For Immediate Release
TSX: TUI.UN

TRUE ENERGY TRUST ANNOUNCES FIRST QUARTER 2009 FINANCIAL RESULTS

May 7, 2009 – (TSX: TUI.UN) True Energy Trust ("True," "Company" or the "Trust") announces its financial and operating results for the three months ended March 31, 2009.

HIGHLIGHTS

		Three months ended March 31, 2009	2008
FINANCIAL (unaudited)			
(CDN$000s except unit and per unit amounts)			
Revenue (before royalties and hedging[1])		31,345	70,033
Funds flow from operations [2]		6,489	24,233
Per basic trust unit		$0.08	$0.31
Per diluted trust unit [5]		$0.08	$0.30
Net loss		(9,056)	(18,621)
Per basic trust unit		$(0.12)	$(0.24)
Per diluted trust unit [5]		$(0.12)	$(0.24)
Distributions declared		1,570	9,507
Per unit		$0.02	$0.12
Exploration and development		2,528	8,453
Corporate and property acquisitions		228	197
Capital expenditures – cash		2,756	8,650
Property dispositions – cash		8	(5,788)
Other – non-cash		(114)	(193)
Total capital expenditures – net		2,650	2,669
Long-term debt		131,622	171,850
Convertible debentures[3]		81,598	79,837
Working capital deficiency (excess)		709	(12,219)
Total net debt [3]		213,929	239,468
Total assets		718,713	861,569
Unitholders' equity		395,376	435,232
OPERATING			
Daily sales volumes			
Crude oil, condensate and NGLs	(bbls/d)	3,826	4,843
Natural gas	(mcf/d)	36,928	52,252
Total oil equivalent	(boe/d)	9,981	13,552
Average prices			
Crude oil, condensate and NGLs	($/bbl)	36.71	71.59
Crude oil, condensate and NGLs (including hedging[1])	($/bbl)	36.71	61.98
Natural gas	($/mcf)	5.41	7.97
Natural gas (including hedging[1])	($/mcf)	6.21	7.99
Total oil equivalent	($/boe)	34.10	56.31
Total oil equivalent (including hedging[1])	($/boe)	37.03	52.96

		Three months ended March 31,	
		2009	2008
Statistics			
Operating netback[4]	($/boe)	9.81	29.28
Operating netback[4] (including hedging[1])	($/boe)	12.74	25.92
Transportation	($/boe)	1.74	0.68
Production expenses	($/boe)	15.53	13.78
General & administrative	($/boe)	3.16	3.06
Royalties as a % of sales after transportation		22%	23%
TRUST UNITS			
Trust units outstanding		78,496,581	79,230,460
Trust unit incentive rights outstanding		4,118,132	5,232,665
Units issuable for exchangeable shares		312,467	337,351
Units issuable for convertible debentures		5,390,625	5,390,625
Diluted trust units outstanding		88,317,805	90,191,101
Diluted weighted average trust units [5]		78,496,581	79,223,088

TRUST UNIT TRADING STATISTICS		
(CDN$, except volumes) based on intra-day trading		
High	1.56	4.00
Low	0.48	2.94
Close	0.68	3.66
Average daily volume	171,103	257,218

[1] *The Trust has entered into various commodity risk management contracts which are considered to be economic hedges. Per unit metrics after hedging includes only the realized portion of gains or losses on commodity contracts.*

The Trust does not apply hedge accounting to these contracts. As such, these contracts are revalued to fair value at the end of each reporting date. This results in recognition of unrealized gains or losses over the term of these contracts which is reflected each reporting period until these contracts are settled, at which time realized gains or losses are recorded. These unrealized gains or losses on commodity contracts are not included for purposes of per unit metrics calculations disclosed.

[2] *The highlights section contains the term "funds flow from operations" (or as commonly referred to as "cash flow from operations"), which should not be considered an alternative to, or more meaningful than cash flow from operating activities as determined in accordance with Canadian generally accepted accounting principles ("GAAP") as an indicator of the Trust's performance. Therefore reference to diluted funds flow from operations or funds flow from operations per trust unit may not be comparable with the calculation of similar measures for other entities. Management uses funds flow from operations to analyze operating performance and leverage and considers funds flow from operations to be a key measure as it demonstrates the Trust's ability to generate the cash necessary to fund future capital investments and to repay debt. The reconciliation between funds flow from operations and cash flow from operating activities can be found in the Management Discussion and Analysis ("MD&A"). Funds flow from operations per trust unit is calculated using the weighted average number of trust units for the period.*

[3] *Net debt includes the net working capital deficiency (excess) before short-term commodity contract assets and liabilities, current portion of long-term debt and short-term future income tax assets and liabilities. Total net debt also includes the liability component of convertible debentures and excludes asset retirement obligations and the future income tax liability.*

[4] *Operating netbacks are calculated by subtracting royalties, transportation, and operating costs from revenues.*

[5] *In computing weighted average diluted earnings per trust unit for the three month period ended March 31, 2009 a total of 4,118,132 (2008: 5,232,665) trust incentive units, 312,467 (2008: 337,351) exchangeable shares and 5,390,625 (2008: 5,390,625) trust units issuable pursuant to the conversion of convertible debentures were excluded from the calculation of diluted earnings per trust unit as they were not dilutive.*

To calculate weighted average diluted funds flow from operations for the three month period ended March 31, 2009, a total of 312,467 exchangeable shares, 4,118,132 (2008: 5,232,665) trust incentive units and 5,390,625 (2008: 5,390,625) trust units issuable pursuant to the conversion of convertible debentures were excluded from the calculation as they were not dilutive. To calculate weighted average diluted funds flow from operations for the three month period ended March 31, 2008, 337,351 exchangeable shares were added to the denominator, resulting in diluted weighted average trust units of 79,558,882 under this calculation.

REPORT TO UNITHOLDERS

The first quarter of 2009 featured continued erosion of commodity pricing in lockstep with the entrenching global economic recession. True has undergone significant corporate restructuring in response to its weak balance sheet and past mediocre performance. These strategic changes include:

- Restructuring True's management team with professionals recognized for their technical expertise and successful full cycle exploration track records in the Western Canadian Basin. Joining Edward J. Brown, Vice President, Finance & CFO and Russell Oicle, Vice President, Exploration is Raymond G. Smith, President & CEO, Duncan Chisholm, Vice President, Engineering and COO and Ving Woo, Vice President, Operations. This new team possess in excess of 175 years of operational and management experience.

- Maximizing production hedges with 56% of True's natural gas for Q2 – Q4 2009 forward sold for an average of $7.08 CAD/mcf and 18% of Q1 – Q2 2010 natural gas production hedged at an average of $7.96 CAD/mcf. In addition, 500 bbl/d of oil for Q2 – Q4 is hedged by way of a costless collar of $52.30 CAD x $80.70 CAD.

- Undertaking a field efficiency program to reduce lease operating expenses from $66.6 million posted in 2008 to a target of $48.8 million in 2009. Historically, Q1 lease operating expenses are higher than the following quarters due to winter conditions. True's Q1 2009 lease operating expenses of $14.0 million are in line with the new targets and down 18% from $17.0 million in Q1 2008.

- Streamlining the internal business units and staff reductions position True to make its uncapitalized 2009 G&A target of $11.4 million, down by 38% from $18.4 million in 2008.

- Reducing the capital budget to $15 million in 2009 from $43 million in 2008. With cash flows estimated at approximately $30 million, distributions and repayment of debt will consume the remaining $15 million of available cash flow. As we monitor actual cash flows and commodity pricing, minimal capital of $3 million to $4 million is planned in the first half of 2009 to provide flexibility in the second half of 2009. Distributions were also suspended in February to conserve capital, resulting in $1.6 million distributed year to date.

- Implementing a full scale optimization and maintenance program throughout True's operated properties; the Company operates 70% of its daily production. The initial results are exceeding expectations as the program not only arrested True's production decline in the first quarter, but increased overall deliverability without drilling or recompleting wells; production during the first week of January was 9,800 boe/d, while the Q1 production exit rate was 10,150 boe/d.

- Banking lines were reviewed at the end of Q1, resulting in a decrease from $152 million to $140 million; a reduction of 7.9%. Net debt, excluding the convertible debentures stood at $131.6 million as of March 31, 2009. The renewed bank facility will be reviewed again at the end of Q2, the debt anniversary date.

- Conducting a complete geological and geophysical review on approximately 358,000 net undeveloped acres held by True as of March 31, 2009, resulting in the identification of 300 development well locations on existing lease holdings which management estimates, for planning purposes, could yield up to an aggregate of 15,000 boe/d of production adds on a risked basis. The risks include the ability to fund the projects, technical risks associated with conducting the operations, and the risks associated with encountering the hydrocarbon bearing horizon as projected. This represents a multi-year drilling inventory at an estimated cost of approximately $200 million.

First quarter results are already evidencing the revitalization and include:

Financial

- Funds flow from operations for the first quarter of 2009 was $6.5 million on gross sales of $31.3 million compared to funds flow from operations for the fourth quarter of 2008 of $5.9 million on gross sales of $41.1 million.

- The net loss for the first quarter of 2009 was $9.1 million compared to a net loss of $18.6 million for the same period in 2008 and a net loss of $9.5 million in the fourth quarter of 2008.

- True's total net debt including the liability component of its convertible debentures, excluding unrealized commodity contract assets and liabilities, future income taxes and asset retirement obligations, as at March 31, 2009 was $213.9 million, as compared to $215.0 million as at December 31, 2008.

- 2009 first quarter sales volumes averaged 9,981 boe/d compared to 10,750 boe/d in the fourth quarter of 2008. True's production and operations have been negatively impacted by the extreme weather conditions experienced in western Canada in December 2008 and extending through February 2009.

- True's natural gas price for the first quarter of 2009, after including hedging, was $6.21/mcf compared to $7.99/mcf for the same period in 2008.

- True farmed out 5 gross wells in the Willesden Green area resulting in 5 gross natural gas wells with True retaining a 24% average working interest with no payout account.

- Capital expenditures for the first quarter of 2009 were $2.8 million which were funded by available cash flow.

The impact of True's strategic restructuring and reorganization will be demonstrated in the upcoming months and years. With its reinvigorated management team, True is embarking on restoring its growth, improving its balance sheet and re-establishing unitholder value. True is now an exploration and production oil and gas trust, powered by a diverse asset base, focused on sustainable growth. In addition, True has a significant multi-year drilling inventory of locations in Alberta, Saskatchewan and British Columbia.

Raymond G. Smith, P. Eng.
President and CEO
May 7, 2009

MANAGEMENT'S DISCUSSION AND ANALYSIS

May 7, 2009 – The following Management's Discussion and Analysis of financial results as provided by the management of True Energy Trust ("True" or the "Trust") should be read in conjunction with the unaudited interim consolidated financial statements and selected notes for the three months ended March 31, 2009 and the audited consolidated financial statements of the Trust for the years ended December 31, 2008 and 2007 and the related Management's Discussion and Analysis of financial results. This commentary is based on information available to, and is dated as of, May 7, 2009. The financial data presented is in accordance with Canadian generally accepted accounting principles ("GAAP") in Canadian dollars, except where indicated otherwise.

CONVERSION: The term barrels of oil equivalent ("boe") may be misleading, particularly if used in isolation. A boe conversion ratio of six thousand cubic feet of natural gas to one barrel of oil equivalent (6 mcf/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. All boe conversions in this report are derived from converting gas to oil in the ratio of six thousand cubic feet of gas to one barrel of oil.

NON-GAAP MEASURES: This Management's Discussion and Analysis contains the term "funds flow from operations" (or also commonly referred to as "cash flow from operations"), which should not be considered an alternative to, or more meaningful than "cash flow from operating activities" as determined in accordance with Canadian GAAP as an indicator of the Trust's performance. Therefore reference to funds flow from operations or funds flow from operations per unit may not be comparable with the calculation of similar measures for other entities. Management uses funds flow from operations to analyze operating performance and leverage and considers funds flow from operations to be a key measure as it demonstrates the Trust's ability to generate the cash necessary to fund future capital investments and to repay debt. The reconciliation between funds flow from operations and cash flow from operating activities can be found in the Management's Discussion and Analysis. Funds flow from operations per unit is calculated using the weighted average number of units for the period.

This Management's Discussion and Analysis also contains other terms such as total net debt and operating netbacks, which are not recognized measures under Canadian GAAP. Total net debt is calculated as long-term debt plus the liability component of the convertible debentures and the net working capital deficiency (excess) before short-term commodity contract assets and liabilities, current portion of long-term debt and short-term future income tax assets and liabilities. Operating netbacks are calculated by subtracting royalties, transportation, and operating expenses from revenues. Management believes these measures are useful supplemental measures of firstly, the total amount of current and long-term debt and secondly, the amount of revenues received after transportation, royalties and operating expenses. Readers are cautioned, however, that these measures should not be construed as an alternative to other terms such as current and long-term debt or net income determined in accordance with GAAP as measures of performance. True's method of calculating these measures may differ from other entities, and accordingly, may not be comparable to measures used by other trusts or companies.

Additional information relating to the Trust, including the Trust's Annual Information Form, is available on SEDAR at www.sedar.com.

FORWARD LOOKING STATEMENTS: Certain information contained herein may contain forward looking statements including management's assessment of future plans and operations, drilling and tie-in plans and the timing thereof, plans regarding wells to be drilled, expected or anticipated production rates, hedging strategies, anticipated liquidity of the Trust and various matters that may impact such liquidity, timing of bringing production back on from certain wells, planned reductions in operating expenses in 2009 and expected operating expenses, expected production and transportation expenses and general and administrative expenses, expected levels of revenues and operating netbacks in 2009 compared to 2008, proportion of distributions anticipated to be taxable, maintenance of productive capacity and capital expenditures and the nature of capital expenditures and the timing and method of financing thereof, may constitute forward-looking statements under applicable securities laws and necessarily involve risks including, without limitation, 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. The recovery and reserve estimates of True's reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. Events or circumstances may cause actual results to differ materially from those predicted, as a result of the risk factors set out and other known and unknown risks, uncertainties, and other factors, many of which are beyond the control of True. In addition, forward-looking statements or information are based on a number of factors and assumptions which have been used to develop such statements and information but which may prove to be incorrect. Included herein is an estimate of True's cash flow from operations in 2009 and the percentage that 2009 assumed distributions and its planned capital budget will be of such estimated funds flow from operations. Such financial outlook was approved by management of the Trust on February 9, 2009 and such financial outlook is included herein to provide an assessment of the ability of *the Trust to generate the cash necessary to fund future capital investments after assumed distributions and to repay debt. Although the Trust believes that the expectations reflected in such forward-looking statements or information are reasonable, undue reliance should not be placed on forward-looking statements because the Trust can give no assurance that such expectations will prove to be correct. In addition to other factors and assumptions which may be identified herein, assumptions have been made regarding, among other things: the impact of increasing competition; the general stability of the economic and political environment in which the Trust operates; the timely receipt of any required regulatory approvals; the ability of the Trust to obtain qualified staff, equipment and services in a timely and cost efficient manner; drilling results; the ability of the operator of the projects which the Trust has an interest in to operate the field in a safe, efficient and effective manner; the ability of the Trust to obtain financing on acceptable terms; field production rates and decline rates; the ability to replace and expand oil and natural gas reserves through acquisition, development of exploration; the timing and costs of pipeline, storage and facility construction and expansion and the ability of the Trust to secure adequate product transportation; future commodity gas prices; currency, exchange and interest rates; the regulatory framework regarding royalties, taxes and environmental matters in the jurisdictions in which the Trust operates; and the ability of the Trust to successfully market its oil and natural gas products. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which have been used. As a consequence, actual results may differ materially from those anticipated in the forward-looking statements. Additional information on these and other factors that could effect 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), at True's website (www.trueenergytrust.com). Furthermore, the forward-looking statements contained herein are made as at the date hereof 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.*

The reader is further cautioned that the preparation of financial statements in accordance with GAAP requires management to make certain judgments and estimates that affect the reported amounts of assets, liabilities, revenues and expenses. Estimating reserves is also critical to several accounting estimates and requires judgments and decisions based upon available geological, geophysical, engineering and economic data. These estimates may change, having either a negative or positive effect on net earnings as further information becomes available, and as the economic environment changes.

