaying amounts owed in respect of NCI's investment. To the extent that any assets remain, holders of claims that rank equally with NCI's investment would be entitled to share on an equal and ratable basis in distributions that are made out of those assets. Also, during periods of financial distress or following an insolvency, the ability of NCI to influence a company's affairs and to take actions to protect their investments may be substantially less than that of the senior creditors.

Funding Commitments

Investors in NCI's funds make capital commitments that NCI is entitled to call from those investors at any time during prescribed periods. NCI depends on investors fulfilling their commitments when NCI calls capital from them in order to consummate investments. NCI has not had investors fail to honor capital calls to any meaningful extent. However, if investors were to fail to satisfy a significant amount of capital calls, the operation and performance of NCI's funds could be materially and adversely affected.

Business Performance of Portfolio Companies

NCI generally makes investments in portfolio companies partially on the basis of financial projections prepared by the management of such portfolio companies. These projected operating results will normally be based primarily on judgments of the management of the portfolio companies. In all cases, projections are only estimates of future results that are based upon assumptions made at the time that the projections are developed. General economic conditions, which are not predictable, along with other factors may cause actual performance to fall short of the financial projections that were used to establish a given portfolio company's valuation and capital structure. The inaccuracy of financial projections could thus negatively impact NCI's investment performance.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The Corporation is not a party to, and none of the property of assets of the Corporation is the subject of, any legal proceedings which are material to the Corporation, and the Corporation is not aware of any such legal proceedings that are contemplated.

There have not been any penalties or sanctions imposed against the Corporation by a court relating to provincial and territorial securities legislation or by a securities regulatory authority, nor have there been any other penalties or sanctions imposed by a court or regulatory body against the Corporation that would likely be considered important to a reasonable investor in making an investment decision, and the Corporation has not entered into any settlement agreements before a court relating to provincial and territorial securities legislation or with a securities regulatory authority.

MATERIAL CONTRACTS

Other than in the ordinary course of the Corporation's business, there are no material contracts that have been entered into by the Corporation in the most recently completed financial year, or before the most recently completed financial year that are still in effect.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

The Corporation is not aware of any material interest, direct or indirect, of any director or officer of the Corporation, any person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of any class or series of the Corporation's outstanding voting securities, or any associate or affiliate of any such person, in any transaction since the commencement of the Corporation's last three completed fiscal years, or in any proposed transaction, that has materially affected or would materially

affect the Corporation or any of its subsidiaries, except that prior to January 7, 2011, Mr. Joseph Killi owned a 9% equity interest in Parkbridge.

INTEREST OF EXPERTS

The Corporation's auditors, Deloitte LLP, Chartered Accountants, have confirmed that they are independent within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Alberta.

The Shackleton GLJ Report and the Northpoint GLJ Report were prepared by GLJ, independent petroleum consultant, in accordance with NI 51-101. The principals of GLJ, as a group, beneficially own, directly or indirectly, less than one percent of the Corporation's securities.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Class A shares and Class B shares is CST Trust Company, 320 Bay Street, Toronto, Ontario, M5H 4A6.

EXTERNAL AUDITOR, FEES AND SERVICES

The external auditor of the Corporation is Deloitte LLP ("**Deloitte**"), 700, 850 2nd Street SW, Calgary, Alberta, T2P 0R8.

The following table provides information about the aggregate fees billed to the Corporation and its consolidated subsidiaries for professional services rendered by Deloitte during 2012 and 2013:

<i>Years ended December 31 (thousands)</i>	2013	2012
Audit fees	\$ 109	\$ 80
Audit-related fees	---	---
Tax fees	8	15
All other fees	---	---
	\$ 117	\$ 95

During 2013 and 2012, Deloitte performed audit and audit-related services for the Corporation and the Shackleton Partnership. Audit services include services that would normally be provided by the external auditor in connection with statutory and regulatory filings or engagements, including fees for services to perform an audit or review in accordance with generally accepted auditing standards. This category also includes services that generally only the external auditor reasonably can provide, including comfort letters, statutory audits, attest services, consents and assistance with and review of certain documents filed with securities regulatory authorities.

During 2013 and 2012, Deloitte performed tax related service for the Corporation which included assistance with compliance tax filings.

During 2012, audit-related services performed by Deloitte included assistance with the Corporation's conversion to International Financial Reporting Standards ("**IFRS**").

AUDIT COMMITTEE INFORMATION

The Corporation's Audit and Corporate Governance Committee (the "**Committee**") is responsible for monitoring the Corporation's systems and procedures for financial reporting and controls, for reviewing all public disclosure documents containing financial information, including reviewing the Corporation's quarterly and annual financial statements prior to their approval by the full board, and for monitoring the performance of the Corporation's external auditors. The Committee is also responsible for certain corporate governance matters. The responsibilities of the Committee are set out in the Audit and Corporate Governance Committee Charter (the "**Charter**"), which is reviewed and approved annually by the Board.

The Charter, as approved by the Board on March 18, 2014, is included in Schedule A to this Annual Information Form.

As at the date of this Annual Information Form, the Committee is comprised of three directors, Marc Sardachuk, who is the Committee's chair, Ian Cockwell and Edward Kress. The Board considers all three members of the Committee to be independent directors. The Board also considers all three members to be financially literate and to have the relevant education and experience for the Committee based on their respective experiences as executive officers and audit committee members of Canadian public companies.

ADDITIONAL INFORMATION

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of Wilmington's securities and securities authorized for issuance under equity compensation plans, where applicable, is contained in the Corporation's most recent Management Information Circular. Additional financial information is provided in the Corporation's financial statements and management's discussion and analysis for the Corporation's most recently completed financial year. These documents and additional information regarding the Corporation can be found on the Corporation's SEDAR profile at www.sedar.com.

SCHEDULE A

AUDIT AND CORPORATE GOVERNANCE COMMITTEE CHARTER

1. The Board of Directors (the “**Board**”) of Wilmington Capital Management Inc. (the “**Corporation**”) hereby establishes a committee to be called the Audit and Corporate Governance Committee (the “**Committee**”), whose members shall be appointed from among the members of the Board annually. The Committee shall be composed of three members or such greater number as the Board may from time to time determine. None of the members of the Committee will be officers or employees of the Corporation. A majority of members shall be directors who are resident Canadians and who are not otherwise related to the Corporation or any of its affiliates.
2. Two members of the Committee shall constitute a quorum. No business may be transacted by the Committee except at a meeting of its members at which a quorum is present or by a resolution in writing signed by all the members of the Committee.
3. The Board may fill vacancies on the Committee by election from among its members. If and whenever a vacancy shall exist on the Committee, the remaining members may exercise all its powers so long as a quorum remains.
4. The Committee may invite members of senior management with the concurrence of the Chief Executive Officer to attend at meetings of the Committee from time to time.
5. The Board shall appoint one of the directors as the Chairperson of the Committee and the Secretary of the Corporation shall be appointed Secretary of the Committee. If the Chairperson is absent from a meeting of the Committee, the members of the Committee shall select a chairperson from those in attendance to act as the Chairperson of the meeting.
6. The time at which and place where the meetings of the Committee shall be held and the calling of meetings and the procedure in all respects at such meetings shall be determined by the Committee unless otherwise determined by the by-laws of the Corporation or by resolution of the Board. Unless waived, notice of each meeting shall be given to each member and to the Chairman and President of the Corporation.
7. The members of the Committee shall be entitled to receive such remuneration for acting as members thereof as the Board may from time to time determine.
8. The Committee shall generally assume overall responsibility for developing the approach of the Corporation to matters of audit and corporate governance and shall review and make recommendations to the Board on all such matters pertaining thereto as it may consider appropriate, as follows:

