

The information contained herein is intended to provide general guidance regarding income tax reporting for individual holders of Harvest trust units. It is not intended to constitute legal or tax advice to any holder or potential holder of Harvest trust units. Readers should consult their own legal or tax advisors as to their particular tax consequences of holding Harvest trust units.

2009 Tax Year

Harvest's distributions paid to unitholders in 2009 totaled \$1.00 for the year. All distributions paid in the year are 100% taxable. No amount (0%) of the distributions is a return of capital.

The table below sets out the distributions declared from December 31, 2008 to December 31, 2009 and also indicates the income allocated to unitholders for each distribution.

Record Date for Payment	Payment Date	Taxability Information	Payment Amount Per Unit Trust (\$Cdn)	Amount Taxable as Income (\$Cdn)	Return of Capital Income
31-Dec-08	15-Jan-09	Taxable in 2008 tax year	\$0.300	\$0.300	\$0.000
23-Jan-09	17-Feb-09	Taxable in 2009 tax year	\$0.300	\$0.300	\$0.000
24-Feb-09	16-Mar-09	Taxable in 2009 tax year	\$0.300	\$0.300	\$0.000
23-Mar-09	15-Apr-09	Taxable in 2009 tax year	\$0.050	\$0.050	\$0.000
22-Apr-09	15-May-09	Taxable in 2009 tax year	\$0.050	\$0.050	\$0.000
28-May-09	15-Jun-09	Taxable in 2009 tax year	\$0.050	\$0.050	\$0.000
22-Jun-09	15-Jul-09	Taxable in 2009 tax year	\$0.050	\$0.050	\$0.000
22-Jul-09	17-Aug-09	Taxable in 2009 tax year	\$0.050	\$0.050	\$0.000
24-Aug-09	15-Sep-09	Taxable in 2009 tax year	\$0.050	\$0.050	\$0.000
22-Sep-09	15-Oct-09	Taxable in 2009 tax year	\$0.050	\$0.050	\$0.000
22-Oct-09	16-Nov-09	Taxable in 2009 tax year	\$0.050	\$0.050	\$0.000

2008 Tax Year

Harvest's distributions paid to unitholders in 2008 totaled \$3.60 for the year. All distributions paid in the year are 100% taxable. No amount of the distributions is a return of capital.

The table below sets out the distributions declared from December 31, 2007 to December 31, 2008 and also indicates the income allocated to unitholders for each distribution.

Record Date for Payment	Payment Date	Taxability Information	Payment Amount Per Unit Trust (\$Cdn)	Amount Taxable as Income (\$Cdn)	Return of Capital Income
31-Dec-07	15-Jan-08	Taxable in 2007 tax year	\$0.300	\$0.300	\$0.000
24-Jan-08	15-Feb-08	Taxable in 2008 tax year	\$0.300	\$0.300	\$0.000
22-Feb-08	17-Mar-08	Taxable in 2008 tax year	\$0.300	\$0.300	\$0.000
25-Mar-08	15-Apr-08	Taxable in 2008 tax year	\$0.300	\$0.300	\$0.000
22-Apr-08	15-May-08	Taxable in 2008 tax year	\$0.300	\$0.300	\$0.000
22-May-08	16-Jun-08	Taxable in 2008 tax year	\$0.300	\$0.300	\$0.000
23-Jun-08	15-Jul-08	Taxable in 2008 tax year	\$0.300	\$0.300	\$0.000
22-Jul-08	15-Aug-08	Taxable in 2008 tax year	\$0.300	\$0.300	\$0.000
22-Aug-08	15-Sep-08	Taxable in 2008 tax year	\$0.300	\$0.300	\$0.000
22-Sep-08	15-Oct-08	Taxable in 2008 tax year	\$0.300	\$0.300	\$0.000
22-Oct-08	17-Nov-08	Taxable in 2008 tax year	\$0.300	\$0.300	\$0.000
24-Nov-08	15-Dec-08	Taxable in 2008 tax year	\$0.300	\$0.300	\$0.000
31-Dec-08	15-Jan-09	Taxable in 2008 tax year	\$0.300	\$0.300	\$0.000

2007 Tax Year

Harvest's distributions paid to unitholders in 2007 totaled \$4.40 for the year. All distributions paid in the year are 100% taxable. No amount of the distributions is a return of capital.