Overview and Description of the Business

True Energy Trust is a Canadian trust, formed in 2005 via the reverse takeover of TKE Energy Trust. The Trust is involved in the exploration, development and production of petroleum and natural gas in western Canada. The Trust has a significant multi-year drilling inventory of locations in Alberta, Saskatchewan and British Columbia.

True's Trust units and convertible debentures are listed on the Toronto Stock Exchange under the symbols TUI.UN and TUI.DB, respectively.

First Quarter 2009 Financial and Operational Results

Sales Volumes

Sales volumes for the three months ended March 31, 2009 averaged 9,981 boe/d compared to 13,552 boe/d for the same period in 2008, representing a 26% decrease. In comparison, sales volumes for the fourth quarter of 2008 averaged 10,750 boe/d. The decrease in average sales volumes from first quarter 2008 to 2009 is a result of natural production decline, minimal 2009 capital spending and dispositions totaling approximately 1,000 boe/d that were closed during the second quarter of 2008, partially offset by tuck-in acquisitions completed in the fourth quarter of 2008 that added approximately 250 boe/d. Also, True's production and operations have been negatively impacted by the extreme weather conditions experienced in western Canada in December 2008 and extending into February 2009. During the first quarter of 2009, True implemented a full scale field optimization and maintenance program throughout True's operated properties; the Trust operates 70% of its daily production. The initial results are exceeding expectations as the program not only arrested True's production decline in the first quarter, but increased overall deliverability without drilling or recompleting wells. Production during the first week of January 2009 was 9,800 boe/d, while 2009 first quarter production exit rate was 10,150 boe/d.

Sales Volumes

		Three months ended March 31, 2009	2008
Natural gas	(mcf/d)	36,928	52,252
Heavy oil	(bbls/d)	2,519	2,824
Light oil and condensate	(bbls/d)	959	1,391
NGLs	(bbls/d)	348	628
Total crude oil and NGLs	(bbls/d)	3,826	4,843
Total boe/d	(6:1)	9,981	13,552

During the first quarter of 2009, True did not participate directly in further drilling. True continued its farm-out activities during the first quarter. In Alberta, True farmed out its interest in 5 gross wells. These natural gas wells were drilled at no cost to True and have resulted in an average 24% interest in 5 successful wells. These wells were placed on production in the first week of April.

For the three months ended March 31, 2009, the weighting towards natural gas sales averaged 62% compared to 64% in the same period in 2008. Heavy oil sales made up 25% of total production for the 2009 first quarter compared to 21% in the 2008 first quarter.

Sales of natural gas averaged 36.9 Mmcf/d for the first quarter of 2009, compared to 52.3 Mmcf/d in the same 2008 period, a decrease of 29%. Crude oil and NGL sales for the 2009 first quarter decreased 21% averaging 3,826 bbls/d compared to 2008 average sales of 4,843 bbls/d.

For 2009, production volumes are anticipated to average approximately 10,000 boe/d. The forecast of 2009 production volumes is based upon a number of assumptions, including normal production declines and expenditures under the current planned capital budget of $15 million.

Commodity Prices

Average Commodity Prices

	Three months ended March 31, 2009	2008	% Change
Exchange rate *(US$/Cdn$)*	0.8028	0.9950	(19)
Natural gas:			
NYMEX *(US$/mmbtu)*	4.47	8.64	(48)
AECO daily index (CDN$/Mcf)	4.92	7.88	(38)
AECO monthly index (CDN$/Mcf)	5.63	7.13	(21)
True's average price (*$/mcf)*	5.41	7.97	(32)
True's average price (including hedging[1]) (*$/mcf)*	6.21	7.99	(22)
Crude oil:			
WTI *(US$/bbl)*	43.31	97.22	(55)
Edmonton par – light oil ($/bbl)	50.15	98.16	(49)
Bow River – medium/heavy oil *($/bbl)*	43.77	77.47	(44)
Hardisty Heavy – heavy oil *($/bbl*)	39.38	70.05	(44)
True's average prices *($/bbl)*			
Light crude oil, condensate, and NGLs	42.49	85.65	(50)
Heavy crude oil	33.71	61.55	(45)
Total crude oil and NGLs	36.71	71.59	(49)
Total crude oil and NGLs (including hedging[1])	36.71	61.98	(41)

[1]Per unit metrics including hedging include realized gains or losses on commodity contracts and exclude unrealized gains or losses on commodity con*tracts.*

True's natural gas sales are priced with reference to the daily or monthly AECO indices. During the 2009 first quarter, the AECO daily and monthly reference price decreased by 38% and 21%, respectively, compared to the same period in 2008. Similarly, True's average sales price before hedging for the 2009 first quarter decreased by 32% compared to the same period in 2008. True's natural gas price after including hedging for the first quarter of 2009 was $6.21/mcf compared to $7.99/mcf for the same period in 2008.

The Trust has entered into a natural gas physical delivery sales contract to sell 5,275 GJ/day at a fixed price of $7.29/GJ and $7.90/GJ for the third and fourth quarter of 2009, respectively.

For heavy crude oil, True received an average price before transportation of $33.71/bbl in the 2009 first quarter, a decrease of 45% over prices in the same period in 2008. The Bow River reference price and the Hardisty Heavy reference price both decreased 44% from the 2008 first quarter to the 2009 first quarter. The majority of True's heavy crude oil density ranges between 11 and 16 degrees API consistent with the Hardisty Heavy reference price, although all of True's heavy oil production is sold at Saskatchewan delivery points.

For light oil, condensate and NGLs, True recorded an average $42.49/bbl before hedging in the 2009 first quarter, 50% lower than the average price of $85.65/bbl received in the same period in 2008. In comparison, the Edmonton par price decreased by 49% over the same period. The average WTI crude oil US dollar based price decreased 55% from the first quarter of 2008 to that in 2009. The average US$/Cdn$ foreign exchange rate was 0.80 for the 2009 first quarter compared to 0.99 during the same period in 2008. The negative correlation between the Canadian dollar and U.S. dollar denominated WTI oil prices has softened the impact on the Trust.

WTI crude oil prices varied greatly throughout 2008, increasing significantly to a high of US$147/bbl in July and dramatically falling during the fourth quarter of 2008 with December 2008 prices of under US$40/bbl and averaging over US$40/bbl for the first quarter of 2009. The pricing outlook in 2009 for crude oil and natural gas remains uncertain given the current global economic environment.

Revenue

Revenue before other income and hedging for the three month period ended March 31, 2009 was $30.6 million, 56% lower than the $69.4 million in the same period in 2008. The decrease in revenue for the 2009 period was the result of lower sales volumes in conjunction with significantly lower commodity prices.

	Three months ended March 31,	
($000s)	2009	2008
Light crude oil, condensate and NGLs	4,998	15,734
Heavy oil	7,643	15,818
Crude oil and NGLs	12,641	31,552
Natural gas	17,993	37,894
Total revenue before other	30,634	69,446
Other [1]	711	587
Total revenue before royalties and hedging	31,345	70,033

[1] Other revenue primarily consists of processing and other third party income.

Revenues for the remainder of 2009 are currently expected to be lower than 2008 due to lower commodity prices and average estimated 2009 production of approximately 10,000 boe/d.

Commodity Price Risk Management

The Trust has a formal risk management policy which permits management to use specified price risk management strategies for up to 50% of crude oil, natural gas and NGL production including fixed price contracts, collars and the purchase of floor price options and other derivative financial instruments and physical delivery sales contracts to reduce the impact of price volatility and ensure minimum prices for a maximum of eighteen months beyond the current date. The program is designed to provide price protection on a portion of the Trust's future production in the event of adverse commodity price movement, while retaining significant exposure to upside price movements. By doing this, the Trust seeks to provide a measure of stability to funds flow from operations, as well as, to ensure True realizes positive economic returns from its capital developments and acquisition activities. The Trust will continue its hedging strategies focusing on maintaining sufficient cash flow to fund True's operations. Any remaining unhedged production is realized at market prices.

A summary of the financial hedge volumes and average prices by quarter currently outstanding as of May 7, 2009 is shown in the following tables:

Natural gas

Average Volumes (GJ/d)

	Q2 2009	Q3 2009	Q4 2009
Fixed	25,050	19,500	15,000

	Q1 2010	Q2 2010	Q3 2010	Q4 2010
Fixed	10,000	5,000	-	-
Call option (ceiling price)	5,000	5,000	5,000	5,000
Total GJ/d	15,000	10,000	5,000	5,000

Average Price ($/GJ AECO C)

	Q2 2009	Q3 2009	Q4 2009
Fixed	6.01	5.97	6.75

	Q1 2010	Q2 2010	Q3 2010	Q4 2010
Fixed	7.58	6.59	-	-
Call option (ceiling price)	8.05	8.05	8.05	8.05

Crude oil and liquids

Average Volumes (bbls/d)

	Q2 2009	Q3 2009	Q4 2009
Costless collars	500	500	500
Total bbls/d	500	500	500

Average Price (CDN$/bbl WTI)

	Q2 2009	Q3 2009	Q4 2009
Collar ceiling price	80.70	80.70	80.70
Collar floor price(1)	52.30	52.30	52.30

(1) Subsequent to March 31, 2009, this oil collar was converted to Canadian dollar denomination as priced at $52.30 CDN and $80.70 CDN as compared to $42.50 US and $65.60 US, respectively.

Included in the above natural gas table is a fixed price contract of $5.90/GJ at 5,000 GJ/d for the second quarter 2009 to fourth quarter 2009 periods which was funded by selling a call option of 5,000 GJ/d at $8.05 for the 2010 year.

As of March 31, 2009, the fair value of True's outstanding commodity contracts is a net unrealized asset of $11.6 million as reflected in the financial statements. The fair value or mark-to-market value of these contracts is based on the estimated amount that would have been received or paid to settle the contracts as at March 31, 2009 and may be different from what will eventually be realized. Changes in the fair value of the commodity contracts are recognized in the Consolidated Statements of Loss within the financial statements.

The following is a summary of the gain (loss) on commodity contracts for the three months ended March 31, 2009 and 2008 as reflected in the Consolidated Statements of Loss in the financial statements:

Commodity contracts

($000s)	Crude Oil & Liquids	Natural Gas	2009 Total
Realized cash gain on contracts	-	2,631	2,631
Unrealized gain (loss) on contracts [1]	(272)	8,116	7,844
Total gain (loss) on commodity contracts	(272)	10,747	10,475

($000s)	Crude Oil & Liquids	Natural Gas	2008 Total
Realized cash gain (loss) on contracts	(4,239)	97	(4,142)
Unrealized gain (loss) on contracts [1]	898	(18,585)	(17,687)
Total gain (loss) on commodity contracts	(3,341)	(18,488)	(21,829)

[1] Unrealized gain (loss) commodity contracts represent non-cash adjustments for changes in the fair value of these contracts during the period.

Royalties

For the three months ended March 31, 2009, total royalties were $6.3 million, compared to $15.0 million incurred in the same period in 2008. Overall royalties as a percentage of revenue (after transportation costs) in the first quarter of 2009 were 22%, compared with 23% over the same period in 2008.

Royalties by Commodity Type *($000s, except where noted)*	Three months ended March 31, 2009	2008
Light crude oil, condensate and NGLs	1,361	3,766
$/bbl	11.57	20.50
Average light crude oil, condensate and NGLs royalty rate (%)	27	25
Heavy Oil	1,849	2,291
$/bbl	8.16	8.91
Average heavy oil royalty rate (%)	24	15
Natural Gas	3,098	9,443
$/mcf	0.93	1.99
Average natural gas royalty rate (%)	17	25
Total	6,308	15,500
$/boe	7.02	12.57
Average total royalty rate (%)	22	23

Royalties, by Type

($000s)	Three months ended March 31, 2009	2008
Crown royalties	3,073	9,899
Freehold & GORR	1,848	4,215
Indian Oil and Gas Canada royalties	1,189	1,386
Saskatchewan resource surcharge	198	-
Total	6,308	15,500

Expenses

($000s)	Three months ended March 31, 2009	2008
Production	13,946	16,996
Transportation	1,563	843
General and administrative	2,842	3,770
Interest and financing charges	3,302	4,516
Unit-based compensation	(603)	269

Expenses per boe

($ per boe)	Three months ended March 31, 2009	2008
Production	15.53	13.78
Transportation	1.74	0.68
General and administrative	3.16	3.06
Interest and financing charges	3.68	3.66
Unit-based compensation	(0.67)	0.22

Production Expenses

For the three months ended March 31, 2009, production expenses totaled $13.9 million ($15.53/boe), compared to $17.0 million ($13.78/boe) recorded in the same 2008 period. Fuel gas costs associated with steam generation at the Kerrobert facility contributed $1.30/boe to production expenses in the first quarter of 2009, as compared to $1.83/boe in the first quarter of 2008. In addition, the fixed component of certain production expenses combined with reduced sales volumes between comparable periods has contributed to the increase in costs on a per boe basis from first quarter 2008 to first quarter 2009. In comparison, production expenses were $17.9 million ($18.11/boe) and $66.6 million ($15.33/boe) for the fourth quarter 2008 and annual 2008 periods, respectively.

True is targeting operating costs of approximately $48.8 million ($13.40/boe) in 2009 which based on assumptions of estimated production of approximately 10,000 boe/d and planned cost reductions. Forecasted cost reductions are on track through the first quarter of 2009.

