

Petrowest Energy Services Trust

Consolidated Balance Sheets

(Unaudited)

(In thousands of dollars)	As at March 31, 2009	As at December 31, 2008
Assets		
Current assets		
Cash and cash equivalents	-	2,348
Accounts receivable	36,161	47,761
Prepaid expenses and other	1,318	1,196
Inventory	5,718	5,476
	43,197	56,781
Property and equipment	91,104	99,336
Intangible assets	12,592	13,582
Goodwill	34,321	34,321
Future income taxes (note 10)	667	727
	181,881	204,747
Liabilities		
Current liabilities		
Bank overdraft	1,336	-
Accounts payable and accrued liabilities	12,938	18,355
Revolving bank term loan (note 6)	72,500	83,500
Current portion of obligations under capital leases	638	661
	87,412	102,516
Obligations under capital leases	725	874
Future income taxes (note 10)	9,468	12,463
	97,605	115,853
Unitholders' Equity		
Units (note 7)	292,492	292,492
Contributed surplus (note 8)	663	635
Accumulated loss	(170,916)	(166,270)
Accumulated distributions to unitholders	(37,963)	(37,963)
	84,276	88,894
	181,881	204,747

Going concern (note 2)

See accompanying notes to the consolidated financial statements

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

For the three months ended March 31
(Unaudited)

(In thousands of dollars)	2009	2008
Revenue	42,800	59,039
Expenses		
Operating expenses	36,303	46,189
General and administrative	1,848	2,054
Interest	1,132	1,936
Amortization of property and equipment	5,591	7,069
Amortization of intangible assets	990	1,227
Impairment of property and equipment (note 15)	4,500	-
	50,364	58,475
	(7,564)	564
Other income		
Loss on disposal of property and equipment	(19)	(38)
Interest and other income/(expense)	2	(24)
Net earnings (loss) and comprehensive earnings (loss) before taxes	(7,581)	502
Future income tax expense (recovery) (note 10)	(2,935)	117
Net earnings (loss) and comprehensive earnings (loss)	(4,646)	385
Accumulated loss - beginning of period	(166,270)	(133,694)
Accumulated loss - end of period	(170,916)	(133,309)
Net earnings (loss) per unit - basic and diluted (note 7)	(\$0.14)	\$0.01

Going concern (note 2)

See accompanying notes to the consolidated financial statements

Petrowest Energy Services Trust

Consolidated Statements of Cash Flows

For the three months ended March 31

(Unaudited)

(In thousands of dollars)	2009	2008
Cash provided by (used in)		
Operating activities		
Net earnings (loss) for the period	(4,646)	385
Items not affecting cash		
Amortization of property and equipment	5,591	7,069
Amortization of intangible assets	990	1,227
Impairment of property and equipment	4,500	-
Unit-based compensation (note 8)	28	-
Future income taxes	(2,935)	117
Loss on disposal of property and equipment	19	38
	3,547	8,836
Changes in non-cash working capital		
Accounts receivable	11,600	(4,509)
Prepaid expenses and other	(122)	770
Inventory	(242)	682
Accounts payable and accrued liabilities	(5,417)	(5,492)
	9,366	287
Financing activities		
Unitholder distributions	-	(953)
Repayment of capital lease obligations	(172)	(193)
Proceeds from revolving term bank loan	-	5,000
Repayment of revolving term bank loan	(11,000)	-
	(11,172)	3,854
Investing activities		
Purchase of property and equipment	(1,945)	(4,776)
Proceeds on property and equipment disposals	67	116
Purchase price adjustment	-	9
	(1,878)	(4,651)
Increase (decrease) in cash and cash equivalents	(3,684)	(510)
Cash and cash equivalents, beginning of period	2,348	215
Cash and cash equivalents (bank overdraft), end of period	(1,336)	(295)
Supplementary cash flow information		
Interest paid	1,225	1,729
Non cash transactions		
Property and equipment financed by capital leases	-	353

Going concern (note 2)

See accompanying notes to the consolidated financial statements.

Petrowest Energy Services Trust

Notes to Consolidated Financial Statements

(Tabular amounts in thousands of dollars unless otherwise stated, except per unit amounts)

1 Basis of Presentation

The unaudited interim consolidated financial statements for Petrowest Energy Services Trust ("Petrowest or the "Trust") have been prepared by management in accordance with Canadian Generally Accepted Accounting Principles ("GAAP") for interim financial statements. 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 as well as estimates of temporary differences between accounting and tax values which affect the measurement of future income tax assets and liabilities. The accounting policies and methods of application followed in the preparation of the unaudited interim consolidated financial statements, other than described below, are the same as those followed in the preparation of the Trust's most recent audited annual consolidated financial statements dated December 31, 2008. The unaudited interim consolidated financial statements should be read in conjunction with the Trust's December 31, 2008 audited consolidated financial statements.

