

**MAPLE LEAF 2012-II ENERGY INCOME LIMITED PARTNERSHIP**

**NOTICE OF SPECIAL MEETING AND MANAGEMENT INFORMATION CIRCULAR  
FOR A SPECIAL MEETING OF LIMITED PARTNERS TO BE HELD  
ON JULY 16, 2013**

**THESE DOCUMENTS REQUIRE IMMEDIATE ATTENTION.**

If you are in doubt as to how to deal with the documents or matters described herein, you should immediately consult your investment adviser.

**JUNE 19, 2013**

## TABLE OF CONTENTS

NOTICE OF SPECIAL MEETING .....	2
MANAGEMENT INFORMATION CIRCULAR .....	3
GLOSSARY .....	4
GENERAL PROXY INFORMATION .....	6
PARTICULAR MATTERS TO BE ACTED UPON – APPROVAL OF AMENDMENTS TO THE LIMITED PARTNERSHIP AGREEMENT .....	9
ADDITIONAL INFORMATION AND COPIES OF MEETING MATERIALS .....	12
AUDITOR AND REGISTRAR AND TRANSFER AGENT .....	12
CERTIFICATE.....	13
SCHEDULE A - Amendment Resolution to be Considered by the Limited Partners .....	A-1

**NOTICE OF SPECIAL MEETING  
OF LIMITED PARTNERS OF THE PARTNERSHIP**

NOTICE IS HEREBY GIVEN that a special meeting (the “**Meeting**”) of the Limited Partners of Maple Leaf 2012-II Energy Income Limited Partnership (the “**Partnership**”) will be held at 1200-200 Burrard Street, Vancouver, British Columbia V7X 1T2 on Tuesday, the 16<sup>th</sup> day of July, 2013, at 9:00 a.m. (Vancouver time), at the offices of the Partnership’s counsel, Borden Ladner Gervais LLP, at Suite 1200-200 Burrard Street, Vancouver, British Columbia V7X 1T2. Initially capitalized terms used in this Notice, unless otherwise defined, are set forth in the attached Circular under the heading “Glossary”.

The Meeting is being held for the following purposes:

1. to consider and, if thought advisable, to pass, with or without amendment, an extraordinary resolution of the Partnership approving the amendment of the limited partnership agreement of the Partnership (the “**Partnership Agreement**”) to expand the Partnership’s range of permissible investing activities by allowing it to invest in oil and gas production and/or production assets (the “**Amendment Resolution**”), as described in the Circular; and
2. in respect of the Partnership, to transact any other business as may properly come before the Meeting or any adjournment or postponement thereof.

Proxies to be used at the Meeting must be received by Valiant Trust Company (on behalf of the General Partner) at 600-750 Cambie Street, Vancouver, British Columbia V6B 0A2 or by facsimile to 604.681.3067 prior to the close of business on the day preceding the day of the Meeting, and thereafter the proxies must be received by the General Partner at 808-609 Granville Street, Vancouver, British Columbia V7Y 1G5 or by fax to 604.684.5748 prior to the commencement of the Meeting or any adjournment or postponement thereof.

Dated the 19<sup>th</sup> day of June, 2013.

By Order of the Board of Directors of Maple Leaf 2012-II Energy Income Management Corp., as General Partner of Maple Leaf 2012-II Energy Income Limited Partnership.

(signed) Hugh Cartwright  
Hugh Cartwright  
Chairman of the Board and Director

## FORWARD-LOOKING STATEMENTS

The Circular contains certain forward-looking information within the meaning of Applicable Canadian Securities Laws relating to the Partnership and its operations. All statements, other than statements of historical fact, are forward-looking statements or information. When used in the Circular, the words “anticipate”, “will”, “believe”, “estimate”, “expect”, “intend”, “target”, “plan”, “goals”, “objectives”, “pro forma”, “forecast”, “schedule”, “may” and other similar words and expressions, identify forward-looking statements or information. These forward-looking statements or information relate to, among other things: financial conditions; industry conditions; future capital expenditures including the amount and nature thereof and sources of financing therefor; assumptions relating to prices and costs; supply and demand for oil and natural gas; treatment under governmental regulatory regimes and tax laws; other trends of the capital markets; projection of market prices and costs; realization of the anticipated benefits of the Amendment Resolution; movements in currency exchange rates; anticipated income taxes; plans and objectives of management for future operations; and forecast business results and anticipated financial performance.

