

PENGROWTH ENERGY TRUST

Form 6-K

May 17, 2004

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**SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 6-K

**Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16 of the
Securities Exchange Act of 1934**

For the period May 6, 2004 to May 14, 2004

PENGROWTH ENERGY TRUST

**Petro-Canada Centre East Tower
2900, 111 5th Avenue S.W.
Calgary, Alberta T2P 3Y6 Canada**

(address of principal executive offices)

[Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.]

Form 20-F

Form 40-F

[Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Security Exchange Act of 1934.]

Yes

No

[If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): _____]

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SIGNATURES

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DOCUMENTS FURNISHED HEREUNDER:

1. First Quarter Report for the period ended March 31, 2004
 2. Confirmation of Mailing
 3. Certification of Interim Filings CEO
 4. Certification of Interim Filings CFO
-

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

PENGROWTH ENERGY TRUST
by its administrator PENGROWTH
CORPORATION

May 14, 2004

By: /s/ Gordon M. Anderson

Name: Gordon M. Anderson
Title: Vice President

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**FIRST QUARTER RESULTS
MARCH 31, 2004**

HIGHLIGHTS

Distributable cash for the first quarter of 2004 decreased 14% over the first quarter of 2003 to \$83.6 million as a result of lower production volumes and lower commodity prices. It should be noted that last year's first quarter results reflected an exceptional period of higher oil and gas production as well as above average oil and natural gas prices. Pengrowth distributed \$83.0 million or \$0.630 per trust unit during the first quarter of 2004 compared to \$82.2 million or \$0.75 per trust unit in the comparable period in 2003. Cash distributions per trust unit in the first quarter of 2004 decreased 16% over the same period last year due to lower distributable cash and an increase in the number of trust units outstanding.

Operating costs for the first quarter of 2004 were \$31.2 million (\$7.50 per boe) compared to \$39.5 million (\$8.63 per boe) in the first quarter of 2003. The lower operating costs are mainly attributable to the purchase of the Sable Offshore Energy Project (SOEP) processing facilities in May and December of 2003. These transactions eliminated the third party processing fees that Pengrowth was previously paying to the owners of the facilities.

Pengrowth realized an operating netback of \$25.71 per boe in the first quarter of 2004 with the decline in commodity prices partially offset by a decrease in operating costs.

Total production in the first quarter of 2004 averaged 45,668 boe per day, a decrease of 10% over the first quarter of 2003. Production volumes were lower than expected in the quarter by approximately 600 boe per day due to a delayed SOEP condensate shipment which was expected in March and took place in April. Incremental development volumes from our 2004 capital expenditures program are expected to reduce declines over the remainder of 2004.

Subsequent to quarter end, Pengrowth announced it had entered into an agreement with a subsidiary of Murphy Oil Corporation (Murphy) to acquire certain oil and natural gas assets in Alberta and Saskatchewan for \$550 million before adjustments. The acquisition will be effective April 1, 2004 and is expected to be completed in late May 2004. Pengrowth anticipates it will finance the acquisition in the near term through cash and term deposits on hand, and a committed bridge credit facility. Pengrowth expects that the acquisition will be accretive for unitholders of Pengrowth Energy Trust based on production, reserves and distributable cash on a per unit basis.

On March 23, 2004, Pengrowth successfully completed a public offering of 10.9 million trust units for gross proceeds of \$200.6 million and net proceeds of \$189.9 million. As a result of this equity issue and additional cash remaining from the July 2003 equity offering, Pengrowth had cash and term deposits of \$251.1 million at March 31, 2004. The cash and term deposits will be used to partially fund the Murphy acquisition that was announced on April 8, 2004.

At the Annual and Special Meeting of Trust Unitholders on April 22, 2004, Pengrowth received Trust Unitholder approval to reclassify the trust unit capital into Class A and Class B units. The reclassification of trust units will enable Pengrowth to ensure non-resident ownership requirements of the Income Tax Act (Canada) are satisfied and that Pengrowth's mutual fund status is maintained. The reclassification of trust units will be implemented at a date to

be determined and announced by the Board of Directors.

Note regarding currency: All figures contained within this report are quoted in Canadian dollars unless otherwise indicated.

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(thousands, except per unit amounts)	Quarter ended March 31		% Change
	2004	2003	
INCOME STATEMENT			
Oil and gas sales	\$ 164,323	\$ 202,801	-19%
Net income	\$ 38,652	\$ 62,920**	-39%
Net income per unit	\$ 0.31	\$ 0.57**	-46%
Funds generated from operations	\$ 91,798	\$ 108,609	-15%
Funds generated from operations per unit	\$ 0.73	\$ 0.98	-26%
Funds withheld to fund capital expenditures	\$ 9,289	\$ 10,804	-14%
Distributable cash before withholding*	\$ 92,895	\$ 108,025	-14%
Distributable cash before withholding per unit*	\$ 0.74	\$ 0.98	-24%
Distributable cash*	\$ 83,606	\$ 97,221	-14%
Actual distributions paid or declared per unit	\$ 0.63	\$ 0.75	-16%
Weighted average number of units outstanding	125,220	110,768	13%
BALANCE SHEET			
Working capital	\$ 194,650	\$ (48,547)	
Property, plant and equipment and other assets	\$1,507,905	\$1,469,072**	3%
Long-term debt	\$ 262,260	\$ 307,226	-15%
Unitholders' equity	\$1,315,025	\$1,045,311**	26%
Unitholders' equity per unit	\$ 9.72	\$ 9.42	3%
Number of units outstanding at period end	135,324	111,021	22%
TRUST UNIT TRADING (TSX)			
High	\$ 21.25	\$ 15.90	
Low	\$ 15.55	\$ 13.39	
Close	\$ 17.98	\$ 14.25	
Value	\$ 567,785	\$ 297,605	91%
Volume (thousands of units)	30,620	20,122	52%
TRUST UNIT TRADING (NYSE)			
High	\$ 16.60US	\$ 10.67US	
Low	\$ 12.10US	\$ 9.07US	
Close	\$ 13.70US	\$ 9.71US	
Value	\$ 525,609US	\$ 80,807US	550%
Volume (thousands of units)	36,899	8,168	352%
DAILY PRODUCTION			
Crude oil (barrels)	21,516	24,807	-13%
Natural gas (thousands of cubic feet)	117,348	120,402	-3%
Natural gas liquids (barrels)	4,594	5,952	-23%
Total production (BOE) 6:1	45,668	50,827	-10%
PRODUCTION INCREASE (6:1 boe) (year over year)	-10%	21%	
PRODUCTION PROFILE (6:1 conversion)			
Crude oil	47%	49%	
Natural gas	43%	39%	
Natural gas liquids	10%	12%	
AVERAGE PRICES			

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Crude oil (per barrel)	\$	40.34	\$	44.75	-10%
Natural gas (per mcf)	\$	6.72	\$	7.63	-12%
Natural gas liquids (per barrel)	\$	36.98	\$	41.43	-11%
Average price per BOE 6:1	\$	39.54	\$	44.33	-11%

*See Note 3 to the Financial Statements

**Restated for a retroactive change in accounting policies
see Note 2 to the financial statements.

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President's Message

Pengrowth is pleased to announce the unaudited quarterly results for the three months ended March 31, 2004. The first quarter of 2004 demonstrated another solid performance by the trust. Trust Unitholders received \$0.63 per unit in distributions during the first quarter, reflecting Pengrowth's commitment to providing stability in distributions. Including the May 15, 2004 distribution of Cdn \$0.21 per unit, Pengrowth has provided unitholders with 11 months of constant distributions at this level.

