PROVIDENT ENERGY LTD. ARCHIVED TAX INFORMATION

PEMBINA

Effective April 2, 2012, Pembina Pipeline Corporation acquired all the issued and outstanding common shares of Provident Energy Ltd. ("Provident") pursuant to a plan of arrangement (the "Arrangement") under Section 193 of the Business Corporations Act (Alberta). The following commentary refers to tax information applicable to Provident prior to April 2, 2012 and does not constitute and is not intended to be legal or tax advice.

U.S. SHAREHOLDERS (UNITHOLDERS FOR PERIODS PRIOR TO JANUARY 1, 2011)

INFORMATION REGARDING PACE OIL AND GAS SHARES

Subject to the limitations outlined in Provident's May 10, 2010 Information Circular, as specified in the section entitled "Certain US federal Income Tax Considerations for Provident Unitholders," the following consequences should result to U.S. Unitholders:

The exchange of the share consideration percentage of each Provident unit for Pace shares will more likely than not qualify as a tax deferred transaction under the Internal Revenue Code which should result in the following:

- No gain or loss will be recognized by the U.S. Holder on the exchange of Provident units for Pace shares pursuant to the Arrangement;
- The aggregate tax basis in the Pace shares acquired in exchange for Provident units pursuant to the Arrangement will be equal to the U.S. Holder's aggregate tax basis in its Provident units multiplied by the Share Consideration Percentage;
- The U.S. Holder's holding period in the Pace shares acquired in exchange for Provident units pursuant to the Arrangement will include the U.S. Holder's holding period for the Provident units exchanged; and
- U.S. Holders that exchange Provident units for Pace shares pursuant to the Arrangement generally will be required to report certain information to the IRS on their U.S. federal income tax returns for the taxable year in which the Arrangement occurs, and to retain certain records related to the Arrangement.

If the exchange of Provident units for Pace shares pursuant to the Arrangement does not qualify as a tax deferred transaction for U.S. federal income tax purposes, U.S. Holders would be required to recognize dividend income and/or taxable gain or loss.

EXAMPLE

A U.S. Holder owns 1,000 Provident units which he purchased in two blocks. U.S. Holder's aggregate tax basis in their 1,000 Provident units equals USD$7,000. Block 1 consists of 100 Provident units with a tax basis of USD$10 per unit and Block 2 consists of 900 Provident units with a tax basis of USD$6.67 per unit. U.S. Holder is entitled to receive 1,000 x .12225 = 122 shares of Pace Oil and Gas.

U.S. Holder's tax basis in the Pace shares they receive will be the same as their aggregate tax basis in their Provident units, multiplied by the share consideration percentage, which is 0.1596. In this example, their aggregate tax basis in the Pace shares will be $7,000 x 0.1596 = $1,117.20 or approximately $1,117.20/122 shares = $9.16 per share.

The U.S. Holder's remaining tax basis stays with their Provident units. Thus, their aggregate tax basis in their Provident units after the Arrangement will be $7,000 - 1,117.20= $5,882.80.

Here is how their basis in the Provident units is allocated between Block 1 and Block 2. The U.S. Holder's aggregate tax basis in his Block 1 Provident units will equal (100 units x $10.00 per unit) - (100 units x $10.00 per unit x 0.1596) = $840.40, approximately $8.40 per unit.

Their aggregate tax basis in his Block 2 Provident units will be (900 units x $6.67 per unit) - (900 units x $6.67 per unit x 0.1596) = $5,044.92, approximately $5.61 per unit.

ANNUAL TAX REPORTING

Provident will continue to be treated as a corporation for U.S. federal income tax purposes. As a corporation, Provident's distributions to U.S. shareholders may be "qualified dividends" as determined under the U.S. Internal Revenue Code.

To assist with the preparation of U.S. tax information non-registered U.S. shareholders should receive a Form 1099-DIV from their broker or intermediary. Provident's transfer agent Computershare Trust Company will issue a Form 1099-DIV to all registered U.S. shareholders.

The full amount of dividends paid to taxable non-residents of Canada are subject to a minimum 15 percent Canadian withholding tax that is withheld prior to dividend being paid to shareholders. When shares are held in a qualified USA retirement account withholding taxes should not be levied. Information regarding the amount of Canadian tax withheld in a particular year should be determined from your own records and is not available from Provident.

The table below indicates the qualified dividend portion and the tax deferred return of capital portion for each tax year.

US Shareholders (reported on a 1099-DIV)			
Tax Year	**Dividends (US$)**	**Qualified Dividend Portion**	**Tax Deferred Return of Capital Portion**
2012	$0.18	75.85%	24.15%
2011	$0.54	100%	0%
2010	$0.72	45%	55%
2009	$0.67	100%	0%
2008	$1.30	100%	0%
2007	$1.32	97.58%	2.42%
2006	$1.28	97.72%	2.28%
2005	$1.20	94.35%	5.65%
2004	$1.10	83.00%	17.00%
2003	$1.47	73.00%	27.00%