



PENN WEST ENERGY TRUST 2006 U.S. INCOME TAX INFORMATION

Introduction

The following information is provided to assist individual U.S. unitholders in reporting 2006 Penn West Energy Trust (“Penn West”) distributions received on their Internal Revenue Service Form 1040, “U.S. Individual Income Tax Return” (“Form 1040”). This summary is of a general nature and 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 advisors as to their particular tax consequences.

U.S. unitholders

The following summary applies if you are a unitholder who is a citizen or resident of the United States under the Internal Revenue Code (United States).

Trust units held within a Qualified Retirement Plan

If you hold your trust units within a Qualified Retirement Plan, NO AMOUNTS are to be reported on your 2006 IRS Form 1040-U.S. Individual Income Tax Return.

Trust units held outside of a Qualified Retirement Plan

The following table applies if you hold your trust units outside a Qualified Retirement Plan.

If	Then
You hold trust units through a broker or other intermediary...	You will receive all necessary tax form(s) directly from your broker or intermediary, not from Penn West’s transfer agent or Penn West Energy Trust.
You are a registered unitholder...	You will receive Forms 1099-DIV and NR-4 forms directly from the transfer agent (<i>CIBC Mellon</i>).

In consultation with its U.S. tax advisors, Penn West believes that the Penn West trust units should be properly classified as equity in a corporation rather than debt. The dividend component of the distributions is based on Penn West’s current and accumulated earnings and profits determined in accordance with U.S. income tax principles. These dividends should be “qualified dividends” for U.S. federal income tax purposes subject to the reduced rate of tax (15%) applicable to long-term capital gains. Accordingly, the amount included in Line 1b of the Form 1099-DIV should be reported as a “qualified dividend” on Line 9b of Form 1040, unless the factual situation of the individual U.S. unitholder determines otherwise. Commentary on page 23 of the Form 1040 Instruction Booklet for 2006 provides guidance in making this determination.

Trust distributions are subject to a 15% Canadian withholding tax that is withheld and remitted on behalf of U.S. unitholders. Where trust units are held outside of a qualified retirement plan, the full amount of withholding tax paid may be used to offset a portion of the U.S. tax liability. The amount of withholding tax included on Line 6 of Form 1099-DIV representing the amount of

foreign tax paid should be reported on Form 1116, "Foreign Tax Credit (Individual, Estate, or Trust)". Information regarding the amount of Canadian tax withheld in 2006 should be obtained from your broker or other intermediary. This information is not available to Penn West.

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 U.S. Unitholders (\$/unit)

Record Date	Payment Date	\$CDN			\$US		
		Cash Distribution	Qualified Dividend	Return of Capital	Exchange Rate*	Qualified Dividend \$US	Return of Capital Amount \$US
Dec 31 2005	Jan 13 2006	0.31	0.31	0.00	.8577	0.26589	0.00
Jan 31 2006	Feb 15 2006	0.31	0.31	0.00	.8742	0.27100	0.00
Feb 28 2006	Mar 15 2006	0.34	0.34	0.00	.8787	0.29876	0.00
Mar 31 2006	Apr 13 2006	0.34	0.34	0.00	.8568	0.29131	0.00
Apr 28 2006	May 15 2006	0.34	0.34	0.00	.8926	0.30348	0.00
May 31 2006	Jun 15 2006	0.34	0.34	0.00	.9068	0.30831	0.00
Jun 29 2006	Jul 14 2006	0.34	0.34	0.00	.8961	0.30467	0.00
Jul 31 2006	Aug 15 2006	0.34	0.34	0.00	.8843	0.30066	0.00
Aug 31 2006	Sept 15 2006	0.34	0.34	0.00	.9037	0.30726	0.00
Sept 29 2006	Oct 13 2006	0.34	0.34	0.00	.8966	0.30484	0.00
Oct 31 2006	Nov 15 2006	0.34	0.34	0.00	.8907	0.30284	0.00
Nov 30 2006	Dec 15 2006	0.34	0.34	0.00	.8760	0.29784	0.00
Total per unit		4.02	4.02	0.00		3.55686	0.00

*Source – Bank of Canada nominal noon exchange rate on record dates (\$CDN/\$US). These rates will apply for registered unitholders. Non-registered unitholders should use other appropriate exchange rates.

Note: The taxable portions of the 2006 distributions for U.S. residents were determined to be 100%, and the return of capital portion was 0%.

Basis of units for capital gains purposes

Any return of capital portion of distributions affect the basis in your units. Since the return of capital for 2006 is nil, there should be no effect on cost basis. Please contact your broker or financial advisor for exact calculations.

For more information related to the effects on former Petrofund Energy Trust unitholders of the June 30, 2006 merger between Penn West and Petrofund, please go to:

<http://www.pennwest.com/investor/documents/USMergerQA.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 U.S. income tax considerations.

Unitholders or potential holders of Penn West should consult their own legal and tax advisers as to the particular tax consequences of holding their Penn West units.