Audit

The Committee will have the authority and responsibility for the following audit matters:

- (a) reviewing the Corporation's quarterly financial statements, including the related press release and interim reports to Shareholders, prior to their submission to the Board for approval;
- (b) reviewing the Corporation's audited annual financial statements in conjunction with the report of the external auditor, including the related press release, prior to their submission to the Board for approval;
- (c) reviewing public disclosure documents containing audited or unaudited financial information, including any prospectus, the annual information form and management's discussion and analysis of financial condition and results of operations;
- (d) receiving, at least annually, a report from the external auditors on their independence, and reviewing the relationship between the external auditors and the Corporation; and
- (e) meeting with the external auditors in private session, at least annually, to review any matters arising from their annual audit of the Corporation's financial statements.

In addition, the Committee shall:

- (f) review and assess the effectiveness of management's policies and practices concerning financial reporting and any proposed changes in major accounting policies;
- (g) review and assess with management any report which accompanies published financial statements (to the extent such a report discusses financial condition or operating results);
- (h) consider whether the external auditor should be re-appointed and recommend the appointment or re-appointment of the external auditor to the shareholders of the Corporation;
- (i) review and approve the terms of the external auditor's engagement and the appropriateness and reasonableness of the proposed audit fees;
- (j) when a change of auditor is proposed, review all issues related to the change, including the information to be included in the notice of change of auditor required, and the orderly transition of such change;
- (k) review such litigation, claims, tax assessments, transactions or other contingencies as the external auditor or any officer of the Corporation may bring to its attention and which may have a material impact on financial results or which may otherwise adversely affect the financial well-being of the Corporation; and
- (l) consider other matters of a financial nature as directed by the Board.

Corporate Governance

The Committee will have the authority and responsibility of the following governance matters:

- (a) reviewing and recommending to the Board annually a Statement of Corporate Governance Practices to be included in the Corporation's annual report or management information circular;
- (b) reviewing and recommending to the Board the nominees for election to the Board to be proposed to the Corporation's Shareholders at the Annual Shareholders Meeting;
- (c) reviewing on a periodic basis the composition of and effectiveness of the Board as a whole and the directors and Committees thereof; and, together with the Chief Executive Officer, providing input thereon to the Chairman of the Board;
- (d) ensuring an appropriate orientation and education program is undertaken for new appointees to the Board;
- (e) analyzing the needs of the Board when vacancies arise and, together with the Chief Executive Officer, recommending nominees to the Chairman of the Board who is charged with responsibility for approaching and securing confirmation of consent to act from persons recommended by the Committee and approved by the Board;
- (f) monitoring the relationship between management and the Board and recommending improvements thereto, where appropriate, from time to time;
- (g) annually reviewing the mandates of the Board and its Committees and recommending to the Board such amendments thereto as the Committee believes are necessary or desirable;
- (h) considering requests from directors or Committees of directors for the engagement of special advisors from time to time, and making recommendations to the Board with respect thereto; and
- (i) such other governance matters as may be delegated to the Committee by the Board from time to time.

SCHEDULE B

(i) FORM 51-101F1 - STATEMENT OF RESERVES DATA AND OTHER OIL AND GAS INFORMATION

Part 1 – Date of Statement

This statement of reserves data and other oil and gas information is dated and effective as at December 31, 2013.

The preparation date is March 3, 2014.

Abbreviations, conversions and defined terms shall have the same meaning as set forth in the Annual Information Form to which this Schedule “B” is attached.

Part 2 – Disclosure of Reserves Data

The following is a summary of the oil and natural gas reserves and the value of future net revenue of Wilmington Capital Management Inc. (the “**Corporation**” or “**Wilmington**”) and its consolidated subsidiary which the Corporation has a 59% interest in, Shackleton 2011 Limited Partnership (the “**Shackleton Partnership**”), as evaluated by GLJ Petroleum Consultants Ltd. (“**GLJ**”) in its report effective as at December 31, 2013 and dated March 3, 2014 (the “**GLJ Report**”). GLJ is an independent qualified reserves evaluator and auditor.

All references to the Shackleton Partnership reflect a 100% interest in the oil and natural gas reserves. All references to the Corporation reflect the Corporation’s 59% interest in the oil and gas reserves of the Shackleton Partnership. We have included the oil and natural gas reserves of the Shackleton Partnership (100% working interest) as the Corporation fully consolidated the financial position and results of the Shackleton Partnership.

NOTE: All evaluations of future revenue are before the deduction of future income tax expenses, unless otherwise noted in the tables, royalties, development costs, production costs and well abandonment costs but before consideration of indirect costs such as administrative, overhead and other miscellaneous expenses. The estimated future net revenue contained in the following tables does not necessarily represent the fair market value of the Corporation’s reserves. There is no assurance that the forecast priced and cost assumptions contained in the GLJ Report will be attained and variances could be material. Other assumptions and qualifications relating to costs and other matters are included in the GLJ Report. The recovery and reserves estimates on the Corporation’s properties described herein are estimates only. The actual reserves on the Corporation’s properties may be greater or less than those calculated.

Columns in the following tables may not add precisely due to rounding of values.

