

HARVEST ENERGY TRUST

INFORMATION CIRCULAR - PROXY STATEMENT

FOR THE ANNUAL AND SPECIAL MEETING OF UNITHOLDERS TO BE HELD ON THURSDAY, JUNE 12, 2003

SOLICITATION OF PROXIES

This Information Circular - Proxy Statement is furnished in connection with the solicitation of proxies by the management of Harvest Operations Corp. ("Harvest Management"), for use at the Harvest Energy Trust (the "Trust") Annual and Special Meeting (the "Meeting") of the holders (the "Unitholders") of trust units ("Trust Units") of the Trust to be held on the 12th day of June, 2003, at 3:00 p.m. (Calgary time) in the Royal Room, Metropolitan Centre, 333 – 4th Avenue SW, Calgary, Alberta, and at any adjournment thereof, for the purposes set forth in the Notice of Annual and Special Meeting.

Instruments of Proxy must be received by Valiant Trust Company ("Valiant"), 510, 550 – 6th Avenue S.W., Calgary, Alberta, T2P 0S2, before 4:30 p.m. (Calgary time) on June 10, 2003. Valiant, the trustee of the Trust (the "Trustee"), has fixed the record date for the Meeting at the close of business on April 23, 2003 (the "Record Date"). Only Unitholders of record as at the Record Date are entitled to receive notice of the Meeting. Unitholders of record will be entitled to vote those Trust Units included in the list of Trust Units entitled to vote at the Meeting prepared as at the Record Date, even though the Unitholder has since that time disposed of his or her Trust Units. No Unitholder who became a Unitholder after the Record Date shall be entitled to vote at the Meeting.

The instrument appointing a proxy shall be in writing and shall be executed by the Unitholder or his attorney authorized in writing or, if the Unitholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized.

The persons named in the enclosed form of proxy are directors or officers of Harvest Operations Corp. Each Unitholder has the right to appoint a proxyholder other than the persons designated in the proxy, who need not be a Unitholder, to attend and to act for the Unitholder and on behalf of the Unitholder at the Meeting. To exercise such right, the names of the nominees of Harvest Management should be crossed out and the name of the Unitholder's appointee should be legibly printed in the blank space provided.

NOTICE TO BENEFICIAL HOLDERS OF TRUST UNITS

The information set forth in this section is of significant importance to many Unitholders of the Trust, as a substantial number of the Unitholders of the Trust do not hold Trust Units in their own name. Unitholders who do not hold their Trust Units in their own name (referred to herein as "Beneficial Unitholders") should note that only proxies deposited by Unitholders whose names appear on the records of the Trust as the registered holders of Trust Units can be recognized and acted upon at the Meeting. If Trust Units are listed in an account statement provided to a Unitholder by a broker, then in almost all cases those Trust Units will not be registered in the Unitholder's name on the records of the Trust. Such Trust Units will more likely be registered under the name of the Unitholder's broker or an agent of that broker. In Canada, the vast majority of such Trust Units are registered under the name of CDS & Co. (the registration name for The Canadian Depositary for Securities Limited, which acts as nominees for many Canadian brokerage firms). Trust Units held by brokers or their nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Unitholder. Without specific instructions, the broker/nominees are prohibited from voting Trust Units for their clients. The Trust does not know for whose benefit the Trust Units registered in the name of CDS & Co. are held.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Unitholders in advance of unitholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Unitholders in order to ensure that their Trust Units are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Unitholder by its broker is identical to the form of proxy provided to registered Unitholders; however, its purpose is limited to

instructing the registered Unitholder how to vote on behalf of the Beneficial Unitholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to ADP Investor Communications. ADP Investor Communications typically mails a scannable Voting Instruction Form in lieu of the form of proxy. The Beneficial Holder is requested to complete and return the Voting Instruction Form to them by mail or facsimile. Alternatively the Beneficial Holder can call a toll-free telephone number to vote the Trust Units held by the Beneficial Holder. ADP Investor Communications then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Trust Units to be represented at the Meeting. **A Beneficial Unitholder receiving a Voting Instruction Form cannot use that Voting Instruction Form to vote Trust Units directly at the Meeting as the Voting Instruction Form must be returned as directed by ADP Investor Communications well in advance of the Meeting in order to have the Trust Units voted.**

REVOCABILITY OF PROXY

A Unitholder who has submitted a proxy may revoke it at any time prior to the exercise thereof. If a person who has given a proxy attends at the Meeting in person at which such proxy is to be voted, such person may revoke the proxy and vote in person. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the Unitholder or his attorney authorized in writing or, if the Unitholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized and deposited either at the head office of Harvest Operations Corp. at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or with the Chairman of the Meeting on the day of the Meeting, or any adjournment thereof, and upon either of such deposits, the proxy is revoked.

PERSONS MAKING THE SOLICITATION

The solicitation is made on behalf of Harvest Management. The costs incurred in the preparation and mailing of the Instrument of Proxy, Notice of Annual and Special Meeting and this Information Circular - Proxy Statement will be borne by the Trust. In addition to solicitation by mail, proxies may be solicited by personal interviews, telephone or other means of communication and by directors, officers and employees of Harvest Operations Corp., who will not be specifically remunerated therefor.

EXERCISE OF DISCRETION BY PROXY

The Trust Units represented by proxy in favour of the Harvest Management nominees shall be voted on any ballot at the Meeting and, where the Unitholder specifies a choice with respect to any matter to be acted upon, the Trust Units shall be voted on any ballot in accordance with the specification so made.

In the absence of such specification, the Trust Units will be voted in favour of the matters to be acted upon. The persons appointed under the Instrument of Proxy furnished by the Trust are conferred with discretionary authority with respect to amendments or variations of those matters specified in the Instrument of Proxy and Notice of Annual and Special Meeting. At the time of printing this Information Circular - Proxy Statement, Harvest Management knows of no such amendment, variation or other matter.

