

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following interim Management's Discussion and Analysis ("MD&A") is dated May 14, 2008. The MD&A should be read in conjunction with Petrowest Energy Services Trust's ("Petrowest" or the "Trust") audited consolidated financial statements and the accompanying MD&A for the year ended December 31, 2007 and the unaudited interim consolidated financial statements for the three months ended March 31, 2008 and the notes contained therein.

COMPARATIVE AND CURRENT PERIOD

The current period for the three months ended March 31, 2008 includes full quarter results for the five companies acquired on May 18, 2007 ("2007 Acquired Companies"). The operations and financial results of these acquisitions are included in the March 31, 2008 unaudited interim consolidated financial statements. The comparable period for the three months ended March 31, 2007 does not contain the financial results of these five acquisitions.

NON-GAAP MEASURES

The unaudited interim consolidated financial statements and the notes contained therein were prepared in accordance with generally accepted accounting principles ("GAAP"). This MD&A uses various non-GAAP financial measures, which are not recognized under GAAP, as supplemental indicators of the Trust's operating performance and financial performance. These non-GAAP financial measures are provided to enhance the user's understanding of Petrowest's financial performance. Management believes that these measures provide useful information and that they exclude amounts that are not indicative of the Trust's core operating results and ongoing operations, and therefore provide a more consistent basis for comparison between periods. These measures do not have a standardized meaning and may not be comparable to similar non-GAAP measures provided by other issuers.

Readers are cautioned that these non-GAAP measures should not be considered alternatives to net earnings, cash flow from operating activities or other financial measures of performance calculated in accordance with GAAP. The following defines the non-GAAP measures that are used and management's view of why they are viewed as providing incremental informational value to readers.

Gross Margin – This measure is calculated as revenue less operating expenses and is considered a prime indicator of operating performance prior to general and administrative expenses, and before costs of financing, taxes and the consummation of assets by amortization.

Gross Margin Percentage – This measure is considered a prime indicator of operating performance and is calculated as gross margin divided by revenue.

EBITDA – Calculated as earnings before interest expense, income taxes, amortization and gains or losses on disposal of capital assets (including intangible assets). This measure is considered to be an indicator of the Trust's ability to generate cash flows to fund working capital, service debt, pay current taxes, fund capital expenditures and pay distributions.

EBITDA Margin Percentage – Calculated as EBITDA divided by revenue.

Standardized Distributable Cash – This measure is intended to provide a standard measure of cash available for distribution to unitholders and is calculated as cash flow from operating activities less total capital expenditures and any restrictions on distributions arising from compliance with financial covenants. See "*Standardized Distributable Cash and Adjusted Distribution Base*" for further discussion.

Standardized Distributable Cash Payout Ratio – Calculated as distributions divided by Standardized Distributable Cash. See "*Standardized Distributable Cash and Adjusted Distribution Base*" for further discussion.

Adjusted Distribution Base – This measure is considered a prime indicator of the cash generated from operations available to fund working capital, fund principal debt payments, pay current taxes, fund capital expenditures and pay distributions. It is calculated as Standardized Distributable Cash adjusted for entity-specific items such as the seasonal impacts of working capital items. See "*Standardized Distributable Cash and Adjusted Distribution Base*" for further discussion.

Adjusted Distribution Base Payout Ratio – Calculated as Distributions divided by Adjusted Distribution Base. See “*Standardized Distributable Cash and Adjusted Distribution Base*” for further discussion.

Readers are cautioned that "Gross Margin", "Standardized Distributable Cash", "Adjusted Distribution Base and "EBITDA" should not be considered as alternatives to net earnings, cash flow from operating activities or other measures of financial performance calculated in accordance with GAAP.

BUSINESS OVERVIEW

GENERAL

Petrowest is an unincorporated, open-ended, limited purpose mutual fund trust established under the laws of Alberta and was formed for the purpose of accumulating businesses involved in pre-drilling and post-completion energy services as well as civil infrastructure projects, gravel crushing and hauling for non-energy sector customers. The Trust is based in the Grande Prairie area of northern Alberta. In the first three months of 2008 approximately 52% (2007 – 66%) of the Trust's services were related to the energy sector with the remainder of services related to other sectors. The operations of the Trust are segregated into four limited partnerships as described below:

Petrowest Construction LP

Petrowest Construction LP operates under the trade names of "Gordon Bros. Construction", "Roy Larson Construction", "Wales Contractors", "Jim Moffatt Construction", "Quigley Contracting", and "Rick's Mechanical" and specializes in the construction of oil and gas lease well site pads, road construction, remediation of oil and gas well sites and civil infrastructure work for non oil and gas related clients. Petrowest Construction LP operates a fleet of heavy equipment including dozers, tracked hoe excavators, articulated rock haulers, compactors, graders, and scrapers as well as other ancillary support equipment.

Petrowest Transportation LP

Petrowest Transportation LP operates under the trade names of "D&D Well Services", "Murtron Hauling" and "Cutbank Trucking" and specializes in the transportation of oil and gas drilling rigs, well site equipment and heavy equipment as well as specialty hauling services including log loading and hauling and gravel loading and hauling. The Transportation LP operates a fleet of heavy transport trucks, trailers, jeeps, boosters, log and gravel loading equipment as well as other ancillary support equipment.

Petrowest Civil Services LP

Petrowest Civil Services LP operates under the trade names of "R Bee Crushing", "Tri-Dave Gravel Sales" and "S.O.S. Oilfield Safety". The Civil Services LP specializes in mobile aggregate rock crushing and sand screening for gravel supply operations throughout Alberta and British Columbia operating a fleet of cone and jaw crusher units, conveyor and sand stacker units, loaders, dozers, tracked hoe excavators and articulated rock trucks. The Civil Services LP also provides safety services including safety supervision and rental of safety air units and wash units provide for safety support during oil and gas drilling operations and plant turnarounds.

Petrowest Services Rentals LP

Petrowest Services Rentals LP operates under the new trade name of "Nu-Northern Tractor Rentals" and specializes in heavy equipment rentals to oil and gas companies, oil sand clients, and independent contractors working in the oil and gas, mining, logging, pulp and paper and civil construction industries. The Rental Services LP operates a fleet of heavy equipment including dozers, tracked hoe excavators, articulated rock haulers, compactors and side-boom pipelayers.

