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TSX SYMBOL: ZAR.UN

ZARGON ENERGY TRUST RELEASES US TAX INFORMATION

CALGARY, ALBERTA – Zargon Energy Trust (“Zargon”) today released information necessary for 2004 United States (“U.S.”) tax reporting. Zargon’s tax advisors have provided advice, for U.S. federal income tax purposes, that the units of Zargon more likely than not will be properly classified as equity in a corporation, rather than as debt, and that dividends paid to its individual U.S. unitholders should be qualified dividends. As such, the distributions made during 2004 that are considered dividends should qualify for the reduced rate of tax applicable to certain capital gains.

The portion of the trust distributions that is considered a dividend for U.S. income tax purposes is determined based upon Zargon’s current and/or accumulated earnings & profits (“E&P”) as determined in accordance with U.S. income tax principals.

With respect to cash distributions paid in 2004 to U.S. individual unitholders, 100 percent should be reported as qualified dividends.

Zargon is not required to issue Form 1099 DIV’s; however, U.S. unitholders may have previously received a Form 1099 DIV from a broker or intermediary that may not be correct. As a result of this, U.S. unitholders should consult their brokers and tax advisors to ensure that this information is accurately reflected on their tax returns. Brokers and/or intermediaries may or may not be required to issue amended Form 1099 DIVs. There may be certain individual circumstances where the dividends may not be qualified dividends (such as in situations where the individual unitholder does not meet a holding period test). Readers should consult their own legal or tax advisors as to their particular tax consequences of holding Zargon trust units.

The information contained in this press release is of a general nature only and not exhaustive of all possible U.S. tax considerations. It is not intended to constitute legal or tax advice to any holder or potential holder of Zargon trust units.

Canadian resident taxpayers should note that the above information has no impact on the previously disclosed Canadian tax information.

Based in Calgary, Alberta, Zargon’s securities trade on the Toronto Stock Exchange (TSX). Trust units of Zargon trade under the symbol “ZAR.UN”.

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. For further information please contact either:

C.H. Hansen
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- or -

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