

ENTERRA ENERGY TRUST  
Form 40-F/A  
August 29, 2006

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**Amendment No. 1  
FORM 40-F/A**

**[Check one]**

REGISTRATION STATEMENT PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934

OR

X

ANNUAL REPORT PURSUANT TO SECTION 13(a) OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2005

Commission File Number 001-32744

**ENTERRA ENERGY TRUST**

(Exact name of Registrant as specified in its charter)

|   |   |  |
|---|---|--|
| <b>Alberta</b><br>(Province or other jurisdiction of incorporation or organization) | <b>1311</b><br>(Primary Standard Industrial Classification Code Number (if applicable)) | <b>Not Applicable</b><br>(I.R.S. Employer Identification Number (if applicable)) |
|---|---|--|

**Suite 2600, 500 4 Avenue S.W.  
Calgary, Alberta, Canada  
T2P 2V6  
(403) 263-0262**

(Address and telephone number of Registrant's principal executive offices)

**DL Services, Inc.  
1420 Fifth Avenue, Suite 3400  
Seattle, Washington 98101  
(206) 903-8800**

(Name, address (including zip code) and telephone number (including area code) of agent for service in the United States)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

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Title of each class

Name of each exchange on which registered

**Trust Unites, no par value**

**New York Stock Exchange**

Securities registered or to be registered pursuant to Section 12(g) of the Act: **None**

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: **None**

For annual reports, indicate by check mark the information filed with this Form:

Annual information form

Audited annual financial statements

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report: **36,504,416 Trust Units, no par value.**

Indicate by check mark whether the Registrant by filing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934 (the Exchange Act). If Yes is marked, indicate the file number assigned to the Registrant in connection with such Rule.

Yes

No

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

Yes

No

**Explanatory Note:** This Amendment No. 1 (this **Amendment** ) to the Annual Report on Form 40-F filed on March 31, 2006 (File No. 001-32744) (the **Original 40-F** ) of Enterra Energy Trust (the **Registrant** ) for the fiscal year ended December 31, 2005, is being filed for the purpose of providing certain revised information contained in the Registrant's Revised Annual Information Form (the **Revised AIF** ) filed on June 27, 2006 with the applicable securities regulatory authorities in Canada. The Revised AIF was prepared at the request of the Alberta Securities Commission to revise certain information related to our undeveloped reserves and reserves reconciliation, to show costs incurred on capital assets separately between the United States and Canada, and to provide a well count by province and state. The additional and amended information can be found on pages 16, 19, 22-23, and 27-28 of the Revised AIF ..

Other than as expressly set forth above, this Amendment does not, and does not purport to, update or restate the information in any Item of the Original 40-F or reflect any events that have occurred after the Original Filing was filed. The filing of this Amendment shall not be deemed an admission that the Original 40-F, when made, included any known untrue statement of material fact or knowingly omitted to state a material fact necessary to make a statement not misleading.

#### **CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS**

This Amendment and the Exhibits included herein contain forward-looking statements concerning the Registrant's plans for drilling, exploration and development, business strategy and plans and objectives of management for future operations. Other forward-looking statements relate to the Registrant's future financial position, estimated amounts and timing of capital expenditures, royalty rates and exchange fees relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as *expects* , *is expected* , *anticipates* , *plans* , *projects* , *estimates* , *assumes* , *intends* , *strategy* , *goals* , *variations thereof* or stating that certain actions, events or results *may* , *could* , *would* , *might* or *will* be taken, or *be achieved*, or the negative of any of these terms and similar expressions) are not statements of historical fact and may be forward-looking statements.

Statements concerning oil and gas reserves contained in this report may be deemed to be forward-looking statements as they involve the implied assessment that the resources described can be profitably produced in the future, based on certain estimates and assumptions.

Forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors that could cause actual events or results to differ from those reflected in the forward-looking statements, including, without limitation:

- The risks of the oil and gas industry, such as operational risks in exploring for, developing and producing crude oil and natural gas;
- market demand;
- risks and uncertainties involving geology of oil and gas deposits;
- uncertainty of capital costs, operating costs, production and economic returns;
- the uncertainty of reserve estimates and reserves life;
- the uncertainty of estimates and projections relating to production, costs and expenses;
- potential delays or changes in plans with respect to exploration or development projects or capital expenditures;

- fluctuations in oil and gas prices, foreign currency exchange rates and interest rates;
- health, safety and environmental risks;
- uncertainties as to the availability and cost of financing;
- the possibility that government policies or laws may change or governmental approvals may be delayed or withheld;
- the Registrant's ability to attract and retain qualified management; and
- commodity price fluctuations.

