

TRILOGY ENERGY TRUST

CODE OF BUSINESS CONDUCT

INTRODUCTION

Trilogy Energy Ltd. (the "Corporation") is the Administrator of Trilogy Energy Trust (the "Trust") and Trilogy Holding Trust ("Holding Trust") and is the general partner of Trilogy Energy LP (the "Partnership"), an Alberta limited partnership indirectly owned by the Trust. Pursuant to the Trust Indenture of the Trust dated February 25, 2005, as amended and restated from time to time, and pursuant to an Administration Agreement dated February 25, 2005 among the Corporation, the Trust and Holding Trust, the Board of Directors of the Corporation (the "Board") has the responsibility for the overall stewardship of the conduct of the business of the Trust and its subsidiaries and the activities of management of the Corporation, which is responsible for the day-to-day conduct of the business of the Trust. Where the context requires, references to the "Trust" refer collectively to the Trust, Holding Trust, the Partnership, the Corporation and all other direct and indirect subsidiaries of the Trust.

The Trust and all of its directors, officers, employees and consultants are expected and required to adhere to the highest ethical standards in all of their conduct of business for and on behalf of the Trust and in areas where a conflict might arise between an individual's personal interests and the best interests of the Trust. Underlying all actions and business decisions is a concern for what is right. Any situation, decision or response should first consider what is right and how it reflects on the Trust. In most cases, the best action or decision is governed by the guidelines in this document. If there is any question of appropriateness in a particular situation, an employee should seek the input of his or her supervisor. It is recognized that there may be situations in which it is impractical or inappropriate for an employee to bring the matter to his or her supervisor. In these cases, employees should seek the advice of the Chief Financial Officer or the President.

BUSINESS CONDUCT POLICY

All directors, officers, employees and consultants of the Trust:

- (1) shall deal with all persons doing or seeking to do business with the Trust without favour or preference based on personal considerations;
- (2) are required to avoid any situation which does or may involve a conflict between their personal interest and the interest of the Trust; and
- (3) shall be made aware of this policy upon commencement of their association with the Trust.

Violations of this policy shall be subject to disciplinary action and in the case where a violation by an officer or employee is a fundamental breach of the employee's contract of employment with the

Trust, such breach shall constitute just cause for immediate termination of employment without notice. Likewise, the Trust will terminate any consulting arrangement for a breach of the policy.

RESPECT FOR OTHER CO-WORKERS

The Trust believes that all directors, officers, employees and consultants should respect the work and responsibilities of their co-workers. Accordingly, personal harassment including intimidation, blackmail, ridicule, coercion or abuse in any form of fellow directors, officers, employees or consultants is not acceptable. Concerns about a co-worker's questionable behavior should be raised discretely with the appropriate Manager/Department head, the General Counsel, Chief Financial Officer or the President.

COMPLIANCE WITH THE LAW

A concern for what is legally and morally right underlies all business decisions. A company may be held liable for the wrongful actions of its personnel. Directors, officers, employees and consultants must, therefore, ensure that their dealings and actions on behalf of the Trust comply with the requirements and intent of all relevant legislation and regulations. This includes rules and guidelines established by a self-regulating body or professional organization.

In addition to the laws imposed by statute, there is a duty upon a company to honour agreements, whether in writing or not, and to act reasonably and in a manner that will not cause harm to others. Directors, officers, employees and consultants must diligently ensure that their conduct is not and cannot be interpreted as being in contravention of any laws governing the affairs of the Trust in any jurisdiction where it carries on business.

Ignorance of the law will not usually excuse a party who contravenes a law. Directors, officers, employees and consultants must, therefore, work together with the Trust to keep informed of laws which may affect those affairs of the Trust which are under his or her control.

If in doubt about the application or interpretation of any legal requirement, seek the advice of an internal legal counsel.

HEALTH, SAFETY AND THE ENVIRONMENT

The Trust is committed to safe and healthful working conditions for all directors, officers, employees and consultants and to conducting its activities in an environmentally responsible manner.

