

NEWS RELEASE

TSX: TKE.UN

December 15, 2004

TKE Initiates DRIP Plan

Calgary, Alberta, December 14, 2004 — **TKE Energy Trust** ("TKE" or the "Trust") is pleased to announce the implementation of its Distribution Reinvestment and Optional Trust Unit Purchase Plan (the "**DRIP Plan**") for eligible Unitholders of the Trust. The DRIP Plan, which was recently finalized by the Trust, will provide eligible Unitholders with the opportunity to reinvest monthly cash distributions from the Trust to acquire additional Trust Units at 95% of the Treasury Purchase Price (the Treasury Purchase Price is defined in the DRIP Plan as the daily volume weighted average trading prices of the Trust Units for the 10 trading days immediately preceding a distribution payment date). Additionally, subject to the thresholds and restrictions described in the DRIP Plan, eligible Unitholders may purchase up to \$50,000 per participant per financial year of the Trust of additional Trust Units with Optional Cash Payments (with a minimum of \$2,000 per remittance) at 100% of the Treasury Purchase Price. No commissions, service or brokerage fees will be charged to the Unitholder for monthly reinvestment or Optional Cash Payment transactions.

TKE has determined that as of this time Unitholders who are U.S. Persons (as defined in the DRIP Plan) will not be eligible to participate in the distribution reinvestment component of the DRIP Plan nor will they be eligible to make Optional Cash Payments. Unitholders who are residents of any other jurisdiction outside of Canada (other than the United States) may participate fully in the DRIP Plan if permitted by laws of the jurisdiction in which they reside, subject to applicable limitations or restrictions under the DRIP Plan.

The DRIP Plan provides for an efficient, convenient and cost-effective method for eligible Unitholders to purchase Trust Units. A full text of the DRIP Plan and the Distribution Reinvestment Authorization and Optional Cash Payment Forms are in the process of being mailed to Unitholders. These materials are also available on TKE's website at www.tketrust.com. Beneficial owners of Trust Units who hold them through a broker, financial institution, investment advisor or other nominee holder, may only enrol in the DRIP Plan through such nominee holder.

TKE's first monthly distribution of \$0.12 per Trust Unit will be made on January 15, 2005 to Unitholders of record as of December 31, 2004, representing an initial level of distributions, on an annualized basis, of approximately 60% of projected 2005 cash flow. For enrolment in the DRIP Plan to be effective for the January 15, 2005 distribution, the required forms must be received by the Agent, Computershare Trust Company of Canada, by December 22, 2005.

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Forward Looking Statements — Some of the statements contained in this news release are forward-looking statements. Forward-looking statements may include, but are not limited to, statements concerning estimates of recoverable hydrocarbons, expected hydrocarbon prices, expected costs, statements relating to the continued advancement of the Company's projects and other statements which are not historical facts. When used in this document, and in other published information of TUSK, the words such as "could," "estimate," "expect," "intend," "may," "potential," "should," and similar expressions are indicative of a forward-looking statement. Although TUSK believes that its expectations reflected in the forward-looking statements are reasonable, the potential results suggested by such statements involve risk and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements. Various factors, which could cause actual results to differ from these forward-looking statements, include the potential that TUSK's projects will experience technical and mechanical problems, geological conditions in the reservoir which may negatively impact levels of oil and gas production and changes in product prices and other risks not anticipated by TUSK or disclosed in TUSK's published material. Since forward-looking statements address future events and conditions, by their very nature, they involve inherent risks and uncertainties

Barrels of Oil Equivalent — Boe may be misleading, particularly if used in isolation. A boe conversion ratio of six mcf is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. The conversion ratio is an industry accepted norm and is not based on either energy content of current prices.