Other sections of this report may include additional factors that could adversely affect the Registrant's business and financial performance. Moreover, the Registrant operates in a very competitive and rapidly changing environment. New risk factors emerge from time to time and it is not possible for management to predict all risk factors, or assess the impact of all factors on the business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

The Registrant's forward-looking statements are based on the beliefs, expectations and opinions of management on the date the statements are made, and the Registrant does not assume any obligation to update forward-looking statements if circumstances or management's beliefs, expectations or opinions should change. For the reasons set forth above, investors should not place undue reliance on forward-looking statements.

## CURRENCY

Unless otherwise indicated, all dollar amounts in the Amendment are Canadian dollars. The exchange rate of Canadian dollars into United States dollars, based upon the noon rate of exchange as reported by the Bank of Canada, was U.S.\$1.00 = CDN\$1.2256 on June 30, 2005 and was U.S.\$1.00 = CDN\$1.1150 on June 30, 2006.

## ANNUAL INFORMATION FORM

The Registrant's Revised Annual Information Form for the fiscal year ended December 31, 2005 is included herein as Exhibit 1.

## AUDITED ANNUAL FINANCIAL STATEMENTS AND MANAGEMENT'S DISCUSSION AND ANALYSIS

### *Audited Annual Financial Statements*

Audited financial statements, including the report of the auditors with respect thereto, are incorporated by reference to the Registrant's Original Form 40-F, filed with the Commission on March 31, 2006 (File No. 001-32744). The Registrant's financial statements are prepared in accordance with Canadian generally accepted accounting principles ( **GAAP** ), which differs from United States GAAP, and is subject to Canadian auditing and auditor independence standards, and therefore may not be comparable to financial statements of United States companies. For a reconciliation of differences between Canadian and United States generally accepted accounting principles, see Note 22 - Differences Between Canadian and United States Generally Accepted Accounting Principles, of the notes to the financial statements.

### *Management's Discussion and Analysis*

Management's discussion and analysis is incorporated by reference to the Registrant's Original Form 40-F, filed with the Commission on March 31, 2006 (File No. 001-32744).



*Tax Matters*

Purchasing, holding or disposing of securities of the Registrant may have tax consequences under the laws of the United States and Canada that are not described in this Amendment.

**DISCLOSURE CONTROLS AND PROCEDURES**

As of the end of the period covered by this Amendment, the Registrant carried out an evaluation, under the supervision of the Registrant's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the Registrant's disclosure controls and procedures pursuant to Rules 13a-15(e) and 15d-15(e) of the 1934 Act. Based upon that evaluation, the Registrant's Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of the period covered by this Amendment, the Registrant's disclosure controls and procedures are effective to ensure that information required to be disclosed by the Registrant in reports that it files or submits under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms, and (ii) accumulated and communicated to the Registrant's management, including its principal executive officer and principal financial officer, to allow timely decision regarding required disclosure.

**CHANGES IN INTERNAL CONTROLS OVER FINANCIAL REPORTING**

During the period covered by this Amendment, no changes occurred in the Registrant's internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting.

**CODE OF ETHICS FOR DIRECTORS, OFFICERS, EMPLOYEES AND CONSULTANTS**

The Registrant has adopted a Code of Ethics which applies to all directors, officers, employees and consultants. It is available on the Registrant's web site at [www.enterraenergy.com](http://www.enterraenergy.com) and in print to any shareholder who requests it. All amendments to the code, and all waivers of the code with respect to any of the officers covered by it, will be posted on the Registrant's web site, submitted on Form 6-K and provided in print to any shareholder who requests them.

**AUDIT COMMITTEE**

The Registrant's Board of Directors has a separately-designated standing Audit Committee for the purpose of overseeing the accounting and financial reporting processes of the Registrant and audits of the Registrant's annual financial statements. As of the end of the period covered by the annual report, the following individuals comprised the entire membership of the Registrant's Audit Committee, which has been established in accordance with Section 3(a)(58)(A) of the Exchange Act:

Mr. William E. Sliney

Mr. H.S. (Scobey) Hartley

Mr. Norman Wallace

*Audit Committee Financial Expert*

Mr. Sliney has been determined by the Registrant to meet the audit committee financial expert criteria (as defined in Item 401 of Regulation S-K under the 1934 Act) and has been designated as an audit committee financial expert for the Audit Committee. Mr. Sliney is independent as defined by the New York Stock Exchange ( **NYSE** ) Corporate Governance Rules.

