



DISTRIBUTION REINVESTMENT PLAN

June 20, 2006

TRILOGY ENERGY TRUST
DISTRIBUTION REINVESTMENT PLAN

Purpose

This Distribution Reinvestment Plan of Trilogy Energy Trust provides eligible unitholders of Trilogy with the opportunity to reinvest their distributions in additional units at a price equal to 95% of the Average Market Price (as defined below). All new units acquired under the Plan on the reinvestment of distributions will be issued from treasury on the applicable distribution payment date.

The Plan provides an efficient, convenient, and cost-effective way for existing Trilogy unitholders to acquire additional units, as no commissions, service charges or brokerage fees are payable by Participants in connection with the purchase of new units from treasury under the Plan, and Trilogy bears all administrative costs of operating the Plan.

The Administrator reserves the right to determine, for each distribution payment date, the maximum amount of unitholders' equity, if any, that will be made available under the Plan on that date. No assurances can be made that additional equity will be made available on a regular basis, or at all, and Participants will receive their regular cash distribution to the extent that they cannot be reinvested in additional units under the Plan.

Unitholders who are resident in a jurisdiction outside of Canada are not entitled to enroll, directly or indirectly, in the Plan. See "Unitholders Outside of Canada" below.

Definitions

In this Distribution Reinvestment Plan:

"**Administrator**" means Trilogy Energy Ltd., in its capacity as the Administrator of Trilogy;

"**Agent**" means Computershare Trust Company of Canada, or such other qualified party as is designated by Trilogy from time to time to act as Agent under the Plan;

"**Average Market Price**" means, for a particular distribution payment date, the volume weighted average trading price of the units (to four decimal places) on the Toronto Stock Exchange for the ten (10) Normal Trading Days immediately preceding the distribution payment date, appropriately adjusted for certain events as set forth under "Price of Units" below;

"**beneficial holder**" means a beneficial owner of units that are registered in the name of CDS or a broker, investment dealer, financial institution or other nominee;

"**Business Day**" means any day on which the offices of the Agent in Calgary, Alberta and Toronto, Ontario are generally open for the transaction of commercial business, but does not in any event include a Saturday, Sunday or civic or statutory holiday in Alberta or Ontario;

"**CDS**" means The Canadian Depository for Securities Limited, which acts as nominee for a number of Canadian brokers, investment dealers, financial institutions and other nominees, or its nominee or successor, as applicable;

"**CDS Participant**" means a broker, investment dealer, financial institution or other nominee, in its capacity as a participant in the depository service of CDS, who holds units registered in the name of CDS on behalf of or for the account of eligible beneficial holders and who is acting on behalf of such beneficial holders with respect to participation in the Plan;

"**distribution**" means a cash distribution payable by Trilogy to the unitholders;

"**Normal Trading Day**" means a day on which: (i) the Toronto Stock Exchange is scheduled to be open for trading in the ordinary course of business; and (ii) at least one board lot of units is traded;

"**Trilogy**" means Trilogy Energy Trust;

"**Participant**" means an eligible registered unitholder who, on the applicable distribution record date, is enrolled in the Plan; provided, however, that CDS or a broker, investment dealer, financial institution or other nominee who holds units on behalf of eligible beneficial holders shall be a Participant for the purposes of the Plan only to the extent that CDS or such broker, investment dealer, financial institution or other nominee has enrolled in the Plan on behalf of eligible beneficial holders;

"**Plan**" means this Distribution Reinvestment Plan of Trilogy, as amended or restated from time to time;

"**units**" means trust units of Trilogy; and

"**unitholder**" means a holder of units.

Advantage and Convenience

The Plan offers eligible unitholders the opportunity, at their option, to reinvest the distributions payable in respect of their units (including units held under the Plan for their account) by purchasing additional units directly from Trilogy at a 5% discount to the Average Market Price.

The Agent, on behalf of Participants, will acquire units under the Plan from Trilogy on the applicable distribution payment date on the reinvestment of distributions, and the new units will be held by the Agent for the account of the Participants or, in the case of CDS, credited by the Agent to CDS, which will in turn credit the accounts of the applicable CDS Participants through the CDS depository system.