The table below sets out the distributions declared from December 31, 2006 to December 31, 2007 and also indicates the income allocated to unitholders for each distribution.

Record Date for Payment	Payment Date	Taxability Information	Payment Amount Per Unit Trust (\$Cdn)	Amount Taxable as Income (\$Cdn)	Return of Capital Income
31-Dec-06	15-Jan-07	Taxable in 2006 tax year	\$0.380	\$0.380	\$0.000
22-Jan-07	15-Feb-07	Taxable in 2007 tax year	\$0.380	\$0.380	\$0.000
22-Feb-07	15-Mar-07	Taxable in 2007 tax year	\$0.380	\$0.380	\$0.000
22-Mar-07	16-Apr-07	Taxable in 2007 tax year	\$0.380	\$0.380	\$0.000
23-Apr-07	15-May-07	Taxable in 2007 tax year	\$0.380	\$0.380	\$0.000
24-May-07	15-Jun-07	Taxable in 2007 tax year	\$0.380	\$0.380	\$0.000
22-Jun-07	16-Jul-07	Taxable in 2007 tax year	\$0.380	\$0.380	\$0.000
23-Jul-07	15-Aug-07	Taxable in 2007 tax year	\$0.380	\$0.380	\$0.000
22-Aug-07	17-Sep-07	Taxable in 2007 tax year	\$0.380	\$0.380	\$0.000
24-Sep-07	15-Oct-07	Taxable in 2007 tax year	\$0.380	\$0.380	\$0.000
22-Oct-07	15-Nov-07	Taxable in 2007 tax year	\$0.380	\$0.380	\$0.000
21-Nov-07	17-Dec-07	Taxable in 2007 tax year	\$0.300	\$0.300	\$0.000
31-Dec-07	15-Jan-08	Taxable in 2007 tax year	\$0.300	\$0.300	\$0.000

2006 Tax Year

Harvest's distributions paid to unitholders in 2006 totaled \$4.53 for the year. All distributions paid in the year are 100% taxable. No amount of the distributions is a return of capital.

The table below sets out the distributions declared from December 31, 2005 to December 31, 2006 and also indicates the income allocated to unitholders for each distribution.

Record Date for Payment	Payment Date	Taxability Information	Payment Amount Per Unit Trust (\$Cdn)	Amount Taxable as Income (\$Cdn)	Return of Capital Income
30-Dec-05	16-Jan-06	Taxable in 2005 tax year	\$0.350	\$0.350	\$0.000
23-Jan-06	15-Feb-06	Taxable in 2006 tax year	\$0.350	\$0.350	\$0.000
23-Feb-06	15-Mar-06	Taxable in 2006 tax year	\$0.380	\$0.380	\$0.000
22-Mar-06	17-Apr-06	Taxable in 2006 tax year	\$0.380	\$0.380	\$0.000
24-Apr-06	15-May-06	Taxable in 2006 tax year	\$0.380	\$0.380	\$0.000
25-May-06	15-Jun-06	Taxable in 2006 tax year	\$0.380	\$0.380	\$0.000
22-Jun-06	17-Jul-06	Taxable in 2006 tax year	\$0.380	\$0.380	\$0.000
24-Jul-06	15-Aug-06	Taxable in 2006 tax year	\$0.380	\$0.380	\$0.000
22-Aug-06	15-Sep-06	Taxable in 2006 tax year	\$0.380	\$0.380	\$0.000
22-Sep-06	16-Oct-06	Taxable in 2006 tax year	\$0.380	\$0.380	\$0.000
23-Oct-06	15-Nov-06	Taxable in 2006 tax year	\$0.380	\$0.380	\$0.000
22-Nov-06	15-Dec-06	Taxable in 2006 tax year	\$0.380	\$0.380	\$0.000
31-Dec-06	15-Jan-07	Taxable in 2006 tax year	\$0.380	\$0.380	\$0.000

2005 Tax Year

Harvest's distributions paid to unitholders in 2005 totaled \$3.20 for the year. All distributions paid in the year are 100% taxable. No amount of the distributions is a return of capital.