VOTING TRUST UNITS AND PRINCIPAL HOLDERS THEREOF

The Trust was formed pursuant to the provisions of a trust indenture dated July 10, 2002 as amended and restated as of September 27, 2002, between the Trustee and Harvest Operations Corp. (the "Trust Indenture").

The Trust is authorized to issue an unlimited number of Trust Units. As at April 23, 2003, approximately 11,210,957 Trust Units were issued and outstanding. At the Meeting, upon a show of hands, every Unitholder present in person or represented by proxy and entitled to vote shall have one vote. On a poll or ballot, every Unitholder present in person or by proxy has one vote for each Trust Unit of which such Unitholder is the registered holder. All votes on special resolutions are by a ballot and no demand for a ballot is necessary.

When any Trust Unit is held jointly by several persons, any one of them may vote at the Meeting in person or by proxy in respect of such Trust Unit, but if more than one of them are present at the Meeting in person or by proxy, and such joint owners of the proxy so present disagree as to any vote to be cast, the joint owner present or represented whose name appears first in the register of Unitholders maintained by the Trustee is entitled to cast such vote.

To the best of the knowledge of the directors and officers of Harvest Operations Corp., the only person that owns, directly or indirectly, or exercises control or direction over Trust Units carrying more than 10% of the votes attached to all of the issued and outstanding Trust Units which may be voted at the Meeting, is as follows:

<u>Name of Unitholder</u>	<u>Type of Ownership</u>	<u>Number of Trust Units Owned</u>	<u>Percentage of Outstanding Trust Units</u>
M. Bruce Chernoff	Direct and Beneficial	4,497,995	40.1%

Note:

(1) Includes 152,990 Trust Units owned by Caribou Capital Corp., a company controlled by Mr. Chernoff.

The percentage of Trust Units that are owned, directly or indirectly, by all directors and officers of Harvest Operations Corp. as a group is approximately 50.6% (5,668,158 Trust Units).

QUORUM FOR MEETING

At the Meeting, a quorum shall consist of two or more persons either present in person or represented by proxy and representing in the aggregate at least 10% of the outstanding Trust Units. If a quorum is not present at the Meeting within one half hour after the time fixed for the holding of the Meeting, it shall stand adjourned to such day being not less than fourteen (14) days later and to such place and time as may be determined by the Chairman of the Meeting. At such adjourned Meeting, the Unitholders present either personally or by proxy shall form a quorum. In the case of a meeting, at which a special resolution is under consideration, such adjournments are required to be for not less than 21 days and notice to be given at least 10 days prior to the date of the adjourned meeting.

APPROVAL REQUIREMENTS

All of the matters to be considered at the Meeting are ordinary resolutions requiring approval by more than 50% of the votes cast in respect of the resolution by or on behalf of Unitholders present in person or represented by proxy at the Meeting except for the Trust Indenture Amendment Resolution and the Harvest Share Resolution, which requires approval by a special resolution. A special resolution requires the approval of not less than 66 2/3% of the votes cast in respect of the resolution by or on behalf of Unitholders present in person or represented by proxy at the Meeting.

MATTERS TO BE ACTED UPON AT MEETING

1. Appointment of the Trustee

The Trust Indenture provides that the Unitholders shall, at each annual meeting, re-appoint or appoint a successor to the Trustee. Accordingly, Unitholders will consider an ordinary resolution to re-appoint Valiant as trustee of the Trust to hold office until the end of the next annual meeting. Valiant has been trustee of the Trust since September 27, 2003.

2. Election of Directors of Harvest Operations Corp.

The articles of Harvest Operations Corp. provide for a minimum of one (1) director and a maximum of eleven (11) directors. There are currently five (5) directors. Unitholders are entitled to select all of the members of the Board of Directors of Harvest Operations Corp. by a vote of Unitholders at a meeting of Unitholders held in accordance with the Trust Indenture. Following such meeting the Trustee shall elect the individuals so selected by the Unitholders to the Board of Directors of Harvest Operations Corp.

The five (5) nominees for election as directors of Harvest Operations Corp. are as follows:

John A. Brussa
M. Bruce Chernoff
Hank B. Swartout
Verne G. Johnson
Hector J. McFadyen

The names and municipalities of residence of the five (5) persons nominated for election as directors of Harvest Operations Corp. by Unitholders, the number of Trust Units of the Trust beneficially owned, directly or indirectly, or over which each exercises control or direction, the offices held by each in Harvest Operations Corp., the period served as director and the principal occupation of each are as follows:

Name and Municipality of Residence	No. of Trust Units Beneficially Owned or Controlled ⁽¹⁾	Offices Held and Time as a Director	Principal Occupation
John A. Brussa ⁽²⁾⁽⁴⁾ Calgary, Alberta	237,750	Director since August 28, 2002	Barrister and Solicitor; Partner of Burnet, Duckworth & Palmer LLP (a law firm).
M. Bruce Chernoff ⁽³⁾⁽⁴⁾ Calgary, Alberta	4,497,995 ⁽⁵⁾	Chairman of the Board and Director since May 17, 2002	Professional Engineer; Chairman of Harvest Operations Corp.; President and Director of Caribou Capital Corp. (a private investment management company) since June 1999; from April 2000 to October 2001, Executive Vice President and Chief Financial Officer of Petrobank Energy and Resources Ltd. (a public oil and natural gas company); from February to June 1999, Executive Vice President and Chief Financial Officer of Pacalta Resources Ltd. ("Pacalta") (a public oil and natural gas company); prior thereto, Executive Vice President of Pacalta.
Hank B. Swartout ⁽³⁾ Calgary, Alberta	500,000	Director since December 10, 2002	Chairman, President and Chief Executive Officer of Precision Drilling Corporation since July, 1987.