While a Participant is enrolled in the Plan, all distributions payable in respect of the Participant's units will, subject to the terms hereof, be automatically reinvested, on the distribution payment date, in additional units on the Participant's behalf. The distributions to be reinvested are those payable in respect of units that are registered to the Participant, as well as units that have been previously acquired with reinvested distributions and are held by the Agent for a Participant's account under the Plan.

If the Administrator determines that no units or only a limited amount of unitholders' equity will be available under the Plan for a particular distribution payment date, the distributions payable on that date or any portion thereof that cannot be reinvested under the Plan will be paid to Participants in the ordinary course. See "Prorating" below.

Costs

No commissions, service charges or brokerage fees are payable by Participants in connection with the purchase of additional units from treasury under the Plan, and Trilogy will pay all administrative costs of operating the Plan.

Beneficial holders who wish to participate in the Plan through the broker, investment dealer, financial institution or other nominee who holds their units should consult that nominee to confirm what fees, if any, the nominee may charge to enroll in the Plan on their behalf or whether the nominee's policies might result in any costs otherwise becoming payable by beneficial holders. See "Enrolment – Beneficial Holders" below.

Enrolment

Registered Unitholders

Eligible registered unitholders may enroll in the Plan at any time by delivering to the Agent a duly completed and signed Authorization Form in the form provided by Trilogy for this purpose. CDS will provide separate instructions to the Agent regarding the extent of its participation in the Plan on behalf of beneficial holders.

The Authorization Form or CDS instructions, as the case may be, will direct (or be deemed to direct, as applicable) the Agent to reinvest on the Participant's behalf all distributions payable in respect of units registered in the Participant's name or held for the Participant's account under the Plan in additional units in accordance with and subject to the provisions of the Plan.

An Authorization Form must be received by the Agent not later than 4:00 p.m. (Toronto time) on the fifth (5th) Business Day immediately preceding a distribution record date in order to take effect on the distribution payment date to which that record date relates. An Authorization Form received by the Agent after that time will not take effect until the next following and subsequent distribution payment dates. CDS instructions must be received by such deadline as may be agreed between CDS and the Agent.

An Authorization Form may be obtained from the Agent or the Administrator at any time upon request or from Trilogy's website at www.trilogyenergy.com.

Beneficial Holders

Eligible beneficial holders of units that are registered in the name of another person (such as a broker, investment dealer, financial institution or other nominee) may only participate in the Plan if they (i) transfer their units into their own name and then enroll in the Plan directly, or (ii) arrange for the applicable CDS Participant or other nominee to enroll in the Plan on their behalf. **Beneficial holders whose units are registered in the name of CDS or another nominee cannot directly enroll in the Plan.**

Where an eligible beneficial holder wishes to enroll in the Plan through a CDS Participant in respect of units registered in the name of CDS, appropriate instructions must be received by CDS from the applicable CDS Participant not later than such deadline preceding a distribution record date as may be set by CDS from time to time in order to take effect on the distribution payment date to which that record date relates. Instructions received by CDS after the CDS deadline will not take effect until the next following distribution payment date. CDS Participants

holding units on behalf of eligible beneficial holders that are registered in the name of CDS must arrange for CDS to enroll in the Plan on their behalf in respect of each distribution payment date.

Eligible beneficial holders should contact their broker, investment dealer, financial institution or other nominee who holds their units to provide instructions regarding their participation in the Plan.

A Participant (other than CDS) that has enrolled in the Plan will remain enrolled in and will automatically continue to participate in the Plan until such time as the Plan is terminated by the Administrator or until the Participant's enrolment is terminated by the Participant or by the Administrator. See "Termination of Enrolment" and "Amendment, Suspension or Termination of Plan" below.

Eligibility Restrictions

Subject to applicable law and regulatory policy, the Administrator reserves the right to determine, from time to time, a minimum number of units that a Participant must hold in order to be eligible to enroll in, or to remain enrolled in, the Plan. The Administrator further reserves the right to refuse enrolment in the Plan to, or terminate the enrolment of, any person who, in the opinion of the Administrator, is participating in the Plan primarily with a view to arbitrage trading. See "Termination of Enrolment" below.

