



PENN WEST ENERGY TRUST 2006 CANADIAN INCOME TAX INFORMATION

Introduction

This letter is intended to assist individual unitholders of Penn West Energy Trust (“Penn West”) in the preparation of their 2006 T1 Income Tax Returns. It is not intended to constitute legal or tax advice to any holder or potential holder of Penn West units. Readers should consult with their legal or tax advisor as to their particular tax consequences.

Canadian unitholders

The following summary applies if you are a unitholder who:

- is a resident of Canada under the Income Tax Act (Canada), and
- holds your trust units as capital property.

If this is not the case, please consult with your tax adviser about your Penn West units.

Trust units held within an RRSP, RRIF or DPSP

If you hold your trust units within a Registered Retirement Savings Plan (RRSP), Registered Retirement Income Fund (RRIF), or a Deferred Profit Savings Plan (DPSP), NO AMOUNTS are to be reported in your 2006 Income Tax Return.

Trust units held outside of an RRSP, RRIF or DPSP

Follow this table if you hold your trust units outside an RRSP, RRIF or DPSP.

If	Then
You hold trust units through a broker or other intermediary...	You will receive a T3 Supplementary slip directly from your broker or intermediary, not from the transfer agent or Penn West Energy Trust.
You are a registered unitholder...	You will receive T3 Supplementary slips directly from the transfer agent (CIBC Mellon).

The amount reported in Box (26) on the T3 supplementary slip, “Other income”, should be reported on your 2006 T1 Income Tax Return.

Cash distribution schedule

The following schedule outlines for income tax purposes the cash distributions paid in 2006 and the taxable portion of each distribution per trust unit:

2006 Cash Distribution Information for Canadian Penn West Unitholders (\$/unit)				
Record Date	Payment Date	Cash Distribution	Taxable Amount	Return of Capital Amount
Jan 31 2006	Feb 15 2006	0.31	0.31	0.00
Feb 28 2006	Mar 15 2006	0.34	0.34	0.00
Mar 31 2006	Apr 13 2006	0.34	0.34	0.00
Apr 28 2006	May 15 2006	0.34	0.34	0.00
May 31 2006	Jun 15 2006	0.34	0.34	0.00
Jun 29 2006	Jul 14 2006	0.34	0.34	0.00
Jul 31 2006	Aug 15 2006	0.34	0.34	0.00
Aug 31 2006	Sept 15 2006	0.34	0.34	0.00
Sept 29 2006	Oct 13 2006	0.34	0.34	0.00
Oct 31 2006	Nov 15 2006	0.34	0.34	0.00
Nov 30 2006	Dec 15 2006	0.34	0.34	0.00
Dec 29 2006	Jan 15 2007	0.34	0.34	0.00
Total per unit		4.05	4.05	0.00

Note: The taxable portion of Penn West's 2006 distributions was 100% and the Return of Capital portion was 0%.

Adjusted cost base of units for capital gains purposes

The Adjusted Cost Base ("ACB") is used in calculating capital gains and losses on the disposition of trust units. Unitholders are required to reduce the ACB of their trust units by an amount equal to the cumulative cash received from distributions in 2006 minus the amount reported as "Other Income" on the T3 slip. Since the return of capital for 2006 is nil, there should be no effect on ACB.

Note: For more information related to the effects on former Petrofund Energy Trust ("Petrofund") unitholders due to the June 30, 2006 merger between Penn West and Petrofund, please go to: <http://www.pennwest.com/investor/documents/CDNQA.pdf>

Disclaimer

This information letter is a general guideline and not intended to be legal advice to any particular holder or potential holder of Penn West. This information is not exhaustive of all possible Canadian income tax considerations.

Penn West unitholders should consult their own legal and tax advisers as to their particular tax consequences.