

Form 8937 Report of Organizational Actions Affecting Basis of Securities

Part 1 Reporting Issuer

1. **Issuer's name:** Provident Energy Trust
2. **Issuer's employer identification number:** Not applicable
3. **Name of contact for additional information:** Gordon Fika
4. **Telephone number of contact:** 403-231-6347
5. **Email address of contact:** Gfika@providentenergy.com
6. **Street address of contact:** 2100, 250 – 2nd Street SW, Calgary, Alberta T2P 0C1
8. **Date of Action:** January 14, 2011
9. **Classification and description:** Payment of a dividend in excess of earnings and profits of issuer resulted in a estimated portion of the payment being a return of capital.

Part II Organizational Action

14. **Issuer paid** a dividend of 6 cents per share on its shares on January 14, 2011
15. **Approximately** 10% of that dividend (0.6 cents per share) is estimated to be a return of capital.
16. **The return of capital** was based on a yearend estimate of earnings and profit.
17. **Per. IRC Sec. 301** dividends in excess of earnings and profit are returns of capital.
18. **Losses cannot** be recognized until the respective share is disposed of.
19. **The reduction in basis** is effective on receipt of payment.