While distributable cash before withholding declined by 24% on a per unit basis in this year's first quarter as compared with 2003's first quarter, last year's results reflected a different capital structure and an exceptional period of higher oil and gas production as well as above average oil and natural gas prices. The issuances of new trust unit equity for Energy Trust in July of 2003 and March of 2004 effectively reduced the per unit distributable cash in the short run, but has placed the trust in an effective competitive position to complete the significant, accretive acquisition of the Murphy assets.

Oil and natural gas prices continued to remain firm in the first quarter. Pengrowth's average realized commodity price, while down from first quarter 2003 levels, remained favourable at \$39.54 per boe and operating netbacks remained strong at \$25.71 per boe, compared with \$26.50 per boe in the first quarter of 2003 and \$20.43 per boe in the fourth quarter of 2003. The relatively high oil and gas prices have been partially offset by the continuing strength of the Canadian dollar exchange rate as the majority of Pengrowth's oil and natural gas sales are denominated in U.S. dollars. Lower operating costs, which declined \$8.3 million or 21% from \$39.5 million (\$8.63 per boe) in the first quarter of 2003 to \$31.2 million (\$7.50 per boe) for first quarter of 2004, also contributed to the healthy operating netbacks.

First quarter production averaged 45,668 boe per day, a decrease of 10% over the first quarter of 2003. As Pengrowth did not make any property acquisitions in 2003 and the Murphy acquisition has not yet been reflected in Pengrowth's results, natural production declines accounted for the decrease in production levels. Natural declines were somewhat offset by Pengrowth's expertise in optimization and development activities.

Production reported in the first quarter was 600 boe per day lower than expectations due to delay of a condensate shipment from SOEP. Production from winter development activity particularly in British Columbia should begin to be reflected in the second quarter. During the first quarter \$24.9 million in new capital was invested. The more significant capital programs were at Judy Creek (\$8.9 million), SOEP (\$3.4 million) and McLeod River (\$2.3 million). We will likely begin to see results from these activities over the remainder of 2004.

General and Administrative (G&A) costs were \$2.1 million higher in the first quarter of 2004 compared to the same period last year. Pengrowth adopted a new accounting standard for stock based compensation in 2003. The impact of this new standard resulted in a non-cash compensation expense of \$1.1 million which was included in the first quarter G&A costs. Also included were \$0.8 million in annual meeting mailing costs which were included in 2003 second quarter G&A costs.

Pengrowth ended the first quarter in a strong financial position. On March 23, 2004, Pengrowth successfully closed a trust unit equity offering in which 10.9 million trust units were issued at a price of Cdn \$18.40 per trust unit for aggregate gross proceeds of \$200.6 million and net proceeds of \$189.9 million. At quarter end Pengrowth had cash and term deposits totaling \$251.1 million on hand. Pengrowth was strategically poised to negotiate and complete acquisition opportunities identified by management.

Subsequent to quarter-end, on April 8, 2004 Pengrowth announced that it had entered into an agreement with a subsidiary of Murphy Oil Corporation to purchase certain oil and gas producing assets in Alberta and Saskatchewan for Cdn \$550 million prior to adjustments through the purchase of shares in a numbered Alberta company.

Current production from the assets is approximately 15,500 boe per day before royalties. Pengrowth's total production is expected to increase 33% from the current level of approximately 45,600 boe per day to approximately 60,000 boe per day. The transaction is anticipated to close in late May with an effective date of April 1, 2004. It is expected that this acquisition will be accretive to unitholders with respect to production, reserves and distributable cash on a per unit basis and continue Pengrowth's commitment to enhance value for unitholders.

Interest from non-Canadian investors has continued to be a significant factor in Pengrowth's development. However, maintaining Pengrowth's mutual trust fund status is of critical importance. Pengrowth has offered a unique solution to unitholders. On April 22, 2004, Pengrowth unitholders overwhelmingly approved a proposal to reclassify the trust unit capital into class A and class B units. Implementation will be determined and announced by the Board of Directors upon receipt of regulatory approval and satisfaction of other conditions.

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Class A and Class B Trust Units will have the same rights as the existing Trust Units to vote, obtain distributions and participate in assets upon the wind-up or dissolution of Pengrowth Energy Trust. However, ownership of class B units will be restricted to Canadian residents. The number of Class B Trust Units will at all times (with the exception of the implementation period) exceed the number of outstanding Class A Trust Units ensuring that Pengrowth continues to be managed primarily for the benefit of Canadian residents such that Pengrowth's mutual fund trust status is maintained. It will also allow for the continuance of active markets in both the Class A Trust Units and the Class B Trust Units. Future equity issues of both classes of Trust Units will be possible, including the offering of Class A Trust Units to U.S. residents. Pengrowth was the first trust to provide unitholders with a viable solution on this issue, extending the trust's history as an innovator and leader in the energy trust sector.

Going forward, distributions will continue to depend on a number of factors including the relative levels of commodity prices, oil and gas production volumes, and the capital structure of the trust. Pengrowth will continue to look for ways to maximize unitholders' returns through prudent hedging practices, continuance of our successful exploitation and development programs and by seeking out further accretive acquisition opportunities.

I am particularly pleased to welcome two new members to the Board of Directors – Michael S. Parrett and William R. Stedman as of April 22, 2004. Both gentlemen bring considerable experience to the Board and, along with our returning board members, will continue to make significant contributions on behalf of the trust. I'd also like to take this time to recognize the continuing efforts of our entire Pengrowth team during the events of the first quarter and their dedication going forward.

James S. Kinnear
Chairman, President and Chief Executive Officer
May 4, 2004

For further information about Pengrowth, please visit our website www.pengrowth.com or contact:
Investor Relations, Calgary Telephone: (403) 233-0224 Toll Free: 1-800-223-4122 Facsimile: (403) 294-0051
Investor Relations, Toronto Telephone: (416) 362-1748 Toll Free: 1-888-744-1111 Facsimile: (416) 362-8191

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The following discussion and analysis of financial results should be read in conjunction with:

The MD&A and the audited consolidated financial statements for the years ended December 31, 2003 and 2002; and

The interim unaudited consolidated financial statements as at and for the three months ended March 31, 2004.

Certain prior period comparative numbers included within this discussion and analysis have been restated to reflect changes in accounting policies as discussed in Note 3 to the audited consolidated financial statements for the years ended December 31, 2003 and 2002.

Note Regarding Forward-Looking Statements

This discussion and analysis contains forward-looking statements. These statements relate to future events or our future performance. In some cases, you can identify forward-looking statements by terminology such as may, will, should, expect, plan, anticipate, believe, estimate, predict, potential, continue, or the negative of the comparable terminology. These statements are only predictions. A number of factors, including the business risks discussed below, may cause actual results to vary materially from these estimates. Actual events or results may differ materially. In addition, this discussion contains forward-looking statements attributed to third party industry sources. Readers should not place undue reliance on these forward-looking statements.

