

IN THE COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL DISTRICT OF CALGARY

IN THE MATTER OF SECTION 193 OF THE *BUSINESS
CORPORATIONS ACT*, R.S.A. 2000, c. B-9, as amended

AND IN THE MATTER OF A PROPOSED ARRANGEMENT
INVOLVING HARVEST ENERGY TRUST, HARVEST
OPERATIONS CORP., VIKING ENERGY ROYALTY TRUST,
VIKING HOLDINGS INC., 1206582 ALBERTA LTD., THE
UNITHOLDERS OF HARVEST ENERGY TRUST, THE
EXCHANGEABLE SHAREHOLDERS OF HARVEST
OPERATIONS CORP. AND THE UNITHOLDERS OF VIKING
ENERGY ROYALTY TRUST

BEFORE THE HONOURABLE
JUSTICE B.E.C. ROMAINE
IN CHAMBERS

) AT THE COURT HOUSE, AT CALGARY,
) ALBERTA, ON THE 2nd DAY OF FEBRUARY,
) 2006.

FINAL ORDER

UPON the Application of Harvest Energy Trust ("**Harvest**") and Harvest Operations Corp. ("**HOC**") (Harvest and HOC are together referred to as "**Harvest**"), Viking Energy Royalty Trust ("**Viking**"), Viking Holdings Inc. ("**VHI**") (Viking and VHI are together referred to as "**Viking**") and 1206582 Alberta Ltd. ("**MFCorp**") for approval of a proposed arrangement (the "**Arrangement**") under Section 193 of the *Business Corporations Act*, R.S.A. 2000, as amended (the "**ABCA**");

AND UPON reading the Joint Petition of Harvest and Viking and the Affidavits of Jacob Roorda and John Zahary (sworn on December 23, 2005 and February 2, 2006);

AND UPON hearing counsel for Harvest and MFCorp, and counsel for Viking;

AND UPON BEING ADVISED that no Notices of Intention to Appear have been filed with respect to this application;

AND UPON BEING ADVISED that the Executive Director of the Alberta Securities Commission (the "**Executive Director**") has been served with notice of this application and that the Executive Director does not intend to appear or make submissions with respect to this application;

AND UPON IT APPEARING that a special meeting (the "**Harvest Meeting**") of Harvest Securityholders was called and conducted in accordance with the Interim Order of this Honourable Court dated December 23, 2005 (the "**Interim Order**"), that the required quorum was present at the Harvest Meeting, and that the Harvest Securityholders approved the Arrangement in the manner and by the requisite majority provided for in the Interim Order;

AND UPON IT APPEARING that a special meeting (the "**Viking Meeting**") of Viking Unitholders was called and conducted in accordance with the Interim Order, that the required quorum was present at the Viking Meeting, and that the Viking Unitholders approved the Arrangement in the manner and by the requisite majority provided for in the Interim Order;

AND UPON IT APPEARING that it is impracticable to effect the transactions contemplated by the Arrangement under any other provision of the *ABCA*;

AND UPON BEING SATISFIED based upon the evidence presented that the terms and conditions of the Arrangement and the procedures relating thereto are fair and reasonable to the Harvest Securityholders and the Viking Unitholders and that the Arrangement ought to be approved;

AND UPON BEING ADVISED that the approval of the Arrangement by this Court will constitute the basis for an exemption from the registration requirements of the United States *Securities Act of 1933*, pursuant to Section 3(a)(10) thereof, with respect to securities issued under the Arrangement;

IT IS HEREBY ORDERED, DECLARED AND DIRECTED THAT:

1. The Plan of Arrangement proposed by Harvest and Viking, in the form attached as Schedule "A" to this Order, is hereby approved by this Court under Section 193 of the *ABCA* and will, upon the filing of the Articles of Arrangement under the *ABCA*, become effective in

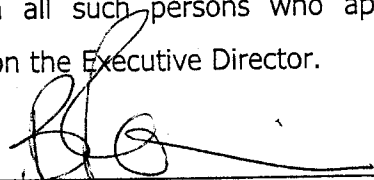
accordance with its terms and be binding on Harvest, Harvest Securityholders, Viking, Viking Unitholders and all other persons.

2. The terms and conditions of the Arrangement, and the procedures relating thereto, are fair and reasonable, substantively and procedurally, to the Harvest Securityholders and Viking Unitholders and to other affected parties.

3. The Articles of Arrangement in respect of the Arrangement shall be filed pursuant to Section 193 of the *ABCA* on such date as Harvest and Viking determine, provided that such date is not later than March 31, 2006.


4. Service of notice of this application, of the notices in respect of the Harvest Meeting and the Viking Meeting and of the Interim Order is hereby deemed good and sufficient.

5. Service of this Order shall be made on all such persons who appeared on this application, either by counsel or in person, and upon the Executive Director.



J.C.Q.B.A.

ENTERED at Calgary, Alberta,
February 2, 2006.

V.A. BRANDT 
Clerk of the Court of Queen's Bench

SCHEDULE "A"

Plan of Arrangement under Section 193 of the *Business Corporations Act (Alberta)*

ARTICLE 1 INTERPRETATION

1.1 In this Plan of Arrangement, the following terms have the following meanings:

- (a) "ABCA" means the *Business Corporations Act*, R.S.A. 2000, c. B-9, as amended, including the regulations promulgated thereunder;
- (b) "AmalgamationCo" means the corporation formed upon the amalgamation of Harvest ExchangeCo, Bjorn and Krang pursuant to this Arrangement;
- (c) "Arrangement", "herein", "hereof", "hereto", "hereunder" and similar expressions mean and refer to the arrangement pursuant to Section 193 of the ABCA set forth in this Plan of Arrangement as supplemented, modified or amended, and not to any particular article, section or other portion hereof;
- (d) "Arrangement Agreement" means the agreement dated December 23, 2005 among Harvest, Operations, Viking and VHI with respect to the Arrangement and all amendments thereto;
- (e) "Arrangement Resolution" means the applicable special resolutions in respect of the Arrangement to be considered at the Harvest Meeting and the Viking Meeting, as the case may be;
- (f) "Articles of Arrangement" means the articles of arrangement in respect of the Arrangement required under Subsection 193(10) of the ABCA to be sent to the Registrar after the Final Order has been granted, giving effect to the Arrangement;
- (g) "Bjorn" means Bjorn Holdings Inc., a corporation incorporated under the ABCA;
- (h) "Bjorn Shares" means the common shares of Bjorn;
- (i) "Business Day" means a day other than a Saturday, Sunday or a day when banks in the City of Calgary, Alberta are not generally open for business;
- (j) "CDE" means Cumulative Canadian development expense as defined in the Tax Act;
- (k) "CEE" means Cumulative Canadian exploration expense as defined in the Tax Act;
- (l) "Certificate" means the certificate or certificates or confirmation of filing which may be issued by the Registrar pursuant to subsection 193(11) of the ABCA;
- (m) "COGPE" means Cumulative Canadian oil and gas property expense as defined in the Tax Act;
- (n) "Court" means the Court of Queen's Bench of Alberta;

