



# Harvest Energy Trust

## Harvest Energy Trust – News Release

(HTE.UN – TSX; HTE - NYSE)

### HARVEST ENERGY TRUST ANNOUNCES CLOSING OF OIL AND NATURAL GAS ASSET ACQUISITION

---

**Calgary, August 15, 2006 (TSX: HTE.UN, NYSE: HTE)** – Harvest Energy Trust ( “Harvest”) is pleased to announce that it has closed its previously announced acquisition of a private Western Canadian oil and natural gas producer, Birchill Energy Limited (“Birchill”), for approximately \$440 million. The transaction will be financed with Harvest’s existing bank credit facilities.

Completion of the acquisition results in the following benefits for Harvest stakeholders:

- Accretion to reserves per unit, production per unit, cash flow per unit and Reserve Life Index (RLI), and the benefit of lower operating cost properties being added to the portfolio;
- Increased estimated 2006 exit production to approximately 66,000 boe/d;
- Enhanced production mix with additional light/medium oil and natural gas production, resulting in a production weighting of 70% crude oil and liquids and 30% natural gas;
- Lengthened overall reserve life index (RLI) to 9.5 years on a P+P basis;
- Increased undeveloped land acreage to approximately 800,000 net acres, seismic inventory of 25,485 miles of 2D and 2,408 square miles of 3D, plus access to an additional 17,050 miles of 2D through a third party database; and
- Ability to pursue additional opportunities for value creation within the acquired properties through activities such as fluid handling optimization, future natural gas exploitation and consolidation of working interests as well as the utilization of tax pools acquired.

Harvest’s capital budget for 2006 has been increased to \$300 million, with half of the \$50 million increase being allocated to the Birchill properties, and the other half allocated to properties within Harvest’s existing portfolio, including incremental development at Southeast Saskatchewan and set-up costs for our winter drilling program at Hay River.

Harvest is one of Canada’s largest energy royalty trusts. We are focused on identifying opportunities within the oil and natural gas sector to create and deliver value to unitholders through monthly distributions and unit price appreciation. With an active acquisition program and the technical approach taken to maximizing our assets, we strive to grow Cash Flow per unit. Harvest offers unitholders a sustainable trust with a reserve life index of 9.5 years, and current production weighted approximately 70% to crude oil and liquids and 30% to natural gas. Harvest trust units are traded on the Toronto Stock Exchange (“TSX”) under the symbol “HTE.UN” and on the New York Stock Exchange (“NYSE”) under the symbol “HTE”.

#### **ADVISORY**

Certain information in this press release, including management’s assessment of future plans and operations, contains forward-looking information that involves risk and uncertainty. Such risks and uncertainties include, but are not limited to, risks associated with: imprecision of reserve estimates; conventional oil and natural gas operations; the volatility in commodity prices and currency exchange rates; risks associated with realizing the value of acquisitions; general economic, market and business conditions; changes in environmental legislation and regulations; the availability of sufficient capital from internal and external sources; and, such other risks and uncertainties described from time to time in Harvest’s regulatory reports and filings made with securities regulators.

Forward-looking statements in this press release may include, but are not limited to, production volumes, operating costs, commodity prices, capital spending, access to credit facilities, and regulatory changes. For this purpose, any

statements that are contained in this press release that are not statements of historical fact may be deemed to be forward-looking statements. Forward-looking statements often contain terms such as “may”, “will”, “should”, “anticipate”, “expects” and similar expressions.

Readers are cautioned not to place undue reliance on forward-looking statements as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated. Harvest assumes no obligation to update forward-looking statements should circumstances or management’s estimates or opinions change. Forward-looking statements contained in this press release are expressly qualified by this cautionary statement.

**Investor & Media Contacts:**

<b>John Zahary</b> President & CEO	<b>Robert Fotheringham</b> Vice President, Finance & CFO
<b>Cindy Gray</b> Manager, Investor Relations	

**Corporate Head Office:**

Harvest Energy Trust  
2100, 330 – 5th Avenue S.W.  
Calgary, AB Canada T2P 0L4

**Phone: (403) 265-1178**

**Toll Free: (866) 666-1178**

Fax: (403) 265-3490

**Email: [information@harvestenergy.ca](mailto:information@harvestenergy.ca)**

**Website: [www.harvestenergy.ca](http://www.harvestenergy.ca)**