

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. The securities offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended (the "1933 Act"), or any state securities laws. Accordingly, the securities may not be offered or sold in the United States or to, or for the account or benefit of, U.S. Persons (as such terms are defined in Regulation S under the 1933 Act), except in transactions exempt from the registration requirements of the 1933 Act and applicable state securities laws. This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States. See "Plan of Distribution".

Information has been incorporated by reference in this short form prospectus from documents filed with the securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Assistant Corporate Secretary of Provident Energy Ltd. at Suite 2100, 250 - 2nd Street S.W., Calgary, Alberta T2P 0C1, Telephone (403) 296-2233 and are also available electronically at www.sedar.com.

Short Form Prospectus

New Issue

April 29, 2011



\$150,000,000

5.75% Convertible Unsecured Subordinated Debentures

This short form prospectus qualifies the distribution of \$150,000,000 aggregate principal amount of 5.75% convertible unsecured subordinated debentures (the "**Debentures**") of Provident Energy Ltd. ("**Provident**" or the "**Company**") at a price of \$1,000 per Debenture (the "**Offering**"). The Debentures bear interest at an annual rate of 5.75% payable semi-annually on June 30 and December 31 in each year commencing December 31, 2011. The maturity date of the Debentures will be December 31, 2018 (the "**Maturity Date**").

Debenture Conversion Privilege

Each Debenture will be convertible into common shares of Provident ("**Common Shares**") at the option of the holder at any time prior to the close of business on the earlier of the Maturity Date and the business day immediately preceding the date specified by Provident for redemption of the Debentures, at a conversion price of \$12.55 per Common Share, subject to adjustment in certain events. **Upon conversion, in lieu of delivering Common Shares, the Company may elect to pay the holder cash at the option of the Company. See "Details of the Offering - Cash Conversion Option".**

The outstanding Common Shares, 6.5% convertible unsecured subordinated debentures (the "**Initial 6.5% Debentures**"), 6.5% convertible unsecured subordinated debentures (the "**Supplemental 6.5% Debentures**") and 5.75% convertible unsecured subordinated debentures (the "**5.75% Debentures**") of Provident are each listed on the Toronto Stock Exchange (the "**TSX**") under the symbols "PVE", "PVE.DB.C", "PVE.DB.D" and "PVE.DB.E", respectively, and the Common Shares are listed on the New York Stock Exchange (the "**NYSE**") under the symbol "PVX". The TSX has conditionally approved the listing of the Debentures and the Common Shares issuable on conversion or maturity of the Debentures. Listing is subject to the Company fulfilling all of the listing requirements of the TSX. The Common Shares issuable on the conversion of the Debentures will be listed on the NYSE upon delivering the official notice of issuance to the NYSE. On April 28, 2011, the closing price of the Common Shares on the TSX and the NYSE was \$8.86 and US\$9.30, respectively.

	Price to Public	Underwriters' Fee⁽¹⁾	Net Proceeds to Provident⁽²⁾⁽³⁾
Per Debenture.....	\$1,000	\$40	\$960
Total ⁽³⁾	\$150,000,000	\$6,000,000	\$144,000,000

Notes:

- (1) The Underwriters' Fee represents 4% of the Offering price of the Debentures.
- (2) Before deducting expenses of this Offering, estimated to be \$500,000. See "Plan of Distribution".
- (3) Provident has granted to the Underwriters an over-allotment option (the "**Over-Allotment Option**") to purchase up to 15% of the principal amount of the Debentures issued at a price of \$1,000 per Debenture on the same terms and conditions as the Offering, exercisable in whole or in part, at the sole discretion of the Underwriters, at any time up until 30 days after the closing of the Offering for the purposes of covering the Underwriters' over-allocation position. Debentures issuable upon exercise of the Over-Allotment Option will be issued on the later of closing of the Offering and two business days following exercise of such option. If the Over-Allotment Option is exercised in full, the "Price to the Public", "Underwriters' Fee" and "Net Proceeds to Provident" (before deducting expenses of the Offering) will be \$172,500,000, \$6,900,000 and \$165,600,000, respectively. This short form prospectus also qualifies for distribution the grant of the Over-Allotment Option and the issuance of the Debentures pursuant to the exercise of the Over-Allotment Option. See "Plan of Distribution".

A purchaser who acquires Debentures forming part of the Underwriters' over-allocation position acquires those Debentures under this short form prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

Underwriters' Position	Maximum Size	Exercise Period	Exercise Price
Over-Allotment Option	\$22,500,000	At anytime until 30 days after the closing of the Offering	\$1,000 per Debenture

TD Securities Inc. and National Bank Financial Inc., on their own behalf and on behalf of BMO Nesbitt Burns Inc., RBC Dominion Securities Inc., Scotia Capital Inc., CIBC World Markets Inc., Canaccord Genuity Corp., HSBC Securities (Canada) Inc. and FirstEnergy Capital Corp. (collectively, the "**Underwriters**"), as principals, conditionally offer the Debentures, subject to prior sale, if, as and when issued by the Company and accepted by the Underwriters in accordance with the conditions contained in the underwriting agreement referred to under "Plan of Distribution" and subject to approval of certain legal matters on behalf of the Company by Macleod Dixon LLP and on behalf of the Underwriters by Stikeman Elliott LLP. Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. The closing of the Offering is expected to occur on or about May 10, 2011 (the "**Closing Date**"). The Debentures are to be taken up by the Underwriters, if at all, on or before a date not later than 42 days after the date of the receipt for this short form prospectus.

Except in certain limited circumstances, including where a Debenture requires the addition of a legend under the applicable securities laws of the United States, certificates for the aggregate principal amount of the Debentures will be issued in registered form to CDS Clearing and Depository Services Inc. ("**CDS**") and will be deposited with CDS on the Closing Date. No certificates evidencing the Debentures will be issued to purchasers, except in certain limited circumstances, and registration will be made in the depository service of CDS. Purchasers of the Debentures will receive only a customer confirmation from the Underwriter or other registered dealer who is a CDS participant and from or through whom a beneficial interest in the Debentures is purchased. On the Closing Date, certificates representing Debentures sold pursuant to Rule 506 of Regulation D under the 1933 Act will be in registered form to the purchasers thereof. See "Details of the Offering".

The interest coverage ratio in respect of the Debentures for the year ended December 31, 2010 is less than 1:1 and, since the Company had a loss for such period, the coverage ratio is negative. The dollar amount of the coverage deficiency would have been \$549.9 million See "Earnings Coverage" and "Non-GAAP Measures".

The Underwriters may effect transactions which stabilize or maintain the market price for the Debentures at levels other than those which might otherwise prevail in the open market. See "Plan of Distribution".

TD Securities Inc., National Bank Financial Inc., BMO Nesbitt Burns Inc., RBC Dominion Securities Inc., Scotia Capital Inc., CIBC World Markets Inc. and HSBC Securities (Canada) Inc. are each, directly or indirectly, a wholly-owned or majority-owned subsidiary of a Canadian chartered bank which is a lender to Provident and its subsidiaries under a revolving term bank credit facility (the "Credit Facility") and/or are counterparties under certain hedging arrangements with the Company. Consequently, Provident may be considered to be a connected issuer of each of these Underwriters for the purposes of securities legislation in certain jurisdictions.

The net proceeds of this Offering will be initially used by Provident to repay indebtedness under the Credit Facility which will then be available to be drawn, as required, to fund the redemption of all of the outstanding aggregate principal amount of Provident's Initial 6.5% Debentures, and for general corporate purposes. As of March 31, 2011, there was approximately \$95 million aggregate principal amount of Initial 6.5% Debentures outstanding. See "Recent Developments", "Relationship Among Provident and Certain Underwriters", "Details of the Offering" and "Use of Proceeds".

The Debentures are not "deposits" within the meaning of the *Canada Deposit Insurance Corporation Act* (Canada) and are not insured under the provisions of that Act or any other legislation.

The Underwriters propose to offer the Debentures initially at the Offering price specified above. After a reasonable effort has been made to sell all of the Debentures at the price specified, the Underwriters may subsequently reduce the selling price to investors from time to time in order to sell any of the Debentures remaining unsold. Any such reduction will not affect the proceeds received by the Company. The Underwriters will inform the Company if the Offering price is reduced. See "Plan of Distribution".

It is important for investors to consider the particular risk factors that may affect the issuer in which they are investing. See "Risk Factors" herein and in the Company's annual information form and management's discussion and analysis incorporated by reference herein.

There is currently no market through which the Debentures may be sold and purchasers may not be able to resell the Debentures purchased under this short form prospectus. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities and the extent of issuer regulation. The Company may repay the outstanding principal of the Debentures through the issuance of Common Shares. See "Risk Factors" and "Details of the Offering - Debentures - Payment upon Redemption or Maturity".

Dollar references in this short form prospectus are in Canadian dollars unless otherwise indicated. On April 28, 2011, the rate of exchange for the Canadian dollar, expressed in United States dollars, based on the Bank of Canada noon rate for United States dollars was Canadian \$0.9511 = US\$1.00.

The head and principal offices of Provident are located at 2100, 250 - 2nd Street S.W., Calgary, Alberta T2P 0C1. The registered office of Provident is located at 3700, 400 - 3rd Avenue S.W., Calgary, Alberta T2P 4H2.

The following table sets forth the average exchange rates for the three month period ended March 31, 2011 and the years ended December 31, 2010 and December 31, 2009 based on the Bank of Canada noon rate for United States dollars. The rates are set forth as Canadian dollars per US\$1.00.

	Three months ended March 31, 2011	Year Ended December 31, 2010	Year Ended December 31, 2009
Average rate during period	\$0.9860	\$1.0299	\$1.1420

Note:

(1) The exchange rates disclosed have been rounded to four decimal places.

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SUMMARY

This summary is qualified by, and should be read in conjunction with, the detailed information contained elsewhere in this short form prospectus.

Provident Energy Ltd.

Provident Energy Ltd. is a corporation incorporated under the *Business Corporations Act* (Alberta) (the "ABCA"). The Company holds interests in a natural gas liquids midstream processing and marketing business through its various subsidiaries and manages and administers the operating activities associated with the business.

Effective January 1, 2011, Provident Energy Trust (the "**Trust**") completed the conversion from an income trust structure to a corporate structure pursuant to a plan of arrangement involving the Company, the Trust and a wholly-owned subsidiary of the Trust (the "**Conversion**"). Pursuant to the Conversion, the Company acquired, directly and indirectly, the same assets and business that the Trust owned immediately prior to the effective time of the Conversion and assumed all of the obligations of the Trust. In accordance with the Conversion, the Trust was dissolved effective January 1, 2011 and thereafter ceased to exist.

The head and principal offices of Provident are located at 2100, 250 - 2nd Street S.W., Calgary, Alberta T2P 0C1. The registered office of Provident is located at 3700, 400 - 3rd Avenue S.W., Calgary, Alberta T2P 4H2.

The Offering

Issue: 150,000 5.75% convertible unsecured subordinated debentures.

Amount of Offering: \$150,000,000 aggregate principal amount.

Over-Allotment Option Provident has granted to the Underwriters the Over-Allotment Option to purchase up to 15% of the principal amount of the Debentures issued at a price of \$1,000 per Debenture on the same terms and conditions as the Offering, exercisable in whole or in part, at the sole discretion of the Underwriters at any time up until 30 days after the closing of the Offering for the purposes of covering the Underwriters' over-allocation position. Debentures issuable upon exercise of the Over-Allotment Option will be issued on the later of closing of the Offering and two business days following exercise of such option.

Price: \$1,000 per Debenture.

Use of Proceeds: The net proceeds of the Offering will be initially used by Provident to repay indebtedness under the Credit Facility which will then be available to be drawn, as required, to fund the redemption of all of the outstanding aggregate principal amount of Provident's Initial 6.5% Debentures, and for general corporate purposes. As of March 31, 2011, there was approximately \$95 million aggregate principal amount of Initial 6.5% Debentures outstanding. See "Use of Proceeds" and "Relationship Among Provident and Certain Underwriters".

Debentures

Maturity: The Maturity Date for the Debentures will be December 31, 2018.

Interest: 5.75% per annum payable semi-annually in arrears on June 30 and December 31 in each year, commencing December 31, 2011. The first interest payment on December 31, 2011 will include interest accrued from the Closing Date to, but excluding, December 31, 2011.

Conversion: Subject to the Cash Conversion Option (as defined herein), the Debentures will be convertible into fully paid and non-assessable Common Shares at the option of the holder thereof at any time prior to the close of business on the earlier of the Maturity Date and the business day immediately preceding the date specified by the Company for redemption of the Debentures at a conversion price (the "**Conversion Price**") of \$12.55 per Common Share, being a conversion rate (the "**Conversion Rate**") of 79.6813 Common Shares per \$1,000 principal amount of Debentures, subject to adjustment as provided in the Indenture (as defined herein). Holders converting their Debentures will receive all accrued and unpaid interest thereon to, but excluding, the date of conversion.

