



Calgary, Alberta

November 4, 2008

NEWS RELEASE:      Trilogy Energy Trust  
                                 Financial and Operating Results  
                                 For the Three and Nine Months Ended September 30, 2008

Trilogy Energy Trust (TSX: TET.UN) ("Trilogy" or "the Trust") is pleased to announce its financial and operating results for the three and nine months ended September 30, 2008.

### **THIRD QUARTER 2008 HIGHLIGHTS**

- Production averaged 20,394 Boe/d for the third quarter, down from the average production volume of 21,195 Boe/d for the previous quarter, primarily as a result of an unscheduled shutdown for repair of a third party-operated gas plant in Kaybob from September 20, 2008 to October 9, 2008. Prior to this shutdown, production levels were consistent with those of the previous quarter.
- Funds flow from operations decreased to \$52.9 million during the third quarter in comparison to \$68.2 million for the previous quarter. Lower average realized sales prices, production volumes and other income contributed to the decrease, partially offset by lower realized loss on financial instruments and royalty expenditures.
- Third quarter income before tax of \$137.3 million was up from the \$19.2 million loss before tax posted in the previous quarter primarily due to the unrealized financial instruments gains in the third quarter as compared to the unrealized financial instruments losses in the previous quarter, partially offset by the negative changes in funds flow described in the preceding paragraph.
- Capital expenditures totaled \$35.7 million during the third quarter. The number of wells drilled during the quarter was 17 (10.3 net) wells.
- Distributions declared to Unitholders for the third quarter were \$28.9 million (55 percent of funds flow from operations) or \$0.30 per Trust Unit.
- Trilogy purchased and cancelled 1,786,200 Trust Units for a total cost of approximately \$15.9 million under its normal course issuer bid program through the facilities of the Toronto Stock Exchange. Trilogy purchased and cancelled additional Trust Units subsequent to September 30, 2008 (see Subsequent Events section below).

## FINANCIAL AND OPERATING HIGHLIGHTS

(In thousand Canadian dollars except per unit amounts and where stated otherwise)

	Three Months Ended			Nine Months Ended Sept. 30		
	Sept. 30, 2008	June 30, 2008	Change %	2008	2007	Change %
<b>FINANCIAL</b>						
Petroleum and natural gas sales	125,595	141,749	(11)	377,676	300,077	26
Funds flow						
From operations <sup>(1)</sup>	52,905	68,210	(22)	174,624	144,082	21
Per unit – diluted	0.55	0.71	(23)	1.81	1.56	16
Earnings						
Earnings (loss) before tax	137,302	(19,250)	813	122,195	20,274	503
Per unit – diluted	1.42	(0.20)	810	1.27	0.22	477
Earnings (loss) after future income tax	131,085	(18,974)	790	113,011	(56,259)	301
Per unit – diluted	1.35	(0.20)	775	1.17	(0.61)	292
Distributions declared	28,932	25,928	12	74,898	83,310	(10)
Per unit	0.30	0.27	11	0.78	0.90	(13)
Capital expenditures						
Exploration and development	35,733	14,036	155	101,593	84,244	21
Acquisitions, (dispositions) and other - net	1	20,523	(100)	20,366	(98,502)	121
Net capital expenditures (surplus)	35,734	34,559	3	121,959	(14,258)	955
Total assets	997,882	976,879	2	997,882	923,683	8
Net debt <sup>(1)</sup>	318,660	422,155	(25)	318,660	362,700	(12)
Unitholders' equity	435,269	332,907	31	435,269	383,127	14
Trust Units outstanding (thousands)						
- As at end of period	95,940	96,210	—	95,940	92,567	4
<b>OPERATING</b>						
Production						
Natural gas (MMcf/d)	97	101	(4)	97	110	(12)
Crude oil and natural gas liquids (Bbl/d)	4,163	4,415	(6)	4,459	4,455	—
Total production (Boe/d @ 6:1)	20,394	21,195	(4)	20,684	22,743	(9)
Average prices						
Natural gas (before financial instruments) (\$/Mcf)	9.33	10.56	(12)	9.40	7.30	29
Natural gas (\$/Mcf) <sup>(2)</sup>	8.67	9.59	(10)	8.84	7.81	13
Crude oil and natural gas liquids (before financial instruments) (\$/Bbl)	109.60	111.94	(2)	103.88	66.98	55
Crude oil and natural gas liquids (\$/Bbl) <sup>(2)</sup>	95.48	96.89	(1)	92.65	67.85	37
Drilling activity (gross)						
Gas	9	—	—	41	45	(9)
Oil	8	3	167	14	4	250
D&A	—	—	—	3	4	(25)
Total wells	17	3	467	58	53	9
Success rate	100%	100%	—	95%	92%	—