- (o) **"Depository"** means Valiant Trust Company or such other company as may be designated by Harvest and Viking;
- (p) **"Designated Beneficiaries"** means a designated beneficiary as defined in the Tax Act;
- (q) **"Dissenting Securityholders"** means registered holders of Harvest Securities and registered holders of Viking Units who validly exercise the rights of dissent with respect to the Arrangement provided to them under the Interim Order and whose dissent rights remain valid immediately before the Effective Time;
- (r) **"Effective Date"** means the date the Arrangement is effective under the ABCA;
- (s) **"Effective Time"** means 12:01 a.m. (Calgary time) on the Effective Date;
- (t) **"EHT"** means the Erik Holdings Trust, a trust created under the laws of the Province of Alberta and a wholly-owned Subsidiary of Viking;
- (u) **"EHT Assumed Liabilities"** means all of the liabilities and obligations of EHT, whether or not reflected on the books of EHT;
- (v) **"EHT CRP Transfer Note"** means a note in an amount equal to the total of the COGPE, CDE and CEE balances of EHT immediately prior to the EHT First Resource Property Conveyance;
- (w) **"EHT First Resource Properties"** means the oil and natural gas assets (excluding EHT Tangible Assets) of EHT having a fair market value equal to the EHT CRP Transfer Note plus \$1.00;
- (x) **"EHT First Resource Property Conveyance"** means the conveyance of the EHT First Resource Properties to VHI in exchange for the EHT CRP Transfer Note and VHI Preferred Shares Series 1 for the balance of the consideration pursuant to the EHT First Resource Property Conveyance Agreement;
- (y) **"EHT First Resource Property Conveyance Agreement"** means the conveyance agreement between EHT and VHI to be dated the Effective Date effecting the EHT First Resource Property Conveyance;
- (z) **"EHT Note"** means the promissory note in the principal amount of \$71 million issued by EHT to VHT;
- (aa) **"EHT NPI #1"** means the 99% net profit interest in the EHT First Resources Properties granted by VHI to EHT;
- (bb) **"EHT NPI #2"** means the 99% net profit interest in the EHT Second Resources Properties granted by VHI to EHT;
- (cc) **"EHT Other Assets"** means the assets of EHT other than the EHT First Resource Properties, the EHT Second Resource Properties and the EHT Tangible Assets;
- (dd) **"EHT Other Asset Conveyance"** means the conveyance of the EHT Other Assets to Viking, and the assumption of the EHT Assumed Liabilities by Viking, in exchange for

that number of Viking Units having a value equal to the fair market value of the EHT Other Assets less the EHT Assumed Liabilities pursuant to the EHT Other Asset Conveyance Agreement;

- (ee) **"EHT Other Asset Conveyance Agreement"** means the conveyance agreement between EHT and Viking to be dated the Effective Date effecting the EHT Other Asset Conveyance;
- (ff) **"EHT Preferred Units"** means the preferred units of EHT;
- (gg) **"EHT Second Resource Properties"** means all of the oil and natural gas assets (excluding EHT First Resources Properties and EHT Tangible Assets) of EHT;
- (hh) **"EHT Second Resource Property Conveyance"** means the conveyance of the EHT Second Resource Properties to VHI in exchange for the EHT NPI #2 and VHI Preferred Shares Series 2 pursuant to the EHT Second Resource Property Conveyance Agreement;
- (ii) **"EHT Second Resource Property Conveyance Agreement"** means the conveyance agreement between EHT and VHI to be dated the Effective Date effecting the EHT Second Resource Property Conveyance;
- (jj) **"EHT Tangible Assets"** means the tangible assets of EHT;
- (kk) **"EHT Tangible Conveyance"** means the conveyance of the EHT Tangible Assets to VHI in exchange for the EHT Tangible Transfer Note and VHI Preferred Shares Series 3 pursuant to the EHT Tangible Conveyance Agreement;
- (ll) **"EHT Tangible Conveyance Agreement"** means the conveyance agreement between EHT and VHI to be dated the Effective Date effecting the EHT Tangible Conveyance;
- (mm) **"EHT Tangible Transfer Note"** means a note in an amount equal to the UCC balance of EHT immediately prior to the EHT Tangible Conveyance;
- (nn) **"EHT Units"** means the trust units of EHT;
- (oo) **"Final Order"** means the order of the Court approving this Arrangement pursuant to Subsection 193(9) of the ABCA in respect of the Harvest Securityholders, the Viking Unitholders, the Harvest Arrangement Parties, the Viking Arrangement Parties and MFCorp., as such order may be affirmed, amended or modified by any court of competent jurisdiction;
- (pp) **"Harvest"** means Harvest Energy Trust, a trust organized under the laws of the Province of Alberta;
- (qq) **"Harvest Arrangement Parties"** means Harvest, HST and Operations;
- (rr) **"Harvest Exchangeable Shareholders"** means the holders from time to time of Harvest Exchangeable Shares;
- (ss) **"Harvest Exchangeable Shares"** means the Exchangeable Shares, Series 1 of Operations;

- (tt) **"Harvest ExchangeCo"** means Harvest ExchangeCo Inc., a corporation incorporated under the ABCA;
- (uu) **"Harvest ExchangeCo Shares"** means the common shares of Harvest ExchangeCo;
- (vv) **"Harvest Meeting"** means the special meeting of Harvest Securityholders to be held to consider the Arrangement Resolution and related matters, and any adjournment thereof;
- (ww) **"Harvest Securities"** means, collectively, the Harvest Units and the Harvest Exchangeable Shares;
- (xx) **"Harvest Securityholders"** means, collectively, the Harvest Unitholders and the Harvest Exchangeable Shareholders;
- (yy) **"Harvest Special Units"** means the special trust units of Harvest;
- (zz) **"Harvest Trust Indenture"** means Harvest's trust indenture dated as of July 10, 2002, as amended, between Operations and Valiant Trust Company;
- (aaa) **"Harvest Unitholders"** means the holders from time to time of Harvest Units;
- (bbb) **"Harvest Units"** means the trust units of Harvest;
- (ccc) **"HST"** means Harvest Sask Energy Trust, a trust organized under the laws of the Province of Alberta;
- (ddd) **"HST Assumed Liabilities"** means all of the liabilities and obligations of HST, whether or not reflected on the books of HST;
- (eee) **"HST CRP Transfer Note"** means a note in an amount equal to the COGPE, CDE and CEE balances of HST immediately prior to the HST First Resource Property Conveyance;
- (fff) **"HST First Resource Properties"** means the oil and natural gas assets (excluding HST Tangible Assets) of HST having a fair market value equal to the HST CRP Transfer Note plus \$1.00;
- (ggg) **"HST First Resource Property Conveyance"** means the conveyance of the HST First Resource Properties to Operations in exchange for the HST CRP Transfer Note and Operations Preferred Shares Series 1 for the balance of the consideration pursuant to the HST First Resource Property Conveyance Agreement;
- (hhh) **"HST First Resource Property Conveyance Agreement"** means the conveyance agreement between HST and Operations to be dated the Effective Date effecting the HST First Resource Property Conveyance;
- (iii) **"HST NPI #1"** means the 99% net profit interest in the HST First Resources Properties granted by Operations to HST;
- (jjj) **"HST NPI #2"** means the 99% net profit interest in the HST Second Resources Properties granted by Operations to HST;

