

NEWS RELEASE

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TKE Energy Trust Announces First Quarter Results

Calgary, Alberta, May 13, 2005 — TKE Energy Trust (the "Trust") is pleased to provide information with respect to its initial quarterly report. The complete text of the quarterly report, including the MD&A and financial statements, has been filed on SEDAR and may be viewed either on that site (www.sedar.com) or on the Trust's website at www.tketrust.com.

CORPORATE PROFILE

TKE Energy Trust ("TKE" or the "Trust") commenced business on November 2, 2004 upon the re-organization of TUSK Energy Inc. by way of Plan of Arrangement. The re-organization has been accounted for using the continuity of interest method. Accordingly, all financial and operating information has been reported as if TKE Energy Trust had always carried on the business of TUSK Energy Inc. TKE is a new trust committed to delivering consistent distributions to the holders of its Units. The current distribution level is set at \$0.12 per Unit per month. The fourth monthly distribution of \$0.12 per Unit was paid to Unitholders on April 15th, 2005.

The Trust will take a conservative approach to business by striving to maintain commodity balance in both production and reserves, pursuing a balanced program of exploration, development and acquisition and managing commodity price risk through a comprehensive price risk management program.

FIRST QUARTER HIGHLIGHTS

- completed private placement of 2.9 million units at \$10.95 per unit for gross proceeds of \$31.75 million;
- strong balance sheet with debt to annualized cash flow ratio of 0.6/1 as of March 31 and less than 0.5/1 based on forecast production and cash flow for 2005 fiscal year;
- more than \$31 million of available credit;
- distributions of \$0.12 per month per unit started on January 17th;
- estimated reserve additions exceeded total production in the quarter by 20%;
- reserve life index of 10.7 years based upon reserves as of December 31, 2004 adjusted for production and reserve additions during the first quarter of 2005;
- new pool discovery (30% TKE) northwest of Gage producing property;
- new pool discovery (100% TKE) in northeast Alberta;

- negotiated purchase of pipeline interest in Gage area;
- construction of central battery and pipelines for Gage oil and gas pools;
- approximately 700 boepd of production behind pipe and awaiting tie-in as of March 31st.

HIGHLIGHTS (NOTE 1)

PRODUCT VOLUMES	Quarter Ended March 31, 2005	Quarter Ended March 31, 2004
Oil and NGL's, bpd	1,290	1,770
Natural Gas, Mcfd	15,528	23,056
BOEPD (Notes 2 and 3)	3,878	5,612

SUMMARY OF PRODUCT PRICES

Oil per Barrel	\$	47.44	\$	36.89
NGL per Barrel	\$	43.10	\$	32.73
Natural Gas per MCF	\$	6.78	\$	6.49

FINANCIAL

Cash Distributions Declared	\$	6,248,162	\$	-
Cash Flow	\$	7,303,069	\$	11,262,417
Net Income	\$	2,884,027	\$	2,575,817
Cash Distributions Per Unit	\$	0.36	\$	-
Cash Flow Per Unit (Note 4)	\$	0.41	\$	0.70
Net Income Per Unit (Note 4)	\$	0.16	\$	0.16
Capital Expenditures	\$	6,141,766	\$	10,314,568

NOTES TO HIGHLIGHTS TABLE

1. TKE Energy Trust commenced business on November 2, 2004 upon the reorganization of TUSK Energy Inc. pursuant to a Plan of Arrangement. For purposes of financial reporting, the conversion is accounted for as a continuity of interest. Accordingly, the comparative figures shown are the results of operations and cash flow applicable to TUSK Energy Inc. and its subsidiaries for the quarter ended March 31, 2004. The Plan of Arrangement allocated a portion of the production of TUSK Energy Inc. to an ExploreCo (TUSK Energy Corporation) and, as a consequence, certain of the information included for prior periods is not directly comparable.
2. Production shown in 2004 is for TUSK Energy Inc. (see Note 1). Average production from the Shane gas property decreased 1,480 boepd from 1,997 boepd during the first quarter of 2004 to 518 boepd during the first quarter of 2005. This high deliverability pool was in the high decline stage of it's life in 2004. The properties transferred to TUSK Energy Corporation pursuant to the Plan of Arrangement represented 122 boepd of TUSK Energy Inc. production during the first

quarter of 2004. **As a consequence, the "comparative" production for the first quarter of 2004 is 4,016 boepd.**

3. Production in the first quarter of fiscal 2005 was less than anticipated, principally due to delays in the construction of battery facilities and pipelines at Gage. As of March 31, 2005 TKE has 700 boepd of additional production capability behind pipe and awaiting tie-in.
4. The Plan of Arrangement provided for the issue of 0.50 units of TKE Energy Trust for each common share of TUSK Energy Inc. and, accordingly, the values shown for cash flow per unit and net income per unit shown for the quarter ended March 31, 2004 are double the per share values shown in the quarterly report of TUSK Energy Inc. for that period. No adjustment has been made to reflect the impact resulting from the transfer of a portion of assets producing during that period to TUSK Energy Corporation upon the close of the Plan of Arrangement.