Officers, employees and consultants are expected to read and be aware of the Trust's Environmental and Safety Policies and Procedures. Their awareness of such procedures will assist the Trust in its ongoing commitment to excel in its operations thereby avoiding injury or sickness to all persons, and damage to property and the environment, by giving due regard to all applicable safety standards, regulatory requirements, technical, and conventional standards and restraints.

All conditions, situations or accidents which give rise to health, safety, or environmental concerns must be immediately reported to the Manager, Corporate Compliance, or in his absence the Chief Operating Officer or any other Senior Officer of the Corporation.

GIFTS AND PAYMENTS

It is the Trust's policy to deal fairly and lawfully with all customers, suppliers and independent consultants purchasing or furnishing goods or services. All goods and services shall be obtained on a competitive basis at the best value considering price, quality, reliability, availability and delivery.

Directors, officers, employees and consultants shall not accept gratuities or favours of any sort having more than a nominal value. Gifts of nominal value (eg. advertising mementos, desk calendars or pens) or accepting hospitality or entertainment (eg. lunch, dinner, or tickets to a local sporting event) are acceptable. Officers, employees and consultants should discuss gifts of a more substantial nature, such as trips or accommodations, with their supervisor, and this should in turn be discussed with a member of senior management. Directors should report to the President any gift of a more substantial nature that is received in connection with the director's association with the Trust.

Directors, officers, employees or consultants should neither seek nor accept gifts, payments, services, fees, trips or accommodations, special privileges of value, or loans from any person (except from persons in the business of lending and then on conventional terms) or from any organization or group that does, or is seeking to do, business with the Trust or any of its affiliates, or from a competitor of the Trust or any of its affiliates.

No director, officer, employee or consultant shall offer, or provide on behalf of the Trust, any expensive gifts, excessive entertainment or payments of any amount of money to any supplier, customer, subcontractor, competitor, or any public official, or to their representatives, nor pay to them, either directly or indirectly, any commissions or fees which are excessive in relation to the services rendered. Modest gifts, favours or entertainment may be furnished by employees whose duties permit them to do so, provided all of the following tests are met:

- (1) they are not in cash or securities and are of modest value;
- (2) they do not contravene any law and are made as a matter of generally accepted practice;
and
- (3) if subsequently disclosed to the public, they would not in any way embarrass the Trust or their recipients.

CONTRIBUTIONS

The Trust encourages and supports the participation of its officers, employees and consultants in charitable, educational, cultural and political activities, acting on their own behalf but not as representatives of the Trust.

The direct or indirect use of the Trust's funds, goods or services as contributions to charities, political parties, campaigns or candidates for election to any level of government requires the prior written approval of the President.

Contributions include money or anything having value, such as loans, services, entertainment, trips and the use of the Trust's facilities or assets. Time spent on charitable, political or similar activities while an officer, employee or consultant is to be attending to his or her employment responsibilities also amounts to a contribution. Furthermore, no officer, employee or consultant is to be reimbursed for any contributions which he or she might make acting in a personal capacity.

PUBLIC OFFICIALS

The Trust offers services to a heavily regulated industry, and providing services which relate directly to regulations must be especially sensitive to the interaction of directors, officers, employees and consultants with public officials. All interaction and communications between directors, officers, employees and consultants and public officials are to be conducted in a manner that will not compromise the integrity or reputation of any public office, the Trust or its affiliates.

COMMUNITY RELATIONS

In its business the Trust and its directors, officers, employees and consultants come in contact with many members of the public, including individuals, community groups, public officials and members of the media. The Trust strives to maintain its good reputation in the community and, therefore, needs to ensure that only designated persons speak on behalf of the Trust in order to recognize and deal with sensitive issues in an appropriate manner. Enquiries from members of the community related to matters of a sensitive nature should be directed to the appropriate spokesperson.

BOOKS OF ACCOUNT

The Trust's books of account and records must reflect in reasonable detail all of its business transactions in a timely, fair and accurate manner to ensure that all transactions with which they are involved are authorized and executed in accordance with the Trust's procedures and that no undisclosed or unrecorded transactions are made.