INDUSTRY OVERVIEW AND OUTLOOK

In the Trust's 2007 MD&A, reference was made to the continued slowdown in drilling activity, with the Canadian Association of Oilwell Drilling Contractors ("CAODC") forecasting a 28% decrease in wells to be drilled in the western Canadian sedimentary basin ("WCSB") in 2008 from the 2007 level. In addition, CAODC forecast lower utilization rates of

drilling rigs to be 34% for the year compared to 38% in 2007. With approximately 52% of the Trust's first quarter 2008 services relating to the energy sector, the activity levels in the sector do have a significant effect on the Trust and its financial results.

During the first three months of 2008 there were 4,982 wells completed in western Canada compared to 6,589 in the comparable period of 2007. This 24% decrease was slightly lower than the average annual forecasted decrease of 28%. Rig utilization was approximately 56% for the first three months of 2008 compared to 61% in the comparable period of 2007. The strengthening of the natural gas price during the quarter has also been a positive for the sector fundamentals. On April 23, 2008 the Petroleum Services Association of Canada revised its forecast for 2008 to 16,500 wells to be drilled in Canada, up from the previous forecast of 14,500 wells. This is still below 2007 actual levels. On April 10, 2008 the Alberta Government introduced two new royalty programs to encourage the development of deep drilling for oil and gas, which provided some clarity on the royalty rates which will be applicable in 2009. This is intended to improve the economics and resultant activity of deep drilling. The Trust currently has capacity which will be available to generate cash flow when the oil and gas sector demand improves.

The Trust continues to focus on industrial and civil infrastructure activities. The natural gas drilling sector will continue to impact the Trust's operations and financial results and will remain an important part of the Trust's operations going forward. However, infrastructure project demand is expected to be strong over the next couple of years with more of the Trust's activities and resources anticipated to be focused and deployed in this area. The amount of the Trust's services relating to the oil and gas sector will fluctuate as the activity in this sector changes in addition to the amount of non-oil and gas related projects which the Trust is successful in securing. The Trust continued to pursue geographic diversification with redeployment of equipment and skilled personnel to capitalize on demand in nearby regions plus improving utilization rates and financial results.

During the first quarter of 2008, the "Credit Agreement" was amended to increase certain financial covenants to provide flexibility in covenant coverage to allow the time required for the oil and gas sector activity to increase from its current level. See note 6 of the unaudited interim consolidated financial statements.

FINANCIAL INFORMATION

Financial Results

(thousands of dollars, except per unit amounts, margins and ratios)	For the three months ended	
	March 31, 2008	March 31, 2007
Revenue by segment:		
Construction	24,091	9,984
Transportation	17,404	11,307
Civil	16,231	9,951
Rentals	1,313	1,621
Revenue	59,039	32,863
Operating expenses	46,189	25,346
Gross margin ⁽¹⁾	12,850	7,517
Gross margin percentage ⁽¹⁾	22%	23%
General and administrative	2,054	1,691
EBITDA ⁽¹⁾	10,796	5,826
EBITDA margin percentage ⁽¹⁾	18%	18%
Amortization	8,296	7,311
Interest, net	1,928	494
Other expense	32	-
Loss on disposal of property and equipment	38	246
Net earnings (loss) and comprehensive earnings (loss) for the period before income taxes	502	(2,225)
Future income tax expense	117	-
Net earnings (loss) and comprehensive earnings (loss)	385	(2,225)
Net earnings (loss) per unit – basic and diluted	0.01	(0.08)
Total assets	244,735	281,080
Total liabilities	122,880	41,152
Unitholders' equity	121,855	239,928

⁽¹⁾ See "Non-GAAP Measures"

Financial Resources and Liquidity

(thousands of dollars, except per unit amounts, margins and ratios)	For the three months ended	
	March 31, 2008	March 31, 2007
Cash provided from (used in) operating activities	287	(1,728)
Standardized distributable cash (shortfall) ⁽¹⁾	(4,373)	(4,522)
Standardized distributable cash payout ratio ⁽¹⁾	N/A	N/A
Adjusted distribution base ⁽¹⁾	8,836	5,602
Adjusted distribution base payout ratio ⁽¹⁾	N/A	N/A
Net working capital	23,642	24,973
Total long term debt	80,622	23,557
Units outstanding	33,266,308	28,275,094
Weighted average units outstanding – basic and diluted	33,266,308	28,275,094
Distributions declared	-	8,483

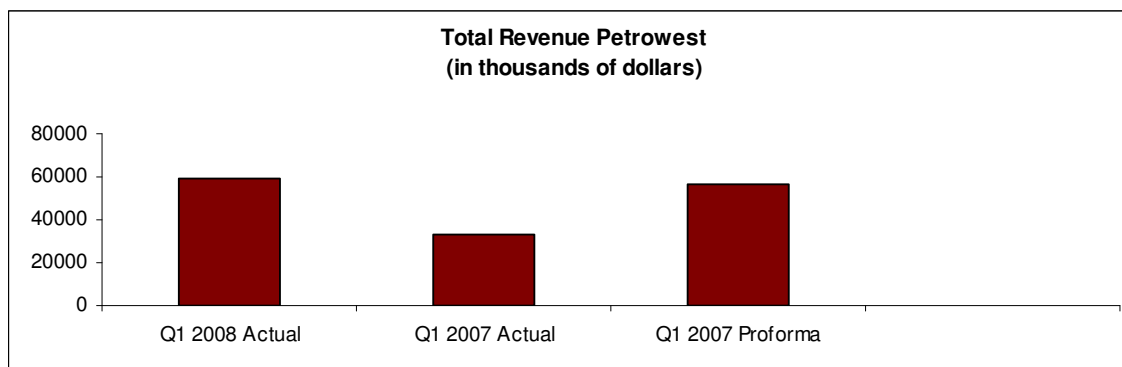
⁽¹⁾ See “Non-GAAP Measures”

RESULTS SUMMARY

COMPARATIVE PERIODS

The financial results include the operations of the 2007 Acquired Companies (see – “Acquisitions”) for the entire three month period ended March 31, 2008. For the three month period ended March 31, 2007 the financial results do not include the operations of the 2007 Acquired Companies. References to “proforma” are on the basis as if the acquisitions had been acquired on January 1 of the respective year in which they were acquired. The proforma information has been supplied as supplemental information to the unaudited interim consolidated financial statements for the three months ended March 31, 2008 and 2007 and was prepared by management of the 2007 Acquired Companies.