MESSAGE TO UNITHOLDERS

TKE Energy Trust is pleased to present financial and operating results for the first quarter of the 2005 fiscal year, our first full quarter of operations as an energy trust.

Sustainable Distributions

The distribution level was set at \$0.12 per month per unit and the first payment was made on January 17 to unitholders of record as of the end of December. Production in the first quarter of fiscal 2005 was less than anticipated, principally due to delays in the completion the construction of battery facilities and pipelines at Gage. As of March 31, 2005 TKE has 700 boepd of additional production capability behind pipe and awaiting tie-in. Approximately 50% relates to the Gage area properties.

Payout Ratio

Based upon the internal estimates of cash flow and production for the 2005 fiscal year and after considering the impact of the private placement of March, 2005, the aggregate distributions per annum are expected to represent a payout ratio of approximately 72%. TKE participated in nine wells during the quarter resulting in 4 gas wells, 1 oil well and 4 dry wells. TKE has 100% working interest in the best well drilled during the quarter — a new pool gas discovery drilled in the Trust's Northeast focus area. It is expected to add more than 100 boepd of net gas production when it is tied-in later this summer.

Reserves and RLI

Reserve additions of 419,000 boe were 20% higher than total production during the quarter of 349,000 boe. The lower than expected production rate caused by the delays at Gage resulted in an RLI, as of the end of the first quarter, of 10.7 years. Expected RLI, on a go-forward basis, assuming that reserve adds equal production in fiscal 2005 and using the forecast production for the fiscal year is approximately 9.2 years.

Successful Exploration & Development

TKE has embarked on a successful exploration program targeting long reserve life oil and gas in the Peace River Arch area of northwest Alberta. The PRA program has discovered three oil pools and four gas pools so far. TKE will continue to be an active driller in this area during the balance of the year.

TKE has a significant presence in northeast Alberta where we currently produce approximately 9 MMcfd from 98 producing wells and have interests in seven gas facilities. This is a shallow gas area with multiple targets to a depth of about 900 metres. The 100% TKE discovery drilled in the first quarter discovered a new gas pool in our northeast Alberta project area where the Trust has access to more than 70 square miles of undeveloped lands.

The two new pool discoveries made during the first quarter, one on the PRA and the other in northeast Alberta, led to reserve growth during the quarter. A third new pool discovery early in the second quarter is expected to add long life gas reserves and multiple development opportunities.

Sustaining Production

The TKE management group has a history of finding, developing and/or acquiring reserves at favourable cost. FD&A costs since January, 2000 (which includes the FD&A costs experienced at TUSK Energy Inc.) were \$10.62 per boe.

Average production during the quarter is down slightly (3.4%) from last years levels when the effect of production declines at Shane and the production provided to TUSK Energy Corporation as a part of the Plan of Arrangement is factored in. The decline in Shane production from an average of 1,997 boepd in the first quarter of 2004 to 518 boepd in the first quarter of 2005 was anticipated by management when the Trust was formed and was taken into account when the sustainable distribution amount of \$0.12 per unit per month was determined.

Production in the first quarter of fiscal 2005 was less than anticipated, principally due to delays in the completion the construction of battery facilities and pipelines at Gage. As of March 31, 2005 TKE has 700 boepd of additional production capability behind pipe and awaiting tie-in.

Financing

On March 22 TKE closed a private placement of 2.9 million units at an issue price of \$10.95 for gross proceeds of \$31,755,000. This timely infusion of capital provides TKE with a strong balance sheet and financial flexibility. As of the end of the quarter TKE has 20,673,892 units and exchangeable shares outstanding.

Outlook

TKE is only 6 months into its life as an energy trust. Over the past 5 years the TKE management team has successfully developed and exploited low cost growth in both production and reserves. We will continue to pursue opportunities in both development and exploration. Forecast production and cash flow for the 2005 fiscal year is 4,300 boepd and \$38.1 million based upon commodity prices of \$52.00 US per barrel of oil (WTI) and a gas price of \$7.24 CDN per Mcf AECO. CAPEX for the 2005 fiscal year is expected to be a minimum of \$20 million. The financing of March has given us balance sheet strength and substantial available credit. We have the ability to increase our spending if suitable investment alternatives become available. Our payout ratio, forecast to be a little over 70% for the 2005 fiscal year, is higher than we would like. Our recent exploration successes and the development arising from new discoveries will assist in improving the payout ratio over time.

Summary

TKE has multiple development opportunities, an exploration program that is working out very well in the Peace River Arch area, a strong balance sheet and a favourable reserve life index. Management has a proven track record of success with relatively low historical FD&A costs. These factors, we believe, will contribute to sustainable distributions for our unitholders in the years to come.

For further information please contact:

Norman W. Holton, Chairman & Chief Executive Officer
Gordon K. Case, Vice President, Finance & Chief Financial Officer
TKE Energy Trust
1950, 700-4th Avenue S.W.
Calgary, Alberta
T2P 3J4
Phone: (403) 264-8875

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 or current prices.