



**For Immediate Release**  
**TSX: TUI.UN**

**TRUE ENERGY TRUST BOARD OF DIRECTORS  
RESPONSE TO UNSOLICITED RESTRUCTURING ALTERNATIVE PRESENTED BY  
LAWRENCE ASSET MANAGEMENT INC.**

Calgary, Alberta, March 13, 2007 – The Board of Directors of True Energy Trust (“True” or the “Trust”) is issuing this press release in response to an unsolicited reorganization alternative proposal received from Lawrence Asset Management Inc. (“LAMI”) on March 7, 2007 and press released on March 8, 2007. LAMI is a Toronto based privately owned asset management and hedge fund company. LAMI has announced that it plans to vote against the proposed reorganization of True (the “True Reorganization”) that is to be considered by True securityholders at an annual and special meeting of unitholders scheduled for March 30, 2007 and as fully detailed in the management information circular of True dated March 2, 2007 (the “Information Circular”).

The Board of Directors (the “Board”) of True, after meeting with LAMI, wish to provide the following analysis for clarification for True unitholders, and reaffirm the Board’s previous recommendation that the True Reorganization is in the best interest of all unitholders and will maximize value for unitholders over time.

The Board of True carefully considered numerous alternatives available to True including a reorganization concept similar to that which is proposed by LAMI, prior to making its recommendation to convert into a growth oriented, dividend paying intermediate exploration and production company. The Board determined that the proposed True Reorganization represented the most viable strategic alternative for the Trust irrespective of whether the Federal Government’s proposed tax policy concerning trusts is legislated in its current or some other form. The Board carefully considered LAMI’s proposal as compared to, among other things, concepts previously analyzed by the Board and, with the benefit of financial and legal advice, concluded that the differences from concepts previously analyzed did not alter the Board’s view that LAMI’s proposal is not compelling as compared to the Trust Reorganization recommended by the Board to True securityholders.

In order to understand the True Board’s decision that the LAMI concept is not in the best interest of True unitholders, it is important to fully understand the suggested restructuring put forth by LAMI and discussed with the Board on March 12, 2007 and the assumptions and conditions that were omitted from LAMI’s news release of last week.

**LAMI’s Restructuring Proposal**

- True’s assets would be split between the Trust operating in a ‘blow down’ mode and a newly formed exploration company (“Exploreco”) established through the spin-out of 1,000 boe/d of current production and 500,000 acres of the Trust’s best growth prospects.
- The Trust’s capital program would be cut dramatically after 2007 with only \$27 million of capital expenditures in 2008 and \$7 million of capital expenditures in 2009 resulting in increasingly declining monthly production volumes and cash flows.
- LAMI presented its view of an expected value range for its restructuring plan based on a number of unsubstantiated market assumptions.
- LAMI’s plan includes a highly conditional \$40 million rights offering.