REVENUE



Consolidated revenue for the three months ended March 31, 2008 was \$59.0 million, an 80% increase over revenue of \$32.9 million in the comparable period of 2007. Consolidated revenue, compared to proforma revenue for the three months ended March 31, 2007 of \$56.1 million, represented an increase of 5%.

The activity levels in the first quarter of 2008 in the oilfield service sector in western Canada were lower than the comparable periods of both 2007 and 2006 as a result of fewer well completions and lower rig utilization rates. The price of natural gas was stronger during the quarter which improved the economics relating to drilling for natural gas and, if sustained, should be a factor in increased drilling activity in the future.

The Trust’s objective of diversifying from the oil and gas sector remains an important objective, with approximately 52% (2007 – 66%) of consolidated revenue relating to this sector. During the quarter the Trust continued to pursue industrial and civil infrastructure projects with the oil and gas sector continuing as an important ongoing component of the Trust.

During the first three months of 2008, compared to the comparable quarter of 2007, there was a shift in the percentage of revenue contributed by each of the four business segments. Transportation revenue, as a percentage of total revenue, was down 5% quarter over quarter due primarily to the decreased drilling activity and resultant decrease in drilling rig mobilization and demobilization services. The construction segment saw the greatest increase which is primarily

attributable to the 2007 Acquired Companies. The revenue contribution for each business segment was Construction 41%, Transportation 29%, Civil 28% and Rentals 2%.

There are various operating synergies amongst the four operating segments which the Trust realizes. These inter segment sales relate to the market value of activity between certain segments of the Trust, including the Transportation segment which hauls equipment on behalf of the Construction and Civil segments. In addition the Rentals segment supplies equipment to the Civil segment plus cross utilization of manpower and equipment. During the three months ended March 31, 2008 there were \$4.0 million of inter segment sales compared to \$2.4 million for the three months ended March 31, 2007. Applying an EBITDA Margin Percentage of 18% to the first quarter 2008 inter segment sales, there would be approximately \$0.7 million of additional earnings retained in the Trust which would have been paid out to third party contractors in the absence of these synergies.

Construction Segment

Construction segment revenue for the three months ended March 31, 2008 was \$24.1 million (2007 - \$10.0 million) comprising 41% of the Trust's total consolidated revenue and representing an increase of \$14.1 million over the comparable period in the prior year. The primary reason for this increase in revenue was due to the operating results in the quarter of the 2007 Acquired Companies. On a proforma basis, construction revenue for the first quarter of 2008, compared to proforma revenue of \$25.6 million in the first quarter of 2007, represented a decrease of 6%.

The first quarter of 2008 experienced reduced drilling activity compared to the first quarter of 2007. The road bans came into effect in line with previous years, excluding 2007 where there was an early spring shutdown.

Transportation Segment

Transportation segment revenue for the three months ended March 31, 2008 was \$17.4 million (2007 - \$11.3 million) comprising 29% of the Trust's total consolidated revenue and representing an increase of \$6.1 million over the comparable period in the prior year. The primary reason for this increase in revenue was due to the operating results in the quarter of the 2007 Acquired Companies. On a proforma basis, transportation revenue for the first quarter of 2008, compared to proforma revenue of \$17.7 million in the first quarter of 2007, represented a decrease of 2%.

The Transportation business has two main components. The first component in this segment is drilling rig mobilization and demobilization services. The second component consists of lighter duty hauling; primarily log hauling in the winter months and gravel hauling in the summer. The rig moving operation has historically been a significant business operation of the Trust. As a result of the decreased activity in the natural gas drilling programs and other factors affecting the industry, the drilling rig mobilization portion continues to experience significant pressure on pricing and equipment utilization.

In an effort to minimize the impact to this segment of the current oil and gas industry conditions and maximize equipment utilization, a number of trucks from the rig moving operations have been reconfigured and are being utilized to assist in the light equipment and gravel hauling operations. Management continues to evaluate various alternatives available in order to bring this segment back to being a significant financial contributor to the Trust.

The log hauling component of the transportation operations operated at near full capacity for the first quarter of 2008. There are two significant forestry companies which the Trust provides log hauling services for.

Civil Segment

Civil segment revenue for the three months ended March 31, 2008 was \$16.2 million (2007 - \$10.0 million) comprising 27% of the Trust's total consolidated revenue and representing an increase of \$6.2 million over the prior year. There were two primary reasons for this increase in revenue. The first was the increased capacity resulting from the additional crushing spreads acquired subsequent to the end of the first quarter in 2007. The other was due to the operating results in the quarter of the 2007 Acquired Companies. On a proforma basis, civil revenue for the first quarter of 2008, compared to proforma revenue of \$11.0 million in the first quarter of 2007, represented an increase of 47%.

The Civil segment has two main components with the largest component of this segment being gravel crushing. The gravel crushing operations have contracts booked at or near capacity to the end of 2008. The second component, oilfield safety services, provides air unit trailers and wash car unit services for sour gas drilling and plant turnarounds. Services provided are tied to drilling activity and consequently this business operation has directly experienced the effects of the reduced natural gas drilling activities throughout 2007 and early 2008.

Rental Segment

Rental segment revenue for the three months ended March 31, 2008 was \$1.3 million (2007 - \$1.6 million) comprising 2% of the Trust's total consolidated revenue and representing a decrease of \$0.3 million over the comparable period in the prior year.

Reduced drilling activity, delays to oil sand projects in Fort McMurray and a slow pipeline construction sector resulted in reduced demand for rental equipment during the first three months of 2008 compared to the comparative period in 2007. Management is reviewing alternative uses of this equipment to maximize revenue going forward.