In certain circumstances described below, eligibility for enrolment or continued enrolment in the Plan may also be affected by a unitholder's residency.

Unitholders Outside of Canada

Unless otherwise announced by Trilogy, unitholders who are resident in a jurisdiction outside of Canada are not entitled to enroll, directly or indirectly, in the Plan. The Administrator will have the right to terminate the enrolment of any unitholder that is enrolled in the Plan if the Administrator or the Agent has reason to believe that such unitholder is resident in, or is enrolled in the Plan on behalf of a beneficial holder who is resident in, a jurisdiction outside of Canada. In such circumstances, the Administrator or the Agent may require as a condition to continued enrolment that the unitholder provide a declaration satisfactory to the Administrator that the person is not a non-resident of Canada. See "Termination of Enrolment" below.

Fractional Interests

Although Trilogy is not permitted to issue fractions of units, full reinvestment is possible under the Plan as the Agent will credit to the account of each Participant, on each reinvestment made under the Plan, a fractional interest in a whole unit (to four decimal places) for any amount that cannot be reinvested in whole units. Trilogy will from time to time issue to the Agent such number of whole units as is necessary or desirable to accommodate the fractional interests of all Participants. The crediting of fractional interests in favour of beneficial holders who participate in the Plan through a broker, investment dealer, financial institution or other nominee will depend on the policies of that broker, investment dealer, financial institution or other nominee.

In certain events described herein, a Participant or its legal representative will be entitled to receive a cheque in payment of the value of any fractional unit interest remaining in the Participant's account based on the Average Market Price for the most recent distribution payment date prior to the applicable event. Upon such payment being sent to the Participant or its legal representative, the Participant's fractional interest will be deemed to be cancelled.

Plan Administration

Computershare Trust Company of Canada currently acts as Agent under the Plan. If Computershare Trust Company of Canada ceases to act as Agent for any reason, another qualified party will be designated by Trilogy to act as Agent and Participants will be notified of the change.

The Agent will acquire units under the Plan on behalf of Participants, directly from Trilogy, on the applicable distribution payment date, and the new units will be held by the Agent for the account of the Participants or, in the case of CDS, credited by the Agent to CDS, which will in turn credit the accounts of the applicable CDS Participants through the CDS depository system. Subject to prorating as described below, the number of units (or fractional interests therein) acquired under the Plan for the account of each Participant on any distribution payment date will be equal to the distribution payable in respect of the Participant's units on such date divided by 95% of the Average Market Price. See "Fractions of Units" above.

Prorating

The Administrator reserves the right to determine, for each distribution payment date, the maximum amount of unitholders' equity, if any, that will be made available under the Plan on that date. If, in respect of any distribution payment date, the amount of unitholders' equity issuable on the reinvestment of distributions under the Plan if there were no limit exceeds the maximum amount of unitholders' equity available, then the available equity will be prorated among all Participants according to the relative amount of distributions sought to be reinvested under the Plan by each Participant on that payment date. Any distributions (or portion thereof) that cannot be reinvested under the Plan will be paid to Participants in the ordinary course.

Price of New Units

The price at which new units are issued under the Plan will be 95% of the Average Market Price. Trilogy will advise the Agent of the Average Market Price on each distribution payment date on which distributions are to be reinvested under the Plan.

The Average Market Price will be appropriately adjusted for any subdivision, consolidation or similar pro rata change in the number of outstanding units into a greater or lesser number of units, any reclassification of units into other securities of Trilogy, or any issue of units or other securities or assets of Trilogy (other than distributions in the ordinary course) to the holders of all or substantially all of the then outstanding units, the effective date of which or the record date for which falls within the 10-day period over which the Average Market Price is calculated.

Reports to Participants

An account will be maintained by the Agent for each Participant with respect to purchases of units made under the Plan for the Participant's account. The Agent will, on a monthly basis, mail an unaudited statement of account to each Participant. These statements are a

Participant's continuing record of purchases of units made for their account under the Plan and should be retained for income tax purposes.

Beneficial holders who participate in the Plan indirectly through their broker, investment dealer, financial institution or other nominee will not receive any such reports directly from Trilogy, the Administrator or the Agent and should check with such nominee to determine what reports, if any, they can expect to receive from the nominee.

