

**FOR IMMEDIATE RELEASE: February 22, 2007**

**TSX SYMBOL: ZAR.UN, ZOG.B**

**ZARGON ENERGY TRUST ANNOUNCES CANADIAN TAX TREATMENT  
OF 2006 DISTRIBUTIONS**

**CALGARY, ALBERTA** -- Zargon Energy Trust ("Zargon") announces that for Canadian tax reporting purposes, all distributions paid to unitholders with Record Dates in the 2006 taxation year are taxable.

The information contained herein is based on Zargon's understanding of the Canadian Income Tax Act and is provided for general information purposes only. Unitholders should consult their tax advisors with respect to their particular circumstances.

**UNITS HELD WITHIN AN RRSP, RRIF, RESP OR DPSP**

With respect to units of Zargon Energy Trust held in an individual's Registered Retirement Savings Plan (RRSP), Registered Retirement Income Fund (RRIF), Registered Education Savings Plan (RESP) or Deferred Profit Sharing Plan (DPSP) during 2006, no amount should be reported on the individual's 2006 Income Tax Return ("T1").

**UNITS HELD OUTSIDE AN RRSP, RRIF, RESP OR DPSP**

Zargon unitholders who held their trust units outside an RRSP, RRIF, RESP or DPSP will receive a T3 Supplementary Slip for 2006 ("T3") that will report all such distributions as "other income" in Box 26 of the T3. Registered unitholders will receive a T3 slip from Zargon's transfer agent, Valiant Trust Company, while beneficial unitholders who held units through intermediaries will receive a T3 receipt from the intermediary.

**FOR CANADIAN TAXPAYERS**

The following table summarizes, on a monthly basis, cash distributions with record dates in 2006 to unitholders, indicating that the full amount is taxable and no portion is considered to be a return of capital.

Record Date	Payment Date	Taxable Amount (Other Income)	Return of Capital	Total Cash Distribution
January 31, 2006	February 15, 2006	\$0.18	\$0.00	\$0.18
February 28, 2006	March 15, 2006	\$0.18	\$0.00	\$0.18
March 31, 2006	April 17, 2006	\$0.18	\$0.00	\$0.18
April 30, 2006	May 15, 2006	\$0.18	\$0.00	\$0.18
May 31, 2006	June 15, 2006	\$0.18	\$0.00	\$0.18
June 30, 2006	July 17, 2006	\$0.18	\$0.00	\$0.18
July 31, 2006	August 15, 2006	\$0.18	\$0.00	\$0.18
August 31, 2006	September 15, 2006	\$0.18	\$0.00	\$0.18
September 30, 2006	October 16, 2006	\$0.18	\$0.00	\$0.18
October 31, 2006	November 15, 2006	\$0.18	\$0.00	\$0.18
November 30, 2006	December 15, 2006	\$0.18	\$0.00	\$0.18
December 31, 2006	January 15, 2007	\$0.18	\$0.00	\$0.18
	<b>Total</b>	<b>\$2.16</b>	<b>\$0.00</b>	<b>\$2.16</b>

Based in Calgary, Alberta, Zargon's securities trade on the Toronto Stock Exchange (TSX). Trust units of Zargon trade under the symbol "ZAR.UN", exchangeable shares of Zargon trade under the symbol "ZOG.B".

In order to learn more about Zargon, we encourage you to visit Zargon's website at [www.zargon.ca](http://www.zargon.ca) where you will find a current unitholder presentation, financial reports and historical news releases.

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