

THIS LETTER OF TRANSMITTAL IS FOR USE ONLY IN CONJUNCTION WITH THE PLAN OF ARRANGEMENT INVOLVING NAL OIL & GAS TRUST, NAL VENTURES TRUST, ADDISON ENERGY LIMITED PARTNERSHIP, NAL GP LTD., NAL ENERGY INC., NAL PROPERTIES INC., NAL PETROLEUM (ACE) LTD., 1331899 ALBERTA ULC, NAL ENERGY CORPORATION AND THE HOLDERS OF TRUST UNITS OF NAL OIL & GAS TRUST.

THIS LETTER OF TRANSMITTAL MUST BE VALIDLY COMPLETED, DULY EXECUTED AND RETURNED TO THE DEPOSITARY, COMPUTERSHARE INVESTOR SERVICES INC. IT IS IMPORTANT THAT YOU VALIDLY COMPLETE, DULY EXECUTE AND RETURN THIS LETTER OF TRANSMITTAL ON A TIMELY BASIS IN ACCORDANCE WITH THE INSTRUCTIONS CONTAINED HEREIN.



**LETTER OF TRANSMITTAL
FOR REGISTERED UNITHOLDERS OF NAL OIL & GAS TRUST**

Please read the Instructions and Rules commencing on page 5 of this Letter of Transmittal carefully before completing this Letter of Transmittal.

TO: NAL OIL & GAS TRUST
AND TO: NAL ENERGY CORPORATION
AND TO: COMPUTERSHARE INVESTOR SERVICES INC., AS DEPOSITARY

This Letter of Transmittal is for use by registered holders (the "**Unitholders**") of trust units ("**Trust Units**") of NAL Oil & Gas Trust (the "**Trust**") in connection with the proposed arrangement ("**Arrangement**") to be effected in accordance with section 193 of the *Business Corporations Act* (Alberta) involving, among others, the Trust, NAL Energy Inc. ("**NAL Energy**"), NAL Energy Corporation ("**New NAL**") and the Unitholders pursuant to an Arrangement Agreement dated November 10, 2010, as described in the management information circular of the Trust dated November 12, 2010 (the "**Circular**").

Pursuant to the Arrangement, Unitholders will receive one common share (a "**Common Share**") in the capital of New NAL for each Trust Unit held.

Capitalized terms used, but not defined in this Letter of Transmittal, shall have the respective meanings set out in the Circular.

Registered Unitholders will not receive Common Shares (or dividends on the Common Shares following completion of the Arrangement) until they submit the certificates for their Trust Units to Computershare Investor Services Inc., as depositary (the "Depositary" or "Computershare") along with a validly completed and duly executed Letter of Transmittal. Any certificate formerly representing Trust Units that is not deposited with all other documents as provided in the Plan of Arrangement on or before the last Business Day before the third anniversary of the Initial Effective Date shall, effective at 5:00 p.m. (Calgary time) on the last Business Day before the third anniversary of the Initial Effective Date: (a) cease to represent a right or claim of any kind or nature and the right of the former holder of such Trust Units to receive Common Shares and/or any cash payments, as the case may be; and (b) be deemed to be surrendered to New NAL together with all dividends thereon held for such holder.

Unitholders whose Trust Units are registered in the name of a broker, dealer, bank, trust company or other nominee must contact their nominee to arrange for the exchange of their Trust Units for Common Shares.

FOR ADDITIONAL INFORMATION ON THE DRS ADVICE TO BE ISSUED IN EXCHANGE FOR THE TRUST UNITS, PLEASE REFER TO THE ACCOMPANYING DISCLOSURE PROVIDED BY THE DEPOSITARY.

Unitholders wishing to obtain a certificate representing their Common Shares in lieu of a DRS Advice should contact the Depositary at one of the offices specified on the back page of this document.