INSIDE INFORMATION

The Trust encourages directors, officers, employees and consultants to be unitholders in the Trust as one way to more tangibly link unitholder interests with their own. Directors, officers, employees and consultants must review, be familiar with and strictly adhere to the provisions of the Trust's Disclosure & Insider Trading Policy to ensure compliance with applicable securities laws governing trading in securities of the Trust.

Directors, officers, employees and consultants possessing inside information are expected to and must show integrity and use proper judgement in the timing of their investments.

Certain information, which the Trust treats as secret, may influence the price or trading of the Trust's units or other securities if it is disclosed to members of the public. Specific "inside information" would include that concerning major contracts, proposed acquisitions or mergers and sales or earnings figures. Directors, officers, employees and consultants shall not use such inside information for their own financial gain or that of their associates, nor shall they inform another person or company about such information before it has become generally disclosed.

Inside information is information which (1) has not been publicly released, (2) is intended for use solely by the Trust and not for personal use, or (3) is the type usually not disclosed by the Trust. All directors, officers, employees and consultants who come into possession of material inside information before it is publicly disclosed are considered insiders for the purposes of securities laws. The business partners, husbands, wives, immediate families and those under control of insiders may also be regarded as insiders. Included in the concept of insider trading is "tipping" or revealing insider information to other individuals to enable such individuals to trade in the Trust's securities on the basis of undisclosed information.

The Alberta and Ontario Securities Acts impose certain liabilities upon every director, officer, employee and consultant of the Trust, and any associate of any such person, from using for their own benefit in connection with a trade in securities of the Trust any inside information including that which, if generally known, might reasonably be expected to affect materially the market price of units or other securities.

The Toronto Stock Exchange ("TSX") has provided a Policy Statement on Timely Disclosure which expands on the requirements of securities law such as the Alberta Securities Act.

The TSX Disclosure Rules on Employee Trading require that persons with access to material information be prohibited from trading until the information has been fully disclosed and a reasonable period of time has passed for the information to be disseminated. This period may vary, depending on how closely the Trust is followed by analysts and institutional investors. In general, a one-trading-day period should elapse prior to employee trading in the Trust's units. All directors, officers, employees and consultants should familiarize themselves with the trading restrictions described in the Trust's Disclosure & Insider Trading Policy which is posted on the Trust's intranet and external website.

This prohibition applies not only to trading in Trust securities, but also to trading in other securities whose value might be affected by changes in the price of the Trust's securities. For example, trading in listed options or securities of other companies or trusts that can be exchanged for or which derive their value from the Trust's securities is also prohibited.

In addition, if directors, officers, employees or consultants become aware of undisclosed material information about another public entity such as a subsidiary, they may not trade in the securities of that other entity.

The Trust's policy parallels the various provincial securities acts and the TSX Policy Statement on Timely Disclosure in that all directors, officers, employees and consultants who receive inside information about the Trust, its associates and affiliated companies or other companies in which it has an interest, are in a position of trust, and they must not trade in units or other securities on the basis of the information they possess before it becomes generally disclosed or otherwise make use of such information for their own benefit or advantage.

CONFIDENTIAL INFORMATION

The Trust is in a highly competitive environment with other oil and gas companies seeking the advantage of technical ideas or information. Certain records, reports, papers, devices, processes, plans, methods and apparatus of the Trust, including methods of doing business and information

on P&NG rights held, cost information, geological maps, engineering and information system technologies, etc. are the "intellectual property" of the Trust and are considered to be strictly confidential. Directors, officers, employees and consultants are not to reveal or use for any personal purpose such confidential information without written consent from the President.

Confidential information does not include information which is already in the public domain. Certain information may be released by the Trust (to comply with securities regulations for example); however, the release of such information is a decision of the Board of Directors and/or senior management. If there is any doubt as to what can or cannot be discussed outside of the Trust, staff members and directors should err on the side of discretion and not communicate any information. For more specific advice, an immediate supervisor or the Chief Financial Officer or the General Counsel should be consulted.