Name and Municipality of Residence	No. of Trust Units Beneficially Owned or Controlled ⁽¹⁾	Offices Held and Time as a Director	Principal Occupation
Verne G. Johnson ⁽²⁾⁽³⁾ Calgary, Alberta	20,000	Director since August 28, 2002	President of KristErin Resources Inc., a private family company since January 2000; Senior Vice President, Funds Management of Enerplus Resources Group from 2000 to 2002; prior thereto, President and Chief Executive Officer of AltaQuest Energy Corporation from 1999 to 2000; prior thereto, President of Ziff Energy Group (an energy consulting company) from 1997 to 1999; prior thereto, President and Chief Executive Officer of ELAN Energy Inc. (a public oil and natural gas company) from 1989 to 1997.
Hector J. McFadyen ⁽²⁾⁽⁴⁾ Calgary, Alberta	20,000	Director since August 28, 2002	Independent businessman and Director of Hunting PLC (a UK based public oil and natural gas company); formerly, President, Midstream Division, Alberta Energy Company Ltd. (a public oil and natural gas company). Director of Computershare Trust Company of Canada (a private Canadian company that manages the administration of shareholder and employee records from public and private companies throughout North America).

Notes:

- (1) Represents all Trust Units held directly or indirectly or over which such person exercises control or direction. Based upon information provided by the director or officer to Harvest Operations Corp. by the nominees.
- (2) Member of the Audit and Corporate Governance Committee.
- (3) Member of the Reserves, Safety and Environment Committee.
- (4) Member of the Compensation Committee.
- (5) Includes 152,990 Trust Units held by Caribou Capital Corp., a company controlled by Mr. Chernoff.
- (6) Harvest Operations Corp. does not have an executive committee.

3. Appointment of the Auditor of the Trust

The Trust Indenture provides that the auditors of the Trust will be selected at each annual meeting of Unitholders. Accordingly, Unitholders will consider an ordinary resolution to appoint the firm of KPMG LLP, Chartered Accountants, Calgary, Alberta, to serve as auditors of the Trust until the next annual meeting of the Unitholders. KPMG LLP has been the Trust's auditors since June 12, 2002.

4. Trust Indenture Amendment Resolution

Harvest Management has presented to the Board of Directors of Harvest Operations Corp. certain proposed amendments to the Trust Indenture and after considering such amendments the Board of Directors of Harvest Operations Corp. has determined to place before the Unitholders a special resolution approving amendments to the Trust Indenture as described below.

The authorized capital of the Trust currently consists of an unlimited number of Trust Units. In order to provide for further flexibility in acquisition opportunities, the Board of Directors of Harvest Operations Corp. recommends amending the Trust Indenture to authorize the creation of an unlimited number of Special Voting Units. Each Special Voting Right will entitle the holder thereof to such number of votes at meetings of Unitholders as may be prescribed by the Board of Directors of Harvest Operations Corp. in the resolution authorizing the issuance of any such Special Voting rights.

The Trust Indenture will be amended to grant Harvest Operations Corp. the specific authority and responsibility for any and all matters relating to the terms of the NPI Agreement and other material contracts of the Trust (other than as otherwise provided in the Trust Indenture) including any amendments thereto. This amendment to the Trust Indenture is intended to enable the business of the Trust to be carried out more effectively for the benefit of Unitholders and, in the opinion of Harvest Management, the proposed amendment will not prejudice Unitholders.

At the Meeting, Unitholders will be asked to consider, and if deemed advisable, to approve the special resolution set forth in Schedule "A" (the "Trust Indenture Amendment Resolution"), amending the Trust Indenture in the manner described above and as set forth in Schedule "A". The Board of Directors of Harvest Operations Corp. recommends that Unitholders approve the Trust Indenture Amendment Resolution.

5. New Class of Shares for Harvest Operations Corp.

The authorized capital of Harvest Operations Corp. currently consists of an unlimited number of common shares and an unlimited number of first preferred shares. In order to provide for further flexibility in capital raising opportunities, the Board of Directors of Harvest Operations Corp. recommends amending the articles of Harvest Operations Corp. to create a new class of non-voting common shares, issuable in series (the "Non-Voting Shares"). Except for the right to notice of and to attend at any meetings of the shareholders of Harvest Operations Corp., the holders of the Non-Voting Shares will have the same rights as the holders of common shares of Harvest Operations Corp.

The Trust Indenture provides that the Trustee shall not be permitted to amend the articles of Harvest Operations Corp. to change its authorized share capital without the approval of Unitholders by special resolution at a meeting of Unitholders called for that purpose. Accordingly, at the Meeting, Unitholders will be asked to consider, and if deemed advisable, to approve the special resolution set forth in Schedule "B" (the "Harvest Share Resolution") to authorize the amendment of the articles of Harvest Operations Corp. in the manner described above and set forth in Schedule "B". The Board of Directors of Harvest Operations Corp. recommends that Unitholders approve the Harvest Share Resolution. If the resolution is passed, Unitholders are hereby informed that Harvest Operations Corp. will pass a shareholders resolution in writing to amend the articles of Harvest Operations Corp. pursuant to the *Business Corporations Act* (Alberta) to create the new class of Non-Voting Shares.

6. Amendment to Trust Unit Incentive Plan

The Trust currently has a Trust Unit Incentive Plan (the "Unit Incentive Plan" or the "Plan") which permits the Board of Directors of Harvest Operations Corp. to grant non-transferable rights to purchase Trust Units ("Incentive Rights") to the directors, officers, consultants, employees and other ongoing service providers of the Trust and its subsidiaries, including Harvest Operations Corp. The purpose of the Unit Incentive Plan is to provide an effective long term incentive to eligible participants and to reward them on the basis of the Trust's long term performance and distributions. The maximum number of Trust Units issuable upon exercise of Incentive Rights under the Unit Incentive Plan is currently 875,000 Trust Units.