OPERATING EXPENSES AND GROSS MARGIN

(thousands, except percentages)	Operating expenses for the three months ended March 31, 2008	Operating expenses as a % of revenue	Gross Margin Percentage	Operating expenses for the three months ended March 31, 2007	Operating expenses as a % of revenue	Gross Margin Percentage
Construction segment	17,033	71%	29%	7,663	77%	23%
Transportation segment	15,010	86%	14%	9,507	84%	16%
Civil segment	13,050	80%	20%	6,809	68%	32%
Rentals segment	1,096	83%	17%	1,367	84%	16%
	46,189	78%	22%	25,346	77%	23%

Consolidated operating expenses for the three months ended March 31, 2008 were \$46.2 million (2007 - \$25.3 million) with a gross margin of 22% in the first quarter of 2008 and 23% in the comparable quarter of 2007. The major costs incurred for equipment owned by the Trust are labour, fuel, equipment leases and repairs and maintenance. The other significant operating expense relates to the payments to subcontractors.

Margins continue to be under pressure as a result of increasing costs associated with the operation of the Trust's equipment, lower activity levels in the oil and gas industry and the resultant pricing pressures and lower utilization of equipment. Certain major costs such as labor and equipment rental costs are directly tied to additional equipment capacity which was added to each business segment in conjunction with and shortly after the initial public offering. With the additional capacity and reduced industry activity, margins continue to be under pressure. In addition, the increased costs can not be passed on to customers in the current environment. One of the most significant major cost increases has been fuel which has increased 2.8% as a percentage of revenue in the first three months of 2008 compared to the first quarter of 2007. The amount of this increase which is not passed on to customers directly affects the gross margin percentage.

The construction segment gross margin showed an increase of 6% for the three months ended March 31, 2008 over the comparable period in 2007. This is primarily related to the higher proportion of operating lease costs, versus amortization of owned equipment, in the first quarter of 2007 compared to 2008. The civil segment has experienced a decreased margin of 12% in the first quarter of 2008 compared to the first quarter of 2007. This is primarily the result of increased fuel costs not being passed on to the customer in addition to a two week safety shutdown in January 2008 and the extremely cold weather which affected operations for an additional week.

GENERAL AND ADMINISTRATIVE

On a percentage of revenue basis, general and administrative costs were approximately 3.5% of revenue in the first quarter of 2008 compared to 5.1% in the first quarter of 2007. There were significant one-time costs incurred in the first quarter of 2007 which were non recurring in nature which impacts the comparison between the first quarter of 2008 and 2007.

AMORTIZATION

There are 2 types of amortization in the Trust, with the first being related to property and equipment and the other being amortization of intangibles.

Amortization of property and equipment for the three months ended March 31, 2008 was \$7.1 million (2007 - \$5.1 million). Amortization is applied to reduce the book value of property and equipment to its estimated residual value over its estimated useful life on a declining balance basis annually or on an actual usage basis.

Intangible assets, consisting of acquired customer relationships, business alliance, brand and trade names, and non-competition agreements are recorded at cost and amortized over their useful lives, which is estimated to be five years for business alliance, brand and trade names, and non-competition agreements and ten years for customer relationships. Intangible assets are tested for impairment when events or changes in circumstances indicate the carrying amount of the intangible asset is not recoverable and exceeds its fair value. An impairment charge of \$35.7 million was recorded in the fourth quarter of 2007 which reduced the carrying value of intangible assets, reducing the base for amortization commencing in the first quarter of 2008. Amortization of intangibles for the three months ended March 31, 2008 was \$1.2 million (2007 - \$2.2 million). The reduction is a result of the lower carrying value of intangible assets due to the 2007 impairment charge.

INTEREST

Interest expense for the three months ended March 31, 2008 was \$1.9 million (2007 - \$0.5 million). The primary reason for this increase was due to increased borrowings incurred to finance the acquisitions in 2007 and to fund working capital requirements.

INCOME TAXES

The Trust is a taxable entity under the Income Tax Act of Canada and is taxable on income which is not distributed or distributable to the unitholders.

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. SIFTs are certain publicly traded income and royalty trusts and limited partnerships including Petrowest.

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 provision for future income tax in the first quarter of 2008 was \$117,000.

The Trust is reviewing all organizational structures and alternatives to minimize the impact of the SIFT tax on our unitholders. While there can be no assurance that the negative effect of the tax can be minimized or eliminated, Petrowest and its advisors will assess the alternatives available and implement a strategy that is in the best interests of the unitholders.

NET EARNINGS AND COMPREHENSIVE EARNINGS

Net earnings and comprehensive earnings for the three months ended March 31, 2008 was \$0.4 million compared to net loss and comprehensive loss for the first quarter of 2007 of \$2.2 million. This represents net earnings per unit of \$0.01 and a loss per unit of \$0.08, respectively, basic and fully diluted.

ACQUISITIONS

May 18, 2007 Acquisitions

Petrowest entered into agreements to acquire 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 "2007 Acquired Companies").

Cutbank Trucking Ltd. and Cutbank Transportation Ltd. are operated together as one business and specialize in hauling logs and gravel and the provision of log loading equipment in Grande Prairie, Alberta. Cutbank Trucking Ltd. was formed in 1972 and Cutbank Transportation Ltd. was formed in 1997.

Jim Moffatt Construction Ltd. is a lease and road building company operating in northern Alberta. Jim Moffatt Construction Ltd. was formed in 1992 and operates from its base in Worsley, Alberta. In addition to lease and road building, Jim Moffatt Construction Ltd. also operates a 250-man camp permanently located in Worsley.

Rick's Mechanical Services Ltd. is a mid-size lease and road builder based in Peace River, Alberta. Rick's Mechanical Services Ltd. was formed in 1993 and has achieved a working relationship with the Woodland Cree First Nation in providing services to oil sand developers operating on the traditional lands of the Woodland Cree First Nation.

Quigley Contracting Ltd. is a lease and road building company operating in Fort St. John, British Columbia. Quigley Contracting Ltd. was formed in 1990 by Rick Quigley. The acquisition of Quigley Contracting Ltd. will expand Petrowest's geographical footprint into the northern regions of British Columbia.

Tri-Dave Gravel Sales Ltd. is a gravel crushing operation that operates in the Edmonton area. Tri-Dave Gravel Sales Ltd. was formed in 1984. Tri-Dave Gravel Sales Ltd. will provide additional capacity to Petrowest's crushing operations conducted by R. Bee Crushing.