CONFLICT OF INTEREST

Directors, officers, employees and consultants are required to avoid any situation(s) in which their personal interests might conflict with those of the Trust. More specifically, directors, officers, employees and consultants must avoid acquiring interests, or participating in activities which would tend:

- (1) to deprive the Trust of the time or attention required to perform their duties properly; or
- (2) to create an obligation which would affect their judgement or ability to act solely in the Trust's best interest.

Any unusual potential for conflict of interest is inherent in direct or indirect (i.e. through family members) relationships with enterprises which supply, buy from, or compete with the Trust. Questionable relationships include:

- (1) borrowing from such an enterprise;
- (2) employment, consultation or directorships with such an enterprise;
- (3) receipt of gifts or favours of more than nominal value, particularly in situations in which business judgement may be influenced; and
- (4) direct or beneficial ownership of an interest in, or any class of, the assets or securities of such an enterprise, except an investment representing less than one per cent of the outstanding securities of a publicly traded corporation.

While it is not possible to list every circumstance which may give rise to a conflict of interest, the following are considered to be conflicts of interest and are to be used as a guide to consider what other types of activity are or may also create conflicts of interest.

Officers, employees and consultants shall refrain from:

- (1) serving as director, officer, or consultant of any outside concern which does business with, or is a direct competitor of the Trust, except with the written consent of the Corporation,

which consent shall not be unreasonably withheld, providing this relationship is not materially adverse to the Trust;

- (2) giving preferred treatment to a relative, friend or acquaintance in the hiring, assessment of performance, career progression, or compensation of such person; and
- (3) reserving for oneself or diverting elsewhere a business opportunity that belongs to, has been developed by or is or would be available to the Trust or for which the Trust has been or will be negotiating.

Officers, employees, consultants and any member of their family or their spouses' family financially dependent upon them shall refrain from:

- (1) owning or controlling a significant interest in and participating directly or indirectly in the profits of any outside concern, other than as a regular employee of such concern, which does business with or is a direct competitor of the Trust. Securities of publicly-owned entities which are traded regularly on open stock markets may be owned if they are not purchased as a result of confidential knowledge about the operations, intentions or negotiations of the Trust with such parties or others.

Directors, Officers, Employees and Consultants shall refrain from:

- (1) disclosing to unauthorized persons or using for personal benefit or advantage any of the Trust's information, data, or records of a confidential nature which is not otherwise generally available to the public from the Trust or non-Trust sources;
- (2) competing with the Trust;
- (3) soliciting for, acceptance of, or giving a commission, kick-back, gift or any other fee or payment for the direct or indirect benefit of the employee/consultant or any other person or corporation;
- (4) participating in any transaction involving the interests of the Trust and in which the employee or a close relative (spouse, child, parent, brother, sister, in-law, friend, or close acquaintance) has a personal interest, unless expressly authorized in writing to do so after the relationship has been disclosed; and
- (5) engaging in community or political activities in any matter where there may be a conflict with the best interests of the Trust.

Directors, officers, employees, consultants and any member of their family or their spouse's family financially dependent upon them shall refrain from:

- (1) acquiring or trading in oil, gas, coal, or other mineral leases, royalty interests, and production payments that would at the time of their acquisition conflict with the best interest of the Trust. This does not exclude a director, officer, employee or consultant from holding property or interests acquired by inheritance or from investing for profit in real estate which may incidentally involve mineral interests or leases, provided there is no

conflict with the best interest of the Trust and such holdings were not purchased as a result of confidential knowledge about the operation, intentions or negotiations of the Trust.

The aforementioned examples of a conflict of interest are not exhaustive and in general are intended solely as a guide. In any situation where there may be a reasonable doubt, the responsibility of the affected director, officer, employee or consultant will be to seek clarification from the Corporation prior to participating in the activity rather than this activity becoming the subject of a conflict of interest review at a later date.

Directors, officers, employees and consultants must act in such a manner that their conduct will bear the closest scrutiny should circumstances demand that it be examined. Not only actual conflicts of interest but the very appearance of conflict should be avoided.

