

INSTRUCTIONS FOR COMPLETING THE LETTER OF TRANSMITTAL

The letter of transmittal is to be used either if certificates for Shares (as defined below) are to be forwarded herewith to the Depository or if delivery of Shares is to be made by book-entry transfer to an account maintained by the Depository at the book-entry transfer facility pursuant to the terms of the Offer of Purchase.

Your attention is directed in particular to the following:

1. If you want to retain your Shares you do not need to take any action.
2. **If you want to participate in the Offer to Purchase that was sent to you with the Letter of Transmittal, you should complete the applicable sections of the three pages of the Letter of Transmittal and return them in the stamped envelope addressed to Standard Registrar and Transfer. You must also return the stock certificate(s) you wish to have tendered in the same envelope and sign the back of each one of them in front of an eligible financial institution who will guarantee your signature. Most banks that you bank with can guarantee your signature or other eligible financial institutions can do the same that include your broker who is a member/participant in a Medallion Program approved by the Securities Transfer Association, Inc. If you are concerned about the safety of mailing your certificate you may also pay for the additional cost and have it sent by registered or certified mailing. In most instances shareholders desiring to participate in the tender offer will only need to fill out sections 1 and 2 of the Letter of Transmittal since sections 3 through 6 apply to shareholders who have lost their certificate(s) or desire special mailing or payment instructions.**

SPECIFIC INSTRUCTIONS FOR LETTER OF TRANSMITTAL FOR EACH SECTION

All shareholders who desire to accept the terms of the Tender Offer (“Offer to Purchase”) being made by Pioneer Oil and Gas shares must tender their original stock certificates to Standard Registrar and Transfer (the “**Depository**”) in order to receive \$1.00 per share for the number of shares tendered.

Until Pioneer Oil and Gas stock certificates are received by the Depository at the address set forth in the Letter of Transmittal, together with any other such documents as the Depository may require, and until such documents are processed by the Depository, the holder of such Pioneer Oil and Gas stock certificates will not receive the cash consideration pursuant to the Offer of Purchase. No interest will accrue on the cash consideration.

If your Pioneer Oil and Gas stock certificates are lost, stolen or destroyed, please refer to Instruction 9 below. The Offer of Purchase is subject to the terms and conditions of the Tender Offer made May 30, 2012.

YOUR STOCK CERTIFICATES FOR ANY CERTIFICATED SHARES YOU HOLD MUST BE RETURNED WITH THE LETTER OF TRANSMITTAL FOR YOUR TENDER TO BE VALID.

IF YOU HOLD ANY OF YOUR SHARES OF PIONEER OIL AND GAS WITH A STOCKBROKER IN STREET NAME, YOU WILL RECEIVE AND SHOULD FOLLOW THE SEPARATE TRANSMITTAL INSTRUCTIONS FROM YOUR BROKER.

Instruction 1- Tender Offer Deadline

To make a valid tender you must deliver the Letter of Transmittal, properly completed, and your Pioneer Oil and Gas stock certificates to the Depository at the address shown on the Letter of Transmittal as soon as possible and preferably before August 15, 2012. Please do this in a timely manner to ensure prompt distribution of funds. The Depository will have reasonable discretion to determine whether any Letter of Transmittal is received on a timely basis and whether a Letter of Transmittal has been properly completed. Any such determinations are conclusive and binding. **Failure to return a properly completed and executed Letter of Transmittal and surrender stock certificates may result in you not receiving payment for your shares under the Tender Offer.**

Instruction 2- Form W-9 Certification

Each shareholder tendering shares of Pioneer Oil and Gas is required to certify in Box 3 that such holder's Taxpayer Identification Number ("TIN") shown on the form is correct or provide the Depository with such holder's correct TIN on the Substitute Form W-9 in Box 7 and to certify whether such holder is subject to backup withholding. The TIN that must be provided is that of the holder of the Pioneer Oil and Gas stock certificates tendered or of the last transferee appearing on the transfers attached to or endorsed on such certificate(s) (or, if a check is to be made payable to another person as provided in Box 5 entitled "Special Transfer or Payment Instructions," then the TIN of such person). Failure to provide the information on the Substitute Form W-9 may subject the tendering shareholder of Pioneer Oil and Gas to federal income tax backup withholding at the applicable backup-withholding rate on payments made to such tendering shareholder with respect to the Pioneer Oil and Gas shares. A tendering shareholder of Pioneer Oil and Gas must cross out item 2 in Part II of the certification box of Substitute Form W-9 if such person has been notified by the Internal Revenue Service ("IRS") that such holder is currently subject to backup withholding. Part II of the Substitute Form W-9 should be completed even if the tendering shareholder of Pioneer Oil and Gas has not been issued a TIN and has applied for a TIN or intends to apply for a TIN in the near future. If Part II is completed and the Depository is not provided with a TIN within 60 days thereafter, Pioneer Oil and Gas will withhold at the applicable backup-withholding rate on such

payments and dividends until a TIN is provided to the Depository. Foreign investors should consult their tax advisors regarding the need to complete the appropriate IRS Form W-8 and any other forms that may be required.

