



Harvest Energy Trust

Harvest Energy Trust – News Release

(HTE.UN – TSX)

HARVEST ENERGY TRUST ANNOUNCES CLOSING OF BOUGHT DEAL EQUITY AND CONVERTIBLE DEBENTURE FINANCING

Calgary, August 10, 2004 (TSX: HTE.UN) – Harvest Energy Trust (the "Trust" or "Harvest") today announced the closing of its previously announced bought deal financing. Upon closing, a total of 12,166,666 subscription receipts (the "Subscription Receipts") at a price of \$14.40 per Subscription Receipt for gross proceeds of \$179,199,990 and \$100 million principal amount of 8% convertible unsecured subordinated debentures (the "Debentures") (which includes the full exercise by the underwriters of their option to purchase an additional aggregate \$80 million of Subscription Receipts and Debentures) were issued. The Subscription Receipts and Debentures are listed for trading on the TSX under the symbols "HTE.R" and "HTE.DB.A", respectively.

Each Subscription Receipt represents the right to receive one trust unit on the closing of the previously announced acquisition of properties from a subsidiary of EnCana Corporation (the "Acquisition"). The proceeds from the offering of Subscription Receipts have been deposited in escrow pending closing of the Acquisition. If the Acquisition closes on or before September 30th, 2004, the net proceeds will be released to Harvest and used to pay part of the purchase price of the EnCana Acquisition, announced on July 15, 2004. Provided the Acquisition closes, holders of Subscription Receipts will receive a payment equivalent to the amount of any cash distributions to Unitholders for which record dates occur between August 10th, 2004 and the closing of the Acquisition. If the Acquisition fails to close by September 30th, 2004, or the Acquisition is terminated at an earlier time (the "Termination Time"), holders of Subscription Receipts shall be entitled to receive an amount equal to the full subscription price thereafter and their pro rata entitlement to escrow interest on such amount.

The Debentures have a face value of \$1,000 per Debenture, a coupon of 8%, a final maturity date of September 30th, 2009, and will be convertible into trust units of Harvest at a price of \$16.25 per trust unit. If the Acquisition does not close on or before September 30th, 2004, or if the Acquisition is terminated at the "Termination Time", holders of the Debentures will have the option (the "Holders' Right") to require Harvest to redeem all of the Debentures for a period of 10 business days following the Termination Time at a price of \$1,000 per Debenture plus accrued and unpaid interest, if any. In addition, the Trust may redeem any outstanding Debentures following the exercise of the Holders' Right, for \$1,000 per Debenture plus accrued and unpaid interest, provided that following such redemption, not more than \$40 million of Debentures are outstanding. The Debentures will pay interest semi-annually on March 31 and September 30th, with the initial interest payment on March 31st, 2005.

Net proceeds of the offering will be used to pay a portion of the purchase price of the Acquisition.

The offering was underwritten by an underwriting syndicate led by National Bank Financial Inc., which included TD Securities Inc., CIBC World Markets Inc., BMO Nesbitt Burns Inc., RBC Dominion Securities Inc., FirstEnergy Capital Corp., Canaccord Capital Corporation, Haywood Securities Inc. and GMP Securities Ltd.

The securities of Harvest have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or applicable exemption from the registration requirements. This news release shall not constitute an offer to sell or the solicitation of an offer to buy securities in any jurisdiction.

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