- (kkk) **"HST Other Assets"** means the assets of HST other than the HST First Resource Properties, the HST Second Resource Properties and the HST Tangible Assets including, for greater certainty, the HST NPI #1 and the HST NPI #2;
- (lll) **"HST Other Asset Conveyance"** means the conveyance of the HST Other Assets to Harvest, and the assumption of the HST Assumed Liabilities by Harvest, in exchange for that number of Harvest Units having a value equal to the fair market value of the HST Other Assets less the HST Assumed Liabilities pursuant to the HST Other Asset Conveyance Agreement;
- (mmm) **"HST Other Asset Conveyance Agreement"** means the conveyance agreement between HST and Harvest to be dated the Effective Date effecting the HST Other Asset Conveyance;
- (nnn) **"HST Preferred Units"** means the preferred trust units of HST;
- (ooo) **"HST Second Resource Properties"** means all of the oil and natural gas assets (excluding HST First Resources Properties and HST Tangible Assets) of HST;
- (ppp) **"HST Second Resource Property Conveyance"** means the conveyance of the HST Second Resource Properties to Operations in exchange for the HST NPI #2 and Operations Preferred Shares Series 2 pursuant to the HST Second Resource Property Conveyance Agreement;
- (qqq) **"HST Second Resource Property Conveyance Agreement"** means the conveyance agreement between HST and Operations to be dated the Effective Date effecting the HST Second Resource Property Conveyance;
- (rrr) **"HST Tangible Assets"** means all of the tangible assets of HST;
- (sss) **"HST Tangible Conveyance"** means the conveyance of the HST Tangible Assets to Operations in exchange for the HST Tangible Transfer Note and Operations Preferred Shares Series 3 pursuant to the HST Tangible Conveyance Agreement;
- (ttt) **"HST Tangible Conveyance Agreement"** means the conveyance agreement between HST and Operations to be dated the Effective Date effecting the HST Tangible Conveyance;
- (uuu) **"HST Tangible Transfer Note"** means a note in an amount equal to the UCC balance of HST immediately prior to the HST Tangible Conveyance;
- (vvv) **"HST Units"** means the common trust units of HST;
- (www) **"HST Unitholders"** means holders from time to time of HST Units or HST Preferred Units;
- (xxx) **Interim Order** means the interim order of the Court under subsection 193(4) of the ABCA containing declarations and directions with respect to this Arrangement, as such order may be affirmed, amended or modified by any court of competent jurisdiction;
- (yyy) **"Krang"** means Krang Energy Inc., a corporation incorporated under the ABCA;

- (zzz) **"Krang Shares"** means the common shares of Krang;
- (aaaa) **"Letters of Transmittal"** means the letters of transmittal accompanying the information circular sent to the Harvest Exchangeable Shareholders and the Viking Securityholders pursuant to which such holders are required to deliver certificates representing Harvest Exchangeable Shares and Viking Securities in order to receive the consideration payable to them pursuant to the Arrangement;
- (bbbb) **"Meeting"** means either the Harvest Meeting or the Viking Meeting, as the context requires;
- (cccc) **"MFCorp"** means 1206582 Alberta Ltd., a corporation incorporated under the ABCA;
- (dddd) **"MFCorp Assets"** means all of the property, assets and undertaking of MFCorp of whatsoever nature or kind, present and future, and wheresoever located, including, for greater certainty, the Harvest Special Units and Harvest Exchangeable Shares (other than \$10.00);
- (eeee) **"MFCorp Assumed Liabilities"** means all of the liabilities and obligations of MFCorp, whether or not reflected on the books of MFCorp;
- (ffff) **"MFCorp Shares"** means common shares of MFCorp;
- (gggg) **"MFCorp Special Shares"** means special shares of MFCorp;
- (hhhh) **"Non-Resident"** means: (i) a person who is not a resident of Canada for the purposes of the Tax Act; or (ii) a partnership that is not a Canadian partnership for the purposes of the Tax Act;
- (iiii) **"Olaf"** means Olaf Energy Limited Partnership, a limited partnership organized under the laws of the Province of Alberta;
- (jjjj) **"Olaf NPI #1"** means the net profits interest granted by Olaf to Viking;
- (kkkk) **"Olaf NPI #1 Conveyance"** means the conveyance by Viking of the Olaf NPI #1 to Olaf in exchange for the units of Olaf pursuant to the Olaf NPI #1 Conveyance Agreement;
- (llll) **"Olaf NPI #1 Conveyance Agreement"** means the conveyance agreement between Viking and Olaf to be dated the Effective Date effecting the Olaf NPI #1 Conveyance;
- (mmmm) **"Olaf NPI #2"** means the net profits interest granted by Olaf to VHT;
- (nnnn) **"Olaf NPI #2 Conveyance"** means the conveyance by VHT of the Olaf NPI #2 to Olaf in exchange for the units of Olaf pursuant to the Olaf NPI #2 Conveyance Agreement;
- (oooo) **"Olaf NPI #2 Conveyance Agreement"** means the conveyance agreement between VHT and Olaf to be dated the Effective Date effecting the Olaf NPI #2 Conveyance;
- (pppp) **"Olaf Unit Conveyance"** means the conveyance by Viking of the units of Olaf received by Viking pursuant to the Olaf NPI #1 Conveyance to EHT for no consideration pursuant to the Olaf Unit Conveyance Agreement;

- (qqqq) **"Olaf Unit Conveyance Agreement"** means the conveyance agreement between Viking and Olaf to be dated the Effective Date effecting the Olaf Unit Conveyance;
- (rrrr) **"Operations"** means Harvest Operations Corp., a corporation amalgamated under the ABCA;
- (ssss) **"Operations Common Shares"** means the common shares of Operations;
- (tttt) **"Operations Preferred Shares Series 1"** means the Preferred Shares, Series 1 of Operations;
- (uuuu) **"Operations Preferred Shares Series 2"** means the Preferred Shares, Series 2 of Operations;
- (vvvv) **"Operations Preferred Shares Series 3"** means the Preferred Shares, Series 3 of Operations;
- (wwww) **"Property Swap Conveyance"** means the exchange of certain oil and natural gas assets (including related tangibles) among VHI, EHT and VHT pursuant to the Property Swap Conveyance Agreement;
- (xxxx) **"Property Swap Conveyance Agreement"** means the conveyance agreement among VHI, EHT and VHT to be dated the Effective Date effecting the Property Swap Conveyance;
- (yyyy) **"Registrar"** means the Registrar appointed under Section 263 of the ABCA;
- (zzzz) **"Resident"** means a person who is not a Non-Resident;
- (aaaa) **"Securities"** means the Harvest Securities and/or Viking Units, as the case may be;
- (bbbb) **"Securityholders"** means the holders from time to time of Harvest Securities and/or Viking Units, as the case may be;
- (cccc) **"UCC"** means "undepreciated capital cost" as defined in the Tax Act, in respect of all classes of properties;
- (dddd) **"VHI"** means Viking Holdings Inc., a corporation amalgamated under the ABCA;
- (eeee) **"VHI Common Shares"** means the common shares of VHI;
- (ffff) **"VHI Note"** means the promissory note in the principal amount of \$217 million issued by VHI to VHT;
- (gggg) **"VHI Preferred Shares Series 1"** means the Class E Preferred Shares, Series 1 of VHI;
- (hhhh) **"VHI Preferred Shares Series 2"** means the Class E Preferred Shares, Series 2 of VHI;
- (iiii) **"VHI Preferred Shares Series 3"** means the Class E Preferred Shares, Series 3 of VHI;
- (jjjj) **"VHI Preferred Shares Series 4"** means the Class E Preferred Shares, Series 4 of VHI;

