

AVENIR DIVERSIFIED INCOME TRUST

2009 FIRST QUARTER HIGHLIGHTS & REVIEW

TOTAL CONSOLIDATED FINANCIAL SUMMARY			
	For the three months ended Mar 31		
	2009	2008³	% Change
Total Revenue	370,470	439,677	(16%)
Funds (Used In) From Continuing Operations (FFCO) ^{1,2}	(10,056)	15,999	(163%)
FFCO ¹ Per Unit - Basic	(0.24)	0.38	(163%)
Funds (Used In) From Operations (FFO) ¹	(10,056)	20,271	(150%)
FFO Per Unit ¹ - Basic	(0.24)	0.49	(149%)
Monthly Distributions	10,452	10,432	0%
Distributions Per Unit – Basic	0.25	0.25	0%
Net (Loss) Income from Continuing Operations (NICO) ²	(7,621)	2,030	(475%)
NICO Per Unit - Basic	(0.18)	0.05	(460%)
Net (Loss) Income	(7,621)	5,155	(248%)
Net (Loss) Income Per Unit - Basic	(0.18)	0.12	(250%)
Total Assets	393,964	654,658	(40%)
Working Cap. (Net Debt) excluding mortgages and assets of discontinued operations	40,037	(60,034)	167%
Mortgages	38,454	45,366	15%
Wtd. Avg. Units Outstanding - Basic	41,911,633	41,788,894	0%
Units Outstanding (including escrowed units)	41,913,262	41,897,645	0%

¹ Funds from continuing operations, funds from continuing operations per unit, funds from operations, funds from operations per unit and working capital (net debt) are not recognized measures under Canadian generally accepted accounting principles (GAAP). Funds from operations is calculated by taking cash provided by operating activities on the statement of cash flows adjusted for the effect of changes in non-cash working capital and asset retirement costs incurred. Working capital (net debt) is calculated by taking current assets less current liabilities excluding the balances relating to discontinued operations and adding back current portion of mortgages. Management believes that these measures are useful supplemental measures to analyze operating performance as they demonstrate the Trust's ability to generate the Funds from operations necessary to fund future distributions and capital investments. The Trust's method of calculating these measures may differ from other issuers, and accordingly, they may not be comparable to measures used by other issuers. Investors should be cautioned that these measures should not be construed as an alternative to net income, cash flow from operating activities or other measures of financial performance calculated in accordance with GAAP.

² The operations of EnerVest Limited Partnership, as a result of being classified as 'Discontinued operations', have been excluded from the Trust's Continuing Operations.

³ Comparative periods have been restated to conform to current period presentation – specifically relating to the reclassification of the EnerVest Limited Partnership as discontinued operations and the Real Estate Division as assets held and used.

Forward Looking Statements

Certain statements contained herein including, without limitation, financial and business prospects and financial outlook, the effect of government announcements, proposals and legislation, plans in its Oil and Gas Division regarding hedging, wells to be drilled, expected or anticipated production rates, timing of expected production increases, the weighting of production between different commodities, expected commodity prices, exchange rates, production expenses, transportation costs and other costs and expenses, maintenance of productive capacity and capital expenditures; plans in the Elbow River Marketing Limited Partnership ("Elbow River") business regarding plans for its ongoing Liquefied Petroleum Gas ("LPG") business and activities around the exit from marketing its bio-diesel product; plans in the Real Estate Division for the timing of selling assets and the nature of capital expenditures; and the timing and method of financing these businesses, may be forward looking statements. Words such as "may", "will", "should", "could", "anticipate", "believe", "expect", "intend", "plan",