These statements reflect the current views of management of the General Partner with respect to future events and are necessarily based upon a number of assumptions and estimates that, while considered reasonable by management of the General Partner, is inherently subject to significant business, economic, political and social uncertainties and contingencies. Many factors, both known and unknown, could cause actual results, performance or achievements to be materially different from the results, performance or achievements that are or may be expressed or implied by such forward-looking statements contained in the Circular and management of the General Partner have made assumptions based on or related to many of these factors. Such factors include, without limitation: failure to realize anticipated benefits of the Amendment Resolution; inability to obtain required consents, permits or approvals, including Limited Partners’ approval of the Amendment Resolution; volatility in prices for oil and natural gas; liabilities inherent in oil and gas operations; uncertainties associated with estimating reserves, future revenues and costs; competition for, among other things, capital, acquisition of royalties and skilled personnel; incorrect assessments of the value of acquisitions; financial risks; fluctuations in commodity prices, foreign exchange and interest rates; delays in business operations; insufficient liquidity for future operations and acquisitions; uncertainty of government policy and tax law changes; and industry conditions, including changes in laws and regulations. Although management of the General Partner has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated, described or intended. Management of the General Partner does not intend and does not assume any obligation, to update these forward-looking statements or information to reflect changes in assumptions or changes in circumstances where any other events affecting such statements or information, other than as required by applicable Laws. Limited Partners are cautioned against attributing undue reliance on forward-looking information.

## GLOSSARY

“**Amendment Resolution**” means the resolution to be voted on at the Meeting by the Limited Partners of the Partnership, to approve the proposed amendments to the Partnership Agreement to allow the Partnership to invest in Producing Assets, substantially in the form and content attached to this Circular as Schedule A.

“**Applicable Canadian Securities Laws**” means, collectively, and as the context may require, the securities legislation of each of the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland, and the rules, regulations and policies published and/or promulgated thereunder, as such may be amended from time to time.

“**Applicable Law**” in the context that refers to one or more persons, means the Laws that apply to such person or persons or its or their business, undertaking, property or securities and emanate from a person having jurisdiction over the person or persons or its or their business, undertaking, property or securities.

“**Business Day**” means a day other than a Saturday, Sunday or a day when banks in the City of Vancouver, British Columbia are not generally open for business.

“**CDE**” has the meaning set out under “Particular Matters to be Acted Upon – Approval of Amendments to the Limited Partnership Agreement”.

“**CDS**” means CDS Clearing and Depository Services Inc. or its nominee.

“**Circular**” means this Management Information Circular.

“**COGPE**” has the meaning set out under “Particular Matters to be Acted Upon – Approval of Amendments to the Limited Partnership Agreement”.

“**General Partner**” means Maple Leaf 2012-II Energy Income Management Corp.

“**Governmental Entity**” means any (a) multinational, federal, provincial, state, regional, municipal, local or other government or any governmental or public department, court, tribunal, arbitral body, commission, board, bureau or agency, (b) any subdivision, agent, commission, board or authority of any of the foregoing, or (c) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing.

“**IFRS**” has the meaning set out under “Particular Matters to be Acted Upon – Approval of Amendments to the Limited Partnership Agreement”.

“**Intermediary**” means banks, trust companies, securities dealers or brokers and trustees or administrators of certain commercial trusts.

“**Laws**” means all laws, statutes, regulations, by-laws, statutory rules, orders, ordinances, protocols, codes, guidelines, notices, directions (including all Applicable Canadian Securities Laws), and terms and conditions of any grant of approval, permission, authority or license of any court, Governmental Entity, statutory body or self-regulatory authority.

“**Limited Partner**” means a limited partner as set out in the register maintained by or on behalf of the Partnership, as applicable.

“**Meeting**” means the special meeting of the Limited Partners of the Partnership called to consider the Amendment Resolution as described in this Circular.

“**Meeting Materials**” means the Notice, Circular, and the Proxy Form.

“**Notice**” means the notice of special meeting given by the General Partner of the Partnership attached to this Circular.

