PETROFUND ENERGY TRUST
Form 6-K
November 10, 2005

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 6-K

REPORT OF FOREIGN ISSUER PURSUANT TO RULE 13A-16 OR 15D-16 OF THE SECURITIES EXCHANGE ACT OF 1934

For the month of: November 2005

Commission File Number: 00-115124

PETROFUND ENERGY TRUST

(Name of Registrant)

Barclay Centre

600 444 7Avenue SW

Calgary, Alberta

Canada T2P 0X8

(Address of Principal Executive Offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

Form 20-F _____

Form 40-F __X__

Indicate by check mark whether the registrant by furnishing 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:

Yes ______

No __**X**__

If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): N/A

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

PETROFUND ENERGY TRUST

Date: November 9, 2005

By:

signed _Hugo S^t J. A. Potts_

Hugo S^t J. A. Potts, Esq.

Corporate Secretary

EXHIBIT

Exhibit	Description of Exhibit
1.	**Third Quarter Report dated November 8, 2005.**

EXHIBIT 1

444 - 7th Ave S.W
Suite 600
Calgary, Alberta
T2P 0X8
Telephone: (403) 218-8625
Fax: (403) 269-5858

News Release

Calgary   November 8, 2005

CALGARY   October 5, 2004

Petrofund Energy Trust (*TSX: PTF.UN; AMEX: PTF*)

Announces Results for the Third Quarter of 2005

Petrofund Energy Trust is pleased to provide its results for the third quarter of 2005. Key items from the quarter include:

-

Average production for the third quarter reached a record high of 37,485 boe per day. This was a 7% increase over the third quarter production of last year.

-

Cash flow increased 71% over the third quarter of 2004 to $111.1 million, which is also a new high for the Trust. On a per unit basis, cash flow increased 63% from a year ago to $1.06 per unit.

-

The third quarter payout ratio moved down to 45% from 75% in the comparable quarter of 2004 and from 56% in the second quarter of 2005.

-

Operating costs for the quarter increased to $10.31 per boe due to increasing industry costs. This was a 7% increase over the third quarter of last year but a 5.3% decrease from the second quarter of 2005.

-

Net income increased from $15.1 million in the third quarter of 2004 to $51.2 million in the third quarter of 2005, which equates to a per unit increase from $0.15 to $0.49.

-

General and administrative costs were up 20% from last year to $1.40 per boe due mainly to increasing compensation costs due to industry pressure.

-

The Trust exited the quarter with a 0.5:1.0 net debt to cash flow ratio based on annualized third quarter cash flow.

Petrofund's third quarter report is presented below:

1

3rd Quarter Report

for three & nine months ended September 30, 2005 & 2004

FINANCIAL HIGHLIGHTS

(thousands of Canadian dollars, except per unit amounts)

	3 months ended September 30,			9 months ended September 30,		
	2005	**2004**	**Variance**	**2005**	**2004**	**Variance**
INCOME STATEMENT						
Oil and natural gas sales [5]	$ 212,404	$ 147,489	44%	$ 540,003	$ 360,158	50%
Cash flow [1]	$ 111,122	$ 65,075	71%	$ 271,892	$ 163,942	66%
Per unit [2]	$ 1.06	$ 0.65	63%	$ 2.65	$ 1.95	36%
Per boe	$ 32.22	$ 20.24	59%	$ 27.47	$ 20.02	37%
Cash distributions paid per unit	$ 0.48	$ 0.48	-%	$ 1.44	$ 1.44	-%
Net income	$ 51,209	$ 15,147	238%	$ 110,645	$ 23,593	369%
Net income per unit						
Basic	$ 0.49	$ 0.15	227%	$ 1.08	$ 0.28	286%
Diluted	$ 0.49	$ 0.15	227%	$ 1.08	$ 0.28	286%
UNITS AND EXCHANGEABLE SHARES OUTSTANDING [2]						
Weighted average	105,018	100,267	5%	102,412	84,064	22%