## Key Shortcomings of LAMI's Restructuring Proposal

- LAMI's proposed \$40 million rights offering is highly conditional and self-serving. Under the rights offering equity would be issued at a 5% discount to the prevailing market price and a 2% backstop fee would be payable 100% to LAMI, in cash, at closing. LAMI would also require a minimum of \$10 million or 25% of the rights offering issue be set aside for LAMI's accounts, which is far in excess of their pro-rata ownership of True. LAMI would not allow the rights to trade which may not be permitted by Canadian regulatory authorities, and therefore would not provide liquidity for existing unitholders of True. In addition, as the rights might not be permitted to be exercised by unitholders in the US (currently approximately 31%), and if so, the percentage of the offering acquired by LAMI under its backstop would be further significantly increased.
- Under LAMI's proposal, after 2007 the Exploreco would be highly dependent on the capital markets and potentially dilutive equity issues to fund True's expanded capital expenditure program whereas under the True Reorganization, True plans to fund its capital program through internally generated cash flows.
- LAMI's proposal does not consider the costs and availability of highly skilled management, staff, board composition, regulatory compliance and administrative costs necessary to operate two public entities rather than one.
- The spin-out of key growth assets to the Exploreco would result in a significant reduction in the Trust's current net asset value which is not reflected in LAMI's proposal.
- The 'blow down trust' would be left obligated to repay 100% of the Trust's debt (\$280.9 million at December 31, 2006) on a declining cash flow base.
- LAMI's proposal would add a new debt instrument, being a Production Pre Payment ("PPP"), which would be financed at an undisclosed cost and terms to be provided by a lender that LAMI states in its proposal it has initiated discussions with. LAMI advised that the proposed lenders have done no PPP's in the Canadian energy sector. LAMI provides no certainty on the PPP structure.
- The hedging strategies, including the PPP structure, LAMI has proposed would require significant structuring, are conditional on due diligence, have no assurance of being completed and present current True unitholders with undue time, completion and pricing risk.
- LAMI's expected value range resulting from the restructuring plan is not reasonable.
  - A key assumption in LAMI's expected value range is based on the declining 'blow down trust' trading at a 12% - 15% yield applying a comparison of the 'blow down trust' to business trusts and real estate investment trusts, among others, and ignoring the declining cash flows and declining net asset value associated with a 'blow down trust' model.
  - LAMI's value range implies the 'blow down trust' would trade at a significant premium to its net asset value, whereas oil and gas trusts (not operating in blow-down mode) are currently trading at or around their net asset value.
  - A 'blow down trust' would not be expected to trade at a premium to its after-tax net asset value.
- LAMI's proposal also involves extensive hedging strategies and complex forward sales of future production in order to manage the debt in the 'blow down trust', all of which are strategies currently available to True and which would be available to True following the True Reorganization if determined appropriate, but are not required in order for True to successfully execute its business plan.

## **Board Continues to Recommend the Current True Reorganization**

LAMI's suggested reorganization alternative is based on flawed assumptions, unsustainable cash flow forecasts, an incorrect valuation methodology, a number of conditions which result in ownership dilution for current True unitholders in prime future growth properties of True, and has significant risks to completion.

The Board of True is unanimous in its commitment to enhance unitholder value by way of the True Reorganization which the Board of Directors believe will provide a superior value to True unitholders over time.

Tristone Capital Inc. and National Bank Financial Inc. have been engaged as financial advisors to the Board in connection with the True Reorganization and National Bank Financial Inc. has provided to the Board its fairness opinion, a copy of which is included in the Information Circular, that the consideration to be received by True securityholders pursuant to the True Reorganization is fair, from a financial point of view, to True securityholders.

The Board of True continues to support and recommend voting in favour of the current reorganization plan as detailed in the Information Circular. The annual and special meeting at which the vote is scheduled to take place is March 30, 2007 at 10 AM (Calgary time). If you have any questions regarding the reorganization or how to fill out your proxy, please feel free to contact Kingsdale Shareholder Services Inc. at 1-866-639-8089 or 1-416-867-2272 who would be pleased to help.

We encourage you to view our current corporate presentation which is available on our website at [www.trueenergytrust.com](http://www.trueenergytrust.com).

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*Forward Looking Statements: Certain information set forth in this news release, including management's assessment of True's future plans and operations, management and the Board's assessment of the LAMI's proposal and the True Reorganization and the effects thereof, and timing of matters relating to the approval of the True Reorganization and implementation thereof, may contain forward-looking statement, and necessarily involves risks and uncertainties, certain of which are beyond True's control including, without limitation, risks as to whether securityholders and all required regulatory and other approvals related to completion of the True Reorganization will be obtained and the timing thereof, risks associated with oil and gas exploration, development, exploitation, production, marketing and transportation, loss of markets and other economic and industry conditions, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risks, competition from other producers, inability to retain drilling services, incorrect assessment of value of acquisitions and failure to realize the benefits therefrom, delays resulting from or inability to obtain required regulatory approvals, the lack of availability of qualified personnel or management, stock market volatility and ability to access sufficient capital from internal and external sources, economic or industry condition*

*changes. Actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits that True or its securityholders will derive therefrom. Additional information on these and other factors that could affect True are included in reports on file with Canadian securities regulatory authorities and may be accessed through the SEDAR website ([www.sedar.com](http://www.sedar.com)), at True's website ([www.trueenergytrust.com](http://www.trueenergytrust.com)). Furthermore, the forward-looking statements contained in this news release are made as of the date of this news release, 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 expressly required by applicable securities law.*

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