

Petrowest Energy Services Trust
Consolidated Balance Sheets (unaudited)

	\$000's	
Assets	As at	As at
	September 30, 2007	December 31, 2006
Current assets		
Cash and cash equivalents	-	9,312
Accounts receivable	59,092	38,498
Prepaid expenses and other	1,990	1,517
Inventory	<u>4,507</u>	<u>3,454</u>
	65,589	52,781
Property and equipment (note 5)	124,761	91,298
Intangible assets (note 6)	63,228	53,438
Goodwill (note 7)	120,007	98,068
Future income taxes (note 11)	<u>749</u>	<u>-</u>
	<u>374,334</u>	<u>295,585</u>
Liabilities		
Current liabilities		
Bank overdraft	6,705	-
Accounts payable and accrued liabilities	21,748	20,296
Corporate taxes payable	913	-
Distributions payable	2,799	3,245
Purchase consideration payable (note 4(a) and 4(c))	575	6,422
Current portion of obligations under capital leases	<u>379</u>	<u>87</u>
	33,119	30,050
Obligations under capital leases	791	169
Revolving bank term loan (note 8)	90,000	15,000
Future income taxes (note 11)	<u>12,251</u>	<u>-</u>
	<u>136,161</u>	<u>45,219</u>
Unitholders' Equity		
Units (note 9)	292,107	257,279
Warrants (note 9)	270	-
Contributed surplus	-	358
Accumulated (loss) earnings	(20,046)	3,379
Accumulated distributions to unitholders	<u>(34,158)</u>	<u>(10,650)</u>
	<u>238,173</u>	<u>250,366</u>
	<u>374,334</u>	<u>295,585</u>
Commitments and contingency (notes 4(c) and 13)		

See accompanying notes to the interim unaudited consolidated financial statements

Approved on behalf of the board:

Ken Drysdale

Mark Schweitzer

Petrowest Energy Services Trust
Consolidated Statement of Loss, Comprehensive Loss and Accumulated
Earnings (Loss) (Unaudited)

For the three and nine months ended September 30, 2007 with comparative figures for the period July 6, 2006 to September 30, 2006 (Note 1)

	Three Months Ended September 30, 2007	\$000's Nine Months Ended September 30, 2007	Period Ended September 30, 2006⁽¹⁾
Revenue	<u>50,856</u>	<u>110,853</u>	<u>10,907</u>
Expenses			
Operating expenses	37,571	87,386	7,755
General and administrative	379	3,708	507
Interest	1,581	3,226	132
Amortization of property and equipment	8,626	20,378	1,142
Amortization of intangible assets	<u>3,043</u>	<u>7,740</u>	<u>672</u>
	<u>51,200</u>	<u>122,438</u>	<u>10,208</u>
	<u>(344)</u>	<u>(11,585)</u>	<u>699</u>
Other income			
Gain (loss) on disposal of property and equipment	(299)	(534)	58
Interest income	<u>47</u>	<u>196</u>	<u>5</u>
Net earnings (loss) and comprehensive earnings (loss) for the period before taxes	(596)	(11,923)	762
Future income tax recovery (expense) (note 11)	<u>467</u>	<u>(11,502)</u>	<u>-</u>
Net earnings (loss) and comprehensive earnings (loss) for the period	(129)	(23,425)	762
Accumulated earnings (loss) - beginning of period	<u>(19,917)</u>	<u>3,379</u>	<u>-</u>
Accumulated earnings (loss) - end of period	<u>(20,046)</u>	<u>(20,046)</u>	<u>762</u>
Net earnings (loss) per unit - basic and diluted (note 9)	<u>(\$0.00)</u>	<u>(\$0.77)</u>	<u>\$0.03</u>

See accompanying notes to the interim unaudited consolidated financial statements

⁽¹⁾ Commercial operations of the Trust commenced September 7, 2006

Petrowest Energy Services Trust
Consolidated Statement of Cash Flows (unaudited)

For the three and nine months ended September 30, 2007 with comparative figures for the period July 6, 2006 to September 30, 2006 (note 1)

