ARC Energy Trust
Corporate Conversion
Tax Implications to Unitholders

The following information is intended to assist individual unitholders ("Unitholders") of ARC Energy Trust (the "Trust") and exchangeable shareholders ("Exchangeable Shareholders") of ARC Resources Ltd. (the "Corporation") in the preparation of their 2010 Income Tax Returns. In addition, the following includes some general information on tax changes due to the corporate conversion that impact individuals.

On January 1, 2011, the Trust completed its conversion to a dividend paying corporation from an income trust pursuant to a Plan of Arrangement (the "Arrangement") under Section 193 of the Business Corporations Act (Alberta) involving, among others, the Trust, the Corporation and securityholders of the Trust and the Corporation.

Pursuant to the Arrangement, Unitholders received on December 31, 2010, one (1) common share ("Common Share") of ARC Resources Ltd. ("ARC Resources") for each trust unit and received on January 17, 2011 the cash distribution of $0.10 per trust unit paid to Unitholders of record on December 31, 2010 (the "Final Trust Distribution").

Pursuant to the Arrangement, Exchangeable Shareholders received on December 31, 2010, 2.89162 Common Shares of ARC Resources for each exchangeable share, which exchange ratio represents the exchange ratio for the exchangeable shares on December 31, 2010, adjusted to reflect the Final Trust Distribution.

This summary is of a general nature only and should not be construed, nor is intended to be, legal or tax advice, or representations to any particular Unitholder of the Trust, Exchangeable Shareholder of the Corporation or a holder of Common Shares of ARC Resources. Accordingly, a Unitholder, Exchangeable Shareholder or holder of Common Shares of ARC Resources should consult with its own tax advisor for advice with respect to the tax consequences to it in its particular circumstances.

Canadian Individual Investors

This summary of Canadian federal income tax consequences is generally applicable to a Unitholder or Exchangeable Shareholder in respect of the Arrangement who held Trust Units and / or Exchangeable Shares as capital property, dealt at arm's length with and was not affiliated with the Trust or the Corporation, did not use or hold its Trust Units and / or Exchangeable Shares in the course of carrying on a business, and did not acquire the Trust Units and / or Exchangeable Shares in one or more transactions considered to be an adventure or concern in the nature of trade.

Disposition of Trust Units and / or Exchangeable Shares

The conversion was a tax deferred transaction for Canadian individual investors.

Unitholders or Exchangeable Shareholders that held their securities in a deferred plan such as a Registered Retirement Savings Plan ("RRSP"), Registered Pension Plan ("RPP"), Registered Retirement Income Fund ("RRIF"), Registered Education Savings Plan ("RESP"), Deferred Profit Sharing Plan ("DPSP") or Tax Free Savings Account ("TFSA") or any other such registered plans (collectively referred to as "Deferred Plans") do not need to report a disposition on their 2010 Income Tax Return.

A Unitholder, other than a Unitholder that holds Trust Units in a Deferred Plan, should report the disposition of its trust units pursuant to the Arrangement on their 2010 Income Tax Return with proceeds of disposition equal to the cost amount to the Unitholder of the Trust Units so exchanged for Common

Shares of ARC Resources. As a result, such holder will not realize a capital gain or a capital loss on the exchange of their trust units for Common Shares of ARC Resources.

An Exchangeable Shareholder, other than an Exchangeable Shareholder that holds Exchangeable Shares in a Deferred Plan, may report a disposition of its exchangeable shares pursuant to the Arrangement on their 2010 Income Tax Return with proceeds of disposition equal to the cost amount to the Exchangeable Shareholder of the exchangeable shares so exchanged for Common Shares of ARC Resources. In this case, the Exchangeable Shareholder will not realize a capital gain or a capital loss on the exchange of their exchangeable shares for Common Shares of ARC Resources.

Exchangeable Shareholders, other than an Exchangeable Shareholder that holds Exchangeable Shares in a Deferred Plan, may, at their discretion, choose to recognize a capital gain or capital loss on the exchange of the exchangeable shares. In such case, the Exchangeable Shareholder would report proceeds of disposition equal to the fair market value of the consideration received, i.e. 2.89162 Common Shares of ARC Resources. The closing price of the Trust's units on December 31, 2010 was $25.41. As noted above, as part of the Arrangement each Unitholder received one Common Share of ARC Resources for each trust unit. Accordingly, an Exchangeable Shareholder choosing to recognize a capital gain or capital loss may wish to report the fair market value of the consideration received for each exchangeable share as being $73.47606 (2.89162 x $25.41). In this case, the Exchangeable Shareholder will realize a capital gain to the extent the cost amount of their exchangeable shares is less than the fair market value of the consideration received or will realize a capital loss to the extent the cost amount of their exchangeable shares is greater than the fair market value of the consideration received.