All unitholders are responsible for calculating and monitoring their own adjusted cost base in units for income tax purposes, as certain averaging rules may apply and such calculations may depend on the cost of other units held by the unitholder.

Certificates for Units

Units purchased and held under the Plan will be registered in the name of the Agent or its nominee, or recorded in accounts designated by it, for the account of the Participants. Certificates for whole units so registered or recorded will only be issued to Participants if the Plan is terminated by Trilogy, if the Participant's enrolment in the Plan is terminated, or if a Participant withdraws all or some of the whole units held by the Agent for the Participant's account under the Plan. Unit certificates will only be issued in the name of the applicable Participant.

A Participant may, on written request to the Agent and without terminating enrolment in the Plan, withdraw all or some of the whole units held by the Agent for the Participant's account under the Plan and have a certificate issued and registered in the Participant's name representing the units that are withdrawn. The Agent will send the certificate to the Participant within three weeks of receiving the request; provided, however, that if the Plan Agent does not receive the withdrawal request before 4:00 p.m. (Toronto time) on the fifth (5th) Business Day immediately preceding a distribution record date, the units will not be withdrawn, and the certificate will not be sent, until after the distribution payment date to which that record date relates. Any units (and any fractional interest in a whole unit) remaining in a Participant's account will continue to be held by the Agent for the Participant's account under the Plan. Certificates representing units will not be issued to beneficial holders.

Disposition of Units held under the Plan

Units held by the Agent for the account of a Participant under the Plan cannot be sold, pledged or otherwise disposed of by the Participant while so held. Participants who wish to sell, pledge or otherwise dispose of any units held by the Agent for their account under the Plan will be required to request that the units be withdrawn from under the Plan and a certificate representing them be issued in the Participant's own name.

Termination of Enrolment

A Participant may voluntarily terminate its enrolment in the Plan by delivering to the Agent a written notice of termination, signed by the Participant. On the termination becoming effective, the Agent will, within three weeks thereafter, send to the Participant a certificate representing all whole units held for the Participant's account under the Plan and a cheque in payment of the value of any fractional unit interest remaining in the Participant's account, based on the Average Market Price for the most recent distribution payment date prior to the date on which the Agent received actual notice of termination.

An individual Participant's enrolment in the Plan will be terminated automatically following receipt by the Agent of written notice of the Participant's death from any person reasonably believed by the Agent to be acting in a representative or fiduciary capacity. On the termination becoming effective, the Participant's account will be closed and the Agent will, within three weeks thereafter, issue a certificate representing all whole units held for the Participant's account under the Plan together with a cheque in payment of the value of any fractional unit interest remaining in the Participant's account, based on the Average Market Price for the most recent distribution payment date prior to the date on which the Agent received actual notice of the Participant's death. The certificate and cheque will be issued in the name of the deceased Participant or their estate, as applicable.

If a notice of termination or a notice of a Participant's death is not received by the Agent before 4:00 p.m. (Toronto time) on the fifth (5th) Business Day immediately preceding a distribution record date, the Participant's account will not be closed, and the Participant's enrolment in the Plan will not be terminated, until after the distribution payment date to which that record date relates.

On a Participant's enrolment in the Plan being terminated by the Administrator in the circumstances described above under "Eligibility Restrictions" or "Unitholders Outside of Canada", the Agent will send to the Participant a certificate representing all whole units held for the Participant's account under the Plan and a cheque in payment of the value of any fractional unit interest remaining in the Participant's account, based on the Average Market Price for the most recent distribution payment date prior to the effective date on which the Administrator terminated the Participant's enrolment.

Subdivisions and Consolidations

In the event of a subdivision, consolidation or similar pro rata change in the number of outstanding units into a greater or lesser number of units, the Agent will proportionately credit or debit the account of each Participant maintained under the Plan according to the number of units held for the account of that Participant prior to the effective time of the subdivision, consolidation or similar change.

Unitholder Voting

Whole units held for a Participant's account under the Plan on the record date for a vote of unitholders will be voted in accordance with the Participant's voting instructions given on a form to be furnished to the Participant by the Agent. Units for which voting instructions are not received will not be voted on the Participant's behalf. No voting rights will attach to any fractional interest in a whole unit that is credited to Participant's account under the Plan.