Production Expenses, by Commodity Type

($000s, except where noted)	Three months ended March 31, 2009	2008
Light crude oil, condensate and NGLs	2,278	3,081
$/bbl	19.37	16.77
Heavy oil	4,736	5,035
$/bbl	20.89	19.59
Natural gas	6,932	8,880
$/mcf	2.09	1.87
Total	13,946	16,996
$/boe	15.53	13.78
Total	13,946	16,996
Processing and other third party income [1]	(710)	(587)
Total after deducting processing and other third party income	13,236	16,409
$/boe	14.73	13.31

[1] Processing and other third party income is included within petroleum and natural gas sales on the statement of income.

Transportation

Transportation expenses for the three month period ended March 31, 2009 were $1.6 million ($1.74/boe) compared to $0.8 million ($0.68/boe) in the same 2008 period. Lower transportation expense for the first quarter of 2008 was due to the impact of accrual reversals; excluding these adjustments, transportation for the 2008 period would have been $1.8 million ($1.47/boe). In comparison, transportation was $1.21/boe and $1.62/boe for fourth quarter 2008 and 2008 annual periods, respectively.

Operating Netback

For the first quarter of 2009, corporate field operating netback (before hedging) was $9.81/boe compared to $29.28/boe in the same period in 2008. This was the result of decreased overall commodity prices, higher transportation and operating costs offset by a decrease in royalties. After including hedging activities, the corporate field operating netback for the first quarter of 2009 was $12.74/boe compared to $25.92/boe in the same 2008 period.

Field Operating Netback – Corporate (before hedging)

	Three months ended March 31,	
($/boe)	2009	2008
Sales	34.10	56.31
Transportation	(1.74)	(0.68)
Royalties	(7.02)	(12.57)
Production expense	(15.53)	(13.78)
Field operating netback	9.81	29.28

Overall, corporate operating netbacks for the remainder of 2009 are currently expected to be lower than 2008 due to anticipated lower commodity prices.

Field operating netback for natural gas in the first quarter of 2009 decreased 48% to $2.19/mcf, compared to $4.21/mcf in the same 2008 period, reflecting weakening natural gas prices experienced, higher transportation and production expenses, offset by a reduction in royalties. After including hedging activities, field operating netback for natural gas in the three months ended March 31, 2009 was $2.98/mcf compared to $4.23/mcf in the same period in 2008.

Field Operating Netback – Natural Gas (before hedging)

	Three months ended March 31,	
($/mcf)	2009	2008
Sales	5.41	7.97
Transportation	(0.20)	0.10
Royalties	(0.93)	(1.99)
Production expense	(2.09)	(1.87)
Field operating netback	2.19	4.21

Field operating netback for crude oil, condensate and NGLs averaged $4.44/bbl in the first quarter of 2009, representing an 88% decrease from the first quarter 2008 operating netback of $36.48/bbl. This compares to a 49% decrease in the crude oil, condensate and NGLs sales price combined with an 11% increase in production expenses. After including hedging activities, field operating netback for crude oil and NGLs in the 2009 first quarter was $4.44/boe compared to $26.86/boe in the same period in 2008.

Field Operating Netback – Crude Oil, Condensate and NGLs (before hedging)

	Three months ended March 31,	
($/bbl)	2009	2008
Sales	36.71	71.59
Transportation	(2.58)	(2.95)
Royalties	(9.32)	(13.74)
Production expense	(20.37)	(18.42)
Field operating netback	4.44	36.48

General and Administrative

Net general and administrative (“G&A”) expenses in the three months ended March 31, 2009 were $2.8 million compared to $3.8 million for the same period in 2008. The decrease in the G&A expense for the 2009 first quarter compared to the 2008 first quarter is primarily due to targeted G&A reductions completed in January 2009. True streamlined its operations and reduced head office staffing levels by one third in January 2009. The reduction in amounts of capitalized G&A for the 2009 first quarter is consistent with a lower capital program. On a per boe basis, G&A expenses for the three month period ended March 31, 2009 were $3.16/boe compared to $3.06/boe for the same period in 2008. The increase in G&A on a per boe basis is consistent with reduced sales volumes experienced in 2009 compared to 2008. In comparison, G&A expenses were $4.1 million or $4.13/boe for the fourth quarter of 2008.

General and Administrative Expenses

($000s, except where noted)	Three months ended March 31, 2009	2008
Gross expenses	3,386	4,879
Capitalized	(106)	(507)
Recoveries	(438)	(602)
Net G&A expenses	2,842	3,770
Net G&A expenses, per unit ($/boe)	3.16	3.06

Interest and Financing Charges

True recorded $3.3 million of interest and financing charges for the three months ended March 31, 2009 compared to $4.5 million in the same period in 2008. True's total net debt at March 31, 2009 of $213.9 million includes the $81.6 million liability portion of convertible debentures, $131.6 million of bank debt and the net balance of a working capital deficiency. The convertible debentures have a maturity date of June 30, 2011.

Interest and Financing Charges

($000s, except where noted)	Three months ended March 31, 2009	2008
Interest and financing charges	3,302	4,516
Interest and financing charges ($/boe)	3.68	3.66
Debt to funds flow from operations ratio (annualized)[2]		
Total net debt [1] at quarter end	213,929	239,468
Total net debt to periods funds flow from operations ratio (annualized)	8.2x	2.5x
Net debt [1] (excluding convertible debentures) at quarter end	132,331	159,631
Net debt to periods funds flow from operations ratio (annualized) [2]	5.1x	1.6x
Debt to funds flow from operations ratio (trailing)[3]		
Total net debt to periods funds flow from operations ratio (trailing)	3.6x	2.5x
Net debt to periods funds flow from operations ratio (trailing)	2.2x	1.7x

(1) Net debt includes the net working capital deficiency (excess) before short-term commodity contract assets and liabilities, current portion of long-term debt and short-term future tax assets and liabilities. Total net debt also includes the liability component of convertible debentures and excludes asset retirement obligations and the future income tax liability.
(2) Total net debt and net debt to periods funds flow from operations ratio (annualized) is calculated based upon first quarter funds flow from operations annualized.
(3) Trailing periods funds flow from operations is based on the trailing twelve month period ended March 31, 2009 and 2008.

Unit-Based Compensation

Non-cash unit-based compensation expense for the three month period ended March 31, 2009 was a recovery of $0.6 million compared to an expense of $0.3 million in the same 2008 period. The 2009 first quarter recovery was a result of the reversal of $0.8 million of prior period unit-based compensation expense for 2009 forfeitures of unvested incentive rights, net of $0.2 million expense recorded for outstanding incentive units.

Depletion, Depreciation and Accretion

Depletion, depreciation and accretion expense for the three months ended March 31, 2009 was $27.2 million ($30.34/boe), compared to the $36.3 million ($29.44/boe) in the same period in 2008, which reflects lower production volumes combined with reduced carrying costs in the 2009 period as compared to 2008.

For the three months ended March 31, 2009, True has included $62.7 million for future development costs in the depletion calculation and excluded from the depletion calculation $28.2 million for undeveloped land and $42.6 million for estimated salvage.

Depletion, Depreciation and Accretion Costs

	Three months ended March 31,	
($000s, except where noted)	2009	2008
Depletion and Depreciation	26,593	35,748
Accretion	662	555
Total	27,255	36,303
Per unit ($/boe)	30.34	29.44

Income Taxes

For the three months ended March 31, 2009, the Trust has recorded no capital tax expense compared to $0.5 million expensed in the same period in 2008. Prior to January 1, 2009, capital taxes were based on a combination of debt and equity levels of the Trust at the end of the year in addition to a resource surcharge component of Saskatchewan provincial taxes calculated as a percentage of revenues. Effective for True's 2009 taxation year, this Saskatchewan tax has been changed such that it is calculated solely as a percentage of revenues. Accordingly, this Saskatchewan tax is grouped with royalties on a prospective basis.

Future income taxes arise from differences between the accounting and tax bases of the Trust's assets and liabilities. For the three months ended March 31, 2009, the Trust recognized a future income tax recovery of $3.7 million compared to a recovery of $11.8 million in the same period in 2008.

Under our current structure, the operating entities may make interest and royalty payments to the Trust, which transfers taxable income to the Trust to eliminate income subject to corporate and other income taxes in the operating entities. Alternatively, the Trust's operating company may claim discretionary tax deductions to reduce taxable income. Under the SIFT legislation (as referred to below), amounts transferred to the Trust could be taxable beginning in 2011 as distributions will no longer be deductible for income tax purposes. At that time, True could claim discretionary tax deductions in its operating companies, reduce the income transferred to the Trust, and pay all or a portion of distributions as a return of capital. Until 2011, under the terms of its trust indenture, the Trust is required to distribute amounts at least equal to its taxable income. In the event that the Trust has undistributed taxable income in a taxation year (prior to 2011), an additional special taxable distribution, subject to certain withholding taxes for non-resident holders, would be required under the trust indenture.

The SIFT legislation is not expected to directly affect our cash flow levels and distribution policies until 2011 at the earliest.

Enactment of the Tax on Income Trusts

On June 22, 2007, the legislation implementing a new tax (the "SIFT tax") on publicly traded income trusts and limited partnerships, referred to as "specified investment flow-through" ("SIFTs") entities (Bill C-52) received Royal Assent. As a result, the SIFT tax was considered to be enacted for accounting purposes in June 2007, which resulted in a $1.2 million future income tax recovery amount being recorded in 2007 to reflect current temporary differences between the book and tax basis of assets and liabilities expected to be remaining in the Trust in 2011. The SIFT tax announcement and the related future income tax recovery did not affect cash flow or distributions and is not expected to affect distribution policies until 2011 at the earliest.

SIFTs are certain publicly traded income and royalty trusts and limited partnerships including True. For SIFTs in existence on October 31, 2006 the SIFT tax will be effective in 2011, unless certain rules related to "undue expansion" are not adhered to. Under the guidance provided, True can increase its equity by approximately $737 million between 2006 and 2011 without prematurely triggering the SIFT tax.

In June 2008, Bill C-50, which contained legislation to adjust the deemed provincial component of the SIFT tax on distributions from SIFTs expected to apply to the Trust commencing in 2011, received Royal Assent. Under regulations now enacted, instead of basing the provincial component of the SIFT tax on a flat rate of 13%, the provincial component will instead be based on the general provincial corporate income tax rate in each province in which the SIFT has a permanent establishment. For purposes of calculating this component of the tax, the general corporate taxable income allocation formula will be used. Specifically, the Trust's taxable distributions will be allocated to provinces by taking the pro rata of:

- that proportion of the Trust's taxable distributions for the year that the Trust's wages and salaries in the province are of its total wages and salaries in Canada; and
- that proportion of the Trust's taxable distributions for the year that the Trust's gross revenues in the province are of its total gross revenues in Canada.

Under the regulations, the Trust would be considered to have a permanent establishment only in Alberta, where the provincial tax rate in 2011 is expected to be 10%. As of March 4, 2009, the regulations are substantively enacted.

On July 14, 2008, the Department of Finance released proposed amendments (the "Conversion Rules") to the Income Tax Act (Canada) to facilitate the conversion of existing SIFTs into corporations. In general, the proposed amendments will permit a conversion to be tax deferred for both the unitholders and the SIFT if completed before 2013. These rules were subsequently revised and introduced as part of Bill C-10 as part of the Budget Implementation Act, 2009 on February 6, 2009 and received Royal Assent on March 12, 2009.

The True Board of Directors and Management continue to review the impact of this tax on business strategy as well as the Conversion Rules in considering alternatives available. At the present time, True believes some or all of the following actions will or could result due to the enactment of the SIFT tax:

- If structural or other similar changes are not made if and to the extent that the Trust makes distributions to unitholders, the distribution yield net of the SIFT tax in 2011 and beyond to taxable Canadian investors will remain approximately the same; however, the distribution yield to tax-deferred Canadian investors (RRSPs, RRIFs, pension plans, etc.) would fall by an estimated 26.5 percent in 2011 and 25.0 percent in 2012 and beyond. For U.S. investors, the distribution yield net of the SIFT and withholding taxes would fall by an estimated 25.3 percent in 2011 and 25.1 percent in 2012 and beyond;
- If and to the extent that the Trust makes distributions to unitholders, a portion of True's cash flow could be allocated to the payment of the SIFT tax, or other forms of tax, and would not be available for distribution or re-investment;
- True could convert to a corporate structure to facilitate investing a higher proportion or all of its cash flow in exploration and development projects. Such a conversion and change to capital programs could result in a significant continued elimination of distributions and/or dividends;
- True might determine that it is more economic to remain in the trust structure, at least for a period of time, and shelter its taxable income using discretionary tax deductions and, if and to the extent that it reinstates the payments of distributions, pay all or a portion of its distributions (if any) on a return of capital basis, likely at a lower payout ratio.

The Trust is reviewing all organizational structures and alternatives to minimize the impact of the SIFT tax on our unitholders. While there can be no assurance that the negative effect of the tax can be minimized or eliminated, True and its advisors will continue to review these issues.

As at March 31, 2009, the operating subsidiaries and the Trust itself have a total net future income tax liability balance of $40.2 million. Canadian GAAP requires that a future income tax liability be recorded when the book value of assets exceeds the balance of tax pools.

At March 31, 2009, the Trust and operating subsidiaries of the Trust had approximately $494 million in tax pools available for deduction against future income as follows:

($000s)	Trust	Operating subsidiaries	Total
Intangible resource pools	15,000	308,000	323,000
Undepreciated capital cost	-	129,000	129,000
Loss carryforwards (expire through 2027)	-	40,000	40,000
Unit issue costs	2,000	-	2,000
	17,000	**477,000**	**494,000**

Net Loss and Funds Flow from Operations

True generated funds flow from operations of $6.5 million ($0.08 per diluted unit) for the three month period ended March 31, 2009, down 73% from $24.2 million ($0.30 per diluted unit) for the first quarter of 2008. The decrease in funds flow for the 2009 period compared to the same period in 2008 was primarily the result of a significant decrease in commodity prices, in combination with lower sales volumes. Funds flow from operations for the first quarter of 2009 increased 10% from fourth quarter 2008 funds flow from operations of $5.9 million.

True maintains a commodity price risk management program to provide a measure of stability to funds flow from operations. Unrealized mark–to–market gains or losses are non-cash adjustments to the current fair market value of the contract over its entire term and are included in the calculation of net loss.

True generated a net loss of $9.1 million ($0.12 per diluted unit) in the first quarter of 2009 compared to a net loss of $18.6 million ($0.24 per diluted unit) in 2008. The decrease in the net loss from the first quarter 2008 to that in 2009 was primarily due to non-cash unrealized gains on commodity contracts, reduced non-cash charges for depletion, depreciation and accretion, offset by a reduced future income tax recovery and lower funds flow from operations.