**SUMMARY OF OIL AND GAS RESERVES
BASED ON FORECAST PRICES AND COSTS – AS AT 12/31/2013**

Reserves Category	Shackleton Partnership's Reserves (100% WI)					
	Oil		Natural Gas ⁽⁹⁾		Natural Gas Liquids	
	Gross Mbbbl	Net Mbbbl	Gross MMcf	Net MMcf	Gross Mbbbl	Net Mbbbl
PROVED						
Developed Producing ⁽²⁾⁽⁶⁾	---	---	10,705	8,858	---	---
Developed Non-Producing ⁽²⁾⁽⁷⁾	---	---	1,749	1,439	---	---
Undeveloped ⁽²⁾⁽⁸⁾	---	---	---	---	---	---
TOTAL PROVED⁽²⁾	---	---	12,453	10,297	---	---
TOTAL PROBABLE⁽³⁾	---	---	4,682	3,870	---	---
TOTAL PROVED + PROBABLE⁽²⁾⁽³⁾	---	---	17,135	14,167	---	---

**SUMMARY OF OIL AND GAS RESERVES
BASED ON FORECAST PRICES AND COSTS – AS AT 12/31/2013**

Reserves Category	Wilmington's Reserves (59% WI)					
	Oil		Natural Gas ⁽⁹⁾		Natural Gas Liquids	
	Gross Mbbbl	Net Mbbbl	Gross MMcf	Net MMcf	Gross Mbbbl	Net Mbbbl
PROVED						
Developed Producing ⁽²⁾⁽⁶⁾	---	---	6,316	5,226	---	---
Developed Non-Producing ⁽²⁾⁽⁷⁾	---	---	1,032	849	---	---
Undeveloped ⁽²⁾⁽⁸⁾	---	---	---	---	---	---
TOTAL PROVED⁽²⁾	---	---	7,347	6,075	---	---
TOTAL PROBABLE⁽³⁾	---	---	2,762	2,283	---	---
TOTAL PROVED + PROBABLE⁽²⁾⁽³⁾	---	---	10,110	8,359	---	---

**SUMMARY OF NET PRESENT VALUES OF FUTURE NET REVENUE
BASED ON FORECAST PRICES AND COSTS – AS AT 12/31/2013**

Reserves Category	Net Present Values of the Shackleton Partnership's Future Net Revenue (100% WI)					Unit Value Before Deducting Income Tax Discount at 10% / yr
	Before Income Tax Discounted at					
	0%	5%/yr	10%/yr	15%/yr	20%/yr	
	\$M	\$M	\$M	\$M	\$M	\$/boe
PROVED						
Developed Producing ⁽²⁾⁽⁶⁾	17,059	14,460	12,388	10,776	9,519	8.39
Developed Non-Producing ⁽²⁾⁽⁷⁾	3,820	2,367	1,481	927	573	6.17
Undeveloped ⁽²⁾⁽⁸⁾	---	---	---	---	---	---
TOTAL PROVED⁽²⁾	20,879	16,827	13,868	11,703	10,092	8.08
TOTAL PROBABLE⁽³⁾	10,408	6,155	3,837	2,553	1,807	5.95
TOTAL PROVED + PROBABLE⁽²⁾⁽³⁾	31,287	22,982	17,706	14,256	11,899	7.50

**SUMMARY OF NET PRESENT VALUES OF FUTURE NET REVENUE
BASED ON FORECAST PRICES AND COSTS – AS AT 12/31/2013**

Reserves Category	Net Present Values of Wilmington's Future Net Revenue (59% WI)					Unit Value Before Deducting Income Tax Discount at 10% / yr
	Before Income Tax Discounted at					
	0%	5%/yr	10%/yr	15%/yr	20%/yr	
	\$M	\$M	\$M	\$M	\$M	\$/boe
PROVED						
Developed Producing ⁽²⁾⁽⁶⁾	10,065	8,531	7,309	6,358	5,616	8.39
Developed Non-Producing ⁽²⁾⁽⁷⁾	2,254	1,397	874	547	338	6.17
Undeveloped ⁽²⁾⁽⁸⁾	---	---	---	---	---	---
TOTAL PROVED⁽²⁾	12,319	9,928	8,182	6,905	5,954	8.08
TOTAL PROBABLE⁽³⁾	6,141	3,631	2,264	1,506	1,066	5.95
TOTAL PROVED + PROBABLE⁽²⁾⁽³⁾	18,459	13,559	10,447	8,411	7,020	7.50

**OIL AND GAS RESERVES AND NET PRESENT VALUES BY PRODUCTION GROUP BASED
ON FORECAST PRICES AND COSTS**

	Shackleton Partnership's Reserves (100%WI)		
	Future Net Revenue Before Income Taxes (Discounted 10%/yr)	Unit Value	
		(\$/boe)	(\$/mcfe)
Proved			
Developed Producing			
Oil	---	---	---
Natural Gas ⁽⁹⁾	12,388	8.39	1.40
Total Proved Producing	12,388	8.39	1.40
Proved			
Oil	---	---	---
Natural Gas ⁽⁹⁾	13,868	8.08	1.35
Total Proved	13,868	8.08	1.35
Proved Plus Probable			
Oil	---	---	---
Natural Gas ⁽⁹⁾	17,706	7.50	1.25
Total Proved Plus Probable	17,706	7.50	1.25

**OIL AND GAS RESERVES AND NET PRESENT VALUES BY PRODUCTION GROUP BASED
ON FORECAST PRICES AND COSTS**

	Wilmington's Reserves (59%WI)		
	Future Net Revenue Before Income Taxes (Discounted 10%/yr)	Unit Value	
		(\$/boe)	(\$/mcfe)
Proved			
Developed Producing			
Oil	---	---	---
Natural Gas ⁽⁹⁾	7,309	8.39	1.40
Total Proved Producing	7,309	8.39	1.40
Proved			
Oil	---	---	---
Natural Gas ⁽⁹⁾	8,182	8.08	1.35
Total Proved	8,182	8.08	1.35
Proved Plus Probable			
Oil	---	---	---
Natural Gas ⁽⁹⁾	10,447	7.50	1.25
Total Proved Plus Probable	10,447	7.50	1.25

Notes:

1. “Gross Reserves” are the respective entity’s working interest (operating or non-operating) share before deducting of royalties and without including any royalty interests of the respective entity. “Net Reserves” are the respective entity’s working interest (operating or non-operating) share after deduction of royalty obligations, plus the respective entity’s royalty interests.
2. “Proved” reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.
3. “Probable” reserves are those additional reserves that are less certain to be recovered than proved reserves,. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.
4. “Possible” reserves are those additional reserves that are less certain to be recovered than probable reserves. It is unlikely that the actual remaining quantities recovered will exceed the sum of the estimated proved plus probable plus possible reserves.
5. “Developed” reserves are those reserves that are expected to be recovered from existing wells and installed facilities or, if facilities have not been installed, that would involve a low expenditure (e.g when compared to the cost of drilling a well) to put the reserves on production.
6. “Developed Producing” reserves are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut-in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.
7. “Developed Non-Producing” reserves are those reserves that either have not been on production, or have previously been on production, but are shut in and the date of resumption of production is unknown.
8. “Undeveloped” reserves are those reserves expected to be recovered from known accumulations where a significant expenditure (for example, when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves classification (proved, probable possible) to which they are assigned.
9. Includes associated, non-associated, solution gas where applicable and other by-products.