Amendment, Suspension or Termination of the Plan

The Administrator reserves the right to direct that the Plan be amended, suspended, terminated or replaced at any time, but any such action will not have any retroactive effect that is prejudicial to Participants.

If the Plan is amended, no notice thereof will be sent to Participants unless the amendment is, in the opinion of the Administrator, materially prejudicial to Participants. Generally, no notice will be given to Participants regarding any amendments to the Plan that are intended to cure, correct or rectify any ambiguities, defective or inconsistent provisions, errors, mistakes or

omissions. Where required, amendments to the Plan will be subject to the prior approval of the Toronto Stock Exchange.

If the Plan is terminated, each Participant will be sent notice thereof and the Agent will send to each Participant a certificate representing all whole units held for the Participant's account under the Plan together with a cheque in payment of the value of any fractional unit interest remaining in the Participant's account, based on the Average Market Price for the most recent distribution payment date prior to the termination date. No reinvestment of distributions will be made under the Plan on the distribution payment date following the effective date of the Plan's termination. Any distributions payable after the termination date that would, but for the termination, have been reinvested under the Plan will be paid to Participants in the ordinary course.

Limitation of Liability

None of Trilogy, the Administrator or the Agent, nor any of their respective trustees, directors, officers, employees, unitholders, shareholders or representatives, shall be liable to any registered unitholder or beneficial holders, or to CDS or any CDS Participant (or any other broker, investment dealer, financial institution or other nominee) for any act or for any omission to act in connection with the administration or operation of the Plan, including without limitation any claims for liability:

- (a) relating to the prices and times at which units are purchased under the Plan for the account of a Participant;
- (b) relating to any decision made by or on behalf Trilogy not to make any unitholders' equity available under the Plan, or to limit the amount of equity available under the Plan, for any distribution payment date;
- (c) arising out of a prorating, for any reason, of the number of units that may be acquired by a Participant under the Plan, in the circumstances described herein;
- (d) relating to any decision to amend, suspend, terminate or replace the Plan in accordance with the terms hereof;
- (e) arising out of the involuntary termination of a unitholder's enrolment in the Plan in the circumstances described herein; or
- (f) arising out of any failure to terminate an individual Participant's enrolment in the Plan upon such Participant's death before receipt of written notice of death.

Participants are cautioned that none of Trilogy, the Administrator or the Agent can assure Participants a profit or protect them against loss with respect to any units acquired under the Plan for their account.

Tax Considerations

None of Trilogy, the Administrator or the Agent assume or accept any responsibility for the income or other tax consequences to a Participant of enrolling in and acquiring beneficial ownership of units issued pursuant to the Plan. Unitholders interested in enrolling in the Plan

are advised to consult with their own tax advisors as to the consequences of doing so in their particular circumstances.

Interpretation

Any issues of interpretation arising in connection with the Plan or its application shall be conclusively determined by the Administrator.

Governing Law

This Plan shall be governed by, and administered and construed in accordance with, the laws of the Province of Alberta and the federal laws of Canada applicable therein.

Notices

To Unitholders:

All notices or other documents to be given to Participants pursuant to or in connection with the Plan, including unit certificates and cheques, will be mailed to Participants at the addresses as shown on the records of the Agent.

To the Agent:

Any notices or forms to be sent to the Agent, including any Authorization Forms, shall be sent to:

Computershare Trust Company of Canada
100 University Avenue, 9th Floor
Toronto, Ontario M5J 2Y1

Attention: Dividend Reinvestment Department
Fax: (416) 263-9394
Telephone: 1-800-564-6253

To Trilogy or to the Administrator:

Any notices or forms to be sent to Trilogy or the Administrator shall be sent to:

Trilogy Energy Trust
c/o Trilogy Energy Ltd., as Administrator
Suite 1400, 332 – 6th Avenue S.W.
Calgary, Alberta T2P 0B2

Attention: Chief Financial Officer
Fax: (403) 262-7848
Telephone: (403) 290-2900

Effective Date

The effective date of the Plan is June 20, 2006.