Funds Flow From Operations and Net Loss

	Three months ended March 31,	
($000s, except per unit amounts)	2009	2008
Funds flow from operations	6,489	24,233
Basic ($/unit)	0.08	0.31
Diluted ($/unit)	0.08	0.30
Net loss	(9,056)	(18,621)
Basic ($/unit)	(0.12)	(0.24)
Diluted ($/unit)	(0.12)	(0.24)

Reconciliation of Funds Flow from Operations and Cash Flow from Operating Activities

	Three months ended March 31,	
($000s, except per unit amounts)	2009	2008
Funds flow from operations	6,489	24,233
Asset retirement costs incurred	(738)	(589)
Change in non-cash working capital	3,560	(5,801)
Cash flow from operating activities	9,311	17,843

Capital Expenditures

True planned for a very modest capital program for the first quarter of 2009. First quarter 2009 capital spending was $2.8 million, as compared to $8.7 million for the same period in 2008. The first quarter 2009 capital program was primarily focused on the tie-in of two gross (1 net) Saddle Lake natural gas wells drilled in the fourth quarter of 2008 and performing certain workovers, in addition to further drilling and completion costs received from non-operated projects.

Capital Expenditures

	Three months ended March 31,	
($000s)	2009	2008
Lease acquisitions and retention	83	550
Geological and geophysical	11	67
Drilling and completion costs	1,306	6,512
Facilities and equipment	1,128	1,324
Exploration and development[1]	2,528	8,453
Corporate and property acquisitions	228	197
Total capital expenditures – cash	2,756	8,650
Property dispositions – cash	8	(5,788)
Total net capital expenditures – cash	2,764	2,862
Other – non-cash [2]	(114)	(193)
Total net capital expenditures[1]	2,650	2,669

(1) Excludes capitalized costs related to asset retirement obligation expenditures incurred during the year.
(2) Other includes non-cash adjustments for current period's asset retirement obligations and unit based compensation capitalized.

The $2.8 million capital program for the three months ended March 31, 2009, was financed entirely with funds flow from operations.

Based on the current economic conditions and True's operating forecast for the remainder of 2009, the Trust has budgeted a 2009 capital program of $15 million.

Land

True's net mineral leases in Alberta, British Columbia and Saskatchewan as of March 31, 2009 decreased to approximately 358,000 net acres from 377,000 net acres established on December 31, 2008. These expiries were primarily in non-core areas where technical data did not support drilling activity. An integral component of our growth strategy is to aggressively farmout our interest in non-core areas.

Ceiling Test

The Trust calculates a ceiling test quarterly and annually to place a limit on the aggregate carrying value of its capitalized costs, which may be amortized against revenues of future periods. The ceiling test is performed in accordance with the requirements of the Canadian Institute of Chartered Accountants ("CICA") AcG-16 "Oil and Gas Accounting – Full Cost", a two step process.

The Trust performed a ceiling test calculation at March 31, 2009 resulting in undiscounted cash flows from proved reserves and the undeveloped properties not exceeding the carrying value of oil and gas assets. Consequently, True performed stage two of the ceiling test assessing whether discounted future cash flows from the production of proved plus probable reserves plus the carrying cost of undeveloped properties, net of any impairment allowance, exceeds the carrying value of its petroleum and natural gas properties. No impairment in oil and gas assets was identified as at March 31, 2009.

The ceiling test calculation will be updated in 2009 on a quarterly and annual basis based upon the latest available data, including but not limited to an updated annual external reserve engineering report which incorporates a full evaluation of reserves or internal reserve updates at quarterly periods, and the latest commodity pricing deck.

Estimating reserves is very complex, requiring many judgments based on available geological, geophysical, engineering and economic data. Changes in these judgments could have a material impact on the estimated reserves. These estimates may change, having either a negative or positive effect on net earnings as further information becomes available and as the economic environment changes.

Asset Retirement Obligations

As at March 31, 2009, the Trust has recorded an Asset Retirement Obligation ("ARO") of $34.2 million, compared to $33.7 million at December 31, 2008 for future abandonment and reclamation of the Trust's properties. For the three months ended March 31, 2009, the ARO increased by $0.5 million total as a result of accretion expense of $0.6 million, $0.8 million net changes in estimates and liabilities incurred on development activities, offset by $0.2 million of liabilities released on dispositions and $0.7 million of liabilities settled.

Distributions

For the three months ended March 31, 2009 Trust declared distributions as follows:

($000s, except per unit amount) Three months ended March 31, 2009	Distribution Per Unit	Total
Distributions declared	$ 0.02	$ 1,570

Distribution Paid History [1]

Distributions comprise a taxable portion and a return of capital portion (tax deferred). The return of capital component reduces the cost basis of the trust units held, as described below. For additional information, please see our website at www.trueenergytrust.com.

Calendar Year	Distributions per unit	Taxable Portion	Return of Capital
2005 (two months) [2]	$ 0.480	$ 0.456	$ 0.024
2006	$ 2.640	$ 2.033	$ 0.607
Cumulative to Dec. 31, 2006	$ 3.120	$ 2.489	$ 0.631
2007 year	$ 0.960	$ 0.960	-
Cumulative to Dec. 31, 2007	$ 4.080	$ 3.449	$ 0.631
2008 year	$ 0.460	$ 0.460	-
Cumulative to December 31, 2008	$ 4.540	$ 3.909	$ 0.631
2009 year to date (one month) [3]	$ 0.020		
Cumulative to January 31, 2009	$ 4.560		

(1) Applies to unitholders who are residents of Canada and hold their trust units as capital property.
(2) Based upon the distributions paid in the 2005 calendar year, after the November 2, 2005 Arrangement with TKE Energy Trust.
(3) It is currently estimated that the approximate taxable portion of the January 2009 distribution to Canadian unitholders will be 100%.

In consultation with its U.S. tax advisors, True believes that its Trust units should be "qualified dividends" for U.S. federal purposes. As such, the portion of distributions made during 2009 that are considered dividends for U.S. federal purposes should qualify for the reduced rate of tax applicable to long-term capital gains. Unitholders or potential unitholders should consult their own legal or tax advisors as to their particular income tax consequences of holding True units. Please review our February 19, 2009 press release addressing this.

Monthly Distributions

Actual distributions paid and declared per Trust unit along with relevant payment dates for 2009 to date are as follows:

Ex-distribution Date	Record Date	Payment Date	Distribution per unit
December 29, 2008	December 31, 2008	January 15, 2009	0.02
January 28, 2009	January 30, 2009	February 17, 2009	0.02

During the first quarter 2009, funding requirements for distributions declared was 24% of funds flow from operations.

February and March 2009 distributions were suspended. As announced on March 17, 2009, due to the continued deterioration in economic conditions, including the significant decline in crude oil and natural gas prices, a weakening outlook for natural gas demand and heightened risk in the credit markets, True has deemed it prudent to suspend distributions, until further notice, to maintain corporate liquidity during the current financial turmoil and prevailing commodity price environment. Distributions remain suspended until such time as the Board of Directors determines otherwise. Pursuant to True's credit facility, distributions to unitholders (other than by way of the issuance of Trust units) require the approval of True's lenders if the funds to pay such distributions are received from True Energy Inc. ("True Energy").

Foreign Ownership Update

Based on information from Trust records and information provided by intermediaries holding Trust units for others, the Trust estimates that, as of April 24, 2009 approximately 25 percent of unitholders are non-Canadian residents with the remaining 75 percent being Canadian residents.

In order that the Trust maintains its status as a "mutual fund trust" under the Income Tax Act (Canada), certain provisions of the Income Tax Act (Canada) require that the trust not be established or maintained primarily for the benefit of non-residents of Canada ("non-residents"). The trust indenture for the Trust provides that if the Trust or its administrator becomes aware that the activities of the Trust and ownership of Trust units by non-residents may threaten the status of the Trust under the Income Tax Act (Canada) as a "unit trust" or "mutual fund trust", the Trust is authorized to take action as may be necessary to maintain the status of the Trust as a unit trust and a mutual fund trust, including the imposition or restrictions on the issuance by the Trust, or the transfer by any unitholder, of Trust units to a non-resident.

Liquidity and Capital Resources

As an oil and gas business, the Trust has a declining asset base and therefore relies on ongoing development and acquisitions to replace production and add additional reserves. Future oil and natural gas production and reserves are highly dependent on the success of exploiting the Trust’s existing asset base and in acquiring additional reserves. To the extent the Trust is successful or unsuccessful in these activities; funds flow could be increased or reduced.

Global financial markets continued to remain fragile during the first quarter of 2009. The economic crisis continues to put a strain on credit and equity markets as characterized by a decline in liquidity and higher borrowing costs. Access to capital markets has become constrained and significantly more expensive for the Trust along with other oil and gas entities. The current global economic environment has continued to create volatility in commodity prices, tempered somewhat by the growing US to Canadian dollar exchange rate. Given the continuing uncertain economic conditions, the Trust has a 2009 capital budget of $15 million and has suspended distributions until further notice. The Trust continues to monitor forecasted debt levels to manage its operations within forecasted cash flow. In addition, the Trust will continue to monitor developments within the global economic environment to consider the impacts on current or future lending arrangements.

Liquidity risk is the risk that the Trust will not be able to meet its financial obligations as they fall due. The Trust actively manages its liquidity through daily and longer-term cash, debt and equity management strategies. Such strategies encompass, among other factors: having adequate sources of financing available through its bank credit facilities, estimating future cash generated from operations based on reasonable production and pricing assumptions, analysis of economic hedging opportunities, and maintaining sufficient cash flows for compliance with debt covenants. The Trust is fully compliant with all of its debt covenants.

The Trust generally relies on operating cash flows and its credit facilities to fund capital requirements and provide liquidity. Future liquidity depends primarily on cash flow generated from operations, existing credit facilities and the ability to access debt and equity markets. From time to time, the Trust accesses capital markets to meet its additional financing needs and to maintain flexibility in funding its capital programs. There can be no assurance that debt or equity financing, or cash generated by operations will be available or sufficient to meet these requirements or for other corporate purposes or, if debt or equity financing is available, that it will be on terms acceptable to the Trust. The inability of the Trust to access sufficient capital for its operations could have a material adverse effect on the Trust's business financial condition, results of operations and prospects.

Credit risk is the risk of financial loss to the Trust if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Trust's trade receivables from joint venture partners, petroleum and natural gas marketers, and financial derivative counterparties.

A substantial portion of the Trust's accounts receivable are with customers and joint interest partners in the petroleum and natural gas industry and are subject to normal industry credit risks. The Trust sells substantially all of its production to eight primary purchasers under standard industry sale and payment terms. Purchasers of the Trust's natural gas, crude oil and natural gas liquids are subject to a periodic internal credit review to minimize the risk of non-payment. The Trust has continued to closely monitor and reassess the creditworthiness of its counterparties, including financial institutions. This has resulted in the Trust reducing or mitigating its exposures to certain counterparties where it is deemed warranted and permitted under contractual terms.

The Trust may be exposed to third party credit risk through its contractual arrangements with its current or future joint venture partners, marketers of its petroleum and natural gas production and other parties. In the event such entities fail to meet their contractual obligations to the Trust, such failures may have a material adverse effect on the Trust's business, financial condition, results of operations and prospects. In addition, poor credit conditions in the industry and of joint venture partners may impact a joint venture partner's willingness to participate in the Trust's ongoing capital program, potentially delaying the program and the results of such program until the Trust finds a suitable alternative partner.

During 2009, the Trust has been executing several strategies for dealing with these uncertain times.

True's corporate thrust in 2009 is to continue to improve the Trust's balance sheet by reducing total outstanding debt and streamlining its operating cost structure. In 2009, True has limited its capital program to $15 million in an effort to maintain production and increase financial flexibility to fund operations. This compares to the $43 million capital program employed in 2008. As a consequence of a reduced capital program and strategic divestitures completed in 2008, total net debt levels decreased by $25.5 million from $239.4 million at March 31, 2008 to $213.9 million at March 31, 2009. Total net debt excludes unrealized commodity contract assets and liabilities, future income taxes and asset retirement obligations.

Combined funding requirements for the January distribution declared and True's capital expenditures represented 67% of funds flow from operations for the 2009 first quarter.

As a result of the continued deterioration in economic conditions, including the significant decline in crude oil prices, a weakening outlook for natural gas demand and a heightened risk in the credit markets, True has deemed it prudent to suspend distributions to maintain corporate liquidity during the current financial turmoil and prevailing commodity price environment. Distributions remain suspended until such time as the Board of Directors determines otherwise. Pursuant to True's credit facility, distributions to unitholders (other than by way of the issuance of Trust units) require the approval of True's lenders if the funds to pay such distributions are received from True Energy.

True continues to tighten its cost structure in the current economically challenging climate with forecasted cuts from 2008 levels of 30% to total operating expenses which includes G&A and lease operating costs in 2009. The results through the first quarter are on track.

True's capital budget for 2009 remains at $15 million and the Trust does not anticipate capital spending to exceed $3 to $4 million for the first six months of 2009. True believes that industry costs currently do not reflect commodity prices and netback realizations. Our capital program for 2009 which is not expected to exceed $15 million will reflect our future view of commodity pricing, available acquisition opportunities, and trends in operating costs. True continues to forecast 2009 production volumes to average approximately 10,000 boe/d. The first half 2009 capital spending will be limited to the tie-in of two successful Saddlelake natural gas wells drilled in the fourth quarter of 2008, performing necessary maintenance programs required due to extreme winter conditions in Alberta and Saskatchewan and focusing on increasing production from existing wells through workovers.

True's operating forecast for 2009 which assumes a CAD$/US$ exchange rate of $0.82, WTI oil price ranging from US$50.00/bbl to US$55.00/bbl, AECO natural gas price ranging from CAD$5.46/GJ ($6.00/mcf) to CAD$5.92/GJ ($6.50/mcf) and average annual production of approximately 10,000 boe/d generates cash flow from operations ranging from $30 million to $40 million, after deducting royalties, all operating costs (as reduced as discussed herein), G&A and debt servicing costs. Based on the foregoing assumptions and assuming 2009 distributions of $1.6 million coupled with the planned capital budget of $15 million the Trust would utilize between approximately 40% - 60% of the Trust's forecasted funds flow from operations.

As an added layer of protection of its cash flow forecast, True has hedged approximately 56% of its estimated natural gas production for the second through fourth quarter of 2009 at a combined fixed price of $6.42 CAD per GJ ($7.06/mcf). Approximately 18% of True's estimated natural gas production is hedged for the first half of 2010 at an average price of $7.25 CAD per GJ ($7.96/mcf). For the period of March 1, 2009 to December 31, 2009, True has entered into a crude oil collar to effectively hedge approximately 13% of its estimated 2009 crude oil production with a floor price of CAD $52.30/bbl and a ceiling price of CAD $80.70/bbl. True maintains an active commodity price risk management program focused on maintaining sufficient cash flow to fund its operations.