2 Going Concern

These unaudited interim consolidated financial statements have been prepared using Canadian generally accepted accounting principles applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due.

The Trust's ability to continue as a going concern is dependent upon its ability to renew its credit facility that has a one year term ending on December 14, 2009 and generate positive cash flows from operations. In the event the loan is not extended at the end of the term on December 14, 2009, the outstanding principal amount will become immediately due and payable. This leads to significant risk as to the ability of the Trust to meet its obligations and accordingly, the appropriateness of the use of accounting principles applicable to a going concern. These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary if the Trust were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

The Trust has obtained a waiver of the "funded debt to four quarters trailing EBITDA" financial covenant contained in the credit facility. As at March 31, 2009 there was a committed credit facility of \$90.2 million. Concurrent with the waiver the total commitments are reduced by \$5.0 million to \$85.2 million. The covenant required Petrowest to have a ratio of 2.50 to 1 as at March 31, 2009, with the ratio as at that date being 2.81 to 1. The waiver for the above financial covenant is effective until June 30, 2009. The Trust is currently in discussions with the banking syndicate with respect to amending the existing credit facility to address the financial covenants on a prospective basis and the structure of the agreement. If the discussions are not successful then a future covenant default could result in the demand for repayment of the current outstanding advances on the credit facility.

3 Change in Accounting Policies and Practices

Goodwill and Intangible Assets

On January 1, 2009, the Trust adopted the new CICA section 3064, "*Goodwill and Intangible Assets*" which replaced section 3062. This new standard revises the criteria for the recognition, measurement, presentation and disclosure of goodwill and intangible assets. The adoption of

Petrowest Energy Services Trust

Notes to Consolidated Financial Statements

(Tabular amounts in thousands of dollars unless otherwise stated, except per unit amounts)

this standard did not have a material impact on the Trust's unaudited interim consolidated financial statements.

4 Recent Accounting Pronouncement

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.

5 Seasonality

Petrowest's operations are conducted primarily in northern Alberta and northeastern British Columbia and are susceptible to the impacts of the seasons. The first quarter is subject to frozen conditions and periods of extreme cold and snow. This is typically one of the most active quarters for Petrowest, as oil and gas drilling activities focus on areas located in muskeg and swamp type conditions not normally accessible in a non-frozen state. The second quarter is generally the slowest quarter for Petrowest's operations, as the milder spring conditions result in soft, wet ground generally requiring the implementation of road bans which prevent heavy load transportation on roadways. The third quarter should reflect increased activity levels and typically generates revenues that fall somewhere in the range 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.

6 Revolving Bank Term Loan

The credit facility is comprised of a syndicated revolving term credit facility and a working capital facility to provide availability to the Trust for growth capital and working capital requirements. Security for the credit facility is provided by a first charge debenture, a general security agreement and a general assignment of book debts.

On December 15, 2008, the Trust renewed its credit facility. The credit facility has a one year revolving term ending on December 14, 2009 which may be extended for an additional 364 days at the discretion of the lender on application by the Trust. The agreement entered into by the Trust with its bank syndicate reduced the overall size of the credit facility from \$100.0 million to \$95.0 million with quarterly reductions of \$4.8 million commencing on March 31, 2009. In addition, the amendments preclude the payment of distributions by the Trust without the prior written consent of the bank syndicate and reduced the "funded debt to capitalization ratio" covenant to 0.50 to 1 from the current covenant of 0.55 to 1.

In the event the credit facility is not extended at the end of the term on December 14, 2009, the outstanding principal amount will become immediately due and payable. The credit facility bears interest at floating rates based on the bank prime rate plus a spread of up to 2.5%, depending on the current level of indebtedness and certain debt ratios.

The Trust has obtained a waiver of the "funded debt to four quarters trailing EBITDA" financial covenant contained in the credit facility. As at March 31, 2009 there was a committed credit facility of \$90.2 million. Concurrent with the waiver the total commitments are reduced by \$5.0 million to \$85.2 million. The covenant required Petrowest to have a ratio of 2.50 to 1 as at March 31, 2009, with the ratio as at that date being 2.81 to 1. The waiver for the above financial covenant is effective until June 30, 2009. The Trust is currently in discussions with the banking syndicate with respect to amending the existing credit facility to address the financial covenants on a prospective basis and the structure of the agreement. If the discussions are not successful then a future covenant default could result in the demand for repayment of the current outstanding advances on the credit facility.