"potential", "continue", "targeted" and similar expressions may be used to identify these forward looking statements. These statements reflect management's current beliefs and are based on information currently available to management. Forward looking statements involve significant risk and uncertainties. A number of factors could cause actual results to differ materially from the results discussed in the forward looking statements including, but not limited to, risks associated with oil and gas exploration: development, exploitation, production, marketing and transportation, loss of markets, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risks, competition from other producers and the inability to retain drilling rigs and other services; risks associated with its Elbow River business including, but not limited to, counterparty risk in default, operational risks, hedging, access to credit, competitor risk, seasonality and impact of the global recession on overall economic activity; and risks associated with the Real Estate Division including, but not limited to the impact the overall economy has on valuations, future delinquencies, access to mortgages and impact on interest rates; as well as the risks associated with the Trust's incorrect assessment of the value of acquisitions, failure to realize the anticipated benefits of acquisitions, delays resulting from or inability to obtain required regulatory approvals and ability to access sufficient capital from internal and external sources and the risk factors outlined under "Risk Factors" and elsewhere herein. The recovery and reserve estimates of Avenir's reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. As a consequence, actual results may differ materially from those anticipated in the forward-looking statements.

Forward-looking statements or information are based on a number of factors and assumptions which have been used to develop such statements and information but which may prove to be incorrect. Although Avenir believes that the expectations reflected in such forward-looking statements or information are reasonable, undue reliance should not be placed on forward-looking statements because Avenir can give no assurance that such expectations will prove to be correct. In addition to other factors and assumptions which may be identified in this document, assumptions have been made regarding, among other things: the impact of increasing competition; the general stability of the economic and political environment in which Avenir operates; the timely receipt of any required regulatory approvals; the ability of Avenir to obtain qualified staff, equipment and services in a timely and cost efficient manner; Divisional results; the ability of operators to operate the field in a safe, efficient and effective manner; the ability of Avenir to obtain financing on acceptable terms; field production rates and decline rates; the ability to replace and expand oil and natural gas reserves through acquisition, development of exploration; the timing and costs of pipeline, storage and facility construction and expansion and the ability of Avenir to secure adequate product transportation; future oil and natural gas prices; currency, exchange and interest rates; the regulatory framework regarding royalties, taxes and environmental matters in the jurisdictions in which Avenir operates; and the ability of Avenir to successfully market its products, fluctuations in foreign exchange or interest rates and stock market volatility, credit risk and the ability to realize on collateral in the event of default, failure of counter parties to perform on contracts, fluctuation in the value of real property, failure to produce income or revenue from real estate, failure of tenants to meet lease obligations, increase in property taxes and mortgage, maintenance, insurance, operating costs and decreases in occupancy and rental rates, and fixed costs in relation to variable revenue streams. Readers are cautioned that the foregoing list of factors is not exhausted. These forward looking statements are made as of the date hereof and Avenir assumes no obligation to update or review them to reflect new events or circumstances except as required by applicable securities laws.

Forward looking statements and other information contained herein concerning the Oil and Gas Division, Elbow River's business, the Real Estate Division and Avenir's general expectations concerning these industries are based on estimates prepared by each Division's management and from using data from publicly available industry sources as well as from reserve reports, market research and industry analysis and on assumptions based on data and knowledge of these industries which Avenir believes to be reasonable. However, this data is inherently imprecise, although generally indicative of relative market positions, market shares and performance characteristics. While Avenir is not aware of any misstatements regarding any industry data presented herein, these industries involve risks and uncertainties and are subject to change based on various factors.

Message to Unitholders

The Trust's base Oil and Gas Division and the LPG Marketing Group of Elbow River produced strong operational results again in the first quarter of 2009 despite lower oil and gas commodity prices. That said, similar to the previous quarter the costs associated with Elbow River exiting from the marketing of the bio-diesel product continued to negatively impact the earnings, funds from operations and the balance sheet of the Trust. The distributions prior to the impact of the bio-diesel exit costs were only 65% of the funds from operations in a low commodity price environment; however, bio-diesel losses were significantly larger than anticipated and excess working capital originally targeted for investing in growth business opportunities was needed to fund the bio-diesel losses.

