

Qwest Energy 2005-III Flow-Through Limited Partnership

IMPORTANT TAX INFORMATION FOR UNIT HOLDERS

Issue Cost Deduction

Below are the issue cost deductions available to the unit holders of Qwest Energy 2005-III Flow-Through Limited Partnership pursuant to section 20(1)(e) of the Income Tax Act. To claim this deduction, report the issue cost on Schedule 4 “*Carrying Charges and Interest Expenses*” (Part IV) of your personal income tax return.

<u>Year</u>	<u>Deduction Per Unit</u>
2007	\$0.512277
2008	\$0.512277
2009	\$0.512277
2010	\$0.512277
2011	\$0.512277

Adjusted Cost Base (“ACB”)⁽¹⁾

For unit holders of Qwest Energy 2005-III Flow-Through Limited Partnership the following is the ACB (per share) of the Qwest Energy Canadian Resource Class Mutual Fund shares issued to you at the time of the rollover event:

For all investor redemptions prior to February 24, 2009	\$3.0814
For all investor redemptions between February 25, 2009 and December 29, 2009	\$3.1212
For all investor redemptions on, or after, December 30, 2009	\$3.1263 ⁽²⁾

Please use the applicable ACB should be used when calculating the capital gains (losses) from the sale of your mutual fund shares.

For more information please contact our Client Services department at 1.866.602.1142, ext. 5804 or info@qwestfunds.com

PLEASE RETAIN THIS LETTER FOR TAX PURPOSES

- (1) This ACB per share is not applicable for investors who chose to receive cash distributions (as opposed to re-investing) on their shares of the Qwest Energy Canadian Resource Class Mutual Fund.
- (2) This amount is subject to change. Prior to preparing your tax statement please visit our website at www.qwestfunds.com to ensure you obtain the latest number.