



Harvest Energy Trust

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

HARVEST ENERGY TRUST ANNOUNCES CLOSING OF \$526 MILLION PRODUCING PROPERTY ACQUISITION

Calgary, September 2, 2004 (TSX: HTE.UN) – Harvest Energy Trust (the "Trust" or "Harvest") closed its previously announced acquisition of crude oil and natural gas producing properties from a subsidiary of EnCana Corporation for \$526 million subject to typical closing adjustments. The acquisition was financed by Harvest with a new credit facility underwritten by National Bank of Canada, and a \$275 million bought deal financing which closed August 10, 2004. The TSX trading symbol of the debentures issued in the financing is HTE.DB.A.

The acquired properties provide a strategic fit with Harvest's existing East Central Alberta core area as well as create a new core area in Southern Alberta. Current production from the acquired properties is approximately 19,500 BOE/d (before royalties), comprised of 14,900 bbl/d of oil and natural gas liquids and 27.4 mmcf/d of natural gas. For the fourth quarter of 2004, Harvest is estimating total corporate production of 37,000 to 38,000 BOE/day, weighted approximately 86% to crude oil and natural gas liquids, and 14% to natural gas.

Pursuant to the financing completed on August 10, 2004, Harvest issued 12,166,666 subscription receipts at a price of \$14.40 per subscription receipt for gross proceeds of \$175.2 million and \$100 million principal amount of 8% convertible unsecured subordinated debentures. With the closing of the acquisition, trading in the subscription receipts will be halted, and the subscription receipts will remain halted until the close of business today, September 2, at which time they will be de-listed. Holders of subscription receipts will receive one trust unit for each subscription receipt held, effective at 5:00 p.m. (Calgary time) today. A holder of subscription receipts today will be entitled to receive \$0.20 per subscription receipt, an amount equivalent to the September 15 distribution per trust unit to be paid to unitholders of record on August 31. Harvest's previously-announced cash distribution of \$0.20 per trust unit for August 2004 will be paid on September 15 to unitholders of record on August 31.

Non-registered holders who hold their subscription receipts through brokers or other intermediaries need not take any action in order to receive the trust units and payment to which they are entitled.

Harvest also announces an adjustment to the Exchange Ratio of the Exchangeable Shares of Harvest Operations Corp. (the "Corporation") from 1.02574 to 1.03705. This increase will be effective on September 15, 2004.

Holders of exchangeable shares of the Corporation can exchange all or a portion of their holdings for trust units of Harvest at any time by giving notice to their investment advisor or Valiant Trust Company at its principal transfer office at Suite 510, 550 - 6th Avenue S.W., Calgary, Alberta, T2P OS2 (telephone: 403-233-2801).

Harvest Energy Trust is a Calgary-based energy trust actively managed to deliver stable monthly cash distributions to its Unitholders through its strategy of acquiring, enhancing and producing crude oil, natural gas and natural gas liquids. Harvest trust units are traded on the Toronto Stock Exchange (TSX) under the symbol "HTE.UN". For further information on Harvest, please visit our website at www.harvestenergy.ca.

Investor & Media Contacts:

Jacob Roorda President	Corporate Head Office: Harvest Energy Trust 1900, 330 – 5th Avenue S.W. Calgary, AB T2P 0L4 Canada Phone: (403) 265-1178 Toll Free: (866) 666-1178 Fax: (403) 265-3490 Email: information@harvestenergy.ca Website: www.harvestenergy.ca
David J. Rain Vice President and CFO	
Cindy Gray Communications Advisor gray@harvestenergy.ca	

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