Base Businesses

The Oil and Gas Division achieved its targeted 3,300 boe/d average, while maintaining the production with limited capital expenditures. The highlight of the quarter was the late Q1 completion of a Northeast British Columbia ("BC") gas well that came on at 4.6 Mmcf/day (2.3 Mmcf/day net) which should serve to maintain production at or near our production targets for the second quarter of 2009 even if no additional capital is spent. In the past four months, the Oil and Gas Division has moved to expand its Northeast BC core area with property acquisitions totalling over \$8.6 million for approximately 6,500 net hectares. This sets-up in excess of 78 drilling locations as the Trust looks to position itself for growth when commodity prices turnaround. To protect cash flows from low commodity prices, especially on the natural gas side, the Trust has hedged approximately 45% of the natural gas production for the next 18 months at prices in excess of \$7.00 per GJ.

The Elbow River LPG Marketing core business had its best propane season in the four years it has been with the Trust as low inventories and cold weather provided favourable sales opportunities. Together with continued strong butane sales the LPG business at Elbow River generated cash flows of approximately \$10.3 million well in excess of \$4.5 million the Trust had targeted for the first quarter of 2009.

The Real Estate Division, although a small part of the Trust, continues to be fully-leased providing a steady rental income. The portfolio is no longer being marketed; however we will continue to respond to purchase inquiries.

Bio-diesel Exit

At year end 2008 it was estimated that Elbow River would incur an additional \$10.5 million in bio-diesel exit costs in the first quarter 2009. In fact, Elbow River incurred \$26.1 million in bio-diesel losses as higher basis risk, foreign exchange losses, tankage, storage and demurrage charges and legal, interest and financing charges increased significantly as compared to the original estimate. Elbow River has now physically exited from the bio-diesel investment and by late second quarter and into the early third quarter should have collected all receivables and finalized all aspects of the bio-diesel business. In regards to the previously reported bad debt expense related to the failure of an Elbow River joint venture partner to pay Elbow River, legal remedies continue in an effort to recover the monies owed to Elbow River. In this vein, on May 4, 2009, Elbow River initiated the process to have the joint venture partner placed into involuntary bankruptcy to obtain a proper and orderly distribution of monies and other assets held by the former partner.

Strategic Review Committee Update

The Strategic Review Committee of the Trust was formed in mid 2008 to consider alternatives for the go-forward direction of the Trust against the backdrop of the impending 2011 change in Trust taxation. A number of factors and alternatives were reviewed in an ever changing external and internal business environment. Directions that were thought likely in mid 2008 were no longer viable choices as the world business markets continued to deal with the global financial crisis. The reaction of the markets appears to have been a flight to safety wherein smaller entities are at a disadvantage with respect to lower trading multiples and higher yields than other larger entities. Similarly, the Trust's financial situation although still very strong after the sale of the EnerVest assets, continues to be impacted by the costs of the wrap-up of the Elbow River bio-diesel investment.

With this background, the Trust's Strategic Review Committee has determined to pursue the following three point strategic course of action for the Trust:

- A focus on the Energy business and the opportunities the Trust's strong balance sheet provides in this area;
- Continue to pay distributions in a Trust structure into late 2010 at which point convert to a dividend paying corporation ; and
- Look to maximize unitholder value by merging or selling the Trust into a new entity prior to 2011.

The Strategic Review Committee will continue to meet, but on a less regular basis, to review the progress in moving forward on these items. We will update the unitholders as circumstances require or new information becomes available.

Distributions

Over the past six months the Trust's base operations in the Oil and Gas Division and Elbow River LPG marketing group have provided strong results ahead of our target 75%-80% annual payout ratio. That said, over that same time frame, the costs associated with the exit from the bio-diesel investment have significantly exceeded expectations and have reduced the flexibility that the Trust had enjoyed as it looked to reinvest excess funds in cashflow generating opportunities. The board of directors has determined that with continued lower oil and gas commodity prices and as the Trust enters into Elbow River's seasonally slower summer season that it is prudent for the Trust to preserve the strength of the Trust's balance sheet and provide flexibility to take advantage of opportunities in the market. Therefore, effective with the May 2009 distribution, payable on June 15, 2009, the Trust will be reducing its monthly distribution to \$0.06 per unit per month or \$0.72 per unit per annum. Based on the Trust's recent trading price of \$3.10 the new distribution would equate to a yield of approximately 23%.