The undersigned delivers to you the following certificate(s) representing Trust Units to be exchanged for a DRS Advice representing the Common Shares issuable pursuant to the Arrangement, as described in the Circular. The following are the details of the enclosed certificate(s) (collectively, the "**Deposited Trust Units**"):

Certificate Number(s)	Name in which Registered	Number of Trust Units Deposited
TOTAL		

(Please print. If space is insufficient, please attach a list in the above form)

- Some or all of the certificates representing my Trust Units have been lost, stolen or destroyed. Please contact me with additional instructions (check box if applicable).**

Representations, Warranties and Acknowledgements

The undersigned represents, warrants and acknowledges that:

- (a) the undersigned is the owner of the Deposited Trust Units and has full power and authority to deposit, assign and transfer the Deposited Trust Units;
- (b) all information provided by the undersigned in this Letter of Transmittal is true, accurate and complete;
- (c) when the Deposited Trust Units are accepted for exchange by New NAL, New NAL will acquire good title to the Deposited Trust Units free from all Encumbrances;
- (d) the undersigned has received a copy of the Circular;
- (e) the certificates described above, together with any certificates submitted with a separate Letter of Transmittal as required by the attached instructions, represent all of the Trust Units owned by the undersigned; and
- (f) unless the undersigned shall have revoked this Letter of Transmittal by notice given to the Depositary, the undersigned will not, prior to such time, transfer or permit to be transferred or grant any security interest or other right or interest in and to any of such Deposited Trust Units.

IN CONSIDERATION OF THE ARRANGEMENT AND FOR THE VALUE RECEIVED PURSUANT TO THE ARRANGEMENT the undersigned irrevocably assigns to New NAL all of the right, title and interest of the undersigned in and to the Deposited Trust Units and in and to any and all distributions, payments or other interests which may be declared, paid, accrued or transferred (collectively, the "**distributions**") on or in respect of the Deposited Trust Units or any of them on or after the Initial Effective Date, as well as the right to receive any and all distributions, other than any distribution of the Trust declared payable for or in respect of the month of December 2010.

The undersigned irrevocably constitutes and appoints each officer of NAL Energy, and any other person designated by the Trust in writing, as the true and lawful agent and attorney of the Deposited Trust Units, in the name and on behalf of the undersigned, to do such acts or take such actions with respect to the Deposited Trust Units as is necessary or advisable to give effect to the Arrangement.

The undersigned covenants and agrees to execute all such documents, transfers and other assurances as may be necessary or advisable to complete the exchange of certificate(s) representing Trust Units for the DRS Advice representing the Common Shares.

Each authority conferred or agreed to be conferred by the undersigned in this Letter of Transmittal may be exercised during any subsequent legal incapacity of the undersigned and shall survive the death, incapacity, bankruptcy or insolvency of the undersigned and all obligations of the undersigned in this Letter of Transmittal shall be binding upon the heirs, personal representatives, successors and assigns of the undersigned.

By virtue of the execution of this Letter of Transmittal, the undersigned shall be deemed to have agreed that all questions as to validity, form, eligibility (including timely receipt) and acceptance of any Trust Units deposited pursuant to the Arrangement will be determined by New NAL in its sole discretion and that such determination shall be final and binding and acknowledges that there shall be no duty or obligation on the Trust, New NAL, the Depository or any other person to give notice of any defect or irregularity in any deposit and no liability shall be incurred by any of them for failure to give such notice.

If the Arrangement is approved, the deposit of Trust Units pursuant to this Letter of Transmittal will be irrevocable. If the Arrangement is not approved, the Trust Unit certificates deposited pursuant to this Letter of Transmittal will be returned to the undersigned or forwarded or held for pick up in accordance with the instructions given herein by the undersigned for delivery of the DRS Advice representing the Common Shares.

Dated: _____

Signature guaranteed by (if required under Instruction 4):

Authorized Signature

Signature of Unitholder or Authorized Representative – see Instruction 3 and 5

Name of Guarantor (please print or type)

Name of Unitholder (please print or type)

Name of Authorized Representative (please print or type)

Address of Unitholder or Authorized Representative

Address (cont'd)

Address (please print or type)

Daytime Telephone/Facsimile Number of Unitholder

Address (cont'd)

Name of Authorized Representative, if applicable
(please print or type)

Social Insurance Number or U.S. Resident Taxpayer
Identification Number (must be provided)

The Depositary and New NAL are hereby authorized and directed to cause the DRS Advice representing the Common Shares, which the registered Unitholder noted herein is entitled to receive in exchange for the certificate(s) representing the Deposited Trust Units, to be registered in the name of the undersigned (unless alternative registration is required in the manner set forth below) which shall be delivered by first class mail to the address specified or held for pick up, if so indicated:

<p>BOX A – SPECIAL ISSUANCE INSTRUCTIONS (See Instruction 2)</p> <p>ISSUE DRS ADVICE IN THE NAME OF:</p>
<p><i>(Please Print Name)</i></p>
<p><i>(Street Address and Number)</i></p>
<p><i>(City and Province or State)</i></p>
<p><i>(Country and Postal (ZIP) Code)</i></p>