When converting natural gas to equivalent barrels of oil within this discussion, Pengrowth uses the international standard of 6 thousand cubic feet (mcf) to one barrel of oil equivalent (boe). Production volumes and revenues are reported on a gross basis (before crown and freehold royalties) in accordance with Canadian practice. All amounts are stated in Canadian dollars unless otherwise specified.

Distributable Cash

Distributable cash decreased 14% to \$83.6 million for the first quarter of 2004, compared to \$97.2 million in the first quarter of 2003. A balance of \$0.7 million earned in the first quarter of 2004 remained to be distributed to unitholders in future months, compared to a balance of \$15.0 million undistributed at the end of the first quarter of 2003. An additional \$9.3 million (2003 \$10.8 million) was withheld to fund capital expenditures. The lower distributable cash in the first quarter of 2004 is attributable mainly to lower production volumes and lower commodity prices, offset in part by lower operating expenses and amortization of injectants.

Per unit cash distributions to unitholders decreased 16% to \$0.63 per trust unit in the first quarter of 2004 compared to \$0.75 per trust unit in the first quarter of 2003. Lower per unit cash distributions in 2004 first quarter reflected lower total distributable cash as well as an increase in the number of trust units outstanding. Trust units issued pursuant to the March 23, 2004 equity issue participated in the May 15 distribution, which relates to the March production month, and hence impacts 2004 first quarter distributable cash.

The following is a summary of recent monthly distributions and future key dates:

Ex-Distribution Date*	Record Date	Distribution Payment Date	Distribution Amount per Trust Unit	US\$ Amount**
			\$0.21	\$0.16

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December 29, 2003	December 31, 2003	January 15, 2004		
	February 2, 2004	February 15, 2004	\$0.21	\$0.16
January 29, 2004	March 1, 2004	March 15, 2004	\$0.21	\$0.16
February 26, 2004	April 1, 2004	April 15, 2004	\$0.21	\$0.16
March 30, 2004	May 3, 2004	May 15, 2004	\$0.21	\$0.16
April 29, 2004	June 1, 2004	June 15, 2004		
May 28, 2004	June 30, 2004	July 15, 2004		
June 28, 2004	August 2, 2004	August 15, 2004		
July 29, 2004	August 31, 2004	September 15, 2004		
August 27, 2004	September 30, 2004	October 15, 2004		
September 28, 2004	November 1, 2004	November 15, 2004		
October 28, 2004	December 1, 2004	December 15, 2004		
November 29, 2004				

*To benefit from the monthly cash distribution, unitholders must purchase or hold trust units prior to the ex-distribution date.

**Before applicable withholding taxes.

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Net Income

Net income for the first quarter of 2004 decreased to \$38.7 million compared to \$62.9 million for the first quarter of 2003. Most of this decrease is attributable to lower production volumes and lower commodity prices in 2004, as well as higher depletion and depreciation, offset in part by lower expenses.

Operating Netback

**Three months ended
March 31,**

Production

Total BOE production decreased 10% in the first quarter of 2004, compared to the first quarter of 2003, reflecting production declines over the period, mitigated in part by development projects completed over the last year. Pengrowth has not completed any significant reserve acquisitions since the first quarter of 2003. The Murphy acquisition which is scheduled to close in late May will favourably impact production going forward. Volumes reported for the first quarter of 2004 are also lower due to the timing of Sable condensate sales, as further discussed below.

**Three months ended
March 31,**

Oil production volumes have decreased 13% due to production declines, partially offset by incremental volumes from development projects. Production declines at some of Pengrowth's B.C. properties, including Rigel, Squirrel and Oak have been steeper than anticipated. However, on the positive side, significant production response has occurred at Oak during the first quarter as a result of waterflood activity. Production at other oil producing properties, including Judy Creek and Weyburn, has continued to exceed production expectations.

In the first quarter of 2004 natural gas production volumes decreased 3% compared to the first quarter of 2003. Natural gas production declines have been substantially offset by incremental development volumes from natural gas properties including Sable, McLeod River, Tupper, Dunvegan and Cessford.

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Natural gas liquids volumes decreased 23% in the first quarter of 2004 compared to the first quarter of 2003. The timing of Sable condensate shipments negatively impacted 2004 first quarter volumes as there was only one partial shipment of 11.0 mbbbls, compared to one full and one partial shipment totaling 88.8 mbbbls in the first quarter of 2003. Sable condensate is normally sold every two to three months. Excluding the timing effect of Sable condensate sales, natural gas liquids volumes would have declined by approximately 9%, quarter over quarter. At this time Pengrowth expects that second quarter production will include two condensate shipments totalling approximately 125.0 mbbbls.

Prices

Pengrowth's average price per BOE of production fell 11% to \$39.54 per boe in the first quarter of 2004 compared to \$44.33 per boe in the first quarter of 2003.

**Three months ended
March 31,**

WTI Oil Price (\$US / bbl)

AECO Gas Price (\$Cdn / mcf)

Exchange Rate (\$US / \$Cdn)

Pengrowth's average crude oil price was 10% lower in the first quarter of 2004 compared to the first quarter of 2003. Although the WTI benchmark price for crude oil increased 4% over the same period, the decrease in the value of the U.S. dollar relative to the Canadian dollar resulted in a lower Canadian crude oil price. The impact of Pengrowth's hedging program reduced the crude oil price by \$3.64 per bbl in the first quarter of 2004 compared to a reduction of \$4.08 per bbl in the first quarter of 2003.

Pengrowth's average natural gas price decreased 12% from \$7.63 per mcf in the first quarter of 2003 to \$6.72 per mcf in the first quarter of 2004. The AECO monthly gas index price decreased 17% and the NYMEX Henry Hub gas price index decreased 14% over the same period. Hedging reduced Pengrowth's realized natural gas price by \$0.44 per mcf in the first quarter of 2004 compared to a reduction of \$1.06 per mcf in the first quarter of 2003.

Price Risk Management Program

The details of Pengrowth's hedging contracts are provided in Note 10 to the financial statements. Subsequent to quarter-end, Pengrowth has hedged an additional 2,500 mmbtu per day of 2005 SOEP natural gas production at a price of Cdn \$8.57 per mmbtu (before transportation).

For the remainder of 2004, Pengrowth has approximately 14% of current natural gas production and 49% of current crude oil production (based on first quarter production volumes) hedged through financial swap contracts.

In the first quarter of 2004, Pengrowth realized a net hedging loss of \$4.7 million related to natural gas swap contracts, compared to a natural gas hedging loss of \$11.5 million for the same period last year. Net hedging losses realized on crude oil price swap transactions were \$7.1 million in the first quarter of 2004, compared to a crude oil hedging loss of \$9.1 million in the first quarter of 2003.

At March 31, 2004, the mark-to-market value of these hedge positions was a negative \$16.1 million related to financial crude oil contracts and negative \$10.0 million related to financial natural gas contracts.

Royalties

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Royalties decreased to \$24.5 million or 15% of oil and gas sales in the first quarter of 2004, compared to \$35.2 million or 17% of oil and gas sales in the first quarter of 2003. The lower royalty rate is due in part to lower commodity prices and higher enhanced oil recovery and injection credits in the current year as well as the result of a greater hedging impact in the prior year (with no corresponding reduction in royalties).

