



**For Immediate Release**  
**TSX: TUI.UN**

## **TRUE ENERGY TRUST PROVIDES Q1 2007 OPERATIONAL UPDATE**

Calgary, Alberta, March 22, 2007 - True Energy Trust ("True" or the "Trust") is pleased to provide the following operational update. True has had an active start to the year, initiating an estimated \$50 million of projects in the first quarter and the disposition of \$19.4 million of non-core properties. Capital was deployed in West Central Alberta primarily focused on the company's multi-zone liquids rich drilling inventory, and in Kerrobert, West Central Saskatchewan, primarily related to the SAGD project. Highlights for the quarter include:

- 4,700 boe/d of new production, of which 600 boe/d is currently producing, with the remainder to be tied in throughout 2007.
- 7 new pool discoveries, 6 in Alberta and 1 in Saskatchewan.
- 33 wells drilled with 97% success rate.
- Tax pools in excess of \$500 million.
- 1.1 million gross acres of undeveloped land.
- In excess of 600 drilling locations identified.

### **Drilling and Completions**

Drilling success year-to-date is 97% with True having participated in 33 gross wells (23.6 net), 20 of those (19.5 net) being operated. 16 wells were cased as gas wells, 14 as oil wells, two as potential disposal wells and one non-operated dry and abandoned.

West Central Alberta was True's most active area in the first quarter. Operated and non-operated activity has resulted in the addition of significant field tested volumes that will come on during the remainder of 2007. This area delivers multi-zone liquids rich gas production; True and its partners are actively working towards bringing this gas on-line. Test rates on those wells completed have ranged between 150 and 1,500 gross boe/d per well, averaging 550 boe/d (350 boe/d net). Current spring break-up conditions will defer capture of some of the volumes to later in 2007. Six of the wells are at various stages of tie-in and should contribute significantly to the second quarter 2007 production volumes. True is also pleased to announce six new pools in Alberta during the first quarter of 2007, all of which have development opportunities. In addition, True drilled a horizontal well in the Rock Creek formation to further test multi-stage well fracture stimulation technology. Final rates prior to shutting in the well for build up were in excess of 700 boe/d (500 boe/d net). Initial data suggests that the well's performance will be similar to True's best producing horizontals in the area; more significant are the learnings captured and the confidence gained in further applying this completion methodology to its large inventory of West Central Alberta tight gas. This well is anticipated to be tied-in during the next 30 days. In total, the West Central Alberta drilling program increased capability from the region by approximately 2,500 boe/d.

In Kerrobert, True has completed its initial campaign of 5 cold producers and 4 thermal wells. All five cold producers are on-line, currently averaging 95 bbls/d per well. The four thermal

wells are cased and awaiting equipping prior to the conversion and subsequent steaming of the paired injectors. Execution of the SAGD project is on-track with expected steam injection for phase one to commence at the end of the third quarter. Material rate impact is anticipated from the thermal wells during late Q4 2007/early Q1 2008. Depending on 2007 capital budget levels, there is an additional round of cold producers slated for Q4 2007, further delineating and developing a recently identified western extension of the pool. The Kerrobert heavy oil area, including current thermal production, is delivering 2,300 bbls/d; production at year end 2007 is anticipated to be approximately 4,300 – 5,000 bbls/d. Along with the Kerrobert activity, True discovered a new pool heavy oil pool and an extension to its light oil Viking discovery of last year. The light oil extension could lead to twenty drilling locations for the 2008 drilling program.

Case Caulfield, Vice President of Exploration commented "this is the most successful program True has had from an exploration and development point of view in its history".

### **Production Guidance**

True reiterates its guidance of approximately 19,000 boe/d for first quarter of 2007 production and 20,500 boe/d average annual production for 2007 up from 13,861 boe/d in 2006. With \$70 million left to be spent throughout the remainder of 2007 and the exceptional results of the first quarter, True is well positioned to exceed the current targeted exit rate. These volumes take into account impact from extreme winter conditions, early spring break-up, natural production declines, and curtailment of offset production while executing the Saskatchewan drilling campaign.

### **Dispositions**

During the quarter the company entered into two separate agreements to sell non-core properties anticipated to close prior to the end of March 2007. These asset sales in Central Alberta will generate approximately \$19.4 million, subject to standard industry adjustments and final closing. The properties sold have combined production of approximately 320 boe/d. True continues to offer approximately 950 boe/d of additional production through the packages outlined on the Tristone Capital Inc. website at [www.tristonecapital.com](http://www.tristonecapital.com). These sales may occur during the second quarter of 2007. All the proceeds of these dispositions will be applied to current bank indebtedness. The Board and management are committed to a year-end total debt target of \$200 million, comprised of \$120 million including bank debt, working capital and \$80 million of convertible debentures. This would be in line with True's targeted ratio of 1.3 times total debt to cashflow.

### **In Summary**

Overall, True is very encouraged by its first quarter results. "The results are indicative of the potential of True's asset base when higher levels of capital are applied" says Paul Baay, President and CEO of True. Remaining 2007 capital will be further clarified once the annual and special meeting of unitholders scheduled for March 30, 2007 is complete. Initial estimates of capital efficiency appear to be better than corporate guidance of \$16,500 - \$18,000 per flowing boe/d. True would also like to reiterate its previously announced hedges, details of which can be found on its corporate website at [www.trueenergytrust.com](http://www.trueenergytrust.com), providing further cash flow protection through 2007.

The Board of True would like to thank all employees for their exceptional work and dedication that has resulted in these production additions during what has turned out to be a very demanding time for True.

True has the structure, systems and engineering, geoscience, land and business expertise in place to continue to grow and take advantage of its significant undeveloped land base, multi-

year drilling inventory and substantial tax pools. True encourages all unitholders to vote for the upcoming special and annual meeting. If you have any questions regarding the reorganization or how to fill out your proxy, please feel free to contact Kingsdale Shareholder Services Inc. at 1-866-639-8089 or 416-867-2272 who would be pleased to help.

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*Reader Advisor: BOEs 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.*

*Forward Looking Statements: Certain information set forth in this news release, including management's assessment of True's future plans and operations, timing of tie-in of wells and expected production therefrom, guidance of production, timing of SAGD project and the effects thereof, closing of dispositions, targeted debt levels and timing of matters relating to the approval of the True reorganization and implementation thereof may contain forward-looking statement, and necessarily involves risks and uncertainties, certain of which are beyond True's control including, without limitation, risks as to whether securityholders and all required regulatory and other approvals related to completion of the True Reorganization will be obtained and the timing thereof, risks associated with oil and gas exploration, development, exploitation, production, marketing and transportation, loss of markets and other economic and industry conditions, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risks, competition from other producers, inability to retain drilling services, incorrect assessment of value of acquisitions and failure to realize the benefits therefrom, delays resulting from or inability to obtain required regulatory approvals, the lack of availability of qualified personnel or management, risks related to closing of dispositions, stock market volatility and ability to access sufficient capital from internal and external sources, economic or industry condition changes. Actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits that True or its securityholders will derive therefrom. Additional information on these and other factors that could affect True are included in reports on file with Canadian securities regulatory authorities and may be accessed through the SEDAR website ([www.sedar.com](http://www.sedar.com)), at True's website ([www.trueenergytrust.com](http://www.trueenergytrust.com)). Furthermore, the forward-looking statements contained in this news release are made as of 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 expressly required by applicable securities law.*