Diluted	105,039	100,353	5%	102,441	84,211	22%
At period-end	105,046	100,344	5%	105,046	100,344	5%
BALANCE SHEET						
Working capital (deficit) [3]				$ 12,077	$ (55,784)	122%
Property, plant and equipment, net				$ 1,297,522	$ 1,230,636	5%
Long-term debt				$ 244,499	$ 199,474	23%
Unitholders equity				$ 1,084,746	$ 1,031,226	5%
MARKET CAPITALIZATION, as at September 30				$ 2,397,156	$ 1,595,476	50%
TOTAL CAPITALIZATION, as at September 30 [3],[4]				$ 2,629,578	$ 1,850,258	42%
TRUST UNIT TRADING (TSX: PTF.UN)						
High	$ 23.31	$ 16.35	43%	$ 23.31	$ 19.24	21%
Low	$ 19.30	$ 14.62	32%	$ 15.50	$ 14.56	6%
Close	$ 22.82	$ 15.90	44%	$ 22.82	$ 15.90	44%
Average daily volumes	147	287	(49)%	195	227	(14)%
TRUST UNIT TRADING (AMEX: PTF)						
High	$ 19.85	$ 2.83	55%	$ 19.85	$ 4.96	33%
Low	$ 15.72	$ 1.10	42%	$ 12.66	$ 0.95	16%
Close	$ 19.64	$ 2.60	56%	$ 19.64	$ 2.60	56%
Average daily volumes	579	431	34%	562	462	22%

(1)

Cash flow before net changes in non-cash operating working capital balances

(Non-GAAP measure, see special notes in the Management Discussion and Analysis).

(2)

See Note 3 to Interim Consolidated Financial Statements.

(3)

Excludes net unrealized gains/losses on commodity contracts.

(4)

Total capitalization equals market capitalization plus net debt.

(Non-GAAP measure, see special notes in the Management Discussion and Analysis).

(5)

Prices and revenue are before realized gains/losses on commodity contracts and before transportation costs.

OPERATIONAL HIGHLIGHTS

(thousands of Canadian dollars, except per unit amounts)

	3 months ended September 30,			**9 months ended September 30,**		
	2005	**2004**	**Variance**	**2005**	**2004**	**Variance**
DAILY PRODUCTION						
Oil (bbls)	18,451	17,504	5%	18,064	13,934	30%
Natural gas (mcf)	97,825	90,119	9%	94,384	82,623	14%
Natural gas liquids (bbls)	2,730	2,427	12%	2,457	2,181	13%
BOE (6:1)	37,485	34,950	7%	36,252	29,886	21%
Total production (mmboe)	3,449	3,215	7%	9,897	8,189	21%
PRODUCTION PROFILE						
Oil	49%	50%		50%	47%	
Natural gas	44%	43%		43%	46%	
Natural gas liquids	7%	7%		7%	7%	

PRICES (1)						
Oil (per bbl)	$ 69.37	$ 52.02	33%	$ 61.21	$ 47.88	28%
Natural gas (per mcf)	$ 9.10	$ 6.50	40%	$ 7.95	$ 6.78	17%
Natural gas liquids (per bbl)	$ 50.36	$ 43.68	15%	$ 49.27	$ 39.55	25%
BOE (6:1)	$ 61.57	$ 45.85	34%	$ 54.53	$ 43.97	24%
Cash operating netback per BOE	$ 34.67	$ 22.57	54%	$ 29.93	$ 22.46	33%
LEASE OPERATING COSTS	$ 35,558	$ 30,920	(15)%	$ 103,245	$ 74,388	(39)%
Cost per boe	$ 10.31	$ 9.62	(7)%	$ 10.43	$ 9.08	(15)%
GENERAL AND ADMINISTRATIVE COSTS	$ 4,816	$ 3,764	(28)%	$ 12,357	$ 10,218	(21)%
Cost per boe	$ 1.40	$ 1.17	(20)%	$ 1.25	$ 1.25	-%

(1)

Prices and revenue are before realized gains/losses on commodity contracts and before transportation costs.

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Management Discussion & Analysis

three and nine months ended September 30, 2005

The following Management Discussion and Analysis (MD&A) of financial results should be read in conjunction with the unaudited Consolidated Financial Statements of Petrofund Energy Trust (Petrofund or the Trust) for the nine months ended September 30, 2005 and the December 31, 2004 audited Consolidated Financial Statements and Management s Discussion and Analysis included in the Trust s 2004 annual report. All oil and natural gas properties are held by Petrofund Corp. (PC) and Petrofund Ventures Trust, wholly owned subsidiaries of the Trust. This commentary is based on information available to November 8, 2005. Additional information (including Petrofund s annual information form) can be obtained on SEDAR at www.sedar.com or on the Trust s website at www.petrofund.ca.

