

FOR IMMEDIATE RELEASE: March 2, 2005

TSX SYMBOL: ZAR.UN

**ZARGON ENERGY TRUST ANNOUNCES CANADIAN TAX TREATMENT
OF 2004 DISTRIBUTIONS**

CALGARY, ALBERTA-- Zargon Energy Trust ("Zargon") announces that for Canadian tax reporting purposes, cash distributions paid to Unitholders in the 2004 taxation year were 100% 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 are advised to consult their personal tax advisors with respect to their particular circumstances.

UNITS HELD WITHIN AN RRSP, RRIF OR DPSP

With respect to units of Zargon Energy Trust held in a Registered Retirement Savings Plan (RRSP), Registered Retirement Income Fund (RRIF), or Deferred Profit Sharing Plan (DPSP) during 2004, no amount should be reported on the 2004 individual Income Tax Return ("T1").

UNITS HELD OUTSIDE AN RRSP, RRIF OR DPSP

Zargon unitholders who held trust units outside an RRSP, RRIF or DPSP will receive a T3 Supplementary Slip for 2004 ("T3") that will report the taxable portion of such distributions as "other income" in Box 26 of their T3. Registered unitholders will receive their T3 slip from Zargon's transfer agent, Valiant Trust Company, while beneficial unitholders who held units through intermediaries such as investment advisers will be receiving T3 receipts from their advisor or other intermediary.

FOR CANADIAN TAXPAYERS

The following table summarizes, on a monthly basis, cash distributions received in 2004 by 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
August 31, 2004	September 15, 2004	\$0.14	\$0.00	\$0.14
September 30, 2004	October 15, 2004	\$0.14	\$0.00	\$0.14
October 31, 2004	November 15, 2004	\$0.14	\$0.00	\$0.14
November 30, 2004	December 15, 2004	\$0.14	\$0.00	\$0.14
December 31, 2004	January 17, 2005	\$0.14	\$0.00	\$0.14
	Total	\$0.70	\$0.00	\$0.70

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 where you will find a current shareholder presentation, financial reports and historical news releases.

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- or -

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