



TRILOGY ENERGY CORP.

Calgary, Alberta

February 26, 2010

**NEWS RELEASE: TRILOGY ENERGY CORP. ADVISES ON 2009 CANADIAN
INCOME TAX INFORMATION OF TRILOGY ENERGY TRUST**

Trilogy Energy Corp. (TSX: TET) ("Trilogy") is pleased to announce 2009 tax information on Trilogy Energy Trust ("TET") distributions.

On February 5, 2010, TET completed a conversion (the "Conversion") from an income trust structure to a corporate structure through a business combination with a private corporation pursuant to a plan of arrangement under the *Business Corporations Act* (Alberta) and related transactions. The name of the resulting corporation is Trilogy Energy Corp. The information contained in this news release applies to periods prior to the Conversion. Accordingly, references to TET, unitholders, trust units and distributions are in respect of such periods prior to the Conversion.

The following information is intended to assist in the preparation of a 2009 T1 Income Tax Return. It is intended for individual, Canadian resident unitholders who held their TET trust units ("Units") as capital property. A separate release is provided to US individual unitholders to assist in reporting TET income for United States federal income tax purposes.

The information contained herein is based on the Trilogy's understanding of the Income Tax Act (Canada) and the regulations thereunder, and is provided for general information only. It is not intended to be an exhaustive discussion of all possible income tax considerations and does not constitute legal or tax advice to any prior holder of TET Units. Prior unitholders are advised to consult their personal tax advisors with respect to their particular circumstances.

Trust Units held within an RRSP, TFSA, RRIF, RESP or DPSP

If a unitholder holds their Units in an RRSP, TFSA, RRIF, RESP or DPSP, no amounts are required to be reported by the unitholder in the unitholder's 2009 T1 Income Tax Return.

Trust Units held outside of an RRSP, TFSA, RRIF, RESP or DPSP

If a unitholder does not hold their Units in an RRSP, TFSA, RRIF, RESP or DPSP, no taxable amount should be reported on a "T3 - Statement of Trust Income and Allocations and Designations" ("T3 Slip") issued to the unitholder (i.e., "Other income" - Box 26 on the T3 Slip) in respect of 2009 distributions.

A unitholder's "adjusted cost base" ("ACB") of their Units will be reduced by the non-taxable portion of the 2009 distributions (i.e., "Amount resulting in a cost base adjustment" - Box 42 on the T3 Slip). The ACB is used in calculating capital gains or losses on the disposition of Units if the unitholder holds their Units as "capital property". To the extent that the ACB of a Unit to a unitholder otherwise would be less than zero, the negative amount will be deemed to be a capital gain of the unitholder from the disposition of the Unit in the year in which the negative

amount arises, and the ACB of the Unit to the unitholder at the commencement of the immediately following year will be nil.

If a unitholder held their Units with a broker or other intermediary and received distributions from the broker or other intermediary, the unitholder will receive a T3 Slip from the broker or intermediary. If a unitholder received distributions directly from the transfer agent, Computershare Trust Company of Canada, and not from a broker or intermediary, the unitholder will receive a T3 Slip from Computershare Trust Company of Canada. The deadline for mailing all T3 Slips is March 31, 2010.

The following provides supplementary information on the taxable and non-taxable breakdown of cash distributions per Unit paid by TET with respect to record dates for the period February 2, 2009 - December 31, 2009 for Canadian Income Tax purposes:

Record Dates	Payment Dates	Distribution Paid	Taxable Amount (Box 26) Other Income	Amount Resulting in Cost Base Adjustment (Box 42) Return of Capital
February 2	February 17	\$ 0.05	\$ Nil	\$ 0.05
March 2	March 16	\$ 0.05	\$ Nil	\$ 0.05
March 31	April 15	\$ 0.05	\$ Nil	\$ 0.05
April 30	May 15	\$ 0.05	\$ Nil	\$ 0.05
June 1	June 15	\$ 0.05	\$ Nil	\$ 0.05
June 30	July 15	\$ 0.05	\$ Nil	\$ 0.05
July 31	August 17	\$ 0.05	\$ Nil	\$ 0.05
August 31	September 15	\$ 0.05	\$ Nil	\$ 0.05
September 30	October 15	\$ 0.05	\$ Nil	\$ 0.05
November 2	November 16	\$ 0.05	\$ Nil	\$ 0.05
November 30	December 15	\$ 0.05	\$ Nil	\$ 0.05
December 31	January 15	\$ 0.05	\$ Nil	\$ 0.05
		\$ 0.60	\$ Nil	\$ 0.60

ABOUT TRILOGY

Trilogy Energy Corp. is a petroleum and natural gas-focused Canadian energy corporation that actively acquires, develops, produces and sells natural gas, crude oil and natural gas liquids. Trilogy's common shares are listed on the Toronto Stock Exchange under the symbol "TET". Prior to the Conversion Trilogy Energy Trust's Units were 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 the information contained herein.