



## **TRILOGY ENERGY TRUST**

Calgary, Alberta

March 17, 2006

### **NEWS RELEASE: TRILOGY ENERGY TRUST ADVISES ON 2005 CANADIAN INCOME TAX INFORMATION**

Trilogy Energy Trust (TSX:TET.UN) ("TET" or the "Trust") - The following information is intended to assist in the preparation of a 2005 T1 Income Tax Return. It is intended for individual, Canadian resident TET unitholders who hold their TET trust units ("Units") as capital property.

The information contained herein is based on TET's understanding of the Income Tax Act (Canada) and the regulations thereunder, and is provided for general information only. Unitholders are advised to consult their personal tax advisors with respect to their particular circumstances.

#### **Trust Units held within an RRSP, RRIF, RESP or DPSP**

If a unitholder holds his or her Units in an RRSP, RRIF, RESP or DPSP, no amounts are required to be reported by the unitholder in the unitholder's 2005 T1 Income Tax Return.

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

If a unitholder does not hold his or her Units in an RRSP, RRIF, RESP or DPSP, taxable amounts allocated by TET in 2005 to the unitholder (i.e., the taxable portion of 2005 cash distributions) must be reported by the unitholder in the unitholder's 2005 Income Tax Return. This taxable amount will be reported on a "T3 - Statement of Trust Income and Allocations and Designations" ("T3 Slip") that will be issued to the unitholder (i.e., "Other income" - Box 26 on the T3 Slip).

A unitholder's "adjusted cost base" ("ACB") of his or her Units will be reduced by the non-taxable portion of the 2005 cash distributions (i.e., "Amount resulting in 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 his or her 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 his or her Units with a broker or other intermediary and received cash distributions from the broker or other intermediary, the unitholder will receive a T3 Slip from the broker or intermediary and not from the transfer agent or TET. If a unitholder received cash 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, 2006.

The attached "Schedule 1" includes supplementary information on the taxable portion and non-taxable portion of the 2005 cash distributions and is shown on a per Unit basis. This taxable portion will be included in and reported on your T3 Slip.

## SCHEDULE 1

### 2005 - T3 INFORMATION

#### FOR CANADIAN RESIDENTS

The following table outlines the breakdown of cash distributions per Unit paid by Trilogy Energy Trust with respect to record dates for the period April 30, 2005 - December 30, 2005 for Canadian Income Tax purposes.

Record Date	Payment Date	Total Distribution Paid	Taxable Amount (Box 26) Other Income	Amount Resulting in Cost Base Adjustment (Box 42) (Return of Capital)
April 29, 2005	May 16, 2005	0.160	0.160	0.000
May 31, 2005	June 15, 2005	0.160	0.160	0.000
June 30, 2005	July 15, 2005	0.160	0.160	0.000
July 29, 2005	August 15, 2005	0.160	0.160	0.000
August 31, 2005	September 15, 2005	0.160	0.160	0.000
September 30, 2005	October 17, 2005	0.250	0.250	0.000
October 31, 2005	November 15, 2005	0.250	0.250	0.000
November 30, 2005	December 15, 2005	0.250	0.250	0.000
December 30, 2005	January 16, 2006	0.800	0.800	0.000
TOTAL PER UNIT		2.350	2.350	0.000

#### 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".

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