



**INSTRUMENT OF PROXY FOR HOLDERS OF TRUST UNITS OF ZARGON ENERGY TRUST
FOR THE JOINT SPECIAL MEETING OF
ZARGON ENERGY TRUST AND ZARGON OIL & GAS LTD.
TO BE HELD ON DECEMBER 15, 2010**

The undersigned holder ("**Unitholder**") of trust units ("**Units**") of Zargon Energy Trust (the "**Trust**") hereby appoints Craig H. Hansen, President and Chief Executive Officer of Zargon Oil & Gas Ltd. ("**ZOGL**"), of the City of Calgary, in the Province of Alberta, or, failing him, Jason Dranchuk, Vice President, Finance and Chief Financial Officer of ZOGL, of the City of Calgary, in the Province of Alberta, or instead of either of the foregoing, _____, as proxyholder of the undersigned, with full power of substitution, to attend and act and vote for and on behalf of the undersigned at the Special Meeting of holders of Units and holders of series A exchangeable shares of ZOGL to be held on December 15, 2010 (the "**Meeting**"), and at any adjournment or adjournments thereof and on every ballot that may take place in consequence thereof to the same extent and with the same powers as if the undersigned were personally present at the Meeting with authority to vote at the said proxyholders' discretion, except as otherwise specified below.

Without limiting the general powers hereby conferred, the undersigned hereby directs the said proxyholder to vote the Units represented by this instrument of proxy in the following manner (**check (✓) the appropriate box**):

1. **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;
2. **FOR or AGAINST** (and, if no specification is made, FOR) if the Arrangement Resolution is passed, to pass, with or without variation, an ordinary resolution, the full text of which is set forth in the Information Circular, approving the share award plan of New Zargon to come into effect immediately upon the Arrangement being effected, all as more particularly described in the Information Circular; and
3. At the discretion of the said proxyholder, upon any amendment or variation of the above matters or any other matter that may properly be brought before the Meeting or any adjournment thereof, in such manner as such proxyholder, in his sole judgment may determine.

This Instrument of Proxy is solicited on behalf of the management of ZOGL. The Units represented by this Instrument of Proxy will be voted and, where the Unitholder has specified a choice with respect to the above matters, will be voted as directed above or, if no direction is given, will be voted FOR the above matters.

Each Unitholder has the right to appoint a proxyholder, other than the persons designated above, who need not be a Unitholder, to attend and to act for and on behalf of such Unitholder at the Meeting. To exercise such right, the names of the nominees of management should be crossed out and the name of the Unitholder's appointee should be legibly printed in the blank space provided.

THE UNDERSIGNED HEREBY REVOKES ANY PROXIES HERETOFORE GIVEN.

Dated this ____ day of _____, 2010.

(Signature of Unitholder)

(Name of Unitholder - please print)

NOTES:

1. If the Unitholder is a corporation, its corporate seal must be affixed or it must be signed by an officer or attorney thereof duly authorized.
2. This instrument of proxy must be dated and the signature hereon should be exactly the same as the name in which the Units 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 proxy shall be deemed to bear the date on which it was mailed to Unitholders by the Trust.
6. This proxy is solicited on behalf of management of ZOGL.

Voting by Internet for Registered Holders

7. Registered Unitholders may use the Internet website at www.valianttrust.com to transmit their voting instructions. Registered Unitholders should have the form of proxy in hand when they access the Internet website. Registered Unitholders will be prompted to enter their Control Number, which is located on the form of proxy. If Registered Unitholders 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 Unitholder's behalf at the Meeting, and at any adjournment thereof, and to convey a Registered Unitholder's voting instructions. Please note that if a Registered Unitholder appoints a proxy holder and submits their voting instructions and subsequently wishes to change their appointment, a Registered Unitholder 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.**