The Board of Directors of Harvest Operations Corp. administers the Unit Incentive Plan and determines participants in the Unit Incentive Plan, numbers of Incentive Rights granted, and the terms of vesting of any Incentive Rights. The grant price of the Incentive Rights (the "Grant Price") is equal to the closing price of the Trust Units on the trading date immediately preceding the date of grant (the "Grant Date"), unless otherwise permitted. The exercise price ("Exercise Price") per Incentive Right is calculated by deducting from the Grant Price the aggregate of all distributions, on a per Trust Unit basis, made by the Trust after the Grant Date, provided the aggregate amount of such distribution represents a return of more than 0.833% of the Trust's recorded cost of capital assets less all debt, working capital deficiency (surplus) or debt equivalent instruments, depletion, depreciation and amortization charges and any future income tax liability associated with such capital assets at the end of each month.

Incentive Rights are exercisable for a maximum of five years from the Grant Date and are subject to early termination upon the holder ceasing to be an eligible participant, or upon the death of the holder. The Trust has the option to settle outstanding Incentive Rights with Trust Units and/or cash. The number of Trust Units to be issued to settle outstanding Incentive Rights shall equal the amount determined by multiplying the number of Incentive Rights by the quotient obtained by dividing the difference between the current market price of a Trust Unit and the Exercise

Price by the current market price of a Trust Unit. Cash paid to settle outstanding Incentive Rights will equal the difference between the current market price of a Trust Unit less the Exercise Price multiplied by the number of Incentive Rights to be settled.

During the year ended December 31, 2002, no Incentive Rights were exercised or cancelled.

As of the date hereof, the following Incentive Rights were issued and outstanding under the Plan:

<u>Group</u>	<u>Date Incentive Rights Granted</u>	<u>Trust Units Under Rights</u>	<u>Grant Price</u>	<u>Closing Price on Day Prior to Grant</u>	<u>Expiry Date</u>
Executive Officers (4)	November 25, 2002	475,000	\$8.00	\$8.00	November 25, 2007
	February 14, 2003	9,500	\$10.75	\$10.75	February 14, 2008
Directors (4)	November 25, 2002	75,000	\$8.00	\$8.00	November 25, 2005
	February 14, 2003	25,000	\$10.75	\$10.75	February 14, 2008
Employees and Consultants (12)	November 25, 2002	237,500	\$8.00	\$8.00	November 25, 2005
	January 24, 2003	32,500	\$10.21	\$10.21	January 24, 2008
Total		<u>854,500</u>			

The Trust proposes to increase the number of Trust Units which may be reserved for issuance under the Unit Incentive Plan due to increases in the outstanding number of Trust Units and in order to assist in attracting and retaining qualified personnel. Pursuant to the rules of the TSX, any increase must be approved by the holders of a majority of the Unitholders. Accordingly, at the Meeting, the following ordinary resolution will be presented:

BE IT RESOLVED, AS AN ORDINARY RESOLUTION OF THE UNITHOLDERS OF HARVEST ENERGY TRUST, that the maximum number of Trust Units issuable under the Unit Incentive Plan of Harvest Energy Trust be increased by 246,000 Trust Units from 875,000 Trust Units to a cumulative maximum number of 1,121,000 Trust Units (approximately 10% of the outstanding Trust Units) and the same is hereby approved and authorized.

Implementation of the amendment to the Incentive Plan is subject to receipt of the approval of the TSX.

7. Advance Unitholder Approval for Private Placements

The Trust from time to time investigates opportunities to raise financing on advantageous terms. While the Trust has no specific plans at this time, it may undertake one or more financings over the next year that may be structured as private placements. Under the rules of the TSX, the aggregate number of Trust Units of a listed issuer which are issued or made subject to issuance (i.e. issuable under a purchase warrant or option or other convertible security) by way of one or more private placement transactions during any particular six-month period must not exceed 25% of the number of Trust Units outstanding (on a non-diluted basis) prior to giving effect to such transactions (the "TSX 25% Rule"), unless Unitholder approval has been obtained for such transactions.

The application of the TSX 25% Rule may restrict the availability to the Trust of funds which it may wish to raise in the future by private placement of its securities.

The TSX will accept advance approval by Unitholders in anticipation of private placements that may exceed the TSX 25% Rule provided such private placements are completed within 12 months of the date such advance Unitholder approval is given. Accordingly, the Trust wishes to present to Unitholders a proposal to proceed with additional private placements over the next twelve months in excess of the TSX 25% Rule.

As at April 23, 2003, approximately 11,210,957 Trust Units were issued and outstanding. Accordingly, the Trust proposes that the maximum number of Trust Units which either would be issued or made subject to issuance

under one or more private placements in the 12 month period commencing June 12, 2003 would not exceed 11,210,957 Trust Units in the aggregate, or 100% of the Trust's issued and outstanding Trust Units.

Any private placement proceeded with by the Trust under the advance approval being sought at the Meeting will be subject to the following additional restrictions:

1. it must be substantially with parties at arms' length to the Trust;
2. it cannot materially affect the control of the Trust;
3. it must be completed within a 12 month period following the date the Unitholder approval is given; and
4. it must comply with the private placement pricing rules of the TSX, which currently require that the issued price per Trust Units must not be lower than the closing market price of the Trust Units on the TSX on the trading date prior to the date notice of the Private Placement is given to the TSX (the "Market Price"), less the applicable discount, as follows:

<u>Market Price</u>	<u>Maximum Discount</u>
\$0.50 or less	25%
\$0.51 to \$2.00	20%
\$2.00 and above	15%

(for these purposes, a private placement of unlisted convertible securities is deemed to be a private placement of the underlying listed securities at an issue price equal to the lowest price at which the securities are convertible by the holders thereof).

In any event, the TSX retains the discretion to decide whether or not a particular placement is "substantially" at arm's length or will materially affect control, in which case specific Unitholder approval may be required.

At the Meeting, Unitholders will be asked to consider the following ordinary resolution (the "Private Placement Resolution"):

"BE IT RESOLVED THAT the issuance by the Trust in one or more private placements during the 12 month period commencing June 12, 2003 of up to 11,210,957 Trust Units, as more particularly described in and subject to the restrictions described in the Trust's Information Circular - Proxy Statement dated April 30, 2003, be and is hereby approved."