Strong Balance Sheet and Sustainable Distributions

The Trust continues to have a very strong balance sheet with approximately \$40.0 million in positive cash and working capital (excluding real estate), no debt drawn on its Oil and Gas Division and \$46.5 million in fully undrawn bank lines. Capital is available to pursue opportunities and acquisitions in order to grow the Trust and provide additional cash flow to support the monthly distributions. To date we have been reluctant to push forward too quickly on an acquisition strategy until the full extent of the bio-diesel exit costs had been quantified. Any growth initiatives will be undertaken in the context of positioning the Trust for post 2011 and providing ongoing distributions while protecting the balance sheet of the Trust.

Submitted on behalf of the Board of Directors by:



William M. Gallacher
President & CEO



Gary Dundas
Vice President Finance & CFO

REVIEW OF FINANCIAL RESULTS

The Trust had a net loss for the quarter ended March 31, 2009 of \$7.6 million down 248% over the \$5.2 million of income recorded for the quarter ended March 31, 2008. The reduction is mainly due to the \$21.1 million non-recurring first quarter charge associated with bio-diesel as Elbow River arranged for final shipments of inventory, unwound hedge positions, mitigated tankage and transportation commitments associated with exiting this segment of its business.

Funds used in operations for the quarter ended March 31, 2009 were \$10.1 million down 150% from the \$20.3 million funds from operations in 2008. Solid results in the Oil and Gas Division and the LPG segment of Elbow River were more than offset by the first quarter 2009 loss in the Bio-diesel segment of Elbow River. Within the Elbow River business, the base LPG and ethanol group recorded funds from operations of \$10.3 million on solid butane sales and the strongest propane sales since Elbow River was purchased in 2005. The bio-diesel wind-up negatively impacted funds used in operations by \$26.1 million. Also, prior year funds from operations included \$4.3 million in funds from the EnerVest assets which were disposed of in May of 2008.

For the period ended March 31, 2009 monthly cash distributions of \$10.5 million exceeded the \$10.1 million funds used in operations by \$20.6 million. Removing the non-recurring charge of \$26.1 million in the bio-diesel segment, the funds from operations for quarter would have been \$16.1 million representing a 65% payout ratio.

The Trust continues to maintain a strong balance sheet with estimated cash and working capital available for operations and investment of approximately \$40.0 million as at March 31, 2009, exclusive of real estate mortgages, and not including undrawn credit lines of approximately \$46.5 million. The Oil and Gas Division of the Trust, although impacted by lower commodity prices, continues to operate at or around its targeted 3,300 BOE/d and Elbow's base LPG and ethanol marketing businesses look solid with continued positive results on the back of 2009 presales.

REVIEW OF BUSINESS UNIT OPERATIONS

1. FINANCIAL SERVICES – Elbow River

At March 31, 2009 the Trust's Financial Services business unit consisted only of Elbow River Marketing Limited Partnership as the EnerVest Management Assets were sold in May 2008 and for all comparative periods has been classified for accounting purposes as 'Discontinued Operations'.

LPG & Ethanol Segment

The LPG and Ethanol segments of Elbow River's business had \$10.3 million in funds from operations. The first quarter was one of strongest quarters for propane for the Trust due to several factors. U.S. inventories were lower than typical going into the winter due to high summer petro chemical usage, reduced offshore imports, production declines related to Hurricane's Gustav and Ike and a stronger than normal fall crop drying season. These situations combined with severe cold in the key consuming areas of the U.S. resulted in tightened supplies and a disrupted distribution network. Despite somewhat limited late winter butane blending for gasoline, Elbow had another very solid quarter for butane sales. Strong presales combined with various trading opportunities drove these results. As with butane the condensate segment relied on strong presales to deliver results as spot demand from the Alberta Oil Sands for diluent usage was significantly reduced due to the lower price of crude. Ethanol markets continued to be a small part of the LPG business.

