



<b>B #:</b>	0222-13
<b>Date:</b>	Friday, February 22, 2013
<b>To:</b>	All Participants
<b>Category:</b>	Dividends
<b>From:</b>	Supervisor, Stock Dividend Department
<b>Attention:</b>	Dividend Managers, Cashiers, and Reorganization Managers
<b>Subject:</b>	Bonavista Energy Corporation (Stock Dividend Program) CUSIP: 09784Y108 <b>Record Date:</b> 02/28/13 <b>Payable Date:</b> 03/15/13 <b>CDN Rate:</b> \$0.07 per share <b>DTC EDS Cut-Off:</b> 03/01/13 no later than 8:00 P.M. NY time

\*\*\*\*\*WARNING TIME CRITICAL\*\*\*\*\*

**The event defined in this Important Notice is NOT a Cash Dividend with a Dividend Reinvestment Option. The event has been established as a Stock Dividend Program by the issuer. The distribution will be paid in cash unless opting to receive the stock dividend.**

Bonavista Energy Corporation has declared a dividend of CDN \$0.07 to shareholders of record at the close of business on 02/28/13. The dividend will be paid in cash; however shareholders can elect to receive stock dividend shares in lieu of the cash dividend.

DTC is utilizing two functions (Dividend Reinvestment and Foreign Tax Withholdings) within the Electronic Dividend System (EDS) to process this dividend. This will allow participants the ability to elect to receive the stock dividend shares and Canadian currency and/or the cash dividend and Canadian currency where eligible.

Participants wishing to elect stock dividend shares must use the Dividend Reinvestment Program on EDS. The stock dividend is not subject to Canadian non-resident tax withholding. Participants making this election will be prompted to enter a Tax Exempt Control number which, for this distribution only, should be entered as 999999.

**For participants electing the option to receive the stock dividend shares; residents in the state of California are not entitled to the stock election as defined in the Securities Act of 1933.**

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**B# 0222-13**

Shareholders who elect to receive stock dividend shares in Bonavista Energy Corporation will receive these shares at 95% of the weighted average market price calculated 5 days before the payment date, a 5% discount to the average market price, such rate to be determined and is subject to 0% Canadian non-resident tax withholding. Participants will be paid 100% of their stock dividend entitlement inclusive of the discount in whole shares. The disposition of fractional entitlement is TBA.

Participants who elect to receive the cash dividend must use the Foreign Tax Withholdings function on EDS. Participants are required to make their elections for the appropriate Canadian non-resident tax withholding rate and for payment in Canadian currency, if eligible for the Canadian currency option through DTC. Please refer to Important Notice #1984-12 regarding Important Canadian Tax Relief Information Updates.

Under the Foreign Tax Withholdings function participants will be able to elect the cash dividend as follows:

**Unfavorable Rate:** You may elect to receive the cash dividend at a rate of CDN \$0.07 per share **less 25%** Canadian non-resident withholding tax. **DEFAULT**

**Favorable Rate:** You may elect to receive cash at a rate of CDN \$0.07 per share **less 15%** Canadian non-resident withholding tax.

**Exempt 0% tax:** You may elect to receive cash at a rate of CDN \$0.07 per share **less 0% tax (tax exempt).**

**THE DIVIDEND POSITION AND ALLOCATION HISTORY (DPAL) OPTION, ACCESSED VIA THE PTS DIVIDEND ANNOUNCEMENTS INQUIRY FUNCTION (DIVA), SHOULD BE USED TO CONFIRM YOUR RECORD DATE POSITION HISTORY.**

**PARTICIPANTS SHOULD SUBMIT ELECTION INSTRUCTIONS OVER THE PARTICIPANT TERMINAL SYSTEM (PTS) THROUGH THE ELECTIVE DIVIDEND SYSTEM (EDS) FUNCTION.**

Participants not responding to the above option by 8:00 P.M. New York time on 03/01/13 will receive the mandatory distribution in accordance with the cash dividend **Unfavorable rate** less 25% tax (Default). **DUE TO TIME RESTRICTIONS WITH THE TRANSFER AGENT THERE WILL BE NO EXTENSIONS OR REVISIONS GRANTED.**

If there are any questions regarding this Important Notice or the processing of related instructions via EDS, participants should contact DTCC's Customer Service Center at (888) 382-2721.

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