Instruction 3- Signatures on Letter of Transmittal, Stock Certificates and Stock Powers and Endorsements

- (a) All signatures must correspond exactly with the name written on the face of the stock certificate without alteration, variation or any change whatsoever. Stock certificates you wish to have tendered must be signed on the back of the certificate in front of an eligible financial institution that will guarantee your signature. Most banks that you bank with can guarantee your signature or other eligible financial institutions can do the same that include your broker who is a member/participant in a Medallion Program approved by the Securities Transfer Association, Inc.
- (b) If the stock certificates tendered are held of record by two or more joint owners, all such owners must sign the Letter of Transmittal.
- (c) If any tendered Pioneer Oil and Gas shares are registered in different names on several stock certificates, it will be necessary to complete, sign and submit as many separate Letters of Transmittal as there are different registrations of stock certificates.
- (d) If the Letter of Transmittal is signed by a person(s) other than the record holder(s) of the Pioneer Oil and Gas stock certificates delivered (other than as set forth in paragraph (e) below), such certificates must be endorsed or accompanied by appropriate stock powers, in either case signed exactly as the name(s) of the record holder(s) appears on such certificate.
- (e) If the Letter of Transmittal is signed by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or other person acting in a fiduciary or representative capacity and such person is not the record holder of the accompanying Pioneer Oil and Gas stock certificates, he or she must indicate the capacity when signing and must submit proper evidence of his or her authority to act.

Instruction 4- Special Transfer or Payment Instructions

If the check is to be issued to a person other than the registered holder of the tendered certificates, the tendered certificates must be endorsed to such person or accompanied by appropriately endorsed stock powers. Signatures must be guaranteed by an eligible financial institution or broker who is a member/participant in a Medallion Program approved by the Securities Transfer Association, Inc. (See Instruction 6 for information on Signature Guarantees.) The person to whom the check is to be issued must furnish a correct taxpayer identification number and sign and date the Substitute Form W-9.

The following are frequently requested types of registration problems that occur when tendering the shares. If your circumstances differ from those listed below, or if you have any other questions, please contact Standard Registrar and Transfer at (801) 571-8844.

Name change due to marriage or transfer of ownership to another individual:

1. Obtain a signature guarantee for the shareholder whose name is printed on the Letter of Transmittal. If it is a joint account, both owners must sign and have their signatures guaranteed. Each signature must be guaranteed. (See Instruction 6 for information on Signature Guarantees).
2. Complete the Substitute Form W-9 on the Letter of Transmittal by listing the Taxpayer TIN or Social Security Number (“SSN”) that is to be used for tax reporting on the new account. The individual whose TIN or SSN is being used must sign the Substitute Form W-9 for more detailed information.

Shareholder whose name is printed on the Letter of Transmittal is deceased. You are the executor or administrator of the estate:

1. Provide a certified (under raised seal) copy of the Court Qualification appointing the legal representative (dated within 60 days).
2. Obtain a signature guarantee for the legal representative. (See Instruction 6 for information on Signature Guarantees).
3. Complete the Substitute Form W-9 on the Letter of Transmittal by listing the TIN or SSN that is to be used for tax reporting on the new account. If the account is being registered in the name of the estate and not to an individual, a TIN is required. Please refer to the enclosed Instructions for Completing Substitute Form W-9 for more detailed information.

The account is a joint account and one of the account holders is deceased. Provide a certified (under raised seal) copy of death certificate.

1. Provide survivor’s signature (signature guarantee is not necessary in this case).
2. Complete the Substitute Form W-9 on the Letter of Transmittal by listing the TIN or SSN that is to be used for tax reporting on the new account. The individual whose TIN or SSN is being used must sign the Substitute Form W-9. Please refer to the enclosed Instructions for Completing Substitute Form W-9 for more detailed information.

The account is a joint account and one of the account holders is deceased. Provide a certified (under raised seal) copy of death certificate.

1. Survivor must obtain a signature guarantee. (See Instruction 6 for information on Signature Guarantees.)
2. Complete the Substitute Form W-9 on the Letter of Transmittal by listing the TIN or SSN that is to be used for tax reporting on the new account. The individual whose TIN or SSN is being used must sign the Substitute Form W-9. Please refer to the enclosed Instructions for Completing Substitute Form W-9 for more detailed information.