On April 23, 2009 True announced that its lenders have completed their review of its borrowing base and that True has received an extension of its credit facility until June 30, 2010. Effective April 1, 2009, the amount of the renewed credit facility is $140 million, a decrease of $12 million from the expiring facility. The revolving credit facility matures on June 30, 2010 and an extension of the facility will require unanimous consent of the lenders. The credit facility consists of a $13.8 million demand operating facility provided by one Canadian bank and a $126.2 million revolving term credit facility provided by a syndicate of two Canadian chartered banks, a Canadian financial institution, one institutional lender and a US bank. $11.5 million of the syndicated facility is with a US bank which must be repaid or reallocated to one or more of the other four current members of the syndicate or a new member on June 29, 2009. The facility is subject to review on June 29, 2009 with the next scheduled semi annual review thereafter to be completed on September 30, 2009 and the borrowing base may be adjusted on these dates. The borrowing base is subject to the lending syndicate's determination which is based upon the latest reserves information, their internal commodity price decks and other factors. In the event the borrowing base is lowered below the drawn credit facility at that time, any shortfall would be required to be repaid within 60 days of notification, or as otherwise agreed by the lending syndicate, and this funding would currently be expected to come from alternative sources of debt or equity financing or the proceeds from asset dispositions as available. As at March 31, 2009, True had approximately $8.4 million available under the renewed facility to assist in managing its operations and capital program.

Pursuant to the renewed credit facility, distributions from True Energy to the Trust during the remaining term of the facilities is generally restricted other than to permit the semi-annual interest payments by the Trust on June 30, 2009, December 31, 2009 and June 30, 2010 in respect of the convertible debentures issued by the Trust (provided that the foregoing distribution shall not be permitted if a borrowing base shortfall has occurred and is continuing, a demand for payment has been made and remains outstanding, a default or an event of default is then in existence or could reasonably be expected to result from such distribution, or the distribution could impair the ability of True Energy to satisfy its covenants and obligations to the lenders under the credit facility). In addition, the credit facility provides that, without the approval of True's lenders: (a) there shall be no distributions by True Energy to the Trust to permit: (i) distributions by the Trust to unitholders (other than distributions by way of the issuance of further Trust units), (ii) the purchase or redemption (other than as set forth above) of Trust units which would result in a cash payment to unitholders; or (iii) principal repayments in respect of the convertible debentures issued by the Trust and, (b) other than by way of issuance of further Trust units, there shall be no dividends on or redemptions of exchangeable shares of True Energy.

There are currently no commitments, other than those associated with the Trust's credit facilities outlined above, its 2009 capital program of $3 to $4 million for the remaining first half of 2009, and the off-balance sheet arrangements outlined below. The Trust continually monitors its capital spending program in light of the recent volatility with respect to commodity prices and Canadian dollar exchange rates with the aim of ensuring the Trust will be able to meet future anticipated obligations incurred from normal ongoing operations with funds flow from operations and draws on the Trust's syndicated facility, as necessary. February and March 2009 distributions were suspended; as announced on March 17, 2009, Trust unit distributions have been suspended until further notice.

On June 15, 2006 the Trust completed a bought deal public offering of 86,250 7.5% convertible unsecured subordinated debentures at a price of $1,000 per debenture for aggregate gross proceeds of $86,250,000. The debentures have a face value of $1,000 per debenture and a maturity date of June 30, 2011. The debentures bear interest at an annual rate of 7.50% payable semi-annually on June 30 and December 31 in each year commencing December 31, 2006. The debentures are convertible at anytime at the option of the holders into Trust units of the Trust at a conversion price of $16.00 per trust unit. The Trust will have the right to redeem all or a portion of the debentures at a price of $1,050 per debenture after June 30, 2009 and on or before June 30, 2010 and at a price of $1,025 per debenture after June 30, 2010 and before the maturity date. Upon maturity or redemption of the debentures, the Trust may, subject to notice and regulatory approval, pay the outstanding principal and premium (if any) on the debentures in cash or through the issue of additional Trust units at 95% of the weighted average trading price of the Trust units.

As at April 24, 2009, the Trust had outstanding a total of 4,113,131 incentive units exercisable at an average exercise price of $2.45 per unit, 294,026 exchangeable shares (convertible, as at April 24, 2009 into an aggregate of 312,467 Trust units, subject to further adjustments based on distributions made on Trust units), $86.25 million principal amount of debentures convertible into trust units (at a conversion price of $16.00 per Trust unit) and 78,496,581 Trust units.

Commitments

Off-Balance Sheet Arrangements

The Trust has certain lease agreements, including primarily office space leases, which were entered into in the normal course of operations. All leases have been treated as operating leases whereby the lease payments are included in operating expenses or G&A expenses depending on the nature of the lease. No asset or liability value has been assigned to these leases in the balance sheet as of March 31, 2009.

Business Prospects and 2009 Year Outlook

The Trust continues to develop its core assets and conduct some exploration programs utilizing its large inventory of geological prospects. In addition, the Trust will continue to explore potential acquisition opportunities. Currently, the Trust's producing properties are located in Saskatchewan, Alberta and British Columbia.

The Trust continues to maintain a large undeveloped land base of approximately 554,000 (358,000 net) acres containing a significant multi-year drilling inventory.

True continues to monitor its cost structure in the current economically challenging climate and as a result, completed G&A reductions in January 2009. True streamlined its operations and reduced head office staffing levels by one third compared to 2008 levels. True's capital program for 2009 remains at $15 million as well as forecasted production volumes of 10,000 boe/d.

As an added layer of protection of its cash flow forecast, True has hedged approximately 56% of its estimated natural gas production for the second through fourth quarter of 2009 at a combined fixed price of $6.42 CAD per GJ ($7.06/mcf). Approximately 18% of True's estimated natural gas production is hedged for the first half of 2010 at an average price of $7.25 CAD per GJ ($7.96/mcf). For the period of March 1, 2009 to December 31, 2009, True has entered into a crude oil collar to effectively hedge approximately 13% of its estimated 2009 crude oil production with a floor price of CAD $52.30/bbl and a ceiling price of CAD $80.70/bbl.

True's operating forecast for 2009 which assumes a CAD$/US$ exchange rate of $0.82, WTI oil price ranging from US$50.00/bbl to US$55.00/bbl, AECO natural gas price ranging from CAD$5.46/GJ ($6.00/mcf) to CAD$5.92/GJ ($6.50/mcf) and average annual production of approximately 10,000 boe/d generates cash flow from operations ranging from $30 million to $40 million, after deducting royalties, all operating costs (as reduced as discussed herein), G&A and debt servicing costs. Based on the foregoing assumptions and assuming 2009 distributions of $1.6 million coupled with the planned capital budget of $15 million the Trust would utilize between approximately 40% - 60% of the Trust's forecasted cash flow from operations.

True's 2009 capital program is not expected to exceed $15 million and will limit the first half 2009 capital program to $3 to $4 million. Given the nature of True's lands and their inherent advantage of year round access, True currently plans to spread its 2009 capital program evenly through the full year of 2009 to take advantage of reduced service costs during non-peak times. True will focus on increasing its farm-out activity in non-core areas. If the 2009 outlook for commodity prices improves, True would plan to increase its capital spending in third and fourth quarters of 2009 dependant upon cash flow.

On April 23, 2009 True announced that its lenders have completed their review of its borrowing base and that True has received an extension of its credit facility until June 30, 2010 at which time the facility is repayable, unless extended by unanimous consent of the lenders. Effective April 1, 2009, the amount of the renewed credit facility is $140 million, a decrease of $12 million from the expiring facility.

Financial Reporting Update

Goodwill and intangible assets

In February 2008, the CICA issued a new accounting standard, Section 3064 – Goodwill and Intangible Assets, which replaces Section 3062 – Goodwill and Other Intangible Assets, and Section 3450 – Research and Development costs. The new section establishes standards for the recognition, measurement and disclosure of goodwill and intangible assets. The section is effective for the Trust beginning January 1, 2009. Application of the new section does not currently have any impact on the Trust's financial statements.

International Financial Reporting Standards ("IFRS")

On February 13, 2008 the CICA Accounting Standards Board announced that Canadian public reporting issuers will be required to report under International Financial Reporting Standards ("IFRS"), which will replace Canadian generally accepted accounting principles ("GAAP") for years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require restatement for comparative purposes, of amounts reported by the Trust for its year ended December 31, 2010, and of the opening balance sheet as at January 1, 2010. An internal project team has been set up to manage this transition and to ensure successful implementation within the required time frame. Current economic conditions may require re-allocation of resources available for the IFRS conversion project. The Trust has completed a high level analysis to determine the areas impacted by the conversion and is assessing the financial reporting impacts on the adoption of IFRS and, at this time, the impact on future financial position and results of operations has not yet been determined. True is also monitoring industry discussion regarding the replacement of the CICA's Accounting Guideline 16, which is expected to have major implications for True's current full cost accounting policies. The Trust anticipates a significant increase in disclosures resulting from the adoption of IFRS and is continuing to assess the level of this disclosure required and any necessary systems changes to gather and process the information. We will continue to monitor any changes in the adoption of IFRS and will update plans as necessary.

Business Risks and Uncertainties

The reader is advised that True continues to be subject to various types of business risks and uncertainties as described in the Management, Discussion and Analysis for the year ended December 31, 2008 and the Trust's Annual Information Form for the year ended December 31, 2008.

Critical Accounting Estimates

The reader is advised that the critical accounting estimates, policies, and practices as described in the Trust's Management's Discussion and Analysis for the year ended December 31, 2008 continue to be critical in determining True's unaudited financial results as at March 31, 2009. There were no changes in accounting policies for the three month period ended March 31, 2009, except for the adoption of a new accounting standard, Section 3064 – Goodwill and Intangible Assets, which does not have any impact on the Trust's financial statements.

Legal, Environmental Remediation and Other Contingent Matters

The Trust reviews legal, environmental remediation and other contingent matters to both determine whether a loss is probable based on judgment and interpretation of laws and regulations and determine that the loss can reasonably be estimated. When the loss is determined, it is charged to earnings. The Trust's management monitor known and potential contingent matters and make appropriate provisions by charges to earnings when warranted by the circumstances.

Controls and Procedures

Disclosure Controls and Procedures

The Trust's Chief Executive Officer and Chief Financial Officer have designed, or caused to be designed under their supervision, disclosure controls and procedures to provide reasonable assurance that: (i) material information relating to the Trust is made known to the Trust's Chief Executive Officer and Chief Financial Officer by others, particularly during the period in which the annual and interim filings are being prepared; and (ii) information required to be disclosed by the Trust in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time period specified in securities legislation.

Internal Control over Financial Reporting

The Trust's Chief Executive Officer and Chief Financial Officer have designed, or caused to be designed under their supervision, internal control over financial reporting to provide reasonable assurance regarding the reliability of the Trust's financial reporting and the preparation of financial statements for external purposes in accordance with the Canadian GAAP.

The Trust is required to disclose herein any change in the Trust's internal control over financial reporting that occurred during the period beginning on January 1, 2009 and ended on March 31, 2009 that has materially affected, or is reasonably likely to materially affect, the Trust's internal control over financial reporting. No material changes in the Trust's internal control over financial reporting were identified during such period, that has materially affected, or are reasonably likely to materially affect, the Trust's internal control over financial reporting.

It should be noted that a control system, including the Trust's disclosure and internal controls and procedures, no matter how well conceived, can provide only reasonable, but not absolute, assurance that the objectives of the control system will be met and it should not be expected that the disclosure and internal controls and procedures will prevent all errors or fraud.

Standardized Distributable Cash

The Canadian Securities Administrators revised and re-issued in July 2007 National Policy 41-201 "Income Trusts and Other Indirect Offerings", which includes disclosures regarding distributable cash for Income Trusts. Further, the Canadian Institute of Chartered Accountants ("CICA") issued the Interpretive Release "Standardized Distributable Cash in Income Trusts and Other Flow-Through Entities: Guidance on Preparation and Disclosure" (the "Release"). In this guidance, sustainability concepts are discussed and standardized distributable cash is defined as cash flow from operating activities less adjustments for productive capacity maintenance, long-term unfunded contractual obligations and the effect of any foreseeable financing matters, related to debt covenants, which could impair True's ability to pay distributions or maintain productive capacity. This Management Discussion and Analysis is in all material respects in accordance with the recommendations provided in CICA's Release and NP 41-201.

	Three months ended March 31,	
($000s, except per unit amounts and ratios)	2009	2008
Net loss	(9,056)	(18,621)
Cash flow from operating activities	9,311	17,843
Productive capacity maintenance (1)	(2,528)	(8,453)
Standardized distributable cash	6,783	9,390
Proceeds on sale of property, plant and equipment	(8)	5,788
Corporate and property acquisition and other capital expenditures	(228)	(197)
Bank borrowings (debt repayment) and working capital changes and other	(4,977)	(5,474)
Cash Distributions declared	1,570	9,507
Accumulated distributions, beginning of period	251,501	215,167
Accumulated distributions, end of period	253,071	224,674
Standardized distributable cash per unit – basic	$0.09	$0.12
Standardized distributable cash per unit – diluted	$0.09	$0.12
Standardized distributable cash payout ratio (2)	0.23	1.01
Distributions declared per unit for outstanding units in the period	$0.02	$0.12
Accumulated distributions per unit, beginning of period	4.54	4.08
Accumulated distributions per unit, end of period	$4.56	$4.20
Excess (shortfall) of net income over cash distributions declared	(10,626)	(28,128)
Excess of cash flow from operating activities over cash distributions declared	7,741	8,336

(1) Please refer to the discussion of productive capacity maintenance below
(2) Represents cash distributions declared divided by standardized distributable cash

True strives to fund both distributions (if any) and maintenance capital primarily from funds flow from operations.

Productive capacity is the amount of capital funds required in a period for an enterprise to maintain its ability to generate future cash flow from operating activities at a constant level. As commodity prices can be volatile and short-term variations in production levels are often experienced in the oil and gas industry, True defines production capacity as production on a barrel of oil equivalent basis. A quantifiable measure for these short-term variations is not objectively determinable or verifiable due to various factors including the inability to distinguish natural production declines from the effect of production additions resulting from capital and optimization programs, and the effect of temporary production interruptions. As a result, the adjustment for productive capacity maintenance in True's calculation of standardized distributable cash is True's capital expenditures excluding the cost of any asset acquisition, corporate asset acquisitions or proceeds of any asset disposition. True believes that its capital programs based on 40% to 60% of forecasted funds flow including its current view of True's assets and opportunities and True's outlook for commodity prices and industry conditions in the medium term, should be sufficient to maintain True's productive capacity in the medium term. True sets its hurdle rates for evaluating potential development and optimization projects according to these parameters. Due to the risks inherent in the oil and natural gas industry, particularly True's exploration and development activities and inherent variations in commodity prices, there can be no assurance that capital programs, whether limited to excess of cash flow over distributions or not, will be sufficient to maintain or increase True's production levels or cash flow from operating activities. True's capital expenditures and production can be impacted by the timing of the capital program and spring break up associated with certain operating areas of its properties. As True strives to maintain sufficient credit facilities and appropriate levels of bank debt, this seasonality is not expected to influence True's distribution policies.