	\$000's		
	Three Months Ended September 30, 2007	Nine Months Ended September 30, 2007	Period Ended September 30, 2006⁽¹⁾
Cash provided by (used in)			
Operating activities			
Net earnings (loss) for the period	(129)	(23,425)	762
Items not affecting cash			
Amortization of property and equipment	8,626	20,378	1,142
Amortization of intangible assets	3,043	7,740	672
Unit-based compensation (recovery) (note 10)	(898)	(358)	106
Units issued for services	-	72	-
Future income taxes	(467)	11,502	-
Loss (gain) on disposal of property and equipment	299	534	(58)
	<u>10,474</u>	<u>16,443</u>	<u>2,624</u>
Changes in non-cash working capital			
Accounts receivable	(10,867)	(8,336)	1,321
Prepaid expenses	2,326	1,971	(1,073)
Inventory	(778)	(579)	424
Accounts payable and accrued liabilities	749	(7,587)	(388)
Income taxes payable	(21)	(140)	(6)
	<u>(8,591)</u>	<u>(14,671)</u>	<u>278</u>
	<u>1,883</u>	<u>1,772</u>	<u>2,902</u>
Financing activities			
Unitholder distributions	(5,132)	(21,514)	-
Issue of trust units – net of costs	-	-	129,597
Repayment of capital lease obligations	(111)	(364)	-
Proceeds from revolving term bank loan	-	75,000	-
	<u>(5,243)</u>	<u>53,122</u>	<u>129,597</u>
Investing activities			
Acquisition of acquired companies net of working capital adjustments and costs (note 4(b))	(404)	(52,027)	(121,298)
Business alliance (note 4(c))	(1,425)	(1,499)	-
Purchase of property and equipment	(3,019)	(13,096)	(917)
Proceeds on property and equipment disposals	259	2,133	2,610
Purchase price adjustment	-	(6,422)	-
	<u>(4,589)</u>	<u>(70,911)</u>	<u>(119,605)</u>
Increase (decrease) in cash and cash equivalents	(7,949)	(16,017)	12,894
Cash and cash equivalents, beginning of period	<u>1,244</u>	<u>9,312</u>	<u>-</u>
Cash and cash equivalents (bank overdraft), end of period	<u>(6,705)</u>	<u>(6,705)</u>	<u>12,894</u>
Supplementary information			
Interest paid	1,581	3,226	132
Income taxes paid	-	-	-
Non cash transactions			
Property and equipment financed by capital leases	123	1,278	-
Units issued on acquisition (note 4(b))	-	32,316	127,651
Warrants issued (note 9)	-	270	-

See accompanying notes to the interim unaudited consolidated financial statements.

⁽¹⁾ Commercial operations of the Trust commenced September 7, 2006

Petrowest Energy Services Trust

Notes to Interim Unaudited Consolidated Financial Statements

1 Nature of the Organization

Petrowest Energy Services Trust (“Petrowest” or the “Trust”) is an open-ended unincorporated mutual fund trust established under and governed by the laws of the Province of Alberta pursuant to the Deed of Trust dated July 6, 2006. While the comparable quarterly information included in these financial statements reflect the period from July 6, 2006 to September 30, 2006, Petrowest did not commence commercial operations until September 7, 2006. The Trust began publicly trading on the Toronto Stock Exchange on that same date under the trading symbol PRW.UN.

2 Accounting Policies

These consolidated interim financial statements are stated in Canadian dollars and have been prepared by management in accordance with Canadian Generally Accepted Accounting Principles (“GAAP”). They follow the same accounting policies as the Trust’s audited consolidated financial statements for the year ended December 31, 2006, except as discussed below, and should be read in conjunction with these statements.

Financial instruments

On January 1, 2007, the Trust adopted the new CICA Handbook sections *3855 - Financial Instruments – Recognition and Measurement*, *1530 – Comprehensive Income*, and *3865 – Hedges*. The financial instruments standard establishes the recognition and measurement criteria of financial assets, financial liabilities and derivatives. All financial instruments are required to be measured at fair value on initial recognition of the instrument, except for certain related party transactions. Measurement in subsequent periods depends on whether the financial instrument has been classified as held-for-trading, available-for-sale, held-to-maturity, loans and receivables, or other financial liabilities as defined by the standard.