Cash Conversion Option: Upon conversion of the Debentures, in lieu of delivering Common Shares, the Company may elect to pay the holder cash at the option of the Company (the "**Cash Conversion Option**"). If the Company elects, in its sole discretion, to settle the conversion obligation in cash, the Company shall deliver to the holder an amount in cash based on the daily volume weighted average price of the Common Shares on the TSX as measured over a period of 10 consecutive trading days commencing on the third day following the conversion date.

Notwithstanding any election by Provident to invoke or suspend the Cash Conversion Option or any election by a holder of Debentures to convert Debentures into Common Shares, the Cash Conversion Option shall be immediately suspended if and for so long as any default, event of default or acceleration has occurred and is continuing under any of the Senior Indebtedness (as defined herein) or if the payment of such Cash Conversion Option would reasonably be expected to result in such a default or event of default.

Redemption: The Debentures will not be redeemable before December 31, 2014. On and after December 31, 2014 and prior to December 31, 2016, the Debentures may be redeemed in whole or in part from time to time at the option of the Company on not more than 60 days and not less than 30 days prior notice at a price equal to their principal amount plus accrued and unpaid interest, provided that the current market price (as defined herein) on the date on which the notice of redemption is given is not less than 125% of the Conversion Price. On and after December 31, 2016, the Debentures may be redeemed in whole or in part from time to time at the option of the Company on not more than 60 days and not less than 30 days prior notice at a price equal to their principal amount plus accrued and unpaid interest.

Change of Control: Within 30 days following the occurrence of a Change of Control (as defined below), Provident will be required to make an offer in writing to purchase all of the Debentures then outstanding (the "**Debenture Offer**"), at a price equal to 100% of the principal amount thereof plus accrued and unpaid interest thereon. A Change of Control will be defined in the Indenture as the acquisition by any person, or group of persons acting jointly or in concert, of voting control or direction of more than 50% of the outstanding voting securities of the Company but excludes an acquisition, merger, reorganization, amalgamation, arrangement, combination or other similar transaction if the holders of voting securities of the Company immediately prior to such transaction hold securities representing at least 50% of the voting control or direction in the Company or the successor entity upon completion of the transaction.

If a Change of Control occurs in which 10% or more of the consideration for the voting securities in the transaction or transactions constituting a Change of Control consists of: (i) cash; (ii) equity securities that are not traded or intended to be traded immediately following such transactions on a stock exchange; or (iii) other property that is not traded or intended to be traded immediately following such transactions on a stock exchange, then, subject to any regulatory approvals, during the period beginning ten trading days before the anticipated date on which the Change of Control becomes effective and ending 30 days after the Debenture Offer is delivered, holders of Debentures will be entitled to convert their Debentures at a conversion price determined in accordance with the terms of the Indenture.

Payment Upon Redemption or Maturity:

On redemption or at maturity, the Company may, at its option, on not more than 60 days and not less than 40 days prior notice and subject to regulatory approval, elect to satisfy its obligation to repay the principal amount of the Debentures, in whole or in part, by issuing and delivering that number of freely tradeable Common Shares obtained by dividing the principal amount of the outstanding Debentures which are to be redeemed or which have matured by 95% of the volume weighted average trading price of the Common Shares on the TSX for the 20 consecutive trading days ending on the fifth trading day preceding the date fixed for redemption or the Maturity Date, as the case may be. Any accrued and unpaid interest thereon will be paid in cash.

Subordination:

The payment of the principal and premium, if any, of, and interest on, the Debentures will be subordinated in right of payment, as set forth in the Indenture, to the prior payment in full of all Senior Indebtedness (as defined herein) of Provident and will rank *pari passu* with the Initial 6.5% Debentures, the Supplemental 6.5% Debentures and the 5.75% Debentures. The Debentures will also be effectively subordinated to claims of creditors of Provident's subsidiaries except to the extent Provident is a creditor of such subsidiaries ranking at least *pari passu* with such other creditors. The Debentures will not limit the ability of Provident to incur additional indebtedness, including indebtedness that ranks senior to the Debentures, or from mortgaging, pledging or charging its properties to secure any indebtedness.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Assistant Corporate Secretary of Provident at Suite 2100, 250 - 2nd Street S.W., Calgary, Alberta T2P 0C1, Telephone (403) 296-2233. Copies of the documents incorporated herein by reference are also available at www.sedar.com.

The following documents of the Company, filed with the various provincial securities commissions or similar authorities in Canada, are specifically incorporated into and form an integral part of this short form prospectus:

- (a) the annual information form of Provident for the year ended December 31, 2010 dated March 24, 2011 (the "**AIF**");
- (b) the audited consolidated financial statements of the Trust together with the auditor's report thereon and the notes thereto and management's discussion and analysis of the financial condition and operations of the Trust as at and for the years ended December 31, 2010 and 2009;
- (c) the information circular dated March 31, 2011 in connection with the annual meeting of the holders of Common Shares ("**Shareholders**") to be held on May 11, 2011;
- (d) the information circular dated March 18, 2010 in connection with the annual and special meeting of the holders ("**Unitholders**") of trust units of the Trust (the "**Trust Units**") held on May 13, 2010;
- (e) the joint information circular dated May 10, 2010 in connection with the special meeting of the Unitholders and the shareholders of Midnight Oil Exploration Ltd. ("**Midnight**") held on June 28, 2010 (the "**Joint Circular**") excluding (i) the section "Information Concerning Midnight Oil Exploration Ltd. - Documents Incorporated by Reference"; (ii) Appendix B - Midnight Arrangement Resolution; (iii) Appendix F - Midnight Fairness Opinion; (iv) Appendix G - Midnight COGP Business Statement of Reserves Data and Other Oil and Gas Information"; and (v) Appendix H - COGP Business Unit and PERI Financial Statements; and
- (f) the material change report dated January 10, 2011 in respect of the completion of the Conversion.

Any documents of the type required by National Instrument 44-101 to be incorporated by reference in a short form prospectus including any material change reports (excluding confidential reports), comparative interim financial statements, comparative annual financial statements and the auditor's report thereon, management's discussion and analysis of financial condition and results of operations, information circulars, annual information forms and business acquisition reports filed by the Company with the securities commissions or similar authorities in the provinces of Canada subsequent to the date of this short form prospectus and prior to the termination of this distribution shall be deemed to be incorporated by reference in this short form prospectus.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this short form prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is, or is deemed to be, incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this short form prospectus.

The Company has applied to the securities commissions of each of the provinces of Canada for relief from the requirement to incorporate by reference into a short form prospectus certain previously disclosed information required under applicable securities legislation. Specifically, Provident has requested to be permitted to exclude the following sections of the Joint Circular from incorporation by reference into this short form prospectus: (i) the section "Information Concerning Midnight Oil Exploration Ltd. – Documents Incorporated by Reference"; (ii) Appendix B – Midnight Arrangement Resolution; (iii) Appendix F – Midnight Fairness Opinion; (iv) Appendix G – Midnight COGP Business Statement of Reserves Data and Other Oil and Gas Information; and (v) Appendix H - COGP Business Unit and PERI Financial Statements. A receipt filed with respect to this short form prospectus by the securities commissions will evidence that such relief has been granted.

FORWARD-LOOKING INFORMATION

Certain information contained in this short form prospectus, including the documents incorporated by reference herein, include statements that contain words such as "could", "should", "can", "anticipate", "estimate", "propose", "plan", "expect", "believe", "will", "may" and similar expressions and statements relating to matters that are not historical facts constitute "forward-looking information" within the meaning of applicable Canadian securities legislation and "forward-looking statements" within the meaning of the "safe harbor" provisions of the *United States Private Securities Litigation Reform Act of 1995* (collectively, "**forward-looking information and statements**"). In particular, forward-looking information and statements include, but are not limited to: statements regarding Provident's business plan; the use of proceeds in respect of the Offering; the making of applications and the satisfaction of conditions for listing on the TSX and NYSE and the timing thereof; the Company's transition to IFRS (as defined below); the treatment of Shareholders under tax laws; and the planned dividend policy of Provident. Forward-looking information is provided for the purpose of providing information about management's current expectations and plans about the future. Reliance on such information may not be appropriate for other purposes, such as making investment decisions.

The forward-looking information and statements contained in this short form prospectus and in the documents incorporated by reference herein are based on certain assumptions and analysis made by the Company in light of its experience and its perception of historical trends, current conditions and expected future developments as well as other factors it believes are appropriate in the circumstances. By their nature, forward-looking information and statements involve inherent risks and uncertainties and risk that forward-looking information and statements will not be achieved. Undue reliance should not be placed on forward-looking information and statements as a number of important factors could cause the actual results to differ materially from the beliefs, plans, objectives, expectations and anticipations, estimates and intentions expressed in the forward-looking information and statements, including those set out below and those detailed elsewhere in this short form prospectus and in the documents incorporated by reference herein. Such factors include, but are not limited to: the inability to meet the TSX and NYSE requirements respecting listing; inability to obtain required approvals; and the other factors discussed in the AIF and management's discussion and analysis for the year ended December 31, 2010 incorporated by reference herein and the risk factors set forth under "Risk Factors" in this short form prospectus.

Readers are cautioned that the foregoing list is not exhaustive. The information contained in this short form prospectus, including certain documents incorporated by reference herein, identifies additional factors that could affect the operating results and performance of the Company. You are encouraged to carefully consider those factors. The forward-looking information and statements contained in this short form prospectus are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking information and statements, whether as a result of new information, future events or otherwise, unless required by applicable securities laws. The forward-looking information and statements contained herein are expressly qualified in their entirety by this cautionary statement.

The reader is further cautioned that the preparation of financial statements in accordance with Canadian GAAP (as defined below) requires management to make certain judgments and estimates that affect the reported amounts of assets, liabilities, revenues and expenses. These estimates may change, having either a negative or positive effect on net earnings as further information becomes available and as the economic environment changes.

NON-GAAP MEASURES

In this short form prospectus and the documents incorporated by reference herein, Provident uses the terms "funds flow from operations" and "adjusted funds flow from continuing operations", which excludes realized loss on buyout of financial derivative instruments and strategic review and restructuring costs, to refer to the cash available for debt repayments, capital programs and distributions. Both these measures are indicators of the financial performance of Provident. "Funds flow from operations" and "adjusted funds flow from continuing operations" are not measures recognized by Canadian generally accepted accounting principles ("**Canadian GAAP**") and do not have standardized meanings prescribed by Canadian GAAP. Therefore, "funds flow from operations" and "adjusted funds flow from continuing operations" may not be comparable to similar measures presented by other issuers, and investors are cautioned that "funds flow from operations" and "adjusted funds flow from continuing operations" should not be construed as alternatives to net earnings, cash flow from operating activities or other measures of

financial performance calculated in accordance with Canadian GAAP. All references to "funds flow from operations" are based on cash provided by operating activities before changes in non-cash working capital related to operating activities and site restoration expenditures, as presented in the consolidated financial statements of Provident. All references to "adjusted funds flow from continuing operations" are based on funds flow from continuing operations excluding buyout of financial derivative instruments and strategic review and restructuring costs. **The actual amount of cash that is distributed cannot be assured and future distributions may vary.**

Management also uses "adjusted EBITDA" (as defined below) and "adjusted EBITDA excluding buyout of financial derivative instruments and strategic review and restructuring costs" to analyze the operating performance of the business. "Adjusted EBITDA" and "adjusted EBITDA excluding buyout of financial derivative instruments and strategic review and restructuring costs" as presented do not have any standardized meaning prescribed by Canadian GAAP and therefore they may not be comparable with the calculation of similar measures for other entities. The adjusted EBITDA measures as presented are not intended to represent operating cash flow or operating profits for the period nor should the measures be viewed as an alternative to cash flow from operating activities, net earnings or other measures of financial performance calculated in accordance with Canadian GAAP. All references to "adjusted EBITDA" and "adjusted EBITDA excluding buyout of financial derivative instruments and strategic review and restructuring costs" throughout this short form prospectus and the documents incorporated by reference herein are based on earnings before interest, taxes, depreciation, accretion, and other non-cash items ("**adjusted EBITDA**"). Provident uses such terms as an indicator of financial performance because such terms are commonly utilized by investors to evaluate companies in the energy and midstream sectors. Provident believes that such terms are useful supplemental measures as they provide investors with information of what cash is available for distribution in such periods.

PRESENTATION OF FINANCIAL INFORMATION

In February 2008, the Canadian Accounting Standards Board confirmed that all publicly accountable enterprises would be required to report under International Financial Reporting Standards ("IFRS") for financial years beginning on or after January 1, 2011.