True's calculation of standardized distributable cash has no adjustment for long-term unfunded contractual obligations. True's only material long-term unfunded contractual obligation at this time is for asset retirement obligations. True's abandonment obligations are being funded on an annual basis with cash flow from operating activities. Cash flow from operating activities, used in our standardized distributable cash calculation, includes a deduction for abandonment expenditures incurred in the year. True regularly monitors its current forecast debt levels to ensure debt covenants are not exceeded.

Distributions, if paid, typically exceed net income as a result of non-cash items such as unit-based compensation, depletion, depreciation and accretion, unrealized loss (gain) on commodity contracts, and future income tax expense (recovery). These non-cash items generally result in a reduction to net income, with no impact to cash flow from operating activities. Therefore, distributions, if paid, will exceed net income in most periods. In the event distributions exceed cash flow from operating activities and the requirements of True's capital program, the shortfall would typically be funded by a combination of available bank facilities, equity or debt issues, or the sale proceeds from non-core assets.

The Board of Directors and management regularly review the level of distributions. The board considers a number of factors, including expectations of future current commodity prices, hedge positions, production volumes, capital expenditure requirements, market conditions, the availability of debt and equity capital and other factors. As announced on March 17, 2009, as a result of the continued deterioration in economic conditions, including the significant decline in crude oil and natural gas prices and heightened risk in the credit markets, the Trust has suspended its distributions until further notice. Pursuant to True's credit facility, distributions to unitholders (other than by way of the issuance of Trust units) require the approval of True's lenders if the funds to pay such distributions are received from True Energy.

($000s, except ratios)	To March 31, 2009
Cumulative distributable cash from operations [1]	73,216
Proceeds on sale of property, plant and equipment	100,654
Corporate and property acquisitions and other capital expenditures	(26,414)
Net proceeds from issue of trust units	54,375
Proceeds from issue of convertible debentures, net of issue costs	82,261
Repurchase of trust units under normal course issuer bid	(4,194)
Funding from DRIP	42,909
Bank borrowings (debt repayment) and working capital changes and other	(69,736)
Cumulative cash distributions declared [1]	253,071
Standardized distributable cash payout ratio [2]	3.46

(1) Subsequent to the November 2, 2005 reverse takeover of TKE Energy Trust
(2) Represents cumulative distributions declared divided by cumulative standardized distributable cash

Sensitivity Analysis

The table below shows sensitivities to funds flow as a result of product price and operational changes. This is based on actual average prices received for the first quarter of 2009 and average production volumes of 9,981 boe/d during that period, as well as the same level of debt outstanding at March 31, 2009. Diluted weighted average Trust units is based upon the first quarter of 2009. These sensitivities are approximations only, and not necessarily valid under other significantly different production levels or product mixes. Hedging activities can significantly affect these sensitivities. Changes in any of these parameters will affect funds flow as shown in the table below:

Sensitivity Analysis	Funds Flow from Operations (annualized) ($000s)	Funds Flow from Operations Per Diluted Unit ($)
Change of US $1/bbl WTI	1,300	0.02
Change of $0.10/ mcf	1,100	0.01
Change of US $0.01 Cdn/ US exchange rate	500	-
Change in prime of 1%	1,300	0.02

Selected Quarterly Consolidated Information

The following table sets forth selected consolidated financial information of the Trust for the most recently completed quarters ending at March 31, 2009.

2009 – Quarter ended (unaudited) ($000s, except per unit amounts)	March 31
Revenues before royalties and hedging	31,345
Funds flow from operations[(1)]	6,489
Funds flow from operations per unit[(1)]	
Basic	$0.08
Diluted	$0.08
Net income (loss)	(9,056)
Net income (loss) per unit	
Basic	$(0.12)
Diluted	$(0.12)
Net capital expenditures (cash)	2,764
Distributions declared	1,570
Distributions per unit	$0.02

2008 – Quarter ended (unaudited) ($000s, except per unit amounts)	March 31	June 30	Sept. 30	Dec. 31
Revenues before royalties and hedging	70,033	82,074	72,225	41,053
Funds flow from operations[(1)]	24,233	26,304	21,491	5,865
Funds flow from operations per unit[(1)]				
Basic	$0.31	$0.33	$0.27	$0.07
Diluted	$0.30	$0.33	$0.27	$0.07
Net income (loss)	(18,621)	(21,374)	29,939	(9,534)
Net income (loss) per unit				
Basic	$(0.24)	$(0.27)	$0.38	$(0.12)
Diluted	$(0.24)	$(0.27)	$0.38	$(0.12)
Net capital expenditures (cash)	2,862	(34,450)	13,779	16,471
Distributions declared	9,507	9,505	9,474	7,848
Distributions per unit	$0.12	$0.12	$0.12	$0.10

2007 – Quarter ended (unaudited) ($000s, except per unit amounts)	March 31	June 30	Sept. 30	Dec. 31
Revenues before royalties and hedging	71,196	74,991	50,547	61,756
Funds flow from operations[(1)]	29,988	34,192	17,478	19,514
Funds flow from operations per unit[(1)]				
Basic	$0.43	$0.47	$0.22	$0.25
Diluted	$0.42	$0.45	$0.22	$0.25
Net income (loss)	(8,571)	1,741	(17,003)	(434)
Net income (loss) per unit				
Basic	$(0.12)	$0.02	$(0.21)	$(0.01)
Diluted	$(0.12)	$0.02	$(0.21)	$(0.01)
Net capital expenditures (cash)	27,915	6,739	7,562	14,828
Distributions declared	16,866	18,376	19,132	19,077
Distributions per unit	$0.24	$0.24	$0.24	$0.24

[(1)] Refer to “Non-GAAP Measures” in respect of the term “funds flow from operations” and “funds flow from operations per unit”.

TRUE ENERGY TRUST
CONSOLIDATED BALANCE SHEETS
As at March 31 and December 31 (unaudited)

($000s)	**2009**	**2008**
ASSETS		
Current assets		
Accounts receivable	$ 25,574	$ 28,119
Marketable securities (note 4)	250	120
Deposits and prepaid expenses	6,067	5,969
Commodity contract asset (note 15)	11,842	3,726
	43,733	37,934
Property, plant and equipment (note 5)	674,980	698,183
Total assets	$ 718,713	$ 736,117
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	$ 32,600	$ 34,128
Distribution payable to unitholders	-	1,570
Commodity contract liability (note 15)	272	-
Future income taxes (note 13)	3,300	1,100
Current portion of long-term debt (note 6)	16,922	-
	53,094	36,798
Long-term debt (note 6)	114,700	132,388
Convertible debentures (note 7)	81,598	81,124
Asset retirement obligations (note 8)	34,197	33,682
Future income taxes (note 13)	36,897	42,777
Total liabilities	320,486	326,769
NON-CONTROLLING INTEREST		
Exchangeable shares of subsidiary (note 9)	2,851	2,887
UNITHOLDERS' EQUITY		
Unitholders' capital (note 10)	917,012	917,012
Equity component of convertible debentures	5,119	5,119
Contributed surplus (note 11)	27,670	28,240
Accumulated other comprehensive income	(509)	(620)
Deficit	(553,916)	(543,290)
	(554,425)	(543,910)
Total unitholders' equity	395,376	406,461
Total liabilities and unitholders' equity	$ 718,713	$ 736,117

See accompanying selected notes to the consolidated financial statements.

TRUE ENERGY TRUST

CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

For the three months ended March 31 (unaudited)

($000s)	**2009**	**2008**
REVENUES		
Petroleum and natural gas sales	$ 31,345	$ 70,033
Royalties	(6,308)	(15,500)
Gain (loss) on commodity contracts (note 15)	10,475	(21,829)
	35,512	32,704
EXPENSES		
Production	13,946	16,996
Transportation	1,563	843
General and administrative	2,842	3,770
Interest and financing charges	3,302	4,516
Unit-based compensation (recovery) (notes 10 and 11)	(603)	269
Depletion, depreciation and accretion	27,255	36,303
	48,305	62,697
LOSS BEFORE TAXES	(12,793)	(29,993)
TAXES		
Capital taxes	-	463
Future income tax recovery (note 13)	(3,701)	(11,754)
	(3,701)	(11,291)
NET LOSS BEFORE NON-CONTROLLING INTEREST	(9,092)	(18,702)
Non-controlling interest	(36)	(81)
NET LOSS	(9,056)	(18,621)
Unrealized gain on available for sale marketable securities (net of tax expense of $0.02 million) (note 4)	111	-
COMPREHENSIVE LOSS	$ (8,945)	$ (18,621)
Net loss per trust unit		
Basic	$(0.12)	$ (0.24)
Diluted	$(0.12)	$ (0.24)

See accompanying selected notes to the consolidated financial statements.

TRUE ENERGY TRUST
CONSOLIDATED STATEMENTS OF UNITHOLDERS' EQUITY
For the three months ended March 31 (unaudited)

($000s)	**2009**	**2008**
UNITHOLDERS' CAPITAL		
Balance, beginning of period	$ 917,012	$ 925,573
Exchangeable shares converted	-	162
Balance, end of period	917,012	925,735
EQUITY COMPONENT OF CONVERTIBLE DEBENTURES		
Balance, beginning and end of period	5,119	5,119
CONTRIBUTED SURPLUS		
Balance, beginning of period	28,240	19,454
Unit-based compensation expense (note 10 and 11)	215	603
Reversal of prior period unit-based compensation expense for forfeitures of unvested incentive units	(785)	(185)
Balance, end of period	27,670	19,872
DEFICIT		
Balance, beginning of period	(543,290)	(487,366)
Net loss	(9,056)	(18,621)
Distributions declared	(1,570)	(9,507)
Balance, end of period	(553,916)	(515,494)
ACCUMULATED OTHER COMPREHENSIVE INCOME		
Balance, beginning of period	(620)	-
Unrealized gain on available for sale marketable securities (net of tax expense of $0.02 million) (note 4)	111	-
Balance, end of period	(509)	-
TOTAL UNITHOLDERS' EQUITY	$ 395,376	$ 435,232

See accompanying selected notes to the consolidated financial statements.

TRUE ENERGY TRUST

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the three months ended March 31 (unaudited)

($000s)	**2009**	**2008**
Cash provided by (used in):		
CASH FLOW FROM OPERATING ACTIVITIES		
Net loss	$ (9,056)	$ (18,621)
Items not involving cash:		
Non-controlling interest (note 9)	(36)	(81)
Depletion, depreciation and accretion	27,255	36,303
Unit-based compensation (recovery) (notes 10 and 11)	(603)	269
Unrealized loss (gain) on commodity contracts (note 15)	(7,844)	17,687
Accretion on convertible debentures	474	430
Future income tax recovery (note 13)	(3,701)	(11,754)
	6,489	24,233
Asset retirement costs incurred (note 8)	(738)	(589)
Change in non-cash working capital (note 12)	3,560	(5,801)
	9,311	17,843
CASH FLOW FROM (USED IN) FINANCING ACTIVITIES		
Increase (decrease) in bank debt	(766)	3,375
Distributions declared	(1,570)	(9,507)
	(2,336)	(6,132)
Change in non-cash working capital (note 12)	(1,518)	(3,160)
	(3,854)	(9,292)
CASH FLOW FROM (USED IN) INVESTING ACTIVITIES		
Additions to property, plant and equipment	(2,756)	(8,650)
Proceeds on sale of property, plant and equipment	(8)	5,788
	(2,764)	(2,862)
Change in non-cash working capital (note 12)	(2,693)	(5,689)
	(5,457)	(8,551)
Change in cash	-	-
Cash, beginning of period	-	-
Cash, end of period	$ -	$ -

See accompanying selected notes to the consolidated financial statements.

1. STRUCTURE OF THE TRUST

True Energy Trust ("True" or the "Trust") is an open-ended, unincorporated investment trust governed by the laws of the Province of Alberta.

The purpose of the Trust is to indirectly explore for, develop and hold interests in petroleum and natural gas properties, through investments in securities of subsidiaries and net profits interests in oil and natural gas properties. The business of the Trust is carried on by True Energy Inc. and its indirect wholly owned subsidiary True Energy Peru S.A.C. The Trust owns, directly and indirectly, 100% of the common shares, (excluding the exchangeable shares – see note 9) of True Energy Inc. and True Energy Peru S.A.C. The activities of True Energy Inc. are financed through interest bearing notes from the Trust and third party debt.

2. SIGNIFICANT ACCOUNTING POLICIES

The interim consolidated financial statements of the Trust have been prepared by management in accordance with generally accepted accounting policies in Canada. The unaudited interim consolidated financial statements have been prepared following the same accounting policies and methods of computation as the consolidated financial statements for the fiscal year ended December 31, 2008, except as described in note 3. The interim consolidated financial statement note disclosures do not include all of those required by Canadian generally accepted accounting principles ("GAAP") applicable for annual financial statements. Accordingly, the interim consolidated financial statements should be read in conjunction with the consolidated financial statements and the notes thereto as at and for the year ended December 31, 2008.

Certain prior period comparative figures have been restated to conform to the current year's presentation.

3. RECENT ACCOUNTING PRONOUNCEMENTS

Effective January 1, 2009, the Trust adopted the following new accounting standard:

Goodwill and intangible assets

The CICA issued a new accounting standard, Section 3064 – Goodwill and Intangible Assets, which replaces Section 3062 – Goodwill and Other Intangible Assets, and Section 3450 – Research and Development costs. The new section establishes standards for the recognition, measurement and disclosure of goodwill and intangible assets. Application of the new section does not have any impact on the Trust's financial statements.

International Financial Reporting Standards ("IFRS")

On February 13, 2008 the CICA Accounting Standards Board announced that Canadian public reporting issuers will be required to report under International Financial Reporting Standards ("IFRS"), which will replace Canadian generally accepted accounting principles for years beginning on or after January 1, 2011. Currently, we are assessing the effects of adoption and developing a plan accordingly. We will continue to monitor any changes in the adoption of IFRS and will update plans as necessary.

4. MARKETABLE SECURITIES

The Trust's investment in Veraz Petroleum Ltd. Is classified as available-for-sale and has been recorded at fair value. Changes in the fair value of the marketable securities are recorded net of the income tax effect to other comprehensive income.

5. PROPERTY, PLANT AND EQUIPMENT

($000s)

March 31, 2009	**Cost**	**Accumulated depletion and depreciation**	**Net book value**
Petroleum and natural gas properties	$ 1,378,682	$ 705,686	$ 672,996
Office furniture and equipment	3,994	2,010	1,984
	$ 1,382,676	**$ 707,696**	**$ 674,980**
December 31, 2008			
Petroleum and natural gas properties	$ 1,375,331	$ 679,196	$ 696,135
Office furniture and equipment	3,955	1,907	2,048
	$ 1,379,286	**$ 681,103**	**$ 698,183**

The Trust has included $62.7 million (March 31, 2008: $54.2 million) for future development costs and excluded $28.2 million (March 31, 2008: $35.2 million) for undeveloped land and $42.6 million (March 31, 2008: $45.9 million) for estimated salvage from the depletion calculation during the three month period ended March 31, 2009.