Financial assets and financial liabilities held-for-trading are measured at fair value with changes in those fair values recognized in net earnings (loss). Financial assets available-for-sale are measured at fair value, with changes in those fair values recognized in other comprehensive earnings (loss). Financial assets held-to-maturity, loans and receivables and other financial liabilities are measured at amortized cost using the effective interest method of amortization. The methods used by the Trust in determining the fair value of financial instruments are unchanged as a result of implementing the new standard.

The Trust has no financial instruments or activities that give rise to other comprehensive earnings (loss). The Trust’s cash and cash equivalents are designated as held-for-trading and are measured at carrying value, which approximates fair value due to the short-term nature of these instruments. Accounts receivable are designated as loans and receivables and recorded at amortized cost. Accounts payable and accrued liabilities, distribution payable, obligations under capital leases and the revolving bank term loan are designated as other liabilities and are recorded at cost.

Petrowest Energy Services Trust

Notes to Interim Unaudited Consolidated Financial Statements

Income taxes

On June 12, 2007, the legislation implementing the new tax on publicly traded income trusts and limited partnerships (the "SIFT tax"), referred to as "specified investment flow-through" ("SIFT") entities (Bill C-52) received third reading in the House of Commons and on June 22, 2007, the Bill received Royal Assent. As a result, the tax was considered to be enacted for accounting purposes in June 2007.

Under the SIFT tax, distributions will not be deductible for income tax purposes by SIFTs in 2011 and thereafter and any trust level taxable income will be taxed at rates approximating the corporate income tax rate currently estimated to be 31.5 percent.

For accounting purposes, as the SIFT tax was enacted in the second quarter of 2007, Petrowest recorded a non-cash charge to future income taxes to reflect the temporary differences between the book and tax basis of assets and liabilities expected to be remaining in the Trust in 2011.

3 Seasonality

Petrowest's operations are conducted in northern Alberta and northeast British Columbia and are susceptible to the impacts of the seasons. Quarter one is in the winter months and is subject to frozen conditions, periods of extreme cold and snow. This is typically one of the busiest quarters for Petrowest, as oil and gas exploration and development and drilling activity focuses on areas located in muskeg and swamp type conditions not normally accessible in a non-frozen state. Quarter two is generally the slowest quarter for Petrowest's operations. Spring time melt conditions result in soft, wet ground generally requiring the implementation of road bans which prevent heavy load transportation on roadways. Quarter three encompasses the summer months, and Petrowest's activity levels typically generate revenues that fall in the middle between quarters one and two with work relating to oil and gas projects in areas that do not entail access through muskeg. Quarter four starts out similar to the summer activity and ramps up as the ground freezes and access is permitted.

4 Acquisitions

(a) Acquisitions September 7, 2006

Pursuant to a prospectus dated August 28, 2006, Petrowest issued Units of the Trust and used the proceeds, through its subsidiaries, to acquire 100% of the outstanding shares of Safetymaster Rentals Corporation, R Bee Crushing Ltd., Wales Contractors Ltd., Roy Larson Construction Ltd., Gordon Bros. Construction Ltd., 404434 Alberta Corporation, Murtron Hauling Ltd., Neuwest Equipment Rentals Inc., Northern Tractor Sales and Rentals Co. Ltd. and their affiliates ("Acquired Companies"). The acquisition of the Acquired Companies was completed September 7, 2006.

Petrowest Energy Services Trust

Notes to Interim Unaudited Consolidated Financial Statements

The Acquired Companies have been accounted for using the purchase method with the assets acquired and liabilities assumed recorded at their estimates of fair value. An allocation of the consideration is as follows:

Net assets acquired	\$000's
Cash acquired on acquisition	6,115
Accounts receivable	37,648
Prepaid expenses	680
Inventories	4,158
Accounts payable and accrued liabilities	(27,257)
Income taxes payable	(215)
Property and equipment	82,699
Intangibles	56,223
Goodwill	<u>97,949</u>
Total	<u>258,000</u>
Consideration paid	
Net cash to vendors	103,284
Cash repayment of working capital adjustments	(2,055)
Purchase price adjustment	6,422
Retirement of long-term debt and capital lease obligations	<u>22,698</u>
	130,349
Trust Units (12,765,094 units issued)	<u>127,651</u>
Total	<u>258,000</u>

There is a dispute with Northern Tractor associated with the valuation of certain working capital items and the valuation of redundant assets retained by the vendor. The total disputed amount is approximately \$800,000. This amount has been classified as a contingent gain and because collectability is uncertain, has not been recognized for purposes of the calculation of the purchase price adjustment. Arbitration of these amounts is expected to occur over the next number of months and adjustments may be required to the purchase price to reflect this contingent gain, if any.