The estimated purchase price including acquisition costs of the 2007 Acquired Companies was \$93.3 million. See note 5(a) to the March 31, 2008 unaudited interim consolidated financial statements for further details.

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 \$4.0 million. Petrowest paid \$2.0 million on closing, retired \$1.4 million of equipment debt subsequent to the quarter end and the remaining \$0.6 million was paid when certain post closing conditions were met.

The Trust also issued 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. See note 5(b) to the March 31, 2008 unaudited interim consolidated financial statements for further details.

CAPITAL RESOURCES AND LIQUIDITY

STANDARDIZED DISTRIBUTABLE CASH AND ADJUSTED DISTRIBUTION BASE

The Canadian Institute of Chartered Accountants ("CICA") issued the Interpretive Release "*Standardized Distributable Cash in Income Trusts and Other Flow-Through Entities*" in July 2007. This MD&A is in all material respect in accordance with the recommendations contained in the interpretive release. The interpretive release defines standardized distributable cash as cash flow from operating activities less total capital expenditures as defined by GAAP and any restrictions on distributions arising from compliance with financial covenants.

Standardized Distributable Cash is intended to provide a standard measure of cash available for distribution to unitholders which would be comparable between income trusts and consistent over time. Long term distribution capacity is dependent on the generation of positive cash flows from operations in excess of both maintenance and growth capital requirements. Long term negative Standardized Distributable Cash would suggest that an entity would not have sustainable cash available to maintain distributions. The Trust currently has surplus equipment and operational capacity which is available for generation of future cash flow from operations. Management believes that a return to higher capacity utilization is required in order to generate positive Standardized Distributable Cash flow to support future capital needs and for distributions to be reinstated.

The interpretive release also provides guidance on the calculation of an adjusted distribution base which is Standardized Distributable Cash adjusted for entity-specific adjustments.

Standardized Distributable Cash

(thousands, except per unit amounts and ratios)	For the three months ended March 31, 2008	March 31, 2007	Cumulative from inception of Trust July 6, 2006
Cash provided from (used in) operating activities	287	(1,728)	29,928
Less adjustments for:			
Capital expenditures, net	4,660	2,794	34,659
Restrictive bank covenants	-	-	-
Standardized distributable cash (shortfall)	(4,373)	(4,522)	(4,731)
Distributions declared	-	8,483	37,964
Standardized distributable cash payout ratio	N/A	N/A	N/A
Standardized distributable cash (shortfall) per unit – basic and diluted	(0.13)	(0.16)	(0.15)

The starting point for the calculation of Standardized Distributable Cash is “cash provided from (used in) operations” measured in accordance with GAAP. This starting point takes changes in non-cash working capital balances into account. The Standardized Distributable Cash Payout Ratio is not applicable for the three months ended March 31, 2008, as there were no distributions declared during the quarter. The negative Standardized Distributable Cash shortfall was primarily due to the non-cash working capital balances which are incorporated in the calculation. It is typical for the balance of accounts receivable to increase in the first quarter of the year, as this is typically one of the most active quarters for the Trust. Over the long term the excess operational capacity must be utilized to generate more cash flow.

Adjusted Distribution Base

(thousands, except per unit amounts and ratios)	For the three months ended March 31, 2008	March 31, 2007	Cumulative from inception of Trust July 6, 2006
Standardized distributable cash (shortfall)	(4,373)	(4,522)	(4,731)
Adjusted for:			
Capital expenditures, net	4,660	2,794	34,659
Changes in accounts receivable	4,509	(1,902)	(1,116)
Changes in prepaid expenses	(770)	725	(1,988)
Changes in inventory	(682)	276	486
Changes in accounts payable and accrued liabilities	5,492	8,231	14,400
Adjusted Distribution Base	8,836	5,602	41,710
Distributions declared	-	10,650	37,964
Surplus (deficit) of adjusted distribution base over distributions	8,836	(5,048)	3,746
Adjusted distribution payout ratio	N/A	N/A	1.10
Adjusted distribution base per unit – basic and diluted	0.27	0.18	1.35

This measure takes Standardized Distributable Cash and adjusts for entity specific items such as seasonal working capital fluctuations. It is also measured before capital expenditures. This measure is intended to indicate the Trust's ability to fund working capital, principal debt payments, current taxes, capital expenditures and distributions.

Since inception of the Trust there has been a surplus of \$3.7 million resulting from the excess of the Adjusted Distribution Base over distributions declared. This surplus is an improvement of \$8.8 million over the deficit of \$5.1 million at the year ended December 31, 2007 and can be attributable to both a strong first quarter of 2008 and having no distributions declared during the quarter. Management is of the view that this surplus will improve as the oil and gas industry improves and as the capital expenditure program is scaled down from the capacity growth the first 19 months of operations experienced.

Management views the Adjusted Distribution Base as the most appropriate measure of ongoing sustainability and liquidity. This measure most closely represents the entity specific conditions of the Trust and management's objectives and beliefs regarding future sustainability of distributions, which are currently suspended.

During the first quarter of 2008, distributions were suspended in order to protect the Trust's balance sheet and position it to fund accretive opportunities going forward. The Board of Directors of Petrowest Energy Services General Partner Ltd. have the discretion, subject to any contractual restrictions, to reinstate distributions. This will depend on the current and anticipated level of activity in the Trust as well as the operational performance of the various partnerships. Pursuant to the amended credit facility (see "*Revolving Term Bank Loan*") the Trust is prohibited from reinstating distributions until a financial covenant is achieved.

ENTITY SPECIFIC ADJUSTMENTS

Seasonal Impacts on Cash Flow

The Trust strives to fund distributions primarily from cash flow from operations before changes in non-cash working capital items. However, Petrowest's business operations are seasonal by nature. Management expects that the Trust will consume cash during periods of normally higher activity, historically the first and fourth quarters, and to a lesser extent in the third quarter. Typically in these quarters operations would increase receivable balances at a rate in excess of collections. In the second quarter, the impact of spring breakup will typically reverse this trend. To reduce the impact on cash, the Trust has secured a revolving term loan in part to finance the cyclical nature of its operations. This loan facility is utilized to fund distributions and working capital during these periods when working capital requirements exceed cash from operations before changes in non-cash working capital items. The Trust believes this seasonal impact will be ongoing and accordingly has adjusted for this seasonal impact in the calculation of the Adjusted Distribution Base.

