



## **TRILOGY ENERGY TRUST**

Calgary, Alberta

February 17, 2009

### **NEWS RELEASE: TRILOGY ENERGY TRUST ANNOUNCES FEBRUARY DISTRIBUTION, PROVIDES MONTNEY DRILLING UPDATE AND RELEASES 2008 YEAR-END RESERVES**

#### **February Distribution**

Trilogy Energy Trust ("Trilogy" or the "Trust") (TSX – TET.UN) announces that its cash distribution for February 2009 will be \$0.05 per Trust Unit. The distribution is payable on March 16, 2009 to unitholders of record on March 2, 2009. The ex-distribution date is February 26, 2009.

#### **Montney Drilling Update**

In 2008, Trilogy participated in the drilling of four (2.4 net) Montney horizontal wells in the Kaybob area of Alberta. Of the four wells, two (2.0 net) are operated by Trilogy and the remaining two (0.4 net) wells are operated by a joint venture partner. The four (2.4 net) wells are currently on production at a combined rate of 8.8 MMcf/d (6.8 MMcf/d net). The first Trilogy operated well was rig released on November 11, 2008 and was flow tested on November 18, 2008 at rates reaching 10.3 MMcf/d at wellhead tubing pressures of 12.6 Mpa. The second Trilogy operated well was completed December 30, 2008 and flowed at test rates of 7 MMcf/d at 10.4 Mpa. These Trilogy operated wells were placed on production at initial production rates of 5-8 MMcf/d. It is anticipated that the wells will produce at approximately 50 percent of the initial flow rate after 3 to 6 months of production. The natural gas flows to Trilogy owned and operated compression facilities at Kaybob and is then processed at the Kaybob South No. 3 Gas Plant.

Trilogy has four (4.0 net) horizontal Montney development wells planned for the Kaybob area in the first quarter of 2009. Trilogy has completed drilling and completion operations on the first two wells of the four well program. The first well was rig released February 3, 2009, and was flow tested February 12, 2009 at a test rate of 8.7 MMcf/d at 14.3 Mpa. The second well was rig released February 7, 2009 and was flow tested February 14, 2009 at a test rate of 7.5 MMcf/d at 12.4 Mpa flowing pressure. The remaining two wells in the program were spud February 8 and 11, 2009, and should be finished drilling in early March with completion and tie-in operations to follow. The four well program is expected to fill Trilogy's existing compression to capacity and Trilogy will be installing a fourth compressor at this site by the end of April to increase the compression capacity from this area to 34 – 40 MMcf/d, depending on the inlet pressures achieved. Trilogy is evaluating the alternatives of upgrading these compression facilities to facilitate sour gas processing, in an effort to reduce operating fees currently paid to third party

processors in the area. Trilogy is also evaluating the feasibility of redirecting this production to an existing Trilogy operated sour gas plant.

Trilogy's Montney drilling program is targeting horizontal wellbore lengths from 900 to 1,500 meters. The wells drilled to date have been completed with seven stage fracture stimulations in the Montney formation. Existing surface leases and pipelines have been utilized in order to minimize the environmental foot print and provide for more efficient operations. Regulatory approval to produce up to five horizontal wells per section has been granted for the Montney in certain lands within the Kaybob area. Trilogy estimates that it has an interest in over 50 sections of prospective land in the immediate area. The number of drilling locations Trilogy has available will be determined, in part, by the drilling density to maximize economic recovery. Trilogy continues to evaluate the economics of increasing the downspacing from three to five wells per section over the next few years. Subject to receiving regulatory approval for further downspacing, these parameters would suggest 150 - 250 remaining locations specifically for the Montney formation in this immediate area.

### 2008 Year-end Reserves Information

The following is a summary of Trilogy's 2008 year-end reserves and reserves value, as evaluated and reported on by the independent engineering firm Paddock Lindstrom & Associates Ltd. ("Paddock Lindstrom"). The reserves report has been prepared in accordance with the National Instrument 51-101 definitions, standards and procedures.

The before tax net present value of Trilogy's proved plus probable reserves discounted at 10 percent increased 13 percent from \$1,155 million at the end of 2007 to \$1,306 million at the end of 2008. Trilogy's proved plus probable natural gas reserves have increased 5.0 percent, from 304.7 Bcf at the end of 2007 to 319.8 Bcf at the end of 2008. Proved plus probable crude oil reserves have increased 8.9 percent from 8,837.3 MBbl at the end of 2007 to 9,619.5 MBbl at the end of 2008. Natural gas liquids also increased 12.9 percent from 7,656.3 MBbl at the end of 2007 to 8,647.0 MBbl at the end of 2008.