All amounts are stated in Canadian dollars unless otherwise noted. Where amounts and volumes are expressed on a barrel of oil equivalent (boe) basis, gas volumes have been converted to barrels of oil at 6,000 cubic feet per barrel (6 mcf/bbl). BOEs may be misleading, particularly if used in isolation. A BOE conversion of 6 mcf/1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

NON GAAP MEASURES

Management uses cash flow (before changes in non-cash working capital) to analyze operating performance and leverage. Cash flow as presented does not have any standardized meaning prescribed by Canadian generally accepted accounting principles (GAAP) and may not be comparable with the calculation of similar measures for other entities. Cash flow as presented is not intended to represent operating cash flows or operating profits for the period, nor should it be viewed as an alternative to cash flow from operating activities, net earnings or other measures of financial performance calculated in accordance with Canadian GAAP. All references to cash flow throughout this report are based on cash flow from operating activities before changes in non-cash working capital.

Management uses certain key performance indicators and industry benchmarks such as operating netbacks (netbacks), finding, development and acquisition costs (FD&A), and total capitalization to analyze financial and operating performance. These performance indicators and benchmarks as presented do not have any standardized meaning prescribed by Canadian GAAP and, therefore, may not be comparable with the calculation of similar measures for other entities.

FORWARD-LOOKING STATEMENTS

This discussion and analysis contains forward-looking statements relating to future events or future performance. In some cases, forward-looking statements can be identified by terminology such as may , will , should , expect , pro plans , anticipates and similar expressions. These statements represent management s expectations or beliefs concerning, among other things, future operating results and various components thereof affecting the economic performance of the Trust. Undue reliance should not be placed on these forward-looking statements which are based upon management s assumptions and are subject to known and unknown risks and uncertainties, including the business risks discussed in the Trust s 2004 annual report, which may cause actual performance and financial results in future periods to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements. Accordingly, readers are cautioned that events or circumstances could cause results to differ materially from those predicted. The Trust undertakes no obligation to update or revise any forward looking financial statements, except as required by applicable securities laws.

RESULT SUMMARY

THIRD QUARTER 2005 VERSUS SECOND QUARTER 2005

The Trust generated cash flow of $111.1 million or $1.06 per unit in the third quarter of 2005 compared to $87.8 million or $0.86 per unit in the second quarter of 2005. The Trust maintained monthly cash distributions of $0.48 per unit in the third quarter of 2005. The Trust s payout ratio of 45% in the third quarter of 2005 compared to a payout ratio of 56% in the second quarter of 2005.

The third quarter of 2005 was an active quarter for Petrofund in property acquisitions, plus drilling and development activities. Total expenditures for the quarter were $40.3 million. These activities provide new production in the third quarter and for the fourth quarter of 2005, as discussed further in the Operational Highlights.

Average daily production volumes in the third quarter of 2005 of 37,485 boe were above the second quarter of 2005 volumes of 36,011 boe. This increase resulted from acquisitions and development activities for the nine months ending September 30, 2005 offset by the natural production decline.

Net income of $51.2 million remained the same for the third and second quarters of 2005. Revenues increased 23% which reflects an increase of 17% in prices on a boe basis and a 4% increase in production. The increase in revenue has mainly been offset by a $20.9 million non-cash loss on commodity contracts and an increase of $9.0 million in depletion expense. The Trust recognized an unrealized (non-cash) commodity loss of $11.1 million versus an unrealized (non-cash) commodity gain of $9.7 million in the second quarter of 2005. Both adjustments were a result of the accounting standard governing price risk management activity. In addition, the future income tax in the third quarter of 2005 was a recovery of $1.9 million compared to $10.4 million expense in the second quarter of 2005, due to an increase in commodity contract, losses and other tax related asset balances.

The cash loss on commodity contracts during the third quarter of 2005 was $12.8 million compared to an $8.0 million loss in the second quarter of 2005.

Royalties represented amounts equal to 20% of revenue in the third quarter of 2005, compared to 18% for the three months ended June 30, 2005. The second quarter of 2005 was lower due to positive gas costs allowance adjustments.

