



For Immediate Release
TSX: TUI.UN

True Energy Trust Announces Intention to Convert into a Growth Oriented Intermediate E&P Company

Calgary, Alberta, January 15, 2007. True Energy Trust ("True" or the "Trust") is pleased to announce its intention to convert into a growth oriented, dividend paying intermediate exploration and production company (the "Reorganization"). This corporate structure is well-suited to True's assets. Specifically, True has a significantly large inventory of high quality development and exploration opportunities along with a significant undeveloped land base. Management and the board of directors believe the best opportunity and strategic direction to create securityholder value is to reinvest a substantial portion of True's cash flow and focus on increasing per share cash flow, production, reserves, and net asset value.

Background and Mechanics of the Reorganization

True has been investigating a number of restructuring alternatives subsequent to the Federal Government's October 31, 2006 announcement on tax policy on Canadian oil and gas royalty trusts, the clarification update that was provided on December 15, 2006 and December 21, 2006 draft legislation. The Government's announcements have resulted in management and the board of directors revisiting the long-term strategic direction of the Trust. Based on this review of the alternatives, conversion back to a corporation before 2011 has been determined by management and the board of directors as the best opportunity to enhance unit and asset value over time. By converting to a growth-oriented E&P company True can pursue ample development opportunities and, combined with an attractive balance of high-quality tax pools, should not be cash taxable in the near term.

Pursuant to the Reorganization, it is currently contemplated that holders of True trust units ("Trust Units") will receive an equal number of shares of a newly formed corporation that will hold the assets previously held directly or indirectly by the Trust. The exchangeable shares will also be exchanged for common shares based on the conversion ratio thereof. This will result in approximately 70 million shares being issued and outstanding. True's outstanding convertible debentures will be assumed by the new corporation. In the course of finalization of the structure of the Reorganization, the board of directors of True will continue to take into account any further clarification that is released under the proposals outlined by the government on October 31, 2006.

The board of directors of True has unanimously determined the Reorganization is in the best interest of the Trust and all securityholders and recommend to securityholders approval of the Reorganization at a special meeting. It is anticipated that an information circular and proxy statement in connection with the Special Meeting will be mailed to Unitholders in the first quarter of 2007. Tristone Capital Inc. and National Bank Financial Inc. have been engaged as financial advisors to the board of directors in connection with the Reorganization. FirstEnergy Capital Corp., Orion Securities Inc. and Peters & Co. Limited are acting as strategic advisors to True. The Reorganization will be subject to all required regulatory approvals and

securityholder approval by at least 66 2/3% of the votes cast by unitholders of the Trust and holders of the exchangeable shares. In connection with the Reorganization, securityholders will also be asked to approve a standard stock option plan as part of the long term compensation structure of the new public corporation. All True securityholders are encouraged to vote in person or by proxy at the Meeting. True has engaged Kingsdale Shareholders Services Inc. to act as True's information agent and to provide assistance to True securityholders in completing forms of proxy and related documents. True securityholders may contact Kingsdale Shareholder Services Inc. at 1-866-639-8089 for assistance.

Pro forma Intermediate Producer

Prior to converting to an energy trust structure in November 2005, True was a successful growing junior E&P company. True currently owns in excess of 1.1 million gross acres (730,000 net acres) of undeveloped land and has identified a current drilling inventory in excess of 600 locations. Current tax pools are estimated at approximately \$460 million.

As an intermediate producing company, True's exploration and development capital program will initially be increased to \$120 million for 2007. This level of capital expenditure program would enable True to grow production and reserves as an E&P company while maintaining a prudent balance sheet. The majority of this capital will be spent in Kerrobert, Willesden Green and Ferrier areas. Based on various commodity price assumptions ranging from WTI US\$50 - US\$65 per bbl and AECO CDN\$6.00 - CDN\$7.75 per mcf and production of between 20,000 and 21,000 boe/d 2007 cash flow is forecast to range from \$110 million to \$175 million.

As at November 30, 2006, True has a net working capital deficit of \$38 million and \$150 million in bank indebtedness. This leaves approximately \$75 million available on a \$225 million credit facility.

True's leadership team has the experience and expertise to lead the growth of the newly formed intermediate E&P company through an active drilling program and acquisition strategy. Over the past six years the technical team and Board of Directors at True has been successful in increasing production from 160 boe/d to its current level of 19,700 boe/d through a combination of drilling and acquisitions. The team will continue to apply this aggressive approach along with focusing on controllable costs associated with the production base. True will continue to further enhance personnel of the organization to reflect the requirements of an intermediate producing company and an expanded capital program. It will be proposed that True's existing management and board of directors will remain in place following the effective date of the Reorganization.

Dividend Policy & Notice of Distribution

Combined with a capital efficient growth strategy, True intends to establish a dividend policy to take effect following completion of the Reorganization which will further differentiate True from existing intermediate producing companies. The initial dividend is proposed to be set at \$0.02 per month to be paid quarterly.

True also announces that the cash distribution for the month of January will be \$0.12 per unit, to be paid on February 15, 2007 to all unitholders of record as of January 31, 2007. The ex-distribution date for this payment is January 29, 2007.

Interested parties are encouraged to review the latest corporate presentation for further details available on True's website at www.trueenergytrust.com/Investors/Presentation.asp. True will also hold a conference call on Monday, January 15, 2007 at 2:00 PM MST/4:00 PM EST. To participate, please call toll-free 1-800-731-5319 or 416-644-3416 and enter passcode 21216204 followed by the # key. The conference call will also be recorded and available by calling 1-877-289-8525 or 416-640-1917 and entering passcode 21216204 followed by the # key.

Members of the senior management team will be hosting investor information sessions in Montreal on Tuesday, January 16, 2007, in Toronto on Wednesday, January 17, 2007, in Vancouver on Friday, January 19, 2007 and in Calgary on Tuesday, January 23, 2007. Details and registration information is posted on our website at www.trueenergytrust.com.

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Forward Looking Statements: *Certain information herein including management's assessment of future plans and operations, the proposed Reorganization, details and timing of matters related thereto and future plans following completion thereof, capital expenditure budgets and the results of the expenditure thereof, forecast cash flow for 2007 and the dividend policy following completion of the Reorganization may constitute forward-looking statements under applicable securities laws and necessarily involve risks including, without limitation, risks as to whether all required regulatory and other approvals related to the completion of the Reorganization will be obtained and the timing thereof risks associated with oil and gas exploration, development, exploitation, production, marketing and transportation, loss of markets, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risks, competition from other producers, inability to retain drilling rigs and other services, incorrect assessment of the value of acquisitions, failure to realize the anticipated benefits of acquisitions, delays resulting from or inability to obtain required regulatory approvals and ability to access sufficient capital from internal and external sources. As a consequence, actual results may differ materially from those anticipated in the forward-looking statements. Readers are cautioned that the foregoing list of factors is not exhausted. Additional information on these and other factors that could affect True's operations and financial results are included in reports on file with Canadian securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com) and at True's website (www.trueenergytrust.com). Furthermore, the forward-looking statements contained in this news release are made as at the date of this news release and True does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.*

BOE Disclosure: *Disclosure provided herein in respect of barrels of oil equivalent (BOE) may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf: 1 Bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.*