The following table summarizes Trilogy's gross (before royalties, before tax) reserves and reserves value for the year ended December 31, 2008 using forecast prices and costs.

Reserve Category	Natural Gas Bcf	Crude Oil MBbl	Natural Gas Liquid MBbl	MBoe	Before tax Net Present Value of Future Net Revenue (\$millions)		
					0%	5%	10%
					<b>Proved</b>		
Developed Producing	195.2	5334.1	5330.0	43196.7	1556.0	1143.0	910.9
Developed Non-Producing	21.9	789.5	652.1	5094.2	172.7	121.1	91.0
Undeveloped	3.2	0.0	39.6	569.4	23.9	12.6	7.6
<b>Total Proved</b>	<b>220.3</b>	<b>6123.6</b>	<b>6021.6</b>	<b>48860.4</b>	<b>1752.6</b>	<b>1276.7</b>	<b>1009.6</b>
<b>Probable</b>	<b>99.5</b>	<b>3495.9</b>	<b>2625.4</b>	<b>22712.7</b>	<b>951.1</b>	<b>481.1</b>	<b>296.6</b>
<b>Total Proved plus Probable</b>	<b>319.8</b>	<b>9619.5</b>	<b>8647.0</b>	<b>71573.1</b>	<b>2703.7</b>	<b>1757.8</b>	<b>1306.1</b>

#### Notes

- i) Columns and rows may not add due to rounding
- ii) Reserve values were determined by Paddock Lindstrom as of December 31, 2008, using the forward-pricing assumptions in effect by the firm at that date.
- iii) Paddock Lindstrom evaluated 100 percent of Trilogy's reserves.
- iv) No value has been assigned to tangible assets other than those associated with proved producing reserves.
- v) Reserve values have been evaluated under a blow-down scenario.
- vi) Trilogy's financial instruments, which extend past January 1, 2009, have not been valued by Paddock Lindstrom.

## 2008 Year-end Reserve Reconciliation

Total proved reserves were 48,860 MBoe and proved plus probable reserves were 71,573 MBoe as of December 31, 2008, which are an increase of 4.1 percent and 6.4 percent respectively as compared to the reserves that were reported at the 2007 year end.

The following table sets forth the reconciliation of Trilogy's gross reserves for the year ended December 31, 2008 using forecast prices and costs.

	Total Proved Reserves				Probable Reserves				Total P+P Reserves			
	Oil	Gas	NGL	BOE	Oil	Gas	NGL	BOE	Oil	Gas	NGL	BOE
	MBbl	Bcf	MBbl	MBoe	MBbl	Bcf	MBbl	MBoe	MBbl	Bcf	MBbl	MBoe
Dec. 31, 2007	5864	213	5499	46944	2973	91	2158	20334	8837	305	7656	67278
2008 Production	-735	-35	-883	-7534	0	0	0	0	-735	-35	-883	-7534
Tech. Revisions	208	14	868	3383	27	-1	262	71	234	13	1129	3454
Reserve Additions	797	26	500	5651	501	9	193	2239	1298	35	693	7890
Acquisitions	0	2	35	352	0	1	16	152	0	3	51	504
Dispositions	-10	0	0	-10	-5	0	0	-5	-15	0	0	-15
Transfer	0	0	3	74	0	0	-3	-74	0	0	0	0
Economic Factors	0	0	0	0	0	0	0	-4	0	0	0	-4
Dec. 31, 2008	6124	220	6022	48860	3496	100	2625	22713	9619	320	8647	71573

### Notes

i) Columns and rows may not add due to rounding

## Reserve Replacement

Trilogy produced 7,534 MBoe of reserves in 2008 (20,585 Boe/d, unaudited) and, through a successful drilling, completion and workover program, added a total of 9,034 MBoe of proved reserves and 11,344 MBoe of proved plus probable reserves resulting from technical revisions and new additions related to capital investment. Based on a total proved comparison, this is a 120 percent replacement of produced reserves and a 151 percent replacement of proved plus probable reserves. The strategy Trilogy has employed since inception has been to replace produced reserves at competitive finding and development costs. Trilogy's 2008 results reflect the high quality of Trilogy's assets and staff. Year over year reserve replacement will continue to be a top priority in Trilogy's strategy.

Trilogy's undeveloped reserves category has decreased year over year through the transfer of undeveloped reserves into the developed category. Trilogy's proved undeveloped (PUD) reserve component has declined from 1,285 MBoe at the end of 2007 to 569 MBoe at the end of 2008 as a result of work which moved the reserves in to the developed category. Proved Undeveloped reserves represent 1.2 percent of Total Proved reserves

## Reserves Life Index

Trilogy's Reserve Life Index (RLI) has increased from 8.3 years at the end of 2007 to 9.5 years at the end of 2008 for Total Proved plus Probable reserves. For Total Proved reserves, the RLI has increased from 5.8 years to 6.5 years for the same period.

