

2004 United States Federal Income Tax Information

The following is intended to provide general guidance with respect to 2004 U.S. federal income tax reporting requirements for certain U.S. holders of Enterra Energy Trust (“EENC”) units. The summary is of a general nature only and is not intended to be legal or tax advice to any particular holder or potential holder of EENC units. Holders or potential holders of EENC units should consult their own legal and tax advisors as to their particular tax consequences of holding EENC units.

The following general information is being provided to assist individual U.S. unitholders of EENC who hold their units through a stockbroker or other intermediary (and not as direct registered owners) in reporting distributions from EENC on their IRS Form 1040 – U.S. Individual Income Tax Return.

U.S. individual unitholders who hold their EENC trust units through a stockbroker or other intermediary will likely receive U.S. federal income tax-reporting information from their stockbroker or other intermediary. We expect that many of the intermediaries will issue **Form 1099-DIVs “Dividends and Distributions”** and may report distributions from EENC as ordinary dividends, as opposed to qualified dividends. However, EENC has received advice from its tax advisors that the distributions from EENC should be **eligible for qualified dividend treatment**, provided the U.S. unitholders meet certain holding period requirements.

Although not required, Enterra will be issuing Form 1099-DIVs to the registered unitholders of EENC to report the registered unitholders’ share of qualified dividend income and related Canadian withholding tax. These Form 1099-DIVs will not be filed with the U.S. Internal Revenue Service since there is no requirement for Enterra to file such forms.

Amounts received from EENC should therefore be reported on Line 9b of the U.S. federal individual income tax return unless the U.S. individual unitholders determines otherwise. Commentary on page 23 of the IRS 2003 1040 Instruction booklet with respect to “Qualified Dividends” provides examples of individual situations where the dividends would not be “Qualified Dividends”. Where, due to individual situations, the dividends are not “Qualified Dividends”, the amount should be reported on Schedule B – Part II – Ordinary Dividends, Line 9a of your U.S. federal income tax return.

U.S. Unitholders are encouraged to utilize the Qualified Dividends and Capital Gain Tax Worksheet to determine the amount of tax that may be otherwise applicable. Please note that no portion of distributions from EENC made during 2004 includes a return of capital portion.

The amount included on Line 6 of the Form 1099-DIV, representing the amount of foreign tax paid (Canadian withholding tax), should be reported on Form 1116 “Foreign Tax Credit (Individual, Estate, or Trust)”. Information regarding the amount of Canadian tax withheld in 2004 should be available from your stockbroker or other intermediary.

Investors should report their dividend income in accordance with this press release and subject to advice from their tax advisors. As mentioned above, some unitholders will receive Form 1099-DIVs from their brokers and others may not. Information on the Form 1099-DIV issued by the brokers may not accurately reflect the information in this press release for a variety of reasons, including those discussed above. Investors should consult their brokers and tax advisors to ensure that the information presented here is accurately reflected on their tax returns.

To assist with the preparation of 2004 U.S. tax information EENC’s transfer agent, Olympia Trust Company, will issue Form 1099-DIVs to all registered U.S. unitholders by January 31, 2005. These Form-1099 DIVs will show that 100% of the distributions are taxable as qualifying dividends eligible for the 15% rate.

Trust Units Held within a Qualified Retirement Plan

No amounts are required to be reported on an IRS Form 1040 – U.S. Individual Income Tax Return if Enterra trust units are held within a qualified retirement plan.

U.S. residents may apply to the Canada Customs and Revenue Agency (CCRA) for a refund of any overwithheld Canadian withholding tax no later than two years after the calendar year in which the distributions were paid. U.S. investors can file CCRA Form NR7-R "Application for Refund of Non-Resident Tax" which is obtained by contacting the International Tax Services Office of the CCRA at 1-800-267-3395 or online at www.cra.gc.ca.

Enterra's distributions in 2005

In light of recent proposed changes to the withholding tax as it applies to trust distributions to non-residents, Enterra will apply the 15% withholding tax for U.S. residents on 100% of the distribution during 2005. The withholding tax was previously applied to only a portion of Enterra's distribution in 2004. Enterra's distributions are still qualified dividend income for U.S. tax purposes, as described above. The recent January distribution of US\$0.14 was subject to a withholding of US\$0.02 (which is $US\$0.14 \times 15\% = US\0.02). The remaining 2005 distributions will be subject to this 15% withholding.