Petrowest Energy Services Trust

Notes to Consolidated Financial Statements

(Tabular amounts in thousands of dollars unless otherwise stated, except per unit amounts)

7 Unitholders' Capital

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 Board of Directors of Petrowest Energy Services General Partner Ltd. in priority to any distribution payments on the Subordinated Units.

	As at March 31, 2009		As at December 31, 2008	
	Units	Amount	Units	Amount
Balance, beginning of period	31,766,308	291,107	31,756,308	291,144
Acquired units in purchase of acquired companies	-	-	-	(56)
Issued for services rendered	-	-	10,000	19
	31,766,308	291,107	31,766,308	291,107
Subordinated units, beginning of period	1,160,000	1,385	1,510,000	1,735
Redemption of subordinated units issued for cash	-	-	(350,000)	(350)
Redemption of subordinated units issued for promissory notes	-	-	-	(700)
Promissory note repayment	-	-	-	700
	1,160,000	1,385	1,160,000	1,385
Balance, end of period	32,926,308	292,492	32,926,308	292,492
Weighted average units for period – basic	32,926,308		33,159,077	
Weighted average units for period – diluted	34,079,829		34,589,359	

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, 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. As at March 31, 2009, there was a balance of \$2,095,000 outstanding related to promissory notes, net of repayments.

Units issued for the acquisition of the companies acquired in 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 an additional 1,087,904 released in the second quarter of 2008 and 8,884,789 released in the third quarter of 2008. There are 3,263,716 to be released in the second quarter of 2009.

Petrowest Energy Services Trust

Notes to Consolidated Financial Statements

(Tabular amounts in thousands of dollars unless otherwise stated, except per unit amounts)

8 Contributed Surplus

Continuity of contributed surplus:

	As at March 31, 2009	As at December 31, 2008
Balance – beginning of period	635	-
Unit based compensation expense	28	15
Value assigned to expired warrants	-	270
Redemption of subordinated units below carrying value	-	350
Balance – end of period	663	635

9 Unit Based Compensation

Effective April 15, 2008 the Trust adopted a Deferred Trust Unit (“DTU”) plan. Under this DTU plan, DTU’s are granted to employees, directors and consultants which entitles participants, at the Trust’s option, to either receive a trust unit or cash equivalent in exchange for a vested unit. The Trust initially granted 908,000 DTU’s to participants which vest one third per year over the three year period from the date of grant. The DTU are either classified as equity settled instruments or as liabilities. For DTU’s classified as equity settled instruments, the unit based compensation expense related to the units granted is recognized over the vesting period, on a graded basis, based on the fair value of the units at the date of the grant and is charged to unit based compensation expense and contributed surplus. The contributed surplus balance is reduced as vested units are settled. For DTU’s classified as liability settled instruments the unit based compensation expense related to the units granted is recognized over the vesting period, on a graded basis, based on the fair value of the units at each reporting date where they are “marked to market” based on the unit price at the quarter end.

There were 77,718 forfeitures in the period April 15, 2008 to March 31, 2009 resulting in unit based compensation being accrued for 830,282 units. The initial intent of the Trust was to settle the initial grant with units. Therefore, the DTU unit based compensation expense was calculated to September 30, 2008, based on the fair value of the units at the date of the grant. During the fourth quarter of 2008, the Trust decided to settle the first vesting with cash and the remainder with equity. Therefore, the Trust has accounted for the DTU unit based compensation expense for 2008 and 2009 using the liability method up to the vesting date of April 15, 2009 and then as an equity settled instrument for the remaining periods. The effect on the consolidated financial statements for the three month ended March 31, 2009 is approximately \$78,693 of unit based compensation expense based on the liability method.

On December 1, 2008, an additional grant of 600,000 DTU’s was made. These units will vest one third per year over the three year period from the date of grant and be classified as an equity settled instrument. The effect on the consolidated financial statements for the three month ended March 31, 2009 is approximately \$28,810 of unit based compensation expense based on the equity method.

10 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, which includes Petrowest.

