



**VOTING DIRECTION FOR HOLDERS OF EXCHANGEABLE SHARES
OF ZARGON OIL & GAS LTD.
FOR THE JOINT SPECIAL MEETING OF ZARGON ENERGY TRUST AND ZARGON OIL & GAS LTD.
TO BE HELD ON DECEMBER 15, 2010**

The undersigned holder (the "**Holder**") of exchangeable shares ("**Exchangeable Shares**") of Zargon Oil & Gas Ltd. ("**ZOGL**") has the right to instruct Valiant Trust Company (the "**Trustee**") in respect of the exercise of their votes at the joint special meeting of the unitholders of Zargon Energy Trust (the "**Trust**") and the holders of Exchangeable Shares to be held on December 15, 2010 (the "**Meeting**"), as follows:

- To instruct the Trustee to exercise the votes to which the Holder is entitled as indicated below; **OR**
- To instruct the Trustee to appoint a representative of ZOGL's management as proxy to exercise the votes to which the Holder is entitled as indicated below; **OR**
- To instruct the Trustee to appoint the Holder, or the Holder's designee as a proxy to exercise personally the votes to which the Holder is entitled as indicated below.

The Holder directs that their Exchangeable Shares be voted as follows:

FOR or AGAINST (and, if no specification is made, FOR) passing, with or without variation, a special resolution (the "**Arrangement Resolution**"), the full text of which is set forth in Appendix A to the Information Circular and Proxy Statement of the Trust dated November 10, 2010 (the "**Information Circular**"), to approve a plan of arrangement (the "**Arrangement**") under section 193 of the *Business Corporations Act* (Alberta) which will result in the reorganization of the Trust into a corporation ("**New Zargon**"), all as more particularly described in the Information Circular;

FOR or AGAINST (and, if no specification is made, FOR) if the Arrangement Resolution is passed, to pass, with our without variation, an ordinary resolution, the full text of which is set forth in the Information Circular, approving the share unit award plan of New Zargon to come into effect immediately upon the Arrangement being effected, all as more particularly described in the Information Circular.

IMPORTANT NOTE: IF NO DIRECTION IS MADE, FOR OR AGAINST, THE HOLDER'S EXCHANGEABLE SHARES WILL NOT BE VOTED

PLEASE SELECT ONE OF THE FOLLOWING:

Direct the Trustee to Vote Exchangeable Shares
The Holder hereby directs the Trustee to vote as indicated.

Appointment of Management as Proxy
The Holder hereby appoints Craig H. Hansen, President and Chief Executive Officer of ZOGL, or, failing him, Jason Dranchuk, Vice President, Finance and Chief Financial Officer of ZOGL, as proxyholder of the Holder, with power of substitution, and authorizes them to represent and vote, as indicated above, all of the Exchangeable Shares which the Holder may be entitled to vote at the Meeting, and at any adjournment or adjournments thereof and on every ballot that may take place in consequence thereof, and with discretionary authority as to any other matters that may properly come before the Meeting.

Appointment of the Holder, or the Holder's Designee as Proxy
The Holder hereby appoints _____ as proxyholder of the Holder and authorizes them to represent and vote, as indicated above, all of the Exchangeable Shares which the Holder may be entitled to vote at the Meeting, and at any adjournment or adjournments thereof and on every ballot that may take place in consequence thereof, and with discretionary authority as to any other matters that may properly come before the Meeting.

IF THE HOLDER DOES NOT COMPLETE ONE OF THE FOREGOING, COMPLETES MORE THAN ONE OF THE FOREGOING OR COMPLETES THE THIRD SELECTION BUT DOES NOT SPECIFY A DESIGNEE, THE HOLDER WILL BE DEEMED TO HAVE DIRECTED THE TRUSTEE TO VOTE THEIR EXCHANGEABLE SHARES AS INDICATED.

DATED: _____, 2010.

Signature of Holder

Name of Holder (please print)

Number of Exchangeable Shares held (please print)

(Number of votes is equal to the number of Exchangeable Shares held multiplied by the Exchange Ratio as at October 15, 2010 of 1.79887)

NOTES:

1. If the Holder is a corporation, its corporate seal must be affixed or it must be signed by an officer or attorney thereof duly authorized.
2. This voting direction must be dated and the signature hereon should be exactly the same as the name in which the Exchangeable Shares are registered.
3. Persons signing as executors, administrators, trustees, etc., should so indicate and give their full title as such.
4. This voting direction will not be valid and not be acted upon unless it is completed as outlined herein and is received by Valiant Trust Company, 310, 606 – 4th Street S.W., Calgary, Alberta, T2P 1T1, Fax No. (403) 233-2857, not later than 48 hours (excluding Saturdays, Sundays and holidays) prior to the time of the Meeting or any adjournment thereof. The voting direction is valid only for the Meeting or any adjournment of the Meeting.
5. If not dated, this voting direction shall be deemed to bear the date on which it was mailed to holders of Exchangeable Shares by ZOGL.
6. This voting direction is solicited on behalf of management of ZOGL.

Voting by Internet for Registered Holders

7. Registered Holders may use the Internet website at www.valianttrust.com to transmit their voting instructions. Registered Holders should have the form of proxy in hand when they access the Internet website. Registered Holders will be prompted to enter their Control Number, which is located on the form of proxy. If Registered Holders vote by Internet website, their vote must be received by 10:00 a.m. (Calgary time) on December 13, 2010 or by 10:00 a.m. (Calgary time) on the second Business Day prior to the date of any adjournment of the Meeting. **The Internet website may be used to appoint a proxy holder to attend and vote on a Registered Holder's behalf at the Meeting, and at any adjournment thereof, and to convey a Registered Holder's voting instructions. Please note that if a Registered Holder appoints a proxy holder and submits their voting instructions and subsequently wishes to change their appointment, a Registered Holder may resubmit their proxy and/or voting direction, prior to the deadline noted above. When resubmitting a proxy, the most recently submitted proxy will be recognized as the only valid one, and all previous proxies submitted will be disregarded and considered as revoked, provided that the last proxy is submitted by the deadline noted above.**