The table below sets out the distributions declared from December 31, 2004 to December 31, 2005 and also indicates the income allocated to unitholders for each distribution.

Record Date for Payment	Payment Date	Taxability Information	Payment Amount Per Unit Trust (\$Cdn)	Amount Taxable as Income (\$Cdn)	Return of Capital Income
31-Dec-04	17-Jan-05	Taxable in 2004 tax year	\$0.20	\$0.200	\$0.000
31-Jan-05	15-Feb-05	Taxable in 2005 tax year	\$0.200	\$0.200	\$0.000
28-Feb-05	15-Mar-05	Taxable in 2005 tax year	\$0.200	\$0.200	\$0.000
31-Mar-05	15-Apr-05	Taxable in 2005 tax year	\$0.200	\$0.200	\$0.000
29-Apr-05	16-May-05	Taxable in 2005 tax year	\$0.200	\$0.200	\$0.000
31-May-05	15-Jun-05	Taxable in 2005 tax year	\$0.200	\$0.200	\$0.000
30-Jun-05	15-Jul-05	Taxable in 2005 tax year	\$0.200	\$0.200	\$0.000
29-Jul-05	15-Aug-05	Taxable in 2005 tax year	\$0.250	\$0.250	\$0.000
25-Aug-05	15-Sep-05	Taxable in 2005 tax year	\$0.350	\$0.350	\$0.000
23-Sep-05	17-Oct-05	Taxable in 2005 tax year	\$0.350	\$0.350	\$0.000
24-Oct-05	15-Nov-05	Taxable in 2005 tax year	\$0.350	\$0.350	\$0.000
22-Nov-05	15-Dec-05	Taxable in 2005 tax year	\$0.350	\$0.350	\$0.000
30-Dec-05	16-Jan-06	Taxable in 2005 tax year	\$0.350	\$0.350	\$0.000

2004 Tax Year

Harvest's distributions paid to unitholders in 2004 totaled \$0.20 per trust unit per month for a total of \$2.40 for the year. However, the Trust earned more taxable income in 2004 than the amounts distributed to unitholders. As a result, all distributions paid in the year are 100% taxable. No amount of the distributions is a return of capital.

The table below sets out the distributions declared from December 31, 2003 to December 31, 2004 and also indicates the income allocated to unitholders for each distribution.

Record Date for Payment	Payment Date	Taxability Information	Payment Amount Per Unit Trust (\$Cdn)	Amount Taxable as Income (\$Cdn)	Return of Capital Income
31-Dec-03	15-Jan-04	Taxable in 2003 tax year	\$0.200	\$0.082	\$0.118
30-Jan-04	16-Feb-04	Taxable in 2004 tax year	\$0.200	\$0.200	\$0.000
27-Feb-04	15-Mar-04	Taxable in 2004 tax year	\$0.200	\$0.200	\$0.000
30-Mar-04	15-Apr-04	Taxable in 2004 tax year	\$0.200	\$0.200	\$0.000
30-Apr-04	17-May-04	Taxable in 2004 tax year	\$0.200	\$0.200	\$0.000
31-May-04	15-Jun-04	Taxable in 2004 tax year	\$0.200	\$0.200	\$0.000
30-Jun-04	15-Jul-04	Taxable in 2004 tax year	\$0.200	\$0.200	\$0.000
31-Jul-04	16-Aug-04	Taxable in 2004 tax year	\$0.200	\$0.200	\$0.000
31-Aug-04	15-Sep-04	Taxable in 2004 tax year	\$0.200	\$0.200	\$0.000
30-Sep-04	15-Oct-04	Taxable in 2004 tax year	\$0.200	\$0.200	\$0.000
29-Oct-04	15-Nov-04	Taxable in 2004 tax year	\$0.200	\$0.200	\$0.000
30-Nov-04	15-Dec-04	Taxable in 2004 tax year	\$0.200	\$0.200	\$0.000
31-Dec-04	17-Jan-05	Taxable in 2004 tax year	\$0.200	\$0.200	\$0.000