Provident adopted IFRS effective for interim and annual periods commencing January 1, 2011. Prior to the adoption of IFRS, Provident prepared its consolidated financial statements in accordance with Canadian GAAP. **All financial information included in this short form prospectus (including the audited consolidated financial statements of the Trust as at and for the years ended December 31, 2010 and 2009 incorporated by reference herein) is based on financial results in respect of financial years ending prior to January 1, 2011 and therefore such financial information does not reflect the impact of Provident's transition to IFRS.**

The Company will issue its first IFRS annual consolidated financial statements for the year ended December 31, 2011, with statements of comparative balance sheets as at December 31, 2010 and January 1, 2010 and earnings for the year ended December 31, 2010. During the year ended December 31, 2011, the Company will issue interim consolidated financial statements prepared in accordance with IAS 34—*Interim Financial Reporting* and IFRS 1—*First Time Adoption of International Financial Reporting Standards* for the periods ended March 31, 2011, June 30, 2011 and September 30, 2011, with comparative information for the applicable 2010 comparative periods.

In addition, the Conversion will be accounted for on a "continuity of interests basis" and accordingly, the consolidated financial statements for periods beginning on or after January 1, 2011 will reflect the financial position, results of operations and cash flows as if the Company had always carried on the business formerly carried on by the Trust. Assets, liabilities and equity balances will carry over at the same amount as was recognized in the Trust. **In this short form prospectus, references to "Provident" in respect of periods prior to January 1, 2011 includes the Trust, where the context requires.**

PROVIDENT ENERGY LTD.

Provident is a corporation incorporated under the ABCA. The Company holds interests in a natural gas liquids midstream processing and marketing business through its various subsidiaries. Revenue from the business flows to the Company from its subsidiaries by way of interest payments and principal repayments on notes and by way of dividends and partnership distributions from Provident's various subsidiaries. The principal business of the Company is to manage and administer the operating activities associated with the natural gas liquids midstream processing and marketing business.

Pursuant to the Conversion, the Company acquired, directly and indirectly, the same assets and business that the Trust owned immediately prior to the effective time of the Conversion and assumed all of the obligations of the Trust. In accordance with the Conversion, the Trust was dissolved effective January 1, 2011 and thereafter ceased to exist. The Conversion resulted in the holders of Trust Units becoming the holders of the Common Shares, exchanging all of the outstanding Trust Units for Common Shares on a one-for-one basis. For additional information relating to the Conversion, see "General Development of the Business of Provident - Conversion of the Trust" in the AIF.

Provident currently has over 200 employees, consultants and contract operators at its head office location and in several field offices within the operating areas of the midstream facilities in Redwater and Empress, Alberta, Sarnia and Corunna, Ontario, Lynchburg, Virginia and Houston, Texas.

The head and principal offices of Provident are located at 2100, 250 - 2nd Street S.W., Calgary, Alberta T2P 0C1. The registered office of Provident is located at 3700, 400 - 3rd Avenue S.W., Calgary, Alberta T2P 4H2.

RECENT DEVELOPMENTS

Redemption of Provident's Initial 6.5% Debentures

On April 18, 2011, the Company announced the redemption of all of the outstanding principal amount of Provident's Initial 6.5% Debentures at the redemption price of \$1,000 in cash for each \$1,000 principal amount of the Initial 6.5% Debentures, plus accrued and unpaid interest thereon up to, but excluding, the date fixed by the Company for redemption of May 25, 2011. Interest on the Initial 6.5% Debentures will cease to be payable from and after the redemption date. The net proceeds of the Offering will be initially used by Provident to repay indebtedness under the Credit Facility which will then be available to be drawn, as required, to fund the redemption of all of the outstanding aggregate principal amount of Provident's Initial 6.5% Debentures, and for general corporate purposes. As of March 31, 2011, there was approximately \$95 million aggregate principal amount of Initial 6.5% Debentures outstanding. See "Use of Proceeds".

Maturity of Provident's Supplemental 6.5% Debentures

The Company's previously issued Supplemental 6.5% Debentures will mature on April 30, 2011 in accordance with their terms. Provident will repay the entire aggregate principal amount of Supplemental 6.5% Debentures due and payable on the maturity date of April 30, 2011, plus accrued interest up to, but excluding the maturity date. As of March 31, 2011, there was approximately \$69 million aggregate principal amount of Supplemental 6.5% Debentures outstanding.

Gas Gathering Agreement

On March 2, 2011, Provident announced it had entered into an agreement with AltaGas to construct a 16-inch rich gas pipeline from a Montney gas plant to the AltaGas/Provident Younger deep cut natural gas processing facility in northeastern British Columbia. The 25 kilometre Younger Septimus Pipeline will serve as a trunk line to support the gathering of up to 250 million cubic feet per day of natural gas from the liquids-rich Montney area. Provident estimates the pipeline will become fully operational by the fourth quarter of 2011.

Under the agreement, Provident and AltaGas will each own a 30% interest in the project and have a combined 152 million cubic feet per day of firm shipping capacity. The estimated cost to complete the pipeline is approximately \$30 million, of which Provident has committed \$9 million.

Offer to Purchase Provident's Initial 6.5% Debentures and Supplemental 6.5% Debentures

On February 22, 2011, Provident announced the completion of its offer to purchase all of the outstanding principal amount of the Initial 6.5% Debentures and Supplemental 6.5% Debentures for a purchase price in cash equal to 101% of the principal amount in respect thereof, plus accrued interest. Provident acquired approximately \$4 million principal amount of the Initial 6.5% Debentures and approximately \$81 million principal amount of the Supplemental 6.5% Debentures validly deposited in acceptance of the offer.

Potential Acquisitions and Financings

The Company continues to evaluate potential acquisitions. Provident is normally in the process of evaluating several potential acquisitions at any one time which individually or together could be material. As of the date hereof, the Company has not reached agreement on the price or terms of any potential material acquisitions. The Company cannot predict whether any current or future opportunities will result in one or more acquisitions for Provident. In addition to the Offering, the Company may in the future, complete financings of equity or debt (which may be convertible into equity) for purposes that may include financing of acquisitions, the Company's operations and capital expenditures and repayment of indebtedness.

USE OF PROCEEDS

The net proceeds of this Offering (excluding any exercise of the Over-allotment Option), after payment of the Underwriters' fee of approximately \$6,000,000 and expenses of this Offering estimated to be \$500,000, will be approximately \$143.5 million. If the Over-Allotment Option is exercised in full, the net proceeds of this Offering, after payment of the Underwriters' fee of approximately \$6,900,000 and expenses of this Offering estimated to be \$500,000, will be approximately \$165.1 million.

The net proceeds of the Offering will be initially used by Provident to repay indebtedness under the Credit Facility which will then be available to be drawn, as required, to fund the redemption of all of the outstanding aggregate principal amount of Provident's Initial 6.5% Debentures as of the redemption date of May 25, 2011, and for general corporate purposes. As of March 31, 2011, there was approximately \$95 million aggregate principal amount of Initial 6.5% Debentures outstanding.

The indebtedness being repaid was principally incurred to fund the acquisition of approximately \$4 million principal amount of the Initial 6.5% Debentures and approximately \$81 million principal amount of the Supplemental 6.5% Debentures validly deposited in acceptance of Provident's offer to purchase which was completed on February 22, 2011, for working capital and general corporate purposes.

For the year ended December 31, 2010, Provident had negative cash flow from operating activities. A buyout of financial derivative instruments was the primary reason for Provident's negative cash flow from operating activities during the year ended December 31, 2010. The Company does not currently anticipate that the net proceeds from the Offering will be used to fund negative cash flow from operating activities of the Company, if any, in future periods. See "Relationship Among Provident and Certain Underwriters" and "Risk Factors".

DETAILS OF THE OFFERING

This Offering consists of 150,000 Debentures at a price of \$1,000 per Debenture. The following is a summary of the material attributes and characteristics of the Debentures and is subject to, and qualified by reference to, the terms of the Indenture (as defined below).

General

The Debentures will be issued under a supplemental indenture (to be dated the Closing Date) to the indenture dated March 1, 2005, as supplemented by a first supplemental indenture dated November 15, 2005, a second supplemental indenture dated November 9, 2010 and a third supplemental indenture dated January 1, 2011 (collectively, the "**Indenture**") between the Company and Computershare, as trustee (the "**Debenture Trustee**"). The aggregate principal amount of the Debentures authorized for issue immediately will be limited to the aggregate principal amount of \$150,000,000 (\$172,500,000 in the event the Over-Allotment Option is exercised in full). However, the Company may, from time to time, without the consent of holders of Debentures, issue additional Debentures of the same series or of a different series under the Indenture. References in this section to "debentures" is a reference to all debentures outstanding from time to time under the Indenture, as it may be further supplemented from time to time.

The Debentures will be dated as at the Closing Date and will be issuable only in denominations of \$1,000 and integral multiples thereof. The Maturity Date for the Debentures will be December 31, 2018.

The Debentures will bear interest from the date of issue at 5.75% per annum, which will be payable semi-annually in arrears on June 30 and December 31 in each year, commencing on December 31, 2011. The first interest payment will include interest accrued from the closing of this Offering to, but excluding, December 31, 2011.

The principal amount of the Debentures will be payable in lawful money of Canada or, at the option of the Company and subject to applicable regulatory approval, by payment of Common Shares as further described under "Details of the Offering - Payment upon Redemption or Maturity" and "Details of the Offering - Redemption and Purchase". The interest on the Debentures will be payable in lawful money of Canada including, at the option of the Company and subject to applicable regulatory approval, in accordance with the Common Share Interest Payment Election as described under "Details of the Offering - Interest Payment Option".

The Debentures will be direct obligations of the Company and will not be secured by any mortgage, pledge, hypothec or other charge and will be subordinated to other liabilities of the Company as described under "Details of the Offering - Subordination". The Indenture will not restrict the Company from incurring additional indebtedness for borrowed money or from mortgaging, pledging or charging its properties to secure any indebtedness.

Conversion Privilege

The Debentures will be convertible at the holder's option into fully paid and non-assessable Common Shares at any time prior to the close of business on the earlier of the day the Debentures mature and the business day immediately preceding the date specified by the Company for redemption of the Debentures, at a Conversion Price of \$12.55 per Common Share, being a Conversion Rate of 79.6813 Common Shares for each \$1,000 principal amount of Debentures, subject to adjustment as provided in the Indenture. Holders converting their Debentures will receive all accrued and unpaid interest thereon to, but excluding, the date of conversion and such holders shall become holders of record of Common Shares on the business day immediately after the date of conversion.

Subject to the provisions thereof, the Indenture will provide for the adjustment of the Conversion Price in certain events including: (a) the subdivision or consolidation of the outstanding Common Shares; (b) the distribution of Common Shares to holders of all or substantially all of the outstanding Common Shares by way of distribution or otherwise, other than an issue of securities to holders of Common Shares who have elected to receive distributions in securities of the Company in lieu of receiving cash dividends paid in the ordinary course; (c) the issuance of options, rights or warrants to all or substantially all holders of Common Shares entitling them to acquire Common Shares or other securities convertible into Common Shares at less than 95% of the then current market price (as defined below) of the Common Shares; and (d) the distribution to all holders of Common Shares of any securities or assets (other than cash dividends and equivalent distributions in securities paid in lieu of cash dividends in the ordinary course). There will be no adjustment of the Conversion Price in respect of any event described in (b), (c) or (d) above if the holders of the Debentures are allowed to participate as though they had converted their Debentures prior to the applicable record date or effective date, as the case may be.

The term "current market price" will be defined in the Indenture to mean the volume weighted average trading price of the Common Shares on the TSX for the 20 consecutive trading days ending on the fifth trading day preceding the date of the applicable event.

In the case of any reclassification or capital reorganization (other than a change resulting from consolidation or subdivision) of the Common Shares or in the case of any consolidation, amalgamation or merger of the Company with or into any other entity, or in the case of any sale or conveyance of the properties and assets of the Company as, or substantially as, an entirety to any other entity, or a liquidation, dissolution or winding-up of the Company, the terms of the conversion privilege shall be adjusted so that each holder of a Debenture shall, after such reclassification, capital reorganization, consolidation, amalgamation, arrangement, merger, acquisition, sale or conveyance or liquidation, dissolution or winding up, be entitled to receive the number of Common Shares or other securities on the exercise of the conversion right such holder would be entitled to receive if on the effective date thereof, it had been the holder of the number of Common Shares into which the Debenture was convertible prior to the effective date of such reclassification, capital reorganization, consolidation, amalgamation, arrangement, merger, acquisition, sale or conveyance or liquidation, dissolution or winding up.

No fractional Common Shares will be issued on any conversion but in lieu thereof the Company shall satisfy fractional interests by a cash payment equal to the current market price of any fractional interest provided, however, that the Company shall not be required to make any payment of less than \$10.00.