In order to approve the ordinary resolution, a majority of the votes cast, in person or by proxy, at the Meeting on the Private Placement Resolution must be voted in favour thereof. In the event that the resolution is not passed, the TSX will not approve any private placements that result in the issuance or possible issuance of the number of Trust Units which exceed the TSX 25% Rule, without specific Unitholder approval. Such restriction could impede the Trust's timely access to required funds on favourable terms and thus affect the ability of the Trust to capitalize on opportunities that may arise.

REPORT ON EXECUTIVE COMPENSATION

The Trust's compensation plan for the executive officers of Harvest Operations Corp. has consisted of a combination of base salary, bonuses and the grant of rights under the Trust's Unit Incentive Plan. The Compensation Committee, when making such salary, bonus and other incentive determinations, takes into consideration individual salaries, bonuses and benefits paid to executives of other Canadian conventional oil and natural gas trusts and mid-sized oil and natural gas companies with a view to ensuring that such overall compensation packages are competitive. Such information is obtained from the independent consultants who regularly review compensation practices in Canada.

The foregoing report is respectfully submitted to Unitholders by the Compensation Committee:

John A. Brussa
M. Bruce Chernoff
Hector J. McFadyen

EXECUTIVE COMPENSATION

Summary Compensation Table

Harvest Operations Corp. currently has three executive officers who receive annual salaries of \$125,000, \$100,000 and \$100,000, respectively. Such officers have received and also are eligible to receive rights to purchase Trust Units in the future in accordance with the Trust's Unit Incentive Plan. See "4. Trust Indenture Amendment Resolution".

The following table sets forth information concerning the compensation paid to the current President of Harvest Operations Corp. for the fiscal year ended December 31, 2002. No other officers of Harvest Operations Corp. received compensation in excess of \$100,000 during the most recently completed financial year of Harvest Operations Corp.

Name and Principal Position	Year	Annual Compensation			Securities Under Rights Granted (#)	All Other Compensation (\$)
		Salary (\$)	Bonus (\$)	Other Annual Compensation (\$)		
Jacob Roorda ⁽¹⁾ President	2002	50,000	Nil	6,699	175,000	Nil

Notes:

- (1) Mr. Roorda has been the President of Harvest Operations Corp. since August 1, 2002.
- (2) Harvest Operations Corp. did not commence active business until July, 2002. Prior to Mr. Roorda's appointment, Mr. Chernoff was the President of Harvest Operations Corp. Mr. Chernoff did not receive any compensation, including rights under the Trust's Unit Incentive Plan, for acting as President of Harvest Operations Corp.

Incentive Rights Granted

The following table sets forth the details with respect to all Incentive Rights granted to Mr. Roorda during the fiscal year ended December 31, 2002.

Name	Securities Under Rights	% of Total Rights Granted to Employees in Financial Year	Exercise or Base Price (\$/Security)	Market Value of Securities Underlying Rights on the Date of Grant (\$/Security)	Expiration Date
Jacob Roorda	175,000	22.9	8.00	8.00	November 25, 2007

The following table sets forth with respect to Mr. Roorda, the number of Incentive Rights exercised, the number of unexercised Incentive Rights and the value of in-the-money Incentive Rights based upon the closing price of the Trust Units of \$9.50 on December 31, 2002.

Name	Securities acquired on exercise (#)	Aggregate Value Realized (\$)	Unexercised unit rights at year-end (#) exercisable/unexercisable	Value of unexercised in-the-money unit rights at year-end (\$) exercisable/unexercisable
Jacob Roorda	-	-	-/175,000	-/297,500

Note:

- (1) Based on the difference between the closing price of \$9.50 per Trust Unit on the TSX on December 31, 2002 and the grant price of the Incentive Right less distributions per Trust Unit paid after the date the Incentive Right was granted multiplied by the number of Trust Units under the Incentive Right.

REMUNERATION OF DIRECTORS

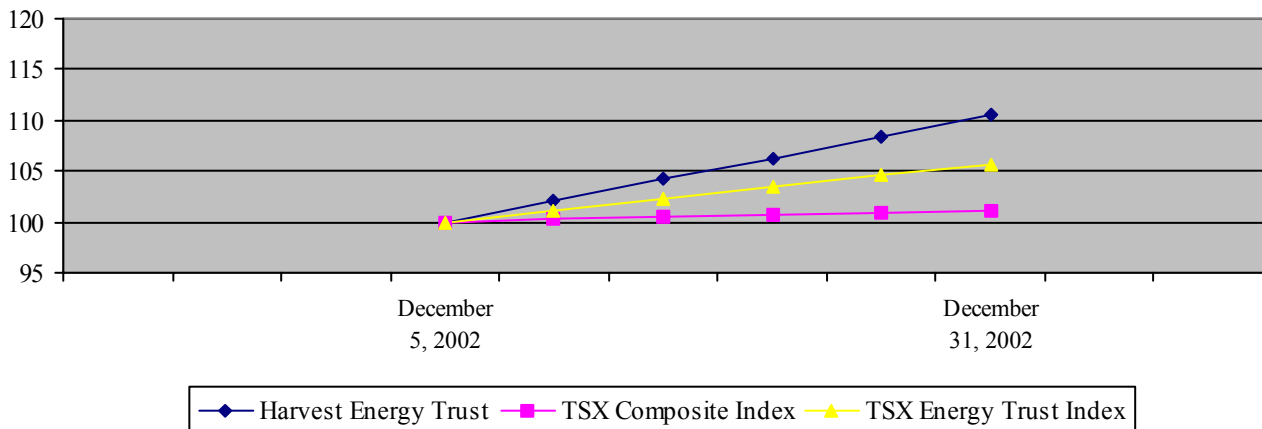
Each of the directors of Harvest Operations Corp. are paid an annual retainer of \$10,000, \$500 for each board meeting attended, \$500 for each committee meeting attended and are entitled to reimbursement for expenses incurred in carrying out their duties as directors. Each director can elect to take his remuneration in the form of cash or Trust Units. No compensation was paid to any director during the year ended December 31, 2002. The directors are also entitled to participate in the Trust's Unit Incentive Plan.