(b) Acquisitions May 18, 2007

On May 18, 2007, Petrowest acquired all of the outstanding shares and shareholder loans of Cutbank Trucking Ltd. and Cutbank Transport Ltd. (collectively, "Cutbank"), Jim Moffatt Construction Ltd. and 921639 Alberta Ltd., (collectively, "Jim Moffatt Construction"), Quigley Contracting Ltd., 529805 B.C. Ltd. and LMQ Enterprises Ltd., (collectively, "Quigley Contracting Ltd."), Rick's Mechanical Services Ltd. and Tri-Dave Gravel Sales Ltd. (collectively, the "Newly Acquired Companies").

Petrowest Energy Services Trust

Notes to Interim Unaudited Consolidated Financial Statements

The Newly Acquired Companies have been accounted for using the purchase method with the assets acquired and liabilities assumed recorded at their estimates of fair value. An allocation of the consideration is as follows:

Net assets acquired	\$000's
Cash acquired on acquisition	8,993
Accounts receivable	12,258
Prepaid expenses and other	2,444
Inventories	474
Accounts payable and accrued liabilities	(9,039)
Income taxes payable	(1,053)
Property and equipment	42,134
Intangibles	15,186
Goodwill	<u>21,939</u>
Total	<u>93,336</u>
Consideration paid	
Net cash to vendors	50,869
Acquisition costs	760
Retirement of long-term debt and capital lease obligations	<u>9,391</u>
	61,020
Trust Units (4,351,622 units issued) ⁽¹⁾	<u>32,316</u>
Total	<u>93,336</u>

⁽¹⁾ For the purposes of calculation of the aggregate consideration, the trust units have been attributed a value of \$7.4261 each, being the five day volume weighted average price before the closing date.

(c) Business Alliance June 18, 2007

On June 18, 2007 Petrowest signed agreements documenting a memorandum of understanding effective May 1, 2007 with the Woodland Cree First Nations ("WCFN"). Petrowest will provide a combination of services on a revenue sharing basis within the WCFN on their traditional lands for a period of 5 years. In conjunction with the agreements, Petrowest purchased the road construction equipment assets of the WCFN. The total cash consideration paid or payable to the WCFN for the assets and the contractual rights was \$4,000,000. Petrowest paid \$2,000,000 in cash on closing, retired \$1,424,623 of equipment debt subsequent to the quarter end and the remaining \$575,377 will be paid on certain post closing conditions being met.

The Trust also issued to the WCFN, 300,000 warrants to acquire Petrowest units at a strike price of \$7.47 per unit. The warrants expire May 1, 2008. The warrant consideration was valued at \$270,000 using a Black-Scholes pricing model (note 9).

Petrowest Energy Services Trust

Notes to Interim Unaudited Consolidated Financial Statements

Petrowest has accounted for the transaction as follows:

\$000's

Net assets acquired:	
Value of business alliance	2,344
Less non-cash consideration paid	
Value of warrant consideration	(270)
Remaining purchase consideration payable	<u>(575)</u>
	1,499
Fair value of equipment	<u>1,926</u>
	<u>3,425</u>
Cash consideration paid:	
Initial cash consideration	2,000
Settlement of equipment debt	<u>1,425</u>
	<u>3,425</u>

In addition, the Trust has agreed to provide services in kind valued at market rates to assist in the potential construction and development of a community centre subject to certain conditions being fulfilled and capped to a maximum of \$1,000,000.