Shackleton Partnership’s (100% WI)
Additional Information Concerning Future Net Revenue (Undiscounted)

Reserves Category	Revenue M\$	Royalties M\$	Operating Costs M\$	Capital Development Costs M\$	Abandonment Costs M\$	Future Net Revenue Before Income Taxes M\$	Income Tax M\$	Future Net Revenue After Income Taxes M\$
Proved Producing	52,349	8,834	23,560	832	2,064	17,059	2,617	14,442
Proved Developed Nonproducing	9,305	1,606	1,917	1,899	64	3,820	917	2,903
Proved Undeveloped	---	---	---	---	---	---	---	---
Total Proved	61,654	10,440	25,477	2,730	2,128	20,879	3,534	17,346
Total Probable	29,764	5,031	13,923	---	402	10,408	2,642	7,766
Total Proved Plus Probable	91,418	15,471	39,400	2,730	2,530	31,287	6,176	25,111

Wilmington's (59% WI)
Additional Information Concerning Future Net Revenue (Undiscounted)

Reserves Category	Revenue M\$	Royalties M\$	Operating Costs M\$	Capital Development Costs M\$	Abandonment Costs M\$	Future Net Revenue Before Income Taxes M\$	Income Tax M\$	Future Net Revenue After Income Taxes M\$
Proved Producing	30,886	5,212	13,900	491	1,218	10,065	1,544	8,521
Proved Developed Nonproducing	5,490	948	1,131	1,120	38	2,254	541	1,713
Proved Undeveloped	---	---	---	---	---	---	---	---
Total Proved	36,376	6,160	15,031	1,611	1,256	12,319	2,085	10,234
Total Probable	17,561	2,968	8,215	---	237	6,141	1,559	4,582
Total Proved Plus Probable	53,937	9,128	23,246	1,611	1,493	18,459	3,644	14,815

Part 3 – Pricing Assumptions

The tables on the following page detail the benchmark reference prices for the regions in which the Corporation operated, as at December 31, 2013 reflected in the reserves data disclosed above under “Part 2 – Disclosure of Reserves Data”. The forecast price assumptions assume the continuance of current laws and regulations and take into account inflation with respect to future operating and capital costs. There will be adjustments to field prices from the benchmarks below.

GLJ PETROLEUM CONSULTANTS LTD.
CRUDE OIL
HISTORICAL AND FUTURE PRICES
January 1, 2014

Date	WTI ⁽¹⁾ \$US/bbl	Alberta Par Price ⁽²⁾ \$CDN/bbl	Sask. Light ⁽³⁾ \$CDN/bbl	Bank of Canada Average Noon Exchange rate \$US/\$CDN
2013	97.88	93.33	92.29	0.971
2014	97.50	92.76	90.91	0.950
2015	97.50	97.37	95.42	0.950
2016	97.50	100.00	98.00	0.950
2017	97.50	100.00	98.00	0.950
2018	97.50	100.00	98.00	0.950
2019	97.50	100.00	98.00	0.950
2020	98.54	100.77	98.75	0.950
2021	100.51	102.78	100.72	0.950
2022	102.52	104.83	102.73	0.950
2023	104.57	106.93	104.79	0.950
2024+	+2%/yr	+2%/yr	+2%/yr	0.950

Constant thereafter

Notes:

1. West Texas Intermediate quality crude landed in Cushing, Oklahoma.
2. Equivalent price for light sweet crude 40API landed in Edmonton, Alberta.
3. Light crude oil at Cromer, Saskatchewan.

**GLJ PETROLEUM CONSULTANTS LTD.
NATURAL GAS & BY-PRODUCTS
HISTORICAL PRICES & PRICE FORECASTS
January 1, 2014**

Date	NYMEX ⁽¹⁾ \$/MMBTU	AECO/NIT Spot Gas \$/MMBTU	Sask. Spot ⁽²⁾ \$/MMBTU	Propane ⁽³⁾ \$/BBL	Butane ⁽³⁾ \$/BBL	Pentanes Plus ⁽³⁾ \$/BBL
HISTORICAL PRICES						
2013	3.71	3.29	3.16	38.49	68.65	104.40
2014	4.25	4.03	3.95	57.83	73.22	105.20
2015	4.50	4.26	4.18	58.42	75.95	107.11
2016	4.75	4.50	4.42	60.00	78.00	107.00
2017	5.00	4.74	4.66	60.00	78.00	107.00
2018	5.25	4.97	4.89	60.00	78.00	107.00
2019	5.50	5.21	5.13	60.00	78.00	107.00
2020	5.63	5.33	5.25	60.46	78.60	107.82
2021	5.74	5.44	5.36	61.67	80.17	109.97
2022	5.86	5.55	5.47	62.90	81.77	112.17
2023	5.97	5.66	5.58	64.16	83.40	114.41
2024+	+2%/yr	+2%/yr	+2%/yr	+2%/yr	+2%/yr	+2%/yr

Constant thereafter

Notes:

- (1) Nymex forward contract.
- (2) Price paid at field delivery point
- (3) Reference point is FOB Edmonton for fractionated product
- (4) The plant gate price represents the price before raw gas gathering and processing changes are deducted.

For the year ended December 31, 2013, the average realized sales prices before hedging was \$3.16/mcf.

Part 4 – Reconciliation of Changes in Reserves

The following table sets forth a reconciliation of the changes in the respective entities gross reserves as at December 31, 2013 against such reserves as at December 31, 2012 based on the forecast price and cost assumptions:

**RECONCILIATION OF SHACKLETON PARTNERSHIP’S GROSS
RESERVES BY PRINCIPAL PRODUCTIVE TYPE
BASED ON FORECAST PRICES AND COSTS**

	Shackleton Partnership’s Reserves (100% WI)					
	Oil (Gross)			Associated and Non-Associated Gas (Gross)		
	Proved (Mbbbl)	Probable (Mbbbl)	Proved Plus Probable (Mbbbl)	Proved (MMcfc)	Probable (MMcfc)	Proved Plus Probable (MMcfc)
As at December 31, 2012	---	---	---	13,501	6,201	19,702
Production (Sales)	---	---	---	(1,522)	---	(1,522)
Dispositions	---	---	---	---	---	---
Acquisitions	---	---	---	---	---	---
Discoveries	---	---	---	---	---	---
Revisions to Previous Estimates	---	---	---	---	---	---
Economic Factors	---	---	---	---	---	---
Technical Revisions	---	---	---	475	(1,519)	(1,044)
Extensions & Improved Recovery	---	---	---	---	---	---
At December 31, 2013	---	---	---	12,453	4,682	17,135

**RECONCILIATION OF WILMINGTON CAPITAL MANAGEMENT INC.’S GROSS
RESERVES BY PRINCIPAL PRODUCTIVE TYPE
BASED ON FORECAST PRICES AND COSTS**

	Wilmington’s Reserves (59% WI)					
	Oil (Gross)			Associated and Non-Associated Gas (Gross)		
	Proved (Mbbbl)	Probable (Mbbbl)	Proved Plus Probable (Mbbbl)	Proved (MMcfc)	Probable (MMcfc)	Proved Plus Probable (MMcfc)
As at December 31, 2012	---	---	---	7,967	3,659	11,626
Production (Sales)	---	---	---	(898)	---	(898)
Dispositions	---	---	---	---	---	---
Acquisitions	---	---	---	---	---	---
Discoveries	---	---	---	---	---	---
Extensions	---	---	---	---	---	---
Revisions to Previous Estimates	---	---	---	---	---	---
Economic Factors	---	---	---	---	---	---
Technical Revisions	---	---	---	(280)	(896)	(616)
Extensions & Improved Recovery	---	---	---	---	---	---
At December 31, 2013	---	---	---	7,347	2,762	10,110

Part 5 – Additional Information Relating to Reserves Data Undeveloped Reserves

The Corporation did not have any undeveloped reserves for the year ended December 31, 2013.