EMPLOYMENT CONTRACTS

Harvest Operations Corp. has not entered into employment agreements with any of its officers or senior employees. However, Harvest Operations Corp. intends to enter into employment agreements with each of its senior officers and such agreements are expected to contain industry standard severance and change of control provisions.

PERFORMANCE CHART

The closing price of the Trust Units on the TSX on their first day of trading on December 5, 2002 was \$8.60. The closing price of the Trust Units on the TSX on December 31, 2002 was \$9.50. The following graph illustrates changes from December 5, 2002 to December 31, 2002, in cumulative Unitholder return, assuming an initial investment of \$100 in Trust Units with all cash distributions reinvested, compared to the S&P/TSX Composite Index and the TSX Energy Trust Index with all dividends and distributions reinvested. ⁽¹⁾



	December 5, 2002	December 31, 2002
Harvest Energy Trust	100	110.47
TSX Composite Index	100	101.11
TSX Energy Trust Index	100	105.71

Notes:

- (1) The Harvest Energy Trust Unitholder Return represents a cumulative return of 141% per annum to December 31, 2002 for an initial investment on December 5, 2002.
- (2) The S&P/TSX Composite Index was previously called the TSE 300 Index

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

In 1995, the TSX adopted a set of guidelines which were revised in 1999 (the "Guidelines") relating to corporate governance matters. The Guidelines address such matters as the constitution and independence of boards of directors, the functions to be performed by boards and their committees, and the relationship among an entity's board, management and shareholders. The TSX has prescribed that all entities listed on the TSX must annually disclose their approach to corporate governance with specific reference to each of the Guidelines.

Set out below is a description of the Trust's corporate governance practices, some of which are provided by the terms of the Trust Indenture and others of which are established by the Board of Directors of Harvest Operations Corp.

	TSX Guidelines	The Trust's Alignment	Commentary
1.	The Board of Directors should explicitly assume responsibility for stewardship of the Company, including the following matters:	Yes	The mandate of the Board of Directors of Harvest Operations Corp. (the "Board") accepts responsibility for the stewardship of Harvest Operations Corp., the other subsidiaries of the Trust and the Trust to the extent delegated to Harvest Operations Corp. under the Trust Indenture. In general terms, the Board, in consultation with the President of Harvest Operations Corp. (the "President"), defines the principal objectives of the Trust and monitors the management of the business and affairs of the Trust with the goal of achieving the Trust's principal objectives.
a.	adoption of a strategic planning process	Yes	The Board has assumed responsibility for the adoption of a strategic planning process through its review of forecasts and capital budgets from time to time, and approval of strategic plans which take into account, among other things, the opportunities and risks of the business. This review is performed on an annual basis and also in connection with material transactions undertaken by the Trust.

TSX Guidelines	The Trust's Alignment	Commentary
b. identification of principal risks, and implementing risk management systems	Yes	The Board, the Audit and Corporate Governance Committee and the Reserve, Safety and Environment Committee perform the functions of identification of the principal risks of the business of the subsidiaries of the Trust, the implementation of appropriate systems to manage these risks and the review of the integrity of the internal controls and management information systems of the subsidiaries of the Trust. Directly and through the Audit and Corporate Governance Committee and the Reserve, Safety and Environment Committee, the Board monitors and receives periodic reports respecting operations, internal controls and business risks from Harvest Management and the external auditors.
c. succession planning and monitoring senior management	Yes	The Board is responsible for monitoring and reviewing the performance of the President and senior leadership team and for ensuring adequate succession for their positions. The Compensation Committee is specifically mandated to ensure that appropriate executive succession planning and performance evaluation programs are in place and operating effectively. The Compensation Committee conducts an annual review of the performance of the President.
d. communications policy	Yes	The Board endeavours to ensure open, accessible and timely disclosure to Unitholders and the public respecting the business, affairs and performance of the Trust in full compliance with all applicable legal requirements. The Board, directly or through the Audit and Corporate Governance Committee, approves major compliance and communication documents, including financial statements and management's discussion and analysis included in annual and quarterly reports, financing documents and other disclosure documents. The Audit and Corporate Governance Committee reviews financial risk management issues and the procedures to ensure the accurate and timely reporting of the Trust's financial and operating results to Unitholders.
e. integrity of internal control and management information systems	Yes	The Board is specifically mandated to ensure processes are in place to monitor and maintain the integrity of the Trust's financial reporting, internal control and management information systems and performs this function through its regular Board meetings and through the activities of the Audit and Corporate Governance Committee and the Reserves, Safety and Environment Committee.

TSX Guidelines	The Trust's Alignment	Commentary
2. Majority of directors should be "unrelated", and how these conclusions were reached	Yes	The Board is presently comprised of five (5) members. Mr. Brussa is considered an "outside" director, but may be a "related" director as his firm provides certain legal services to the Trust. All of the other directors are considered to be "outside" and "unrelated" directors as they are independent of Harvest Management and are free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act with a view to the best interests of the Trust, other than interests arising from their ownership of Trust Units.
3. Appoint a committee composed exclusively of non-management directors, the majority of whom are unrelated, with the responsibility of proposing new board nominees and assessing directors.	Yes	The Audit and Corporate Governance Committee's mandate includes nomination procedures and orientation of new members. A majority of the Audit and Corporate Governance Committee is comprised of unrelated directors. The Committee is responsible for identifying and recommending new nominees to fill vacancies on, or to add additional directors to, the Board as required.
4. Implement a process for assessing the effectiveness of the Board of Directors, its committees and individual directors	Yes	Board nominations have historically been handled by the Board of Directors as a whole. The Audit and Corporate Governance Committee has implemented an informal process for the assessment and evaluation of the performance and contribution of individual members of the Board and will evaluate on an ongoing basis the effectiveness of the Board and its committees.
5. Provide orientation and education programs for new directors	Yes	The mandate of the Audit and Corporate Governance Committee includes the development and periodic review of orientation and education programs for new directors.
6. Consider size of Board of Directors, and impact of the number on Board effectiveness	Yes	The Audit and Corporate Governance Committee has determined that the present size of the Board is appropriate as it is large enough to permit a diversity of views without being too large to detract from the Board's efficiency and effectiveness.
7. Review compensation of directors	Yes	The Compensation Committee reviews annually the form and amount of compensation to ensure that such compensation reflects the responsibilities and risks of being an effective director. The Compensation Committee benchmarks Directors compensation against compensation received by directors in similar positions. The Board will set director compensation based upon recommendations from this committee.

