



600 - 550 6th Avenue SW
Calgary, Alberta
T2P 0S2

FOR IMMEDIATE RELEASE

NAL OIL & GAS TRUST ANNOUNCES CLOSING OF \$225,001,200 BOUGHT DEAL FINANCING

Media Release No. 22-07

August 28, 2007

CALGARY, August 28 / 2007 / Marketwire / - NAL Oil & Gas Trust has closed its previously announced bought deal equity financing with a syndicate of underwriters to sell 10,246,000 Subscription Receipts at a price of \$12.20 per Subscription Receipt and \$100,000,000 aggregate principal amount of 6.75% convertible extendible unsecured subordinated debentures at a price of \$1,000 per debenture for aggregate gross proceeds of \$225,001,200 (the "Offering"). RBC Capital Markets and BMO Capital Markets led the syndicate that also included CIBC World Markets Inc., Scotia Capital Inc., TD Securities Inc., Canaccord Capital Corporation, National Bank Financial Inc., Raymond James Ltd. and Peters & Co. Limited (collectively, the "Underwriters"). In addition, the Underwriters have been granted an over-allotment option to purchase up to 1,536,900 Subscription Receipts, exercisable up to 30 days after closing of the Offering.

Net proceeds from the Offering will be used to partially fund the Trust's previously announced acquisition of all the issued and outstanding shares of Seneca Energy Canada Inc., a privately owned oil and gas company, assets of which include oil and natural gas assets in Western Canada (the "Acquisition") for \$246 million subject to closing adjustments. The proceeds from the Offering will be held in escrow pending the closing of the Acquisition. Each Subscription Receipt will entitle the holder to receive one trust unit of NAL for no additional consideration on closing of the Acquisition. All regulatory approvals, including Competition Act approval have been received by NAL. The Acquisition is expected to close on August 31, 2007.

NAL Oil & Gas Trust is an open-end investment trust that generates distributions through the acquisition, development, production and marketing of oil, natural gas and natural gas liquids. The Trust owns high quality assets in Alberta, Saskatchewan and Ontario. Trust units trade on the Toronto Stock Exchange under the symbol "NAE.UN".

-30-

For further information:

Gordon Currie, Manager, Investor Relations
Telephone: 403.294.3620
Toll Free: 888.223.8792
Facsimile: 403.515.3407
Email: investor.relations@nal.ca