Cash Conversion Option

Upon conversion of the Debentures, in lieu of delivering Common Shares, the Company may elect to use the Cash Conversion Option. If the Company elects the Cash Conversion Option, settlement amounts under the Cash Conversion Option will be computed by paying cash to the converting holder of Debentures in an amount equal to the sum of the Daily Conversion Values for each of the 10 consecutive trading days during the related Observation Period (as defined below). In the Indenture, (i) "**Daily Conversion Value**" shall mean, for each of the 10 consecutive trading days during the Observation Period, one-tenth (1/10th) of the product of (i) the Conversion Rate on such day and (ii) the Daily VWAP (as defined below) of the Common Shares on such trading day; (ii) "**Daily VWAP**" for the Common Shares will generally be the per Common Share volume-weighted average price on the TSX in respect of the period from the scheduled open of trading until the scheduled close of trading of the primary trading session on such trading day; and (iii) "**Observation Period**" shall be defined as, in respect of any Debentures to which a Cash Conversion Option applies: (A) for conversions that occur on or after the 12th trading day prior to the Maturity Date, the 10 consecutive trading day period beginning on, and including, the 12th trading day preceding the Maturity Date; and (B) in all other cases, the 10 consecutive trading day period beginning on, and including, the third trading day after the related conversion date.

Pursuant to the Cash Conversion Option, the Company will pay cash no later than the third business day following the last day of the related Observation Period

Notwithstanding any election by Provident to invoke or suspend the Cash Conversion Option or any election by a holder of Debentures to convert Debentures into Common Shares, the Cash Conversion Option shall be immediately suspended if and for so long as any default, event of default or acceleration has occurred and is continuing under any of the Senior Indebtedness (as defined herein) or if the payment of such Cash Conversion Option would reasonably be expected to result in such a default or event of default.

Redemption and Purchase

The Debentures will not be redeemable before December 31, 2014 (except in the event of certain circumstances described herein under "Detail of the Offering - Change of Control of Provident"). On and after December 31, 2014 and prior to December 31, 2016, the Debentures may be redeemed in whole or in part from time to time at the option of the Company on not more than 60 days and not less than 30 days prior notice at a price equal to their principal amount plus accrued and unpaid interest, provided that the current market price on the date on which the notice of redemption is given is not less than 125% of the Conversion Price. On and after December 31, 2016, the Debentures may be redeemed in whole or in part from time to time at the option of the Company on not more than 60 days and not less than 30 days prior notice at a price equal to their principal amount plus accrued and unpaid interest.

In the case of redemption of less than all of the Debentures, the Debentures to be redeemed will be selected by the Debenture Trustee on a pro rata basis or in such other manner as the Debenture Trustee deems equitable. The Company will also have the right to purchase Debentures in the market, by tender or by private contract.

Payment Upon Redemption or Maturity

On redemption or at maturity, the Company will repay the indebtedness represented by the Debentures by paying to the Debenture Trustee in lawful money of Canada an amount equal to the aggregate principal amount of the outstanding Debentures which are to be redeemed or which have matured, together with accrued and unpaid interest thereon. The Company may, at its option, on not more than 60 and not less than 40 days prior notice and subject to applicable regulatory approval, elect to satisfy its obligation to repay the principal amount of the Debentures which are to be redeemed or the principal amount of the Debentures which are due on the Maturity Date, as the case may be, in whole or in part, by issuing freely tradeable Common Shares to the holders of the Debentures. Any accrued and unpaid interest thereon will be paid in cash. The number of Common Shares to be issued will be determined by dividing the aggregate principal amount of the outstanding Debentures which are to be redeemed or which have matured by 95% of the current market price on the date fixed for redemption or the Maturity Date, as the case may be. No fractional Common Shares will be issued on redemption or maturity but in lieu thereof the Company shall satisfy fractional interests by a cash payment equal to the current market price of any fractional interest provided, however, that the Company shall not be required to make any payment of less than \$10.00.

Subordination

The payment of the principal and premium, if any, of, and interest on, the Debentures will be subordinated in right of payment, as set forth in the Indenture, to the prior payment in full of all Senior Indebtedness and indebtedness to trade creditors of the Company. "**Senior Indebtedness**" of the Company will be defined in the Indenture as the principal of and premium, if any, and interest on and other amounts in respect of all indebtedness of the Company (whether outstanding as at the date of Indenture or thereafter incurred), other than indebtedness evidenced by the Debentures, the outstanding Initial 6.5% Debentures, the outstanding Supplemental 6.5% Debentures and the outstanding 5.75% Debentures and all other existing and future debentures or other instruments of the Company which, by the terms of the instrument creating or evidencing the indebtedness, is expressed to be *pari passu* with, or subordinate in right of payment to, the Debentures. The Debentures will rank *pari passu* with the Initial 6.5% Debentures, the Supplemental 6.5% Debentures and the 5.75% Debentures. Subject to statutory or preferred exceptions or as may be specified by the terms of any particular securities, each debenture issued under the Indenture will rank *pari passu* with each other debenture, and with all other present and future subordinated and unsecured indebtedness of the Company except for sinking provisions (if any) applicable to different series of debentures or similar types of obligations of the Company.

The Indenture will provide that in the event of any insolvency or bankruptcy proceedings, or any receivership, liquidation, reorganization or other similar proceedings relative to the Company, or to its property or assets, or in the event of any proceedings for voluntary liquidation, dissolution or other winding-up of the Company, whether or not involving insolvency or bankruptcy, or any marshalling of the assets and liabilities of the Company, then those holders of Senior Indebtedness, including any indebtedness to trade creditors, will receive payment in full before the holders of Debentures will be entitled to receive any payment or distribution of any kind or character, whether in cash, property or securities, which may be payable or deliverable in any such event in respect of any of the Debentures or any unpaid interest accrued thereon. The Indenture will also provide that the Company will not make any payment, and the holders of the Debentures will not be entitled to demand, institute proceedings for the collection of, or receive any payment or benefit (including without any limitation by set-off, combination of accounts or realization of security or otherwise in any manner whatsoever) on account of indebtedness represented by the Debentures (a) in a manner inconsistent with the terms (as they exist on the date of issue) of the Debentures, (b) at any time when a default, an event of default or an acceleration has occurred under the Credit Facility, as amended, restated or replaced from time to time, or a swap obligation of any lender party to such Credit Facility from time to time or one of its affiliates, or (c) at any time when a default with respect to any Senior Indebtedness permitting the holders thereof to accelerate the maturity thereof has occurred under the Senior Indebtedness and is continuing and the notice of the event of default has been given by or on behalf of the holders of Senior Indebtedness to the Company, unless the Senior Indebtedness has been repaid in full.

The Debentures will also be effectively subordinate to claims of creditors of the Company's subsidiaries except to the extent the Company is a creditor of such subsidiaries ranking at least *pari passu* with such other creditors. Specifically, the Debentures will be subordinated and postponed in right of payment to the prior payment in full of all indebtedness under the Credit Facility.

Change of Control of Provident

Within 30 days following the occurrence of a Change of Control, the Company will be required to make an offer in writing to purchase all of the Debentures then outstanding (the "**Debenture Offer**"), at a price equal to 100% of the principal amount thereof plus accrued and unpaid interest thereon (the "**Debenture Offer Price**"). A "**Change of Control**" will be defined in the Indenture as the acquisition by any person, or group of persons acting jointly or in concert, of voting control or direction of more than 50% of the outstanding voting securities of the Company but excludes an acquisition, merger, reorganization, amalgamation, arrangement, combination or other similar transaction if the holders of voting securities of the Company immediately prior to such transaction hold securities representing at least 50% of the voting control or direction in the Company or the successor entity upon completion of the transaction.

The Indenture contains notification and repurchase provisions requiring the Company to give written notice to the Debenture Trustee of the occurrence of a Change of Control within 30 days of such event together with the Debenture Offer. The Debenture Trustee will thereafter promptly mail to each holder of Debentures a notice of the Change of Control together with a copy of the Debenture Offer to repurchase all the outstanding Debentures.

If 90% or more of the aggregate principal amount of the Debentures outstanding on the date of the giving of notice of the Change of Control have been tendered to the Company pursuant to the Debenture Offer, the Company will have the right to redeem all the remaining Debentures at the Debenture Offer Price. Notice of such redemption must be given by the Company to the Debenture Trustee within ten days following the expiry of the Debenture Offer, and as soon as possible thereafter, by the Debenture Trustee to the holders of the Debentures not tendered pursuant to the Debenture Offer.

Cash Change of Control

If a Change of Control occurs in which 10% or more of the consideration for the voting securities in the transaction or transactions constituting a Change of Control consists of: (i) cash; (ii) equity securities that are not traded or intended to be traded immediately following such transactions on a stock exchange; or (iii) other property that is not traded or intended to be traded immediately following such transactions on a stock exchange (a "**Cash Change of Control**"), then during the period beginning ten trading days before the anticipated date on which the Change of Control becomes effective (the "**Effective Date**") and ending 30 days after the Debenture Offer is delivered, holders of Debentures will be entitled to convert their Debentures at a conversion price (the "**Change of Control Conversion Price**") determined in accordance with the terms of the Indenture.

The Change of Control Conversion Price will be calculated as follows:

$COCCP = ECP / (1 + (CP \times (c/t)))$ where:

COCCP is the Change of Control Conversion Price;

ECP = is the Conversion Price in effect on the Effective Date;

CP = 45%;

c = the number of days from and including the Effective Date to but excluding December 31, 2016; and

t = the number of days from and including the Closing Date to but excluding December 31, 2016.

In the event that the Change of Control Conversion Price calculated with the above referenced formula is less than any regulatory permitted discount to market price, the Change of Control Conversion Price shall be deemed to be that implied by the maximum permitted discount to market price.

Interest Payment Option

Provided the Company is not in default under the Indenture and that all applicable regulatory approvals have been obtained, the Company may elect, from time to time, to satisfy its obligation to pay interest on the Debentures (the "**Interest Obligation**"), on the date it is payable under the Indenture (an "**Interest Payment Date**"), by delivering sufficient Common Shares to the Debenture Trustee to satisfy the Interest Obligation in accordance with the Indenture (the "**Common Share Interest Payment Election**"). The Indenture will provide that, upon such election, the Debenture Trustee shall (a) accept delivery from the Company of Common Shares, (b) accept bids with respect to, and consummate sales of, such Common Shares, each as the Company shall direct in its absolute discretion, (c) invest the proceeds of such sales in securities issued or guaranteed by the Government of Canada or any province thereof which mature prior to the applicable Interest Payment Date, and use the proceeds received from such permitted government securities, together with any additional cash provided by the Company, to satisfy the Interest Obligation, and (d) perform any other action necessarily incidental thereto.

The Indenture will set forth the procedures to be followed by the Company and the Debenture Trustee in order to effect the Common Share Interest Payment Election. If a Common Share Interest Payment Election is made, the sole right of a holder of Debentures in respect of interest will be to receive cash from the Debenture Trustee out of the proceeds of the sale of Common Shares (plus any cash amount received by the Debenture Trustee from the Company equal to the value of any fractional Common Shares) in full satisfaction of the Interest Obligation, and the holder of such Debentures will have no further recourse to the Company in respect of the Interest Obligation.

Neither the Company's making of the Common Share Interest Payment Election nor the consummation of sales of Common Shares will (a) result in the holders of the Debentures not being entitled to receive on the applicable Interest Payment Date cash in an aggregate amount equal to the interest payable on such Interest Payment Date, or (b) entitle such holders to receive any Common Shares in satisfaction of the Interest Obligation.

Events of Default

The Indenture will provide that an event of default ("**Event of Default**") in respect of the debentures will occur if any one or more of the following described events has occurred and is continuing with respect to the debentures: (i) failure for 10 days to pay interest on the debentures when due; (ii) failure to pay principal or premium, if any, on the debentures when due whether at maturity, upon redemption, by declaration or otherwise; (iii) certain events of bankruptcy, insolvency or reorganization of the Company under bankruptcy or insolvency laws; or (iv) default in the observance or performance of any material covenant or condition of the Indenture by the Company for a period of 30 days after notice has been given by the Debenture Trustee to the Company. If an Event of Default has occurred and is continuing, the Debenture Trustee may, in its discretion, and shall, upon request of holders of not less than 25% in principal amount of the debentures, declare the principal of and interest on all outstanding debentures to be immediately due and payable. In certain cases, the holders of a majority of the principal amount of debentures then outstanding may, on behalf of the holders of all debentures, waive any Event of Default and/or cancel any such declaration upon such terms as such holders shall prescribe.

Offers for Debentures

The Indenture will contain provisions to the effect that if an offer is made for debentures which would be a take-over bid for debentures within the meaning of Multilateral Instrument 62-104 - "Take-over Bids and Issuer Bids" if debentures were considered equity securities and not less than 90% of the debentures (other than debentures held at the date of the take-over bid by or on behalf of the offeror or associates or affiliates of the offeror) are taken up and paid for by the offeror, the offeror will be entitled to acquire the debentures held by the holders of debentures who did not accept the offer on the terms offered by the offeror.

Modification

The rights of the holders of the Debentures as well as any other series of debentures that may be issued under the Indenture may be modified in accordance with the terms of the Indenture. For that purpose, among others, the Indenture will contain certain provisions which will make binding on all debenture holders resolutions passed at meetings of the holders of debentures by votes cast thereat by holders of not less than 66 2/3% of the principal amount of the debentures present at the meeting or represented by proxy, or rendered by instruments in writing signed by the holders of not less than 66 2/3% of the principal amount of the debentures. In certain cases, the modification will, instead or in addition, require assent by the holders of the required percentage of debentures of each particularly affected series.