For the three month period ended March 31, 2009, the Trust capitalized $0.1 million of general and administrative expenses and $0.03 million of unit-based compensation expense directly related to exploration activities.

6. LONG-TERM DEBT

	March 31, 2009	**December 31, 2008**
($000s)		
Operating facility	$ 1,622	$ 7,388
Revolving term facility	130,000	125,000
	$ 131,622	$ 132,388
Less: Current portion	16,922	-
Balance, end of period	**$ 114,700**	**$ 132,388**

The credit facility was renewed effective April 1, 2009 and was renewed at $140 million, a decrease of $12 million from the expiring facility. The renewed facility consists of a $13.8 million demand operating facility provided by one Canadian bank and a $126.2 million extendible revolving term credit facility syndicated by two Canadian chartered banks, a Canadian financial institution, one institutional lender and a U.S. bank. The revolving credit facility matures on June 30, 2010 and an extension of the facility will require unanimous consent of the lenders. Amounts borrowed under the credit facility bear interest at a floating rate based on the applicable Canadian prime rate, U.S. base rates, LIBOR rates, plus between 2.00% and 5.75%, depending on the types of borrowings and the Trust's debt to cash flow ratio. Security is provided by a $400 million debenture containing a first ranking security interest on all of the Trust's assets. The credit facility is secured against all the assets of True Energy Inc., the Trust and all material subsidiaries. True has provided a negative pledge and undertaking to provide fixed charges over major petroleum and natural gas reserves in certain circumstances. A standby fee is charged on between 0.750% and 1.45% on the undrawn portion of the facility, depending on the Trust's debt to cash flow ratio. Pursuant to True's credit facility, distributions to unitholders (other than by way of the issuance of Trust units) require the approval of True's lenders if the funds to pay such distributions are received from True Energy Inc.

As at March 31, 2009, approximately $8.4 million was not drawn under the renewed facility to assist in managing our operations and capital program. True is fully compliant with all of its debt covenants.

The revolving term credit facility matures on June 30, 2010, and an extension of the facility will require unanimous consent of the lenders. The borrowing base was renewed effective April 1, 2009 and is subject to review on June 29, 2009 with the next scheduled semi annual review thereafter to be completed on September 30, 2009 and the borrowing base may be adjusted on these dates. The borrowing base will be subject to the lending syndicate's determination which is based upon the latest reserves information, their internal commodity price decks and other factors. In the event the borrowing base is lowered below the drawn credit facility at that time, any shortfall would be required to be repaid within 60 days of notification, or as otherwise agreed by the lending syndicate, and this funding would currently be expected to come from alternative sources of debt or equity financing or the proceeds from asset dispositions as available.

$11.5 million of the syndicated facility is with a US bank which must be repaid or reallocated to one or more of the other four current members of the syndicate or a new member on June 29, 2009, if not renewed by the US bank.

Current maturities on long-term debt as of March 31, 2009 are comprised of the operating facility repayments expected under the renewed facility and the $11.5 million of the syndicated facility owing to the US bank.

7. CONVERTIBLE DEBENTURES

The following table shows the convertible debenture activities for the three month period ended March 31, 2009 and the year ended December 31, 2008:

	Number of Debentures	**Debt Component *($000s)***	**Equity Component *($000s)***
Balance, December 31, 2007	86,250	$ 79,407	$ 5,119
Accretion	-	1,717	-
Balance, December 31, 2008	86,250	$ 81,124	$ 5,119
Accretion	-	474	-
Balance, March 31, 2009	**86,250**	81,598	**$ 5,119**

In November 2008, the Trust received Toronto Stock Exchange approval for its normal course issuer bid program ("NCIB") to repurchase up to 10% of the issued and outstanding 7.50% convertible unsecured subordinated debentures of the Trust from December 1, 2008 to November 30, 2009. As of March 31, 2009 there have been no repurchases of convertible debentures under the NCIB. Commencing April 1, 2009, repurchase of convertible debentures requires the consent of the lenders of the long-term debt.

8. ASSET RETIREMENT OBLIGATIONS

The Trust's asset retirement obligations result from net ownership interests in petroleum and natural gas assets including well sites, gathering systems and processing facilities. The Trust estimates the total undiscounted amount of cash flows required to settle its asset retirement obligations is approximately $77.5 million which will be incurred between 2009 and 2053. A credit-adjusted risk-free rate of 8 percent and an inflation rate of 2.4 percent were used to calculate the fair value of the asset retirement obligation.

($000s)	**March 31, 2009**	**December 31, 2008**
Balance, beginning of period	$ 33,682	$ 28,373
Liabilities incurred on development activities	30	784
Changes in prior period estimates	772	8,302
Liabilities released on dispositions	(211)	(3,333)
Liabilities settled during the period	(738)	(2,603)
Accretion expense	662	2,159
Balance, end of period	**$ 34,197**	**$ 33,682**

9. EXCHANGEABLE SHARES OF SUBSIDIARY / NON-CONTROLLING INTEREST

	March 31, 2009		**December 31, 2008**	
	Number	**Amount *($000s)***	**Number**	**Amount *($000s)***
Balance, beginning of period	294,026	$ 2,887	390,276	$ 3,922
Non-controlling interest recovery	-	(36)	-	(83)
Exchanged for trust units	-	-	(96,250)	(952)
Balance, end of period	**294,026**	**$ 2,851**	**294,026**	**$2,887**

The exchange ratio is calculated monthly based on the five day weighted average trust unit trading price preceding the monthly effective date. The exchangeable shares are not eligible for cash distributions; however cash distributions will increase the exchange ratio. As at March 31, 2009, the exchange ratio was 1.0627 (2008: 1.0218).

10. UNITHOLDERS' CAPITAL

a. Trust Units

	March 31, 2009		**December 31, 2008**	
	Number	**Amount *($000s)***	**Number**	**Amount *($000s)***
Balance, beginning of period	78,496,581	$ 917,012	79,216,046	$ 925,573
Repurchased under normal course issuer bid	-	-	(814,300)	(9,513)
Exchangeable shares converted	-	-	94,835	952
Balance, end of period	**78,496,581**	**$ 917,012**	**78,496,581**	**$ 917,012**

In August 2008, the Trust announced approval of the renewal of its normal course issuer bid ("NCIB") program to repurchase up to 7.8 million of its outstanding trust units during the period August 28, 2008 through August 27, 2009, subject to certain restrictions. As of March 31, 2009, the Trust has purchased 615,100 trust units at a weighted average price of $2.74 per trust unit under the NCIB renewed on August 28, 2008. No repurchases have taken place in the three month period ended March 31, 2009. Commencing April 1, 2009, repurchase of trust units requires the consent of the lenders of the long-term debt.

b. Trust Unit Incentive Plan

The following tables summarize information regarding trust unit incentive rights for the three month period ended March 31, 2009:

Unit Rights Continuity

	Weighted Average Exercise Price[(a)]	Number
Balance, December 31, 2008	$ 3.97	2,700,500
Granted	$ 1.51	2,346,800
Forfeited	$ 4.43	(929,168)
Balance, March 31, 2009	$ 2.45	4,118,132

(a) Exercise prices reflect grant prices less reduction in exercise prices.

Unit Rights Outstanding, March 31, 2009

		Outstanding			Exercisable	
Exercise Price Before Price Reductions	Exercise Price Net of Reductions	**At March 31, 2009**	Weighted Average Exercise Price Net of Price Reductions	Weighted Average Remaining Contractual Life	**At March 31, 2009**	Exercise Price Net of Price Reductions
$ 0.65 - $ 1.50	$ 0.65 - $ 1.50	1,207,882	$ 1.11	5.0	-	-
$ 1.68 - $ 2.92	$ 1.64 - $ 2.47	1,967,751	$ 2.05	4.6	197,152	$ 2.47
$ 3.02 - $ 4.55	$ 2.58 - $ 4.29	227,000	$ 3.60	4.2	15,000	$ 2.58
$ 4.98 - $ 6.70	$ 4.23 - $ 5.57	690,499	$ 5.03	3.1	245,152	$ 5.02
$20.40 - $20.40	$16.95 - $16.95	25,000	$ 16.95	1.7	25,000	$ 16.95
$ 0.65 - $20.40	**$ 0.65 - $16.95**	**4,118,132**	**$ 2.45**	**4.4**	**482,304**	**$ 4.52**

c. Employee Trust Unit Savings Plan

Effective October 1, 2006, the Trust introduced an employee trust unit savings plan for the benefit of all employees. Under the savings plan, employees may elect to contribute up to 10 percent of their salary and contributions are used to fund the acquisition of trust units. The Trust matches employee contributions at a rate of $1.00 for each $1.00 contributed. Trust units are purchased in the open market by the plan administrator, an investment firm, on behalf of the participants in the plan. For the three month period ended March 31, 2009, the Trust matched $0.1 million (2008 - $0.1 million) under the plan. Effective for March 2009, the Trust suspended matching contributions under the plan until further notice.

11. CONTRIBUTED SURPLUS

($000s)	**March 31, 2009**	**December 31, 2008**
Balance, beginning of period	$ 28,240	$ 19,454
Unit-based compensation expense	215	1,869
Incentive units voluntarily surrendered	-	466
Reversal of prior period unit-based compensation expense for forfeitures of unvested incentive units	(785)	(526)
Adjustment for repurchase of units under NCIB	-	6,977
Balance, end of period	**$ 27,670**	**$ 28,240**

Unit-based Compensation Expense

During the three months ended March 31, 2009, the Trust granted 2,346,800 unit incentive rights to employees, directors and officers. Of the 2,346,800 unit incentive rights granted during the period, 1,921,186 unit incentive rights have an exercise price that is higher than the Trust's unit market price on the grant date. The unit incentive rights for which the exercise price is higher than the Trust's unit market price on the grant date have a weighted average fair value of $0.24 per unit and an average exercise price of $1.69. The remaining unit incentive rights have a weighted average fair value of $0.38 per unit. During the three month period ended March 31, 2009, the Trust recorded unit-based compensation of $0.2 million, of which $0.03 million was capitalized to property, plant and equipment.

The fair values of all incentive rights granted are estimated on the date of grant using the Black-Scholes option-pricing model. The weighted average fair market value of incentive rights granted during the three month period ended March 31, 2009 and the assumptions used in their determination are as noted below:

	2009
Assumptions:	
Risk free interest rate (%)	2
Expected life (years)	5
Expected volatility (%)	69
Results:	
Weighted average fair value of each incentive right granted	$ 0.26

12. SUPPLEMENTAL CASH FLOW INFORMATION

Cash Interest and Taxes Paid

	Three months ended March 31,	
($000s)	**2009**	**2008**
Cash paid:		
Interest	$ 894	$ 2,505
Taxes (net of refunds)	$ (274)	$ 285

Change in Non-cash Working Capital

	Three months ended March 31,	
($000s)	**2009**	**2008**
Changes in non-cash working capital items:		
Accounts receivable	$ 2,545	$ (9,174)
Deposits and prepaid expenses	(98)	(381)
Accounts payable and accrued liabilities	(1,528)	(1,927)
Distribution payable to unitholders	(1,570)	(3,168)
	$ (651)	$ (14,650)
Changes related to:		
Operating activities	$ 3,560	$ (5,801)
Financing activities	(1,518)	(3,160)
Investing activities	(2,693)	(5,689)
	$ (651)	$ (14,650)

13. INCOME TAXES

The Trust is a mutual fund trust as defined under the Income Tax Act (Canada). All taxable income earned by the Trust has been allocated to unitholders and such allocations are deducted for income tax purposes.

In June 2007, the government legislation implementing the new tax (the "SIFT tax") on publicly traded income trust and limited partnerships (Bill C-52) received third reading in the House of Commons and Royal Assent. For existing income trusts and limited partnerships, the SIFT tax will be effective in 2011 unless certain rules related to "undue expansion" are not adhered to. As such, the Trust would not be subject to the new measures until the 2011 taxation year provided the Trust continues to meet certain requirements.

As at March 31, 2009, the total "temporary difference" (tax basis exceeds accounting basis) in the Trust is $8.3 million. As at March 31, 2009, the Trust's subsidiaries have a tax basis of approximately $477 million that is available to shelter future taxable income. Included in this tax basis are estimated non-capital loss carry forwards of approximately $39.8 million that expire in years through 2027. In addition, the Trust itself has approximately $16.8 million of tax basis.

14. PER TRUST UNIT AMOUNTS

	Three months ended March 31,	
	2009	**2008**
Basic trust units outstanding, as at March 31	78,496,581	79,230,460
Dilutive effect of:		
Trust unit incentive rights outstanding	4,118,132	5,232,665
Units issuable for exchangeable shares	312,467	337,351
Units issuable for convertible debentures	5,390,625	5,390,625
Diluted trust units outstanding	88,317,805	90,191,101
Weighted average trust units outstanding	78,496,581	79,223,088
Dilutive effect of exchangeable shares, trust unit incentive plan and convertible debentures (1)	-	-
Diluted weighted average trust units outstanding	78,496,581	79,223,088

(1) *A total of 4,118,132 (2008: 5,232,665) trust incentive units, 312,467 (2008: 337,351) exchangeable shares and 5,390,625 (2008: 5,390,625) trust units issuable pursuant to the conversion of convertible debentures were excluded from the calculation for the three month period ended March 31, 2009 as they were not dilutive.*

15. FINANCIAL RISK MANAGEMENT

a. Overview

The Trust has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Trust's exposure to each of the above risks, the Trust's objectives, policies and processes for measuring and managing risk, and the Trust's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Trust's risk management framework. The Board has implemented and monitors compliance with risk management policies.

The Trust's risk management policies are established to identify and analyze the risks faced by the Trust, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions and the Trust's activities.

b. Credit risk

Credit risk is the risk of financial loss to the Trust if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Trust's trade receivables from joint venture partners, petroleum and natural gas marketers, and financial derivative counterparties.

A substantial portion of the Trust's accounts receivable are with customers and joint interest partners in the petroleum and natural gas industry and are subject to standard industry credit risks. The Trust sells substantially all of its production to eight primary purchasers under normal industry sale and payment terms. Purchasers of the Trust's natural gas, crude oil and natural gas liquids are subject to an internal credit review to minimize the risk of non-payment.

The Trust has continued to closely monitor and reassess the creditworthiness of its counterparties, including financial institutions. This has resulted in the Trust reducing or mitigating its exposures to certain counterparties where it is deemed warranted and permitted under contractual terms.

Receivables from petroleum and natural gas marketers are normally collected on the 25th day of the month following production. The Trust's policy to mitigate credit risk associated with these balances is to establish marketing relationships with a range of medium to large purchasers and to conduct credit reviews of these parties on a regular basis. Joint venture receivables are typically collected within one to three months of the joint venture bill being issued to the partner. The Trust attempts to mitigate the risk from joint venture receivables by obtaining partner approval of significant capital expenditures prior to expenditure. However, the receivables are from participants in the petroleum and natural gas sector, and collection of the outstanding balances is dependent on industry factors such as commodity price fluctuations, escalating costs and the risk of unsuccessful drilling. In addition, further risk exists with joint venture partners as disagreements occasionally arise that increase the potential for non-collection. The Trust does not typically obtain collateral from petroleum and natural gas marketers or joint venture partners; however, in certain instances the Trust does have the ability to withhold production from joint venture partners in the event of non-payment.

