



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

### HARVEST ENERGY TRUST ANNOUNCES \$40 MILLION BOUGHT DEAL FINANCING

**Calgary, January 12<sup>th</sup>, 2004 (TSX: HTE.UN)** – Harvest Energy Trust ("Harvest") is pleased to announce it has entered into an agreement, on a bought deal basis, with a syndicate of underwriters led by National Bank Financial Inc. for an offering of \$40,000,000 aggregate principal amount of convertible unsecured subordinated debentures (the "Debentures"). The underwriters have also been granted an option to purchase up to an additional \$10,000,000 of the Debentures, which is exercisable at the discretion of the underwriters at any time up to 48 hours prior to closing. The offering is subject to normal regulatory approval and expected to close on or about January 29, 2004.

The Debentures, with a face value of \$1,000 per Debenture, will have a coupon of 9%, mature on May 31, 2009 and will be convertible into trust units of Harvest at a price of \$14.00 per trust unit. Purchasers converting their Debentures will receive accrued and unpaid interest thereon. Purchasers of the Debentures will receive interest semi-annually with the first interest payment occurring on May 31, 2004.

The net proceeds of the offering will be used to repay the \$25 million of Equity Bridge Notes outstanding, to reduce bank indebtedness and for general corporate purposes.

The securities of Harvest have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or applicable exemption from the registration requirements. This news release shall not constitute an offer to sell or the solicitation of an offer to buy securities in any jurisdiction.

Harvest's trust units trade on the Toronto Stock Exchange under the symbol HTE.UN.

This press release is not for release or distribution in the United States.

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**ADVISORY:** Certain information regarding Harvest Energy Trust and Harvest Operations Corp. including management's assessment of future plans and operations, may constitute forward-looking statements under applicable securities law and necessarily involve risks associated with oil and gas exploration, production, marketing and transportation such as loss of market, volatility of prices, currency fluctuations, imprecision of reserve estimates, environmental risks, competition from other producers and ability to access sufficient capital from internal and external sources; as a consequence, actual results may differ materially from those anticipated in the forward-looking statements.