5 Property and Equipment

\$000's

			September 30, 2007	December 31, 2006
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Buildings, portable buildings and fencing	7,055	787	6,268	3,284
Heavy equipment	122,662	20,158	102,504	75,087
Equipment under capital lease	1,534	227	1,307	247
Vehicles	4,142	1,047	3,095	2,281
Trailers	9,032	1,181	7,851	7,427
Equipment	3,536	1,297	2,239	1,941
Office furniture and equipment	512	142	370	148
Communications, computer hardware and software	915	432	483	420
Leasehold improvements	47	4	43	46
Subtotal	<u>149,435</u>	<u>25,275</u>	<u>124,160</u>	<u>90,881</u>
Assets under construction	601	-	601	417
	<u>150,036</u>	<u>25,275</u>	<u>124,761</u>	<u>91,298</u>

Petrowest Energy Services Trust
Notes to Interim Unaudited Consolidated Financial Statements

6 Intangible Assets

	\$000's			
	Cost	Accumulated Amortization	September 30, 2007 Net Book Value	December 31, 2006 Net Book Value
Non competition agreements	36,370	6,404	29,966	25,098
Business alliance (note 4)	2,344	117	2,227	-
Brand and trade names	7,965	1,336	6,629	5,048
Customer relationships	<u>27,074</u>	<u>2,668</u>	<u>24,406</u>	<u>23,292</u>
Total	<u>73,753</u>	<u>10,525</u>	<u>63,228</u>	<u>53,438</u>

Non competition agreements, business alliance and brand and trade names are amortized over 5 years on a straight line basis. Customer relationships are amortized over 10 years on a straight line basis.

7 Goodwill

Goodwill has arisen from the two sets of acquisitions described in note 4 plus costs of the acquisitions as follows:

	\$000's	
	September 30, 2007	December 31, 2006
September 7, 2006 acquisitions	97,949	97,949
Additional settlement costs	119	119
May 18, 2007 acquisitions	<u>21,939</u>	<u>-</u>
Total	<u>120,007</u>	<u>98,068</u>

8 Revolving Bank Term Loan

On September 28, 2007, the Trust renewed and extended its \$120 million credit facility available for growth capital, acquisition and working capital needs. Loan security is provided by a first charge debenture, a general security agreement and a general assignment of book debts. The credit facility has a one year revolving term ending in November of 2008 which may be extended for additional 364 days at the discretion of the lender on application by the Trust.

In the event the loan is not extended, principal is then repayable in twelve equal quarterly installments over 36 months starting ninety days after the end of the revolving term. Interest is payable monthly at floating rates between prime and prime + 1.0% depending on the Trust's debt to trailing twelve month EBITDA ratio.

For purposes of the credit facility, the term "EBITDA" is defined as: earnings before income taxes, interest expenses, amortization of property and equipment and amortization of intangible assets and excluding non-cash income and expenses and extraordinary items.

Petrowest Energy Services Trust

Notes to Interim Unaudited Consolidated Financial Statements

Current EBITDA levels require payment of interest at prime plus 1.0%.

Principal payments due over the next five years as at September 30, 2007 are as follows:

	\$000's
2007	-
2008	-
2009	30,000
2010	30,000
2011	30,000

9 Unitholders' Capital

Authorized

The Trust is authorized to issue an unlimited number of Trust Units. Holders of Trust Units will be entitled to receive monthly distributions to the extent declared by the Trust's Board of Trustees in priority to any payments on the Subordinated Units.

Issued

	Trust Units Outstanding	Subordinated Units Outstanding	Total Outstanding	Value \$000's
Trust Units issued for cash net of issue costs, September 7, 2006	14,000,000		14,000,000	128,118
Issued on the acquisition of the Acquired Companies (note 4 (a))	<u>12,765,094</u>		<u>12,765,094</u>	<u>127,651</u>
Total Units	26,765,094		26,765,094	255,769
Subordinated Units				
Issued for cash	-	1,510,000	1,510,000	1,510
Issued for promissory notes	-	-	-	3,020
Less: Amount issued for promissory notes	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,020)</u>
Balance at December 31, 2006	26,765,094	1,510,000	28,275,094	257,279
Issued for services	10,000	-	10,000	72
Issued to distribution reinvestment plan "DRIP"	430,270	-	430,270	2,440
Issued on the acquisition of the Newly Acquired Companies (note 4 (b))	<u>4,351,622</u>	<u>-</u>	<u>4,351,622</u>	<u>32,316</u>
Total units outstanding as at September 30, 2007	<u>31,556,986</u>	<u>1,510,000</u>	<u>33,066,986</u>	<u>292,107</u>
Weighted average units outstanding three months ended September 30, 2007 basic and diluted	<u>31,392,498</u>	<u>1,510,000</u>	<u>32,902,498</u>	
Weighted average units outstanding nine months ended September 30, 2007 basic and diluted	<u>29,018,083</u>	<u>1,510,000</u>	<u>30,528,083</u>	

