DIXIE
ENERGY TRUST

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE QUARTER ENDED MARCH 31, 2013
DATED MAY 30, 2013

The following management's discussion and analysis ("MD&A") for Dixie Energy Trust (the "Trust"), dated May 30, 2013, should be read in conjunction with the unaudited interim condensed consolidated financial statements for the period ended March 31, 2013, the audited annual consolidated financial statements for the period ended December 31, 2012, and the MD&A for the period ended December 31, 2012 that are available on www.sedar.com and on the Trust's website at www.dixieenergytrust.com.

The Trust's unaudited interim condensed consolidated financial statements have been prepared in accordance with IAS 34 – Interim Financial Reporting of the International Financial Reporting Standards ("IFRS"). The unaudited interim condensed consolidated financial statements have been prepared in accordance with IFRS accounting policies and methods of computation as set forth in the Trust's 2012 audited consolidated financial statements, with the exception of certain disclosures that are normally required to be included in annual consolidated financial statements which have been condensed or omitted in the interim statements. Items included in the financial statements of each of the Trust's subsidiaries are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The annual audited consolidated financial statements are presented in Canadian dollars, which is the functional and presentation currency of the Trust. Figures within this MD&A are presented in Canadian dollars unless otherwise indicated.

Certain information contained in this MD&A constitutes "forward-looking statements". Readers should read the "Forward Looking Statements" section at the end of this MD&A.

Overview of the Trust

The Trust is an unincorporated open-ended limited purpose trust established under the laws of the Province of Alberta on June 29, 2012 and is governed by a trust indenture and the laws of the Province of Alberta. The head office, principal address and registered and records office of the Trust are located at Suite 400, 620 – 12th Avenue SW, Calgary, Alberta T2R 0H5.

The Trust operates as a foreign asset trust and its activities are restricted to owning property (other than real property or interests in real property), and it does not carry on business. Pursuant to the terms of an Administrative Services Agreement, the Administrator, a corporation incorporated under the *Business Corporations Act (Alberta)*, (ABCA) on June 28, 2012, is the administrator of the Trust and performs all general and administrative services that are or may be required or advisable, from time to time, for the Trust. The beneficiaries of the Trust are the unitholders.

The Trust, through its subsidiaries holds properties in the United States ("U.S.") and is not subject to the same taxation rules applicable to a Canadian Specified Investment Flow Through ("SIFT") trust. The objective of the Trust is to create stable, consistent returns for investors through the acquisition and development of oil and natural gas reserves and production with low-risk exploitation potential, located primarily in the southern U.S. Given its early stage of development, the Trust does not currently pay any distributions and has no plans to for the foreseeable future. The Trust and its wholly owned subsidiaries intend to develop its current portfolio of assets and to develop a well balanced portfolio of exploration and development projects over time.

The trustee of the Trust is Olympia Trust Company and the Trust is administered by Dixie Energy Ltd. (the "Administrator"), a corporation incorporated under the *Business Corporations Act* (Alberta) (the "ABCA") with its head office, principal address and registered and records office located at Suite 400, 620 – 12th Avenue SW, Calgary, Alberta T2R 0H5.

Dixie Energy Holdings (Canada) Ltd. (“Dixie Canada”) is a corporation incorporated under the ABCA. The Trust directly controls 100% of the outstanding shares of Dixie Canada. The primary activity of Dixie Canada is the holding of securities of Dixie Energy Holdings (US), Ltd. (“Dixie US”). Dixie US is a corporation incorporated under the laws of the State of Delaware. The Trust, through Dixie Canada, indirectly controls 100% of the outstanding securities of Dixie US. Management intends that Dixie US (or additional entities that may be formed and held, directly or indirectly, by the Trust) will have a broader mandate to acquire additional assets in accordance with the objective and strategies of the Trust.

Throughout this MD&A, the Trust, its subsidiaries and its Administrator are collectively referred to as “Dixie” for purposes of convenience. In addition, references to the results of oil and natural gas operations refer to operations of Dixie US.

Activity of Dixie during Q1 2013 and through to the date of this Management’s Discussion and Analysis

On January 15, 2013 Dixie paid US$750,000 to purchase a 5% working interest in the Godwin 31-3 well in Brooklyn Field, Conecuh County, Alabama. The Godwin 31-3 well has produced an average of 336 barrels of oil equivalent per day (boepd) since it commenced production in April 2011 and current average daily production is approximately 245 boepd (12 boepd net) (90% oil).