## Finding and Development Costs

Trilogy's land base has provided significant drilling and completion opportunities that have been exploited over the past few years. The drilling success rate reflects the quality of the prospect inventory, undeveloped land and the asset base. The reserve potential of these lands, both developed and undeveloped, is expected to continue to provide Trilogy with lower cost reserve additions. Trilogy has continued to acquire high quality land in its core area to maintain its prospect inventory, ensuring the Trust has exposure to multiple play types and developing technology.

2008 Working Interest Capital Expenditures (millions of dollars) (unaudited)	Change in Future Capital			Total F&D Capital	
	2008 Capital	Proved	P+P	Proved	P+P
Land	3.1			3.1	3.1
Geological and geophysical	1.0			1.0	1.0
Drilling and completion	85.5	0.0	-1.6	85.5	83.9
Production equipment, facilities and inventory	34.0			34.0	34.0
<b>Total capital expenditures (unaudited)</b>	<b>123.6</b>	<b>0.0</b>	<b>-1.6</b>	<b>123.6</b>	<b>122.0</b>

Trilogy's finding and development costs for new reserve additions were calculated to be \$13.68/Boe for proven reserves and \$10.75/Boe for proven plus probable reserves for the year ended December 31, 2008, as compared to \$10.47/Boe for proven reserves and \$8.31/Boe for proven plus probable reserves for the year ended December 31, 2007.

2008 F&D Cost (Unaudited)	Proved Capital (\$MM)	Proved Reserves MBoe	Proved F&D \$/Boe	Proved + Probable Capital (\$MM)	Proved + Probable Reserves MBoe	Proved + Probable F&D \$/Boe
<b>Extensions, discoveries and revisions</b>	<b>123.6</b>	<b>9,034</b>	<b>13.68</b>	<b>122.0</b>	<b>11,344</b>	<b>10.75</b>

Including the cost of acquisitions and divestments, Trilogy's all in finding and development costs increased to \$15.20/Boe for proven reserves and \$12.00/Boe for proven plus probable reserves for the year ended December 31, 2008.

2008 FD&A Cost (Unaudited)	Proved Capital (\$MM)	Proved Reserves MBoe	Proved F&D \$/Boe	Proved + Probable Capital (\$MM)	Proved + Probable Reserves MBoe	Proved + Probable F&D \$/Boe
<b>Extensions, discoveries, revisions, acquisitions and dispositions</b>	<b>143.6</b>	<b>9,450</b>	<b>15.20</b>	<b>142.20</b>	<b>11,829</b>	<b>12.00</b>

Finding and development costs when calculated over the three-year period ended December 31, 2008 were \$14.13/Boe for proven reserves and \$12.04/Boe for proven plus probable reserves. These numbers, although lower than in the prior year and three year average, are relatively consistent with those reported and illustrate some consistency in the cost of finding and developing the reserves from Trilogy's land base. Calculating finding and development costs over a longer period reduces the effect of spending capital in one year and booking reserves in the following year.

3 Year Average F&D Cost (Unaudited)	Proved Capital (\$MM)	Proved Reserves MBoe	Proved F&D \$/Boe	Proved + Probable Capital (\$MM)	Proved + Probable Reserves MBoe	Proved + Probable F&D \$/Boe
Extensions, discoveries and revisions	386.5	27349	14.13	378.4	31441	12.04

## Pre-Tax Net Asset Value (Unaudited)

Net (Appraised) Asset Value Before Tax (millions of dollars as at December 31, 2008)	NPV @ 5%	NPV @ 10%
Proved plus probable reserve value <sup>(1)</sup>	1,757.8	1,306.1
Undeveloped Land Value <sup>(2)</sup>	77.6	77.6
Seismic value <sup>(3)</sup>	26.1	26.1
Inventory <sup>(3)</sup>	9.5	9.5
<b>Total petroleum and natural gas assets</b>	<b>1,871.0</b>	<b>1,419.3</b>
<b>Net debt <sup>(4)</sup> (unaudited)</b>	<b>299.9</b>	<b>299.9</b>
<b>Net (appraised) asset value (unaudited)</b>	<b>1,571.1</b>	<b>1,119.4</b>
<b>Trust Units outstanding at December 31, 2008 (Fully Diluted)</b>	<b>96,861,646</b>	
<b>Net (appraised) asset value per unit at December 31 (unaudited)</b>	<b>\$16.22</b>	<b>\$11.56</b>

Columns and rows may not add due to rounding.