Looking ahead, expectations are for the second quarter 2009 to be at or slightly below historical averages due to reduced spot market activity and lingering legal and administrative costs related to the bio-diesel wind down. Propane is entering the slower summer period where the focus will be on strategizing for the heavier winter demand season as well as capitalizing on spot opportunities as they present themselves. Elbow has once again been able to secure term butane deals that provide a strong base for the 2009 year. The condensate spot markets related to Alberta Oil Sands diluent requirements have been reduced and do not show signs of changing in the near term. Fortunately, prior to this Elbow was able to secure term opportunities in this market and therefore are on target to meet expectations in this segment. Ethanol markets are in a transition period with several plants experiencing liquidity issues and demand reduced in general due to less gasoline

consumption. Elbow has been able to secure a significant Ethanol marketing agreement that will provide a good base to compliment its other marketing agreement in Canada.

Bio-diesel Segment - Wind-down Update

At year end it was estimated that Elbow River would incur an additional \$10.5 million in bio-diesel exit costs in the first quarter 2009; however, Elbow River incurred \$26.1 million in bio-diesel losses as higher basis risk, foreign exchange losses, tankage, storage and demurrage charges and legal, interest and financing charges significantly increased compared to the original estimate. Elbow River has now physically exited from the bio-diesel investment and by late second quarter and into the early third quarter should have collected all receivables and finalized all aspects of the bio-diesel business.

With respect to the previously-reported \$35.7 million in bad debt expense in 2008 related to the failure of Elbow River's former joint venture partner to pay Elbow River's share of joint venture proceeds, Elbow River continues to vigorously pursue its legal rights and claims in court to maximize its recovery with respect to these monies from its joint venture partner. In addition, on May 4, 2009, Elbow River initiated involuntary bankruptcy proceedings against its former joint venture partner, to obtain a proper and orderly distribution of the monies and other assets held by the former joint venture partner. This may provide Elbow River the ability to recover some funds while still pursuing its other legal options.

2. ENERGY - Oil & Gas Division

For the first quarter of 2009, the oil and gas division averaged sales of 3,300 BOED compared to 3,329 BOED in the first quarter of 2008. The production of the Trust was negatively impacted due to cold weather issues in January and February. The estimated production impact was 60 BOED for the first quarter of 2009. In comparison to 2008, oil and natural gas liquid sales for the first quarter of 2009 averaged 1,455 barrels per day down 8% while natural gas sales were up 6% to 11,069 mcf. The exit production rates for the first quarter of 2009 was 3,430 BOED.

Total gross revenue from petroleum and natural gas sales in the first quarter was \$12.7 million down 22% from \$16.3 million in the fourth quarter of 2008 due to both lower oil and natural gas pricing. The average price received for crude oil and natural gas liquids during the first quarter was \$50.72 per barrel after hedging representing a 13% decrease from fourth quarter 2008 average pricing of \$57.97 per barrel. Natural gas pricing for the first quarter of 2009 was \$6.09 per mcf versus \$7.18 per mcf in the fourth quarter of 2008 representing a decrease of 15%.

The total oil and gas operating expense in the first quarter of 2009 was \$5.3 million down 12% from the fourth quarter of 2008 despite prior period impacts from non-operated properties. The unit operating expense for the Trust was \$17.79 per boe for the first quarter of 2009. For the remainder of 2009, the Trust anticipates the operating costs to continue to decrease as a result of lower power costs and cost reduction initiatives across all operated properties. The remaining year forecast remains consistent at \$17.05 per boe for 2009.