Each member of the audit committee and a majority of the board of directors is independent as defined by the NYSE Corporate Governance Rules.

### **CORPORATE GOVERNANCE LISTING STANDARDS**

The Registrant's corporate governance practices are subject to guidelines for effective corporate governance established by National Instrument 58-101 and National Policy 58-201 (collectively, the "**CSA Rules**"). The Trust satisfies all of the NYSE corporate governance listing standards applicable to non-U.S. companies and complies in many respects with the NYSE corporate governance listing standards applicable to U.S. companies.

With respect to the NYSE corporate governance listing standards, the Registrant's corporate governance practices differ in only a number of respects from those applicable to U.S. companies. First, the NYSE listing standards require shareholder approval of all equity compensation plans and any material revisions to such plans, regardless of whether the securities to be delivered under such plans are newly issued or purchased on the open market, subject to a few limited exceptions. In contrast, the TSX rules require shareholder approval of equity compensation plans only when such plans involve newly issued securities. Equity compensation plans that do not provide for a fixed maximum number of securities to be issued must have a rolling maximum number of securities to be issued based on a fixed percentage of the issuer's outstanding securities and must also be approved by shareholders every three years. If the plan provides a procedure for its amendment, the TSX rules require shareholder approval of amendments only where the amendment involves a reduction in the exercise price or an extension of the term of options held by insiders. Secondly, the NYSE listing standards require that any waivers of a company's code of business conduct and ethics for directors or executive officers be promptly disclosed. The Registrant complies with the requirements of the CSA Rules which specify that material departures from the Policy on Business Conduct and Ethics by a director or executive officer which constitute a material change to the Registrant will be promptly disclosed to shareholders. Third, the NYSE listing standards require that the Audit Committee charter specify that the Audit Committee assist the Board of Directors in its oversight of the Registrant's compliance with legal and regulatory requirements. The Registrant's Board oversees the Registrant's compliance with legal and regulatory requirements. Each of the Board committees assists the Board in its oversight of the Trust's compliance with legal and regulatory requirements in each of their areas of responsibility. Fourth, the NYSE listing standards require that the corporate governance committee be comprised solely of independent directors. Keith Conrad, our Chief Executive Officer, is a member of that committee. Finally, the NYSE listing standards require that non-management directors meet at regularly scheduled executive sessions without management. Our non-management directors do not have such regularly scheduled executive sessions without management.

### **DISCLOSURE OF RESERVES DATA**

As a Canadian issuer, we are required under Canadian law to comply with National Instrument 51-101 "*Standards of Disclosure for Oil and Gas Activities*" ("**NI 51-101**") issued by the Canadian Securities Administrators, in all of our reserves related disclosures.

In the United States however, registrants, including foreign private issuers like us, are generally required to disclose proved reserves using the standards contained in the United States Securities and Exchange Commission ("**SEC**")

Regulation S-X. Under certain circumstances, applicable U.S. law permits us to comply with our own country's law if the requirements vary. The primary difference between the two standards is the additional requirement under NI 51-101 to disclose both proved and proved plus probable reserves as well as related future net revenues using forecast prices and costs. Another difference lies in the definition of proved reserves. As discussed in the Canadian Oil and Gas Evaluation Handbook ("**COGE Handbook**"), the standards which NI 51-101 employs, the difference in estimated proved reserves based on constant pricing and costs between the two standards is not material.



**PRINCIPAL ACCOUNTING FEES AND SERVICES - INDEPENDENT AUDITORS**

The table setting forth the Registrant's fees paid to its independent auditor, KPMG LLP for the years ended December 31, 2005 and December 31, 2004 are set forth below:

|                | Y e a r s e n d e d |            |
|----------------|---------------------|------------|
|                | December 31         |            |
|                | 2005                | 2004       |
| Audit:         | \$ 410,560          | \$ 309,116 |
| Audit Related: | \$ 316,992          | \$ 5,000   |
| Tax            | \$ 40,500           | \$ 12,500  |
| All Other Fees | \$ -                | \$ -       |
| Total          | \$ 768,052          | \$ 326,616 |

Audit Fees are the aggregate fees billed by KPMG LLP and Deloitte & Touche LLP for the audit of the Registrant's annual consolidated financial statements and reviews of the Registrant's interim consolidated financial statements.

Audit-Related Fees are fees charged by KPMG LLP in conjunction with statutory and regulatory filings such as prospectus and information circulars.

Tax Fees are fees for professional services rendered by KPMG LLP for reviews of tax statements regarding distributions.