Significant Factors or Uncertainties

The estimation of reserves requires significant judgment and decisions based on available geological, geophysical, engineering and economic data. These estimates can change substantially as additional information from ongoing development activities and production performance becomes available and as economic and political conditions impact gas prices and costs change. The respective entities estimates are based on current production, forecast, prices and economic conditions. All of the respective entities reserves are evaluated by GLJ, an independent engineering firm.

As circumstances change and additional data becomes available, reserve estimates also change. Based on new information, reserves estimates are reviewed and revised, either upward or downward, as warranted. Although every reasonable effort has been made by the respective entities to ensure that reserves estimate are accurate, revisions may arise as new information becomes available. As new geological, production and economic data is incorporated into the process of estimating reserves the accuracy of the reserve estimate improves.

Future Development Costs

	Shackleton Partnership's 100% WI		Wilmington's 59% WI	
	Total Proved (\$M)	Total Proved Plus Probable (\$M)	Total Proved (\$M)	Total Proved Plus Probable (\$M)
2014	5	5	3	3
2015	---	---	---	---
2016	2,076	2,076	1,225	1,225
2017	---	---	---	---
2018	---	---	---	---
2019	---	---	---	---
2020	---	---	---	---
2021	201	201	119	119
2022	---	---	---	---
2023	---	---	---	---
2024	213	213	126	126
2025	---	---	---	---
Sub - total	2,495	2,495	1,472	1,472
Remainder	236	236	139	139
Total	2,730	2,730	1,611	1,611
10% Discounted	1,871	1,871	1,104	1,104

Part 6 – Other Oil and Gas Information

Oil and Gas Properties and Wells

The following table details the number of wells in which the respective entities held a working interest as at December 31, 2013.

	Shackleton Partnership (100% WI)	
	Natural Gas	
	Gross	Net
Shackleton, Saskatchewan		
Producing	100	100
Non-producing	---	---
	<hr/>	<hr/>
	100	100
	Wilmington (59% WI)	
	Natural Gas	
	Gross	Net

All of the wells are located onshore in the Province of Saskatchewan.

Exploration and Development Activities

Neither the Shackleton Partnership nor Wilmington currently holds properties with no attributed reserves.

The Shackleton Partnership and Wilmington did not participate in exploratory and development activities during the year ended December 31, 2013.

Forward Contracts

The Shackleton Partnership has entered into two fixed price sales agreements for a portion of 2014 production. On a combined basis, the transactions fix 2,200 GJ per day of natural gas for the January 1, 2014 to December 31, 2014 period at an average of \$3.61/GJ.

Abandonment and Reclamation Costs

The estimated abandonment and restoration costs are based on the Alberta Energy Resources Conservation Board (“ERCB”) methodology, which details the typical costs of abandonment and reclamation by well type in each specific geographic region. The Shackleton Partnership expects to have costs relating to 100 net wells (Wilmington – 59 net wells). All abandonment costs have been included in the GLJ Report.

FUTURE ABANDONMENT COSTS (SHACKLETON PARTNERSHIP - 100% WI)

	Total Proved Estimated Using Forecast Prices and Costs (Undiscounted) (\$M)	Total Proved Estimated Using Forecast Prices and Costs (10% Discounted) (\$M)	Total Proved Plus Probable Estimated Using Forecast Prices and Costs (Undiscounted (\$M)	Total Proved Plus Probable Estimated Using Forecast Prices and Costs (10% Discounted) (\$M)
2014	---	---	---	---
2015	---	---	---	---
2016	---	---	---	---
Total for three years	---	---	---	---
Remainder	2,128	368	2,530	188
Total for all years	2,128	368	2,530	188

FUTURE ABANDONMENT COSTS (WILMINGTON - 59% WI)

	Total Proved Estimated Using Forecast Prices and Costs (Undiscounted) (\$M)	Total Proved Estimated Using Forecast Prices and Costs (10% Discounted) (\$M)	Total Proved Plus Probable Estimated Using Forecast Prices and Costs (Undiscounted (\$M)	Total Proved Plus Probable Estimated Using Forecast Prices and Costs (10% Discounted) (\$M)
2014	---	---	---	---
2015	---	---	---	---
2016	---	---	---	---
Total for three years	---	---	---	---
Remainder	1,256	217	1,493	111
Total for all years	1,256	217	1,493	111

Additional Information Concerning Abandonment and Reclamation Costs

The Corporation's estimated abandonment and restoration costs are based on the AEUB Methodology, which details the typical costs of abandonment and reclamation by well type in each specific geographic region. The Shackleton Partnership expects to have costs relating to 100 net wells including the location to be drilled.

Tax Horizon

All royalties and taxes, including the lessor and overriding royalties, are based on current government regulations, leases or farmout agreements.

The Corporation follows the liability method of accounting for income taxes. Under this method, income taxes are recognized for the future income tax consequences attributable to differences between the carrying value and the tax bases of assets and liabilities. The Shackleton Partnership is not itself liable for income taxes, instead the income taxes are attributable to its partners.

In assessing the realizability of future tax assets, management considers whether or not it is more likely than not that some portion or all of the future tax assets will be realized. The ultimate realization of future tax assets is dependent upon the generation of future taxable income during periods in which those temporary differences become deductible. Management considers the schedule reversal of projected

future taxable income, and tax planning strategies in making this assessment. The amount of future taxable income, and tax planning strategies in making this assessment. The amount of future tax asset considered realizable could change materially in the near term, based upon future taxable income during the carry-forward period.

The Corporation's estimated balances of the existing tax pools as at December 31, 2013 are as follows:

(Thousands)		
Capital Cost Allowances	\$	1,598
Canadian Exploration Expenses		---
Canadian Oil & Gas Property Expenses		4,487
	\$	<u>6,085</u>

Costs Incurred

The following table summarizes the capital expenditures made by the Shackleton Partnership (and Wilmington's effective interest) on oil and natural gas properties for the year ended December 31, 2013.