- (kkkkk) **"VHI Preferred Shares Series 5"** means the Class E Preferred Shares, Series 5 of VHI;
- (lllll) **"VHI Preferred Shares Series 6"** means the Class E Preferred Shares, Series 6 of VHI;
- (mmmmm) **"VHT"** means the Viking Holdings Trust, a trust created under the laws of the Province of Alberta and a wholly-owned Subsidiary of Viking;
- (nnnnn) **"VHT Assumed Liabilities"** means all of the liabilities and obligations of VHT, whether or not reflected on the books of VHT;
- (ooooo) **"VHT CRP Transfer Note"** means a note in an amount equal to the COGPE, CDE and CEE balances of VHT immediately prior to the VHT First Resource Property Conveyance;
- (ppppp) **"VHT First Resource Properties"** means the oil and natural gas assets (excluding VHT Tangible Assets) of VHT having a fair market value equal to the VHT CRP Transfer Note plus \$1.00;
- (qqqqq) **"VHT First Resource Property Conveyance"** means the conveyance of the VHT First Resource Properties to VHI in exchange for the VHT CRP Transfer Note and VHI Preferred Shares Series 4 for the balance of the consideration pursuant to the VHT First Resource Property Conveyance Agreement;
- (rrrrr) **"VHT First Resource Property Conveyance Agreement"** means the conveyance agreement between VHT and VHI to be dated the Effective Date effecting the EHT First Resource Property Conveyance;
- (sssss) **"VHT NPI #1"** means the 99% net profit interest in the VHT First Resources Properties granted by VHI to VHT;
- (ttttt) **"VHT NPI #2"** means the 99% net profit interest in the VHT Second Resources Properties granted by VHI to VHT;
- (uuuuu) **"VHT Note"** means the promissory note in the principal amount of \$649 million issued by VHT to Viking;
- (vvvvv) **"VHT Other Assets"** means the assets of VHT other than the VHT First Resource Properties, the VHT Second Resource Properties and the VHT Tangible Assets;
- (wwwww) **"VHT Other Asset Conveyance"** means the conveyance of the VHT Other Assets to Viking, and the assumption of the VHT Assumed Liabilities by Viking, in exchange for that number of Viking Units having a value equal to the fair market value of the VHT Other Assets less the VHT Assumed Liabilities pursuant to the VHT Other Asset Conveyance Agreement;
- (xxxxx) **"VHT Other Asset Conveyance Agreement"** means the conveyance agreement between VHT and Viking to be dated the Effective Date effecting the VHT Other Asset Conveyance;
- (yyyyy) **"VHT Preferred Units"** means the preferred units of VHT;

- (zzzzz) **"VHT Second Resource Properties"** means all of the oil and natural gas assets (excluding VHT First Resources Properties and VHT Tangible Assets) of VHT;
- (aaaaaa) **"VHT Second Resource Property Conveyance"** means the conveyance of the VHT Second Resource Properties to VHI in exchange for the VHT NPI #2 and VHI Preferred Shares Series 5 pursuant to the VHT Second Resource Property Conveyance Agreement;
- (bbbbbb) **"VHT Second Resource Property Conveyance Agreement"** means the conveyance agreement between VHT and VHI to be dated the Effective Date effecting the VHT Second Resource Property Conveyance;
- (ccccc) **"VHT Tangible Assets"** means the tangible assets of VHT;
- (dddddd) **"VHT Tangible Conveyance"** means the conveyance of the VHT Tangible Assets to VHI in exchange for the VHT Tangible Transfer Note and VHI Preferred Shares Series 6 pursuant to the VHT Tangible Conveyance Agreement;
- (eeeeee) **"VHT Tangible Conveyance Agreement"** means the conveyance agreement between VHT and VHI to be dated the Effective Date effecting the VHT Tangible Conveyance;
- (ffffff) **"VHT Tangible Transfer Note"** means a note in an amount equal to the UCC balance of VHT immediately prior to the VHT Tangible Conveyance;
- (gggggg) **"VHT Units"** means the trust units of VHT;
- (hhhhh) **"Viking"** means Viking Energy Royalty Trust, a trust organized under the laws of the Province of Alberta;
- (iiiiii) **"Viking 10.5% Debentures"** means the 10.5% convertible unsecured subordinated debentures of Viking issued on January 15, 2003 pursuant to the Viking Debenture Indenture;
- (jjjjj) **"Viking 6.4% Debentures"** means the 6.4% convertible unsecured subordinated debentures of Viking issued on October 20, 2005 pursuant to the Viking Debenture Indenture;
- (kkkkkk) **"Viking Arrangement Parties"** means Viking, VHI, EHT, VHT and Olaf;
- (llllll) **"Viking Assets"** means all of the property, assets and undertaking of Viking of whatsoever nature or kind, present and future, and wheresoever located, including the shares, units, notes, royalties or other interests in the capital of or granted by Viking's direct Subsidiaries and any rights to purchase assets, properties or undertakings of third parties under agreements to purchase that have not yet closed, if any, and whether or not reflected on the books of Viking (other than one (1) Harvest Unit), but excluding, in all cases, an amount that Viking may be required to pay to Dissenting Unitholders pursuant to Article 4 hereof;
- (mmmmm) **"Viking Assumed Liabilities"** means all of the liabilities and obligations of Viking, whether or not reflected on the books of Viking including, for greater certainty, the Viking 10.5% Debentures and the Viking 6.4% Debentures, but excluding, in all cases,

an amount that Viking may be required to pay to Dissenting Unitholders pursuant to Article 4 hereof;

- (nnnnnn) **"Viking Debenture Indenture"** means the trust indenture dated January 15, 2003 between Viking and the Viking Debenture Trustee governing the terms and conditions of the Viking 10.5% Debentures together with the first supplemental trust indenture dated October 20, 2005 governing the terms and conditions of the Viking 6.4% Debentures;
- (oooooo) **"Viking Debenture Trustee"** means Computershare Trust Company of Canada;
- (pppppp) **"Viking Meeting"** means the special meeting of Viking Unitholders to be held to consider the Arrangement Resolution and related matters, and any adjournment thereof;
- (qqqqqq) **"Viking Trust Indenture"** means Viking's amended and restated trust indenture dated as of July 1, 2003 between VHI and Computershare Trust Company of Canada;
- (rrrrrr) **"Viking Unitholders"** means the holders from time to time of Viking Units;
- (ssssss) **"Viking Units"** means the trust units of Viking;
- (tttttt) **"Subsidiary"** means, with respect to any Person, a subsidiary (as that term is defined in the ABCA (for such purposes, if such person is not a corporation, as if such person were a corporation)) of such Person and includes any limited partnership, joint venture, trust, limited liability company, unlimited liability company or other entity, whether or not having legal status, that would constitute a subsidiary (as described above) if such entity were a corporation; and
- (uuuuuu) **"Tax Act"** means the *Income Tax Act* (Canada), R.S.C. 1985, c. 1 (5th Supp.), as amended, including the regulations promulgated thereunder, as amended from time to time.

1.2 The division of this Plan of Arrangement into articles and sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Plan of Arrangement.

1.3 Unless reference is specifically made to some other document or instrument, all references herein to articles and sections are to articles and sections of this Plan of Arrangement.

1.4 Unless the context otherwise requires, words importing the singular number shall include the plural and vice versa; words importing any gender shall include all genders; and words importing persons shall include individuals, partnerships, associations, corporations, funds, unincorporated organizations, governments, regulatory authorities, and other entities.

1.5 In the event that the date on which any action is required to be taken hereunder by any of the parties is not a Business Day in the place where the action is required to be taken, such action shall be required to be taken on the next succeeding day which is a Business Day in such place.

1.6 References in this Plan of Arrangement to any statute or sections thereof shall include such statute as amended or substituted and any regulations promulgated thereunder from time to time in effect.

ARTICLE 2 ARRANGEMENT AGREEMENT

2.1 This Plan of Arrangement is made pursuant to the Arrangement Agreement.

2.2 This Plan of Arrangement, upon the filing of the Articles of Arrangement and the issue of the Certificate, if any, shall become effective on, and be binding on and after, the Effective Time on: (i) Harvest Securityholders; (ii) Viking Unitholders; (iii) the Harvest Arrangement Parties; (iv) the Viking Arrangement Parties; and (v) MFCorp.

2.3 The Articles of Arrangement and Certificate shall be filed and issued, respectively, with respect to this Arrangement in its entirety. The Certificate shall be conclusive evidence that the Arrangement has become effective and that each of the provisions of Article 3 has become effective in the sequence and at the times set out therein. If no Certificate is required to be issued by the Registrar pursuant to subsection 193(11) of the ABCA, the Arrangement shall become effective on the date the Articles of Arrangement are filed with the Registrar pursuant to subsection 193(10) of the ABCA.

