



## PRESS RELEASE

### PARAMOUNT ENERGY TRUST ADVISES ON 2003 CANADIAN INCOME TAX INFORMATION

**February 17, 2004.** The following information is intended to assist individual Canadian Unitholders of Paramount Energy Trust ("Paramount") in the preparation of their 2003 T1 Income Tax Return.

**The information contained herein is based on Paramount's understanding of the Income Tax Act (Canada) and the regulations thereunder and is provided for general information only. Unitholders are advised to consult their personal tax advisors with respect to their particular circumstances.**

#### **Trust Units held within an RRSP, RRIF, RESP or DPSP**

No amounts are required to be reported on the 2003 T1 Income Tax Return where the Paramount Energy Trust Units are held within an RRSP, RRIF, RESP or DPSP.

#### **Trust Units held outside of an RRSP, RRIF, RESP or DPSP**

Unitholders who held their Paramount Energy Trust Units outside of an RRSP, RRIF, RESP or DPSP, through a broker or other intermediary and received cash distributions during the period, will receive "T3 Supplementary" slips directly from their broker or intermediary, not from the transfer agent or Paramount Energy Trust.

Registered Unitholders of Paramount Energy Trust who received cash distributions during the period from the transfer agent, Computershare Trust Company of Canada, (and not from a broker or intermediary), will receive "T3 Supplementary" slips directly from Computershare Trust Company of Canada.

The attached "Schedule 1" includes supplementary information on the taxable portion of the 2003 cash distributions and is shown on a per unit basis. Under Paragraph 12(1) (m) of the Income Tax Act, taxable amount allocated by Paramount Energy Trust in 2003 to the Unitholders must be reported by the Unitholders in their 2003 Income Tax Return.

Accordingly, the taxable amount of cash distributions (i.e. "Other Income" Box (26) and "Actual amount of dividends" Box (23) on the T3 slips) with respect to record dates March 31, 2003 up to and including December 31, 2003 are included in your "T3 Supplementary". The deadline for mailing all T3 Supplementary Information slips as required by Canada Revenue Agency is March 30, 2004.

#### **Adjusted Cost Base**

Holders of Paramount Energy Trust Units are required to reduce the Adjusted Cost Base of their Units. The reduction is equal to the cumulative cash received from cash distributions minus cumulative taxable amounts Reported as "Other Income" Box (26) and "Actual amount of dividends" Box (23) on their T3 slips (if any).

The Adjusted Cost Base is used in calculating capital gains or losses on the disposition of the trust Units if the owner holds the trust Units as a capital property.

## SCHEDULE 1

### PARAMOUNT ENERGY TRUST UNITS 2003 – T3 INFORMATION FOR CANADIAN RESIDENTS

The following table outlines the breakdown of cash distributions per unit paid or payable by Paramount Energy Trust with respect to record dates for the period March 31, 2003 – December 31, 2003 for Canadian Income Tax purposes.

<b>Record Date</b>	<b>Payment Date</b>	<b>Total Distribution Paid</b>	<b>Taxable Amount (Box 26) Other Income</b>	<b>Tax-Deferred Amount (Return of Capital) Amount</b>
March 31, 2003	April 15, 2003	.830	0.432	0.398
April 30, 2003	May 15, 2003	.277	0.144	0.133
May 30, 2003	June 16, 2003	.277	0.144	0.133
June 30, 2003	July 15, 2003	.250	0.130	0.120
July 31, 2003	August 15, 2003	.250	0.130	0.120
August 29, 2003	September 15, 2003	.200	0.104	0.096
September 30, 2003	October 15, 2003	.200	0.104	0.096
October 31, 2003	November 17, 2003	.200	0.104	0.096
November 28, 2003	December 15, 2003	.200	0.104	0.096
December 31, 2003	January 15, 2004	.200	0.104	0.096
<b>TOTAL PER UNIT</b>		<b>2.884</b>	<b>1.500</b>	<b>1.384</b>

Paramount Energy Trust is a natural gas-focussed Canadian energy trust. PET's Trust Units are listed on the Toronto Stock Exchange under the symbol "PMT.UN". Further information with respect to PET can be found at its website at [www.paramountenergy.com](http://www.paramountenergy.com).

The Toronto Stock Exchange has neither approved nor disapproved the information contained herein

#### FOR FURTHER INFORMATION, PLEASE CONTACT:

Paramount Energy Operating Corp, administrator of Paramount Energy Trust  
Suite 500, 630 – 4 Avenue SW, Calgary, AB T2P 0J9  
Telephone: (403) 269-4400 Fax: (403) 269-6336 Email: [info@paramountenergy.com](mailto:info@paramountenergy.com)

Susan L. Riddell Rose, President and Chief Operating Officer

Cameron R. Sebastian, Vice President, Finance and Chief Financial Officer

Gary C. Jackson, Vice President, Land, Legal and Acquisitions