“**Oil and Gas Company**” has the meaning set out under “Particular Matters to be Acted Upon – Approval of Amendments to the Limited Partnership Agreement”.

“**Partners**” means the General Partner and all of the Limited Partners of the Partnership, as the context may require.

“**Partnership**” means Maple Leaf 2012-II Energy Income Limited Partnership.

“**Partnership Agreement**” means the amended and restated limited partnership agreement of the Partnership dated as of October 16, 2012, and as may be amended from time to time.

“**Producing Assets**” has the meaning set out under “Particular Matters to be Acted Upon – Approval of Amendments to the Limited Partnership Agreement”.

“**Program**” has the meaning set out under “Particular Matters to be Acted Upon – Approval of Amendments to the Limited Partnership Agreement”.

“**Properties**” has the meaning set out under “Particular Matters to be Acted Upon – Approval of Amendments to the Limited Partnership Agreement”.

“**Prospectus**” has the meaning set out under “Particular Matters to be Acted Upon – Approval of Amendments to the Limited Partnership Agreement”.

“**Tax Act**” means the *Income Tax Act* (Canada), as amended from time to time.

“**Unitholder**” means a registered holder of Units.

“**Units**” means units of the Partnership.

“**Valiant**” means Valiant Trust Company.

“**Working Interests**” has the meaning set out under “Particular Matters to be Acted Upon – Approval of Amendments to the Limited Partnership Agreement”.

## GENERAL PROXY INFORMATION

This Circular is furnished to Limited Partners of the Partnership in connection with the solicitation by the General Partner of proxies for use at the Meeting of Limited Partners as described in the Notice. The cost of solicitation of proxies and the other costs of the Meeting will be borne by the Partnership. Solicitation of proxies will be made by officers, directors or employees of the General Partner personally, by telephone or by mail. The General Partner may engage agents to assist them with the solicitation of proxies from Limited Partners and fees may be paid for such services.

Capitalized terms used in this Circular and not otherwise defined are defined under the heading "Glossary".

### Appointment of Proxyholders and Revocation of Proxies

The persons named in the enclosed forms of proxy ("**Proxy Form**") represent management of the General Partner of the Partnership. **Each registered Limited Partner has the right to appoint some other person (who need not be a Limited Partner) to attend and act on his or her behalf at the Meeting by inserting the name of that other person in the blank space provided for that purpose in the Proxy Form.**

A Proxy Form must be signed by a registered Limited Partner or by the Limited Partner's attorney authorized in writing, or, if the Limited Partner is a corporation, it must either be under its common seal or signed by a duly authorized officer. Evidence of the authority of such attorney or officer, as applicable, must accompany the Proxy Form.

Each registered Limited Partner wishing to be represented by proxy at the Meeting, or any adjournment or postponement thereof must, in all cases, send the completed proxy to Valiant (on behalf of the General Partner) at 600-750 Cambie Street, Vancouver, British Columbia V6B 0A2 or by facsimile to 604.681.3067, prior to the close of business on the day preceding the day of the Meeting, or any adjournment or postponement thereof at which the proxy is to be used, and thereafter deliver it to the General Partner of the Partnership at 808-609 Granville Street, Vancouver, British Columbia V7Y 1G5 or by fax to 604.684.5748 prior to the commencement of the Meeting or any adjournment or postponement thereof.

Proxy Forms given by registered Limited Partners may be revoked at any time prior to their use. In addition to revocation in any other manner permitted by law, a Limited Partner may revoke his or her proxy by completing and signing a Proxy Form bearing a later date and depositing it as aforesaid or depositing an instrument of revocation in writing executed by the Limited Partner, or by such person's attorney authorized in writing or, if the Limited Partner is a corporation, by a duly authorized officer or attorney thereof. Such instrument of revocation must either be sent to the General Partner of the Partnership, at the address and facsimile number set out in the previous paragraph, at any time prior to the close of business on the day preceding the day of the Meeting, or any adjournment or postponement thereof, at which the proxy is to be used, or deposited with the chair of the Meeting prior to the commencement of the Meeting or any adjournment or postponement thereof.