ARTICLE 3 ARRANGEMENT

3.1 Commencing at the Effective Time, each of the events set out below shall occur and shall be deemed to occur in the following order without any further act or formality except as otherwise provided herein:

Amendments to the Trust Indentures and Other Constatting Documents

- (a) the Harvest Trust Indenture and other constating documents of the Harvest Arrangement Parties shall be amended:
 - (i) by creating the Harvest Special Units;
 - (ii) by creating the HST Preferred Units;
 - (iii) by creating the Operations Preferred Shares Series 1, Operations Preferred Shares Series 2 and Operations Preferred Shares Series 3; and
 - (iv) otherwise to the extent necessary to facilitate the Arrangement;
- (b) the Viking Trust Indenture and other constating documents of the Viking Arrangement Parties shall be amended:
 - (i) by creating the VHI Preferred Shares Series 1, the VHI Preferred Shares Series 2, the VHI Preferred Shares Series 3, VHI Preferred Shares Series 4, the VHI Preferred Shares Series 5 and the VHI Preferred Shares Series 6,
 - (ii) to cause 99% of the Viking Units held by each Viking Unitholder to be exchanged, as of the Effective Date in accordance with the terms of this Plan of Arrangement, for MFCorp Special Shares on the basis of 1.000 MFCorp Special Share for each Viking Unit pursuant to subsection 3.1(ccc) of this Plan of Arrangement;

- (iii) to cause 1% of the Viking Units held by each Viking Unitholder to be exchanged, as of the Effective Date in accordance with the terms of this Plan of Arrangement, for Harvest Units on the basis of 1.0000 Harvest Unit for each 4.0000 Viking Units pursuant to subsection 3.1(fff) of this Plan of Arrangement;
- (iv) to cause the MFCorp Special Shares received by Viking Unitholders pursuant to subsection 3.1(ccc) of this Plan of Arrangement to be exchanged, as of the Effective Date in accordance with the terms of this Plan of Arrangement, for Harvest Units upon the redemption of the MFCorp Special Shares pursuant to subsection 3.1(iii) of this Plan of Arrangement on the basis of 1.000 Harvest Unit for each 4.000 MFCorp Special Shares; and
- (v) otherwise to the extent necessary to facilitate the Arrangement;

Dissenting Securityholders

- (c) the Harvest Units held by Dissenting Securityholders shall be deemed to have been transferred to Harvest (free of any claims) and such Dissenting Securityholders shall cease to have any rights as Harvest Unitholders other than the right to be paid the fair value of their Harvest Units in accordance with Article 4;
- (d) the Harvest Exchangeable Shares held by Dissenting Securityholders shall be deemed to have been transferred to Harvest (free of any claims) and such Dissenting Securityholders shall cease to have any rights as Harvest Exchangeable Shareholders other than the right to be paid the fair value of their Harvest Exchangeable Shares in accordance with Article 4;
- (e) the Viking Units held by Dissenting Securityholders shall be deemed to have been transferred to Viking (free of any claims) and such Dissenting Securityholders shall cease to have any rights as Viking Unitholders other than the right to be paid the fair value of their Viking Units in accordance with Article 4;

HST Transactions

HST Asset Transfer

- (f) the HST First Resource Property Conveyance shall become effective and the HST First Resource Properties shall be transferred by HST to Operations and Operations shall issue the HST CRP Transfer Note and the Operations Preferred Shares Series 1 to HST in satisfaction of the purchase price for the HST First Resource Properties pursuant to the HST First Resource Property Conveyance Agreement;
- (g) Operations shall grant the HST NPI #1 to HST for consideration of \$10.00;
- (h) the HST Second Resource Property Conveyance shall become effective and the HST Second Resource Properties shall be transferred by HST to Operations and Operations shall issue the HST NPI #2 and the Operations Preferred Shares Series 2 to HST in satisfaction of the purchase price for the HST Second Resource Properties pursuant to the HST Second Resource Property Conveyance Agreement;

- (i) the HST Tangible Conveyance shall become effective and the HST Tangible Assets shall be transferred by HST to Operations and Operations shall issue the HST Tangible Asset Transfer Note and the Operations Preferred Shares Series 3 to HST in satisfaction of the purchase price for the HST Tangible Assets pursuant to the HST Tangible Asset Conveyance Agreement;

HST Conversion to a Mutual Fund Trust

- (j) the trust indenture governing HST shall be amended by creating the HST Preferred Units;
- (k) Harvest shall subscribe for that number of HST Preferred Units of HST necessary for Harvest to satisfy its obligations under Subsection 3.1(l) for aggregate subscription proceeds of \$1 million;
- (l) Harvest shall distribute all of the HST Preferred Units to Harvest Unitholders who are not Designated Beneficiaries on the basis of one (1) HST Preferred Unit for each one (1) Harvest Unit held;

HST Qualifying Exchange with Harvest

- (m) HST will transfer to Harvest the HST CRP Transfer Note and the HST Tangible Asset Transfer Note in partial satisfaction of the amounts owing by HST to Harvest;
- (n) Harvest shall subscribe for that number of HST Units having an aggregate subscription amount equal to any remaining amounts owing by HST to Harvest in full satisfaction of any such remaining indebtedness;
- (o) the HST Other Asset Conveyance shall become effective and the HST Other Assets shall be transferred by HST to Harvest and Harvest shall issue and deliver to HST that number of Harvest Units having a value equal to the fair market value of the HST Other Assets less the HST Assumed Liabilities in satisfaction of the purchase price for the HST Other Assets pursuant to the HST Other Asset Conveyance Agreement;
- (p) Harvest shall subscribe for one (1) HST Unit for \$10.00;
- (q) HST shall redeem all of the issued and outstanding HST Preferred Units and HST Units (other than the one (1) HST Unit subscribed for by Harvest pursuant to Subsection 3.1(p)) in exchange for Harvest Units and HST shall distribute the Harvest Units to the HST Unitholders on a pro rata basis based on the fair market value of the HST Preferred Units and the HST Units surrendered;
- (r) all of the Harvest Units received by Harvest pursuant to subsection 3.1(q) shall be cancelled;
- (s) immediately after the pro rata distribution of Harvest Units to HST Unitholders who are not Designated Beneficiaries pursuant to Subsection 3.1(q), the number of outstanding Harvest Units held by such unitholders will be consolidated such that each Harvest Unitholder will hold after the consolidation the same number of Harvest Units as the Harvest Unitholder held before the distribution of additional Harvest Units. In such case, each Harvest Unit certificate representing a number of Harvest Units prior to the

distribution of additional Harvest Units is deemed to represent the same number of Harvest Units after the distribution of additional Harvest Units and the consolidation;

Viking Entity Transactions

Debt Matters

- (t) VHT shall assign and transfer its interest in:
 - (i) the VHI Note; and
 - (ii) the EHT Note,
 to Viking in partial satisfaction of the amount owing by VHT to Viking pursuant to the VHT Note;

Royalty Matters

- (u) the Olaf NPI #1 Conveyance shall become effective and the Olaf NPI #1 shall be transferred by Viking to Olaf in exchange for units of Olaf pursuant to the Olaf NPI #1 Conveyance Agreement;
- (v) the Olaf Unit Conveyance shall become effective and the Olaf Units received by Viking pursuant to the Olaf NPI #1 Conveyance shall be transferred by Viking to EHT for no consideration pursuant to the Olaf Unit Conveyance Agreement;
- (w) the Olaf NPI #2 Conveyance shall become effective and the Olaf NPI #2 shall be transferred by VHT to Olaf in exchange for units of Olaf pursuant to the Olaf NPI #2 Conveyance Agreement;

Dissolution of Olaf

- (x) Olaf shall be dissolved in accordance with the following:
 - (i) all of the property of Olaf shall be distributed to the partners of Olaf in accordance with their respective partnership interests immediately prior to the dissolution;
 - (ii) the partners of Olaf shall be liable for all of the obligations of Olaf in accordance with their respective partnership interests immediately prior to the dissolution;
 - (iii) the Property Swap Conveyance shall become effective and certain oil and natural gas assets (including related tangibles) will be exchanged among VHI, EHT and VHT pursuant to the Property Swap Conveyance Agreement;