<p>BOX B – SPECIAL DELIVERY INSTRUCTIONS (See Instruction 2)</p> <p>SEND DRS ADVICE TO: <i>(Unless Box C is checked)</i></p>
<p><i>(Please Print Name)</i></p>
<p><i>(Street Address and Number)</i></p>
<p><i>(City and Province or State)</i></p>
<p><i>(Country and Postal (ZIP) Code)</i></p>

<p style="text-align: center;">BOX C</p> <p style="text-align: center;">HOLD FOR PICK-UP</p> <p><input type="checkbox"/> Check here if the DRS Advice representing the Common Shares is to be held for pick-up, rather than mailed, at the office of the Depositary at which this Letter of Transmittal is deposited.</p>

INSTRUCTIONS AND RULES

1. Use of Letter of Transmittal

- (a) This Letter of Transmittal (or a manually signed facsimile thereof) validly completed and duly executed as required by the instructions set forth below together with certificates representing the Deposited Trust Units must be received by the Depository at one of the offices specified on the back page of this document.
- (b) The method used to deliver this Letter of Transmittal and any accompanying certificates representing Deposited Trust Units is at the option and risk of the holder. Delivery will be deemed effective only when such documents are actually received by the Depository at one of the offices specified on the back page of this document. The Trust recommends that the necessary documentation be hand delivered to the Depository, at one of the offices specified on the back page of this document, and a receipt obtained; otherwise the use of registered mail with return receipt requested, properly insured, is recommended. Unitholders whose Trust Units are registered in the name of a broker, dealer, bank, trust company or other nominee must contact their nominee to arrange for the exchange of their Trust Units for Common Shares.

2. Registration and Delivery Instructions

The boxes entitled "Box A" and "Box B" should be completed by each Unitholder or such Unitholder's duly authorized representative regardless of whether the DRS Advice representing the Common Shares to be issued pursuant to the Arrangement is to be: (a) issued in the name of a person other than the person signing the Letter of Transmittal; (b) sent to someone other than the person signing the Letter of Transmittal; or (c) sent to the person signing the Letter of Transmittal at an address other than that appearing below that person's signature. ***In the event that the boxes entitled "Box A" and "Box B", as applicable, are not completed by a Unitholder, the DRS Advice representing the Common Shares to be issued to such Unitholder shall be registered in the name of such Unitholder as such name appears on the register of Unitholders, maintained by the Trust's transfer agent and shall be delivered to the address otherwise indicated by the Unitholder, or where no such address is indicated, to the Unitholder's latest address appearing on the register of Unitholders.*** See also Instruction 4 "Guarantee of Signatures" below.

3. Signatures

- (a) This Letter of Transmittal must be completed and signed by the holder of the Deposited Trust Units described above or by such holder's duly authorized representative (in accordance with Instruction 5).
- (b) If this Letter of Transmittal is signed by the registered owner(s) of the accompanying certificate(s), such signature(s) on this Letter of Transmittal must correspond with the name(s) as registered or as written on the face of such certificate(s) without any change whatsoever, and the certificate(s) need not be endorsed. If such transmitted certificate(s) are owned of record by two or more joint owners, all such owners must sign this Letter of Transmittal.
- (c) If this Letter of Transmittal is signed by a person other than the registered owner(s) of the accompanying certificate(s):
 - (i) such deposited certificate(s) must be endorsed or be accompanied by an appropriate share transfer power of attorney duly and properly completed by the registered owner(s); and
 - (ii) the signature(s) on such endorsement or share transfer power of attorney must correspond exactly to the name(s) of the registered owner(s) as registered or as appearing on the certificate(s) and must be guaranteed as noted in Instruction 4 below.

4. Guarantee of Signatures

If this Letter of Transmittal is signed by a person other than the registered owner(s) of the Deposited Trust Units, or if the DRS Advice is to be issued to a person other than the registered owner(s) or sent to an address other than the address of the registered owner(s) as shown on the register of Unitholders maintained by the Trust's transfer agent, such signature must be guaranteed by a Canadian schedule 1 chartered bank or a participant in a recognized Securities Transfer Agents Medallion (STAMP) Program, a member of the Stock Exchange Medallion Program (SEMP), or a member of the New York Stock Exchange, Inc. Medallion Signature Program (MSP) (an "**Eligible Institution**"). Members of these programs are usually members of a recognized stock exchange in Canada or the United States, members of the Investment Industry Regulatory Organization of Canada, members of the Financial Industry Regulatory Authority or banks and trust companies in the United States. No guarantee is required if the signature is that of an Eligible Institution.