- (1) Before tax net present value of proved plus probable reserve at 5% and 10% discount rates using forecast price and costs
- (2) Undeveloped land value at December 31, 2008, provided by Seaton Jordan & Associates Ltd.
- (3) Internal evaluation
- (4) Net debt is a non-GAAP measure consisting of long-term debt plus (minus) working capital deficiency (surplus)
- (5) The above calculations may not be an indicative measure of the fair market value of a Trilogy unit.

## Commodity Price Forecast

Paddock Lindstrom & Associates Ltd.  
December 31, 2008 Price Forecast

Year	WTI @ Cushing	Edm. Ref. Price	Henry HUB	AECO C	CDN/US Exchange Rate
	\$US/Bbl	\$C/Bbl	US\$/MMBTU	C\$/MMBTU	
2009	60.00	70.18	6.75	7.24	0.840
2010	67.50	77.21	7.50	7.90	0.860
2011	75.00	83.93	8.00	8.26	0.880
2012	82.50	90.34	8.50	8.60	0.900
2013	90.00	98.65	9.00	9.13	0.900
Next 5 years avg.	95.55	104.73	9.68	9.84	0.900

Note: All prices escalated at 2% per year after 2018

## RESERVE DISCLOSURE

The tables as presented in this press release set forth information relating to the Trust's working interest share of reserves and present values as at December 31, 2008. The reserves are reported using forecast prices and costs. The reserves information presented herein is based on an independent reserve evaluation report prepared by Paddock Lindstrom dated January 30, 2009 with an effective date of December 31, 2008, and has been prepared in accordance with National Instrument 51-101 (using Paddock Lindstrom forecast prices and costs). Complete NI 51-101 reserves disclosure including after-tax reserve values, reserves by major property and abandonment costs will be included in Trilogy's Annual Information Form ("AIF"), which will be filed in March, 2009.

This press release contains disclosure expressed as "Boe" (barrels of oil equivalent), "MBoe" (thousand of barrels of oil equivalent), "Boe/d" (barrels of oil equivalent per day), "Mcf" (thousand cubic feet), "MMcf" (million cubic feet), "MMcf/d" (million cubic feet per day), "Mcf/d" (thousand cubic feet per day), "Bbl" (barrels), "Bbl/d" (barrels per day), MBbl (million barrels), MMBTU (million British thermal units), and Bcf (billion cubic feet). All oil and natural gas equivalency volumes have been derived using the ratio of six Mcf (thousand cubic feet) of natural gas to one Bbl (barrel) of oil. Equivalency measures may be misleading, particularly if used in isolation. A conversion ratio of six thousand cubic feet of natural gas to one barrel of oil is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the well head.

### About the Trust

Trilogy is a petroleum and natural gas-focused Canadian energy trust. Trilogy's Trust Units are listed on the Toronto Stock Exchange under the symbol "TET.UN".

### Forward-looking Information

This news release contains statements concerning distributions to be paid by the Trust and the amount and timing thereof, the anticipated results of Trilogy's Montney drilling program and plans for its land holdings in the Kaybob area, future production, reserves and reserves values, exploration and development plans and the anticipated results thereof, the expected life of reserves, Trilogy's net asset value and capital expenditures and Trilogy's business plans and strategies and what they intend and expect to achieve. Such forward-looking statements or information are based on a number of assumptions, including current commodity price forecasts for petroleum and natural gas, current production forecasts, assumptions regarding royalties and expenses, drilling results consistent with expectations and general economic and business conditions, which may prove to be incorrect.

Although the Trust believes that the expectations reflected in such forward-looking statements or information are reasonable, undue reliance should not be placed on forward-looking statements because the Trust can give no assurance that such expectations will prove to be correct. Forward-looking statements or information are based on current expectations, estimates and projections that involve a number of risks and uncertainties which could cause actual results to differ materially from those anticipated by the Trust and described in the forward-looking statements or information. These risks and uncertainties include but are not limited to: volatility of oil and gas prices, fluctuations in currency and interest rates, risks inherent in the Trust's operations, the Trust's ability to access external sources of debt and equity capital, the Trust's ability to enter into or renew leases, uncertainties in obtaining regulatory approvals, imprecision in estimating the timing, costs and levels of production, the

results of exploration, development and drilling, the Trust's ability to secure adequate product processing and transportation, the Trust's ability to retain and attract qualified personnel, uncertainty in the amounts and timing of royalty payments, imprecision in estimates of product sales, changes in the Trust's capital expenditure levels and plans, changes in environmental and other regulations or the interpretation of such regulations, weather and general economic and business conditions.

The forward-looking statements or information contained in this news release are made as of the date hereof and the Trust undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

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