EHT Asset Transfer

- (y) the EHT First Resource Property Conveyance shall become effective and the EHT First Resource Properties shall be transferred by EHT to VHI and VHI shall issue the EHT CRP Transfer Note and the VHI Preferred Shares Series 1 to EHT in satisfaction of the purchase price for the EHT First Resource Properties pursuant to the EHT First Resource Property Conveyance Agreement;

- (z) VHI shall grant the EHT NPI #1 to EHT for consideration of \$10.00;
- (aa) the EHT Second Resource Property Conveyance shall become effective and the EHT Second Resource Properties shall be transferred by EHT to VHI and VHI shall issue the EHT NPI #2 and the VHI Preferred Shares Series 2 to EHT in satisfaction of the purchase price for the EHT Second Resource Properties pursuant to the EHT Second Resource Property Conveyance Agreement;
- (bb) the EHT Tangible Conveyance shall become effective and the EHT Tangible Assets shall be transferred by EHT to VHI and VHI shall issue the EHT Tangible Transfer Note and the VHI Preferred Shares Series 3 to EHT in satisfaction of the purchase price for the EHT Tangible Assets pursuant to the EHT Tangible Conveyance Agreement;

VHT Asset Transfer

- (cc) the VHT First Resource Property Conveyance shall become effective and the VHT First Resource Properties shall be transferred by VHT to VHI and VHI shall issue the VHT CRP Transfer Note and the VHI Preferred Shares Series 4 to VHT in satisfaction of the purchase price for the VHT First Resource Properties pursuant to the VHT First Resource Property Conveyance Agreement;
- (dd) VHI shall grant the VHT NPI #1 to VHT for consideration of \$10.00;
- (ee) the VHT Second Resource Property Conveyance shall become effective and the VHT Second Resource Properties shall be transferred by VHT to VHI and VHI shall issue the VHT NPI #2 and the VHI Preferred Shares Series 5 to VHT in satisfaction of the purchase price for the VHT Second Resource Properties pursuant to the VHT Second Resource Property Conveyance Agreement;
- (ff) the VHT Tangible Conveyance shall become effective and the VHT Tangible Assets shall be transferred by VHT to VHI and VHI shall issue the VHT Tangible Transfer Note and the VHI Preferred Shares Series 6 to VHT in satisfaction of the purchase price for the VHT Tangible Assets pursuant to the VHT Tangible Conveyance Agreement;

EHT Conversion to a Mutual Fund Trust

- (gg) the trust indenture governing EHT shall be amended by creating the EHT Preferred Units;
- (hh) Viking shall subscribe for that number of EHT Preferred Units of EHT necessary for Viking to satisfy its obligations under Subsection 3.1(ii) for aggregate subscription proceeds of \$1 million;
- (ii) Viking shall distribute all of the EHT Preferred Units to Viking Unitholders who are not Designated Beneficiaries on the basis of one (1) EHT Preferred Unit for each one (1) Viking Unit held;

EHT Qualifying Exchange with Viking

- (jj) EHT will transfer to Viking the EHT CRP Transfer Note and the EHT Tangible Transfer Note in partial satisfaction of the amounts owing by EHT to Viking;

- (kk) Viking shall subscribe for that number of EHT Units having an aggregate subscription amount equal to any remaining amounts owing by EHT to Viking in full satisfaction of any such remaining indebtedness;
- (ll) the EHT Other Asset Conveyance shall become effective and the EHT Other Assets shall be transferred by EHT to Viking and Viking shall issue and deliver to EHT that number of Viking Units having a value equal to the fair market value of EHT Other Assets less the EHT Assumed Liabilities in satisfaction of the purchase price for the EHT Other Assets pursuant to the EHT Other Asset Conveyance Agreement;
- (mm) Viking shall subscribe for one (1) EHT Unit for \$10.00;
- (nn) EHT shall redeem all of the issued and outstanding EHT Preferred Units and EHT Units (other than the one (1) EHT Trust Unit subscribed for by Viking pursuant to Subsection 3.1(mm)) in exchange for Viking Units and EHT shall distribute the Viking Units to the EHT Unitholders on a pro rata basis based on the fair market value of the EHT Preferred Units and the EHT Trust Units surrendered;
- (oo) all of the Viking Units received by Viking pursuant to subsection 3.1(nn) shall be cancelled;
- (pp) immediately after the pro rata distribution of Viking Units to EHT Unitholders who are not Designated Beneficiaries pursuant to Subsection 3.1(nn), the number of outstanding Viking Units held by such unitholders will be consolidated such that each Viking Unitholder will hold after the consolidation the same number of Viking Units as the Viking Unitholder held before the distribution of additional Viking Units. In such case, each Viking Unit certificate representing a number of Viking Units prior to the distribution of additional Viking Units is deemed to represent the same number of Viking Units after the distribution of additional Viking Units and the consolidation;

VHT Conversion to a Mutual Fund Trust

- (qq) the trust indenture governing VHT shall be amended by creating the VHT Preferred Units;
- (rr) Viking shall subscribe for that number of VHT Preferred Units of VHT necessary for Viking to satisfy its obligations under Subsection 3.1(ss) for aggregate subscription proceeds of \$1 million;
- (ss) Viking shall distribute all of the VHT Preferred Units to Viking Unitholders who are not Designated Beneficiaries on the basis of one (1) VHT Preferred Unit for each one (1) Viking Unit held;

VHT Qualifying Exchange with Viking

- (tt) VHT will transfer to Viking the VHT CRP Transfer Note and the VHT Tangible Transfer Note in partial satisfaction of the amounts owing by VHT to Viking;
- (uu) Viking shall subscribe for that number of VHT Units having an aggregate subscription amount equal to any remaining amounts owing by VHT to Viking in full satisfaction of any such remaining indebtedness;

- (vv) the VHT Other Asset Conveyance shall become effective and the VHT Other Assets shall be transferred by VHT to Viking and Viking shall issue and deliver to VHT that number of Viking Units having a value equal to the fair market value of VHT Other Assets less the VHT Assumed Liabilities in satisfaction of the purchase price for the VHT Other Assets pursuant to the VHT Other Asset Conveyance Agreement;
- (ww) Viking shall subscribe for one (1) VHT Unit for \$10.00;
- (xx) VHT shall redeem all of the issued and outstanding VHT Preferred Units and VHT Units (other than the one (1) VHT Trust Unit subscribed for by Viking pursuant to Subsection 3.1(ww)) in exchange for Viking Units and VHT shall distribute the Viking Units to the VHT Unitholders on a pro rata basis based on the fair market value of the VHT Preferred Units and the VHT Trust Units surrendered;
- (yy) all of the Viking Units received by Viking pursuant to subsection 3.1(xx) shall be cancelled;
- (zz) immediately after the pro rata distribution of Viking Units to VHT Unitholders who are not Designated Beneficiaries pursuant to Subsection 3.1(xx), the number of outstanding Viking Units held by such unitholders will be consolidated such that each Viking Unitholder will hold after the consolidation the same number of Viking Units as the Viking Unitholder held before the distribution of additional Viking Units. In such case, each Viking Unit certificate representing a number of Viking Units prior to the distribution of additional Viking Units is deemed to represent the same number of Viking Units after the distribution of additional Viking Units and the consolidation;