Petrowest Energy Services Trust

Notes to Consolidated Financial Statements

(Tabular amounts in thousands of dollars unless otherwise stated, except per unit amounts)

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 as follows:

	As at March 31, 2009	As at December 31, 2008
Future income tax assets		
Trust unit issue costs	628	699
Unit based compensation	39	28
	667	727
Future income tax liabilities		
Property and equipment	8,097	10,935
Intangible assets	1,371	1,528
	9,468	12,463

11 Related Party Transactions

Petrowest paid rent, supplies, and services for the three months ended March 31, 2009 and March 31, 2008 for office and shop space under leases entered into with certain former owners of businesses acquired in the amount of \$918,535 and \$490,302 respectively. Transactions were recorded at the exchange amount which is estimated to approximate fair market value. The Trust has payables of \$416,952 (2008 - \$11,352) and receivables of \$96,599 (2008 – nil) related to services provided to and from certain former owners of businesses acquired.

12 Financial Instruments

Fair Value of Financial Assets and Liabilities

The Trust's cash and cash equivalents are designated as held-for-trading. Accounts receivable are designated as loans and receivables and recorded at amortized cost, which approximates fair value due to the short term nature of the instrument. Accounts payable and accrued liabilities, obligations under capital leases and the revolving bank term loan are designated as other liabilities and are recorded at cost. The fair value of accounts payable and accrued liabilities approximate their carrying values due to the short term nature of these instruments. The fair value of obligations under capital lease and the revolving bank term loan approximate their carrying values as the interest rates applicable to these instruments reflect current market rates. Financing costs relating to all financial instruments are expensed as incurred.

Financial Risks

The Trust is exposed to a number of financial risks in the normal course of its business operations, including market risks, credit risks and liquidity risks. The Trust's operations are all in Canada and therefore are not subject to foreign currency risk. The nature of these risks has not changed significantly from the period ended December 31, 2008.

(a) Market Risk

Market risk is the risk that changes in market prices such as interest rates and commodity prices will affect the Trust's operating income or the value of its financial instruments.

Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument will be affected by changes in market interest rates. The revolving bank term loan is a floating rate credit

Petrowest Energy Services Trust

Notes to Consolidated Financial Statements

(Tabular amounts in thousands of dollars unless otherwise stated, except per unit amounts)

facility which has exposure to changes in market interest rates. Currently the Trust is paying interest based on the prime lending rate, which is subject to market interest rate fluctuations. For each one percent increase/decrease in the prime lending rate, the yearly effect on pre-tax net earnings would be \$725,000, based on the \$72.5 million balance of the revolving bank term loan as at March 31, 2009.

Commodity Price Risk

Commodity price risk is the risk that fluctuations in oil or natural gas prices could materially adversely affect the Trust's financial condition. The commodity prices affect the levels of drilling activity, particularly with respect to natural gas, which affects demand for services provided by certain segments of the Trust's business. The Trust mitigates this exposure with its continued diversification into activities not related to the oil and gas industry.

(b) Credit Risk

Credit risk is the risk that the counterparty to a financial instrument fails to meet its contractual obligations, resulting in a financial loss to the Trust. This relates primarily to the Trust's trade accounts receivable.

The Trust maintains a broad customer base across its four operating business segments. A significant amount of the Trust's customer base is with entities in the oil and gas industry and is subject to normal industry credit risks. The other significant portion of the customer base is with significant construction and forestry companies. Two customers account for approximately 24% (12% and 12%) of the Trust's consolidated revenue for the three month ended March 31, 2009. No other customer represents greater than 10% of consolidated revenue. One customer accounts for approximately 15% of the Trust's accounts receivable balance as at March 31, 2009. No other customer represents greater than 10% of the balance.

The Trust establishes guidelines for customer credit limits and terms and, should thresholds for these limits or terms be reached, procedures are in place to improve collectability. The Trust provides adequate provisions for expected losses from the credit risks associated with trade accounts receivables. The ageing of accounts receivables as at March 31, 2009 is as follows:

0-30 days	11,230
30-61 days	11,269
61-90 days	3,775
Over 90 days	9,887
	<u>36,161</u>

Included in the accounts receivable over 90 days is a provision for doubtful accounts in the amount \$489,719. The provision is based on an individual account by account analysis and prior credit history. The movement of the provision for doubtful accounts in respect of trade accounts receivable is detailed below:

Opening balance – December 31, 2008	(500)
Additional provision	(1)
Recovery of provision	11
Receivables written off	-
Closing balance – March 31, 2009	<u>(490)</u>

