



For Immediate Release

TSX: TUI.UN

## TRUE ENERGY REPORTS US INCOME TAX INFORMATION

**Calgary, March 15, 2006** – True Energy Trust (“True”, “the Trust”) is pleased to provide US income tax information.

### U.S. Income Tax Information

The following information is being provided to assist U.S. individual unitholders of True Energy Trust in reporting distributions received from True during 2005 on their Internal Revenue Service (“IRS”) Form 1040, “U.S. Individual Income Tax Return” (“Form 1040”).

This summary is of a general nature only and is not intended to be legal or tax advice to any particular holder or potential holder of True trust units. Holders or potential holders of True trust units should consult their own legal and tax advisors as to their particular tax consequences of holding True trust units.

### Qualified Dividends

In consultation with its U.S. tax advisors, True believes that its trust units should be properly classified as equity in a corporation, rather than debt, and that dividends paid to individual U.S. unitholders should be “qualified dividends” for U.S. federal income tax purposes. As such, the portion of the distributions made during 2005 that are considered dividends for U.S. federal income tax purposes should qualify for the reduced rate of tax applicable to long-term capital gains. However, the individual taxpayer’s situation must be considered before making this determination.

***True has not received an IRS letter ruling or a tax opinion from its tax advisors on these matters.***

### Trust Units Held Outside a Qualified Retirement Plan

With respect to cash distributions paid during the year to U.S. individual unitholders, 100% percent should be reported as “qualified dividends” and no amount should be reported as a return of capital.

The portion of the distributions treated as “qualified dividends” should be reported on Line 9b of Form 1040, unless the fact situation of the U.S. individual unitholder determines otherwise. Commentary on page 23 of the Form 1040 Instruction Booklet for 2005 with respect to “qualified dividends” provides examples of individual situations where the dividends would not be “qualified dividends”. Where, due to individual situations, the dividends are not “qualified dividends”, the amount should be reported on Schedule B – Part II – Ordinary Dividends and Line 9a of Form 1040.

U.S. unitholders are encouraged to utilize the Qualified Dividends and Capital Gain Tax Worksheet of Form 1040 to determine the amount of tax that may be otherwise applicable.

The taxable portion (for Canadian income tax purposes) of the distributions is subject to a minimum 15% Canadian withholding tax that is withheld prior to any payments being distributed to unitholders. Beginning in 2005, the return of capital portion (for Canadian income tax purposes) of the distributions is also subject to a 15% withholding tax that is withheld prior to any payments being distributed to unitholders. Where trust units are held in a cash account, we

believe the full amount of all withholding tax should be creditable, subject to numerous limitations, for U.S. tax purposes in the year in which the withholding taxes are withheld. Where trust units are held in qualified retirement account, the same withholding taxes apply but the amount is not creditable for U.S. tax purposes.

The amount of Canadian tax withheld should be reported on Form 1116, "Foreign Tax Credit (Individual, Estate, or Trust)". Information regarding the amount of Canadian tax withheld in 2005 should be determined from your own records and is not available from True. Amounts over withheld, if any, from Canada should be claimed as a refund from the Canada Revenue Agency no later than two years after the calendar year in which the payment was paid.

Investors should report their dividend income, in accordance with this information and subject to advice from their tax advisors. U.S. individual unitholders who hold their True trust units through a stockbroker or other intermediary should receive tax reporting information from their stockbroker or other intermediary. We expect that the stockbroker or other intermediary will issue a Form 1099-DIV, "Dividends and Distributions" or a substitute form developed by the stockbroker or other intermediary. True is not required to furnish such unitholders with Form 1099-DIV. Information on the Forms 1099-DIV issued by the brokers or other intermediaries may not accurately reflect the information in this press release for a variety of reasons. Investors should consult their brokers and tax advisors to ensure that the information presented here is accurately reflected on their tax returns. Brokers and/or intermediaries may or may not be required to issue amended Forms 1099-DIV.

#### **Trust Units Held Within a Qualified Retirement Plan**

No amounts are required to be reported on a Form 1040 where True trust units are held within a qualified retirement plan.

True Energy Trust is a Calgary-based oil and natural gas trust. The Trust's units trade on the Toronto Stock Exchange under the symbol TUI.UN.

For further information, please contact:

Paul R. Baay, President & CEO (403) 750-1272

or

Joan E. Dunne, Vice President & CFO (403) 750-1262

or

Scott Koyich, Investor Relations (403) 750-2428

#### **True Energy Trust**

2300, 530 – 8<sup>th</sup> Avenue S.W., Calgary, AB T2P 3S8

Tel: (403) 266-8670

Fax: (403) 264-8163

Internet: [www.trueenergy.ca](http://www.trueenergy.ca)