Operating Costs

For the first three months of 2004, operating costs were \$31.2 million (\$7.50 per boe) compared to \$39.5 million (\$8.63 per boe) for the first three months of 2003. Most of the reduction in operating costs is attributable to the purchase of the SOEP processing facilities in May and December of 2003. These transactions eliminated the third party processing fees that Pengrowth was previously paying to the owners of the facilities, resulting in a decrease of \$7.3 million in SOEP operating costs in the first quarter of 2004 compared to the first quarter of 2003. Lower electricity rates in Alberta in the first quarter of 2004 relative to first quarter 2003 also contributed to lower operating costs in 2004.

Injectants for Miscible Flood

During the first three months of 2004, Pengrowth purchased \$7.3 million of injectants for miscible floods and expensed a related \$5.2 million against cash distributions to unitholders. Pengrowth amortizes the cost of injectants purchased from third parties against cash distributions to unitholders over the period of expected future economic benefit, which is currently 30 months. At March 31, 2004, the balance of unamortized injectant costs was \$26.4 million.

General and Administrative

General and Administrative expenses (G&A) were \$5.8 million in the first quarter of 2004 compared to \$3.7 million for the same period last year. Included in 2004 first quarter G&A is \$1.1 million (2003 \$0.1 million) of non-cash compensation expense related to trust unit rights granted during the period. Also included is \$0.8 million of costs related to printing and mailing the Annual Report and Information Circular compared to the prior year where most of these costs were incurred in the second quarter. Increases in salaries and benefits also contributed to higher G&A costs in 2004. On a per boe basis, G&A increased from \$0.82 per boe in 2003 to \$1.41 per boe in 2004 as a result of the increased costs and the 10% decline in production in the first quarter of 2004 relative to the first quarter of 2003. In the absence of further trust unit right grants, we would expect the non-cash compensation expense to be significantly lower over the remainder of 2004 (approximately \$0.3 million per quarter).

Management Fees

Management fees were \$2.8 million or \$0.66 per boe in the first quarter of 2004 compared to \$3.8 million or \$0.82 per boe for the same period last year. Management fees decreased as a result of a revised management fee structure that was effective July 1, 2003, and as a result of lower net production revenue, as the fees are based in part on a sliding scale percentage of net production revenue.

Under the current management fee structure, the manager will earn a performance fee if certain performance criteria are met, including exceeding a three-year rolling average total return of 8%, as at year-end 2004. The maximum performance fee that the manager may earn is limited to an amount that would bring the total management fees to 80% of the fees that would have been earned under the old management fee agreement. Management fees of \$2.8 million recorded in the first quarter of 2004 include an accrual of \$0.6 million for estimated 2004 performance fees. This is the maximum performance fee that the manager could earn in relation to the first quarter of 2004. Second quarter management fees are expected to increase due to the ability to earn a performance fee, as the 80% cap under

the old management agreement will be increased by approximately \$2.8 million due to the acquisition of the Murphy properties.

Interest Expense

Interest expense increased to \$4.2 million for the first quarter of 2004 compared to \$3.7 million in the first quarter of 2003. Although the average long-term debt has decreased compared to the first quarter of 2003, the average interest rate has increased, mainly as a result of the fixed rate term debt which was issued in April 2003 which has a slightly higher average interest rate at 5.07% than the floating rate bank debt outstanding during the first quarter of 2003. First quarter 2004 interest expense also includes \$0.5 million of fees related to the amortization of U.S. debt issue costs and imputed interest on the note payable to Emera Offshore Incorporated.

Depletion and Depreciation

Depletion and depreciation increased to \$50.5 million or \$12.15 per boe in the first quarter of 2004 compared to \$44.4 million or \$9.69 per boe for the first quarter of 2003. An increase in the depreciable asset base resulting from the purchase of the Sable facilities in 2003 for \$122 million, combined with a higher depletion rate, resulted in the increase in depletion and depreciation in 2004. The increase in depletion and depreciation resulting from the purchase of the Sable facilities is largely offset by a reduction in Sable operating costs.

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LIQUIDITY AND CAPITAL RESOURCES

Pengrowth's long-term debt at March 31, 2004 was \$262.3 million, compared to \$259.3 million at December 31, 2003 and \$307.2 million at March 31, 2003. All of Pengrowth's debt outstanding at the end of the first quarter 2004 is U.S. dollar denominated fixed rate term debt, details of which are provided in Note 4 to the financial statements. Due to the increase in the value of the Canadian dollar relative to the U.S. dollar, an unrealized gain of \$28.0 million has been recorded since the debt issuance in April 2003.

On March 23, 2004, Pengrowth successfully completed a public equity offering of 10.9 million trust units for gross proceeds of \$200.6 million (\$189.9 million net). As a result of this equity offering, and additional cash remaining from the previous equity offering in July 2003, at March 31, 2004 Pengrowth had cash and term deposits of \$251.1 million. This cash will be used to partially fund the \$550 million acquisition of properties from Murphy, which is discussed further below under "Subsequent Events". The balance of the Murphy acquisition will be funded in the near term through a committed bridge credit facility. Depending on prevailing market conditions and other considerations, Pengrowth will consider a number of options for permanent financing of the bridge facilities including the possible issuance of further trust units under an equity offering, a possible increase in term debt outstanding, a potential increase in its bank borrowing lines, other possible options or a combination of any or all of these in order to reduce debt and to increase financial flexibility with respect to potential future acquisition opportunities.

Capital Spending

During the first three months of 2004, Pengrowth spent \$24.9 million (2003 \$18.5 million) on development activities. The majority of these costs were spent on development programs at Judy Creek (\$8.9 million), SOEP (\$3.4 million), McLeod River (\$2.3 million), Weyburn (\$1.7 million), and various B.C. properties (\$4.7 million).

Subsequent Events

Acquisition of Oil and Gas Properties

On April 8, 2004, Pengrowth announced it had entered into an agreement with a subsidiary of Murphy Oil Corporation (Murphy) to acquire certain oil and natural gas assets in Alberta and Saskatchewan for \$550 million before adjustments. Pengrowth's independent engineering evaluator, Gilbert Laustsen Jung Associates Ltd. (GLJ) has prepared an evaluation with an effective date of April 1, 2004. The reserves that will be booked based on this report include total proved reserves of 40.1 million boe and proved plus probable reserves of 49.3 million boe. The acquisition will be effective April 1, 2004 and is expected to be completed in late May 2004. Pengrowth anticipates it will finance the acquisition on closing through cash and term deposits on hand, and a committed bridge credit facility.

Reclassification of Trust Units

Pengrowth received Trust Unitholder approval to reclassify the trust unit capital into Class A and Class B units at the Annual and Special Meeting of Trust Unitholders on April 22, 2004. The reclassification of trust units will enable Pengrowth to ensure that nonresident ownership requirements of the Income Tax Act (Canada) are satisfied, and that Pengrowth's mutual fund status is maintained. The reclassification will be implemented at a date to be determined and announced by the Board of Directors upon receipt of regulatory approval and satisfaction of other conditions as described in the Information Circular and Proxy Statement and the related Supplemental Information in Respect of the Information Circular and Proxy Statement.