Book-Entry System for Debentures

Except in limited circumstances, including where a Debenture certificate requires the addition of a legend under applicable securities laws of the United States, the Debentures will be issued in "book-entry only" form and must be purchased or transferred through a participant in the depository service of CDS (a "**Participant**"). On the Closing Date, the Debenture Trustee will cause the Debentures to be delivered to CDS and registered in the name of its nominee. On the Closing Date, certificates representing Debentures sold pursuant to Rule 506 of Regulation D under the 1933 Act will be issued in registered form to the purchasers thereof.

Unless the book-entry only system is terminated as described below, a purchaser acquiring a beneficial interest in the Debentures (a "**Beneficial Owner**"), will not be entitled to receive a certificate for Debentures, or, unless requested, for the Common Shares issuable on the conversion of the Debentures. Purchasers of Debentures will not be shown on the records maintained by CDS, except through a Participant.

Beneficial interests in Debentures will be represented solely through the book-entry only system and such interests will be evidenced by customer confirmations of purchase from the registered dealer from which the applicable Debentures are purchased in accordance with the practices and procedures of that registered dealer. In addition, registration of interests in and transfers of the Debentures will be made only through the depository service of CDS.

As indirect holders of Debentures, investors should be aware that they (subject to the situations described below) may not: (a) have Debentures registered in their name; (b) have physical certificates representing their interest in the Debentures; (c) be able to sell the Debentures to institutions required by law to hold physical certificates for securities they own; and (d) be able to pledge Debentures as security.

The Debentures will be issued to beneficial owners thereof in fully registered and certificate form (the "**Debenture Certificates**") only if: (a) required to do so by applicable law, including where a Debenture certificate requires the addition of a legend under applicable securities laws in the United States; (b) the book-entry only system ceases to exist; (c) the Company or CDS advises the Debenture Trustee that CDS is no longer willing or able to properly discharge its responsibilities as depository with respect to the Debentures and the Company is unable to locate a qualified successor; (d) the Company, at its option, decides to terminate the book-entry only system through CDS; or (e) after the occurrence of an Event of Default (as defined herein), Participants acting on behalf of Beneficial Owners of Debentures representing, in the aggregate, more than 25% of the aggregate principal amount of the Debentures then outstanding advise CDS in writing that the continuation of a book-entry only system through CDS is no longer in their best interest provided the Debenture Trustee has not waived the Event of Default in accordance with the terms of the Indenture.

Upon the occurrence of any of the events described in the immediately preceding paragraph, the Debenture Trustee must notify CDS, for and on behalf of Participants and Beneficial Owners of Debentures, of the availability through CDS of Debenture Certificates. Upon surrender by CDS of the global certificates representing the Debentures, and receipt of instructions from CDS for the new registrations, the Debenture Trustee will deliver the Debentures in the form of Debenture Certificates and thereafter the Company will recognize the holders of such Debenture Certificates as debenture holders under the Indenture.

Except in certain limited circumstances, interest on the Debentures will be paid directly to CDS while the book-entry only system is in effect. If Debenture Certificates are issued, interest will be paid by cheque drawn on the Company and sent by prepaid mail to the registered holder or by such other means as may become customary for the payment of interest. Payment of principal, including payment in the form of Common Shares if applicable, and the interest due, at maturity or on a redemption date, will be paid directly to CDS while the book-entry only system is in effect. If Debenture Certificates are issued, payment of principal, including payment in the form of Common Shares if applicable, and interest due, at maturity or on a redemption date, will be paid upon surrender thereof at any office of the Debenture Trustee or as otherwise specified in the Indenture.

Neither the Company nor the Underwriters will assume any liability for: (a) any aspect of the records relating to the beneficial ownership of the Debentures held by CDS or any payments relating thereto; (b) maintaining, supervising or reviewing any records relating to the Debentures; or (c) any advice or representation made by or with respect to CDS and contained in this short form prospectus and relating to the rules governing CDS or any action to be taken by CDS or at the direction of a Participant. The rules governing CDS provide that it acts as the agent and depository for the Participants. As a result, Participants must look solely to CDS and Beneficial Owners must look solely to Participants for any payments relating to the Debentures, paid by or on behalf of the Company to CDS.

EARNINGS COVERAGE

Provident adopted IFRS effective for interim and annual periods commencing January 1, 2011. Prior to the adoption of IFRS, Provident prepared its consolidated financial statements in accordance with Canadian GAAP. All amounts appearing under this heading, which are derived from the audited consolidated financial statements of the Trust for periods ending on or prior to December 31, 2010, are presented in accordance with Canadian GAAP. The following earnings coverages and adjusted earnings coverages are calculated on a consolidated basis for the year ended December 31, 2010.

The loss of Provident before interest and income tax expense for the year ended December 31, 2010 was \$523.0 million. The interest expense for the year ended December 31, 2010 was \$26.9 million, resulting in a negative coverage ratio. The dollar amount of the coverage deficiency would have been \$549.9 million.

Adjusted EBITDA from continuing operations excluding buyout of financial derivative instruments and strategic review and restructuring costs for the year ended December 31, 2010 was \$225.5 million. Interest expense from continuing operations for the year ended December 31, 2010 was \$24.4 million, resulting in a coverage ratio for such period of 9.2 times.

After giving effect to this Offering and before any exercise of the Over-Allotment Option, the loss of Provident before interest and income tax expense for the year ended December 31, 2010 was \$523.0 million. After giving effect to this Offering and before any exercise of the Over-Allotment Option, the interest expense for the year ended December 31, 2010, was \$31.1 million, resulting in a negative coverage ratio. The dollar amount of the coverage deficiency would have been \$554.1 million.

After giving effect to this Offering and before any exercise of the Over-Allotment Option, adjusted EBITDA from continuing operations excluding buyout of financial derivative instruments and strategic review and restructuring costs for the year ended December 31, 2010 was \$225.5 million. After giving effect to this Offering and before any exercise of the Over-Allotment Option, interest expense from continuing operations for the year ended December 31, 2010 was \$28.6 million, resulting in coverage for such period of 7.9 times.

CAPITALIZATION OF THE COMPANY

The following table sets forth the consolidated capitalization of the Trust as at December 31, 2010 before the Conversion and the consolidated capitalization of the Company as at December 31, 2010 after giving effect to the Conversion (which became effective January 1, 2011) and before and after giving effect to this Offering. All amounts appearing in this table, which are derived from the consolidated financial statements of the Trust for the twelve months ended December 31, 2010, are presented in accordance with Canadian GAAP.

Designation	Authorized	As at December 31, 2010 before the Conversion	As at December 31, 2010 after giving effect to the Conversion and before giving effect to the Offering	As at December 31, 2010 after giving effect to the Conversion and the Offering
(in millions of dollars except Common Share and Trust Unit amounts)				
Long Term Debt ⁽¹⁾⁽²⁾	--	\$72.9	\$72.9	-- ⁽³⁾
Initial 6.5% Debentures ⁽⁴⁾	\$100.0	\$96.1	\$96.1	\$96.1
Supplemental 6.5% Debentures ⁽⁵⁾	\$150.0	\$149.0	\$149.0	\$149.0
5.75% Debentures ⁽⁶⁾	\$172.5	\$155.8	\$155.8	\$155.8
Debentures.....	\$150.0 ⁽⁷⁾	--	--	\$143.5 ⁽⁷⁾
Trust Units.....	Unlimited	\$2,866.3 ⁽⁸⁾ (268.8 million Trust Units)	--	--
Common Shares	Unlimited	See Note (9)	\$2,866.3 ⁽⁸⁾ (268.8 million Common Shares)	\$2,866.3 ⁽⁸⁾ (268.8 million Common Shares)

Notes:

- (1) Does not include the Initial 6.50% Debentures, the Supplemental 6.50% Debentures, the 5.75% Debentures and the Debentures which are disclosed separately in the table.
- (2) As of June 29, 2010, the Trust entered into the Credit Facility with a syndicate of Canadian chartered banks and other Canadian and foreign financial institutions (the "**Lenders**"). As part of the completion of the Conversion effective January 1, 2011, the Credit Facility was assigned from the Trust to the Company which has assumed all covenants and obligations in respect of the Credit Facility following the Conversion and the Credit Facility was restated. Pursuant to the Credit Facility, the Lenders agreed to provide the Company with a credit facility of \$500 million, which under an accordion feature, can be increased up to \$750 million at the option of the Company, subject to obtaining additional commitments. The Credit Facility also provides for a separate \$60 million letter of credit facility. The terms of the Credit Facility have a revolving three year period expiring on June 28, 2013 (subject to customary extension provisions). Provident may draw on the facility by way of Canadian prime rate loans, U.S. base rate loans, banker's acceptances, LIBOR loans or letters of credit. At December 31, 2010, the effective interest rate of the outstanding Credit Facility was 4.1 percent. At December 31, 2010, Provident had \$47.9 million in letters of credit outstanding that guarantee Provident's or its subsidiaries performance under certain commercial and other contracts. The Credit Facility is secured by a first fixed and floating charge debenture, a general assignment of book debts and a negative pledge. See "Relationship Among Provident and Certain Underwriters".
- (3) Assumes that the net proceeds of the Offering, before any exercise of the Over-Allotment Option, are initially applied to repay indebtedness under the Credit Facility. If the Over-Allotment Option is exercised in full and the net proceeds are applied to initially repay indebtedness under the Credit Facility, the long-term debt at December 31, 2010 would be nil. After giving effect to the Offering (and before any exercise of the Over-Allotment Option), the redemption of the Initial 6.5% Debentures as of the redemption date of May 25, 2011, the purchase by Provident of approximately \$4 million principal amount of the Initial 6.5% Debentures and approximately \$81 million principal amount of the Supplemental 6.5% Debentures on February 22, 2011 and the repayment by Provident of the entire aggregate principal amount of Supplemental 6.5% Debentures due and payable on the maturity date of April 30, 2011, long-term debt as at December 31, 2010 would be \$179.2 million.
- (4) The Initial 6.50% Debentures bear interest at a rate of 6.50% per year payable semi-annually in arrears. The Initial 6.50% Debentures mature on August 31, 2012 and are convertible into Common Shares at the option of the holder at a conversion price of \$11.56 per Common Share at any time prior to the earlier of the maturity date or the date on which the Initial 6.50% Debentures are redeemed by the Company. The face value of the outstanding Initial 6.50% Debentures at December 31, 2010 was \$99.0 million.
- (5) The Supplemental 6.50% Debentures bear interest at a rate of 6.50% per year payable semi-annually in arrears. The Supplemental 6.50% Debentures mature on April 30, 2011. The Supplemental 6.50% Debentures are convertible into Common Shares at the option of the holder at a conversion price of \$12.40 per Common Share at any time prior to the earlier of the maturity date or the date on which the Supplemental 6.50% Debentures are redeemed by the Company. The face value of the outstanding Supplemental 6.50% Debentures at December 31, 2010 was \$150.0 million.
- (6) The 5.75% Debentures bear interest at a rate of 5.75% per year payable semi-annually in arrears. The 5.75% Debentures mature on December 31, 2017 and are convertible into Common Shares at the option of the holder at a conversion price of \$10.60 per Common Share at any time prior to the earlier of the maturity date or the date on which the 5.75% Debentures are redeemed by the Company. Upon conversion of the 5.75% Debentures, the Company may elect to pay to the holder cash at the option of the Company. The face value of the outstanding 5.75% Debentures at December 31, 2010 was \$172.5 million.
- (7) Excludes up to \$22.5 million principal amount of Debentures which may be issued upon exercise of the Over-Allotment Option.

- (8) As at December 31, 2010, the Trust's unitholders' equity consisted of \$2,866.3 million of net unitholders' contributions, \$1.9 million of accumulated income, \$25.1 million of the equity component of the convertible debentures, contributed surplus of \$3.0 million less \$2,309.0 million of accumulated cash distributions on the Trust Units. Pursuant to the Conversion, effective January 1, 2011, the Trust was dissolved and thereafter ceased to exist. The Conversion resulted in the holders of Trust Units becoming the holders of the Common Shares. Under the Conversion, all of the outstanding Trust Units were exchanged for Common Shares on a one-for-one basis.
- (9) All of the issued and outstanding common shares of the Company were held by the Trust prior to completion of the Conversion. All such common shares held by the Trust were cancelled in accordance with the Conversion.

DESCRIPTION OF COMMON SHARES

The Company is authorized to issue an unlimited number of Common Shares. Each Common Share entitles its holder to receive notice of and to attend all meetings of the Shareholders and to one vote at such meetings. The Shareholders are, at the discretion of the Provident board of directors and subject to applicable legal restrictions, entitled to receive any dividends declared on the Common Shares. All such Common Shares are entitled to share equally in any distribution of the assets of Provident upon the liquidation, dissolution, bankruptcy or winding-up of Provident or other distribution of its assets among its Shareholders for the purpose of winding-up its affairs. Such participation is subject to the rights, privileges, restrictions and conditions attaching to any instruments having priority over the Common Shares.