As at March 31, 2009, accounts receivable was comprised of the following:

($000s)	
Trade accounts receivable	8,232
Accrued and other accounts receivable	17,342
	25,574

The carrying amount of accounts receivable and derivative assets represents the maximum credit exposure. The Trust has an allowance for doubtful accounts as at March 31, 2009 of $0.5 million.

As at March 31, 2009 the Trust estimates its trade accounts receivables to be aged as follows:

Aging *($000s)*	
Not past due (less than 90 days)	3,953
Past due (90 or more days)	4,279
Total	**8,232**

After considering March 31, 2009 trade accounts payable from the same companies and cash receipts received subsequent to March 31, 2009, the Trust's trade receivables aged 90 or more days of approximately $4.3 million are reduced to a net balance of approximately $2.8 million.

Included in accrued and other accounts receivable are approximately $5.5 million of amounts aged 90 or more days.

c. Liquidity risk

Liquidity risk is the risk that the Trust will not be able to meet its financial obligations as they are due. The Trust's approach to managing liquidity is to make reasonable efforts to sustain sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses or risking harm to the Trust's reputation.

The Trust prepares annual capital expenditure budgets and determines unitholder distributions on a monthly basis. Capital expenditure budgets and levels of monthly unitholder distributions are regularly monitored and updated as considered necessary. Further, the Trust utilizes authorizations for expenditures on both operated and non-operated projects to further manage capital expenditures. To facilitate the capital expenditure program, the Trust has a revolving reserve based credit facility, as outlined in note 6, which is at least reviewed annually by the lender. The Trust attempts to match its payment cycle with collection of petroleum and natural gas revenues on the 25th of each month. The Trust also mitigates liquidity risk by maintaining an insurance program to minimize exposure to insurable losses.

The following are the contractual maturities of financial liabilities as at March 31, 2009:

Financial liability *($000s)*	**< 1 Year**	**1-2 Years**	**2-5 Years**	**Thereafter**
Accounts payable and accrued liabilities	32,600	-	-	-
Distribution payable to unitholders	-	-	-	-
Bank debt – principal[(1)]	16,922	114,700	-	-
Convertible debentures – principal	-	-	86,250	-
Total	49,522	114,700	86,250	-

(1) Bank debt is based on a revolving term which is reviewed at least annually and converts to a 366 day non-revolving facility if not renewed. Refer to note 6 for further details.

The Trust's convertible debentures outstanding at March 31, 2009 bear interest at a coupon rate of 7.5%, which currently requires total annual interest payments of $6.5 million. Interest due on the bank credit facility is calculated based upon floating rates.

d. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, commodity prices, and interest rates will affect the Trust's net earnings or the value of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximizing returns.

Foreign currency exchange rate risk

Foreign currency exchange rate risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in foreign exchange rates. Although substantially all of the Trust's petroleum and natural gas sales are denominated in Canadian dollars, the underlying market prices in Canada for petroleum and natural gas are impacted by changes in the exchange rate between the Canadian and United States dollar. As at March 31, 2009, if the Canadian/US dollar exchange rate had decreased by US$0.01 with all other variables held constant, after tax net earnings for the three month period ended March 31, 2009 would have been approximately $.03 million lower. An equal and opposite impact would have occurred to net earnings had the Canadian/US dollar exchange rate increased by US$0.01.

The Trust had no forward exchange rate contracts in place as at or during the three month period ended March 31, 2009.

Commodity price risk

Commodity price risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices for petroleum and natural gas are impacted by not only the relationship between the Canadian and United States dollar, as outlined above, but also world economic events that dictate the levels of supply and demand.

The Trust utilizes both financial derivatives and physical delivery sales contracts to manage commodity price risks. All such transactions are conducted in accordance with the risk management policy that has been approved by the Board of Directors.

The Trust's formal risk management policy permits management to use specified price risk management strategies for up to 50% of crude oil, natural gas and NGL production including fixed price contracts, costless collars and the purchase of floor price options, other derivative financial instruments, and physical delivery sales contracts to reduce the impact of price volatility and ensure minimum prices for a maximum of eighteen months beyond the current date. The program is designed to provide price protection on a portion of the Trust's future production in the event of adverse commodity price movement, while retaining significant exposure to upside price movements. By doing this, the Trust seeks to provide a measure of stability to funds flows from operations, as well as, to ensure True realizes positive economic returns from its capital developments and acquisition activities.

As at March 31, 2009, if oil and natural gas liquids prices had been US$1 per barrel and natural gas prices $0.10 per mcf lower, with all other variables held constant, after tax net earnings for the three month period ended March 31, 2009 would have been approximately $1.7 million lower. An equal and opposite impact would have occurred to net earnings had oil and natural gas liquids prices been US$1 per barrel and natural gas $0.10 per mcf higher.

As at March 31, 2009, the Trust had entered into commodity price risk management arrangements as follows:

Type	Period	Volume	Price Floor	Price Ceiling	Index
Natural Gas fixed	March 1, 2009 to June 30, 2009	5,000 GJ/day	$ 4.89 CDN	$ 4.89 CDN	AECO
Natural Gas fixed	March 1, 2009 to Sept. 30, 2009	4,500 GJ/day	$ 5.00 CDN	$ 5.00 CDN	AECO
Natural Gas fixed	March 1, 2009 to Dec. 31, 2009	5,000 GJ/day	$ 5.90 CDN	$ 5.90 CDN	AECO
Natural Gas fixed	April 1, 2009 to June 30, 2009	5,275 GJ/day	$ 7.01 CDN	$ 7.01 CDN	AECO
Natural Gas fixed	April 1, 2009 to June 30, 2009	5,275 GJ/day	$ 7.015 CDN	$ 7.015 CDN	AECO
Natural Gas fixed	July 1, 2009 to Sept. 30, 2009	5,000 GJ/day	$ 5.41 CDN	$ 5.41 CDN	AECO
Natural Gas fixed	July 1, 2009 to Sept. 30, 2009	5,000 GJ/day	$ 7.49 CDN	$ 7.49 CDN	AECO
Natural Gas fixed	Oct. 1, 2009 to Dec. 31, 2009	5,000 GJ/day	$ 8.09 CDN	$ 8.09 CDN	AECO
Natural Gas fixed	Oct. 1, 2009 to Dec. 31, 2009	5,000 GJ/day	$ 6.26 CDN	$ 6.26 CDN	AECO
Natural Gas fixed	Jan. 1, 2010 to March 31, 2010	5,000 GJ/day	$ 7.16 CDN	$ 7.16 CDN	AECO
Natural Gas fixed	Jan. 1, 2010 to March 31, 2010	5,000 GJ/day	$ 8.00 CDN	$ 8.00 CDN	AECO
Natural Gas call option	Jan. 1, 2010 to Dec. 31, 2010	5,000 GJ/day	-	$ 8.05 CDN	AECO
Natural Gas fixed	April 1, 2010 to June 30, 2010	5,000 GJ/day	$ 6.59 CDN	$ 6.59 CDN	AECO
Oil collar(1)	March 1, 2009 to Dec. 31, 2009	500 bbl/d	$ 42.50 US	$ 65.60 US	WTI

(1) Subsequent to March 31, 2009, this oil collar was converted to Canadian dollar denomination as priced at $52.30 CDN and $80.70 CDN, respectively.

For the three months ended March 31, 2009 and 2008, the gain (loss) on commodity contracts was comprised of the following:

($000s)	**2009**	**2008**
Gain (loss) on commodity contracts		
Realized (1)	$ 2,631	$ (4,142)
Unrealized (2)	7,844	(17,687)
	$ 10,475	$ (21,829)

(1) Realized gains and losses on commodity contracts represent actual cash settlements and other amounts paid under these contracts.

(2) Unrealized gains and losses on commodity contracts represent non-cash adjustments for changes in the fair value of these contracts during the period.

The Trust has entered into a natural gas physical delivery sales contract to sell 5,275 GJ/day at a fixed price of $7.29/GJ and $7.90/GJ for the third and fourth quarter of 2009, respectively.

Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Trust is exposed to interest rate fluctuations on its bank debt which bears a floating rate of interest. As at March 31, 2009, if interest rates had been 1% lower with all other variables held constant, after tax net earnings for the three month period ended March 31, 2009 would have been approximately $0.9 million higher, due to lower interest expense. An equal and opposite impact would have occurred to net earnings had interest rates been 1% higher.

The Trust had no interest rate swap or financial contracts in place during the three month period ended March 31, 2009.

e. Capital management

The Trust's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain the future development of the business. The Trust manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying petroleum and natural gas assets. The Trust considers its capital structure to include unitholders' equity, bank debt, convertible debentures and working capital. In order to maintain or adjust the capital structure, the Trust may from time to time issue trust units, adjust its capital spending, and/or dispose of certain assets to manage current and projected debt levels.

The Trust monitors capital based on the ratio of total net debt to annualized funds flow (the "ratio"). This ratio is calculated as total net debt, defined as outstanding bank debt, plus the liability component of convertible debentures, plus or minus working capital (excluding commodity contract assets and liabilities, current portion of long-term debt and future income tax assets or liabilities), divided by funds flow from operations (cash flow from operating activities before changes in non-cash working capital and deductions for asset retirement costs) for the most recent calendar quarter, annualized (multiplied by four). The total net debt to annualized funds flow ratio may increase at certain times as a result of acquisitions, fluctuations in commodity prices, timing of capital expenditures and other factors. In order to facilitate the management of this ratio, the Trust prepares annual capital expenditure budgets and sets unitholder distributions on a monthly basis. Capital expenditure budgets and levels of monthly unitholder distributions are reviewed and updated as necessary depending on varying factors including current and forecast prices, successful capital deployment and general industry conditions. The annual and updated budgets and monthly unitholder distributions are approved by the Board of Directors.

Given the continuing uncertain economic conditions, the Trust has suspended unit distributions in order to maintain financial flexibility. The Trust plans to continue to monitor forecasted debt levels to manage its operations within forecasted funds flow. The Trust expects the total net debt to annualized funds flow ratio to reflect the economic burdens experienced as a result of the recent downturn in the global economic environment. The Trust will continue to monitor developments within the global economic environment to consider the impacts on the current or future lending arrangements.

The Trust's long-term strategy, under a more stable economic environment, is to target a total net debt to annualized funds flow ratio of 2.0 times. As at March 31, 2009, the Trust's ratio of total net debt to annualized funds flow based on first quarter results was 8.2 times. The total net debt to annualized funds flow ratio as at March 31, 2009 decreased from that at December 31, 2008 of 9.2 times due to slightly higher funds flow from operations in the first quarter in addition to lower total net debt. The Trust expects this ratio to decrease through 2009 as total net debt levels are reduced; True continues to take a balanced approach to the priority use of funds flows. The Debentures have a maturity date of June 30, 2011. Upon maturity, the Trust may settle the principal in cash or issuance of additional Trust units. Excluding Debentures, net debt to annualized funds flow based on first quarter results was 5.1 times.

The calculation of total net debt and total net debt to cash flow is as follows:

As at March 31, ($000s, except where noted)	2009	2008
Long-term debt	131,622	171,850
Convertible debentures (liability component)	81,598	79,837
Working capital deficiency (excess)	709	(12,219)
Total net debt [1] at year end	213,929	239,468
Debt to funds flow from operations ratio (annualized)[2]		
Funds flow from operations (annualized)	25,956	96,932
Total net debt[1] to periods funds flow from operations ratio (annualized)	8.2x	2.5x
Net debt[1] (excluding convertible debentures) at quarter end	132,331	159,631
Net debt to periods funds flow from operations ratio (annualized)	5.1x	1.6x
Debt to funds flow from operations ratio (trailing)[3]		
Total net debt to periods funds flow from operations ratio (trailing)	3.6x	2.5x
Net debt to periods funds flow from operations ratio (trailing)	2.2x	1.7x

[1] Net debt includes the net working capital deficiency (excess) before short-term commodity contract assets and liabilities, current portion of long-term debt and short-term future income tax assets and liabilities. Total net debt also includes the liability component of convertible debentures and excludes asset retirement obligations and the future income tax liability.

[2]Debt to funds flow from operations ratio (annualized) is calculated based upon first quarter funds flow from operations annualized.

[3] Trailing periods funds flow from operations is based on the trailing twelve-months period ended March 31, 2009 and 2008.

The Trust's credit facility is based on petroleum and natural gas reserves (see note 6). The credit facility outlines limitations on percentages of forecasted production, from external reserve engineer data, which may be hedged through financial commodity risk management contracts and limitations on property dispositions without prior consent of the lenders. The Trust also has outstanding normal course issuer bids for its convertible debentures and trust units, as detailed in note 7 and 10, respectively.

The Trust's ability to issue trust units is subject to external restrictions as a result of the Specified Investment Flow-Through Entities Legislation (the "SIFT tax") whereby the Trust may lose the benefit of a four year grandfathering period if the Trust exceeds the limits on the issuance of new trust units and convertible debt that constitute normal growth during the grandfathering period (subject to certain exceptions). The normal growth limits are calculated as a percentage of the Trust's market capitalization of approximately $737 million on October 31, 2006, which the Trust may currently issue in additional equity without offending the normal growth guidelines between now and 2011. The normal growth restriction on trust unit issuance is monitored by management as part of the overall capital management objectives. The Trust is in compliance with the normal growth restrictions.

f. Fair value of financial instruments

The Trust's financial instruments as at March 31, 2009 include accounts receivable, deposits, marketable securities, commodity contract liability, accounts payable and accrued liabilities, distributions payable, long-term debt and convertible debentures. The fair value of accounts receivable, accounts payable and accrued liabilities and distributions payable approximate their carrying amounts due to their short-terms to maturity.

The fair value of commodity contracts is determined by discounting the difference between the contracted price and published forward price curves as at the balance sheet date, using the remaining contracted petroleum and natural gas volumes.

Long-term bank debt bears interest at a floating market rate and accordingly the fair market value approximates the carrying value.

The fair value of the convertible debentures of $44.2 million is based on exchange traded values.

True Energy Trust is a Calgary-based oil and natural gas trust. True is an open-ended, incorporated investment trust governed by the laws of the Province of Alberta. The purpose of the Trust is to indirectly explore for, develop and hold interests in petroleum and natural gas properties, through investments in securities of subsidiaries and net profits interests. The trust structure allows individual unitholders to participate in the cash flow of the business. Cash flow is realized from the Trust's subsidiaries' ownership of natural gas and petroleum properties and related facilities. Trust units and convertible debentures of True trade on the Toronto Stock Exchange ("TSX") under the symbols TUI.UN and TUI.DB, respectively. For further information, please contact:

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