The total first quarter net capital expenditure by the Trust was \$3.4 million. Capital activity in the first quarter of 2009 was highlighted by the drilling of a second 50% working interest operated horizontal Cadomin well in the Noel area of NE British Columbia. The well was completed in March 2009 and placed on production in the third week of March at gross rates of 4,600 mcf. Production rates for the well are expected to level out at 1,000 to 1,500 mcf in the first 8 months. For remainder of 2009, the Trust plans to participate in 9 gross (7.2 net) wells in Central and Southern Alberta and Noel B.C. The Trust will endeavour to balance the remaining development activity in 2009 between oil and gas opportunities and remains flexible on the timing of capital programs based on commodity pricing and the ability of the Trust to participate in the Alberta royalty drilling credit initiative. The capital programs are currently budgeted to be approximately \$11.0 million in 2009.

In addition to the development programs, the Trust undertook an asset acquisition and land sale initiative to strengthen the core area of Noel, British Columbia in the first quarter of 2009. As of April 22, 2009, the Trust has successfully completed the acquisition of assets from three area producers totalling 306 MBOE of proved plus probable producing reserves and associated undeveloped Cadomin mineral rights. Including the first quarter Crown land sales, the Trust purchased 6,510 net hectares of Cadomin rights in the Noel area. Total

acquisition and land sale costs were \$8.6 million resulting in acquisition metrics of \$10.13/BOE for proved plus probable reserves and \$837 per hectare for the undeveloped land. All totaled, the Trust now has interest in 11,530 gross hectares (39 gross gas spacing units) of Cadomin mineral rights in the Noel and Kelly Lake areas. Based on the Trust's experience in the area and offset development activity, the technical evaluation of the lands suggests the full development could result in 78 gross drilling locations (48 net locations with 36 at 100% working interest). To date, the Trust has participated in 5 gross wells (1.5 net wells) across the land base with a 100% success rate.

3. REAL ESTATE DIVISION

The Real Estate Division had net income for the quarter ended March 31, 2009 totalling \$0.1 million compared to a net loss of \$0.2 million for the quarter ended March 31, 2008. The increase is due to a full quarter of revenues from the Cineplex Theatre and increased revenues from two new KFC locations which were under construction during the same period last year. The increase is partially offset by the sale in 2008, of the Harris building and the Station Crossing building which contributed to the net income for the same period last year.

Funds from operations increased for the quarter ended March 31, 2009 to \$0.8 million compared to \$0.7 million for the quarter ended March 31, 2008. The increase is due to a full quarter of revenues from the Cineplex Theatre located in Red Deer and increased revenues from two new KFC locations in Wetaskawin and Spruce Grove which were under construction during the same period last year. The increase is partially offset by the sale of two properties, the Harris building located in Calgary and Station Crossing located in Fort Saskatchewan which contributed to the cash flow from operations for the same period last year.

All construction activity within the portfolio had been completed by the end of 2008 and at March 31, 2009 the portfolio was 100% occupied with all tenants paying full rent in accordance with budget projections.

Update on the Sale of the Portfolio

As reported in its yearend 2008 financial statements, the Trust made the decision to formally terminate the sale listing with their broker with respect to the selling of the remaining properties in the portfolio and retaining the properties as income producing assets. Moving forward, the Trust will still entertain offers received by their real estate advisors to purchase part or all of the portfolio.



AVENIR DIVERSIFIED INCOME TRUST

MANAGEMENT'S DISCUSSION AND ANALYSIS should be read in conjunction with the audited consolidated financial statements for the quarter ended March 31, 2009. This management discussion and analysis relates to events up to May 14, 2009.