PRIOR SALES

The Company has not issued or sold any Common Shares or securities convertible into Common Shares during the 12 month period prior to this short form prospectus, other than: (a) an aggregate of 4,436,226 Common Shares issued during this period pursuant to the Company's premium dividend and dividend reinvestment share purchase plan for aggregate consideration of approximately \$32 million; and (b) an aggregate of 268,339,201 Common Shares issued to former holders of Trust Units in connection with the Conversion. See "Premium Dividend and Dividend Reinvestment Share Purchase Plan" and "General Development of the Business of Provident - Conversion of the Trust" in the AIF incorporated by reference herein.

Prior to the completion of the Conversion effective as of January 1, 2011, the Trust did not issue or sell any Trust Units or securities convertible into Trust Units during the 12 month period prior to the Conversion, other than: (a) an aggregate of 4,337,613 Trust Units issued during this period pursuant to the Trust's premium distribution, distribution reinvestment and optional unit purchase plan for aggregate consideration of approximately \$31 million; and (b) an aggregate of \$172.5 million principal amount of 5.75% Debentures.

PRICE RANGE AND TRADING VOLUME OF COMMON SHARES AND DEBENTURES

The outstanding Common Shares are listed and posted for trading on the TSX under the symbol PVE and the NYSE under the symbol PVX. Prior to the Conversion, the outstanding Trust Units were listed and posted for trading on the TSX under the symbol PVE.UN and the NYSE under the symbol PVX.

The Initial 6.5% Debentures, Supplemental 6.5% Debentures and 5.75% Debentures are listed and posted for trading on the TSX under the symbols PVE.DB.C, PVE.DB.D and PVE.DB.E, respectively, which are the same symbols under which the debentures traded prior to completion of the Conversion.

The following table summarizes the high and low trading prices and volume of trading in respect of the Common Shares (and prior to January 1, 2011, the Trust Units) and debentures for the periods indicated on both the TSX and the NYSE, as applicable.

Toronto Stock Exchange

Common Shares⁽¹⁾

Period	High (\$)	Low (\$)	Volume (000's)
2010			
April.....	8.51	7.68	11,887
May.....	8.34	5.14	8,905
June.....	7.79	7.12	6,883
July.....	7.36	6.27	11,147
August.....	6.98	6.25	8,612
September.....	7.30	6.56	9,017
October.....	8.26	7.14	12,248
November.....	8.15	7.25	25,390
December.....	8.20	7.68	10,918
2011			
January.....	8.32	7.81	17,876
February.....	8.38	8.01	7,383
March.....	9.03	7.62	8,045
April 1- 28.....	9.06	8.58	8,341

Note:

(1) The high and low trading prices and volume of trading for the period from April 1 to December 31, 2010 is provided in respect of the Trust Units. Pursuant to the Conversion, all of the outstanding Trust Units were exchanged for Common Shares on a one-for-one basis.

Initial 6.5% Debentures

Period	High (\$)	Low (\$)	Volume
2010			
April.....	102.18	101.01	1,500
May.....	101.75	100.01	2,003
June.....	102.15	100.02	3,003
July.....	106.00	101.50	1,470
August.....	102.89	101.82	3,967
September.....	104.95	102.11	2,477
October.....	103.84	102.21	3,262
November.....	103.00	101.00	1,866
December.....	101.75	100.98	892
2011			
January.....	101.67	101.25	5,491
February.....	101.95	101.22	1,790
March.....	102.99	101.85	789
April 1- 28.....	103.10	100.17	6,676

Supplemental 6.5% Debentures

Period	High (\$)	Low (\$)	Volume
2010			
April.....	102.49	100.90	8,047
May.....	101.75	100.50	4,746
June.....	102.00	100.50	4,126
July.....	102.00	101.30	2,686
August.....	102.35	101.38	1,687
September.....	102.00	101.16	1,271
October.....	101.78	101.16	1,773
November.....	101.60	101.01	8,444
December.....	101.25	101.00	3,503

Period	High (\$)	Low (\$)	Volume
2011			
January.....	101.55	100.94	5,252
February.....	101.10	100.62	5,838
March.....	100.70	100.25	1,228
April 1- 28.....	100.22	100.01	1,619

5.75% Debentures

Period	High (\$)	Low (\$)	Volume
2010			
November ⁽¹⁾	100.45	99.40	27,028
December.....	100.14	99.00	8,213
2011			
January.....	101.00	99.69	4,973
February.....	102.00	100.60	14,939
March.....	103.80	101.00	3,234
April 1 - 28.....	104.00	102.00	4,321

Note:

(1) The 5.75% Debentures began trading on the TSX on November 9, 2010.

New York Stock Exchange

Common Shares⁽¹⁾

Period	High (U.S.\$)	Low (U.S.\$)	Volume (000's)
2010			
April.....	8.51	7.60	37,173
May.....	8.26	5.21	43,367
June.....	7.64	6.81	24,039
July.....	7.58	6.45	27,475
August.....	6.84	5.86	28,035
September.....	7.09	6.30	23,468
October.....	7.90	7.02	35,176
November.....	8.16	7.08	31,745
December.....	8.18	7.56	26,171
2011			
January.....	8.40	7.78	26,681
February.....	8.49	8.06	18,685
March.....	9.30	7.81	29,983
April 1- 28.....	9.38	8.94	25,070

Note:

(1) The high and low trading prices and volume of trading for the period from April 1 to December 31, 2010 is provided in respect of the Trust Units. Pursuant to the Conversion, all of the outstanding Trust Units were exchanged for Common Shares on a one-for-one basis.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Macleod Dixon LLP, counsel to Provident, and Stikeman Elliott LLP, counsel to the Underwriters, (collectively, "**Counsel**") the following summary describes the principal Canadian federal income tax considerations pursuant to the *Income Tax Act* (Canada) (the "**Tax Act**") and the regulations thereunder (the "**Regulations**") generally applicable to a holder who acquires Debentures pursuant to this offering and who, for purposes of the Tax Act and at all relevant times, holds the Debentures and will hold the Common Shares issuable on the conversion, redemption or maturity of the Debentures (collectively, the "**Securities**") as capital property and deals at arm's length with Provident and the Underwriters and is not affiliated with Provident. Generally, the Securities will be considered to be capital property to a holder provided the holder does not hold the Securities in the

course of carrying on a business of trading or dealing in securities and has not acquired them in one or more transactions considered to be an adventure in the nature of trade. Certain holders resident in Canada who might not otherwise be considered to hold their Debentures and Common Shares as capital property may, in certain circumstances, be entitled to have the Debentures and Common Shares, and all other "Canadian securities" (as defined in the Tax Act) owned by such holders, treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. **A holder who is considering making such election should first consult their own tax advisor.**

This summary is not applicable to (i) a holder that is a "financial institution", as defined in the Tax Act for the purposes of the mark-to-market rules, (ii) a holder an interest in which would be a "tax shelter investment" as defined in the Tax Act, (iii) a holder that is a "specified financial institution" as defined in the Tax Act or (iv) a holder whose functional currency for the purposes of the Tax Act is the currency of a country other than Canada. Any such holder should consult its own tax advisor with respect to an investment in the Debentures.

This summary is based upon the provisions of the Tax Act and the Regulations in force as of the date hereof, all specific proposals to amend the Tax Act and the Regulations that have been publicly announced prior to the date hereof (the "**Proposed Amendments**") and Counsel's understanding of the current published administrative practices of the Canada Revenue Agency (the "**CRA**"). This summary assumes the Proposed Amendments will be enacted in the form proposed, however, no assurance can be given that the Proposed Amendments will be enacted in the form proposed, if at all. This summary is not exhaustive of all possible Canadian federal income tax considerations and, except for the Proposed Amendments, does not take into account any changes in the law, whether by legislative, governmental or judicial action, nor does it take into account provincial, territorial or foreign tax considerations, which may differ significantly from those discussed herein.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular holder or prospective holder of Debentures, and no representations with respect to the income tax consequences to any holder or prospective holder are made. Consequently, holders and prospective holders of Debentures should consult their own tax advisors for advice with respect to the tax consequences to them of acquiring Debentures pursuant to this offering, having regard to their particular circumstances.

Holders Resident in Canada

The following discussion applies to a holder of Securities who, at all relevant times, for purposes of the Tax Act and any applicable income tax treaty or convention, is resident in Canada (a "**Resident Holder**").

Taxation of Interest on Debentures

A Resident Holder of Debentures that is a corporation, partnership, unit trust or any trust of which a corporation or a partnership is a beneficiary will be required to include in computing its income for a taxation year any interest on the Debentures that accrues to it to the end of the particular taxation year or that has become receivable by or is received by the Resident Holder before the end of that taxation year, except to the extent that such interest was included in computing the Resident Holder's income for a preceding taxation year.

Any other Resident Holder, including an individual, will be required to include in computing income for a taxation year all interest on the Debentures that is received or receivable by the Resident Holder in that taxation year (depending upon the method regularly followed by the Resident Holder in computing income), except to the extent that the interest was included in the Resident Holder's income for a preceding taxation year. In addition, if at any time a Debenture should become an "investment contract" (as defined in the Tax Act) in relation to a Resident Holder, such Resident Holder will be required to include in computing income for a taxation year any interest that accrues to the Resident Holder on the Debenture up to any "anniversary day" (as defined in the Tax Act) in that year to the extent such interest was not otherwise included in the Resident Holder's income for that year or a preceding year.

A Resident Holder of Debentures that throughout the relevant taxation year is a "Canadian-controlled private corporation", as defined in the Tax Act, may be liable to pay a refundable tax of 6 2/3% on its "aggregate investment income", which is defined in the Tax Act to include interest income.

Exercise of Conversion Privilege

Generally, a Resident Holder who converts a Debenture into Common Shares (or Common Shares and cash delivered in lieu of a fraction of a Common Share) pursuant to the conversion privilege will be deemed not to have disposed of the Debenture and, accordingly, will not be considered to realize a capital gain (or capital loss) on such conversion. Under the current administrative practice of the CRA, a Resident Holder who, upon conversion of a Debenture, receives cash not in excess of \$200 in lieu of a fraction of a Common Share may either treat this amount as proceeds of disposition of a portion of the Debenture, thereby realizing a capital gain (or capital loss), or reduce the adjusted cost base of the Common Shares that the Resident Holder receives on the conversion by the amount of the cash received.

Upon a conversion of a Debenture, interest accrued thereon to the date of conversion will be included in computing the income of the Resident Holder as described above under "Taxation of Interest on Debentures".

The aggregate cost to a Resident Holder of the Common Shares acquired on the conversion of a Debenture will generally be equal to the aggregate of the Resident Holder's adjusted cost base of the Debenture immediately before the conversion (minus the amount of any cash consideration received in lieu of a fractional Common Share). The adjusted cost base to a Resident Holder of Common Shares at any time will be determined by averaging the cost of such Common Shares with the adjusted cost base of any other Common Shares owned by the Resident Holder as capital property at the time.

Where a Resident Holder has exercised their conversion privilege in respect of a Debenture and Provident pays cash to the Resident Holder in accordance with the Cash Conversion Option, the Resident Holder will be considered to have disposed of the Debenture for proceeds of disposition equal to the amount of cash consideration so received (except any cash received in satisfaction of accrued interest). In such circumstances, the Resident Holder will be subject to the tax treatment described below under "Dispositions of Debentures".

Disposition of Debentures

A disposition or deemed disposition of a Debenture by a Resident Holder, including a redemption, payment on maturity or pursuant to the Cash Conversion Option or purchase for cancellation but not including the conversion of a Debenture into Common Shares pursuant to the Resident Holder's right of conversion as described above, will generally result in the Resident Holder realizing a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition are greater (or less) than the aggregate of the Resident Holder's adjusted cost base thereof and any reasonable costs of disposition. Such capital gain (or capital loss) will be subject to the tax treatment described below under "Taxation of Capital Gains and Capital Losses".

If Provident pays any amount upon the redemption or maturity of a Debenture by issuing Common Shares to the Resident Holder, the Resident Holder's proceeds of disposition of the Debenture will be equal to the fair market value, at the time of disposition of the Debenture, of the Common Shares and any other consideration so received (except cash received in satisfaction of accrued interest). The Resident Holder's adjusted cost base of the Common Shares so received will be equal to the fair market value of such Common Shares. The adjusted cost base to a Resident Holder of Common Shares at any time will be determined by averaging the cost of such Common Shares with the adjusted cost base of any other Common Shares owned by the Resident Holder as capital property at that time.

Upon a disposition or deemed disposition of a Debenture, interest accrued thereon to the date of disposition will be included in computing the income of the Resident Holder as described above under "Taxation of Interest on Debentures", and will be excluded in computing the Resident Holder's proceeds of disposition of the Debenture.