	TSX Guidelines	The Trust's Alignment	Commentary
8.	Committees should generally be composed of non-management directors and a majority of committee members should be unrelated	Yes	All committees of the Board are composed of non-management directors and all committees have a majority of unrelated directors.
9.	Appoint a committee responsible for the Trust's approach to corporate governance issues	Yes	The Audit and Corporate Governance Committee assists the Board in matters pertaining to the Trust's approach to governance issues, the organization and composition of the Board, the organization and conduct of Board meetings, and the effectiveness of the Board in performing and fulfilling its responsibilities.
10. a.	Define limits to management's responsibilities by developing mandates for:		
	i. the Board of Directors	Yes	The Board has developed and approved its mandate, which includes a description of its major goals and duties.
	ii. the Chief Executive Officer	Yes	Annually the Board and the President define the main role of the position and identify the key functions for the President to fulfill in the next year.
b.	Board of Directors should approve the Chief Executive Officer's corporate objectives	Yes	The corporate objectives for which the President is responsible are reviewed by the Board of Directors on an annual basis.
11.	Establish structures and procedures to enable the Board of Directors to function independently of management	Yes	The Board has determined to meet quarterly without Harvest Management present in order to ensure that the functioning of the Board is independent of Harvest Management. The Chairman of the Board is independent of Harvest Management. The committees of the Board meet independently of Harvest Management when warranted.

TSX Guidelines	The Trust's Alignment	Commentary
12. Ensure an Audit Committee consisting of non-management directors has a specifically defined mandate and direct communication channels with external auditors	Yes	<p>The Board of Directors has established an Audit and Corporate Governance Committee comprised entirely of non-management directors and has specifically defined its roles and responsibilities in its mandate. The mandate of the Audit and Corporate Governance Committee specifies its objectives as follows:</p> <ul style="list-style-type: none"> • to assist directors in meeting their responsibilities (particularly for accountability) in respect of the preparation and disclosure of the financial statements of the Trust and related matters; • to provide better communication between directors and external parties; • to ensure the external auditor's independence; • to increase the credibility and objectivity of financial reports; and • to strengthen the role of the outside directors by facilitating in depth discussions between directors on the Audit and Corporate Governance Committee, Harvest Management and external auditors. <p>The Audit and Corporate Governance Committee's responsibilities include overseeing the nature and scope of the annual audit, to provide an assessment of qualifications and experience of audit firms available to perform the Trust's annual audit, management's reporting on internal accounting standards and practices, financial information and accounting systems and procedures, review of major financial reports, documents and statements and recommending, for Board of Director approval, the audited financial statements and other mandatory disclosure releases containing financial information. The Audit and Corporate Governance Committee has regular access to the internal accounting group of management and meets with the external auditors at least twice a year. The mandate of the Audit and Corporate Governance Committee expressly requires the approval by it of any non-audit assignments by the Trust to the external auditor.</p>
13. Ensures a Reserve Audit Committee has been mandated and has direct communication with external oil and gas reserve evaluators	Yes	<p>The Board has established a Reserves, Safety and Environment Committee comprised of three (3) unrelated directors. The Reserves, Safety and Environment Committee's responsibilities include reviewing the annual evaluation reports on the oil and gas reserves of the Trust's subsidiaries, periodically reviewing the qualifications, experience and independence of the consulting engineering firms reporting on the Trust's oil and natural gas reserves and meeting with the engineers employed or otherwise retained by the Trust's subsidiaries who prepare such reports.</p>

TSX Guidelines	The Trust's Alignment	Commentary
14.	Implement a system to enable individual directors to engage outside advisors at the Company's expense	Yes Individual directors may engage outside advisors, at our expense, in appropriate circumstances.

INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS AND OTHERS

At no time since incorporation has there been any indebtedness of any director or officer of Harvest Operations Corp., or any associate of any such director or officer, to Harvest Operations Corp. or the Trust or to any other entity which is, or at any time since the beginning of the most recently completed financial period has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by Harvest Operations Corp. or the Trust.

INTEREST OF INSIDERS IN MATERIAL TRANSACTIONS

During 2002, Mr. Chernoff, director of Harvest Operations Corp., provided a personal guarantee in the amount of \$3,000,000 to secure certain commodity hedging contracts of Harvest Operations Corp. Mr. Chernoff's guarantee remained in place until February 28, 2002 at which time the Harvest Management arranged for the transfer of the commodity hedging contracts to an alternate third party. Mr. Chernoff received no remuneration for providing the personal guarantee.

During 2002, a loan was provided to the Trust by Caribou Capital Corp., a company controlled by M. Bruce Chernoff, a director of Harvest Operations Corp., which bore interest at 20% per annum and was due on or before July 31, 2003 (the "Interim Loan"). The Interim Loan was secured by all of the assets of the Trust, but was not secured by properties of Harvest Operations Corp. All amounts outstanding under the Interim Loan were repaid with net proceeds from the Trust's initial public offering.