Harvest Purchase of Viking Assets

- (aaa) Viking shall sell, transfer, convey, assign and deliver to Harvest and Harvest shall purchase and accept from Viking, all of the Viking Assets and Harvest shall (i) assume and become liable to pay, satisfy, discharge and observe, perform and fulfill the Viking Assumed Liabilities in accordance with their terms, and (ii) issue to Viking an aggregate number of Harvest Special Units and Harvest Units equal in number to the number of Viking Units outstanding with the allocation between Harvest Special Units and Harvest Units being such that Viking can meet its distribution obligations under Subsection 3.1(ggg);
- (bbb) in connection with the assumption of the Viking Assumed Liabilities by Harvest, Harvest shall assume all the covenants and obligations of Viking under the Viking Debenture Indenture in respect of the Viking 10.5% Debentures and the Viking 6.4% Debentures such that the Viking 10.5% Debentures and the Viking 6.4% Debentures will be valid and binding obligations of Harvest entitling the holders thereof, as against Harvest, to all the rights of the Viking Debentureholders under the Viking Debenture Indenture, and, in connection therewith, shall enter into a supplemental debenture indenture with the Viking Debenture Trustee in accordance with the applicable requirements of the Viking Debenture Indenture and otherwise comply with any additional requirements of the Viking Debenture Indenture relating thereto;

MFCorp Acquisition of Viking Securities and Harvest Exchangeable Shares

- (ccc) Harvest shall subscribe for two (2) MFCorp Shares for \$10.00;

- (ddd) each Viking Unitholder shall transfer ninety-nine (99%) percent of his/her Viking Units to MFCorp in exchange for MFCorp Special Shares on the basis of 1.000 MFCorp Special Share for each Viking Unit transferred;
- (eee) each Harvest Exchangeable Shareholder so electing shall transfer one hundred (100%) percent of his/her Harvest Exchangeable Shares to MFCorp in exchange for MFCorp Special Shares on the basis of 4.0000 MFCorp Special Share for each Harvest Unit that would be issuable if the Harvest Exchangeable Shares transferred were exchanged into Harvest Units in accordance with their terms immediately prior to the Effective Time;
- (fff) Harvest shall subscribe for one (1) Viking Unit in exchange for one (1) Harvest Unit;
- (ggg) Viking shall redeem all of the issued and outstanding Viking Units (other than the one (1) Viking Unit held by Harvest) in exchange for all of the Harvest Special Units and Harvest Units held by Viking and, upon such redemption the Harvest Special Units shall be distributed by Viking to MFCorp on the basis of 1.0000 Harvest Special Unit for each 1.0000 Viking Unit held and the Harvest Units shall be distributed to the remaining Viking Unitholders on the basis of 1.0000 Harvest Unit for each 4.0000 Viking Units held;

Harvest Purchase of MFCorp Assets

- (hhh) MFCorp shall sell, transfer, convey, assign and deliver to Harvest and Harvest shall purchase and accept from MFCorp, all of the MFCorp Assets and Harvest shall (i) assume and become liable to pay, satisfy, discharge and observe, perform and fulfill the MFCorp Assumed Liabilities in accordance with their terms, and (ii) issue to MFCorp an aggregate number of Harvest Units equal in number to one fourth the number of MFCorp Special Shares and the number of MFCorp Shares outstanding;
- (iii) MFCorp shall redeem all of the issued and outstanding MFCorp Shares (other than the MFCorp Shares held by Harvest) and MFCorp Special Shares in exchange for Harvest Units, which shall be distributed to the holders of MFCorp Shares and MFCorp Special Shares on the basis of 1.0000 Harvest Unit for each 1.0000 MFCorp Shares and 1.0000 Harvest Unit for each 4.0000 MFCorp Special Shares;

Exchange of Exchangeable Shares

- (jjj) all of the Harvest Exchangeable Shares held by Harvest shall be exchanged with Operations for that number of common shares of Operations having a value equal to the fair market value of the Harvest Exchangeable Shares so exchanged;

Exchange of VHI Common Shares

- (kkk) all of the VHI Common Shares held by Harvest shall be exchanged with Operations for that number of common shares of Operations having a value equal to the fair market value of the VHI Common Shares so exchanged.

Exchange of Harvest ExchangeCo Shares with Operations

- (lll) all of the Harvest ExchangeCo Shares held by Harvest shall be exchanged with Operations for that number of common shares of Operations having a value equal to the fair market value of the Harvest ExchangeCo Shares so exchanged;

Exchange of Harvest ExchangeCo Shares with VHI

- (mmm) all of the Harvest ExchangeCo Shares held by Operations shall be exchanged with VHI for that number of common shares of VHI having a value equal to the fair market value of the Harvest ExchangeCo Shares so exchanged;

Exchange of Krang and Bjorn Shares

- (nnn) all of the Krang Shares and Bjorn Shares held by VHI shall be exchanged with Harvest ExchangeCo for that number of Harvest ExchangeCo Shares having a value equal to the fair market value of the Krang Shares and Bjorn Shares so exchanged;

Amalgamation of Krang, Bjorn and Harvest ExchangeCo

- (ooo) Krang, Bjorn and Harvest ExchangeCo shall be amalgamated and continued as one corporation, AmalgamationCo, in accordance with the following:
- (i) the stated capital of the common shares of Krang, Bjorn and Harvest ExchangeCo shall be reduced, in each case, to \$1.00 in aggregate immediately prior to the amalgamation;
 - (ii) the articles of Amalgamation shall be the same as the articles of Harvest ExchangeCo and the name of AmalgamationCo shall be "Harvest ExchangeCo Ltd.";
 - (iii) the shares of Krang and Bjorn shall be cancelled without any repayment of capital;
 - (iv) the property of each of the amalgamating corporations shall continue to be the property of AmalgamationCo;
 - (v) AmalgamationCo shall continue to be liable for the obligations of each of the amalgamating corporations;
 - (vi) any existing cause of action, claim or liability to prosecution of each of the amalgamating corporations shall be unaffected;
 - (vii) any civil, criminal or administrative action or proceeding pending by or against each of the amalgamating corporations may be continued to be prosecuted by or against AmalgamationCo;
 - (viii) a conviction against, or ruling, order or judgment in favour of or against, each of the amalgamating corporations may be enforced by or against AmalgamationCo;
 - (ix) the Articles of Amalgamation of AmalgamationCo shall be deemed to be the Articles of Incorporation of AmalgamationCo and the Certificate of Amalgamation of AmalgamationCo shall be deemed to be the Certificate of Incorporation of AmalgamationCo;

- (x) the by-laws of AmalgamationCo shall be the by-laws of Harvest ExchangeCo;
- (xi) the first directors of AmalgamationCo shall be John E. Zahary and Robert Fotheringham;
- (xii) the first officers of AmalgamationCo shall be the officers of Operations; and
- (xiii) the registered office of AmalgamationCo shall be the registered office of Harvest ExchangeCo; and

Election of Operations Directors

- (ppp) the number of directors of Operations shall be increased to 9 members and each of Dale Blue, David Boone and William Friley shall be elected as directors of Operations to hold office until the next annual meeting of shareholders of Operations.

3.2 The Harvest Arranged Parties and Viking Arranged Parties shall make the appropriate entries into their securities registers to reflect the matters referred to under Section 3.1.

3.3 A holder who (i) has exchanged Securities for MFCorp Special Shares under the Arrangement; and (ii) is not a Non-Resident; shall be entitled to make an income tax election, pursuant to subsection 85(1) and 85(2) of the Tax Act as applicable (and the analogous provisions of provincial income tax law) with respect to the exchange by the holder of Securities for MFCorp Special Shares by providing two signed copies of the necessary election forms to Operations within 90 days following the Effective Date, duly completed with the details of the number and type of Securities transferred and the applicable agreed amounts for the purposes of such elections. Thereafter, the election forms will be signed and returned to such former holders of Securities within 30 days after the receipt thereof by Operations for filing with the Canada Revenue Agency (or the applicable provincial taxing authority). Operations will not be responsible for the proper completion and filing of any election form and, except for the obligation of Operations to so sign and return election forms which are received by Operations within 90 days of the Effective Date, Operations will not be responsible for any taxes, interest or penalties resulting from the failure by a former holder of Operations to properly complete or file the election forms in the form and manner and within the time prescribed by the Tax Act (or any applicable provincial legislation). In its sole discretion, Operations may choose to sign and return an election form received by it more than 90 days following the Effective Date, but Operations will have no obligation to do so.