Disposition of Common Shares

A disposition or a deemed disposition of a Common Share by a Resident Holder (except to Provident) will generally result in the Resident Holder realizing a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition of the Common Share are greater (or less) than the aggregate of the Resident Holder's adjusted cost base thereof and any reasonable costs of disposition. Such capital gain (or capital loss) will be subject to the tax treatment described below under "Taxation of Capital Gains and Capital Losses".

Taxation of Capital Gains and Capital Losses

Generally, one-half of any capital gain (a "**taxable capital gain**") realized by a Resident Holder in a taxation year must be included in the Resident Holder's income for the year, and one-half of any capital loss (an "**allowable capital loss**") realized by a Resident Holder in a taxation year must be deducted from taxable capital gains realized by the Resident Holder in that year. Allowable capital losses for a taxation year in excess of taxable capital gains for that year generally may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years, to the extent and under the circumstances described in the Tax Act.

The amount of any capital loss realized by a Resident Holder that is a corporation on the disposition of a Common Share may be reduced by the amount of dividends received or deemed to be received by it on such Common Share (or on a share for which the Common Share has been substituted) to the extent and under the circumstances described by the Tax Act. Similar rules may apply where a corporation is a member of a partnership or a beneficiary of a trust that owns Common Shares, directly or indirectly, through a partnership or a trust.

A Resident Holder that is, throughout the relevant taxation year, a "Canadian-controlled private corporation", as defined in the Tax Act, may be liable to pay a refundable tax of 6 2/3% on its "aggregate investment income", which is defined to include taxable capital gains.

Receipt of Dividends on Common Shares

A Resident Holder will generally be required to include in computing its income for a taxation year any dividends received (or deemed to be received) on Common Shares.

In the case of a Resident Holder that is an individual (other than certain trusts), such dividends will be subject to the gross-up and dividend tax credit rules normally applicable to taxable dividends received from taxable Canadian corporations, including the enhanced gross-up and dividend tax credit rules for "eligible dividends". Eligible dividends will generally include dividends paid by taxable Canadian corporations, such as Provident, where those dividends have been designated as "eligible dividends" by the corporation at or prior to the time the dividends are paid. There are limitations on the ability of a corporation to designate dividends as eligible dividends. Provident has designated all dividends paid by Provident after January 31, 2011 to be "eligible dividends" unless otherwise notified by Provident.

Taxable dividends received by an individual (including certain trusts) may give rise to a liability for alternative minimum tax as calculated under the detailed rules set out in the Tax Act.

In the case of a Resident Holder that is a corporation, dividends received (or deemed to be received) on Common Shares by the Resident Holder will generally be included in the Resident Holder's gross income for the taxation year in which such dividends are received and will generally be deductible in computing the Resident Holder's taxable income. A "private corporation", as defined in the Tax Act, or any other corporation controlled, whether because of a beneficial interest in one or more trusts or otherwise, by or for the benefit of an individual (other than a trust) or a related group of individuals (other than trusts), may be liable to pay a refundable tax of 33 1/3% under Part IV of the Tax Act on dividends received (or deemed to be received) on Common Shares to the extent such dividends are deductible in computing taxable income for the year.

Holders Not Resident in Canada

The following discussion applies to a holder of Securities who, at all relevant times, for purposes of the Tax Act and any applicable income tax treaty or convention, is neither resident nor deemed to be resident in Canada and does not, and is not deemed to, use or hold Debentures or Common Shares acquired upon the conversion of a Debenture, in carrying on a business in Canada (a "**Non-Resident Holder**"). In addition, this discussion does not apply to an insurer who carries on an insurance business in Canada and elsewhere or an authorized foreign bank (as defined in the Tax Act).

Taxation of Interest on Debentures

A Non-Resident Holder will not be subject to Canadian withholding tax in respect of amounts paid or credited or deemed to have been paid or credited by Provident as, on account or in lieu of payment of, or in satisfaction of, interest or principal on the Debentures.

Exercise of Conversion Privilege

The conversion of a Debenture into Common Shares (or Common Shares and cash in lieu of a fractional Common Share) on the exercise of a conversion privilege by a Non-Resident Holder will generally be deemed not to constitute a disposition of the Debenture and, accordingly, a Non-Resident Holder will not realize a gain or a loss on such conversion.

Where a Non-Resident Holder has exercised their conversion privilege in respect of a Debenture and Provident pays cash to the Non-Resident Holder in accordance with the Cash Conversion Option, the Non-Resident Holder will be considered to have disposed of the Debenture for proceeds of disposition equal to the amount of cash so received (except cash received in satisfaction of accrued interest). In such circumstances, the Non-Resident Holder will be subject to the tax treatment described below under "Disposition of Debentures and Common Shares".

Disposition of Debentures and Common Shares

A Non-Resident Holder will not be subject to tax under the Tax Act in respect of any capital gain realized by such Non-Resident Holder on a disposition of a Debenture (including as a result of a redemption, payment on maturity or pursuant to the Cash Conversion Option or purchase for cancellation) or a Common Share unless the Debenture or Common Share, as the case may be, constitutes "taxable Canadian property" (as defined in the Tax Act) of the Non-Resident Holder at the time of disposition and the Non-Resident Holder is not entitled to relief under an applicable income tax treaty or convention.

As long as the Common Shares are then listed on a designated stock exchange (which currently includes the TSX), the Debentures and the Common Shares generally will not constitute taxable Canadian property of a Non-Resident Holder unless at any time during the 60-month period immediately preceding the disposition of the Debenture or Common Share, as the case may be: (i) the Non-Resident Holder, persons not dealing at arm's length with such Non-Resident Holder or the Non-Resident Holder together with all such persons, owned 25% or more of the issued shares of any class or series of shares of the capital stock of Provident; and (ii) more than 50% of the fair market value of the Common Shares was derived directly or indirectly, from one or any combination of real or immovable property situated in Canada, Canadian resource property, timber resource property, or any option in respect of, or interest in, such properties.

Receipt of Dividends on Common Shares

Where a Non-Resident Holder receives or is deemed to receive a dividend on Common Shares, the amount of such dividend will be subject to Canadian withholding tax at the rate of 25% of the gross amount of the dividend unless the rate is reduced under the provisions of an applicable income tax convention between Canada and the Non-Resident Holder's country of residence. Where the Non-Resident Holder is a resident of the United States who is entitled to benefits under the *Canada-United States Income Tax Convention* (1980) and is the beneficial owner of the dividends, the rate of Canadian withholding tax applicable to dividends is generally reduced to 15%.

PLAN OF DISTRIBUTION

Pursuant to an underwriting agreement dated as of April 18, 2011 (the "**Underwriting Agreement**") among the Company and the Underwriters, the Company has agreed to issue and sell an aggregate principal amount of \$150,000,000 Debentures to the Underwriters, and the Underwriters have severally agreed to purchase, as principals, such Debentures on the Closing Date or on such other date as may be agreed among the parties to the Underwriting Agreement. Delivery of the Debentures is conditional upon payment on closing of this Offering of \$1,000 per Debenture by the Underwriters to the Company. The Underwriting Agreement provides that the Company will pay to the Underwriters a fee of \$40 per Debenture issued and sold by the Company, for an aggregate fee payable by the Company of \$6,000,000 in consideration for the Underwriters' services in connection with this Offering. After the Underwriters have made a reasonable effort to sell all the Debentures offered by this short form prospectus at the Offering price specified herein, the Offering price may be decreased, and further changed, from time to time, to an amount not greater than the Offering price specified herein in accordance with the procedures permitted by National Instrument 44-101 and the compensation realized by the Underwriters will be decreased by the amount that the aggregate price paid by the purchasers for the Debentures is less than the gross proceeds paid by the Underwriters to the Company.

The Offering price for the Debentures offered hereunder was determined by negotiation between the Company and TD Securities Inc. on its own behalf and on behalf of the other Underwriters.

Provident has granted to the Underwriters the Over-Allotment Option to purchase up to 15% of the principal amount of the Debentures issued (or up to an additional \$22,500,000 principal amount of Debentures) at a price of \$1,000 per Debenture on the same terms and conditions as the Offering of the Debentures, exercisable in whole or in part, in the sole discretion of TD Securities Inc. on behalf of the Underwriters, at any time up until 30 days after the closing of the Offering for the purposes of covering the Underwriters' over-allocation position. Debentures issuable upon exercise of the Over-Allotment Option will be issued on the later of closing of the Offering and two business days following exercise of such option. If the Over-Allotment Option is exercised in full, the price to the public, Underwriters' fee and net proceeds to Provident (before deducting expenses of the Offering) will be \$172,500,000, \$6,900,000 and \$165,600,000, respectively. This short form prospectus also qualifies for distribution the grant of the Over-Allotment Option and the issuance of the Debentures pursuant to the exercise of the Over-Allotment Option.

A purchaser who acquires Debentures forming part of the Underwriters over-allocation position acquires those Debentures under this short form prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

The Company has been advised by the Underwriters that, in connection with this Offering, the Underwriters may effect transactions that stabilize or maintain the market price of the Debentures at levels other than those that might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

The obligations of the Underwriters under the Underwriting Agreement are several, and not joint, and may be terminated upon the occurrence of certain stated events. The Underwriters are, however, obligated to take up and pay for all of the Debentures if any are purchased under the Underwriting Agreement (other than the Over-Allotment Option except to the extent it has been exercised). If any one or more of the Underwriters fails to purchase the Debentures which it has agreed to purchase and the number of such Debentures is not more than 8% of the aggregate number of Debentures offered hereby, the non-defaulting Underwriters are obligated severally, in their respective proportions, to purchase the Debentures which such defaulting Underwriter failed to purchase. If any one or more of the Underwriters fails to purchase the Debentures which it has agreed to purchase and the number of such Debentures is more than 8% of the aggregate number of Debentures offered hereby, then the non-defaulting Underwriters may terminate their obligations but have the right, but are not obligated, to purchase all of the Debentures which would otherwise have been purchased by such defaulting Underwriters on a pro rata basis.

Provident has agreed with the Underwriters that it will not, for the period commencing April 18, 2011 and ending 90 days after the Closing Date, directly or indirectly, issue, sell or offer to issue or sell or otherwise lend, transfer or dispose of any Common Shares or any securities exchangeable, convertible or exercisable into Common

Shares or enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Common Shares, whether any such transaction is settled by delivery of Common Shares or other securities, in cash or otherwise, or announce an intention to do any of the foregoing, other than to satisfy existing instruments already issued as of the date hereof and to satisfy obligations under the Company's premium dividend and dividend reinvestment share purchase plan, without the consent of TD Securities Inc., on behalf of the Underwriters, such consent not to be unreasonably withheld.

Subscriptions for Debentures will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without prior notice. The Debentures will be issued in "book-entry only" form and must be purchased or transferred through a participant in the depository service of CDS. See "Details of the Offering".

The TSX has conditionally approved the listing of the Debentures and the Common Shares issuable on conversion or maturity of the Debentures. Listing is subject to the Company fulfilling all of the listing requirements of the TSX. The Common Shares issuable on the conversion of the Debentures will be listed on the NYSE upon delivering the official notice of issuance to the NYSE.

There is currently no market through which the Debentures may be sold and purchasers may not be able to resell the Debentures purchased under this short form prospectus.

The Debentures and the Common Shares issuable pursuant to the Debentures have not been and will not be registered under the 1933 Act, or any state securities laws, and, accordingly, the Debentures and the Common Shares issuable pursuant to the Debentures may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as such terms are defined in Regulation S under the 1933 Act) except in transactions exempt from the registration requirements of the 1933 Act and applicable state securities laws. The Underwriting Agreement permits the Underwriters to offer the Debentures to institutional "accredited investors" (within the meaning of Rule 501(a)(1), (2), (3) or (7) of Regulation D under the 1933 Act) in the United States and to, or for the account or benefit of, U.S. persons for sale directly by the Company in transactions in accordance with Rule 506 of Regulation D under the 1933 Act and similar exemptions under applicable state securities laws. All offers of Debentures in the United States will be made by United States registered broker-dealers. The Underwriting Agreement also provides that all offers and sales of Debentures and Common Shares issuable pursuant to the Debentures made by the Underwriters outside the United States shall be made in accordance with Rule 903 of Regulation S under the 1933 Act.

In addition, in order to comply with the requirements of Regulation S under the 1933 Act, an Underwriter or United States broker-dealer offering Debentures or Common Shares issuable pursuant to the Debentures outside of the United States to a distributor, dealer, or person receiving a selling concession, fee or other remuneration in respect of the securities sold, prior to the later of: (i) the expiration of 40 days after the later of the last closing of the Offering (including the closing of the Over-Allotment Option) and (ii) the completion of the distribution of the Debentures (the "**Distribution Compliance Period**"), must send to such persons a confirmation or other notice indicating that the Debentures and Common Shares issuable pursuant to the Debentures have not been registered under the 1933 Act and may not be sold in the United States or to, or for the account or benefit of, U.S. persons, until the expiration of such Distribution Compliance Period.