A registered Limited Partner attending the Meeting has the right to vote in person and, if he or she does so, his or her proxy is nullified with respect to the matters such person votes upon and any subsequent matters thereafter to be voted upon at the Meeting or any adjournment or postponement thereof.

### Advice to Non-Registered Beneficial Limited Partners

**Only registered Limited Partners or duly appointed proxyholders for registered Limited Partners are permitted to vote at the Meeting. Limited Partners who do not hold their Units in their own names (referred to herein as "Non-Registered Beneficial Limited Partners") are advised that only proxies from Limited Partners of record can be recognized and voted at the Meeting.**

If your Units are listed in an account statement provided to you by a broker, then in almost all cases those Units will not be registered in your name on the records of the Partnership. Such Units will more likely be registered under the name of the Limited Partner's broker or an agent of that broker. **Accordingly, many Limited**

**Partners of the Partnership are “Non-Registered Beneficial Limited Partners” because the Units they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased their Units.** More particularly, a person is a Non-Registered Beneficial Limited Partner in respect of Units which are held on behalf of that person, but which are registered either: (a) in the name of an intermediary (an “**Intermediary**”) that the Non-Registered Beneficial Limited Partner deals with in respect of the Units (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of certain commercial trusts); or (b) in the name of a clearing agency (such as CDS) of which the Intermediary is a participant. In Canada, the vast majority of such Units are registered under the name of “CDS & Co.”, the registration name of CDS, which acts as nominee for many Canadian brokerage firms. Units so held by brokers or their nominees can only be voted (for or against resolutions) upon the instructions of the Non-Registered Beneficial Limited Partner. Without specific instructions, brokers/nominees are prohibited from voting Units held for Non-Registered Beneficial Limited Partners. The directors and officers of the General Partner do not know for whose benefit the Units registered in the name of CDS & Co. or any other securities depository firms or brokerage houses are held.

In accordance with National Instrument 54-101 of the Canadian Securities Administrators, the General Partner, on behalf of the Partnership, has distributed copies of the Notice, this Circular and the Proxy Form (collectively, the “**Meeting Materials**”) to the clearing agencies and Intermediaries for onward distribution to Non-Registered Beneficial Limited Partners with a request for voting instructions. Applicable regulatory policy requires Intermediaries to seek voting instructions from Non-Registered Beneficial Limited Partners in advance of the Meeting unless the Non-Registered Beneficial Limited Partners have waived the right to receive meeting materials. Every Intermediary has its own mailing procedures and provides its own return instructions, which should be carefully followed by Non-Registered Beneficial Limited Partners in order to ensure that their Units are voted at the Meeting. Often the request for voting instructions supplied to a Non-Registered Beneficial Limited Partner by its broker is identical to the form of proxy provided by the Partnership to the registered Limited Partners. However, it is not a valid proxy; rather it is to be used as a means of instructing the registered security holder how to vote on behalf of the Non-Registered Beneficial Limited Partner. Very often, Intermediaries will use service companies to forward the Meeting Materials to Non-Registered Beneficial Limited Partners. Generally, Non-Registered Holders who have not waived the right to receive Meeting Materials will either:

- (a) be given a Proxy Form **which has already been signed by the Intermediary** (typically by a facsimile, stamped signature), which is restricted as to the number of Units beneficially owned by the Non-Registered Beneficial Limited Partner but which is otherwise not completed. Because the Intermediary has already signed the Proxy Form, this Proxy Form is not required to be signed by the Non-Registered Beneficial Limited Partner when submitting the Proxy Form. In this case, the Non-Registered Beneficial Limited Partner who wishes to submit a Proxy Form should otherwise properly complete the Proxy Form and deliver it to the Partnership’s registrar and transfer agent, Valiant, as provided above; or
- (b) more typically, be given a voting instruction form **which is not signed by the Intermediary**, and which, when properly completed and signed by the Non-Registered Beneficial Limited Partner and returned to the Intermediary or its service company, will constitute voting instructions (often called a “proxy authorization form”) which the Intermediary must follow. Typically, the proxy authorization form will consist of a one page pre-printed form. Sometimes, instead of the one page pre-printed form, the proxy authorization form will consist of a regular printed proxy form accompanied by a page of instructions, which contains a removable label containing a bar code and other information. In order for the Proxy Form to validly constitute a proxy authorization form, the Non-Registered Beneficial Limited Partner must remove the label from the instructions and affix it to the Proxy Form, properly complete and sign the Proxy Form and return it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company.