Productive Capacity

The Trust strives to fund maintenance capital expenditures from cash flow from operations. The Trust defines maintenance capital expenditures to be capital expenditures replacing older equipment reaching the end of its life cycle and expenditures to maintain the equipment's current operating capacity. The expenditure of maintenance capital would not normally increase capacity or revenue generating potential, but rather maintain it. Equipment is evaluated based on hours of service, expected maintenance requirements as equipment reaches certain hour thresholds and residual values. Equipment is rotated based on these criteria. Occasionally equipment will be refurbished rather than replaced, thereby extending the useful life of the asset. The total of both replacement of older equipment and refurbishment is included in the estimate of maintenance capital expenditures.

The Trust typically acquires equipment that has estimated usable lives of over four years without the expectation of high maintenance refurbishment over that period. Inversely, equipment that can be expected to require major refurbishment within the four year period is usually financed by way of operating leases. This shorter life equipment is turned over within the four year period but requires no provision for maintenance capital expenditure. In light of the current significant weakening of the energy sector activity and current lower overall equipment utilization, management believes that the sizeable capital expenditures incurred since inception, provide the Trust with the capacity to sustain operations into 2008 with minimal maintenance capital expenditures.

It is anticipated that a return to higher levels of energy sector activity may require future expenditures for maintenance capital by late 2008 and beyond to replace older equipment. It is anticipated that this requirement will be in the range of \$6.0 million to \$10.0 million per annum depending on future activity levels, equipment utilization and residual values of equipment.

Growth capital expenditures are typically funded by combinations of cash provided from operations, operating leases, debt and Trust unit capital. Since inception, Petrowest's productive capacity has increased significantly with the addition of equipment financed by debt and operating leases. In addition, the acquisitions on May 18, 2007 of the 2007 Acquired Companies added an additional \$42 million in capital assets to the Trust. These acquisitions have also expanded the geographical footprint of the Trust and opened new markets for the Trust's services. The cost of the 2007 Acquired Companies was financed by debt and the issue of Units of the Trust.

Net property and equipment asset acquisitions incurred for the three months ended March 31, 2008 were approximately \$4.7 million. During this period the Trust incurred approximately \$2.2 million of maintenance capital expenditures and \$2.5 million of growth capital expenditures. The Trust's definition of Adjusted Distribution Base is a measure of available cash prior to funding both growth and maintenance capital expenditures.

WORKING CAPITAL

(thousands of dollars)	As at March 31, 2008	As at December 31, 2007
Cash (overdraft)	(295)	215
Accounts receivable	48,790	44,281
Prepaid expenses and other	1,136	1,906
Inventory	5,118	5,800
Accounts payable and accrued liabilities	(23,283)	(28,775)
Distributions payable	-	(953)
Current portion of revolving bank term loan	(7,250)	-
Current portion of obligations under capital leases	(574)	(489)
Working capital	23,642	21,985

Working capital at March 31, 2008 was \$1.7 million greater than working capital at December 31, 2007. The major changes during the quarter were an increase in accounts receivable of \$4.5 million and a decrease in accounts payable and accrued liabilities of \$5.6 million. In addition, a portion of the revolving bank term loan was classified as current during the quarter. The amount is \$7.3 million which is equal to 1/12 of the current balance outstanding of \$87.0 million as detailed in the following section of this MD&A.

LONG TERM DEBT

Long term debt is comprised of the revolving bank term loan and obligations under capital leases. On March 31, 2008, the Trust amended its credit facility to increase two financial covenants and reduce the credit facility from \$120.0 million to \$100.0 million. The funded debt to four quarter's trailing proforma EBITDA ratio was increased to 3.25 to 1 for the period ended March 31, 2008 and the periods ending June 30, 2008 and September 30, 2008. This ratio is reduced to 2.75 to 1 for the period ending December 31, 2008 and 2.50 to 1 for the periods ending March 31, 2009 and thereafter. The funded debt to capitalization covenant was increased to 0.55 to 1 from 0.50 to 1. The Trust is also prohibited from reinstating distributions to unitholders until the funded debt to four quarter's trailing proforma EBITDA is less than 2.50 to 1, calculated both before and after the payment of the distribution. The credit facility has a one year revolving term due on November 6, 2008 which may be extended for an additional 364 days at the discretion of the lender on application by the Trust. If the credit facility is not renewed or extended, principal is then repayable by way of seven equal quarterly payments in an amount equal to one-twelfth of the balance outstanding at the end of the term, with the remaining balance due on November 8, 2010.

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, which is calculated on a proforma basis and in accordance with the definition contained in the "Credit Agreement". Current EBITDA levels require payment of interest at prime plus 1%.

As at March 31, 2008, the Trust had drawn \$87.0 million on its credit facility of which approximately \$64.3 million was utilized to meet the cash requirements of the acquisition of the 2007 Acquired Companies and the business alliance with the WCFN. The remainder of the drawn component of the facility has been utilized for the purchase of equipment, working capital needs and to fund distributions.

The Trust's revolving bank term loan requires the Trust to maintain certain financial covenants as follows:

- Current ratio, excluding the revolving bank term loan, of greater than 1.35 to 1. The Trust's ratio at March 31, 2008 is 2.28 to 1.
- Funded debt to four quarter's trailing proforma EBITDA ratio of not greater than 3.25 to 1. The Trust's ratio at March 31 is 2.82 to 1. Commencing in the fourth quarter of 2008, the ratio will decrease to 2.75 to 1.
- Fixed charge coverage of not less than 1 to 1. The Trust's ratio at March 31, 2008 is 1.24 to 1.
- Funded debt to capitalization of not more than 0.55 to 1. The Trust's ratio at March 31, 2008 is 0.42 to 1.

The fixed charge coverage ratio is expected to continue to improve as a result of the suspension of distributions. In the event the Trust fails to meet any of the financial covenants, the implications to the Trust could include a requirement to immediately repay the revolving bank term loan. The Trust is compliant with all financial covenants at March 31, 2008.