Tax changes

The distributions from the Trust, including the Final Trust Distribution, were comprised of a taxable portion and a tax deferred return of capital. For Unitholders that held their trust units outside of a Deferred Plan, the taxable portion was subject to tax at the personal marginal tax rate of the Unitholder. The dividends from ARC Resources will be subject to tax at the more preferential dividend tax rates. ARC Resources expects its dividends will be "eligible dividends" and, as a result, will be subject to the enhanced dividend tax credit which is typically applied to dividends from most Canadian public companies. The actual amount of taxable dividends paid will be communicated to shareholders via a T5 prepared by their brokers or other intermediary. Registered shareholders who receive the dividend from the transfer agent, Computershare Trust Company of Canada, (and not from a broker or intermediary) will receive a T5 directly from Computershare Trust Company of Canada.

There will be no change to the tax treatment for shareholders that hold their Common Shares of ARC Resources in a Deferred Plan. Any dividends paid to a Deferred Plan will be tax deferred until such time as the monies are withdrawn and will be taxed at the personal marginal tax rate of the holder at that time.

Unitholders who converted their trust units into Common Shares of ARC Resources are still required to reduce the cost base of their holdings by the amount of the non-taxable return of capital up to and including the Final Trust Distribution. Historical information regarding the portion of the Trust's distributions that were a return of capital for Canadian income tax purposes may be found on the ARC Resources website. After January 1, 2011, shareholders of ARC Resources will not be required to make any adjusted cost base reductions as ARC Resources does not expect to make any return of capital payments.

ARC Resources will no longer issue an annual Canadian tax information news release with respect to dividends paid since there will be no return of capital payments and the actual amount of taxable dividends paid will be communicated to shareholders via a T5 prepared by their brokers, other intermediary or Computershare Trust Company of Canada.

U.S. Individual Investors

Disposition of Trust Units and / or Exchangeable Shares

The conversion was a tax deferred transaction for U.S. individual investors. As a result, Unitholders and Exchangeable Shareholders should not recognize a gain or loss upon the exchange of their security pursuant to the Arrangement.

We understand that Unitholders and Exchangeable Shareholders do not need to disclose the disposition of their security pursuant to the Arrangement on their 2010 Individual Income Tax Return, Form 1040.

Tax changes

The distributions from the Trust that were paid prior to January 1, 2011 were comprised of a taxable dividend and a non-taxable return of capital. For most U.S. individual investors, the dividend portion was a "qualified dividend" eligible for the reduced tax rate of 15%. For 2011, the dividends to U.S. individual investors should continue to be "qualified dividends" eligible for the reduced tax rate of 15%. ARC Resources does not expect any portion of the dividend to be a non-taxable return of capital. The actual amount of dividends paid by ARC Resources will be communicated to shareholders via a Form 1099 DIV (or a substitute form) prepared by their brokers or other intermediary. ARC Resources is not required to furnish shareholders with Form 1099-DIV.

Shareholders that hold their Common Shares of ARC Resources in a taxable U.S. account will continue to be subject to a minimum 15% Canadian withholding tax. The Canadian withholding tax should be creditable, subject to numerous limitations, for U.S. income tax purposes in the year in which the withholding taxes are withheld. Canadian withholding tax should not apply to dividends with respect to shareholders that hold their Common Shares of ARC Resources in a qualified retirement plan such as an IRA. If the amount of Canadian withholding tax withheld is not the appropriate amount, please contact your broker or other intermediary as they are responsible for withholding the appropriate amount of tax.

Unitholders who converted their trust units into Common Shares of ARC Resources are still required to reduce the cost base of their holdings by the amount of the non-taxable return of capital for distributions paid up to December 31, 2011. Historical information regarding the portion of the Trust's distributions that were a return of capital for U.S. income tax purposes may be found on the ARC Resources website. After January 1, 2011, shareholders of ARC Resources will not be required to make any adjusted cost base reductions as ARC Resources does not expect to make any return of capital payments.

ARC Resources will no longer issue an annual U.S. tax information news release with respect to dividends paid since there will be no return of capital payments and the actual amount of dividends paid will be communicated to shareholders via a Form 1099-DIV prepared by their brokers or other intermediary.