On February 5, 2013 the Holliman 7-13H No.1 well in the Maple Branch prospect targeting the Lewis formation was completed and after testing, swabbing, and pump installation the well was brought on production on March 28, 2013. Average production from March 28 – May 26, 2013 was approximately 184 boepd (28 boepd net) (98% oil). Currently, all natural gas production is being flared. Dixie has a 15% working interest in the Holliman 7-13H No.1 well.

On February 6, 2013 the Holliman 7-13H No.2 well in the Maple Branch prospect targeting the Sanders formation was completed and after testing, swabbing, and pump installation the well was brought on production on March 22, 2013. Average production from March 22 – May 26, 2013 was approximately 342 boepd (68 boepd net) (77% oil). Currently, all natural gas production is being flared. Dixie has a 20% working interest in the Holliman 7-13H No.2 well.

Management is encouraged by the results of these first two wells drilled in the Maple Branch prospect and believes that ongoing well optimization efforts and refined drilling techniques have the potential to provide improved results as Dixie continues drilling in the Maple Branch prospect. As of the date of this MD&A Dixie has a 10% working interest in approximately 15,100 acres in the Maple Branch prospect.

On February 28, 2013 the Trust completed its acquisition of VisionSky Corp. (“VisionSky”) by way of a “Plan of Arrangement” wherein 16,251,280 VisionSky shares, 1,615,128 VisionSky options and 14,900,000 VisionSky warrants were exchanged for 2,031,411 trust units, 201,890 trust unit options and 1,862,500 trust unit warrants respectively on the basis of 0.125 of a Trust security for each VisionSky security held. As a result of the Plan of Arrangement, the trust became an unlisted "reporting issuer" as defined under applicable provincial securities laws. The trust unit options were intended to provide the holders of VisionSky options with equivalent value as of the date of the exchange, and entitled the holders thereof to purchase trust units at an exercise price of $0.80 per trust unit. The trust unit warrants were intended to provide holders of VisionSky warrants with equivalent value as of the date of the exchange, and entitled the holders thereof to purchase trust units at an exercise price of $0.80 per trust unit. Subsequent to the exchange of VisionSky warrants for trust warrants, 50,000 trust warrants were exercised for 50,000 trust units for proceeds of $40,000. As per the original terms and conditions of their issuance, the balance of the unexercised trust unit warrants expired on March 7, 2013. As per an agreement with all of the VisionSky optionholders, all of the trust unit options expired on April 29, 2013. None of the trust unit options were exercised prior to their expiry on April 29, 2013.

Proposed Transactions

On April 25, 2013 Dixie announced it had entered into a non-binding letter of intent to purchase a private company ("Privateco") for a purchase price of $12,100,000 consisting of $2,500,000 cash and $9,600,000 in trust units to be issued at a deemed price of $0.80 per trust unit, for a total issuance of 12,000,000 trust units. Privateco currently holds a working interest in certain oil and gas leases, wells and related infrastructure, including: (i) a 10% interest in the Maple Branch prospect including a 10% working interest in the Holliman 7-13H No.1 and Holliman 7-13H No.2 wells; (ii) a 10% working interest in a producing oil well located in the Brooklyn Field in Conecuh County, Alabama; and (iii) a 25% working interest in certain oil and gas leases in the Brooklyn Field prospect. The Brooklyn Field prospect is located south of existing vertical wells producing out of the Smackover formation. As of May 2013 Privateco had production of approximately 80 boepd (97% oil). Dixie anticipates finalizing its negotiations with respect to this transaction and anticipates entering into a binding agreement and closing no later than June 30, 2013.

On April 25, 2013 Dixie announced that it had entered into a purchase and sale agreement to acquire 100% of the working interest in certain oil and gas leases and related assets contiguous to Dixie's existing oil and gas leases in the Maple Branch prospect (the "Additional Maple Branch Leases"). The purchase price of the Additional Maple Branch Leases is US$22,932,320 cash, subject to adjustment, and the grant of certain overriding royalty interests to the vendor. Closing was subject to the completion of due diligence and was scheduled to occur on or before May 23, 2013. In the event Dixie fails to close, in breach of the agreement, Dixie will forfeit a US$250,000 non-refundable deposit it has paid as liquidation damages and the agreement shall be deemed terminated with no further liabilities or other obligation. In the event closing does not occur as a result of material title deficiencies the deposit will be refunded to Dixie and the agreement shall be deemed terminated with no further liabilities or other obligation.