The current debt levels were incurred to fund the cash portion on the acquisition of the 2007 Acquired Companies and is viewed as a level which needs to be reduced over time. It is anticipated that cash flows from operations will allow the partial repayment of debt in an orderly manner over the medium term, depending on industry activity levels.

CONTRACTUAL OBLIGATIONS

(thousands of dollars)	As at March 31, 2008				Total
	< 1 year	1 – 3 Years	4 – 6 Years	Thereafter	
Revolving bank term loan	7,250	79,750	-	-	87,000
Obligations under capital leases	574	872	-	-	1,446
Operating leases on equipment	11,609	10,840	1,557	-	24,006
Operating leases on offices, shop and yards	2,654	4,834	3,689	2,789	13,966
TOTAL	22,087	96,296	5,246	2,789	126,418

Operating and capital lease commitments are consistent with levels previously retained within the individual companies prior to their acquisition by Petrowest. It is management's view that lease commitments can be met from cash flows from operations.

UNITHOLDERS' EQUITY

	As at March 31, 2008		For the year ended December 31, 2007	
	Units	Amount	Units	Amount
Balance, beginning of period	33,266,308	292,879	26,765,094	255,769
Acquired shares in purchase of newly acquired companies	-	(22)	-	-
Units issued on acquisitions (note 3)	-	-	4,351,622	32,316
Issued for services rendered	-	-	10,000	72
Units issued under DRIP	-	-	629,592	2,987
	33,266,308	292,857	31,756,308	291,144
Subordinated units issued for cash	-	-	1,510,000	1,510
Subordinated units issued for promissory notes	-	-	-	3,020
Less amount issued for promissory notes (net of repayment)	-	-	-	(2,795)
	-	-	1,510,000	1,735
Balance, end of period	33,266,308	292,857	33,266,308	292,879
Weighted average units for period – basic and diluted	33,266,308		31,202,093	

The \$22,500 reduction in unitholders' equity represents the market value as at March 31, 2008 of Trust units which were indirectly acquired by the Trust in the acquisition of the 2007 Acquired Companies.

Authorized

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

Prior to the initial public offering, the Trust issued 1,510,000 Subordinated units to various insiders at a price of \$3.00 per Subordinated unit, \$4,530,000 in the aggregate, which was 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 Trust 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 \$47.0 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 with WCFN. The Trust valued the warrants at \$270,000.

Units issued for the acquisition of the companies acquired in September 2006 and the 2007 Acquired Companies were placed in escrow subject to time release provisions. Escrowed units are released as to 25% on the first anniversary date of the acquisition and the remaining 75% on the second anniversary date. During 2007, 3,880,305 escrowed units were released with 9,972,695 and 3,263,716 to be released in 2008 and 2009 respectively. There were no escrowed units released during the first quarter of 2008.

RELATED PARTY TRANSACTIONS

Petrowest paid rent for the three months ended March 31, 2008 and the three months ended March 31, 2007 for office and shop space under leases entered into with certain former owners of businesses acquired in the amount of \$490,302 and \$321,460 respectively. Transactions were recorded at the exchange amount which is estimated to approximate fair market value. The Trust has a payable in the amount of \$11,352 owing to a former owner of one of the companies acquired in September 2006 for monies collected in 2007 and 2008 relating to receivables prior to the acquisition.

CRITICAL ACCOUNTING ESTIMATES AND ACCOUNTING POLICIES

Critical Accounting Estimates

The unaudited interim consolidated financial statements for the three months ended March 31, 2008 have been prepared in accordance with the accounting policies described in the notes to the annual audited consolidated financial statements. As a normal part of the financial statement preparation process, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the unaudited interim consolidated financial statements and the reported amounts of revenues and expenses for the period reported. Actual results could differ from these estimates. Such estimates include amortization of property and equipment, recoverability of accounts receivable, valuation of assets included in acquisitions and impairment of goodwill, intangibles and property and equipment.

Although estimates and assumptions are based on the information available at the time they are required to be made during the financial statement preparation process, it is management's opinion that none of the estimates or assumptions had a material effect on the consolidated financial statements at the time they were made.

Changes in Accounting Policies and Practices

On January 1, 2008 the Trust adopted the following Canadian Institute of Chartered Accountants ("CICA") Handbook Sections:

“Inventories”, Section 3031. This new standard replaces the previous standard in Section 3030 and establishes standards for the measurement and disclosure of inventories. The adoption of this standard has had no material effect on the Trust’s unaudited interim consolidated financial statements.

“Capital Disclosures”, Section 1535. This new standard requires the Trust to disclose its objectives, policies and processes for managing capital. See Note 11 to the March 31, 2008 unaudited interim consolidated financial statements.

“Financial Instruments – Presentation”, Section 3863 and “Financial Instruments – Disclosures”, Section 3862, which replaced Section 3861. See Note 10 to the March 31, 2008 unaudited interim consolidated financial statements

Recent Accounting Pronouncements

In January 2006 the Accounting Standards Board (“AcSB”) adopted a strategic plan for accounting standards in Canada. In February 2008 the AcSB confirmed that International Financial Reporting Standards (“IFRS”) will replace Canadian GAAP effective January 1, 2011. The Trust is assessing the potential impacts of this transition and developing a plan accordingly.

In February 2008 the CICA issued Section 3064, “Goodwill and Intangible Assets” which will replace Section 3062 and be effective January 1, 2009. This new standard revises the criteria for the recognition, measurement, presentation and disclosure of goodwill and intangible assets. The Trust is currently assessing the impact of these new recommendations.

