

**PERPETUAL ENERGY INC.
NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD MARCH 24, 2016**

NOTICE IS HEREBY GIVEN that the annual and special meeting (the "**Meeting**") of the holders ("**Shareholders**") of common shares ("**Shares**") of Perpetual Energy Inc. ("**Perpetual**" or the "**Corporation**") will be held at the Calgary Petroleum Club, 319 – 5th Avenue S.W., Calgary, Alberta on March 24, 2016, at 9:00 a.m. (Calgary Time) for the following purposes:

1. to receive and consider the audited consolidated financial statements of the Corporation for the year ended December 31, 2015, together with the auditor's report thereon;
2. to fix the number of directors of the Corporation to be elected at the Meeting at seven (7) and to elect seven (7) directors;
3. to appoint auditors of the Corporation and to authorize the directors to fix their remuneration as such;
4. to adopt new by-laws of the Corporation;
5. to approve the unallocated options under the Corporation's share option plan;
6. to approve the unallocated rights under the Corporation's restricted rights plan;
7. to approve a proposed share consolidation; and
8. to transact such further and other business as may properly be brought before the Meeting or any adjournment thereof.

Specific details of the matters to be put before the Meeting are set forth in the attached Management Information Circular and Proxy Statement dated February 12, 2016 (the "**Information Circular**").

Perpetual has elected to use the Notice and Access provisions under National Instrument 54-101 and National Instrument 51-102 ("**Notice and Access Provisions**") for this Meeting. Notice and Access Provisions are a set of rules developed by the Canadian Securities Administrators that reduce the volume of materials that must be physically mailed to Shareholders by allowing Perpetual to post the Information Circular and any additional materials online. See "*General Proxy Matters – Notice and Access*" in the Information Circular for further information on the Notice and Access Provisions.

The record date (the "**Record Date**") for determination of Shareholders entitled to receive notice of and to vote at the Meeting is February 12, 2016.

Shareholders of the Corporation of record as at the Record Date are entitled to receive notice of the Meeting and to vote those Shares included in the list of Shareholders entitled to vote at the Meeting prepared as at the Record Date, unless any such Shareholder transfers Shares after the Record Date and the transferee of those Shares, having produced properly endorsed certificates evidencing such Shares or having otherwise established that he or she owns such Shares, demands, not later than 10 days before the Meeting, that his or her name be included in the list of Shareholders entitled to vote at the Meeting, in which case such person shall be entitled to vote such Shares at the Meeting.

Each Share outstanding on the Record Date is entitled to one vote at the Meeting.

A Shareholder may attend the Meeting in person or may be represented by proxy. **If you are a registered Shareholder and are unable to attend the Meeting or any adjournment thereof in person, please exercise your right to vote by dating, signing and returning the accompanying form of proxy to Computershare Trust Company of Canada ("Computershare"), the Corporation's transfer agent. To be valid, proxy forms must be dated, completed, signed and deposited with Computershare, (i) by mail using the enclosed return envelope or one addressed to Computershare Trust Company of Canada, Proxy Department, 135 West Beaver Creek, P.O. Box 300, Richmond Hill, Ontario, L4B 4R5, (ii) by hand delivery to Computershare Trust Company of Canada, 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, or (iii) by facsimile to (416) 263-9524 or 1-866-249-7775. If you vote through the Internet, you may also appoint another person to be your proxyholder. Please go to www.investorvote.com and follow the instructions. You will require your 15-digit control number found on your proxy form. Your proxy or voting instructions must be received in each case no later than 9:00 a.m. (Calgary time) on Tuesday, March 22, 2016, or, if the Meeting is adjourned, 48 hours (excluding Saturdays and holidays) before the beginning of any adjournment of the Meeting. Any Shareholder who wishes to receive a paper copy of the Information Circular, should contact Perpetual's transfer agent, Computershare Trust Company of Canada at 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, facsimile: (416) 263-9524, Toll Free: 1-866-249-7775. A Shareholder may use the toll-free number 1-800-811-5522 to obtain additional information about the Notice and Access Provisions.**

DATED at the City of Calgary, in the Province of Alberta, this 12th day of February, 2016.

**BY ORDER OF THE BOARD OF DIRECTORS OF
PERPETUAL ENERGY INC.**



Susan L. Riddell Rose
President and Chief Executive Office