

NEWS RELEASE

TSX: TKE.UN

November 15, 2004

TKE Updates Activities

Calgary, Alberta, November 12, 2004 **TKE Energy Trust ("TKE")** provides this progress report with respect to ongoing development on its properties.

Northern

On November 11, 2004, TUSK Energy Corporation ("TSK"), made an announcement which is summarized below with respect to recent drilling at **Gage**, Alberta. TKE has an average working interest of 50% in these wells. The balance of the interest (50%) is held by TSK.

Six of the ten wells scheduled for the current program have been drilled. Five were cased as oil wells and one was cased as a service well. Of the remaining wells, two are drilling below the primary objective and two more will spud before the end of November. Of the five oil wells drilled to date, four are capable of production from the primary target zone. Pay thickness ranges from 4 metres to 9 metres. The thickest well was completed last week and flowed 34; API oil at an initial rate, after stimulation, of 2 cubic metres per hour (300 bopd). It will be placed on production in the next 7-10 days after the evaluation of uphole gas zones encountered in the wellbore. Initial production rates for this well are expected to be 100-120 bopd. The other three oil wells already drilled which encountered the primary target should contribute gross production of approximately 60 bopd per well. Total net production to TKE from these four oil wells will be approximately 145 bopd.

The currently drilling wells have both penetrated significant thicknesses in the primary target zone and will continue drilling until a secondary target is evaluated. Thick potential pay sections of 10 metres or more were indicated while drilling both wells.

Application has been made for a Holding on approximately 1/3 of the defined field area and similar applications for the balance of the field area are being prepared so that infill drilling can occur in 2005. Construction of a central facility for the handling of both gas and fluids will commence shortly and should be finished in approximately 2 months. Once the facility has been commissioned applications will be made for an increase in the allowable production rate. The Gage field was discovered by TUSK Energy Inc. approximately 22 months ago. They had four wells capable of production prior to both the recent drilling campaign and the reorganization of that company into the Trust and TSK. Of these, two produce oil from the primary zone, one is capable of production from the zone but is shut-in until the central battery facility is completed and one produces gas from a shallower zone.

The **Inga** Unit (TKE 17.7%) waterflood is being re-started. Reservoir modelling indicates increased production rates and reserves will be achieved. Impact on production will be late in 2005.

At **Dunvegan**, TKE has a 67% working interest before payout in a new Kiskatinaw gas discovery which is expected to be on production in January, 2005 at modest rates of under 1 MMcfd.

Northeast Alberta

The northeast Alberta shallow gas areas represent approximately 25% of total Trust production. Most of the production comes from properties at Saddle Lake, Whitefish Lake and Thorhild. An optimization and drilling program is underway at Thorhild (TKE average 76%) with good results to date. New tie-ins have been started at Saddle Lake to bring wells drilled during the summer months on production. A five well drilling program at Saddle Lake will occur over the winter months. TKE has a 50% interest in all of the Saddle Lake and Whitefish Lake wells.

West Central Alberta

Waterflood of the new Norbuck Belly River Unit (TKE 89.9%) is ready to be initiated. Three shallow gas wells (TKE average 67%) drilled during the last four months are expected to be producing by January. At Columbia (TKE 10%) two wells will be drilled during the fourth quarter to further develop long-life Viking gas production. The first of these has commenced drilling.

Saskatchewan

New horizontal wells are being drilled at Hartaven to further develop the Frobisher pool. A 100% TKE well has been completed and swabbed oil at high rates (~300 bopd) with minor water. Production will commence next week at an initial rate of 100-150 bopd net. A 30% TKE well is currently being completed and two more horizontal development wells (TKE average 47%) are scheduled to be drilled shortly.

TKE was formed pursuant to a Plan of Arrangement (the "Arrangement") which closed November 2, 2004. The Arrangement resulted in the reorganization of TUSK Energy Inc. into TKE and TUSK Energy Corporation. The Units, which are listed on the Toronto Stock Exchange, commenced trading on November 5, 2004 under the trading symbol "TKE.UN" Pursuant to the Arrangement, TKE has issued approximately 15.9 million Trust Units and 1.8 million Exchangeable Shares. The Exchangeable Shares are not listed for trading.

The first monthly distribution of \$0.12 per Unit will be made on January 15, 2005 to Unitholders of record as of December 31, 2004. The initial level of distributions to Unitholders represents, on an annualized basis, approximately 60% of projected 2005 cash flow.

Including the last part of the drilling program currently underway in the Gage area TKE will participate in the drilling of approximately 15 additional wells prior to March 31, 2005. Four to six will be drilled at Gage, five at Saddle Lake, three at Hartaven, and up to four on various properties in the west-central Alberta area.

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Forward Looking Statements — Some of the statements contained in this news release are forward-looking statements. Forward-looking statements may include, but are not limited to, statements concerning estimates of recoverable hydrocarbons, expected hydrocarbon prices, expected costs, statements relating to the continued advancement of the Company's projects and other statements which are not historical facts. When used in this document, and in other published information of TUSK, the words such as "could," "estimate," "expect," "intend," "may," "potential," "should," and similar expressions are indicative of a forward-looking statement. Although TUSK believes that its expectations reflected in the forward-looking statements are reasonable, the potential results suggested by such statements involve risk and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements. Various factors, which could cause actual results to differ from these forward-looking statements, include the potential that TUSK's projects will experience technical and mechanical problems, geological conditions in the reservoir which may negatively impact levels of oil and gas production and changes in product prices and other risks not anticipated by TUSK or disclosed in TUSK's published material. Since forward-looking statements address future events and conditions, by their very nature, they involve inherent risks and uncertainties

Barrels of Oil Equivalent — Boe may be misleading, particularly if used in isolation. A boe conversion ratio of six mcf is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. The conversion ratio is an industry accepted norm and is not based on either energy content of current prices.