



**TRILOGY ENERGY CORP.**

Calgary, Alberta

March 3, 2010

**NEWS RELEASE: TRILOGY ENERGY CORP. ADVISES ON TRILOGY ENERGY TRUST 2009 U.S. INCOME TAX INFORMATION**

Trilogy Energy Corp. (TSX: TET) ("Trilogy") is pleased to announce 2009 U.S. tax information on Trilogy Energy Trust (the "Trust") distributions. - The following information is intended to assist former holders ("Unitholders") of Trilogy Energy Trust units ("Units") in reporting distributions for 2009 United States ("U.S.") federal income tax purposes. This information is intended for U.S. individual TET Unitholders only. Canadian resident Unitholders should note that the information contained herein is not applicable for Canadian income tax purposes. Canadian income tax information was disclosed separately on February 26, 2010.

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, Units and distributions are in respect of such periods prior to the Conversion.

The information contained herein is based on Trilogy'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. Unitholders 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.

Trilogy believes that, for U.S. federal income tax purposes, the Units should have been 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 2009 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.

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

## 2009 U.S. Federal Income Tax Reporting for Beneficial Unitholders

The following information is being provided to assist U.S. individual Unitholders who held 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 2009.

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 distributions paid in 2009 to U.S. individual Unitholders, approximately 86 percent should be reported as a return of capital (to the extent of the Unitholder's U.S. tax basis in their respective Units) and approximately 14 percent 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, 2009 - December 31, 2009. 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.

### 2009 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)	Tax-Deferred Return of Capital (\$US) <sup>2</sup>
31-Dec-08	15-Jan-09	\$ 0.10	0.7921	\$0.0792	\$0.0792	Nil
2-Feb-09	17-Feb-09	\$ 0.05	0.7936	\$0.0397	Nil	\$0.0397
2-Mar-09	16-Mar-09	\$ 0.05	0.7859	\$0.0393	Nil	\$0.0393
31-Mar-09	15-Apr-09	\$ 0.05	0.8307	\$0.0415	Nil	\$0.0415
30-Apr-09	15-May-09	\$ 0.05	0.8506	\$0.0425	Nil	\$0.0425
1-Jun-09	15-Jun-09	\$ 0.05	0.8818	\$0.0441	Nil	\$0.0441
30-Jun-09	15-Jul-09	\$ 0.05	0.8933	\$0.0447	Nil	\$0.0447
31-Jul-09	17-Aug-09	\$ 0.05	0.9026	\$0.0451	Nil	\$0.0451
31-Aug-09	15-Sep-09	\$ 0.05	0.9291	\$0.0465	Nil	\$0.0465
30-Sep-09	15-Oct-09	\$ 0.05	0.9706	\$0.0485	Nil	\$0.0485
2-Nov-09	16-Nov-09	\$ 0.05	0.9560	\$0.0478	Nil	\$0.0478
30-Nov-09	15-Dec-09	\$ 0.05	0.9416	\$0.0471	Nil	\$0.0471
<b>Total Per Unit</b>		<b>\$0.65</b>		<b>\$0.5660</b>	<b>\$0.0792</b>	<b>\$0.4868</b>

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

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

Trilogy 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. Trilogy 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 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 2009 should be available from your stockbroker or other intermediary and is not available from Trilogy.

During 2009, 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 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".

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