The majority of brokers now delegate responsibility for obtaining voting instructions from Non-Registered Beneficial Limited Partners to Broadridge Financial Solutions, Inc. (“**Broadridge**”). Broadridge typically supplies a special sticker to be attached to the proxy forms and asks Non-Registered Beneficial Limited Partners to return the completed proxy form to Broadridge. Broadridge then tabulates the results of all instructions received and provides



appropriate instructions respecting the voting of Units to be represented at the Meeting. **A Non-Registered Beneficial Limited Partner receiving such a proxy from Broadridge cannot use that proxy to vote Units directly at the Meeting – the proxy must be returned to Broadridge well in advance of the Meeting in order to instruct Broadridge how to vote the Units.**

In either case, the purpose of these procedures is to permit Non-Registered Beneficial Limited Partners to direct the voting of the Units, which they beneficially own. **Should a Non-Registered Beneficial Limited Partner who receives one of the above forms wish to vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Beneficial Limited Partner), the Non-Registered Beneficial Limited Partner should insert the name of the Non-Registered Beneficial Limited Partner (or such other person voting on behalf of the Non-Registered Beneficial Limited Partner) in the blank space provided or follow such other instructions as may be provided by their Intermediary or its service company. In either case, Non-Registered Beneficial Limited Partners should carefully follow the instruction of their Intermediary, including those regarding when and where the proxy or proxy authorization form is to be delivered.**

**All reference to Limited Partners in this Circular and the accompanying Notice and Proxy Form are to registered Limited Partners of record unless specifically stated otherwise.**

### **Voting and Discretion of Proxies**

Units represented by a Proxy Form will be voted for or against the matters specified thereon in accordance with the instructions of the Limited Partner. **Where no choice is specified with respect to a matter to be voted on or in the absence of clear instructions, such Units represented by the Proxy Form will be voted “FOR” the Amendment Resolution set out in Schedule A to this Circular.**

The Proxy Form sent to Limited Partners with this Circular confers discretionary authority upon the proxyholders with respect to amendments to or variations of the matters identified in the Notice, or other matters that may properly come before the Meeting, or any adjournment or postponement thereof. As of the date of this Circular, management of the General Partner of the Partnership is aware of no such amendment, variation or other matter. However, if any other matters should properly come before the Meeting, the Units represented by proxy will be voted on such matters in accordance with the best judgment of the proxyholders.

In the event of any inconsistency with respect to any information regarding ownership and number of Units of the Partnership between the Partnership’s register and that indicated, for convenience, on the Proxy Form or by a Limited Partner on his or her proxy form, the Partnership’s register will prevail.

### **Interest of Certain Persons In Matters To Be Acted Upon**

Except as otherwise disclosed herein, none of:

- a) the directors or executive officers of the General Partner at any time since the beginning of the last financial year of the General Partner; or
- b) any associate or affiliate of the foregoing persons,

has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matters to be acted upon at the Meeting.

### **Voting of Units and Principal Holders of Voting Securities**

Each Limited Partner is entitled to one vote for each whole Unit held by him or her on all matters proposed to come before the Meeting. Pursuant to the terms of the Partnership Agreement, the General Partner is entitled to one vote in its capacity as general partner, except on a motion to remove a General Partner. Holders of record of Units at the close of business on June 7, 2013 are entitled to receive notice of and to vote at the Meeting. As of the record date there were outstanding 247,152 Units of the Partnership.

To the knowledge of management of the General Partner, no person or company owns or beneficially owns, or controls or directs, directly or indirectly, 10% or more of the outstanding Units of the Partnership.

### **Quorum and Votes Necessary to Pass Extraordinary Resolutions**

Pursuant to the Partnership Agreement, the quorum for the transaction of business at the Meeting for the Partnership is two or more Limited Partners present in person or by proxy and representing not less than 20% of the Units of the Partnership then outstanding.

