

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: _____ Petrocapita Income Trust ("Petrocapita" or the "Issuer") _____

Trading Symbol: _____ PCE.UN _____

Number of Outstanding Listed Securities: _____ 11,097,481 Common Trust Units [post consolidation] _____

Date: _____ March 6, 2019 _____

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by Exchange Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the Exchange website.

This report is intended to keep investors and the market informed of the Issuer's ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the Policies. The discussion in this report must be factual, balanced and non-promotional.

General Instructions

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

Report on Business

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

None.

2. Provide a general overview and discussion of the activities of management.

Management continues to try to raise funds through private placements to finance its capital expenditures program.

Management continues to review strategic alternatives and has engaged a broker to market its oil and shallow gas assets in Alberta and Saskatchewan and review any strategic alternative. The

issuer continues to seek financial partners to assist in well reactivations, recompletions, drilling and equipping. March 14, 2019 is the expected date for bids and results of the marketing process.

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

None.

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

During the month of February two (2) wells were desanded and one (1) well was restarted in Alberta. No new activities in Saskatchewan.

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

None.

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

During the month of January, the issuer closed the Lloydminster field office to reduce costs.

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

On May 31, 2018, the Issuer signed a non-binding letter of intent that superseded the March 29, 2018 signed non-binding Letter of Intent to sell certain mid-stream assets to a third party. The May 31, 2018 non-binding letter of intent sells certain mid-stream assets to the third party, but on a much smaller scale. The non-binding letter of intent terminated in the month of July, however, as part of an ongoing strategic review, Petrocapita is considering alternatives for its midstream business/assets which may include the creation of a sole purpose, operating entity for fund raising. The purpose of the funding continues to be the financing of on-going oil and gas operations, future acquisitions, and to reduce debt.

8. Describe the acquisition of new customers or loss of customers.

None.

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trademarks.

None.

10. Report on any employee hiring, terminations or lay-offs with details of anticipated length of lay-offs.

None

11. Report on any labour disputes and resolutions of those disputes if applicable.

None.

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

Alberta Court of Queen's Bench Statement of Claim filed May 30, 2017 on behalf of Thrive Industries Inc. regarding outstanding invoices and claiming \$216,722.60 plus interest plus costs. A Statement of Defence and a Counterclaim were filed and served July 11, 2017. Statements of Defence to the Counterclaim by Thrive Industries Inc.; With-A-Vengeance Transport Ltd., Vicky Erickson and Len Saccucci; and a Counterclaim by Vicky Erickson and Len Saccuci (all associates and/or principals of Thrive Industries Inc.) were filed separately on September 8, 2017. A reply to the Statement of Defence by Thrive Industries Inc and a Statement of Defence to the Counterclaim by Vicky Erickson and Len Saccuci were filed on October 23, 2017. Litigation is on-going.

In the month of June, Petrocapita received notice to appear at a court hearing on May 1, 2019 to address a civil suit filed by a terminated consultant.

The Issuer is now uncertain if a statement of claim is going to be filed by Can-World Finance Services ("Can-World") for funding services which never materialized. Can-World is seeking a break fee while the Issuer is requesting a return of a portion of the fees paid for non-performance of financing services.

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

Petrocapita continues to repay the convertible debenture payable to Pacific Oil Company in the monthly amount of \$3,013.89. The Issuer has suspended payments to the former shareholder(s) of Hytop Well Servicing Inc. in the monthly amount of \$3,281.15. Petrocapita has postponed payments to former shareholders of Smartworks Oilfield Maintenance Ltd. in the monthly amount of \$2,451.40 in the month of November. Petrocapita has stopped paying the former shareholders of PCap Trucking Inc. (formerly 1701307 Alberta Ltd.) in the monthly amount of \$7,638.89, and former shareholders of Crucible Resources Corp. in the monthly amount of \$6,041.18. Maha Energy Inc. signed an amendment dated April 30, 2018 to the convertible debenture agreement postponing the monthly principal payment in the amount of \$50,000 and remaining principal and interest until September 30, 2018. Currently, Petrocapita is negotiating with Maha on revising the repayment of interest and principal.

During the month of September, Petrocapita press released the suspension of interest payments on the senior secured 8% convertible debentures for the quarter ended September 30, 2018 and all subsequent periods until further notice. The Trust is not in default of any debt covenant and if interest due remains outstanding beyond 30 days, then the rate on the outstanding interest is 8% plus the prime bank lending rate. For the three months ended December, 2018, the Issuer continued to suspend the interest payments on the 8% senior secured convertible debentures.

Similarly, the Issuer continued to suspend the interest payments on the 12.5% debenture.

Cashflow continues to be limited due to volatile and low Western Canadian Select oil prices. Although prices for the current month are improving, cashflow is still insufficient to resume interest payments. The Issuer continues to suspend the interest payments on the 9% preferred trust units. The suspension was previously press released on May 18 and June 1, 2018.

14. Provide details of any securities issued and options or warrants granted.

| Security | Number Issued | Details of Issuance | Use of Proceeds⁽¹⁾ |
|-----------------|----------------------|----------------------------|--------------------------------------|
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(1) State aggregate proceeds and intended allocation of proceeds.

On May 26, 2016 the Board of Directors of the Administrator approved a stock option plan. No options have been granted to directors, officers, employees and/or consultants to date.

15. Provide details of any loans to or by Related Persons.

None.

16. Provide details of any changes in directors, officers or committee members.

None.

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

a) The continuance of low heavy oil prices could impact the Trust's cash flow from operations and result in reduced capital spending.

b) Changes to Government regulations, including those regulations governing the protection of the environment, taxes, labour standards, occupational health and safety waste disposal and other matters, could have an adverse impact the Trust.

c) Changes to Provincial royalties could have an adverse impact on the Trust.

d) Continuing changes to the liability management program within Alberta could have an impact on future acquisitions made by the Trust.

e) Carbon tax legislation enacted by the Province of Alberta on January 1, 2017.

f) The Supreme Court of Canada's decision on the Redwater Energy Corp. case ruled in favour of the regulator on January 31, 2019.

Certificate of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated March 6, 2019

Richard Mellis
Name of Director or Senior Officer

"Richard Mellis"
Signature

Director & CEO
Official Capacity

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| Issuer Details Name of Issuer Petrocapita Income Trust | For Month End February 2019 | Date of Report YY/MM/D 2019/03/06 |
| Issuer Address #1400 - 717 – 7 th Avenue SW | | |
| City/Province/Postal Code Calgary, Alberta T2P 0Z3 | Issuer Fax No. None | Issuer Telephone No. (587) 393-3456 |
| Contact Name Richard Mellis | Contact Position President | Contact Telephone No. (587) 393-3459 |
| Contact Email Address rmellis@petrocapita.com | Web Site Address www.petrocapita.com | |