CAPITAL EXPENDITURES

\$000's	Shackleton Partnership	Wilmington
Property acquisition costs		
Proved Properties	---	---
Unproved Properties	---	---
Exploration Costs	---	---
Development Costs	254	150
	<u>254</u>	<u>150</u>

Production Estimates

The table on the following sets forth the volume of production estimated by GLJ for the year ended December 31, 2014.

TOTAL PROVED RESERVES

AREA	Oil (bbl)	Shackleton Partnership (100% WI) Natural Gas (Mcf/d) (Gross)	Wilmington (59% WI) Natural Gas (Mdf/d) (Gross)
Shackleton, Saskatchewan	---	3,600	2,124
Total for all areas	---	<u>3,600</u>	<u>2,124</u>

TOTAL PROVED PLUS PROBABLE RESERVES

AREA	Oil (bbl)	Shackleton Partnership (100% WI) Natural Gas (Mcf/d) (Gross)	Wilmington (59% WI) Natural Gas (Mdf/d) (Gross)
Shackleton, Saskatchewan	---	3,653	2,155
Total for all areas	---	3,653	2,155

These values are gross to the respective entity's working interest before the deduction of royalties payable to others.

Production History

The following table sets forth certain information in respect of production, product prices received, royalties, production costs and netbacks received by the respective entity's for each quarter of its most recently completed financial year:

Natural Gas Production Quarterly Comparisons

The following tables set forth the respective entity daily sales volumes, netbacks and capital expenditures for the periods indicated:

	Shackleton Partnership's 100% WI				2012 (3 months ended) Dec 31
	2013 (3 months ended)				
	Dec 31	Sep 30	Jun 30	Mar 31	
Average Daily Production					
Natural Gas (mcf/d)	3,866	4,139	4,231	4,452	4,797
Total	3,866	4,139	4,231	4,452	4,797
Average Price Received					
Natural Gas (\$/mcf)	3.29	2.84	3.33	3.18	3.18
Total	3.29	2.84	3.33	3.18	3.18
Royalties					
Natural Gas (\$/mcf)	0.62	0.43	0.63	0.44	0.58
Total	0.62	0.43	0.63	0.44	0.58
Operating expenses					
Production (\$/mcf)	0.91	0.84	0.75	0.66	0.89
Transportation (\$/mcf)	0.17	0.18	0.18	0.18	0.17
Netback Received					
Total (\$/mcf)	1.59	1.41	1.77	1.91	1.53
Total (\$/Boe)	9.55	8.44	10.64	11.44	9.18
Capital Expenditures					
Asset Acquisition	---	---	---	---	---
Development	---	75	25	155	32
Total	---	75	25	155	32

Wilmington's 59% WI					
	2013				2012
	(3 months ended)				(3 months ended)
	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31
Average Daily Production					
Natural Gas (mcf/d)	2,289	2,450	2,505	2,636	2,840
Total	2,289	2,450	2,505	2,636	2,840
Average Price Received					
Natural Gas (\$/mcf)	3.29	2.84	3.33	3.18	3.18
Total	3.29	2.84	3.33	3.18	3.18
Royalties					
Natural Gas (\$/mcf)	0.62	0.43	0.63	0.44	0.58
Total	0.62	0.43	0.63	0.44	0.58
Operating expenses					
Production (\$/mcf)	0.91	0.84	0.75	0.66	0.89
Transportation (\$/mcf)	0.17	0.18	0.18	0.18	0.17
Netback Received					
Total (\$/mcf)	1.59	1.41	1.77	1.91	1.53
Total (\$/Boe)	9.55	8.44	10.64	11.44	9.18
Capital Expenditures					
Asset Acquisition	---	---	---	---	---
Development	---	44	15	92	19
Total	---	44	15	92	19

These values are net to the respective entity working interest after the deduction of royalties payable to others.

(ii) FORM 51-101F2 – REPORT ON RESERVES DATA BY INDEPENDENT QUALIFIED RESERVES EVALUATOR OR AUDITOR

**FORM 51-101F2
REPORT ON RESERVES DATA
BY
INDEPENDENT QUALIFIED RESERVES
EVALUATOR OR AUDITOR**

To the board of directors of Shackleton 2011 GP Inc. (the "Company"):

1. We have evaluated the Company's reserves data as at December 31, 2013. The reserves data are estimates of proved reserves and probable reserves and related future net revenue as at December 31, 2013, estimated using forecast prices and costs.
2. The reserves data are the responsibility of the Company's management. Our responsibility is to express an opinion on the reserves data based on our evaluation.

We carried out our evaluation in accordance with standards set out in the Canadian Oil and Gas Evaluation Handbook (the "COGE Handbook") prepared jointly by the Society of Petroleum Evaluation Engineers (Calgary Chapter) and the Canadian Institute of Mining, Metallurgy & Petroleum (Petroleum Society).

3. Those standards require that we plan and perform an evaluation to obtain reasonable assurance as to whether the reserves data are free of material misstatement. An evaluation also includes assessing whether the reserves data are in accordance with principles and definitions presented in the COGE Handbook.
4. The following table sets forth the estimated future net revenue (before deduction of income taxes) attributed to proved plus probable reserves, estimated using forecast prices and costs and calculated using a discount rate of 10 percent, included in the reserves data of the Company evaluated by us for the year ended December 31, 2013, and identifies the respective portions thereof that we have audited, evaluated and reviewed and reported on to the Company's board of directors:

Independent Qualified Reserves Evaluator	Description and Preparation Date of Evaluation Report	Location of Reserves (Country or Foreign Geographic Area)	Net Present Value of Future Net Revenue (before income taxes, 10% discount rate - M\$)			
			Audited	Evaluated	Reviewed	Total
GLJ Petroleum Consultants	Corporate Summary March 3, 2014	CANADA	-	17,706	-	17,706

5. In our opinion, the reserves data respectively evaluated by us have, in all material respects, been determined and are in accordance with the COGE Handbook, consistently applied. We express no opinion on the reserves data that we reviewed but did not audit or evaluate.

6. We have no responsibility to update our reports referred to in paragraph 4 for events and circumstances occurring after their respective preparation dates.
7. Because the reserves data are based on judgements regarding future events, actual results will vary and the variations may be material.

EXECUTED as to our report referred to above:

GLJ Petroleum Consultants Ltd., Calgary, Alberta, Canada, March 6, 2014

"Originally Signed by"
John E. Keith, P. Eng.
Vice President

(iii) FORM 51-101F3 - REPORT ON MANAGEMENT AND DIRECTORS ON OIL AND GAS DISCLOSURE

Terms to which a meaning is ascribed in National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities* have the same meaning herein.

Management of Wilmington Capital Management Inc. (the “**Corporation**”) are responsible for the preparation and disclosure of information with respect to the Corporation’s natural gas activities in accordance with securities regulatory requirements. This information includes reserves data, which are estimates of proved reserves and probable reserves and related future net revenue as at December 31, 2013, estimated using forecast prices and costs.

