



TRILOGY ENERGY TRUST

Calgary, Alberta

January 15, 2010

NEWS RELEASE: TRILOGY ENERGY TRUST ANNOUNCES MAILING OF INFORMATION CIRCULAR TO ITS UNITHOLDERS, JANUARY DISTRIBUTION AND SUSPENSION OF DISTRIBUTION REINVESTMENT PLAN

Mailing of Information Circular to Trilogy Unitholders

Trilogy Energy Trust ("Trilogy" of the "Trust") (TSX – TET.UN) announces that it has mailed to holders ("Unitholders") of trust units of the Trust ("Trust Units") and filed on SEDAR a Notice of Special Meeting of Unitholders, Notice of Joint Petition and Information Circular with respect to the Trust's previously announced proposed conversion (the "Conversion") from an income trust to a corporation to be named Trilogy Energy Corp. The Conversion is to be completed through a business combination with a private corporation pursuant to an arrangement under the *Business Corporations Act* (Alberta) and related transactions. The special meeting of Unitholders to consider the Conversion is scheduled to be held at Centrium Place, 332 - 6th Avenue S.W., Calgary, Alberta, in the Conference Centre (Mezzanine Level) at 9:00 a.m. (Calgary time) on Thursday, February 4, 2010.

In addition to Unitholder approval, the Conversion is also subject to the approval of the Court of Queen's Bench of Alberta, the approval of the Toronto Stock Exchange, competition bureau approval and the consent of Trilogy's lenders.

January Distribution

The Trust also announces that its cash distribution for January 2010 (the "January Distribution") will be \$0.05 per Trust Unit. The distribution is payable on February 16, 2010 to Unitholders of record on February 1, 2010. The ex-distribution date is January 28, 2010.

If the Conversion is completed as scheduled, the January Distribution will be the last distribution to Unitholders.

Management of Trilogy expects that Trilogy Energy Corp. will initially pay a \$0.035 per share monthly dividend. A \$0.035 per share monthly dividend is approximately equivalent, to a Canadian taxable Unitholder, to the current \$0.05 per Trust Unit monthly distribution on an after tax basis and represents a dividend yield of approximately 5%.

Suspension of Distribution Reinvestment Plan

The Trust also announces that it has suspended its Distribution Reinvestment Plan ("DRIP") as a result of the proposed Conversion. The DRIP will be available for the Trust's December

monthly distribution payable on January 15, 2010, but will not be available for the January Distribution or future monthly distributions of the Trust, if any, until further notice. Trilogy intends to terminate the DRIP concurrent with the completion of the Conversion.

About the Trust

Trilogy is a petroleum and natural gas-focused Canadian energy trust that actively acquires, develops, produces and sells natural gas, crude oil and natural gas liquids. Trilogy's Trust Units are listed on the Toronto Stock Exchange under the symbol "TET.UN".

For further information, please contact:

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Forward-Looking Statements Advisory

In the interests of providing the Trilogy Unitholders and potential investors with information regarding Trilogy, certain information included in this news release constitutes forward-looking statements or information (collectively "forward-looking statements") within the meaning of applicable securities legislation. Forward-looking statements or information typically contain statements with words such as "anticipate", "believe", "expect", "plan", "intend", "continue", "estimate", "propose", "budget", "forecast", "outlook", "may", "will", "could", "potential", "target" or similar word suggesting future outcomes or statements regarding an outlook. In particular, this news release contains forward-looking statements pertaining to dividends to be paid by Trilogy Energy Corp. and the termination of the DRIP.

With respect to the forward-looking statements contained in this news release, Trilogy has made assumptions regarding, among other things, the successful completion of the Conversion, current production forecasts; current commodity price forecasts for petroleum and natural gas; the ability of Trilogy and its partners to obtain drilling, compression and operations results consistent with expectations; assumptions regarding expenses and royalties; assumptions regarding capital expenditures; the ability of Trilogy to market oil and natural gas successfully to current and new customers; and the ability to secure adequate product processing, transmission and transportation. Although Trilogy 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 Trilogy can give no assurance that such expectations will prove to be correct. Readers are cautioned not to place undue reliance on forward-looking statements included in this news release, as there can be no assurance that the plans, intentions or expectations upon which the forward-looking statements are based will occur.

By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will not occur, which may cause actual results

to differ materially from any estimates or projections of future performance or results expressed or implied by such forward-looking statements. These risks and uncertainties include, but are not limited to: the necessary approvals and consents not being obtained for the Conversion or the conditions to the completion of the Conversion not being satisfied; volatile economic and business conditions; fluctuation of oil and gas prices, foreign currency, exchange rates, interest rates and market demand; the risks of the oil and gas industry, such as operational risks in exploring for, developing and producing crude oil and natural gas; risks and uncertainties involving geology of oil and gas deposits; the uncertainty of reserves estimates and reserves life; imprecision in estimating future production, costs and expenses; the ability of management to execute its business plan; potential delays or changes in plans with respect to exploration or development projects or capital expenditures; Trilogy's ability to secure adequate product processing, transmission and transportation; the ability of Trilogy to add production and reserves through development and exploration activities; uncertainties as to the availability and cost of financing, including Trilogy's ability to extend its credit facility on an ongoing basis; Trilogy's ability to enter into or renew leases and obtain regulatory approvals; the possibility that government programs, policies, regulations or laws relating to royalties, taxation or the environment, may change; risks inherent in Trilogy's marketing operations, including credit risk; risks associated with existing and potential future lawsuits and regulatory actions against Trilogy; health, safety and environmental risks; uncertainty regarding aboriginal land claims and co-existing local populations; weather and general economic and business conditions and other risks and uncertainties described elsewhere in this document or in Trilogy's other filings with Canadian securities authorities.

The forward-looking statements contained in this news release are made as of the date hereof and Trilogy 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 required by applicable securities laws.