Petrowest Energy Services Trust

Notes to Consolidated Financial Statements

(Tabular amounts in thousands of dollars unless otherwise stated, except per unit amounts)

(c) Liquidity Risk

Liquidity risk is the risk that the Trust will not be able to meet its financial obligations as they fall due. This risk relates to the Trust's ability to generate or obtain sufficient cash or cash equivalents to satisfy these financial obligations as they become due. The Trust's processes for managing liquidity risk include managing net working capital, preparing and monitoring capital and operating budgets, coordinating and authorizing project expenditures, and authorization of contractual agreements. The Trust seeks additional financing based on the results of these processes. The budgets are updated when required as conditions change. The Trust has an unused balance of \$ 11.5 million related to its revolving credit facility that is available for capital expenditures and funding working capital. However, further drawdown on the credit facility will be dependent on the current discussions with the banking syndicate relating to the credit facility.

The timing of cash related to the satisfaction of other financial liabilities is as follows:

	1 year	2-3 years	4-5 years	Total
Bank overdraft	1,336	-	-	1,336
Accounts payable and accrued liabilities	12,938	-	-	12,938
Obligations under capital leases	638	664	61	1,363
Revolving bank term loan	72,500	-	-	72,500
	87,412	664	61	88,137

As at March 31, 2009 the Trust has met all the obligations associated with its financial liabilities. See Note 2 for details on risk regarding the credit facility.

13 Capital Disclosures

The Trust strives to maintain adequate financial flexibility to preserve its ability to meet financial obligations, both current and long term. The capital structure of the Trust is managed and adjusted to reflect changes in economic conditions. In order to maintain or adjust the capital structure, adjustments may be made to the amount of distributions (if any) to unitholders and the amount of capital returned to unitholders, in addition to the amount of new units issued. Sale of redundant assets may also be undertaken to adjust the capital structure by paying down the revolving bank term loan. Financing decisions are set based on the timing and extent of expected operating and capital cash outlays. Factors considered when determining whether to take on new debt or to issue equity include the amount of cash sought, the availability of these sources and their terms, and to the overall Net Debt to Capitalization ratio.

The Trust's capital structure is comprised of unitholders' equity, the revolving bank term loan (including the current portion) and obligations under capital leases (including the current portion) and is monitored by using a non-GAAP financial metric of Net Debt to Capitalization. Net Debt is calculated as the sum of the revolving bank term loan (including the current portion) and obligations under capital leases (including the current portion), less cash and cash equivalents. The Trust targets a Net Debt to Capitalization ratio in the range of 40% to 50% as calculated as follows:

Petrowest Energy Services Trust

Notes to Consolidated Financial Statements

(Tabular amounts in thousands of dollars unless otherwise stated, except per unit amounts)

	As at March 31, 2009	As at December 31, 2008
Revolving bank term loan	72,500	83,500
Obligations under capital leases	1,363	1,535
Add (less) cash and cash equivalents/bank overdraft	1,336	(2,348)
	75,199	82,687
Unitholders' Equity	84,276	88,642
Total Capitalization	159,475	171,329
Net Debt to Total Capitalization	47.2%	48.3%

The entire revolving bank term loan has been classified as current on the balance sheet. The credit facility has a one year term ending on December 14, 2009. There is no guarantee that it will be renewed. In the event the loan is not extended at the end of the term on December 14, 2009, the outstanding principal amount will become immediately due and payable. The Trust would unlikely have sufficient resources to repay the entire outstanding balance without obtaining alternative sources of financing.

The Trust's credit facility contains four financial covenants which are required to be met on a quarterly basis. The "funded debt to four quarter's trailing proforma EBITDA" covenant ratio is currently at 2.5 to 1. Management monitors this specific covenant in the management of its capital. The Trust has obtained a waiver of the "funded debt to four quarters trailing EBITDA" financial covenant contained in the credit facility. As at March 31, 2009 there was a committed credit facility of \$90.2 million. Concurrent with the waiver the total commitments are reduced by \$5.0 million to \$85.2 million. The covenant required Petrowest to have a ratio of 2.50 to 1 as at March 31, 2009, with the ratio as at that date being 2.81 to 1. A covenant default could result in the demand for repayment of the current outstanding advances on the credit facility. The Trust is currently in discussions with the banking syndicate relating to the credit facility. The Trust's capital management objectives have not changed over the periods presented.