Petrowest Energy Services Trust

Notes to Interim Unaudited Consolidated Financial Statements

Prior to the initial public offering, the Trust issued to various insiders an aggregate of 1,510,000 Subordinated Units at a price of \$3.00 per Subordinated Unit, \$4,530,000 in the aggregate, to be satisfied by payment of \$1.00 in cash and \$2.00 by way of a three-year promissory note that may be forgiven at the option of the Trust over three years if the subscriber remains as a director, officer or employee of Petrowest. No amounts have been forgiven to date. Holders of Subordinated Units have the right to convert into Priority Units on a one-for-one basis at any time after the end of the first fiscal year ending on or after December 31, 2008 if the Trust has earned EBITDA of at least \$47 million and paid distributions of at least \$1.20 per Trust Unit for such fiscal year.

On June 27, 2007 the Trust issued 300,000 warrants at a strike price of \$7.47 per unit expiring May 1, 2008 as partial consideration for entering into the business alliance (note 4 (c)). The Trust valued the warrants at \$270,000 using the following assumptions in the Black-Scholes model: average risk-free interest rate of 4.73%; average expected life of 0.91 years and expected volatility of 30%.

On April 27, 2007, Petrowest approved the implementation of a DRIP program which provides the opportunity for unitholders to reinvest the cash distributions towards the purchase of additional units from treasury at a price equal to 95% of the average market price based on weighted average trading prices for the ten days prior to distribution payment date.

Units issued in connection with the acquisitions completed on September 7, 2006 and May 18, 2007 are held in escrow. Escrowed shares are released as to 25% on the first anniversary of the acquisition and the remaining 75% upon the second anniversary of the acquisition. See note 4.

10 Unit Based Compensation

Petrowest implemented a unit option plan whereby options to acquire Trust Units may be granted to directors, officers, employees and consultants under which 2,605,000 options were granted on September 7, 2006 at a \$10.00 per unit strike price.

On July 27, 2007, the Trust cancelled its existing option plan and the holders of the options forfeited the options during the vesting period. Consequently, the previously expensed non cash compensation and contributed surplus in the amount of \$898,000 were reversed in the current period. The reversal has been included in general and administrative expenses.

Petrowest Energy Services Trust

Notes to Interim Unaudited Consolidated Financial Statements

11 Income taxes

On June 12, 2007, the legislation implementing the new tax on publicly traded income trusts and limited partnerships (the "SIFT tax"), referred to as (Bill C-52), received third reading in the House of Commons and on June 22, 2007 the Bill received Royal Assent. As a result, the tax was considered to be enacted for accounting purposes in June 2007. SIFTs are certain publicly traded income and royalty trusts and limited partnerships including Petrowest.

For SIFTs in existence on October 31, 2006, the SIFT tax will be effective in 2011 unless certain rules related to "undue expansion" are not adhered to. Under the guidance provided, Petrowest can increase its total equity subject to annual limits, to approximately \$497.8 million by 2011 without prematurely triggering the SIFT tax.

Under the SIFT tax, distributions will not be deductible for income tax purposes by SIFTs in 2011 and thereafter and any trust level taxable income will be taxed at a rate approximating the corporate income tax rate currently estimated to be 31.5 percent. The resultant distributions will be considered taxable dividends to unitholders, generally eligible for the dividend tax credit. Distributions representing a return of capital for income tax purposes will continue to be an adjustment to a unitholder's adjusted cost base of trust units.

Petrowest recorded non-cash future income tax provisions that resulted in a net charge of \$11,502 to future income taxes to reflect the temporary differences between the book and tax basis of assets and liabilities expected to be remaining in the Trust in 2011. The majority of the temporary differences at the Trust level relate to the timing differences associated with property plant and equipment and intangibles acquired by the Trust on September 7, 2006 and May 18, 2007.

The components of future income tax balances are as follows:	\$000's
	September 30,
	2007
Assets	
Unit issue costs	749
Liabilities	
Capital and intangible assets	<u>(12,251)</u>
Net non cash future income tax liability	<u>(11,502)</u>

Petrowest Energy Services Trust

Notes to Interim Unaudited Consolidated Financial Statements

12 Related Party Transactions

Petrowest paid rent for the three and nine months ended September 30, 2007 and the period ended September 30, 2006 respectively for office and shop space under leases entered into with certain former vendors in the amount of \$574,999 and \$1,491,323 (2006- \$37,100). Future lease commitments associated with the transactions are included in note 13. Transactions were recorded at the exchange amount which is estimated to equal fair market value.