<sup>(1)</sup> Funds flow from operations and net debt are non-GAAP terms. Funds flow from operations represents cash flow from operating activities before net changes in operating working capital accounts. Net debt is equal to long-term debt plus/minus working capital. Please refer to the advisory on Non-GAAP measures below.

<sup>(2)</sup> Includes realized but excludes unrealized gains and losses on financial instruments.

## SUBSEQUENT EVENTS

Based on a semi-annual review of Trilogy's borrowing base on its credit facility, Trilogy's lenders reaffirmed its current borrowing base of \$378 million.

In October 2008, Trilogy purchased and cancelled an additional 1,580,100 Trust Units for a total cost of \$9.8 million through its normal course issuer bid program.

On October 15, 2008, Trilogy announced its cash distribution for October 2008 at \$0.10 per Trust Unit. The distribution is payable on November 17, 2008 to Unitholders of record on October 31, 2008. Also on October 15, 2008, 969,455 Trust Units were issued to holders of 59,273,472 Trust Units in connection with Trilogy's distribution reinvestment plan for the September 2008 distribution.

During October 2008, the Trust entered into the following financial forward commodity purchase contracts:

Description	Quantity	Price	Term
WTI Fixed Price	2,000 Bbl/d	U.S.\$74.62/Bbl	November 2008 – December 2008
WTI Fixed Price	1,000 Bbl/d	U.S.\$78.00/Bbl	January 2009 – December 2009
NYMEX Fixed Price	20,000 MMBtu/d	U.S.\$6.74/MMBtu	November 2008 – March 2009

Also in October 2008, Trilogy agreed to terminate the following financial forward contracts prior to their scheduled maturity resulting in a net realized gain of U.S.\$24.3 million to Trilogy:

Description	Quantity	Price	Original Term
<b>Sales contracts (outstanding at September 30, 2008)</b>			
WTI Fixed Price	1,000 Bbl/d	U.S.\$133.75/Bbl	January 2009 – December 2009
NYMEX Fixed Price	10,000 MMBtu/d	U.S.\$10.095/MMBtu	November 2008 – March 2009
<b>Purchase contracts (entered into after September 30, 2008)</b>			
WTI Fixed Price	1,000 Bbl/d	U.S.\$78.00/Bbl	January 2009 – December 2009
NYMEX Fixed Price	10,000 MMBtu/d	U.S.\$6.86/MMBtu	November 2008 – March 2009

## OUTLOOK

Trilogy updates its 2008 guidance as follows:

	Q4 2008	Full Year 2008
Average production	21,000 Boe/d	20,700 Boe/d
Average operating costs	\$11.00/Boe	\$11.25/Boe
Capital expenditures excluding acquisitions	\$18 million	\$120 million

## ADDITIONAL INFORMATION

A copy of Trilogy's third quarter report to the Unitholders, including the Management's Discussion and Analysis and unaudited interim consolidated financial statements and related notes can be obtained at <http://media3.marketwire.com/docs/1104tet.pdf>. This report will also be made available at a later date through Trilogy's website at [www.trilogyenergy.com](http://www.trilogyenergy.com) and SEDAR at [www.sedar.com](http://www.sedar.com).