Fees disclosed under the category All Other Fees for the 2005 and 2004 fiscal years were \$0.

**PRE-APPROVAL OF AUDIT AND NON-AUDIT SERVICES PROVIDED BY INDEPENDENT AUDITORS**

For information regarding the Audit Committee's pre-approval procedures and policies, see Audit Committee in the Registrant's Revised Annual Information Form filed as Exhibit 1 to this Amendment.

**OFF-BALANCE SHEET ARRANGEMENTS**

The Registrant has not entered into any off-balance sheet arrangements other than operating leases.



**TABLE OF CONTRACTUAL COMMITMENTS**

The following table lists as of December 31, 2005 information with respect to the Registrant's known contractual obligations.

| <i>Contractual Obligations</i>  | <i>Total</i> | Payments due by period (in 000 \$) |                    |                    |                          |
|---|--------------|------------------------------------|--------------------|--------------------|--------------------------|
|   |              | <i>Less than 1 year</i>            | <i>1 - 3 years</i> | <i>3 - 5 years</i> | <i>More than 5 years</i> |
| Short-Term Debt Obligations   | \$           | \$                                 | \$                 | \$                 | \$                       |
|   | 99,521       | 99,521                             | -                  | -                  | -                        |
| Interest on above debt  | 5,011        | 5,011                              | -                  | -                  | -                        |
| Long-Term Debt Obligations  | -            | -                                  | -                  | -                  | -                        |
| Capital (Finance) Lease Obligations   | 2,864        | 1,065                              | 1,799              | -                  | -                        |
| Operating Lease Obligations   | 5,654        | 1,160                              | 2,140              | 2,257              | 97                       |
| Purchase Obligations  |              |                                    |                    |                    |                          |
| Other Long-Term Liabilities Reflected on the Registrant's Balance Sheet under Canadian GAAP | 24,323       | -                                  | -                  | -                  | 24,323                   |
| Total   | \$           | \$                                 | \$                 | \$                 | \$                       |
|   | 137,373      | 106,757                            | 3,939              | 2,257              | 24,420                   |

For additional information related to the Registrant's contractual obligations and commitments see Note 17 in the Registrant's annual financial statements.

**UNDERTAKING AND CONSENT TO SERVICE OF PROCESS***Undertaking*

The Registrant undertakes to make available, in person or by telephone, representatives to respond to inquiries made by the Commission staff, and to furnish promptly, when requested to do so by the Commission staff, information relating to: the securities registered pursuant to Form 40-F; the securities in relation to which the obligation to file an Annual Report on Form 40-F arises; or transactions in said securities.

*Consent to Service of Process*

The Registrant filed an Appointment of Agent for Service of Process and Undertaking on Form F-X signed by the Registrant and its agent for service of process on November 10, 2005 with respect to the class of securities in relation to which the obligation to file the Form 40-F arises, which Form F-X is incorporated herein by reference.



**SIGNATURES**

Pursuant to the requirements of the Exchange Act, the Registrant certifies that it meets all of the requirements for filing on Form 40-F and has duly caused this Amendment No. 1 to Annual Report on Form 40-F to be signed on its behalf by the undersigned, thereunto duly authorized.

**ENTERRA ENERGY CORP., AS  
ADMINISTRATOR OF ENTERRA  
ENERGY TRUST**

Date: August 28, 2006

By: /s/ Keith Conrad

Keith Conrad

President and Chief Executive  
Officer

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## EXHIBIT INDEX

The following exhibits have been filed as part of the Amendment No. 1 to Annual Report on Form 40-F:

### Exhibit Description

#### **Annual Information**

- 1 Revised Annual Information Form of the Registrant for fiscal year ended December 31, 2005
- 2\* Audited consolidated financial statements of the Registrant and notes thereto for the years ended December 31, 2005, 2004 and 2003, together with the report of the auditors
- 3\* Management's Discussion and Analysis for the year ended December 31, 2005

#### **Certifications**

- 31.1 Certifications by the Chief Executive Officer of the Registrant pursuant to Rule 13a-14(a) of the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 31.2 Certifications by the Chief Financial Officer of the Registrant pursuant to Rule 13a-14(a) of the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 32.1 Certificate of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
- 32.2 Certificate of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

#### **Consents**

- 99.1 Consent of KPMG LLP
- 99.2 Consent of McDaniel & Associates Consultants Ltd.
- 99.3 Consent of Sproule Associates Inc.

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Incorporated by reference to the Registrant's Annual Report on Form 40-F, filed with the Commission on March 31, 2006 (File No. 001-32744).