



**For Immediate Release**

**TSX: TUI.UN**

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**TRUE ENERGY TRUST AND PRAIRIE SCHOONER ANNOUNCE  
ADDITIONAL COMMODITY HEDGES**

Calgary, Alberta, August 1, 2006 – Further to the previous announcement relating to True Energy Trust ("True" or the "Trust") entering into an agreement (the "Agreement") to acquire Prairie Schooner Petroleum Ltd. ("Prairie Schooner"), each of Prairie Schooner and True have entered into certain hedges in connection with their mutual covenant provided in the Agreement to hedge up to 30% of their respective current production during the winter on a mutually agreed basis.

True announces that it has entered into two additional hedge contracts. Under these contracts, True has purchased price floor (put) structures to manage commodity prices. Through the purchase of a price floor, True pays a premium to limit the exposure to downturns in commodity prices while fully participating in commodity price appreciation.

True has entered into an AECO natural gas put on 10,000 gigajoules per day (GJ) for the period September 1, 2006 through to March 31, 2007 with a floor price of CDN\$8.00 per GJ (approximately \$8.45 per mcf). The volume hedged by this contract represents approximately 20 % of True's current natural gas production.

In addition, True has entered into a crude oil (WTI) put on 1,000 barrels of crude per day for the period January 1, 2007 through to June 30, 2007 with a floor price of US\$70.00 per barrel. The volume hedged by this contract represents approximately 7% of total current production on a barrel of oil equivalent (6 to 1) basis.

As announced in the first quarter report, on March 9, 2006 True entered into a collar oil hedge for 2,000 bbl/d for the period April 1, 2006 through to December 31, 2006 with a WTI reference price, a floor of US\$58.00 per barrel and a ceiling of US\$69.35 per barrel.

The volume hedged by these contracts represents approximately 26% percent of True's total production on a barrel of oil equivalent (6 to 1) basis through to December 31, 2006 and 19% of True's current production from January 1, 2007 through to March 31, 2007.

Prairie Schooner announces it has entered into three hedge contracts for the period November 1, 2006 through to March 31, 2007. Prairie Schooner has entered into AECO natural gas collars on 5,000 GJ per day for the period November 1, 2006 to March 31, 2007. The collars were transacted with an average floor price of CDN\$8.70 per GJ (approximately \$9.19 per mcf) and an average ceiling price of CDN\$10.68 per GJ. In addition, Prairie Schooner entered into a 2,000 GJ fixed price swap for the period of November 1, 2006 to March 31, 2007 at a fixed price of CDN\$9.32 per GJ. The volume hedged by these contracts represents approximately 16% of Prairie Schooner's total current production.

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