

## DISTRIBUTION REINVESTMENT AND OPTIONAL TRUST UNIT PURCHASE PLAN



### Features of the Plan include the following:

- Unitholders, other than U.S. citizens or U.S. residents, may elect to reinvest their cash distributions from Trust Units of ARC Energy Trust (the "Trust") in additional Trust Units of the Trust.
- Trust Units will either be issued from treasury or acquired through the facilities of the Toronto Stock Exchange ("TSX") at the discretion of ARC Resources Ltd.
- Trust Units will be acquired or issued at 95% of the prevailing market rates and will be credited to the participant's account.
- As a registered Unitholder, participants in the Plan may make optional payments between a minimum of \$500 and a maximum of \$3,000 per Distribution Date to purchase additional Trust Units.
- Participants **do not pay any costs** associated with the Plan including the payment of brokerage commissions.
- Full investment of all funds is possible since fractional Trust Units are also credited to the participant's account.
- Statements of account will be mailed to each participant monthly.
- Reinvestment of cash distributions does not affect tax liability.
- If Unitholders do not participate, cash distributions will continue to be paid in the usual manner.

### PURPOSE

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The Distribution Reinvestment and Optional Trust Unit Purchase Plan allows eligible holders of Trust Units to conveniently purchase additional Trust Units by reinvesting their cash distributions to purchase units and fractional Trust Units equal to the amount of their monthly distributions and/or to purchase additional Trust Units between a minimum of \$500 and a maximum of \$3,000 per month. Under both programs additional Trust Units are credited to the participant's accounts at 95% of the prevailing market rate.

### PARTICIPATION

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Except as described below, a registered holder of Trust Units is eligible to join the Plan at any time by completing an authorization form and sending it to Computershare Trust Company of Canada (the "Plan Agent"). Beneficial owners of Trust Units whose Trust Units are not registered in their own names or are held in a specific segregated registered account, such as a numbered account with a bank, trust company or broker, may participate in the Plan after having their Trust Units transferred into their own names or direct the registered holder to enroll their account in the Plan. Once the holder of the Trust Units has enrolled in the Plan, participation continues automatically unless terminated in accordance with the terms of the Plan.

Under the terms of the Plan, holders of Trust Units may direct the Plan Agent to reinvest cash distributions on all of the Trust Units registered in a particular name or manner for the acquisition of new Trust Units, or at the discretion of ARC Resources Ltd., to acquire existing Trust Units through the facilities of the TSX.

A registered holder shall become a participant in the Plan in regard to the investment of distributions as of the first distribution record date following receipt by the Plan Agent of a **properly completed** authorization form. If the Plan Agent receives an authorization form after the record date for a particular cash distribution (the "Record Date"), the cash distribution will be paid to the holder of Trust Units in the usual manner and participation in the Plan with regard to cash distributions will commence with the next Distribution Date ("Distribution Date").

A registered unitholder may only participate in Optional Cash Payments (“OCP”) once they have become a participant in the Plan. Once a registered holder becomes a participant of the Plan optional cash payments may be made, subject to applicable restrictions, by forwarding a cheque or money order to the Plan Agent in Canadian Dollars **payable to Computershare Trust Company of Canada** together with an optional cash payment form. These forms are attached to the top of each statement of account. Optional cash payments may be made at any time but only those payments received on, or before a Record Date, will be applied to the purchase of Trust Units for that distribution. Payments received after a Record Date will not be invested until the next Distribution Date following receipt of payment. Any OCP held by the Plan Agent for investment will not accrue interest.

There is no obligation to make optional cash payments and the amount (subject to the limits stipulated above) may vary from time to time. Applicable securities laws restrict the number of Trust Units that may be issued each fiscal year pursuant to the optional cash payment to not more than 2% of the number of issued and outstanding Trust Units as at the commencement of that fiscal year. Once that limit is reached, optional cash payments will not be accepted until the next fiscal year and cash payments received for the current Distribution Date will be invested pro rata. Any excess funds will be returned to Unitholders.

Trust Units acquired outside of the Plan may not be registered exactly the same as holdings enrolled in the Plan and therefore, may or may not be, automatically enrolled in the Plan. Participants purchasing additional Trust Units outside of the Plan are advised to contact the Plan Agent to instruct whether or not these Trust Units are to be enrolled in the Plan.

The Plan is not available to a United States citizen or resident.

## **METHOD OF PURCHASE**

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Cash distributions payable on Trust Units registered in the Plan, will be applied automatically on each Distribution Date to the purchase of further Trust Units either from treasury, or at the discretion of ARC Resources Ltd., through the facilities of the TSX following the Distribution Date. Trust Units will also be acquired with the cash distributions from Trust Units accumulated in the participant’s account.