13 Commitments

The Trust has entered into operating leases for office and shop premises and equipment that provide for minimum annual lease payments in the twelve month periods ending as follows:

	\$000's
September 30, 2008	12,954
September 30, 2009	9,834
September 30, 2010	6,273
September 30, 2011	3,779
September 30, 2012	1,222
September 30, 2013	612

14 Segmented Information

The Trust determines its reportable segments based on the structure of its operations, which are primarily focused on four principal business segments – Construction, Transportation, Civil and Rentals. The following is selected financial information for each business segment.

Petrowest Energy Services Trust
Notes to Interim Unaudited Consolidated Financial Statements

	For the three months ended September 30, 2007 (unaudited)					
	\$000's					
	Construction	Transportation	Civil	Rentals	Corporate	Total
Total revenue	22,581	12,503	16,961	3,032	-	55,077
Less inter-segment revenue	1,179	1,489	645	908	-	4,221
Revenue	21,402	11,014	16,316	2,124	-	50,856
Operating and general and administrative	14,820	9,344	11,901	1,506	379	37,950
Interest expense	11	2	1	1	1,566	1,581
Interest income	20	3	4	-	20	47
(Gain) loss on disposal of equipment	38	32	192	37	-	299
Amortization	5,671	2,439	1,998	1,400	161	11,669
Future income taxes (recovery)	-	-	-	-	(467)	(467)
Net earnings (loss)	882	(800)	2,228	(820)	(1,619)	(129)

Petrowest Energy Services Trust
Notes to Interim Unaudited Consolidated Financial Statements

For the nine months ended September 30, 2007		(unaudited)				
	Construction	Transportation	\$000's Civil	Rentals	Corporate	Total
Total revenue	41,016	30,872	38,654	8,487	-	119,029
Less inter-segment revenue	2,438	2,983	682	2,073	-	8,176
Revenue	38,578	27,889	37,972	6,414	-	110,853
Operating and general and administrative	29,605	25,873	28,184	3,724	3,708	91,094
Interest expense	168	6	47	4	3,001	3,226
Interest income	47	21	6	6	116	196
(Gain) loss on disposal of equipment	122	33	345	38	(4)	534
Amortization	11,689	6,369	5,169	4,412	479	28,118
Future income Taxes	-	-	-	-	11,502	11,502
Net earnings (loss)	(2,959)	(4,371)	4,233	(1,758)	(18,570)	(23,425)

For the period ended September 30, 2006		(unaudited)				
	Construction	Transportation	\$000's Civil	Rentals	Corporate	Total
Total revenue	2,543	3,793	3,697	964	-	10,997
Less inter-segment revenue	23	67	-	-	-	90
Revenue	2,520	3,726	3,697	964	-	10,907
Operating and general and administrative	1,857	3,052	2,242	604	507	8,262

Petrowest Energy Services Trust
Notes to Interim Unaudited Consolidated Financial Statements

	Construction	Transportation	Civil	Rentals	Corporate	Total
Interest expense	10	13	108	1	-	132
Interest income	3	-	-	2	-	5
(Gain) loss on disposal of equipment	-	-	(83)	25	-	(58)
Amortization	607	367	475	238	127	1,814
Future income Taxes	-	-	-	-	-	-
Net earnings (loss)	49	294	955	98	(634)	762

Selected balance sheet items as at September 30, 2007

	Construction	Transportation	Civil	Rentals	Corporate	Total
Current assets	25,127	8,591	29,219	2,176	476	65,589
Property and equipment	56,551	24,786	26,144	15,549	1,731	124,761
Intangibles	27,386	19,197	9,194	7,451	-	63,228
Goodwill	48,153	31,596	26,259	13,583	416	120,007
Future income tax	-	-	-	-	749	749
Total assets	157,217	84,170	90,816	38,759	3,372	374,334

All transactions between segments were initially recorded at approximate market rates. Transactions between segments have been eliminated on consolidation.