



NEWS RELEASE

Sword Energy Inc. Releases 2007 U.S. Income Tax Reporting Information for the former Thunder Energy Trust

Calgary, Alberta, February 27, 2007 – Sword Energy Inc., a private corporation which acquired Thunder Energy Trust (TSX: THY.UN) pursuant to the closing of a plan of arrangement on June 26, 2007, today announced information necessary for 2007 United States ("U.S.") tax reporting.

We believe for U.S. federal income tax purposes, that the units of Thunder should be classified as equity in a corporation, rather than as debt, and that dividends paid to its individual U.S. unitholders should be qualified dividends. As such, the portion of the distributions made during 2007 that are considered dividends should qualify for the reduced rate of tax applicable to certain capital gains.

The portion of the trust distributions that is considered a dividend for U.S. income tax purposes is determined based upon Thunder's current and accumulated earnings & profits ("E&P") as determined in accordance with U.S. income tax principles.

With respect to cash distributions paid in 2007 to U.S. individual unitholders, approximately 18.9 percent should be reported as a non-taxable return of capital (to the extent of the unitholder's U.S. tax basis in the units) and approximately 81.1 percent should be reported as qualified dividends.

Thunder is not required to issue Form 1099 DIV's; however, U.S. unitholders may have received a Form 1099 DIV from a broker or intermediary that may not be correct. As a result of this, U.S. unitholders should consult their brokers and tax advisors to ensure that this information is accurately reflected on their tax returns. Brokers and/or intermediaries may or may not issue amended Form 1099 DIVs. As a result, incorrect information may be reported to the Internal Revenue Service.

Canadian resident taxpayers should note that the above information has no impact on the Canadian tax information, which will be disclosed separately.

2007 U.S. Income Tax Reporting for Beneficial Shareholders

The following information is being provided to assist individual U.S. unitholders of Thunder who held their units through a broker or other intermediary in reporting dividends received from Thunder on their IRS Form 1040 – U.S. Individual Income Tax Return for the calendar year 2007.

Trust Units Held Within a Qualified Retirement Plan

No amounts are required to be reported on an IRS Form 1040 – U.S. Individual Income Tax Return where Thunder trust units are held within a qualified retirement plan.

Trust Units Held Outside of a Qualified Retirement Plan

U.S. individual unitholders who held their Thunder trust units through a stockbroker or other intermediary should receive tax-reporting information from their stockbroker or intermediary and may need to use the information provided on the attached schedule for a division of the cash distributions between taxable dividend and non-taxable return of capital. We expect that the stockbroker will issue a Form 1099 – DIV "Dividends and Distributions" or a substitute form developed by the stockbroker or other intermediary. The deadline for mailing a Form 1099 – DIV was January 31, 2008.

The amount included on Line 1b of the Form 1099 – DIV represents dividends that could be eligible for the qualified dividend tax rate. Thunder dividends are “Qualified Dividends” and therefore should be reported on Line 9b of the U.S. federal income tax return (Form 1040) unless the fact situation of the U.S. individual unitholder determines otherwise. Commentary on page 23 of the IRS 2006 Form 1040 Instruction Booklet with respect to “Qualified Dividends” provides examples of individual situations where the dividends would not be “Qualified Dividends”. Where, due to individual situations, the dividends are not “Qualified Dividends”, the amount should be reported on Schedule B – Part II – Ordinary Dividends Line 9a (but not line 9b) of your U.S. federal income tax return.

The amount included in Line 3 of the Form 1099 – DIV is generally non-taxable. This amount is non-taxable if it is a return of your cost (or other basis) in the trust units. You must reduce your cost (or other basis) by this amount for calculating capital gain or loss when you sell your units. If this amount exceeds your cost (or other basis), report the excess as a capital gain, even though the Form 1099 – DIV shows the amount as non-taxable.

U.S. unitholders are encouraged to utilize the Qualified Dividends and Capital Gain Tax Worksheet to determine the amount of tax that may be otherwise applicable.

The amount included on Line 6 of the Form 1099 – DIV representing the amount of foreign tax paid (Canadian withholding tax) should be reported on Form 1116 “Foreign Tax Credit (Individual, Estate, or Trust)” in order to obtain a foreign tax credit. Information regarding the amount of Canadian tax withheld in 2007 should be available from your stockbroker or other intermediary and is not available from Thunder.

Effective January 1, 2005, the non-taxable return of capital portion of the monthly distributions became subject to a 15% Canadian withholding tax. The amount of Canadian tax withheld on the non-taxable return of capital portion has been aggregated with the Canadian tax withheld on the taxable portion of the distributions and reported on Line 6 of the Form 1099 – DIV.

Summary of U.S. Tax Information

The following table provides, on a per unit basis, the breakdown of the amount of cash dividends, prior to Canadian withholding tax, paid by Thunder Energy Trust for the period January 1, 2007 to June 26, 2007. The amounts are segregated between the portion of the cash distribution that should be treated as Qualified Dividends and the portion that should be treated as Non-taxable Distributions. The amounts shown on the attached schedule are in U.S. dollars as converted on the applicable payment dates. This schedule is for information purposes only. Amounts computed based on the following table may differ from the amounts shown on the Form 1099 - DIV.

Thunder Energy Trust
2007 Cash Distribution Information for Beneficial U.S. Unitholders (\$/unit)

Record Date	Payment Date	Distribution Paid Cdn\$	Exchange Rate	Distribution Paid US\$	Taxable Qualified Dividend US\$	Non-Taxable Return of Capital US\$
December 29, 2006	January 15, 2007	\$ 0.12	0.85426	0.10251	0.08314	0.01937
January 22, 2007	February 15, 2007	\$ 0.12	0.85896	0.10307	0.08359	0.01948
February 22, 2007	March 15, 2007	\$ 0.09	0.85056	0.07655	0.06208	0.01447
March 22, 2007	April 16, 2007	\$ 0.09	0.88425	0.07958	0.06454	0.01504
April 23, 2007	May 15, 2007	\$ 0.09	0.91108	0.08200	0.06650	0.01550
May 23, 2007	June 15, 2007	\$ 0.09	0.93651	0.08429	0.06836	0.01593
Total Per Unit		\$ 0.60		0.52800	0.42821	0.09979

This information is not exhaustive of all possible U.S. tax considerations, but is a general guideline and is not intended to be legal or tax advice to any particular holder or potential holder of Thunder units. Holders or potential holders of Thunder units should consult their own legal and tax advisors as to their particular tax consequences of holding Thunder units as well as to determine whether claiming a credit or deduction for foreign income taxes is more beneficial for you.

For further information please contact:

Pamela Kazeil, Vice President, Finance
Sword Energy Inc.
Telephone: 403 294-1635
Facsimile: 403 232-1317