

For Immediate Release
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**TRUE ENERGY TRUST AND SHELLBRIDGE OIL & GAS, INC.
ANNOUNCE SIGNING ARRANGEMENT AGREEMENT FOR
PREVIOUSLY ANNOUNCED BUSINESS COMBINATION**

Calgary, Alberta; Richmond, British Columbia, May 16, 2006 - True Energy Trust ("True") and Shellbridge Oil & Gas, Inc. ("Shellbridge") jointly announce that True and True Energy Inc. ("True Energy"), a wholly-owned subsidiary of True, have, following a review of tax, corporate and securities matters, determined to proceed with the previously announced business combination (press release of April 11, 2006) by way of a plan of arrangement under the *Business Corporations Act* (Alberta) and have entered into an arrangement agreement in respect thereof (the "Transaction"). Completion of the Transaction is subject to Shellbridge shareholder approval at the meeting scheduled for June 22, 2006, court approval and various conditions, including, without limitation, receipt of all required regulatory approvals and other customary conditions.

Pursuant to the Transaction, True Energy will acquire all of the issued and outstanding common shares of Shellbridge on the basis of 0.14 trust units ("Trust Units") of True for each outstanding Shellbridge common share, resulting in the issue of approximately 4.39 million Trust Units, (assuming the exercise of all Shellbridge options).

Shellbridge currently produces approximately 2,000 barrels of oil equivalent per day ("boepd"), 90% of which is in True's West Central Saskatchewan core area. True averaged 11,672 boepd in the first quarter of 2006.

Shellbridge has no net debt and a \$6.5 million credit facility with the same bank as True Energy.

Shareholders of Shellbridge representing approximately 14.5% on a fully diluted basis (including all directors and officers) have entered into lock-up agreements pursuant to which they have agreed to support the Transaction, subject to the terms thereof.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Trust Units in any state in the United States in which such offer, solicitation or sale would be unlawful. The Trust Units have not been registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements.

For further information, please contact:

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READER ADVISORIES

Per barrel of oil equivalent (“boe”) amounts may be misleading, particularly if used in isolation. A boe conversion ratio has been calculated using a conversion rate of six thousand cubic feet of natural gas to one barrel and is based on an energy equivalent conversion method application at the burner tip and does not represent an economic value equivalency at the wellhead.

Forward Looking Statements - Certain information regarding True, True Energy and Shellbridge (the “Companies”) set forth in this news release, including management’s assessment of the Companies’ future plans and operations, the effect of the Transaction on True and True Energy and on unitholders of True and shareholders of Shellbridge, contain forward-looking statements that involve substantial known and unknown risks and uncertainties. These forward-looking statements are subject to numerous risks and uncertainties, certain of which are beyond the Companies’ control, including the impact of general economic conditions, industry conditions, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risks, competition from other producers, the lack of availability of qualified personnel or management, stock market volatility, and ability to access sufficient capital from internal and external sources, economic or industry condition changes, uncertainty related to completion of the Transaction and the effect thereof and failure to receive required regulatory approvals. The Companies’ actual results, performance or achievement 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 the Companies will derive therefrom. Additional information on these and other factors that could affect the Companies’ results are included in reports on file with Canadian securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com), at True’s website (www.trueenergytrust.com) or Shellbridge’s website (www.shellbridge.ca). Furthermore, the forward-looking statements contained in this news release are made as of the date of this news release, and none of the Companies 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.