



# Harvest Energy Trust

## Harvest Energy Trust – News Release (HTE.UN – TSX)

### **HARVEST ENERGY TRUST ANNOUNCES CLOSING OF \$60 MILLION BOUGHT DEAL FINANCING.**

**Calgary, January 29<sup>th</sup>, 2004 (TSX: HTE.UN)** — Harvest Energy Trust (the "Trust" or "Harvest") has closed its previously announced issue of \$60,000,000 principal amount of convertible unsecured subordinated debentures (the "Debentures") at a price of \$1,000 per Debenture. The issue included \$50,000,000 principal amount of Debentures as announced on January 13<sup>th</sup>, 2004, and an additional \$10,000,000 principal amount of Debentures issued on the exercise of the option granted to the underwriters. The offering was made on a bought deal basis through a syndicate of underwriters led by National Bank Financial Inc. and including CIBC World Markets Inc., FirstEnergy Capital Corp., Haywood Securities Inc., TD Securities Inc. and Canaccord Capital Corporation.

Purchasers of the Debentures will receive interest at an annual rate of 9% payable semi-annually on May 31 and November 30 in each year commencing on May 31, 2004. The Debentures mature on May 31, 2009 and are convertible into trust units of Harvest at a price of \$14.00 per trust unit, subject to adjustment in certain events. The Debentures are redeemable by the Trust at a price of \$1,050 per Debenture after May 31, 2007 and on or before May 31, 2008 and at a price of \$1,025 per Debenture after May 31, 2008 and before maturity on May 31, 2009, in each case, plus accrued and unpaid interest thereon, if any. The Debentures are listed for trading on the TSX under the symbol HTE.DB.

The net proceeds to the Trust from the sale of the Debentures, after deducting fees payable to the underwriters and estimated expenses of the Offering, are estimated to be \$57.4 million. Approximately \$25 million of the net proceeds will be used to repay the Equity Bridge Notes and the remainder will initially be used to repay outstanding bank indebtedness and then will be used for general trust purposes.

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.

This press release is not for release or distribution in the United States.

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ADVISORY: Certain information regarding Harvest Energy Trust and Harvest Operations Corp. including management's assessment of future plans and operations, may constitute forward-looking statements under applicable securities law and necessarily involve risks associated with oil and natural gas exploration, production, marketing and transportation such as loss of market, volatility of prices, currency fluctuations, imprecision of reserve estimates, environmental risks, competition from other producers and ability to access sufficient capital from internal and external sources. As a consequence, actual results may differ materially from those anticipated in the forward-looking statements.