



Harvest Energy Trust

Harvest Energy Trust – News Release (HTE.UN – TSX)

HARVEST SE SASKATCHEWAN PROPERTY ACQUISITION UPDATE

Calgary, October 1, 2003 (TSX: HTE.UN) — Harvest Energy Trust (the "Trust" or "Harvest") announces that it has revised its previously planned acquisition of light oil properties in the Carlyle area of Southeastern Saskatchewan. Harvest will now acquire certain of these assets for total consideration of approximately \$80 million. The acquisition is expected to be completed on or about October 14, 2003.

Revised Carlyle Property Acquisition Highlights:

- current production of approximately 5,200 BOE (favourable acquisition parameter of \$15,400 per BOE per day);
- established reserves at January 1, 2003, as determined by McDaniel & Associates, of 16.5 million BOE (favourable acquisition parameter of \$4.85 per BOE);
- reserve life index of 8.3;
- light gravity crude averaging 33° API;
- high quality, mature production from large, original-oil-in-place (approximately 750 million barrels) supported by active natural water drive;
- 98% of the acquired production is operated with an average working interest of 93%;
- inventory of property enhancement projects including infill drilling, fluid handling optimization opportunities and operating cost reduction projects;
- included with these properties, Harvest will acquire the following complimentary assets:
 - 2D and 3D seismic data on the acquired properties;
 - a gross overriding royalty on over 200,000 acres of undeveloped lands;
 - 9 central processing batteries, 21 satellites and 1 natural gas processing facility;
 - oil price hedge/collar, locking in the price for 2,500 barrels per day of WTI sales within a range defined by:

	<u>Q4 2003</u>	<u>Calendar 2004</u>
Floor	US \$24.00	US \$22.00
Ceiling	US \$30.45	US \$28.10

Benefits to Unitholders:

Harvest anticipates the Carlyle property acquisition will provide the following benefits to our Unitholders:

- increases Harvest's established reserve base to 33.5 MM BOE;
- increases Harvest's reserve life index to 5.8;
- increases the light/medium oil component of Harvest's production to 64%;
- provides an expanded base of production compatible with Harvest's proven operating competencies;
- adds a new core area for additional low cost growth in the form of property enhancement and consolidation of additional interests through acquisitions;
- accretive to 2004 cash flow;
- greater cash flow certainty from a larger production and reserve base; and
- acquisition of royalty interests which provide the potential for reserve addition without capital expenditures.

Financing:

Harvest also announces that it has arranged a new Canadian based lender credit facility and has repaid all of its indebtedness under its previous credit facility with proceeds from the new credit facility and amounts available under equity bridge notes (the "Equity Bridge") and non-equity bridge notes (the "Short-Term Bridge") (collectively, the "Bridge Notes") with the Chairman of Harvest and Caribou Capital Corp., a company controlled by the Chairman (the "Bridge Lender"). The above mentioned acquisition is subject to finalizing these arrangements.

The Bridge Notes provide for advances of up to \$70 million to the Trust. No commitment or arrangement fee has or will be earned by the Bridge Lender through the provision of the Bridge Notes. As of the date hereof, Harvest has \$47.5 million outstanding pursuant to the Bridge Notes. All of the outstanding principal portion and all accrued and unpaid interest under the Bridge Notes is due and payable in full on January 1, 2005. The terms of the Bridge Notes agreements call for quarterly interest payments calculated daily at a fixed rate of 10% per annum. Under the Equity Bridge, the Trust also has the option to settle the quarterly interest payments with cash or, subject to receipt of applicable regulatory approval, the issue of that number of trust units equal to the quarterly payment amount divided by 90% of the ten-day weighted average trading price of the Harvest trust units.

For further information, please contact either:

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