



## **TRILOGY ENERGY TRUST**

Calgary, Alberta

February 27, 2009

### **NEWS RELEASE: TRILOGY ENERGY TRUST RELEASES 2008 U.S. INCOME TAX INFORMATION**

Trilogy Energy Trust (TSX:TET.UN) ("TET or the "Trust") - The following information is intended to assist unitholders of TET trust units ("Units") in reporting TET distributions for 2008 United States ("U.S.") federal income tax purposes. This information is intended for U.S. individual TET unitholders only.

The information contained herein is based on TET's understanding of the Internal Revenue Code and is provided for general information only. This information is not exhaustive of all possible U.S. income tax considerations, but is a general guideline and is not intended to be legal or tax advice to any particular unitholder or potential unitholder. Unitholders or potential holders should consult their own legal and tax advisors as to their particular tax consequences of holding Units as well as to determine whether claiming a credit or deduction for foreign income taxes is more beneficial.

TET believes that, for U.S. federal income tax purposes, the Units should be classified as shares of a corporation, rather than as debt, and that amounts considered to be dividends paid to its U.S. individual unitholders should be characterized as dividends paid from a qualified foreign corporation. As such, the portion of the distributions made during 2008 that are considered dividends should qualify for the reduced rate of tax applicable to certain dividends received from qualified foreign corporations. However, to qualify for the reduced rate of taxation on dividends, a unitholder must satisfy certain holding period and other requirements with respect to the unitholder's Units. Unitholders should consult their own tax advisors concerning their eligibility for this reduced rate of U.S. federal income tax.

***TET has not received an IRS letter ruling or a tax opinion from its tax advisors on this matter.***

Canadian resident unitholders should note that the information contained herein is not applicable for Canadian income tax purposes. Such information has been disclosed separately.

#### **2008 U.S. Federal Income Tax Reporting for Beneficial Unitholders**

The following information is being provided to assist U.S. individual unitholders of TET who hold their Units through a broker or other intermediary for reporting distributions received from TET on their IRS Form 1040 - U.S. Individual Income Tax Return for the calendar year 2008.

The portion of the trust distributions that is considered a dividend for U.S. income tax purposes is determined based upon TET's current and accumulated earnings & profits ("E&P") as determined in accordance with U.S. federal income tax principles.

With respect to cash distributions paid in 2008 to U.S. individual unitholders, 1.788% should be reported as a return of capital (to the extent of the unitholder's U.S. tax basis in their respective units) and 98.212% should be reported as dividends from a qualified foreign corporation.

The following table provides, on a per unit basis, the breakdown of the amount of cash dividends, prior to Canadian withholding tax, paid by TET for the period January 1, 2008 - December 31, 2008. The amounts are segregated between the portion of the cash distribution that should be treated as Qualified Dividends and the portion that should be treated as a return of capital. The amounts shown on the attached schedule are in U.S. dollars as converted on the applicable payment dates. This schedule is for information purposes only. Amounts computed based on the following table may differ from the amounts shown on the Form 1099 - DIV.

**2008 Cash Distribution Information for Beneficial U.S. Unitholders (\$/unit)**

Record Date	Payment Date	Distribution Paid (\$CDN)	Exchange Rate <sup>1</sup>	Distribution Paid (\$US) <sup>2</sup>	Taxable Qualified Dividend (\$US) <sup>2</sup>	Tax-Deferred Return of Capital (\$US) <sup>2</sup>
31-Dec-07	15-Jan-08	\$0.07	0.9834	\$0.0688	\$0.0513	\$0.0175
31-Jan-08	15-Feb-08	\$0.07	0.9984	\$0.0699	\$0.0699	\$0.0000
29-Feb-08	17-Mar-08	\$0.07	1.0022	\$0.0702	\$0.0702	\$0.0000
31-Mar-08	15-Apr-08	\$0.07	0.9822	\$0.0688	\$0.0688	\$0.0000
30-Apr-08	15-May-08	\$0.07	1.0002	\$0.0700	\$0.0700	\$0.0000
02-Jun-08	16-Jun-08	\$0.10	0.9793	\$0.0979	\$0.0979	\$0.0000
30-Jun-08	15-Jul-08	\$0.10	0.9980	\$0.0998	\$0.0998	\$0.0000
31-Jul-08	15-Aug-08	\$0.10	0.9426	\$0.0943	\$0.0943	\$0.0000
02-Sep-08	15-Sep-08	\$0.10	0.9366	\$0.0937	\$0.0937	\$0.0000
30-Sep-08	15-Oct-08	\$0.10	0.8473	\$0.0847	\$0.0847	\$0.0000
31-Oct-08	17-Nov-08	\$0.10	0.8189	\$0.0819	\$0.0819	\$0.0000
01-Dec-08	15-Dec-08	\$0.10	0.8096	\$0.0810	\$0.0810	\$0.0000
<b>Total Per Unit</b>		<b>\$1.05</b>		<b>\$0.9809</b>	<b>\$0.9633</b>	<b>\$0.0175</b>

<sup>1</sup> Bank of Canada noon rate on date of payment

<sup>2</sup> Columns may not add due to rounding

TET is not required to issue Form 1099 DIV's; however, U.S. unitholders may have received a Form 1099 DIV from a broker or intermediary that may not be correct. As a result of this, U.S. unitholders should consult their brokers and tax advisors to ensure that this information is accurately reflected on their tax returns. Brokers and/or intermediaries may or may not issue amended Form 1099 DIVs.

**Trust Units Held Within a Qualified Retirement Plan**

No amounts are required to be reported on an IRS Form 1040 - U.S. Individual Income Tax Return where Units are held within a qualified retirement plan.

**Trust Units Held Outside of a Qualified Retirement Plan**

U.S. individual unitholders who hold their Units through a stockbroker or other intermediary should receive tax-reporting information from their stockbroker or intermediary and may need to use the information provided in the above table for a division of the cash distributions between taxable dividends and a return of capital. TET expects that the stockbroker will issue

a Form 1099 - DIV "Dividends and Distributions" or a substitute form developed by the stockbroker or other intermediary.

The amount included on Line 1b of the Form 1099 - DIV represents dividends that could be eligible for the qualified dividend tax rate. TET's dividends are expected to be "Qualified Dividends".

The amount included in Line 3 of the Form 1099 - DIV is generally non-taxable. This amount is non-taxable if it is a return of your cost (or other basis) in the trust units.

U.S. unitholders are encouraged to utilize the Qualified Dividends and Capital Gain Tax Worksheet to determine the amount of tax that may be otherwise applicable.

The amount included on Line 6 of the Form 1099 - DIV representing the amount of foreign tax paid (Canadian withholding tax) should be reported on Form 1116 "Foreign Tax Credit (Individual, Estate, or Trust)". Information regarding the amount of Canadian tax withheld in 2008 should be available from your stockbroker or other intermediary and is not available from TET.

During 2008, the non-taxable return of capital portion of the monthly distributions was subject to a 15% Canadian withholding tax. The amount of Canadian tax withheld on the non-taxable return of capital portion has been aggregated with the Canadian tax withheld on the taxable portion of the distributions and reported on Line 6 of the Form 1099 - DIV.

### **About TET**

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

For further information, please contact:

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The Toronto Stock Exchange has neither approved nor disapproved of the information contained herein.