ARTICLE 4 DISSENTING SECURITYHOLDERS

4.1 Each registered holder of Harvest Securities and Viking Units shall have the right to dissent with respect to the Arrangement in accordance with the Interim Order. A Dissenting Securityholder shall, at the Effective Time, cease to have any rights as a holder of Harvest Securities and Viking Units and shall only be entitled to be paid the fair value of the holder's Harvest Securities and Viking Units by Harvest, Viking or Operations, as the case may be. A Dissenting Securityholder who is paid the fair value of the holder's Harvest Securities and Viking Units, shall be deemed to have transferred the holder's Harvest Securities and Viking Units to Harvest, Viking or Operations, as the case may be, for cancellation at the Effective Time, notwithstanding the provisions of Section 191 of the ABCA. A Dissenting Securityholder who for any reason is not entitled to be paid the fair value of the holder's Harvest Securities and Viking Units shall be treated as if the holder had participated in the Arrangement on the same basis as a non dissenting holder of Harvest Securities and Viking Units notwithstanding the provisions of Section 191 of the ABCA. The fair value of the Harvest Securities and Viking Units shall be determined as of the close of business on the last business day before the day on

which the Arrangement is approved by the holders of Harvest Securities and Viking Units at the applicable Meeting; but in no event shall Harvest, Viking or Operations be required to recognize such Dissenting Securityholder as a Securityholder of Harvest, Viking or Operations after the Effective Time and the name of such holder shall be removed from the applicable register of Securityholders as at the Effective Time. For greater certainty, in addition to any other restrictions in section 191 of the ABCA, no person who has voted in favour of the Arrangement shall be entitled to dissent with respect to the Arrangement.

ARTICLE 5 OUTSTANDING CERTIFICATES AND FRACTIONAL SECURITIES

5.1 From and after the Effective Time, certificates formerly representing Harvest Exchangeable Shares and Viking Units that were exchanged pursuant to Section 3.1 shall represent only the right to receive the consideration to which the holders are entitled under the Arrangement, or as to those held by Dissenting Securityholders, other than those Dissenting Securityholders deemed to have participated in the Arrangement pursuant to Section 4.1, to receive the fair value of the Harvest Securities and Viking Units represented by such certificates.

5.2 Harvest and Viking shall, as soon as practicable following the later of the Effective Date and the date of deposit by a former holder of Harvest Exchangeable Shares and Viking Units of a duly completed Letter of Transmittal and the certificates representing such Harvest Exchangeable Shares and Viking Units, either:

- (a) forward or cause to be forwarded by first class mail (postage prepaid) to such former holder at the address specified in the Letter of Transmittal; or
- (b) if requested by such holder in the Letter of Transmittal, make available or cause to be made available at the Depositary for pickup by such holder,

certificates representing the number of Harvest Units to be delivered to such holder under the Arrangement.

5.3 If any certificate which immediately prior to the Effective Time represented an interest in outstanding Harvest Exchangeable Shares or Viking Units that were exchanged pursuant to Section 3.1 has been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming such certificate to have been lost, stolen or destroyed, the Depositary shall issue and deliver in exchange for such lost stolen or destroyed certificate the consideration to which the holder is entitled pursuant to the Arrangement (and any dividends or distributions with respect thereto) as determined in accordance with the Arrangement. The person who is entitled to receive such consideration shall, as a condition precedent to the receipt thereof, give a bond to each of Harvest and Viking and their respective transfer agents, which bond is in form and substance satisfactory to each of the Harvest and Viking and their respective transfer agents, or shall otherwise indemnify Harvest and Viking and their respective transfer agents against any claim that may be made against any of them with respect to the certificate alleged to have been lost, stolen or destroyed.

5.4 All distributions made with respect to any Harvest Units allotted and issued to former holders of Harvest Exchangeable Shares and Viking Units pursuant to this Arrangement but for which a certificate has not been issued shall be paid or delivered to the Depositary to be held by the Depositary in trust for the registered holder thereof. The Depositary shall pay and deliver to any such registered holder, as soon as reasonably practicable after application therefor is made by the registered holder to the

Depository in such form as the Depository may reasonably require, such distributions to which such holder, is entitled, net of applicable withholding and other taxes.

5.5 Any certificate formerly representing Harvest Exchangeable Shares or Viking Units that is not deposited with all other documents as required by this Plan of Arrangement on or before the sixth anniversary of the Effective Date shall cease to represent a right or claim of any kind or nature including the right of the holder of such shares to receive Harvest Units. In such case, such Harvest Units shall be returned to Harvest thereof for cancellation and any distributions in respect of Harvest Units shall be returned to Harvest.

5.6 No certificates representing fractional Harvest Units shall be issued under the Arrangement. In lieu of any fractional trust unit or share, each registered holder of Harvest Exchangeable Shares and Viking Units otherwise entitled to a fractional interest in a Harvest Unit, shall receive the nearest whole number of Harvest Units (with fractions equal to exactly 0.5 being rounded up).

ARTICLE 6 AMENDMENTS

6.1 Harvest, Viking, Operations and VHI may amend this Plan of Arrangement at any time and from time to time prior to the Effective Time, provided that each such amendment must be: (i) set out in writing; (ii) approved by the other parties; (iii) filed with the Court and, if made following the Meetings, approved by the Court; and (iv) communicated to holders of Harvest Securities and Viking Units if and as required by the Court.

6.2 Any amendment to this Plan of Arrangement may be proposed by Harvest, Viking, Operations or VHI at any time prior to or at the Meetings (provided that the other parties shall have consented thereto) with or without any other prior notice or communication, and if so proposed and accepted by the persons voting at the Meetings (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.

6.3 Any amendment to this Plan of Arrangement that is approved by the Court following the Meetings shall be effective only if it is consented to by each of Harvest, Viking, Operations and VHI.

6.4 Any amendment to this Plan of Arrangement may be made prior to or following the Effective Time by Harvest, Viking, Operations and VHI, provided that it concerns a matter which, in the reasonable opinion of Harvest, Viking, Operations and VHI, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the financial or economic interests of Harvest, Viking, Operations and VHI, or any former holder of Harvest Securities or Viking Units.

IN THE COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL DISTRICT OF CALGARY

**IN THE MATTER OF SECTION 193 OF THE
BUSINESS CORPORATIONS ACT, R.S.A. 2000, c.
B-9, as amended**

**AND IN THE MATTER OF A PROPOSED
ARRANGEMENT INVOLVING HARVEST ENERGY
TRUST, HARVEST OPERATIONS CORP., VIKING
ENERGY ROYALTY TRUST, VIKING HOLDINGS
INC., 1206582 ALBERTA LTD., THE
UNITHOLDERS OF HARVEST ENERGY TRUST,
THE EXCHANGEABLE SHAREHOLDERS OF
HARVEST OPERATIONS CORP. AND THE
UNITHOLDERS OF VIKING ENERGY ROYALTY
TRUST**

FINAL ORDER

BURNET, DUCKWORTH & PALMER LLP
Barristers and Solicitors
1400, 350 – 7th Avenue S.W.
Calgary, AB T2P 3N9

D.J. McDonald, Q.C.
Telephone: (403) 260-5724
File No.: 57686-25

MACLEOD DIXON LLP
Barristers and Solicitors
Suite 3700, 400 – 3rd Avenue S.W.
Calgary, Alberta T2P 4H2

Steven H. Leidl
Telephone: (403) 267-8140
File No.: 196577