Optional cash payments to the Plan will be applied to the purchase of additional Trust Units on the Distribution Date following Record Dates where completed authorization forms have been received. A participant’s account will be credited with the number of Trust Units, including fractions computed to six decimal places, equal to the amounts invested for such participants divided by the applicable price. Full investment of funds under the Plan is possible because fractional, as well as whole Trust Units, are credited to a participant’s account. The Plan Agent, using a method it deems appropriate in the circumstances, determines the rounding of any fractional interest.

Trust Units issued pursuant to the Plan will initially be registered in the name of Computershare as Plan Agent for the participants. If Computershare ceases to act as the Plan Agent under the Plan another Plan Agent will be designated by the Trust.

## **PRICE OF NEW UNITS**

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The average market price (the “Market Purchase Price”) at which the participants purchase additional Trust Units will be based upon 95% of the average price for which Trust Units are acquired through the facilities of the TSX for the purposes of the Plan following the Distribution Date. In the event that ARC Resources Ltd. elects not to purchase any Trust Units through the facilities of the TSX in respect of the Distribution Date, but to issue Trust Units from the treasury, the price at which the Trust Units shall be issued will be 95% of the weighted average price of all Trust Units traded on the TSX on the 10 trading days preceding a Distribution Date (the “Treasury Purchase Price”). The price of Trust Units purchased with the optional cash payments will also be the Treasury Purchase Price.

## **COSTS**

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There is no charge to participants for reinvesting distributions. The Plan Agent's fees for handling the reinvestment of distributions will be paid by the Trust. There will be no brokerage charges with respect to Trust Units either issued directly from treasury or open market purchases.

## **STATEMENT OF ACCOUNT**

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The Plan Agent will maintain an account for each participant in the Plan. The Plan Agent will mail a statement of account to each participant approximately three weeks after each monthly investment. This statement will set out the amount of the cash distributions paid on the participant's Trust Units for the relevant period, the total amount of any optional cash payments received from the participants during the period, the number of additional Trust Units purchased through the Plan for the period, the dates of these purchases, the applicable purchase price per Trust Unit and the updated total number of Trust Units being held for the participant in the Plan. These statements are a participant's continuing record of the cost of purchases and should be kept for tax purposes.

## **TRUST UNIT CERTIFICATES**

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Generally, certificates for additional Trust Units purchased through the Plan will be held for participants and reported on the statement of account. This service protects against loss, theft or destruction of Trust Unit certificates. However, participants who require a Trust Unit certificate, but who do not wish to terminate participation in the Plan, may obtain a certificate for any number of whole Trust Units held in their account by way of written request to the Plan Agent. A certificate will not be issued for fractional Trust Units.

Plan accounts are maintained in the names in which certificates were registered with the Trust at the time the participant enrolled in the Plan. Consequently, certificates for whole Trust Units withdrawn from the Plan will be registered in exactly the same manner when issued.

Trust Units held for a participant in the Plan may not be pledged, sold or otherwise disposed of by a participant. The participant who wishes to do so must request that a certificate for the required number of Trust Units be issued before such action is taken. The Plan Agent will generally issue certificates within two weeks of receipt of a participant's written request. Both the new certificated Trust Units and the Trust Units remaining in a participant's account will continue to receive cash distribution reinvestment.

## **TERMINATION OF PARTICIPATION**

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Participation in the Plan may be terminated by written notice to the Plan Agent, signed by the registered holder or his or her agent. If the registered holder does not sign such notice, sufficient evidence of another's authority to act on behalf of the registered holder must be supplied. If the Plan Agent does not receive notice of termination at least three business days before the Record Date, settlement of the participant's account will not commence until after the investment has been completed.

Generally, a termination will be processed within two weeks of receipt by the Plan Agent of a written request for termination or within two weeks after the investment has been completed. The Plan Agent does not sell Trust Units or provide cash for any whole Trust Units held for participants.

When a participant terminates participation in the Plan or when the Plan is terminated by the Trust, the participant will receive a certificate for the whole Trust Units held in the participant's account, a cash payment for any fraction of a Trust Unit and the return of any uninvested optional cash payments. Alternatively, upon written request, the participant will receive certificates for Trust Units for each board lot as designated by the TSX from time to time and a cash payment for Trust Units under one board lot. The cash payment for any fraction of a Trust Unit will be based on the average market price for the immediately preceding investment. Participation in the Plan will be terminated once the Plan Agent has received appropriate evidence of death of a participant. In such case, a certificate for the whole Trust Units in the participant's account will be issued in the name of the deceased participant along with cash payments for any fraction of a

Trust Unit in the account. Requests for issuance of a certificate and a cash payment for any fraction of a Trust Unit in the name of an estate must be accompanied by appropriate documentation.