If a quorum for the Partnership is not present at the Meeting within 30 minutes after the time fixed for holding the Meeting, the Meeting for that Partnership will be adjourned to such date that is not less than 10 or more than 21 days after the original date for the Meeting as is determined by the General Partner at a time and location determined by the General Partner. The Limited Partners present or represented at such adjourned Meeting will constitute a quorum for the transaction of any business to have been dealt with at the original Meeting in accordance with the Notice.

The Amendment Resolution submitted for approval by the Limited Partners of the Partnership must be approved by a majority of not less than two-thirds of the votes cast, in person or by proxy, at the Meeting.

## **PARTICULAR MATTERS TO BE ACTED UPON – APPROVAL OF AMENDMENTS TO THE LIMITED PARTNERSHIP AGREEMENT**

### **Approval of Amendments to the Limited Partnership Agreement**

At the Meeting, Limited Partners will be asked to pass an extraordinary resolution to approve certain amendments to the Partnership Agreement that governs the Partnership. The proposed amendments broaden the Partnership's range of permitted investment activities to allow it to invest in oil and gas production and/or production assets, in addition to oil and gas development drilling programs. The following provides some background to and a summary of the proposed changes. A copy of the proposed further amended and restated Partnership Agreement (the "**Further Amended and Restated Partnership Agreement**"), blacklined to show the proposed changes to the existing Partnership Agreement, which are subject to Limited Partner approval, can be found at the Partnership's website at [www.mappleleaffunds.ca](http://www.mappleleaffunds.ca), or a copy can be obtained at no cost upon request from the General Partner at Suite 808, 609 Granville Street, Vancouver, British Columbia V7Y 1G5, telephone (604) 688-5750. While the General Partner believes the version of the Further Amended and Restated Partnership Agreement contained on the Partnership's website to be in substantially final form, the General Partner will have the right to make further technical or consequential changes prior to its execution if, in the opinion of the General Partner, they are required to correct any error or ambiguity or are required to properly reflect the intention of the amendments described below.

#### *Background*

In November, 2012 the Partnership completed the final closing of its initial public offering of Units pursuant to a (final) prospectus of the Partnership dated October 19, 2012 (the "**Prospectus**"). As set out in the Prospectus, the Partnership was created to provide Limited Partners with an investment in a pool of professionally selected, non-operated, direct working interests (the "**Working Interests**") and similar interests (including royalties) in oil and natural gas production and/or production revenue on properties considered prospective for oil and natural gas development (the "**Properties**") and to participate in the development of the Properties in order to generate income paid monthly from the Partnership's share of oil and gas production revenue upon completion of certain development drilling programs. In order to achieve this, the Partnership is currently permitted to enter into joint venture or participation agreements on selected Properties, in each case with companies whose principal business is oil and/or natural gas exploration and/or production (each an "**Oil and Gas Company**"). Pursuant to each of these agreements, the Partnership would cause the Oil and Gas Companies to expend the Partnership's investment funds to develop and operate production-oriented drilling programs (each a "**Program**") with the objective of generating income from the development and production of oil and natural gas. In addition to distributions from the Partnership's share of oil and natural gas production and/or production revenue generated by the Properties after

completion of the drilling programs, investments in Working Interests generate tax shelter, primarily through the qualification of expenditures on such investments as Canadian Development Expense (“CDE”), which can be used by Limited Partners to shelter distributions from the Partnership as well as other income.

The General Partner believes that current economic conditions have created an additional investment opportunity for the Partnership, being investment in oil and natural gas production (for example, purchasing a share of the oil and gas produced from, or royalties on production from, producing wells) and/or production assets (for example, an interest in producing oil and gas fields or the outright purchase of physical production assets) (such assets being referred to herein as “**Producing Assets**”). While the General Partner currently expects that the Partnership’s interests in Producing Assets would generally be non-operated, where an appropriate investment opportunity presented itself, the Partnership may act as operator or engage agents to operate such assets on behalf of the Partnership. For the reasons described below under “Current Market Opportunity”, the General Partner believes Producing Assets can currently be purchased for attractive valuations, and are expected to provide Limited Partners with investment returns consistent with or potentially greater than the returns that would be expected to be generated by investing in Programs, without any exposure to development drilling risks. The General Partner is therefore proposing to amend the Partnership Agreement to broaden the Partnership’s range of permissible investments to also include operated and/or non-operated interests in Producing Assets.

