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Suite 1000, 550 - 6 Avenue SW
Calgary, Alberta T2P 0S2
Tel: 403.294.3600 Fax: 403.294.3601
Website: www.nal.ca Email: Investor.Relations@nal.ca

**NAL OIL & GAS TRUST ANNOUNCES
OCTOBER DISTRIBUTION & SUSPENSION OF THE
DISTRIBUTION REINVESTMENT PLAN**

Media Release No. 26-08

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CALGARY / Marketwire / - NAL Oil & Gas Trust (the "Trust") (TSX: NAE.UN) will pay a distribution of \$0.16 per unit on November 17, 2008, to Unitholders of record on October 22, 2008. The units will begin trading ex-distribution on October 20, 2008.

Trailing cash distributions for the past 12 months total \$1.92 per unit, representing a 21.1% cash-on-cash yield based on the October 8, 2008 closing unit price of \$9.10.

The Trust's Board of Directors and management remain encouraged by NAL's competitive payout ratio and the protection provided by the trust's current hedging program. Approximately 50% of the trust's net production after royalties is hedged for the remainder of 2008 at or above current commodity prices.

The Trust also announces that in light of current market conditions and strength of its balance sheet, it is suspending its Distribution Reinvestment Plan ("DRIP") effective immediately. The Trust will assess reinstatement of the plan as market conditions improve.

NAL Oil & Gas Trust provides investors with a yield-oriented opportunity to participate in the Canadian Upstream Conventional Oil and Gas Industry. The Trust generates monthly cash distributions for its Unitholders by pursuing a strategy of acquiring, developing, producing and selling crude oil, natural gas and natural gas liquids from pools in southeastern Saskatchewan, central Alberta, northeastern British Columbia and Lake Erie, Ontario. Trust units trade on the Toronto Stock Exchange under the symbol "NAE.UN".

For further information:

Clayton Paradis, Manager, Investor Relations

Telephone: 403.294.3620

Toll Free: 888.223.8792, Fax: 403.515.3407

Email: investor.relations@nal.ca