In conjunction with the agreement to purchase the Additional Maple Branch Leases, Dixie announced it had entered into a memorandum of understanding setting forth the terms on which Dixie and other joint venture partners in the Maple Branch prospect may combine and reallocate certain of their respective interests in the Maple Branch prospect, including the Additional Maple Branch Leases to be acquired by Dixie (the "Maple Branch Pooling").

In conjunction with the agreement to purchase the Additional Maple Branch Leases, the Trust announced that it has entered into an engagement agreement for a brokered private placement financing, concurrent with a non-brokered private placement financing, to solicit subscriptions for trust units. Pursuant to the financings, the Trust may issue a minimum of 31,250,000 trust units and a maximum of 43,750,000 trust units at a price of $0.80 per trust unit for total gross proceeds of up to $35,000,000. The Trust intended to use the net proceeds of the financings to fund the purchase of the Additional Maple Branch Leases and Dixie's 2013 capital expenditure program and other working capital requirements.

On May 30, 2013 the Trust announced that Dixie would not be proceeding with the purchase of the Additional Maple Branch Leases and as result will not be proceeding with the Maple Branch Pooling and Dixie has forfeited the US$250,000 non-refundable deposit. Dixie's management does not believe the number of wells Dixie is intending to drill over the next three years will be affected by the decision to not proceed with the purchase of the Additional Maple Branch Leases.

On May 30, 2013 Dixie announced that it had entered into a non-binding memorandum of understanding with Fletcher Exploration, LLC ("Fletcher") setting forth the terms on which Dixie may acquire additional working interest in certain oil and gas leases for a purchase price of US$5,500,000. Fletcher has agreed to sell Dixie: (i) an additional 20% working interest in certain oil and gas leases in the Monroe and Lowndes Counties, Mississippi (the "Maple Branch Prospect") with a gross acreage of approximately 14,100 acres, increasing Dixie's average working interest to approximately 30% in the Maple Branch Prospect; (ii) an additional 15% working interest in certain oil and gas leases in Monroe County, Mississippi (the "Strong Field Prospect") with a gross acreage of approximately 3,800 acres, increasing Dixie's overall working interest to approximately 60% in the Strong Field Prospect; and (iii) a 25% working interest in certain oil and gas leases with a gross acreage of approximately 4,100 acres in Conecuh and Escambia Counties, Alabama (the "Brooklyn Field Prospect").

Selected Comparative Financial Information

Although the Trust and its subsidiaries were formed or incorporated in the second quarter of 2012, Dixie did not commence drilling activities until the fourth quarter of 2012 and did not acquire any producing oil and gas properties until the first quarter of 2013. Therefore, no meaningful comparative financial information is available for presentation in this MD&A for 2012.

For the quarter ended March 31, 2013, Dixie had oil and natural gas revenues, net of royalties of $145,258, a net loss of $1,037,988 and a basic and diluted net loss per trust unit of $0.06. Diluted loss per trust unit was equal to basic loss per trust unit as there were no "in-the-money" dilutive instruments outstanding as of March 31, 2013. The Trust's total comprehensive loss for the period, which included a foreign currency translation gain, was $1,032,296. As of March 31, 2013 the Trust had total assets of $7,423,399 compared to total assets of $7,311,378 as of December 31, 2012. As of both March 31, 2013 and December 31, 2012 the Trust had no non-current financial liabilities.

For the quarter ended December 31, 2012 Dixie had no revenues and a net loss of $936,364 and the basic and diluted net loss per trust unit of $0.06. Diluted loss per trust unit was equal to basic loss per trust unit as there were no "in-the-money" dilutive instruments outstanding as of December 31, 2012. The Trust's total comprehensive loss for the quarter, which included a foreign currency translation gain, was $933,071.