Lease operating costs on a unit basis decreased to $10.31/boe in the third quarter of 2005 from $10.89/boe in the second quarter of 2005. In the second quarter of 2005, Petrofund incurred costs of $3.3 million or $1.01/boe from prior years   adjustments which includes a $1.0 million adjustment to processing fees for the years 2002 through 2004 from a partner operated facility. Costs for repairs and maintenance continue to increase as a result of high levels of activity in the upstream sector.

HIGHLIGHTS OF THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2005

The Trust paid out cash distributions of $0.48 per unit in the third quarter of 2005, which equaled the $0.48 per unit in the third quarter of 2004. On September 13, 2005, the Trust announced October 2005 cash distributions of $0.17 per unit. Petrofund has since confirmed $0.17 per unit for November 2005 and based on current commodity prices and market conditions, Petrofund expects to maintain the $0.17 per unit distribution for December 2005 distribution month.

The Trust   s payout ratio for the nine months ended September 30, 2005 was 55% compared to 76% in 2004. The payout ratio in the third quarter of 2005 was 45% compared to 75% in the same quarter of 2004.

Net income increased to $51.2 million in the third quarter of 2005 versus $15.1 million in the third quarter of 2004, reflecting increased average production and higher prices.

The Trust generated cash flow of $111.1 million in the third quarter of 2005, an increase of 71% over the third quarter of 2004.

Average production on a boe basis increased 7% to 37,485 boe/d in the third quarter of 2005 from 34,950 boe/d in the third quarter of 2004. The change in production reflects PC   s development drilling program, the Central Alberta acquisition in November 2004 and the 2005 acquisitions listed later in this section, offset by natural production decline.

Average prices in the third quarter of 2005 were up 34% on a boe basis from the same period the prior year and 24% on a boe basis for the nine months ending September 30, 2005 compared to the same period in 2004.

Petrofund has a strong balance sheet with a net debt to cash flow ratio of 0.5:1.0 based on annualized third quarter 2005 cash flow.

To date in 2005, Petrofund has acquired interests in various oil and gas properties for $73.8 million (excluding non-cash working capital assumed of $4.8 million, future income taxes of $10.4 million and asset retirement obligations of $1.2 million), which includes the purchase of Northern Crown Petroleums Ltd. (Northern Crown), Tahiti Gas Ltd. (Tahiti) and property interests in the Turin and Joarcam areas. These acquisitions added approximately 1,650 boepd of production to the Trust. Petrofund s internal estimate of its working interest of reserves additions is 4.6 million boe on a proved plus probable basis.

The Trust has a balanced production profile which averaged 43% natural gas and 57% oil and liquids for the nine months ended September 30, 2005.

The Trust completed a bought deal financing of 4.15 million Trust units, raising gross proceeds of $75.7 million ($71.4 million net) in the second quarter of 2005. The weighted average number of Trust units outstanding increased from 100.3 million in the third quarter of 2004 to 105.0 million in the third quarter of 2005. As at September 30, 2005 there were 105.0 million Trust units outstanding.

The Trust market capitalization as at September 30, 2005, was approximately $2.4 billion ($1.6 billion as at September 30, 2004).

<u>OPERATIONAL HIGHLIGHTS</u>

Despite persistent wet weather across the western provinces, Petrofund carried out an active drilling program in the third quarter by drilling 61 wells, consisting of 57 working interest wells (25.3 net) and 4 farmout wells. This drilling activity resulted in 38 oil wells, 20 gas wells, 1 abandoned well and 2 service wells, for an overall success rate of 98%.

Following is a brief rundown of the properties having noteworthy activity in the quarter.

Brassey, British Columbia

Four new Cadomin gas wells (0.6 net) were brought on-stream early this quarter, adding average production of 500 mcf/d to Petrofund s production.

Fort Saskatchewan, Alberta

Petrofund added 2 mmcf/d of new production near the end of the quarter through two recompletions and the tie-in of a well drilled in the first quarter.

Turin, Alberta

Originally delayed by wet weather last quarter, Petrofund equipped and tied in a Taber gas well early this quarter that is producing 700 mcf/d for Petrofund s account.

Three Hills Creek, Alberta

Petrofund equipped and tied in a 100% working interest Edmonton Sand gas well that produced 750 mcf/d for most of the quarter. Petrofund also continued its participation in coalbed methane development by drilling an additional 6 wells (2.1 net). Several well recompletions during the quarter resulted in 500 mcf/d of added production.