#### *Current Market Opportunity*

Over the past 6 to 12 months, there have been a series of economic and regulatory events that, when combined, have created significant difficulties for many Oil and Gas Companies to maintain strong balance sheets and they continue to seek ways to finance new or existing projects. Some of the key factors leading to these difficulties are as follows:

- The price of natural gas has fallen to 10 year lows, averaging about \$2.50 per BTU in 2012 (down from over \$10 per BTU in 2008). While gas prices have risen over the past several months, its low price continues to dampen cash flows. Many Oil and Gas Companies based their acquisition and expenditure (and, therefore, borrowing) decisions on oil and gas prices that were targeted to be well in excess of prices being realized today.
- The forward price deck (i.e., the price forecasts used by lenders to value assets, determine cash flow and calculate certain financial ratio covenants) for natural gas and to a lesser extent oil has, across the board, been amended downward (in some cases by as much as 60%) since 2008. This reduced forward price outlook has caused significant impairment in oil and gas asset valuations assigned by lenders, which has negatively impacted Oil and Gas Companies’ borrowing capacity and their ability to continue to operate and service debt on existing assets. In addition, it has caused a number of Oil and Gas Companies to fall into default on the financial ratio requirements under their loan covenants.
- As a result of all of the above, the General Partner believes that these financial pressures are causing Oil and Gas Companies to sell assets and utilize the proceeds to repay their debt and strengthen their balance sheets.

At the same time, due to the continuing difficult global capital markets, there are fewer well capitalized buyers that are in a position to purchase these assets. Taken together, the General Partner believes this imbalance of current supply and demand for Producing Assets may provide the Partnership with a unique opportunity to acquire quality assets at attractive valuations.

### *Benefits of the Amendments*

There will be no change in the Partnership's current ability to invest in development drilling Programs as set out above. The General Partner believes that supplementing the range of permissible investment activities to include, where appropriate, the acquisition of Producing Assets will be beneficial to Limited Partners by allowing the General Partner to select from a broader pool of investments to maximize Limited Partner returns. In addition to the General Partner's belief that there is or may be a surplus of available quality Producing Assets, as described above, the General Partner believes investing in Producing Assets may offer the following attractive investment benefits:

#### Less risk than investment in development drilling

Acquiring existing production is less risky than drilling development wells for the following reasons:

- Acquiring existing production from previously developed wells allows the Partnership to only pay for successful wells, and to pay current value for the exact volume of current production based on today's prices.
- In certain circumstances (for example, purchases of interests in well fields), acquiring Producing Assets may bring further upside potential through the acquisition of land positions that may be drilled in the future, which can add value over and above the value of production derived from the Producing Assets.
- It allows the Partnership to target long reserve life and already producing assets, and to target assets with well-defined decline rates and in some cases mature producing assets with low ongoing decline rates.
- It allows the Partnership to evaluate the actual engineering of assets (as opposed to prospective estimates) to more accurately determine reserves, reserve values, upside and effectively manage costs.

#### Potential for accelerated cash distributions and liquidity to Limited Partners

Acquiring existing production may accelerate cash distributions to Limited Partners and liquidity as follows:

- Revenues from currently producing assets can provide, on closing a transaction, immediate cash flow to the Partnership, whereas revenues from drilling development wells are not generated until the targets are drilled, evaluated and, if successful, tied-in.
- Production rates and reserves attributable to wells that have been producing for less than 18 months (such as successful wells from a development drilling Program) are not typically well enough defined to attract suitable purchase offers from third parties, who generally require more meaningful established production profiles. By removing the time lag required to complete the drill Programs and bring successful wells on-line, those Producing Assets should be in a position to be suitably marketed to third party buyers up to a year earlier than assets derived from Programs.