Liquidity and Capital Resources

Generally, three sources of funding for future capital expenditures are expected by the Trust to be available: (i) internally generated cash flow from operations; (ii) external debt financing, when appropriate; and (iii) new capital through the issuance of additional trust units, if available on favourable terms.

As of March 31, 2013, Dixie has three producing properties and was just beginning to earn revenues from its oil and natural gas operations. Dixie is still dependent upon equity issuances, debt financing, asset dispositions or entrance into joint arrangements with third parties to fund future activities. Increasing cash flow from operations and cash balances from previous trust unit issuances are expected to be sufficient to fund general and administrative expenditures until at least, but not limited to March 31, 2014. As at the date of this MD&A, Dixie has no outstanding unfunded capital expenditure obligations. The Trust is seeking to issue additional trust units to provide sufficient capital to fund the expansion and future development of its current oil and natural gas leases located in Mississippi.

Off-Balance Sheet Arrangements

As of March 31, 2013, Dixie did not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of Dixie including, without limitation, such considerations as liquidity and capital resources that have not previously been discussed.

Related Party Transactions

For the quarter ended March 31, 2013, Dixie incurred $137,516 in legal fees with law firms where a director of the Administrator and a director of a subsidiary of the Trust are partners in their respective law firms. At March 31, 2013, $158,610 (December 31, 2012 - $13,184) of these legal fees were in trade and other payables.

For the quarter ended March 31, 2013, Dixie rented office space at $2,100 per month from a company where the Director and officer is also an officer and Director of the Administrator of the Trust. At March 31, 2013, $2,100 (December 31, 2012 - $nil) of pre-paid rent expense was in trade and other payables.

Key management personnel are comprised of all officers and directors of the Administrator and subsidiaries of the Trust. For the quarter ended March 31, 2013 compensation of key management personnel was $149,382. At March

31, 2013, $6,850 (December 31, 2012 - $5,777) of these management and consulting fees were in trade and other payables.

During the period, Dixie acquired a working interest in an oil well from a director and officer of the Administrator of the Trust for $457,020.

These transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration that was established and agreed to by the related parties.

Financial Instruments and risk management

The Trust's financial instruments consist of cash and cash equivalents, trade and other receivables and trade payables and accruals. Fair values of financial assets and liabilities and discussion of risks associated with financial assets and liabilities are presented as follows:

	March 31, 2013		December 31, 2012	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Fair value through profit and loss				
Cash and cash equivalents	$ 3,186,215	$ 3,186,215	$ 5,029,659	$ 5,029,659
Loans and receivables				
Trade and other receivables	114,672	114,672	19,001	19,001
Financial liabilities				
Other financial liabilities				
Accounts payable and accrued liabilities	289,790	289,790	267,825	267,825

Unitholders' Equity

The following table shows the continuity of trust units outstanding from December 31, 2012 to March 31, 2013 and through to the date of this MD&A:

	Number of trust units	Trust capital	Accumulated comprehensive income	Deficit	Unitholders' equity
Balance, December 31, 2012	28,074,999	7,762,378	9,784	(1,113,745)	6,658,417
Issued in exchange for VisionSky shares	2,031,411	1,025,349	-	-	1,025,349
Trust unit issuance costs	-	(34,470)	-	-	(34,470)
Warrants exercised	50,000	40,000	-	-	40,000
Net loss	-	-	-	(1,037,988)	(1,037,988)
Foreign currency translation gain	-	-	5,692	-	5,692
Balance, March 31, 2013 and as of the date of this MD&A	30,156,410	$ 8,793,257	$ 15,476	$ (2,151,733)	$ 6,657,000

The following table shows the continuity of trust unit options from December 31, 2012 to March 31, 2013 and through to the date of this MD&A:

	March 31, 2013	
	Number of options	Weighted average exercise price
Balance, beginning of period	-	$ -
Granted	750,000	0.50
Granted to VisionSky option holders	201,890	0.80
Balance, March 31, 2013	951,890	$ 0.56
Expired	201,890	0.80
Balance, as of the date of this MD&A	750,000	$ 0.50

The following table shows the continuity of restricted and performance incentive awards from December 31, 2012 to March 31, 2013 and through to the date of this MD&A:

	March 31, 2013	
	Number of units	Weighted average fair value per unit
Balance, beginning of period	-	$ -
Granted	850,000	0.50
Balance, March 31, 2013 and as of date of this MD&A	850,000	$ 0.50

