



## **TRUE ENERGY TRUST PROVIDES 2009 CANADIAN AND US TAX INFORMATION**

### **Canadian Income Tax Information**

The following information is intended to assist individual Canadian unitholders of True in the preparation of their 2009 T1 Income Tax Returns.

Cash distributions in 2009 are 100% taxable as "other income" with no return of capital.

### **Trust units held within an RRSP, RRIF or DPSP**

No amounts are required to be reported on the 2009 T1 Income Tax Return where Trust units are held within a Registered Retirement Saving Plan ("RRSP"), Registered Retirement Income Fund ("RRIF"), or a Deferred Profit Sharing Plan ("DPSP").

### **Trust units held outside an RRSP, RRIF or DPSP**

Unitholders who hold their Trust units outside of an RRSP, RRIF or DPSP through a broker or other intermediary and who have received cash distributions for the 2009 calendar year, will receive a "T3 Supplementary" slip directly from their broker or intermediary, not from the transfer agent of the Trust, Computershare Investor Services (the "Transfer Agent"), or the Trust.

Registered Unitholders of Trust Units who have received cash distributions for the 2009 calendar year from the Transfer Agent and not from a broker or intermediary, will receive a "T3 Supplementary" slip directly from the Transfer Agent.

Under Paragraph 12(1)(m) of the Income Tax Act, taxable amounts allocated to the unitholders must be reported by the Unitholders in their 2009 Income Tax Returns. Accordingly, the taxable amount of cash distributions received or receivable for the period from January 1, 2009 up to and including December 31, 2009 are included in your "T3 Supplementary" slip. The amount reported in Box (26) on the T3 slip should be reported on your T1 Income Tax Return as "Other Income". The deadline for mailing all T3 Supplementary Information slips as required by the Income Tax Act is March 31, 2010.

For the remaining tax deferred portion, if any, Unitholders are required to reduce the adjusted cost base ( "ACB" ) of the trust units. Since the return of capital for 2009 is nil, there should be no effect on the ACB. Unitholders should maintain a record of all distributions that are classified as a tax deferred distribution while holding the units.

### **U.S. Income Tax Information**

The following information is provided for general information only. Investors are encouraged to seek advice from a qualified tax advisor in their country of residence to obtain guidance with respect to the appropriate tax treatment of their distributions.

We believe that we are a corporation for United States federal income tax purposes and, as a result, a distribution that we make on a unit is treated as a dividend for United States federal income tax purposes. This treatment of our distributions is based on the fact that we have not

determined, and do not intend to determine, our current or accumulated earnings and profits. In the absence of such information, we believe that a United States person should report our distributions as fully subject to United States federal income tax. We believe such distributions should be considered "qualified dividends" for purposes of United States income taxation. Such a dividend received by an individual would be taxed by the United States at a maximum federal rate of 15 percent if such individual meets certain holding period requirements and certain other requirements of the United States Internal Revenue Code are satisfied.

The 15 percent Canadian non-resident withholding tax on distributions to United States residents may be eligible for a foreign tax credit in the United States. Any credit is subject to certain limitations imposed by the Internal Revenue Code. Such Canadian withholding taxes cannot be used as a credit against such federal income taxes if such taxes can be recovered from Canada as an overpayment.

### **General**

The information in this release is not intended to be an exhaustive discussion of all possible income tax consequences but a general guideline. It is not intended to be legal or tax advice to any particular holder or potential holder of units. The holders or potential holders of units should consult their own tax advisors as to their particular tax consequences and reporting obligations.

True Energy Trust is an exploration and production oil and gas trust based in Calgary, Alberta, Canada.

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