Upon completion of its initial public offering, a trust debenture issued August 15, 2002 by the Trust in the principal amount of \$5 million was settled with the issuance of 5,000,000 Trust Units, of which 3,625,500 were issued to various directors and officers of Harvest Operations Corp. In addition, on January 23, 2003, warrants previously issued to Caribou Capital Corp., a company controlled by a director of Harvest Operations Corp., pursuant to the Interim Loan, were exercised for 150,000 Trust Units.

On closing of the initial public offering, certain directors and officers of Harvest Operations Corp. delivered an undertaking to the underwriters not to offer or sell, agree to offer or sell, or enter into an arrangement to offer or sell any Trust Units or other securities of the Trust or Harvest Operations Corp., or securities convertible into, exchangeable for, or otherwise exercisable to acquire any securities of the Trust or the Harvest Operations Corp. then held by such holder or such holder's spouse, directly or indirectly, at any time until November 28, 2004. The undertaking related to the 3,625,500 Trust Units issued to various directors and officers of Harvest Operations Corp. upon settlement of the trust debenture.

INTEREST OF CERTAIN PERSONS AND COMPANIES IN MATTERS TO BE ACTED UPON

Harvest Management is not aware of any material interest of any director, senior officer or nominee for director of Harvest Operations Corp., or of any associate or affiliate of any of the foregoing, in respect of any matter to be acted on at the Meeting except as disclosed herein.

OTHER MATTERS

Harvest Management knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Annual and Special Meeting; however, if any other matter properly comes before the Meeting, the accompanying proxy will be voted on such matter in accordance with the best judgment of the person or persons voting the proxy.

APPROVAL AND CERTIFICATION

The contents and sending of this Information Circular - Proxy Statement has been approved by the Board of Directors of Harvest Operations Corp. on behalf of the Trust.

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

DATED April 30, 2003

HARVEST ENERGY TRUST
By: Harvest Operations Corp.

(signed) Jacob Roorda
President

(signed) David Fisher
Vice-President Finance

SCHEDULE "A"
TRUST INDENTURE AMENDMENT RESOLUTION

BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. The Trust Indenture be amended as follows:

Section 3.2 of the Trust Indenture be deleted and replaced with the following:

"3.2 Authorized Number of Trust Units and Special Voting Units

The aggregate number of Trust Units and Special Voting Units which are authorized and may be issued hereunder is unlimited.

The Trust Indenture be amended by inserting a new section 3.10 as follows:

"3.10 Special Voting Rights

In addition to Trust Units, there may be issued Special Voting Rights entitling the holders thereof to such number of votes at meetings of Unitholders as may be prescribed by the Board of Directors of the Corporation in the resolution authorizing the issuance of any such Special Voting Rights. Except for the right to vote at meetings of the Unitholders, the Special Voting Rights shall not confer upon the holders thereof any other rights; and for greater certainty, the holders of Special Voting Rights shall not be entitled to any distributions of any nature whatsoever from the Trust or have any beneficial interest in any assets of the trust on termination of the Trust.

Section 8.2 of the Trust Indenture be deleted and replaced with the following:

"8.2 Offerings and Other Matters

The Trustee hereby delegates to the Corporation (through its Board of Directors) responsibility for any or all matters relating to: (a) an Offering including: (i) ensuring compliance with all applicable laws; (ii) the content of any Offering Documents, the accuracy of the disclosure contained therein, and the certification thereof; (iii) any subscription agreement or underwriting or agency agreements providing for the sale of Trust Units or securities convertible for or exchangeable into Trust Units or rights to Trust Units; (iv) the adoption of a unitholder rights plan and without limitation those matters set forth in Section 7.1(b) hereof; (iv) all matters concerning any Underwriting Agreement providing for the sale of Trust Units or rights to Trust Units; and (b) the terms of, and amendment from time to time of the Material Contracts. The Corporation hereby accepts such delegation and agrees that, in respect of such matters, it shall carry out its functions honestly, in good faith and in the best interests of the Trust and the Unitholders and, in connection therewith, shall exercise that degree of care, diligence and skill that a reasonably prudent Person would exercise in comparable circumstances; the Corporation, and if directed by the Corporation in writing, the Trustee shall, execute any agreements on behalf of the Trust as the Corporation shall have authorized within the scope of any authority delegated to it hereunder."

2. subject to the implementation of this special resolution as set forth in paragraph no. 3 below, this special resolution shall be effective as of the date of its approval by the Unitholders; and
3. the proper officers of Harvest Operations Corp. ("Harvest") and/or the Trustee, on behalf of the Trust, be and they are hereby authorized and directed to execute, deliver and file all such documents and other instruments and to otherwise do and perform all such acts and things as they determine to be necessary or desirable for the implementation of this special resolution, at such times as they may determine, provided that the directors of Harvest Operations Corp. may, in their discretion and without further approval of the Unitholders, revoke and rescind this special resolution or any of the amendments to the Trust Indenture contemplated therein before it is acted upon.

SCHEDULE "B"
HARVEST SHARE RESOLUTION

BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. The articles of incorporation of Harvest Operations Corp. ("Harvest") be amended pursuant to Section 173(1)(d) of the *Business Corporations Act* (Alberta) to create a new class of non-voting common shares (the "Non-Voting Common Shares") having the same rights, privileges and restrictions as the holders of voting common shares of Harvest except that such Non-Voting Common Shares shall not have the right to notice of and to attend at any meetings of the shareholders of Harvest;
2. subject to the implementation of this special resolution as set forth in paragraph no. 3 below, this special resolution shall be effective as of the date of its approval by the Unitholders; and
3. the proper officers of Harvest and/or the Trustee, on behalf of the Trust, be and they are hereby authorized and directed to execute, deliver and file all such documents and other instruments and to otherwise do and perform all such acts and things as they determine to be necessary or desirable for the implementation of this special resolution, at such times as they may determine, provided that the directors of Search may, in their discretion and without further approval of the Unitholders, revoke and rescind this special resolution or any of the amendments to the Trust Indenture contemplated therein before it is acted upon.