In addition, until 40 days after the commencement of this Offering, any offer or sale of Debentures or Common Shares issuable pursuant to the Debentures offered hereby within the United States by any dealer (whether or not participating in this Offering) may violate the registration requirements of the 1933 Act if such offer or sale is made otherwise than in accordance with an exemption from the registration requirements of the 1933 Act.

RELATIONSHIP AMONG PROVIDENT AND CERTAIN UNDERWRITERS

TD Securities Inc., National Bank Financial Inc., BMO Nesbitt Burns Inc., RBC Dominion Securities Inc., Scotia Capital Inc., CIBC World Markets Inc. and HSBC Securities (Canada) Inc. are each, directly or indirectly, a wholly-owned or majority-owned subsidiary of a Canadian chartered bank which is a lender to Provident and its subsidiaries (the "**lenders**") under the Credit Facility and/or are counterparties under certain hedging arrangements with the Company. Accordingly, the Company may be considered to be a connected issuer of each of these

Underwriters under applicable securities legislation. The net proceeds of the Offering will be initially used by Provident to repay indebtedness under the Credit Facility which will then be available to be drawn, as required, to fund the redemption of all of the outstanding aggregate principal amount of Provident's Initial 6.5% Debentures, and for general corporate purposes. As of March 31, 2011, there was approximately \$95 million aggregate principal amount of Initial 6.5% Debentures outstanding. See "Use of Proceeds" and "Recent Developments".

As at December 31, 2010, approximately \$75.5 million was owed to the lenders under the Credit Facility. In addition, at December 31, 2010, Provident had approximately \$47.9 million in letters of credit outstanding that guarantee Provident's performance under certain commercial and other contracts. Provident is in compliance with all material terms of the agreements governing the Credit Facility and none of the lenders has waived any material breach by Provident of such agreements since their execution. Neither the financial position of Provident nor the value of the security under the Credit Facility has changed substantially and adversely since the indebtedness under the Credit Facility was incurred. The indebtedness under the Credit Facility is secured by a first fixed and floating charge debenture, a general assignment of book debts and a negative pledge.

The decision to distribute the Debentures offered hereby and the determination of the terms of the distribution were made through negotiations primarily between TD Securities Inc. on its own behalf and on behalf of the other Underwriters. The lenders under the Credit Facility did not have any involvement in such decision or determination, but have been advised of the issuance and the terms thereof. As a consequence of this Offering, each of TD Securities Inc., National Bank Financial Inc., BMO Nesbitt Burns Inc., RBC Dominion Securities Inc., Scotia Capital Inc., CIBC World Markets Inc. and HSBC Securities (Canada) Inc. will receive its share of the Underwriters' fee and each of the lenders will receive a portion of the proceeds from this Offering from the Company as a repayment of outstanding indebtedness under the Credit Facility which will then be available to be drawn, as required, to fund the redemption of Provident's 6.5% Debentures, and for general corporate purposes. See "Use of Proceeds".

RISK FACTORS

An investment in the Debentures is subject to certain risks. Investors should consider the following risk factors prior to making an investment in the Debentures. Investors should also carefully consider the risks described under "Risk Factors" in the Management's Discussion and Analysis of financial results and financial condition for the year ended December 31, 2010 and under the heading "Risk Factors" in the AIF which are incorporated herein by reference. In addition, investors in Debentures should also consider the following additional risks.

Market for Debentures

There is currently no market through which the Debentures may be sold and purchasers may not be able to resell the Debentures purchased under this short form prospectus.

Prior Ranking Indebtedness

The Debentures will be subordinate to all Senior Indebtedness of Provident and to any indebtedness of trade creditors of Provident. The Debentures will also be effectively subordinate to claims of creditors of Provident's subsidiaries except to the extent Provident is a creditor of such subsidiaries ranking at least *pari passu* with such other creditors.

Absence of Covenant Protection

The Indenture will not restrict Provident from incurring additional indebtedness for borrowed money or from mortgaging, pledging or charging its properties to secure any indebtedness. The Indenture will not contain any provision specifically intended to protect holders of the Debentures in the event of a future leveraged transaction involving Provident.

Possible Dilutive Effects on Holders of Common Shares

Provident may determine to redeem outstanding Debentures for Common Shares or repay outstanding principal amounts of the Debentures at maturity by issuing additional Common Shares. Accordingly, holders of Common Shares may suffer dilution.

Investment Eligibility

The Company will endeavour to ensure that the Debentures continue to be qualified investments for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans (except, in the case of Debentures, a deferred profit sharing plan to which the Company, or an employer that does not deal at arm's length with the Company, has made a contribution), registered education savings plans, registered disability savings plans and tax free savings accounts. No assurance can be given in this regard. The Tax Act imposes penalties for the acquisition or holding of non-qualified investments.

Cash Conversion Option

The Debentures, although generally convertible into Common Shares at the Conversion Price, have a feature pursuant to which Provident can elect to satisfy its obligation under the conversion right of investors by paying cash. Investors should be aware that the value paid pursuant to the Cash Conversion Option can be less than the principal amount of the Debentures as the calculation is based on the trading prices of the Common Shares commencing on the third day following the conversion date and the number of Common Shares used to determine the cash value is based on the Conversion Price (which may be higher than the trading price). Holders should also be aware that there are different tax consequences of receiving cash pursuant to the Cash Conversion Option and receiving Common Shares pursuant to the conversion feature. See "Certain Canadian Federal Income Tax Consequences".

The Company's Election of the Cash Conversion Option May Have Adverse Consequences

The Company's election to deliver cash in respect of the conversion obligation as described under "Details of the Offering - Cash Conversion Option" may (a) result in holders receiving no Common Shares upon conversion; and (b) delay holders' receipt of the consideration due upon conversion.

The Company will generally deliver the consideration due upon conversion of the Debentures as soon as practicable, but in any event no event later than the third business day after (a) the last trading day in the Observation Period if the Company has elected to deliver cash in respect of the conversion obligation, which will generally be at least 16 trading days after the date holders surrender their Debentures for conversion or (b) the conversion date if the Company has elected to deliver Common Shares upon conversion of the Debentures.

If the Company has elected to deliver cash in respect of the conversion obligation, because the consideration due upon conversion is based on the trading prices of the Common Shares during the Observation Period, any decrease in the price of the Common Shares after a holder surrenders the Debentures for conversion may significantly decrease the value of the consideration a holder receives upon conversion.

Negative Cash Flow from Operating Activities

Provident had negative cash flow from operating activities for the year ended December 31, 2010 which was caused primarily by the buyout of financial derivative instruments during the period. Lack of cash flow from the operating activities of the Company could impede the Company's ability to raise capital through debt or equity financing to the extent required to fund the Company's business operations. If the Company does not generate sufficient cash flow from its operating activities it will remain dependent upon external financing sources. There can be no assurance that such sources of financing will be available on acceptable terms or at all. If the Company raises additional funds by issuing equity securities, dilution to the holders of Common Shares may result. If adequate funds are not available, the Company may be required to reduce, delay, scale back or eliminate portions of its business.

International Financial Reporting Standards

Provident adopted IFRS effective for interim and annual periods commencing January 1, 2011. Accordingly, Provident's first consolidated financial statements prepared in accordance with IFRS will be for the three month period ended March 31, 2011.

The Company, with the assistance of its external advisors, continues to undertake an internal initiative to govern the transition to IFRS and is currently assessing the impact of the transition to IFRS on its consolidated financial statements. This transition will be an ongoing process as new standards are issued by the Accounting Standards Board of Canada, the International Accounting Standards Board and the International Financial Reporting Interpretations Committee. The transition to IFRS will impact the Company's accounting and financial reporting processes as well as the information systems and business processes within the Company.

To date, Provident has identified and is currently in the process of assessing the key accounting differences between IFRS and previous Canadian GAAP applicable to the Company. There is no assurance that the changes from Canadian GAAP to IFRS will not have an adverse impact on the Company's financial results.

ELIGIBILITY FOR INVESTMENT

In the opinion of Macleod Dixon LLP, counsel to Provident, and Stikeman Elliott LLP, counsel to the Underwriters, on the basis of the applicable legislation in effect on the date hereof, provided the Debentures and the Common Shares are listed on a designated stock exchange for the purposes of the Tax Act (which includes the TSX), the Debentures and the Common Shares issuable upon the conversion, redemption or maturity of the Debentures, if issued on the date hereof, would be qualified investments under the Tax Act for a trust governed by a registered retirement savings plan (a "RRSP"), a registered retirement income fund (a "RRIF"), a deferred profit sharing plan (except, in the case of Debentures, a deferred profit sharing plan to which Provident, or an employer that does not deal at arm's length with Provident, has made a contribution), a registered education savings plan, a registered disability savings plan or a tax-free savings account (a "TFSA").

However, the holder of a trust governed by a TFSA (or, if certain proposals contained in the March 22, 2011 Federal Budget are enacted as proposed, the annuitant under a RRSP or RRIF) which holds Debentures or Common Shares will be subject to a penalty tax if the holder or the annuitant, as the case may be, does not deal at arm's length with Provident for the purposes of the Tax Act, or if the holder or the annuitant, as the case may be, has a "significant interest", within the meaning of the Tax Act, in Provident or in a corporation, partnership or trust with which Provident does not deal at arm's length for the purposes of the Tax Act. Prospective purchasers should consult their own tax advisors regarding their particular circumstances.

LEGAL MATTERS

Certain legal matters in connection with the issuance of the securities offered hereby will be passed upon on behalf of the Company by Macleod Dixon LLP, Calgary, Alberta and on behalf of the Underwriters by Stikeman Elliott LLP.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Company are PricewaterhouseCoopers LLP, Chartered Accountants, 111 - 5th Avenue SW, Suite 3100, Calgary, Alberta T2P 5L3.

The transfer agent and registrar for the Common Shares is Computershare Investor Services Inc. at its principal offices in Calgary, Alberta, Toronto, Ontario and Denver, Colorado. The transfer agent and registrar for the Debentures is Computershare at its principal offices in Calgary, Alberta and Toronto, Ontario.

INTERESTS OF EXPERTS

As of the date hereof, the partners and associates of each of Macleod Dixon LLP, as a group, and Stikeman Elliott LLP, as a group, beneficially own, directly or indirectly, less than 1% of the securities of any class of the Company.

PricewaterhouseCoopers LLP is independent of the Company within the Rules of Professional Conduct of the Institute of Chartered Accountants of Alberta.

PURCHASERS' STATUTORY AND CONTRACTUAL RIGHTS

Securities legislation in several of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that such remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

Under the Indenture, original purchasers of Debentures under the Offering will have a contractual right of rescission following the issuance of Common Shares to such purchasers pursuant to the exercise of the Debenture conversion right, if this short form prospectus (including documents incorporated by reference) or any amendment contains a misrepresentation or is not delivered to such purchaser, provided such remedy for rescission is exercised within 180 days of the Closing Date.

AUDITOR'S CONSENT

We have read the short form prospectus of Provident Energy Ltd. (the "**Company**") dated April 29, 2011 qualifying the distribution of \$150 million aggregate principal amount (\$172.5 million aggregate principal amount if the over-allotment option is exercised in full) of 5.75% convertible unsecured subordinated debentures of the Company. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference in the above-mentioned prospectus of our report to the Unitholders of Provident Energy Trust (the "**Trust**") on the consolidated balance sheets of the Trust as at December 31, 2010 and 2009 and the related consolidated statements of operations and accumulated income, comprehensive income and accumulated other comprehensive income and cash flows for each of the years then ended. Our report is dated March 9, 2011.

Calgary, Alberta
April 29, 2011

(Signed) *PRICEWATERHOUSECOOPERS LLP*
Chartered Accountants

CERTIFICATE OF THE COMPANY

Date: April 29, 2011

This short form prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Canada.

(Signed) "Douglas J. Haughey"
President and Chief Executive Officer

(Signed) "Brent C. Heagy"
Senior Vice President, Finance and
Chief Financial Officer

On behalf of the Board of Directors

(Signed) "Grant D. Billing"
Director

(Signed) "Hugh A. Fergusson"
Director

CERTIFICATE OF THE UNDERWRITERS

Date: April 29, 2011

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Canada.

TD SECURITIES INC.

(Signed) "Alec W. G. Clark"

NATIONAL BANK FINANCIAL INC.

(Signed) "Iain Watson"

BMO NESBITT BURNS INC.

(Signed) "Aaron M. Engen"

RBC DOMINION SECURITIES INC.

(Signed) "Derek Neldner"

SCOTIA CAPITAL INC.

(Signed) "Mark Herman"

CIBC WORLD MARKETS INC.

(Signed) "Denis R. Rajotte"

CANACCORD GENUITY CORP.

(Signed) "Karl B. Staddon"

HSBC SECURITIES (CANADA) INC.

(Signed) "Evan Hazell"

FIRSTENERGY CAPITAL CORP.

(Signed) "Robyn Hemminger"