The following table shows the continuity of trust unit warrants from December 31, 2012 to March 31, 2013 and through to the date of this MD&A:

	March 31, 2013		December 31, 2012	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Balance, beginning of period	1,036,700	$ 0.50	-	$ -
Granted	-	-	1,036,700	0.50
Granted to VisionSky warrant holders	1,862,500	0.80	-	-
Exercised	(50,000)	0.80	-	-
Expired	(1,812,500)	0.80	-	-
Balance, March 31, 2013 and as of the date of this MD&A	1,036,700	$ 0.50	1,036,700	$ 0.50

International Financial Reporting Standards

The Canadian Accounting Standards Board requires that all Canadian publicly accountable enterprises transition from Canadian generally accepted accounting principles in effect prior to January 1, 2011 to IFRS for interim and annual reporting periods for fiscal years beginning on or after January 1, 2011. The Trust's financial statements have been prepared in accordance with IFRS since its formation on June 29, 2012.

Use of estimates and judgments

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The reader is referred to the Trust's March 31, 2013 unaudited interim condensed consolidated financial statements and December 31, 2012 audited consolidated financial and MD&A for a description of estimates and judgments.

Adoption of Accounting Standards

On January 1, 2013, the Trust adopted new standards with respect to presentation of financial statements (IAS 1), consolidations (IFRS 10), joint arrangements (IFRS 11), disclosure of interests in other entities (IFRS 12) and fair value measurements (IFRS 13). The adoption of these standards had no impact on the amounts recorded in the consolidated financial statements as at January 1, 2013 or on the comparative periods. The Trust is currently evaluating the impact of adopting new standards with respect to financial instruments (IFRS 9).

Additional Information

Additional information relating to the Trust is available on SEDAR at www.sedar.com.

Forward-Looking Statements

Certain of the statements made and information contained in this MD&A are forward-looking statements and forward looking information (collectively referred to as "forward-looking statements") within the meaning of Canadian securities laws. All statements other than statements of historic fact are forward- looking statements. The Trust cautions investors that important factors could cause the Trust's actual results to differ materially from those projected, or set out, in any forward-looking statements included in this MD&A.

In particular, and without limitation, this MD&A contains forward looking statements pertaining to the following:

- the acquisition of PrivateCo including the anticipated purchase price, matters respecting the finalization of negotiations with respect to the acquisition and the anticipated date for entering into a binding agreement in respect thereof;
- the anticipated effects of completion of the transactions contemplated by the memorandum of understanding with Fletcher on Dixie's working interests;
- proceeding with new private placement financing arrangements, including the anticipated use of proceeds thereof;
- management's assessment and beliefs of the potential improvements in drilling results that may be made on the drilling of future wells at Maple Branch as a result of well optimization efforts and improved drilling techniques;
- management's assessments on the potential benefits that could have been realized in the event of the completion of the Maple Branch Land Acquisition;
- the Trust's status as a "SIFT trust"; and
- management's assessment on the sufficiency of cash flows from operations and cash balances from previous trust unit issuances to sustain future general and administrative expenditures.

Forward looking statements or information are based on a number of factors and assumptions which have been used to develop such statements and information but which may prove to be incorrect. Although Dixie believes that the expectations reflected in such forward looking statements or information are reasonable, undue reliance should not be placed on forward looking statements because Dixie can give no assurance that such expectations will prove to be correct. In addition to other factors and assumptions which may be identified in this MD&A, assumptions have been made regarding, among other things:

- the acquisition of PrivateCo and the negotiation of a definitive agreement in respect thereof is completed in the manners and on the terms described herein;
- a definitive agreement with Fletcher in respect of the matters set forth in the memorandum of understanding is agreed upon on terms satisfactory to Dixie and on the terms substantially set forth in the memorandum of understanding;
- the timely receipt of any required third party and regulatory approvals;
- the ability of Dixie to obtain qualified staff, equipment and services in a timely and cost efficient manner;
- the ability of the operator of the projects which Dixie has an interest in to operate the field in a safe, efficient and effective manner;
- the ability of Dixie to obtain financing on acceptable terms (including to finance the acquisitions described herein) and to complete such financing(s) in a timely manner;
- current rules, interpretations and laws regarding "mutual fund trusts" and "SIFT trusts";
- the waiver of third party rights to exercise rights of first refusals (or similar rights) in relation to the properties subject to Dixie's proposed acquisitions;
- the positive effect of well optimization efforts and improved drilling techniques on Dixie's wells;
- the number of and price of trust units proposed to be issued pursuant to ongoing financing discussions;
- estimates of future general and administrative expenses;
- future oil and natural gas prices;
- currency, exchange and interest rates;
- the regulatory framework regarding royalties, taxes and environmental matters in the jurisdictions in which Dixie operates; and
- the ability of Dixie to successfully market its oil and natural gas products.

Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which have been used.

Forward looking statements or information are based on current expectations, estimates and projections that involve a number of risks and uncertainties which could cause actual results to differ materially from those anticipated by Dixie and described in the forward looking statements or information. These risks and uncertainties which may cause actual results to differ materially from the forward looking statements or information include, among other things:

- the ability of management to execute its business plan;
- the inability of Dixie to secure financing on adequate terms to complete the acquisitions described herein;
- the risk that the acquisitions and other transactions described herein may be amended or terminated as a result of due diligence outcomes, or otherwise;
- the risk that Dixie may not be able to enter into a binding agreement in respect of its proposed acquisition of Privateco in the timelines and on the substantial terms set out herein, or at all;
- the risk that management's assessment of the resource potential of its properties, including the Maple Branch Prospect, is incorrect;
- the risk that Dixie or other third parties may not be able to satisfy the conditions to close the transactions described herein;
- changes in applicable tax and other rules, interpretations, treaties and laws regarding "mutual fund trusts" and "SIFT trusts";
- the risk that Dixie may not complete the financings in the manner described herein, or at all;
- general economic and business conditions;
- the risk of instability affecting the jurisdictions in which Dixie operates;
- the risks of the oil and natural gas industry, such as operational risks in exploring for, developing and producing crude oil and natural gas and market demand;
- risks and uncertainties involving geology of oil and natural gas deposits;

- the risk of unanticipated increases in Dixie's general and administrative expenses;
- the risk that well optimization efforts and improved drilling techniques will not have a positive result on Dixie's wells;
- the ability of Dixie to add production and reserves through acquisition, development and exploration activities;
- Dixie's ability to enter into or renew leases;
- potential delays or changes in plans with respect to exploration or development projects or capital expenditures;
- fluctuations in oil and natural gas prices, foreign currency exchange rates and interest rates;
- risks inherent in Dixie's marketing operations, including credit risk; health, safety and environmental risks;
- risks associated with potential future law suits and regulatory actions against Dixie; and
- uncertainties as to the availability and cost of financing.

Readers are cautioned that the foregoing list is not exhaustive of all possible risks and uncertainties. The forward looking statements or information contained in this MD&A are made as of the date hereof and Dixie undertakes no obligation to update publicly or revise any forward looking statements or information, whether as a result of new information, future events or otherwise unless required by applicable securities laws. The forward looking statements or information contained in this MD&A are expressly qualified by this cautionary statement.

Note regarding barrel of oil equivalency

This MD&A contains disclosure expressed as "boepd" (barrels of oil equivalent per day) or "bopd" (barrels of oil per day). All oil and natural gas equivalency volumes have been derived using the conversion ratio of six thousand cubic feet ("mcf") of natural gas to one barrel ("bbl") of oil. Equivalency measures may be misleading, particularly if used in isolation. A conversion ratio of 6 mcf: 1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. In addition, given that the value ratio based on the current price of oil as compared to natural gas is significantly different from the energy equivalent of six to one, utilizing a boe conversion ratio of 6 mcf: 1 bbl would be misleading as an indication of value.

Any references in this MD&A to initial and current production rates are useful in confirming the presence of hydrocarbons, however, such rates are not determinative of the rates at which such wells will continue production and decline thereafter. Additionally, such rates may also include recovered "load oil" fluids used in well completion stimulation. While encouraging, readers are cautioned not to place reliance on such rates in calculating the aggregate production for Dixie. The initial production rate may be estimated based on other third party estimates or limited data available at this time. In all cases in this MD&A initial production is not necessarily indicative of long-term performance of the relevant well or fields or of ultimate recovery of hydrocarbons.