## **ABOUT TRILOGY**

Trilogy Energy Trust 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".

## **NON-GAAP MEASURES**

In this news release, Trilogy uses the terms "funds flow from operations" and "net debt", collectively the "Non-GAAP measures", as indicators of Trilogy's financial performance. The Non-GAAP measures do not have a standardized meaning prescribed by Canadian generally accepted accounting principles (GAAP) and, therefore are unlikely to be comparable to similar measures presented by other issuers.

"Funds flow from operations" refers to the cash flows from operating activities before net changes in operating working capital. The most directly comparable measure to "funds flow from operations" calculated in accordance with GAAP is the cash flows from operating activities. "Funds flow from operations" can be reconciled to cash flows from operating activities by adding (deducting) the net change in working capital as shown in the consolidated statements of cash flows. "Net debt" is calculated as current liabilities minus current assets plus long-term debt and the long-term component of unit-based compensation liability. The components described for "net debt" can be derived directly from Trilogy's consolidated balance sheets. Management believes that the Non-GAAP measures provide useful information to investors as indicative measures of performance.

Investors are cautioned that the Non-GAAP measures should not be considered in isolation or construed as alternatives to their most directly comparable measure calculated in accordance with GAAP, as set forth above, or other measures of financial performance calculated in accordance with GAAP.

## **FORWARD-LOOKING INFORMATION**

Certain information included in this news release constitutes forward-looking statements under applicable securities legislation. Forward-looking statements or information typically contain statements with words such as "anticipate", "believe", "expect", "plan", "intend", "estimate", "propose", "budget" or similar word suggesting future outcomes or statements regarding an outlook. Forward-looking statements or information in this news release pertain to, without limitation, the recent closure of an asset purchase transaction and the anticipated additional production arising from the assets acquired therefrom. Such forward-looking statements or information are based on a number of assumptions which may prove to be incorrect. Such assumptions include: the ability of Trilogy to obtain equipment, services and supplies in a timely manner to carry out its activities; the ability of Trilogy and its partners to obtain drilling success consistent with expectations; the ability of Trilogy to market oil and natural gas successfully to current and new customers; the timing and costs of pipeline and storage facility construction and expansion and the ability to secure adequate product processing, transmission and transportation; the timely receipt of required regulatory approvals; and future oil and gas prices, among others.

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. 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 Trilogy and described in the forward-looking statements or information. These risks and uncertainties include, but are not limited to: the ability of management to execute its business plan; the risks of the oil and gas industry, such as operational risks in exploring for, developing and producing crude oil and natural gas and market demand; risks and uncertainties involving geology of oil and gas deposits; risks inherent in Trilogy's marketing operations, including credit risk; the uncertainty of reserves estimates and reserves life; the uncertainty of estimates and projections relating to future production, costs and expenses; potential delays or changes in plans with respect to exploration or development projects or capital expenditures; Trilogy's ability to secure adequate product transmission and transportation; Trilogy's ability to enter into or renew leases; fluctuations in oil and gas prices, foreign currency exchange rates and interest rates; health, safety and environmental risks; the ability of Trilogy to add production and reserves through development and exploration activities; weather conditions; general economic and business conditions; the possibility that government policies, regulations or laws including on taxation may change or governmental approvals may be delayed or withheld; risks associated with existing and potential future lawsuits and regulatory

actions against Trilogy; uncertainty regarding aboriginal land claims and co-existing local populations; hiring/maintaining staff; the impact of market competition; and other risks and uncertainties described elsewhere in this document or in Trilogy's other filings with Canadian securities authorities.

The forward-looking statements and information 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 so required by applicable securities laws.

Refer to Trilogy's Management's Discussion and Analysis for additional information on forward-looking information.

## **OIL AND GAS ADVISORY**

This news release contains disclosure expressed as "Boe", "Boe/d", "Mcf/d", "MMcf/d", "Bbl" and "Bbl/d". All oil and natural gas equivalency volumes have been derived using the ratio of six thousand cubic feet of natural gas to one 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.

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