OPERATIONS REVIEW

REVIEW OF DEVELOPMENT ACTIVITIES (all volumes stated below are net to Pengrowth unless otherwise stated)

OPERATED PROPERTIES:

Bulrush:

Drilled and tied in one natural gas well (Pengrowth's working interest is 78.75%) in the first quarter with production commencing March 27, 2004 at 390 mcf per day. There are two potential follow-up locations for the fourth quarter of 2004.

Elm:

Drilled and tied-in one well (Pengrowth's working interest is 100% before payout) in the first quarter of 2004 with production commencing at 50 bbls of oil per day.

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One well drilled (Pengrowth's working interest is 100% before payout) in the first quarter of 2004 with completion and tie-in expected in the fourth quarter of 2004.

Judy Creek:

Drilled 2 horizontal miscible flood injectors in the first quarter with both currently on water injection. These wells are scheduled to begin solvent injection in the second quarter of 2004.

Drilled 3 vertical oil producers; all will be tied-in in the second quarter of 2004.

One oil producer was tied-in that was rig released in the fourth quarter of 2003. This well is currently producing 70 bbls of oil per day.

Completed solvent injection at three miscible flood patterns in the first quarter of 2004.

Two new miscible patterns will start solvent injection in the second quarter of 2004.

Lapp:

A natural gas well (Pengrowth's working interest is 100%) was tied-in and placed on production on April 2, 2004 at 700 mcf per day.

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Laprise:

Drilled and tied-in a natural gas well (Pengrowth's working interest is 100%) with production commencing April 5, 2004 at 750 mcf per day.

McLeod:

Completed and tied-in one natural gas well (Pengrowth's working interest is 100%) drilled in the fourth quarter of 2003 at 500 mcf per day. Drilled, completed, and tied-in another natural gas well (Pengrowth's working interest is 100%) at 320 mcf per day. Drilled a second well in the first quarter of 2004 which is currently waiting to be completed.

Oak:

There was a significant production increase as a result of the Oak C waterflood in the first quarter of 2004.

Obtained Oak B waterflood approval from the Oil and Gas Commission. Waterflood operations are expected to commence in the second quarter of 2004.

Weasel:

A natural gas well (Pengrowth's working interest is 100%) was re-completed and placed on production at 700 mcf per day.

Drilled and tied-in a natural gas well (Pengrowth's working interest is 100%) and placed on production at 700 mcf per day.

Woodrush:

A non-operated natural gas well (Pengrowth's working interest is 46.25%) was placed on production at 700 mcf per day.

NON-OPERATED PROPERTIES:

Sable Offshore Energy Project (SOEP): (8.4 % working interest)

Tier II Status

Construction of the facilities for the second Tier II field, South Venture, is continuing. The jacket being built is nearing completion and the topsides are expected to be ready by the fourth quarter of 2004. Start up is expected in late 2004, early 2005.

Engineering and design for the SOEP compression project is underway along with requests for proposals for various pieces of equipment being issued. This project is scheduled for completion in mid 2006.

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Monogram Gas Unit: (53.8% working interest)

During the first quarter of 2004, 154 wells were surveyed, 148 licenses were issued and 24 well sites were constructed. Drilling commenced in late April 2004 with 36 wells drilled to date and production expected to begin in the third and fourth quarters of 2004.

Weyburn Unit: (9.75% working interest)

The CO2 flood continues to perform above expectations and current oil production rates are approximately 2263 boepd net to Pengrowth. CO2 injection rates are averaging 11.3 mmcf per day comprised of 9.0 mmcf per day from the pipeline supply and 2.3 mmcf per day of recycled CO2. The 2004 drilling program commenced with the spud of an injection replacement well followed by horizontal production wells with first production anticipated in the second quarter of 2004.

2004 Tax Estimate Update

Pengrowth forecasts that in the current commodity price environment, approximately 60-65 % of distributions paid in 2004 will be taxable to unitholders, with the remainder of distributions treated as return of capital and thus tax deferred. The taxability may increase if we see higher commodity prices over the remainder of the year, or may be reduced if Pengrowth makes additional acquisitions and issues new equity during the balance of the year.

James S. Kinnear
Chairman, President and Chief Executive Officer
May 4, 2004

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Consolidated Balance Sheets

(Stated in thousands of dollars)

	As at March 31 2004	As at December 31 2003
	(unaudited)	(audited)
ASSETS		
CURRENT ASSETS		
Cash and term deposits	\$ 251,077	\$ 64,154
Accounts receivable	65,369	65,570
Inventory	1,057	699
	<u>317,503</u>	<u>130,423</u>
REMEDIATION TRUST FUNDS	7,690	7,392
DEFERRED CHARGES (Note 7)	5,070	5,544
PROPERTY, PLANT AND EQUIPMENT AND OTHER ASSETS	<u>1,507,905</u>	<u>1,530,359</u>
	<u>\$ 1,838,168</u>	<u>\$ 1,673,718</u>
LIABILITIES AND UNITHOLDERS EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 54,072	\$ 54,196
Distributions payable to unitholders	57,526	52,139
Due to Pengrowth Management Limited	1,255	1,122
Note payable	<u>10,000</u>	<u>10,000</u>
	122,853	117,457
NOTE PAYABLE	35,000	35,000
LONG-TERM DEBT (Note 4)	262,260	259,300
ASSET RETIREMENT OBLIGATIONS (Note 6)	103,030	102,528
TRUST UNITHOLDERS EQUITY		
Trust Unitholders' capital (Note 5)	2,072,363	1,872,924
Contributed surplus	1,296	189
Accumulated earnings	611,964	573,312
Accumulated distributable cash	<u>(1,370,598)</u>	<u>(1,286,992)</u>
	1,315,025	1,159,433
SUBSEQUENT EVENTS (Note 11)	<u>\$ 1,838,168</u>	<u>\$ 1,673,718</u>



See accompanying notes to the consolidated financial statements.



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Consolidated Statements of Income and Accumulated Earnings

(Stated in thousands of dollars) (Unaudited)	Three Months Ended March 31,	
	2004	2003
		(restated see Note 2)
REVENUES		
Oil and gas sales	\$ 164,323	\$ 202,801
Processing and other income	2,985	2,855
Crown royalties, net of incentives	(23,021)	(32,691)
Freehold royalties and mineral taxes	(1,495)	(2,494)
	142,792	170,471
Interest and other income	425	82
	143,217	170,553
NET REVENUE		
EXPENSES		
Operating	31,160	39,482
Amortization of injectants for miscible floods	5,204	9,863
Interest	4,177	3,653
Foreign exchange loss (Note 8)	2,371	750
General and administrative	5,846	3,745
Management fee	2,754	3,763
Capital taxes	529	564
Depletion and depreciation	50,512	44,369
Accretion (Note 6)	1,999	1,428
	104,552	107,617
INCOME BEFORE THE FOLLOWING ROYALTY INCOME ATTRIBUTABLE TO ROYALTY UNITS OTHER THAN THOSE HELD BY PENGROWTH ENERGY TRUST	38,665	62,936
	13	16
	\$ 38,652	\$ 62,920
Accumulated earnings, beginning of period	573,312	384,015

ACCUMULATED EARNINGS, END OF PERIOD		\$ 611,964	\$ 446,935
		<u> </u>	<u> </u>
NET INCOME PER UNIT (Note 5)	Basic	\$ 0.309	\$ 0.568
	Diluted	\$ 0.307	\$ 0.566
		<u> </u>	<u> </u>

See accompanying notes to the consolidated financial statements.