2003 Tax Year

For the 2003 taxation year, Unitholders of the Trust were paid \$2.40 Canadian per Trust Unit in distributions. The distribution payment on January 2003 is deemed to be 100% tax-deferred return-of-capital. The distribution payments from February to December 2003 are deemed 41% taxable as other income and 59% tax-deferred return of capital.

Below is a summary of the distributions declared from January 2003 to December 31, 2003, as well as the income and return of capital allocation for each distribution.

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			Distribution Taxability			
			Percent		Per Trust Unit	
Record Date	Payment Date	Payment per Trust Unit	Income	Return of Capital	Income	Return of Capital
Jan. 31, 2003	Feb. 17, 2003	\$0.20	41%	59%	\$0.082	\$0.118
Feb. 28, 2003	March 17, 2003	\$0.20	41%	59%	\$0.082	\$0.118
March 31, 2003	April 15, 2003	\$0.20	41%	59%	\$0.082	\$0.118
April 30, 2003	May 15, 2003	\$0.20	41%	59%	\$0.082	\$0.118
May 30, 2003	June 16, 2003	\$0.20	41%	59%	\$0.082	\$0.118
June 30, 2003	July 15, 2003	\$0.20	41%	59%	\$0.082	\$0.118
July 31, 2003	Aug. 15, 2003	\$0.20	41%	59%	\$0.082	\$0.118
Aug. 29, 2003	Sept. 15, 2003	\$0.20	41%	59%	\$0.082	\$0.118
Sept. 30, 2003	Oct. 15, 2003	\$0.20	41%	59%	\$0.082	\$0.118
Oct. 31, 2003	Nov. 14, 2003	\$0.20	41%	59%	\$0.082	\$0.118
Nov. 28, 2003	Dec. 15, 2003	\$0.20	41%	59%	\$0.082	\$0.118
Dec. 16, 2003	Jan. 15, 2004	\$0.20	41%	59%	\$0.082	\$0.118

2002 Tax Year

For the 2002 taxation year, Unitholders of the Trust were paid \$0.20 per Trust Unit in distributions. Of these distributions, 100% were deemed a tax-deferred return of capital.

Information regarding Special Distribution of 2004 Taxable Income (Paid April 15, 2005)

Harvest's trust indenture requires that any taxable income earned in the Trust that exceeds the amount paid in distributions automatically becomes payable to unitholders. As a result of the excess taxable income earned in 2004, Harvest unitholders will receive an additional allocation of taxable income of \$0.252 per unit, which is also 100% taxable. This amount will be reported as a corresponding increase in taxable income shown on the T3 slips of unitholders of record on December 31, 2004.

In settlement of the additional income payable to unitholders, holders of record on March 31, 2005 will receive an additional payment of trust units equal to \$0.252 per unit. Trust units will be valued as at December 31, 2004 for this purpose, in accordance with the trust indenture. The closing price of the Trust units on December 31, 2004 was \$22.95 and therefore each unitholder of record on March 31, 2005 will receive 0.01098 of a trust unit per trust unit held on that date in settlement of this incremental amount of taxable income. This allocation of income will increase unitholders' adjusted cost base ("ACB") in their units by the amount of the additional payment. This payment, representing the excess income, will be made concurrently with the distribution payment to unitholders on April 15, 2005. Harvest trust units are expected to commence trading on an ex-distribution basis on March 29, 2005.