After termination of participation in the Plan, all cash distributions will be paid to the holder of the Trust Units in cash.

#### **DISPOSITION OF TRUST UNITS HELD IN CERTIFICATE FORM**

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If a participant sells or transfers all of his or her Trust Units held in certificate form that are enrolled in the Plan, the Plan Agent will continue to invest the cash distribution of the Trust Units being held for the participant in the Plan until a notice of termination is received by the Plan Agent.

#### **RIGHTS OFFERINGS**

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If the Trust makes available to its registered holders of Trust Units any rights to subscribe for additional Trust Units or other securities, rights and certificates will be forwarded to participants in the Plan in proportion to the number of whole Trust Units being held for them. Such rights will not be made available from any fraction of a Trust Unit held for a participant.

#### **TRUST UNIT DISTRIBUTIONS AND TRUST UNIT SPLITS**

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Any Trust Unit distribution (other than a Trust Unit distribution paid as a result of participation in the Plan) and any Trust Units resulting from a Trust Unit split, will be credited to the participant's account based on the whole and fractional Trust Units held for the participant in the Plan. Certificates for Trust Units resulting from such a Trust Unit distribution or Trust Unit split on Trust Units held in certificate form by a Plan participant will be mailed directly to the participant in the same manner as to holders of Trust Units who are not participating in the Plan.

#### **TRUST UNIT VOTING**

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Whole Trust Units held for a participant's account under the Plan are voted in the same manner as Trust Units held in certificate form, either by proxy or by participation in person. Trust Units for which instructions are not received will not be voted.

#### **RESPONSIBILITY OF THE TRUST & PLAN AGENT**

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Neither the Trust nor the Plan Agent shall be liable for any act undertaken or omitted in good faith, or have any duties, responsibilities or liabilities except as are expressly set forth in the Plan or are required by law. In particular, the Trust and the Plan Agent must comply with all applicable laws now and or hereafter in force that may impose a duty to permit any properly authorized party to have access to and examine and make copies of any records relating to the Plan.

Participants should recognize that neither the Trust nor the Plan Agent can assure a profit or protect against a loss on Trust Units purchased under the Plan.

The Plan Agent retains the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Plan Agent, in its sole judgment, determines that such act might cause it to be in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, regulation or guideline.

The Trust reserves the right to deny access to the Plan to any investors who in the discretion of the board of directors of ARC Resources Ltd. are acquiring Trust Units solely for the purpose of exploiting the arbitrage opportunities of participation in the Plan. Further, at any time upon becoming aware, that a unitholder is participating or attempting to participate in the Plan primarily with a view to arbitrage trading or as more than one plan participant, including without limitation by registering the Trust Units beneficially held by such Unitholder in multiple names and addresses or in variations of the same name and address or in a manner contrary to the provisions of the Plan, will take such actions as are appropriate, including without limitation to consolidate such participation to one plan participant or terminate such Unit holder's participation in the Plan.

## **AMENDMENT, SUSPENSION OR TERMINATION OF THE PLAN**

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The Trust reserves the right to amend, suspend or terminate the Plan at any time, but such action shall have no retroactive effect which should prejudice the interests of the participants. Participants will be sent written notice of any such amendment, modification, suspension or termination. If the Plan is terminated by the Trust, participants will receive a certificate for whole Trust Units being held for them, a cash payment for any fraction of a Trust Unit and a return of any uninvested cash payments.

## **NOTICES**

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All notices to be given to a participant in the Plan will be mailed to the participant at the most recent address shown on the records of the Trust.

All communications to the Plan Agent and requests for forms or information regarding the Plan should be directed to:

**Computershare Trust Company of Canada**  
9<sup>th</sup> Floor, 100 University Avenue  
Toronto, ON  
M5J 2Y1

**Telephone: 1-800-564-6253**  
**Facsimile: 1-416-263-9394**

## **USE OF PROCEEDS**

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Proceeds received by the Trust from the issuance of new Trust Units under the Plan will be used for general corporate purposes.

## **EFFECTIVE DATE**

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The effective date of the Plan, as revised, is August 6, 2003

## **REGISTRATION**

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In order to register for participation in the Plan either:

- Complete the enrollment form(s) attached and remit to Computershare Trust Company of Canada along with a cheque
- Visit our website at <http://www.arcenergytrust.ca/en-ca/investorrelations/dripinfo.htm> or contact Computershare at 1-800-564-6253 to obtain a personalized enrollment form