

2012 TAX INFORMATION

The following information is intended to assist unitholders of Chemtrade Logistics Income Fund (the "Fund") in the preparation of their 2012 income tax returns. All unitholders should receive a T3 Supplementary tax slip prior to March 31, 2013.

The following table summarizes the per unit cash distributions of the Fund for 2012 and the treatment of the distributions for Income Tax purposes.

	Other Income		Dividends other than eligible dividends		Foreign Non-Business Income		Total	
2012	\$0.25188	20.99%	\$0.57047	47.54%	\$0.37764	31.47%	\$1.200	100.00%

For individuals who held units for only part of the year, the allocation of distributions received can be determined by multiplying the distributions received by the [2012 Monthly Tax Allocations](#).

Generally, the income will not be subject to tax where units are held in a trust governed by a RRSP, a RRIF, a DPSP, a RDSP, a TFSA or RESP in which case no income should be reported by the beneficiary of such trust.

Adjusted Cost Base (ACB)

Canadian Unitholders are required to reduce the ACB of their units by any distributions received in the form of a return of capital. The ACB is used in calculating capital gains or losses on the disposition of the units. No portion of the 2012 distribution is a return of capital.

Non-Canadian Unitholders

Non-Canadian unitholders should consult their tax advisors to determine how to report their share of income from the Fund for the year.

The Fund is a limited purpose trust established under the laws of the Province of Ontario and governed by the Declaration of Trust. For purposes of the *Income Tax Act* (Canada) (the "Tax Act"), the Fund is a mutual fund trust and became a Specified Investment Flow-Through ("SIFT") trust on January 1, 2011. In order for the Fund to maintain its status as a mutual fund trust under the Tax Act, the Fund must not be established nor maintained primarily for the benefit of non-residents of Canada within the meaning of the Tax Act. Accordingly, the Declaration of Trust provides that at no time may non-residents of Canada be the beneficial owners of a majority of the Units. The Declaration of Trust contains provisions that address the threat or occurrence of this situation.

Taxation of Distributions to U.S. Resident Unitholders

The Fund has elected to be treated as a partnership for U.S. federal income tax purposes. The Fund is considered to be a "publicly-traded partnership" pursuant to the United States Internal Revenue Code (the "Code") since the Fund Units are traded on the TSX. The Fund relies on the "Qualifying Income Exception" to continue to be treated as a partnership, rather than a corporation, for U.S. federal income tax purposes. As the Fund is treated as a SIFT trust under the Tax Act while concurrently treated as a partnership under the Code, Article IV(7) of the Fifth Protocol to the 1980 Canada-United States Income Tax Treaty applies to deny treaty benefits on distributions made by the Fund to U.S. Resident Unitholders. In the circumstances, distributions by the Fund to U.S. Resident Unitholders are treated as distributions from a SIFT trust to non-resident beneficiaries not eligible for treaty benefits for purposes of the Tax Act and thus, are subject to a Canadian domestic withholding tax of 25%. Such distributions are concurrently treated as distributions from a partnership for U.S. federal income tax purposes. The distributions include distributions of interest and dividends earned by the Fund during the year. The Fund does not calculate the current or accumulated earnings and profits ("E&P") of affiliated corporations from which dividends were received during the tax year. As such, a U.S. Resident Unitholder is likely to be subject to U.S. federal income tax on such distributions at tax rates applicable to ordinary income.

U.S. Resident Unitholders are urged to consult their own tax advisors regarding the U.S. tax treatment of the distributions.

THE ABOVE INFORMATION IS OF A GENERAL NATURE ONLY AND DOES NOT ADDRESS ALL POSSIBLE U.S. FEDERAL, STATE, OR LOCAL INCOME TAX CONSIDERATIONS AND IS NOT INTENDED TO PROVIDE LEGAL OR TAX ADVICE TO ANY PARTICULAR UNITHOLDER OR POTENTIAL UNITHOLDER OF THE FUND. NON-CANADIAN UNITHOLDERS AND U.S. RESIDENT UNITHOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS REGARDING THE TAX CONSEQUENCES OF HOLDING UNITS AND REPORTING INCOME EARNED AND TAX WITHHELD FROM DISTRIBUTIONS.

2012 Monthly Tax Allocations

Date of		Other Income		Dividends other than eligible dividends		Foreign Non-Business Income		Total	
Record	Payment	\$/Unit	%	\$/Unit	%	\$/Unit	%	\$/Unit	%
31-Jan-12	29-Feb-12	0.02099	20.99%	0.04754	47.54%	0.03147	31.47%	0.1000	100.00%
29-Feb-12	30-Mar-12	0.02099	20.99%	0.04754	47.54%	0.03147	31.47%	0.1000	100.00%
30-Mar-12	30-Apr-12	0.02099	20.99%	0.04754	47.54%	0.03147	31.47%	0.1000	100.00%
30-Apr-12	31-May-12	0.02099	20.99%	0.04754	47.54%	0.03147	31.47%	0.1000	100.00%
31-May-12	29-Jun-12	0.02099	20.99%	0.04754	47.54%	0.03147	31.47%	0.1000	100.00%
29-Jun-12	31-Jul-12	0.02099	20.99%	0.04754	47.54%	0.03147	31.47%	0.1000	100.00%
31-Jul-12	31-Aug-12	0.02099	20.99%	0.04754	47.54%	0.03147	31.47%	0.1000	100.00%
31-Aug-12	28-Sep-12	0.02099	20.99%	0.04754	47.54%	0.03147	31.47%	0.1000	100.00%
28-Sep-12	31-Oct-12	0.02099	20.99%	0.04754	47.54%	0.03147	31.47%	0.1000	100.00%
31-Oct-12	30-Nov-12	0.02099	20.99%	0.04754	47.54%	0.03147	31.47%	0.1000	100.00%
30-Nov-12	31-Dec-12	0.02099	20.99%	0.04754	47.54%	0.03147	31.47%	0.1000	100.00%
31-Dec-12	31-Jan-13	0.02099	20.99%	0.04754	47.54%	0.03147	31.47%	0.1000	100.00%
TOTAL		\$0.25188	20.99%	\$0.57047	47.54%	\$0.37764	31.47%	\$ 1.2000	100.00%