An independent qualified reserves evaluator has evaluated the Corporation’s reserves data. The report of the independent qualified reserves evaluators is presented in Schedule “Bii” to the annual information form of the Corporation for the year ended December 31, 2013.


The Reserves Committee of the board of directors of the Corporation has:

- a) Reviewed the Corporation’s procedures for providing information to the independent qualified reserve evaluators;
- b) Met with the independent qualified reserve evaluator to determine whether any restrictions affected the ability of the independent qualified reserves evaluators without reservation; and
- c) Reviewed the reserves data with management and the independent qualified reserves evaluator.

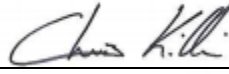
The Reserves Committee of the board of directors has reviewed the Corporation’s procedures for assembling and reporting other information associated with natural gas activities and has reviewed that information with management. The board of directors has, on the recommendation of the Audit and Reserves Committees, approved:

- a) The content and filing with securities regulatory authorities of Form 51 – 101F1 containing reserves data and other natural gas information;
- b) The filing of Form 51 – 101F2 which is the report of the independent qualified reserve evaluator on the reserves data; and
- c) The content and filing of this report.

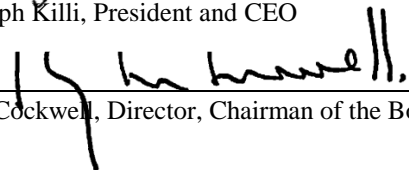
Because the reserve data are based on judgements regarding future events, actual results will vary and the variations may be material.



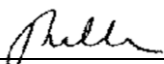
Joseph Killi, President and CEO



Christopher Killi, Vice President, Finance



Ian Cockwell, Director, Chairman of the Board



Joseph Killi, Director

SCHEDULE C

NON-CONTROLLED EQUITY INVESTMENTS – RESERVES DATA

(i) FORM 51-101F1 - STATEMENT OF RESERVES DATA AND OTHER OIL AND GAS INFORMATION – EQUITY INVESTMENTS DISCLOSURE

As at December 31, 2013, Wilmington owned approximately 2.2 million common shares of Northpoint, representing 36.5 percent of Northpoint's equity.

Part 1 – Date of Statement

This statement of reserves data and other oil and gas information is dated and effective as at December 31, 2013.

The preparation date is February 6, 2014.

Abbreviations, conversions and defined terms shall have the same meaning as set forth in the Annual Information Form to which this Schedule "C" is attached.

Part 2 – Disclosure of Reserves Data

The following is a summary of Northpoint's reserves and future net revenue and the costs incurred by Northpoint as at and for the year ended December 31, 2013, each multiplied by 36.5 percent, being Wilmington's equity interest in Northpoint as of December 31, 2013. GLJ Petroleum Consultants ("GLJ") evaluated Northpoint's natural gas and natural gas liquids as at December 31, 2013. The evaluation by GLJ was prepared in accordance with the standards contained in the COGE Handbook and the reserves definitions contained in NI 51-101. Northpoint's reserves are located in British Columbia.

For the year ended December 31, 2013, Wilmington accounted for its investment in Northpoint using the equity method. Pursuant to NI 51-101, Wilmington is required to disclose the following information separately from its own reserves data and other oil and gas information.

Readers are cautioned that Wilmington does not have any direct or indirect interests in or rights to the reserves or future net revenue of Northpoint disclosed within this Schedule "C" nor does Wilmington have any direct or indirect obligation in respect of our or liability for the costs incurred by Northpoint disclosed within this Schedule "C". The Corporation is a shareholder of Northpoint, just like any other shareholder of Northpoint.

NOTE: All evaluations of future revenue are before the deduction of future income tax expenses, unless otherwise noted in the tables, royalties, development costs, production costs and well abandonment costs but before consideration of indirect costs such as administrative, overhead and other miscellaneous expenses. The estimated future net revenue contained in the following tables does not necessarily represent the fair market value of Northpoint's reserves. There is no assurance that the forecast priced and cost assumptions contained in the GLJ Report will be attained and variances could be material. Other assumptions and qualifications relating to costs and other matters are included in the GLJ Report. The recovery and reserves estimates on the Northpoint's properties described herein are estimates only. The actual reserves on the Northpoint's properties may be greater or less than those calculated.

Columns in the following tables may not add precisely due to rounding of values.

**SUMMARY OF OIL AND GAS RESERVES
BASED ON FORECAST PRICES AND COSTS – AS AT 12/31/2013**

The following table summarizes Northpoint's reserves multiplied by 36.5%.

Reserves Category	Northpoint's Reserves (36.5%)							
	Oil	Natural Gas ⁽⁹⁾		Natural Gas Liquids		Total		
	Gross Mbbbl	Net Mbbbl	Gross MMcf	Net MMcf	Gross Mbbbl	Net Mbbbl	Gross Mboe	Net Mboe
PROVED								
Developed Producing ⁽²⁾⁽⁶⁾	---	---	6,679	5,621	30	23	1,143	960
Developed Non-Producing ⁽²⁾⁽⁷⁾	---	---	1,072	250	7	5	185	47
Undeveloped ⁽²⁾⁽⁸⁾	---	---	2,876	3,153	9	7	489	533
TOTAL PROVED ⁽²⁾	---	---	10,627	9,024	46	35	1,817	1,539
TOTAL PROBABLE ⁽³⁾	---	---	5,703	4,860	24	19	975	829
TOTAL PROVED + PROBABLE ⁽²⁾⁽³⁾	---	---	16,329	13,884	71	54	2,792	2,368

**SUMMARY OF NET PRESENT VALUES
BASED ON FORECAST PRICES AND COSTS – AS AT 12/31/2013**

The following table summarizes the net present value of future net revenue attributable to Northpoint's reserves, multiplied by 36.5%.

Reserves Category	Net Present Values of the Northpoint's Future Net Revenue (36.5%)					Unit Value Before Deducting Income Tax Discount at 10% / yr
	Before Income Tax Discounted at					
	0%	5%/yr	10%/yr	15%/yr	20%/yr	
	\$M	\$M	\$M	\$M	\$M	\$/boe
PROVED						
Developed Producing ⁽²⁾⁽⁶⁾	15,710	11,807	9,279	7,619	6,472	9.67
Developed Non-Producing ⁽²⁾⁽⁷⁾	1,321	778	547	428	357	11.69
Undeveloped ⁽²⁾⁽⁸⁾	6,453	3,993	2,475	1,572	1,004	4.65
TOTAL PROVED ⁽²⁾	23,484	16,578	12,301	9,619	7,833	7.99
TOTAL PROBABLE ⁽³⁾	18,338	8,178	4,301	2,505	1,527	5.19
TOTAL PROVED + PROBABLE ⁽²⁾⁽³⁾	41,823	24,756	16,601	12,124	9,360	7.01