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Consolidated Statements of Cash Flow

(Stated in thousands of dollars) (Unaudited)	Three Months Ended March 31,	
	2004	2003 (restated see Note 2)
CASH PROVIDED BY (USED FOR):		
OPERATING		
Net income	\$ 38,652	\$ 62,920
Depletion, depreciation and accretion	52,511	45,797
Amortization of injectants	5,204	9,863
Purchase of injectants	(7,259)	(9,475)
Expenditures on remediation	(1,851)	(550)
Unrealized foreign exchange loss (Note 8)	2,960	
Trust unit based compensation	1,107	54
Amortization of deferred charges (Note 7)	474	
	<u>91,798</u>	<u>108,609</u>
Funds generated from operations		
Changes in non-cash operating working capital (Note 9)	(4,876)	(18,854)
	<u>86,922</u>	<u>89,755</u>
FINANCING		
Distributions	(78,219)	(71,961)
Change in long-term debt		(9,275)
Proceeds from issue of trust units	199,439	6,394
	<u>121,220</u>	<u>(74,842)</u>
INVESTING		
Expenditures on property, plant and equipment	(24,862)	(18,503)
Expenditures on property acquisitions	(787)	(1,973)
Change in non-cash investing working capital (Note 9)	4,728	453
Proceeds from sale of marketable securities		273
Change in Remediation Trust Funds	(298)	(9)
	<u>(21,219)</u>	<u>(19,759)</u>

CHANGE IN CASH AND TERM DEPOSITS	186,923	(4,846)
CASH AND TERM DEPOSITS AT BEGINNING OF PERIOD	<u>64,154</u>	<u>8,292</u>
CASH AND TERM DEPOSITS AT END OF PERIOD	<u>\$251,077</u>	<u>\$ 3,446</u>

See accompanying notes to the consolidated financial statements.

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Notes To Consolidated Financial Statements
(Unaudited)
MARCH 31, 2004

(Tabular amounts are stated in thousands of dollars except per unit amounts)

1. SIGNIFICANT ACCOUNTING POLICY

The interim consolidated financial statements of Pengrowth Energy Trust include the accounts of Pengrowth Energy Trust and Pengrowth Corporation (collectively referred to as Pengrowth). The financial statements have been prepared by management in accordance with accounting principles generally accepted in Canada. The interim consolidated financial statements have been prepared following the same accounting policies and methods of computation as the consolidated financial statements for the fiscal year ended December 31, 2003. The disclosures provided below are incremental to those included with the annual consolidated financial statements. The interim consolidated financial statements should be read in conjunction with the consolidated financial statements and the notes thereto in Pengrowth's annual report for the year ended December 31, 2003.

2. CHANGE IN ACCOUNTING POLICIES

Prior period comparative balances have been restated due to the changes in accounting policies described in Note 3 of the consolidated financial statements for the fiscal year ended December 31, 2003.

As a result of the changes in accounting policies, net income for the three months ended March 31, 2003 increased by \$1,870,000. Net income per unit basic and diluted for the three months ended March 31, 2003 increased by \$0.017 per unit and \$0.016 per unit, respectively.

3. DISTRIBUTABLE CASH

There is no standardized measure of Distributable Cash and therefore Distributable Cash, as presented below, may not be comparable to similar measures presented by other trusts.

	Three months ended	
	March 31, 2004	March 31, 2003
Net income	\$ 38,652	\$ 62,920
Add (Deduct):		
Depletion, depreciation and accretion	52,511	45,797
Asset retirement obligation expenses not covered by the trust funds and contributions to Remediation Trust Funds	(2,210)	(621)
Unrealized foreign exchange loss (Note 8)	2,960	
Non-cash compensation expense	1,107	54
Other	(125)	(125)
	<hr/>	<hr/>
Distributable cash before withholding	92,895	108,025
Cash withheld to fund capital expenditures	(9,289)	(10,804)
	<hr/>	<hr/>

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Distributable cash	83,606	97,221
Less: Actual distributions paid or declared	<u>(82,955)</u>	<u>(82,201)</u>
Balance to be distributed	<u>\$ 651</u>	<u>\$ 15,020</u>
Actual distributions paid or declared per unit	<u>\$ 0.630</u>	<u>\$ 0.750</u>

The per unit amount of distributions paid or declared reflect actual distributions paid or declared based on units outstanding at the time. Distributions are declared payable during the month following the month in which the distributions were earned. Distributions are paid to unitholders on the 15th day of the second month after the distributions are earned.

Table of Contents**4. LONG TERM DEBT**

	As at March 31, 2004	As at December 31, 2003
U.S. dollar denominated debt:		
\$150 million senior unsecured notes at 4.93 percent due April 2010	\$ 217,680	\$ 217,680
\$50 million senior unsecured notes at 5.47 percent due April 2013	72,560	72,560
Unrealized foreign exchange gain on translation	(27,980)	(30,940)
	<u>\$ 262,260</u>	<u>\$ 259,300</u>

5. TRUST UNITS

The authorized capital of Pengrowth is 500,000,000 trust units.

Trust Units Issued	March 31, 2004		December 31, 2003	
	Number of units	Amount	Number of units	Amount
Balance, beginning of period	123,873,651	\$1,872,924	110,562,327	\$1,662,726
Issued for cash	10,900,000	200,560	8,500,000	144,075
Less: issue expenses		(10,659)		(7,820)
Issued for cash on exercise of trust unit options and rights incentive options	313,989	5,226	3,358,442	51,701
Issued for cash under Distribution Reinvestment Plan (DRIP)	236,044	4,312	1,452,882	22,242
	<u>135,323,684</u>	<u>\$2,072,363</u>	<u>123,873,651</u>	<u>\$1,872,924</u>
Balance, end of period	135,323,684	\$2,072,363	123,873,651	\$1,872,924

The per unit amounts for net income are based on the weighted average units outstanding for the period. The weighted average units outstanding for the three months ended March 31, 2004 were 125,219,843 units (March 31, 2003 110,768,338 units). In computing diluted net income per unit, 648,233 units were added to the weighted average number of units outstanding during the period ended March 31, 2004 (March 31, 2003 328,340 units) for the dilutive effect of trust unit options and rights.

Trust Unit Option Plan

As at March 31, 2004 options to purchase 1,736,514 trust units were outstanding (December 31, 2003 2,014,903)

that expire at various dates to June 28, 2009.

Trust Unit Options	March 31, 2004		December 31, 2003	
	Number of options	Weighted Average Exercise price	Number of options	Weighted Average Exercise price
Outstanding at beginning of period	2,014,903	\$ 17.47	4,451,131	\$ 16.78
Exercised	(275,189)	17.06	(2,374,182)	16.19
Cancelled	(3,200)	12.98	(62,046)	17.17
Outstanding at period-end	1,736,514	\$ 17.54	2,014,903	\$ 17.47
Exercisable at period-end	1,721,047	\$ 17.56	1,999,436	\$ 17.48

Table of Contents*Rights Incentive Plan*

As at March 31, 2004 rights to purchase 2,166,628 trust units were outstanding (December 31, 2003 1,112,140) that expire at various dates to February 6, 2009.

