

Equinox Energy Fund, L.P.

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Dear Partners and Friends,

PERFORMANCE

Equinox Energy Fund declined -25.7% in the second quarter and was down -26.9% for the year to date through June 30. By way of comparison, the TSX E&P index was up +2.7% and the S&P E&P index was up +3.3% for the year through June 30.

CLOSING THE FUND

Over the past four and a half years, we've lost 85% of our partners' money. The bulk of these losses occurred last year, as the fund declined 74.7%. As we told many of you in person, we believed at the end of last year that we would see some rebound from the year-end mark. Unfortunately, the fund has declined further this year.

Our incredibly bad performance over the past four and a half years is a result of several factors. Bad stock picking, a bear market in E&P companies, a bear market in Western Canadian energy prices, and a bear market in the smaller cap energy companies upon which we focused.

We believe in time that some if not all of these trends will reverse. Accordingly, we continue to own shares of these deeply discounted energy companies in Equinox Partners, L.P. and Mason Hill Partners, L.P. That said, the number of companies that Energy Fund is holding has fallen to just four. As such, we believe it is appropriate to close Equinox Energy Fund at year end. Those investors who wish to maintain their exposure to Paramount and Crew will be better served by realizing their tax loss on our fund and maintaining their exposure independently.

More broadly, we wish to express our deep regret for having launched this fund in January of 2015. At the time, we were confident that energy prices would rebound to more sustainable levels. That turned out to be correct. But, we failed to anticipate all of the additional factors that cumulatively would lead to such a sizable loss of your capital. We are humbled by this experience and have sought to incorporate the difficult lessons learned in the management of our other funds.

Sincerely,

Sean Fieler