FUTURE NET REVENUE BY PRODUCTION GROUP

Reserve Group by Category	Northpoint's Reserves (36.5%)		
	Future Net Revenue Before Income Taxes		
	M\$	\$boe	\$Mcfe
<i>Proved Producing</i>			
Gas	9,279	9.67	1.61
Total: Proved Producing	9,279	9.67	1.61
<i>Total Proved</i>			
Gas	12,301	7.99	1.33
Total: Total Proved	12,301	7.99	1.33
<i>Total Proved Plus Probable</i>			
Gas	16,601	7.01	1.17
Total: Total Proved Plus Probable	16,601	7.01	1.17

Notes:

1. "Gross Reserves" are the respective entity's working interest (operating or non-operating) share before deducting of royalties and without including any royalty interests of the respective entity. "Net Reserves" are the respective entity's working interest (operating or non-operating) share after deduction of royalty obligations, plus the respective entity's royalty interests.
2. "Proved" reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.
3. "Probable" reserves are those additional reserves that are less certain to be recovered than proved reserves,. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.
4. "Possible" reserves are those additional reserves that are less certain to be recovered than probable reserves. It is unlikely that the actual remaining quantities recovered will exceed the sum of the estimated proved plus probable plus possible reserves.
5. "Developed" reserves are those reserves that are expected to be recovered from existing wells and installed facilities or, if facilities have not been installed, that would involve a low expenditure (e.g when compared to the cost of drilling a well) to put the reserves on production.
6. "Developed Producing" reserves are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut-in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.
7. "Developed Non-Producing" reserves are those reserves that either have not been on production, or have previously been on production, but are shut in and the date of resumption of production is unknown.
8. "Undeveloped" reserves are those reserves expected to be recovered from known accumulations where a significant expenditure (for example, when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves classification (proved, probable possible) to which they are assigned.
9. Includes associated, non-associated and solution gas where applicable.

Northpoint's (36.5%)
Additional Information Concerning Future Net Revenue (Undiscounted)

The following table summarizes the total undiscounted future net revenue before income tax attributable to Northpoint's reserves at December 31, 2013 multiplied by 36.5%.

Reserves Category	Revenue M\$	Royalties M\$	Operating Costs M\$	Capital Development Costs M\$	Abandonment Costs M\$	Future Net Revenue Before Income Taxes M\$	Unit Value Before Deduction Income Tax Discount at 10%/yr/ \$/boe
Proved Producing	42,017	6,765	18,255	---	1,286	15,710	9.67
Proved Developed Nonproducing	7,675	5,069	622	584	80	1,321	11.69
Proved Undeveloped	16,921	(1,609)	8,447	3,151	479	6,453	4.65
Total Proved	66,612	10,225	27,324	3,735	1,844	23,484	7.99
Total Probable	42,101	6,136	13,046	3,980	602	18,338	5.19
Total Proved Plus Probable	108,713	16,360	40,369	7,715	2,446	41,823	7.01

Part 3 – Pricing Assumptions

The tables on the following page detail the benchmark reference prices for the regions in which the Corporation operated, as at December 31, 2013 reflected in the reserves data disclosed above under “Part 2 – Disclosure of Reserves Data”. The forecast price assumptions assume the continuance of current laws and regulations and take into account inflation with respect to future operating and capital costs. There will be adjustments to field prices from the benchmarks below.

**GLJ PETROLEUM CONSULTANTS LTD.
CRUDE OIL
HISTORICAL AND FUTURE PRICES
January 1, 2014**

Date	WTI ⁽¹⁾ \$US/bbl	Alberta Par Price ⁽²⁾ \$CDN/bbl	Sask. Light ⁽³⁾ \$CDN/bbl	Bank of Canada Average Noon Exchange rate \$US/\$CDN
2013	97.88	93.33	92.29	0.971
2014	97.50	92.76	90.91	0.950
2015	97.50	97.37	95.42	0.950
2016	97.50	100.00	98.00	0.950
2017	97.50	100.00	98.00	0.950
2018	97.50	100.00	98.00	0.950
2019	97.50	100.00	98.00	0.950
2020	98.54	100.77	98.75	0.950
2021	100.51	102.78	100.72	0.950
2022	102.52	104.83	102.73	0.950
2023	104.57	106.93	104.79	0.950
2024+	+2%/yr	+2%/yr	+2%/yr	0.950

Constant thereafter

Notes:

1. West Texas Intermediate quality crude landed in Cushing, Oklahoma.
2. Equivalent price for light sweet crude 40API landed in Edmonton, Alberta.
3. Light crude oil at Cromer, Saskatchewan.

**GLJ PETROLEUM CONSULTANTS LTD.
NATURAL GAS & BY-PRODUCTS
HISTORICAL PRICES & PRICE FORECASTS
January 1, 2013**

Date	NYMEX ⁽¹⁾ \$/MMBTU	AECO/NIT	BC	BC	Propane ⁽³⁾ \$/BBL	Butane ⁽³⁾ \$/BBL	Pentanes Plus ⁽³⁾ \$/BBL
		Spot Gas \$/MMBTU	Station 2 \$/MMBT U	BC Spot ⁽²⁾ \$/MMBTU			
2013	3.71	3.29	3.14	2.91	38.49	68.65	104.20
2014	4.25	4.03	3.88	3.68	57.83	73.22	105.20
2015	4.50	4.26	4.11	3.91	58.42	75.95	107.11
2016	4.75	4.50	4.35	4.15	60.00	78.00	107.00
2017	5.00	4.74	4.59	4.38	60.00	78.00	107.00
2018	5.25	4.97	4.82	4.62	60.00	78.00	107.00
2019	5.50	5.21	5.06	4.86	60.00	78.00	107.00
2020	5.63	5.33	5.18	4.98	60.46	78.60	107.82
2021	5.74	5.44	5.29	5.08	61.67	80.17	109.97
2022	5.86	5.55	5.40	5.19	62.90	81.77	112.17
2023	5.97	5.66	5.51	5.30	64.16	83.40	114.41
2024+	+2%/yr	+2%/yr	+2%/yr	+2%/yr	+2%/yr	+2%/yr	+2%/yr

Constant thereafter

Notes:

- (1) Nymex forward contract.
- (2) Price paid at field delivery point
- (3) Reference point is FOB Edmonton for fractionated product
- (4) The plant gate price represents the price before raw gas gathering and processing changes are deducted.

For the year ended December 31, 2013, the average realized sales price before hedging was \$3.51/mcfe.

Costs Incurred

The following table summarizes the capital expenditures incurred by Northpoint for exploration and development costs multiplied by 36.5% and from the date of equity acquisition, being July 30, 2013.

\$000's	CAPITAL EXPENDITURES
	Northpoint
Property acquisition costs	
Proved Properties	---
Unproved Properties	---
Exploration Costs	---
Development Costs	1,394
	1,394