Rights Incentive Options	March 31, 2004		December 31, 2003	
	Number of rights	Weighted Average Exercise price	Number of rights	Weighted Average Exercise price
Outstanding at beginning of period	1,112,140	\$ 12.20	1,964,100	\$ 13.29
Granted(1)	1,106,538	16.80	165,000	16.35
Exercised	(38,800)	13.69	(984,260)	13.49
Cancelled	(13,250)	11.76	(32,700)	12.75
Outstanding at period-end	2,166,628	\$ 14.22	1,112,140	\$ 12.20
Exercisable at period-end	700,853	\$ 14.19	359,740	\$ 11.92

(1) Weighted average exercise price of rights granted are based on the exercise price at the date of grant

Fair Value of Unit Based Compensation

The fair value of rights incentive options granted during the three months ended March 31, 2004 was estimated as 15 percent of the exercise price at the date of grant using a modified Black-Scholes option pricing model with the following assumptions: risk-free rate of 3.9 percent, volatility of 22 percent, expected life of five years and adjustments for the estimated distributions and reductions in the exercise price over the life of the right incentive option.

For trust unit options and rights granted in 2002, Pengrowth has elected to disclose the pro forma effect on net income had compensation expense been recorded using the fair value method. The following is the pro forma effect on net income:

	Three months ended	
	March 31, 2004	March 31, 2003
Net income	\$38,652	\$ 62,920
Compensation expense related to trust unit options granted in 2002		(94)
Compensation expense related to rights incentive options granted in 2002	(305)	(330)

Pro forma net income	\$38,347	\$ 62,496
	<u> </u>	<u> </u>
Pro forma net income per unit:		
Basic	\$ 0.306	\$ 0.564
Diluted	\$ 0.305	\$ 0.563
	<u> </u>	<u> </u>

6. ASSET RETIREMENT OBLIGATIONS

	As at March 31, 2004	As at December 31, 2003
	<u> </u>	<u> </u>
Asset Retirement Obligations, beginning of period	\$ 102,528	\$ 73,493
Increase in liabilities during the period related to:		
Additions	354	11,086
Revisions		15,153
Accretion expense	1,999	6,039
Liabilities settled during the period	(1,851)	(3,243)
	<u> </u>	<u> </u>
Asset Retirement Obligations, end of period	\$ 103,030	\$ 102,528
	<u> </u>	<u> </u>

Table of Contents**7. DEFERRED CHARGES**

	As at March 31, 2004	As at December 31, 2003
Imputed interest on note payable (net of accumulated amortization of \$397)	\$ 3,210	\$ 3,607
U.S. debt issue costs (net of accumulated amortization of \$281)	1,860	1,937
	<u> </u>	<u> </u>
	\$ 5,070	\$ 5,544
	<u> </u>	<u> </u>

8. FOREIGN EXCHANGE LOSS

	Three months ended	
	March 31, 2004	March 31, 2003
Unrealized foreign exchange loss on translation of U.S. dollar denominated debt	\$ 2,960	\$
Realized foreign exchange losses (gains)	(589)	750
	<u> </u>	<u> </u>
	\$ 2,371	\$ 750
	<u> </u>	<u> </u>

The U.S. dollar denominated debt is translated into Canadian dollars at the exchange rate in effect at the balance sheet date. Foreign exchange gains and losses are included in income.

9. OTHER CASH FLOW DISCLOSURES*Change in Non-Cash Operating Working Capital*

	March 31, 2004	March 31, 2003
Accounts receivable	\$ 201	\$ (19,805)
Inventory	(358)	185
Accounts payable and accrued liabilities	(4,852)	616
Due to Pengrowth Management Limited	133	150
	<u> </u>	<u> </u>
	\$ (4,876)	\$ (18,854)

Change in Non-Cash Investing Working Capital

	March 31, 2004	March 31, 2003
Accounts payable for capital accruals	\$ 4,728	\$ 453

Cash Payments

	March 31, 2004	March 31, 2003
Cash payments made for taxes	\$ 523	\$ 485
Cash payments made for interest	\$ 343	\$ 4,846

10. FINANCIAL INSTRUMENTS*Foreign Exchange Risk*

Pengrowth entered into a foreign exchange swap which fixed the Canadian to U.S. dollar exchange rate at Cdn\$1.55 per U.S.\$1 on U.S.\$750,000 per month effective 2003 and 2004. This swap has mitigated a portion of the exchange risk on U.S. dollar denominated gas sales. The estimated fair value of the foreign exchange swap has been determined based on the amount Pengrowth would receive or pay to terminate the contract at period end. At March 31, 2004, the amount Pengrowth would receive to terminate the foreign exchange swap would be Cdn\$1,567,000.

Table of Contents*Forward and Futures Contracts*

Pengrowth has a price risk management program whereby the commodity price associated with a portion of its future production is fixed. Pengrowth sells forward a portion of its future production through a combination of fixed price sales contracts with customers and commodity swap agreements with financial counterparties. The forward and futures contracts are subject to market risk from fluctuating commodity prices and exchange rates.

As at March 31, 2004, Pengrowth had fixed the price applicable to future production as follows:

Crude Oil:

Remaining Term	Volume (bbl/d)	Reference Point	Price Per bbl
2004			
Financial:			
April 1, 2004 Dec 31, 2004	10,500	WTI ⁽¹⁾	\$38.78Cdn

Natural Gas:

Remaining Term	Volume (mmbtu/d)	Reference Point	Price Per mmbtu
2004			
Financial:			
April 1, 2004 Dec 31, 2004	8,000	Tetco M3 ⁽¹⁾	\$7.39Cdn
April 1, 2004 Dec 31, 2004	7,000	Transco Z6	\$ 3.90U.S.
April 1, 2004 Dec 31, 2004	948	AECO	\$6.70Cdn
2005			
Financial:			
Jan 1, 2005 Dec 31, 2005	1,000	Tetco M3 ⁽¹⁾	\$8.22Cdn

(1) Associated CDN\$ / U.S.\$ foreign exchange rate has been fixed.

The estimated fair value of the financial crude oil and natural gas contracts have been determined based on the amounts Pengrowth would receive or pay to terminate the contracts at period-end. At March 31, 2004, the amount Pengrowth would pay to terminate the financial crude oil and natural gas contracts would be \$16,060,000 and \$9,997,000, respectively.

Pengrowth entered into an agreement to purchase 5 megawatts of electricity at a price of \$53.00 per megawatt hour, effective February 1, 2004 to December 31, 2004.

Fair Value of Financial Instruments

The carrying value of financial instruments included in the balance sheet, other than long term debt, the note payable and remediation trust funds, approximate their fair value due to their short maturity. The fair value of the

remediation trust funds at March 31, 2004 was \$7,783,000 (December 31, 2003 \$7,479,000). The fair value of the U.S. dollar denominated debt at March 31, 2004 was approximately \$268,836,000 based on the changes in the fair value of the underlying U.S. Treasury Bill that was originally used as the basis for determining the coupon rate for each of Pengrowth Corporation's notes. The fair value of the note payable at March 31, 2004, approximates its carrying value net of the imputed interest included in deferred charges.