The account is a custodial account and the former minor has reached the legal age of majority for tendering purposes:

1. The former minor must obtain a signature guarantee. (See Instruction 6 for information on Signature Guarantees.)
2. Provide a certified (under raised seal) copy of the birth certificate for the former minor.
3. Complete the Substitute Form W-9 on the Letter of Transmittal by listing the TIN or SSN that is to be used for tax reporting on the new account. The individual whose TIN or SSN is being used must sign the Substitute Form W-9. Please refer to the enclosed Instructions for Completing Substitute Form W-9 for more detailed information.

THE TAX CONSEQUENCES TO HOLDERS OF PIONEER OIL AND GAS STOCK MAY VARY. YOU SHOULD CONSULT YOUR OWN TAX ADVISOR AS TO ANY POSSIBLE TAX CONSEQUENCES RESULTING FROM THE ISSUANCE OF CASH IN A NAME DIFFERENT FROM THAT OF REGISTERED HOLDER(S) OF THE TENDERED STOCK CERTIFICATE(S).

Instruction 5- Special Delivery Instructions

Complete Box 6 only if you want any check resulting from the tendering of your shares to be delivered to an address other than the one printed in Box 1 entitled “About You and Your Shares”. Note your address of record will be changed to the new address if you complete box 6.

Instruction 6- Guarantee of Signatures

Signatures on the Letter of Transmittal need not be guaranteed unless the “Special Transfer of Payment Instructions” section has been completed and payment is to be made to someone other than the holder of the tendered stock certificates. However, all stock certificates tendered must be signed on the back in front of an officer of a commercial bank, trust company, credit union or savings & loan who is a member of the Medallion Program, or by a stockbroker who is a member of such Program that will guarantee the signature. Public Notaries cannot execute acceptable guarantees of signatures and the signature of a Notary Public is not acceptable for this purpose.

Instruction 7- Delivery of Letter of Transmittal and Stock Certificates

This Letter of Transmittal, properly completed and duly executed, together with the certificate(s) properly signed and guaranteed in front of an eligible financial institution representing the Pioneer Oil and Gas shares, should be delivered to the Depository at the address set forth on the front of the Letter of Transmittal. The method of delivery of the Pioneer Oil and Gas stock certificates and all other required documents is at the election and risk of the holder of such Pioneer Oil and Gas shares; however, if such certificates are sent by mail, it is recommended that they be sent by registered mail, appropriately insured, with return receipt requested. Insert in the box at the top of the Letter of

Transmittal the certificate number(s) of the Pioneer Oil and Gas common stock certificate(s) which you are tendering and the number of shares represented by each certificate. If the space provided is insufficient, attach a separate sheet listing this information.

Instruction 8- Validity of Tender; Irregularities

All questions as to validity, form and eligibility of any tendered certificates will be determined, in its sole discretion, by Pioneer Oil and Gas (which may delegate the power to so determine in whole or in part to the Depository), and such determination shall be final and binding. Pioneer Oil and Gas reserves the right to waive any irregularities or defects in the surrender of any certificate(s) and its interpretation of the terms and conditions of the Letter of Transmittal or any other documents delivered therewith with respect to such irregularities or defects shall be final and binding. Tender will not be deemed to have been validly made until all irregularities and defects have been cured or waived.

Instruction 9- Lost, Stolen, or Destroyed Certificates

If your Pioneer Oil and Gas stock certificate(s) are lost, stolen or destroyed, please contact Standard Registrar and Transfer at (801) 571-8844 immediately for instructions on how to proceed.

Instruction 10- Holders Who Are Nominees, Trustees or Other Representatives

Each holder of record of Pioneer oil and Gas shares is entitled to make an election to submit a Letter of Transmittal covering all or part of the Pioneer Oil and Gas shares actually held of record by such holder. Nominee record holders, which include brokers, trustees or any other person that holds Pioneer Oil and Gas shares in any capacity whatsoever on behalf of more than one person or entity, are entitled to make an election for such nominee record holders as well as an election on behalf of each beneficial owner of Pioneer Oil and Gas shares held through such nominee record holders, but such elections must be made on one Election Form. Beneficial owners who are not record holders are not entitled to submit Election Forms. Persons submitting a Letter of Transmittal on behalf of a registered stock holder as trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or acting in another fiduciary or representative capacity should refer to Instruction 4 above.

Instruction 11- Miscellaneous

Neither Pioneer Oil and Gas nor the Depository is under any duty to give notification of defects in any Letter of Transmittal. Pioneer Oil and Gas and the Depository shall not incur any liability for failure to give such notification, and Pioneer Oil and Gas and the Depository has the absolute right to reject any and all Letter of Transmittals not in proper form or to waive any irregularities in any Letter of Transmittal.

Instruction 12- Information and Additional Copies

Additional copies of this document may be obtained by telephoning Standard Registrar and Transfer at (801) 571-8844. All inquiries with respect to the completion of the Letter of Transmittal or the tender of Pioneer Oil and Gas stock certificates should be made directly to Standard Registrar and Transfer at (801) 571-8844