5. Fiduciaries, Representatives and Authorizations

Where this Letter of Transmittal is executed by a person acting in a representative capacity, such person should so indicate when signing and this Letter of Transmittal must be accompanied by satisfactory evidence of the authority to act. The Trust, New NAL or the Depository, in their discretion, may require additional evidence of such authority to act or additional documentation in respect thereof.

6. Miscellaneous

- (a) If the space on this Letter of Transmittal is insufficient to list all certificates representing the Deposited Trust Units, additional certificate numbers and numbers of Deposited Trust Units may be included on a separate signed list affixed to this Letter of Transmittal.
- (b) If Deposited Trust Units are registered in different forms (e.g., "John Doe" and "J. Doe") a separate Letter of Transmittal should be signed for each different registration.
- (c) No alternative, conditional or contingent deposits will be accepted.
- (d) Additional copies of the Circular and this Letter of Transmittal may be obtained from the Depository at the address listed on the back page of this document or through the SEDAR website at www.sedar.com.
- (e) By reason of the use by the undersigned of an English language form of Letter of Transmittal, the undersigned and, if applicable, each of the registered owner(s) of the accompanying certificate(s) shall be deemed to have required that any contract evidenced by a transaction as accepted through this Letter of Transmittal, as well as all documents related thereto, be drawn exclusively in the English language. En raison de l'usage d'une lettre d'envoi en langue anglaise par le soussigné, le soussigné et les destinataires sont présumés avoir requis que tout contrat attesté par une offre acceptée par cette lettre d'envoi, de même que tous les documents qui s'y rapportent, soient rédigés exclusivement en langue anglaise.

7. Lost Certificates

If a certificate has been lost, stolen or destroyed, this Letter of Transmittal should be completed as fully as possible and forwarded, together with an affidavit by the person claiming such certificate to have been lost, stolen or destroyed explaining the loss to the Depository. The Depository will assist in making arrangements for the necessary documentation (which may include a bonding requirement) for a DRS Advice to be issued in accordance with the Arrangement.

8. Cessation of Rights

Any certificate formerly representing Trust Units that is not deposited with all other documents as provided in the Plan of Arrangement on or before the last Business Day before the third anniversary of the Initial Effective Date shall, effective at 5:00 p.m. (Calgary time) on the last Business Day before the third anniversary of the Initial Effective Date: (a) cease to represent a right or claim of any kind or nature and the right of the former holder of such Trust Units to receive Common Shares and/or any cash payments, as the case may be; and (b) be deemed to be surrendered to New NAL together with all dividends thereon held for such holder.

9. Computershare Privacy Notice

Computershare is committed to protecting your personal information. In the course of providing services to you and our corporate clients, we receive non-public personal information about you – from transactions we perform for you, forms you send us, other communications we have with you or your representatives, etc. This information could include your name, address, social insurance number, securities holdings and other financial information. We use this to administer your account, to better serve you and our clients' needs and for other lawful purposes relating to our services. We have prepared a *Privacy Code* to tell you more about our information practices and how your privacy is protected. It is available at our website, computershare.com, or by writing us at 100 University Avenue, Toronto, Ontario, M5J 2Y1. Computershare will use the information you are providing on this form in order to process your request and will treat your signature(s) on this form as your consent to the above.

[THIS PAGE INTENTIONALLY LEFT BLANK]

OFFICES OF THE DEPOSITARY

COMPUTERSHARE INVESTOR SERVICES INC.

Toll Free Telephone (within Canada and the U.S.): 1-800-564-6253

Outside North America: 1-514-982-7555

E-mail: corporateactions@computershare.com

By Mail:

Toronto

Computershare Investor Services Inc.

P.O. Box 7021

31 Adelaide St. E.

Toronto, Ontario M5C 3H2

Attention: Corporate Actions

By Hand, by Courier or by Registered Mail:

Calgary

Computershare Investor Services Inc.

600, 530-8th Avenue S.W.

Calgary, Alberta T2P 3S8

Attention: Corporate Actions

Toronto

Computershare Investor Services Inc.

100 University Ave.

9th Floor, North Tower

Toronto, Ontario M5J 2Y1

Attention: Corporate Actions

Any questions and requests for assistance may be directed to the Depositary at the telephone numbers and locations set out above