#### Ongoing Tax Deductions

The Partnership's acquisition of Producing Assets are expected to qualify as Canadian oil and gas property expense ("COGPE"), which will be allocated to Limited Partners and added to their cumulative COGPE accounts. Under the *Income Tax Act* (Canada), a Limited Partner that is a Limited Partner at the end of a particular fiscal period of the Partnership will be entitled to deduct, in computing the Limited Partner's income for the applicable taxation year, up to 10% of the balance of the Limited Partner's cumulative COGPE account on an annual,

declining-balance basis, commencing in the year the allocation is made. While the Partnership's acquisition of these assets will not qualify as CDE (which is deductible by Limited Partners on a 30% annual, declining-balance basis), the ability of Limited Partners to shelter income from the Partnership and their other sources of income using their cumulative COGPE accounts nonetheless represents an attractive tax benefit. For a further discussion of the tax treatment of COGPE and how it may affect Limited Partners, please refer to the Prospectus under the heading "Canadian Federal Income Tax Considerations".

#### *Resolution*

At the Meeting, or any adjournment thereof, Limited Partners of the Partnership will be asked to consider, and if deemed appropriate, pass with or without variation, the Amendment Resolution, being an extraordinary resolution authorizing the amendments to the Partnership Agreement to allow the Partnership to invest in Producing Assets, and the related technical consequential amendments that are required to reflect the ability of the Partnership to invest in operated and/or non-operated interests in Producing Assets. The full text of the Amendment Resolution can be found at Schedule A of this Circular.

#### *Summary and Recommendation*

In summary, the General Partner believes that expanding the Partnership's range of permissible investment activities to include investing in Producing Assets will assist the Partnership in maximizing returns to Limited Partners. The Partnership will continue to be able to invest in development drilling by acquiring Working Interests, but the proposed amendments will allow the Partnership to also take advantage of what it believes to be a unique opportunity to acquire quality Producing Assets at attractive valuations. **The Board of Directors of the General Partner unanimously recommends that Limited Partners vote FOR the Amendment Resolution.** The persons representing management of the General Partner named in the enclosed Form of Proxy intend to vote **FOR** the Amendment Resolution, unless the Limited Partner specifies otherwise in the Form of Proxy.

### **ADDITIONAL INFORMATION AND COPIES OF MEETING MATERIALS**

Additional copies of the materials for the Meeting, comprising the Notice, this Circular and the Proxy Form, and the Partnership's publicly available financial statements and related management's discussion and analysis will be available during normal business hours at: 808-609 Granville Street, Vancouver, British Columbia. Additional information relating to the Partnership is available on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information relating to the Partnership is provided in the Partnership's comparative annual financial statements and related management's discussion and analysis for the most recently completed financial year end.

### **AUDITOR AND REGISTRAR AND TRANSFER AGENT**

The auditor of the Partnership is Pricewaterhouse Coopers LLP. The registrar and transfer agent for the Units of the Partnership is Valiant at its principal office in Vancouver, British Columbia.

## **CERTIFICATE**

The Board of Directors of the General Partner of the Partnership has approved the contents of this Circular and its distribution. Except as otherwise stated, the information contained in this Circular is current to June 19, 2013.

Maple Leaf 2012-II Energy Income Management Corp., as General Partner of Maple Leaf 2012-II Energy Income Limited Partnership

*(signed) Hugh Cartwright*

\_\_\_\_\_  
Hugh Cartwright

Chairman of the Board and Director

## SCHEDULE A

### AMENDMENT RESOLUTION TO BE CONSIDERED BY THE LIMITED PARTNERS

BE IT RESOLVED, AS AN EXTRAORDINARY RESOLUTION OF THE LIMITED PARTNERS OF MAPLE LEAF 2012-II ENERGY INCOME LIMITED PARTNERSHIP (the “**Partnership**”), that:

- (a) the Partnership Agreement of the Partnership dated October 16, 2012 be amended as described in the Notice of Special Meeting and Information Circular of the Partnership dated June 19, 2013 and replaced by a further Amended and Restated Partnership Agreement (the “**Further Amended and Restated Partnership Agreement**”) reflecting such amendments, and the Further Amended and Restated Partnership Agreement be and the same is hereby authorized and approved, and
- (b) any director and/or officer of Maple Leaf 2012-II Energy Income Management Corp., the General Partner of the Partnership, is hereby authorized and directed to do and perform all such acts and things and execute and deliver all such documents and instruments (including the Further Amended and Restated Partnership Agreement) as he or she determines to be necessary, convenient or proper to carry out the purpose and intent of the foregoing resolutions, such determination to be conclusively evidenced by the doing of such acts or things and the execution and delivery of such documents.