SUMMARY OF QUARTERLY RESULTS

	Three months ended					
	2008	2007			2006 ⁽²⁾	
<i>(thousands of dollars except per unit amounts)</i>	Mar.31	Dec.31	Sept.30	June 30	Mar.31	Dec.31
Revenue by segment						
Construction	24,091	20,518	21,402	7,192	9,984	11,089
Transportation	17,404	13,702	11,014	5,568	11,307	11,954
Civil	16,231	12,617	16,316	11,705	9,951	10,124
Rentals	1,313	988	2,124	2,669	1,621	2,662
Corporate	-	5	-	-	-	-
Total revenue	59,039	47,830	50,856	27,134	32,863	35,829
Operating expenses by segment						
Construction	17,033	14,681	14,820	7,119	7,663	7,820
Transportation	15,010	12,743	9,344	7,022	9,507	9,649
Civil	13,050	11,164	11,901	9,798	6,809	6,567
Rentals	1,096	1,273	1,506	529	1,367	1,051
Total operating expenses	46,189	39,861	37,571	24,468	25,346	25,087
Administrative expenses	2,054	1,541	379	1,638	1,691	1,291
EBITDA ⁽¹⁾	10,796	6,428	12,906	1,028	5,826	9,451
Gain (loss) on disposal of assets	(38)	(644)	(299)	11	(246)	20
Interest and other income (expense)	(24)	(53)	47	98	50	82
Net earnings before other items	10,734	5,731	12,654	1,137	5,630	9,553
Future income tax (recovery) expense	117	(1,461)	(467)	11,969	-	-
Amortization of property and equipment	7,069	8,576	8,626	6,620	5,131	4,682
Amortization of intangible assets	1,227	3,036	3,043	2,517	2,180	2,113
Impairment of goodwill and intangible assets	-	107,015	-	-	-	-
Interest	1,936	2,213	1,581	1,102	544	141
Net earnings (loss)	385	(113,648)	(129)	(21,071)	(2,225)	2,617
Net earnings (loss) per unit basic and diluted	\$0.01	(\$3.42)	(\$0.00)	(\$0.69)	(\$0.08)	\$0.09

⁽¹⁾ See “Non-GAAP Measures”

⁽²⁾ The Trust commenced operations on September 7, 2006

The first quarter of the year is typically one of the most active for oil and gas related activities. This is due to the seasonality of these operations relating to moving heavy equipment and the transportation of drilling rigs.

KEY RISKS AND UNCERTAINTIES

The Trust is exposed to market risks and other operational risks. For a detailed discussion of these risks readers should refer to the Trust's Annual Information Form and the key risks and uncertainties section of the Trust's 2007 annual MD&A both of which are available at www.sedar.com and on the Trust's website at www.petro-west.com.

INTERNAL CONTROL OVER FINANCIAL REPORTING

Internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements in accordance with GAAP. The Chief Executive Officer and Chief Financial Officer are responsible for ensuring that proper internal controls over financial reporting are adequate. There were no changes in the Trust's internal control over financial reporting during the first quarter of 2008 that have materially affected or are reasonable likely to materially affect internal controls over financial reporting.

ADDITIONAL CORPORATE INFORMATION

Additional information relating to the Trust, including the Trust's Annual Information Form, can be found on SEDAR at www.sedar.com and on the Trust's website at www.petro-west.com.

FORWARD LOOKING STATEMENTS

Certain information and statements contained in this interim MD&A constitute forward-looking information, including the anticipated costs associated with the purchase of capital equipment, expectations concerning the nature and timing of growth within the various business units operated through affiliates of the Trust, expectations respecting the competitive position of such business units, expectations concerning the financing of future business activities, statements as to future economic and operating conditions, revenues from oil and gas and non-oil and gas activities, debt to EBITDA ratio and utilization. **Readers should review the cautionary statement respecting forward-looking information that appears below. Any forward statements are made as of the date hereof and the Trust does not undertake to publicly update and review such statements to reflect new events, subsequent events or otherwise, except to the extent events and circumstances have occurred that are reasonably likely to cause actual results to differ materially from material forward-looking information for a period that is not yet complete or as otherwise required by law.**

The information and statements contained in this interim MD&A that are not historical facts are forward-looking statements. Forward-looking statements (often, but not always, identified by the use of words such as "seek", "plan", "continue", "estimate", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe", "expect", "may", "anticipate" or "will" and similar expressions) may include plans, expectations, opinions, or guidance that are not statements of fact. Forward-looking statements are based upon the opinions, expectations and estimates of management as at the date the statements are made and are subject to a variety of risks and uncertainties and other factors that could cause actual events or outcomes to differ materially from those anticipated or implied by such forward-looking statements. These factors include, but are not limited to, such things as changes in industry conditions (including the levels of capital expenditures made by oil and gas producers and explorers), the credit risk to which the Trust is exposed in the conduct of its business, fluctuations in prevailing commodity prices or currency and interest rates, the competitive environment to which the various business units are, or may be, exposed in all aspects of their business, the ability of the Trust's various business units to access equipment (including parts) and new technologies and to maintain relationships with key suppliers, the ability of the Trust's various business units to attract and maintain key personnel and other qualified employees, various environmental risks to which the Trust's business units are exposed in the conduct of their operations, inherent risks associated with the conduct of the businesses in which the Trust's business units operate, timing and costs associated with the acquisition of capital equipment, the impact of weather and other seasonal factors that affect business operations, availability of financial resources or third-party financing and the impact of new laws or changes in administrative practices on the part of regulatory authorities. Forward-looking information respecting the anticipated costs associated with the purchase of capital equipment are based upon historical prices for various classes of equipment, expectations relating to the impact of inflation on the future cost of such equipment and management's views concerning the negotiating leverage of the Trust and its affiliates. Forward-looking information concerning the nature and timing of growth within the various business units is based on the current budget of the Trust (which is subject to change), factors that affected the historical growth of such business units, sources of historic growth opportunities and expectations relating to future economic and operating conditions. Forward-looking information concerning the future competitive

position of the Trust's business units is based upon the current competitive environment in which those business units operate, expectations relating to future economic and operating conditions and current and announced build programs and other expansion plans of other organizations that operate in the energy service business. Forward-looking information concerning the financing of future business activities is based upon the financing sources on which the Trust and its predecessors have historically relied and expectations relating to future economic and operating conditions.

*Forward-looking information concerning future economic and operating conditions is based upon historical economic and operating conditions and opinions of third-party analysts respecting anticipated economic and operating conditions. Although management of the Trust believes that the expectations reflected in such forward looking statements are reasonable, it can give no assurance that such expectations will prove to have been correct. **Accordingly, readers should not place undue reliance upon any of the forward-looking information set out in this interim MD&A.** All of the forward looking statements of the Trust contained in this MD&A are expressly qualified, in their entirety, by this cautionary statement. The various risks to which the Trust is exposed are described under "Key Risks and Uncertainties" herein.*