14 Segmented Information

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

For the three months ended March 31, 2009

	Construction	Transportation	Civil	Rentals	Corporate	Total
Total revenue	20,413	14,041	10,158	1,524	-	46,136
Less inter-segment revenue	1,525	963	2	846	-	3,336
Revenue	18,888	13,078	10,156	678	-	42,800
Operating and general and administrative	14,116	11,745	9,324	1,118	1,848	38,151
Interest expense	402	240	401	80	9	1,132
Interest income	-	-	-	-	(2)	(2)
(Gain) Loss on disposal of equipment	-	26	(7)	-	-	19
Amortization	2,770	1,359	1,719	665	68	6,581
Future income taxes	-	-	-	-	(2,935)	(2,935)
Impairment of property and equipment	-	4,500	-	-	-	4,500
Net earnings (loss)	1,600	(4,792)	(1,281)	(1,185)	1,012	(4,646)
Capital expenditures	595	329	918	66	37	1,945

Petrowest Energy Services Trust

Notes to Consolidated Financial Statements

(Tabular amounts in thousands of dollars unless otherwise stated, except per unit amounts)

For the three months ended March 31, 2008

	Construction	Transportation	Civil	Rentals	Corporate	Total
Total revenue	25,880	19,018	16,359	1,759	-	63,016
Less inter-segment revenue	1,789	1,614	128	446	-	3,977
Revenue	24,091	17,404	16,231	1,313	-	59,039
Operating and general and administrative	17,033	15,010	13,050	1,096	2,054	48,243
Interest expense	81	19	50	1	1,785	1,936
Interest and (other income)/ expense	32	-	-	(2)	(6)	24
(Gain) loss on disposal of equipment	38	-	-	-	-	38
Amortization	4,022	1,483	1,858	842	91	8,296
Future income taxes	-	-	-	-	117	117
Impairment of goodwill and intangible assets	-	-	-	-	-	-
Net earnings (loss)	2,885	892	1,273	(624)	(4,041)	385
Capital expenditures	367	1,693	2,680	-	36	4,776

Selected balance sheet items as at March 31, 2009

	Construction	Transportation	Civil	Rentals	Corporate	Total
Current assets	15,128	7,882	18,847	1,088	252	43,197
Property and equipment	35,734	17,658	25,569	10,769	1,374	91,104
Intangibles	5,389	1,217	5,099	887	-	12,592
Goodwill	12,016	4,510	14,951	2,844	-	34,321
Future income tax	-	-	-	-	667	667
Total assets	68,267	31,267	64,466	15,588	2,293	181,881

Selected balance sheet items as at December 31, 2008

	Construction	Transportation	Civil	Rentals	Corporate	Total
Current assets	49,242	25,572	34,376	(1,419)	(50,990)	56,781
Property and equipment	37,612	22,987	26,043	11,289	1,405	99,336
Intangibles	5,855	1,329	5,432	966	-	13,582
Goodwill	12,016	4,510	14,951	2,844	-	34,321
Future income tax	-	-	-	-	727	727
Total assets	104,725	54,398	80,802	13,680	(48,858)	204,747

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

15 Impairment of Property and Equipment

The Trust has provided for an impairment of \$4.5 million related to the rig mobilization and demobilization assets from the Transportation segment. Management of the Trust determined the fair value of the rig mobilization and demobilization equipment using industry standard valuations prepared by a third party based on current market assumptions relating to the oil and gas services sector.

Petrowest Energy Services Trust

Notes to Consolidated Financial Statements

(Tabular amounts in thousands of dollars unless otherwise stated, except per unit amounts)

In 2008 the most significant event to occur affecting Canadian businesses was the global economic and financial crisis. This crisis has resulted in reduced liquidity in the financial markets and caused lower commodity pricing due to significant demand decreases for commodities world wide. There have been significant reductions in capital spending with companies operating in the oil and gas sector. This has resulted in a significant decline in drilling activities for the first 3 months of 2009.

The measurement of the impairment was assessed as the amount by which the carrying amount of an asset exceeded its fair market value.

16 Subsequent Event

Subsequent to March 31, 2009, the Trust made a decision to dispose of the rig mobilization and demobilization assets of the Transportation segment. The rig mobilization and demobilization has incurred accumulated losses and negative cash flow for the last two years. Management determined that the rig mobilization and demobilization activity was unlikely to improve in the near term due to current economic conditions. Proceeds of a sale would be utilized to reduce the revolving bank term loan.

The carrying amounts of the major classes of assets included:

	As at March 31, 2009
Inventory	980
Property and equipment	6,765
Intangible assets	163
	7,908