Where a conflict of interest situation may exist or be perceived to exist, the director, officer, employee or consultant may be put in a compromising position or his or her judgement may be questioned. The Trust wants to ensure that all directors, officers, employees and consultants are, and are perceived to be, free to act in the best interests of the Trust. Disclosure of areas of potential conflict of interest must be made immediately to senior officers of the Trust and will allow the Trust to decide what appropriate steps are to be taken to protect both the Trust and the director, officer, employee or consultant from these situations.

CONFLICT OF INTEREST SITUATIONS ARE TO BE AVOIDED BY ALL OF THE TRUST'S DIRECTORS, OFFICERS, EMPLOYEES AND CONSULTANTS. FOLLOWING DISCLOSURE IN WRITING TO THE TRUST OF A CONFLICT SITUATION, THE TRUST MAY OR MAY NOT GRANT APPROVAL. WITHOUT APPROVAL BY THE TRUST IN WRITING, THE DIRECTOR, OFFICER, EMPLOYEE OR CONSULTANT MUST TAKE IMMEDIATE STEPS TO END THE CONFLICT SITUATION.

Directors, officers, employees and consultants shall disclose, in writing, at the time of their retainer (Certification form attached to this Policy) all business, commercial or financial interests, activities, or any relationships which might reasonably be regarded as creating an actual or potential conflict of interest with their duties.

GRANDFATHERING

Directors, officers, employees and consultants who are currently in contravention of any of the requirements of this Code of Business Conduct must declare those situations, many of which may have been previously known or declared under a prior edition of this Policy. Subject to the Corporation's formal approval, not to be unreasonably withheld, these exceptions will be acceptable, providing that the Trust's integrity and unitholder assets are not compromised; for example, a director, officer, employee or consultant who is a director of a competitor oil and gas company where no conflict of interest exists.

CERTIFICATION

All current directors, officers, employees and consultants of the Trust are asked to certify, as of the effective date of this edition of the Code of Business Conduct Policy, that they have reviewed and are in compliance with the provisions contained in this Code of Business Conduct

Policy. Officers and directors of the Corporation will be required to provide a certificate annually to the Audit Committee of the Board of Directors in this regard. The attached form of certification is also to be used to disclose any potential Business Conduct conflict of interest or violation situations that arise in the future.

REPORTING CONCERNS

It is the responsibility of every director, officer, employee and consultant who is aware of, or is concerned that there may be, any illegal or unethical behaviour, or a contravention of this policy by another director, officer, employee or consultant, to report the matter promptly to his or her immediate supervisor or to the General Counsel. You may make such report by following the procedures described in the Trust's Whistleblower Policy posted on the Trust's intranet and internet sites. The Trust strictly prohibits any discrimination, retaliation or harassment against any person who makes such a report or participates in any subsequent investigation. The reporter will be afforded the protections described in the Trust's Whistleblower Policy.

Once such behaviour or violation is identified, management will act immediately to investigate the perceived violation or conflict of interest and take appropriate remedial action measures to address the matter.

TRILOGY ENERGY TRUST

**CERTIFICATION STATEMENT FOR
THE CODE OF BUSINESS CONDUCT POLICY**

(As published March 2, 2007)

I have read Trilogy Energy Trust's Code of Business Conduct Policy (the "Policy"), and I can certify that except as specifically noted in the Exceptions below:

- (1) I understand the content, purpose and consequences of contravening the Policy.
- (2) I am not and have not been in violation of the Policy except as may be stated below.
- (3) After due inquiry and to my best knowledge and belief, no employee or consultant under my direct supervision is in violation of the Policy.
- (4) I will exercise my best efforts to assure full compliance with the Policy by all employees or consultants under my direct supervision and I will continue to abide fully by the Policy.

Print or type name

Signature

Title and Location

Date

Any/All Exceptions

(Please include any potential violations or conflict of interest situations)

(1) _____

(2) _____

(If required, provide additional details on the reverse side of this sheet or by appendage to this Certificate.)