Minehead, Alberta

Three successful Cardium gas wells (1.2 net) were drilled and completed on Petrofund lands during the quarter. These wells are scheduled to come on-stream in the fourth quarter.

Kerrobert, Saskatchewan

Petrofund, as operator, drilled sixteen 100% working interest Viking oil wells early this quarter but completions were delayed by wet weather. All wells are expected to be completed and on-stream early in the fourth quarter.

Dodsland, Saskatchewan

Three 100% working interest Viking gas wells commenced production mid-quarter at a combined rate of 1 mmcf/d.

Silverton, Saskatchewan

Petrofund, as operator, began producing a horizontal Frobisher oil well drilled in the second quarter. This well has averaged 15 boe/d net to Petrofund.

Weyburn, Saskatchewan

A total of 15 wells (3 net) were drilled in the Weyburn Unit during the quarter, mainly within the carbon dioxide flood area. These new wells added 250 boe/d to Petrofund s production base.

Midale, Saskatchewan

Six Frobisher wells (0.4 net) were drilled in the Midale Unit this quarter, although wet weather has delayed them from coming on-stream until early in the fourth quarter of 2005. Also, a full-scale commercial carbon dioxide injection project commenced within the Midale Unit late this quarter. Carbon dioxide injection is expected to extend the economic life of this unit by 20-25 years and recover an additional 45 million barrels of oil gross, 3 million barrels net to Petrofund, based on an internal estimate.

CASH DISTRIBUTIONS

	3 months ended September 30,		9 months ended September 30,	
	2005	2004	2005	2004
	$		$	
Distributions paid per unit	0.48	$ 0.48	1.44	$ 1.44

Trust unitholders who held their units throughout the third quarter of 2005 received cash distributions of $0.48 per unit as compared to $0.48 per unit in 2004. For 2005, the Trust distributed $0.17 per unit in October, has announced $0.17 per unit for November, and has indicated $0.17 per unit for December.

Petrofund focuses on the ability to maintain distribution levels. As part of this strategy, the Trust has lowered its payout ratio; over the past two years in response to increasing oil and gas prices which currently exceed historical highs. At the same time, the Trust has allocated a higher percentage of cash flow for capital reinvestment. Petrofund monitors the distribution payout with respect to forecasted funds flow, debt levels and pending plans. The level of cash retained has historically varied between 10% and 30% of annual funds flow; however, Petrofund adjusts the payout levels in an effort to balance the investors desire for distributions with the Trust s requirement to maintain a prudent capital structure. To reflect the treatment of capital expenditures funded from cash flow, Management has modified the calculation of distributions payable to Unitholders by applying the portion of capital expenditures funded from cash flow rather than an estimated amount as a reduction of Distributions Payable up to the amount available for such purposes. Any remaining cash flow continues to be shown as Distributions Payable to Unitholders at the end of the period.

The Trust generated cash flow available for distribution before funding of capital expenditures in the third quarter of 2005 of $110.3 million (2004 - $63.8 million). The Trust paid out $50.1 million (2004 - $47.7 million) in distributions representing a payout ratio of 45% (2004 75%).

During the nine months ended September 30, 2005 the Trust generated cash flow available for distribution before funding capital expenditures of $268.9 million (2004 - $160.4 million). The Trust paid out $146.8 million (2004 - $121.8 million) in distributions representing a payout ratio of 55% (2004 76%).

For the 12 months ended September 30, 2005, the Trust generated cash flow available for distribution of $340.0 million, and allocated $154.5 million of such amounts for investment in development drilling and other projects.

Distributions of $194.6 million were paid out in such period, representing a payout ratio of 57%. For a detailed analysis of cash flow available for distribution and distributions paid refer to Note 8 to the Interim Consolidated Financial Statements.

CASH DISTRIBUTION PAID HISTORY (1)

Calendar Year	Distributions (2)	Taxable Portion	Return of Capital
1989 to 1996	$ 20.8950	$ -	$ 20.8950
1997	2.3700	-	2.3700
1998	1.4400	-	1.4400
1999	1.8300	-	1.8300
2000	3.9900	2.4633	1.5267
2001	4.2400	2.6771	1.5629
2002	1.7100	0.9365	0.7735
2003	2.0900	1.0706	1.0194
2004	1.9200	1.4849	