11. SUBSEQUENT EVENTS

Acquisition of Oil and Gas Properties

On April 8, 2004, Pengrowth announced it had entered into an agreement with a subsidiary of Murphy Oil Corporation (Murphy) to acquire certain oil and natural gas assets in Alberta and Saskatchewan for \$550 million before adjustments. The acquisition will be effective April 1, 2004 and is expected to be completed in late May 2004. Pengrowth anticipates it will finance the acquisition on closing through cash and term deposits on hand, and a committed bridge credit facility.

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Reclassification of Trust Units

Pengrowth received Trust Unitholder approval to reclassify the trust unit capital into Class A and Class B units at the Annual and Special Meeting of Trust Unitholders on April 22, 2004. The reclassification will be implemented at a date to be determined and announced by the Board of Directors upon receipt of regulatory approval and satisfaction of other conditions as described in the Information Circular and Proxy Statement and the related Supplemental Information in Respect of the Information Circular and Proxy Statement.

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Corporate Information

DIRECTORS OF PENGROWTH CORPORATION

Thomas A. Cumming
Business Consultant

Michael A. Grandin
Chairman and Chief Executive Officer, Fording Canadian Coal Trust

James S. Kinnear; Chairman
President, Pengrowth Management Limited

Michael S. Parrett
Business Consultant
(Elected April 22, 2004)

William R. Stedman
Chairman and Chief Executive Officer, Entx Capital Corporation
(Elected April 22, 2004)

Francis G. Vetsch
President, Vetsch Resource Management Ltd.
(Retired April 22, 2004)

Stanley H. Wong
President, Carbine Resources Ltd.

John B. Zaozirny; Lead Director
Counsel, McCarthy Tetrault

Director Emeritus

Thomas S. Dobson
President, T.S. Dobson Consultant Ltd.

OFFICERS OF PENGROWTH CORPORATION

James S. Kinnear
Chairman, President and Chief Executive Officer

Robert B. Hodgins
Chief Financial Officer

Gordon M. Anderson
Vice President

Henry D. McKinnon
Vice President, Operations

Lynn Kis

Vice President, Engineering

Charles V. Selby
Corporate Secretary

Chris Webster
Treasurer

Lianne Bigham
Controller

TRUSTEE

Computershare Trust Company of Canada

BANKERS

Bank Syndicate Agent: Royal Bank of Canada

AUDITORS

KPMG LLP

ENGINEERING CONSULTANTS

Gilbert Laustsen Jung Associates Ltd.

ABBREVIATIONS

bbbl	barrel
bcf	billion cubic feet
boe*	barrels of oil
equivalent boe per day*	barrels of oil equivalent per day
lt	long tonnes
mbbls	thousand barrels
mmbbls	million barrels
mboe*	thousand barrels of oil equivalent
mmboe*	million barrels of oil equivalent
mmbtu	million British thermal units
mcf	thousand cubic feet
mmcf	million cubic feet
mcf per day	thousand cubic feet per day
mmcf per day	million cubic feet per day

Pengrowth Energy Trust (Energy Trust)

Pengrowth Corporation (Corporation)

*6 mcf of gas = 1 barrel of oil

PENGROWTH AND A STRONG COMMUNITY

Pengrowth Management Limited believes in enhancing the community where our employees live and work. Pengrowth supports causes and institutions both financially and through volunteer efforts and is proud of these associations and partnerships with many community-building non-profit organizations.

Pengrowth has a substantial investment in our community and although 100 percent of the costs are attributed to Pengrowth Management, Pengrowth Energy Trust unitholders benefit through the visibility associated with these vital

partnerships.

STOCK EXCHANGE LISTINGS

The Toronto Stock Exchange:

Symbol: PGF.UN

The New York Stock Exchange:

Symbol: PGH

PENGROWTH ENERGY TRUST

Head Office

Suite 2900, 111 5 Avenue S.W.

Calgary, Alberta T2P 3Y6 Canada

Telephone: (403) 233-0224

Toll-Free: 1 800 223-4122

Facsimile: (403) 265-6251

Email: investorrelations@pengrowth.com

Website: <http://www.pengrowth.com>

Toronto Office

2315, 200 Bay Street

Toronto, Ontario M5J 2J2 Canada

Telephone: (416) 362-1748

Toll-Free: 1 888 744-1111

Facsimile: (416) 362-8191

Halifax Office

Suite 407

1959 Upper Water Street

Halifax, NS B3J 3N2 Canada

Telephone: (902) 425-8778

Facsimile: (902) 425-7887

Contact: Jim MacDonald, General Manager, East Coast Operations

INVESTOR RELATIONS

For investor relations enquiries, please contact:

Investor Relations, Calgary

Telephone: (403) 233-0224

Toll-Free: 1 800 223-4122

Facsimile: (403) 294-0051

Email: investorrelations@pengrowth.com or Investor Relations, Toronto

Telephone: (416) 362-1748

Toll-Free: 1 888 744-1111

Facsimile: (416) 362-8191

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Computershare Trust Company of Canada
530 8th Ave SW, Suite 600
Calgary, Alberta
T2P 3S8
Telephone: (403) 267-6800
Facsimile: (403) 267-6529
www.computershare.com

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May 13, 2004

Alberta Securities Commission
British Columbia Securities Commission
The Manitoba Securities Commission
Office of the Administrator, New Brunswick
Securities Commission of Newfoundland
Nova Scotia Securities Commission
Ontario Securities Commission
Registrar of Securities, Prince Edward Island
Commission des valeurs mobilières du Québec
Saskatchewan Securities Commission
Toronto Stock Exchange

Dear Sirs:

Subject: Pengrowth Energy Trust

We confirm that the following material was sent by pre-paid mail on May 13, 2004 to the registered holders of the units of the subject Energy Trust:

1. First Quarter Interim Report Ended March 31, 2004

In compliance with regulations made under the Securities Act, we are providing this material to you in our capacity as Trustee for the subject Energy Trust.

Yours truly,

COMPUTERSHARE TRUST COMPANY OF CANADA

Signed by

Jodie Hansen
Assistant Corporate Trust Officer
Direct Dial No.: (403) 267-6889

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FORM 52-109FT2

CERTIFICATION OF INTERIM FILINGS DURING TRANSITION PERIOD

I, JAMES S. KINNEAR, certify that:

1. I have reviewed the interim filings (as this term is defined in Multilateral Instrument 52-109 *Certification of Disclosure in Issuers - Annual and Interim Filings*) of Pengrowth Energy Trust, (the issuer) for the interim period ending March 31, 2004;
2. Based on my knowledge, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings; and
3. Based on my knowledge, the interim financial statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date and for the periods presented in the interim filings.

DATED May 13, 2004.

James S. Kinnear

Signature

Chairman, President and
Chief Executive Officer

Title

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FORM 52-109FT2

CERTIFICATION OF INTERIM FILINGS DURING TRANSITION PERIOD

I, ROBERT B. HODGINS, certify that:

1. I have reviewed the interim filings (as this term is defined in Multilateral Instrument 52-109 *Certification of Disclosure in Issuers - Annual and Interim Filings*) of Pengrowth Energy Trust, (the issuer) for the interim period ending March 31, 2004;
2. Based on my knowledge, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings; and
3. Based on my knowledge, the interim financial statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date and for the periods presented in the interim filings.

DATED May 13, 2004.

Robert B. Hodgins

Signature

Chief Financial Officer

Title