For a Q&A on the Special Distribution Paid April 15, 2005, see Appendix A at the end of this document.

Appendix A

Q&A Regarding Special Distribution

Q: Why did Harvest make a special distribution?

A: In the past, Harvest Energy Trust's taxable income for the year has been less than its distributions made during that year. This results in only a portion of the distribution being taxable. For example, only 59% of 2003's distributions were taxable to unitholders. For 2004, Harvest's income for the year exceeded its distributions.

Harvest's trust indenture (the document that sets out how the Trust conducts its affairs) automatically on December 31, 2004 causes any undistributed income for the year to become payable to unitholders on December 31. This ensures that income is not retained in the trust, and thus not taxed in the trust. Based on the number of units outstanding at December 31, 2004, the amount of this income is \$0.252 per unit.

The distribution of \$0.252 per unit represents the remainder of the trust's income for 2004 to be distributed (over and above what the trust distributed during the year).

Q: In what year is this income taxed?

A: This special distribution represents 2004 taxable income and will therefore be included on T3 slips for the 2004 year for those who held units on December 31, 2004.

Q: Why was the distribution made to unitholders of record on March 31, 2005 instead of December 31, 2004?

A: Harvest did not determine the amount of the special distribution until the completion of its financial statements early in 2005. This determination involves a complex set of computations and was made more difficult by the acquisition of significant properties late in the year. Management made every attempt to accurately calculate this amount as early as possible. The rules of The Toronto Stock Exchange did not permit Harvest to make a distribution retroactive to unitholders of record as of December 31, 2004.

Q: I sold all my units after December 31, 2004. Since I am no longer a unitholder, I won't receive the special distribution. Will I still be taxed on this income?

A: Yes. As a unitholder of record on December 31, 2004, you will be allocated this amount of income as per Harvest's trust indenture (described above). However, this is only relevant if you hold your units outside of a tax-deferred investment vehicle such as a RRSP. If you held these units in your RRSP, the additional taxable income is not reflected on your 2004 income tax return. For units held outside an RRSP, any capital gains on a sale since December 31, 2004 are reduced by the amount of the distribution (see below).

Q: How does the special distribution affect my calculation of capital gains if I sold subsequent to December 31, 2004?

A: Although you did not receive the distribution, you can credit that same amount against your capital gain on the sale of units. Because the amount was not paid by Dec 31, 2004, you should increase the ACB of your units by \$0.252 per unit.

Since the capital gain on sale is only taxable as to 50%, the net effect is that only 50% of the special distribution will become incremental taxable income to you.

Q: I purchased Harvest units subsequent to December 31, 2004. Will I be taxed on the special distribution in respect of those units?

A: No. The special distribution is taxed only to unitholders of record on December 31, 2004.

Q: Reading the press release I understand that the special distribution is being paid out as a fractional unit? What happens if I have an odd number of units after the distribution? How can I dispose of a fractions of a unit?

A: Fractional units are generally paid out in cash when units are sold and are handled at the broker level. Contact your broker to discuss how they handle your fractional units.

Q: Are there different tax implications of receiving fractional units as opposed to a cash distribution?

A: No. The tax implications are the same.

Q: I thought the Trust structure was tax efficient and that HET was not subject to tax. How is it that HET has taxable income that needs to be allocated to unitholders?

A: The tax efficiency of Harvest's structure is based on its ability to allocate all of its income to unitholders. Most of the income was allocated to unitholders via the regular monthly distributions made throughout 2004. The special distribution is the allocation of the remaining income that was not distributed during the year. This special distributions ensures that Harvest does not pay tax on the income, but that it is passed on to the unitholders.

Q: As a holder of record on December 31, 2004, what happens if my broker issues a T3 that is not consistent with the information you've provided, and does not reflect the taxable income portion of \$0.252 ?

A: You should contact your broker and refer to the information contained on this website. We will be happy to discuss the issue with the broker to ensure that the right information is provided on your T3 slip.