Forward Looking Statements

Certain statements contained herein including, without limitation, financial and business prospects and financial outlook, the effect of government announcements, proposals and legislation, plans in its Oil and Gas Division regarding hedging, wells to be drilled, expected or anticipated production rates, timing of expected production increases, the weighting of production between different commodities, expected commodity prices, exchange rates, production expenses, transportation costs and other costs and expenses, maintenance of productive capacity and capital expenditures; plans in the Elbow River Marketing Limited Partnership ("Elbow River") business regarding plans for its ongoing Liquefied Petroleum Gas ("LPG") business and activities around the exit from marketing its bio-diesel product; plans in the Real Estate Division for the timing of selling assets and the nature of capital expenditures; and the timing and method of financing these businesses, may be forward looking statements. Words such as "may", "will", "should", "could", "anticipate", "believe", "expect", "intend", "plan", "potential", "continue", "targeted" and similar expressions may be used to identify these forward looking statements. These statements reflect management's current beliefs and are based on information currently available to management. Forward looking statements involve significant risk and uncertainties. A number of factors could cause actual results to differ materially from the results discussed in the forward looking statements including, but not limited to, risks associated with oil and gas exploration: development, exploitation, production, marketing and transportation, loss of markets, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risks, competition from other producers and the inability to retain drilling rigs and other services; risks associated with its Elbow River business including, but not limited to, counterparty risk in default, operational risks, hedging, access to credit, competitor risk, seasonality and impact of the global recession on overall economic activity; and risks associated with the Real Estate Division including, but not limited to the impact the overall economy has on valuations, future delinquencies, access to mortgages and impact on interest rates; as well as the risks associated with the Trust's incorrect assessment of the value of acquisitions, failure to realize the anticipated benefits of acquisitions, delays resulting from or inability to obtain required regulatory approvals and ability to access sufficient capital from internal and external sources and the risk factors outlined under "Risk Factors" and elsewhere herein. The recovery and reserve estimates of Avenir's reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. As a consequence, actual results may differ materially from those anticipated in the forward-looking statements.

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Non-GAAP Financial Measures

Funds from continuing operations, funds from continuing operations per unit, funds from operations, funds from operations per unit, net back and working capital (net debt) are not recognized measures under Canadian generally accepted accounting principles (GAAP). Funds from operations is calculated by taking cash provided by operating activities on the statement of cash flows adjusted for the effect of changes in non-cash working capital and asset retirement costs incurred. See page 10 for the quantitative reconciliation of funds from operations. Working capital (net debt) is calculated by taking current assets less current liabilities excluding balances relating to discontinued operations and adding back current portion of mortgages. Operating netbacks per BOE equal total petroleum and natural gas revenue net of transportation expenses and realized gains on commodity contracts per BOE less royalties per BOE and operating expenses per BOE. Operating netbacks as used in the MD&A do not have any standardized meaning under GAAP and therefore may not be comparable with the calculation of similar measures of other entities. Operating netbacks are a useful measure to compare the Trust's operations with those of its peers). Management believes that these measures are useful supplemental measures to analyze operating performance as they demonstrate the Trust's ability to generate the funds from operations necessary to fund future distributions and capital investments. The Trust's method of calculating these measures may differ from other issuers, and accordingly, they may not be comparable to measures used by other issuers. Investors should be cautioned that these measures should not be construed as an alternative to net income, cash flow from operating activities or other measures of financial performance calculated in accordance with GAAP. Distribution Payout Ratio is calculated by dividing the Distributions by the Funds from operations.

Comparative periods have been restated to conform to current period presentation – specifically relating to the reclassification of the Real Estate Division as assets held and used.

The Trust's strategy is to have both Energy and Non-Energy Divisions with multiple businesses in order to provide diversification of cash flows.

Outlook

The Trust continues to have a very strong balance sheet with approximately \$40.0 million in cash and working capital in its non-real estate divisions and undrawn credit lines of \$46.5 million in its Oil and Gas Division. The base Oil and Gas Division and Elbow River LPG marketing business continue to perform very well and generate solid cash flows to support distributions. The second and third quarters are traditionally the weakest quarters for the Elbow River LPG group and we are estimating that this year will be similar to the 2004-2007 years rather than the exceptional year it had in 2008 when we were able to take advantage of oilsands diluent demand. The Oil and Gas division continues to maintain production around the 3,300 BOE/day level with minimal capital expenditure requirements. Approximately 45% of the natural gas production is hedged through 2009 and into 2010 at greater than \$7.00 per GJ. The North East B.C. acquisitions provide a foundation for future growth and sets up multiple locations over the coming years.

Faced with continued weak oil and gas commodity prices and entering the slower summer season for the Elbow River LPG business, the decision was made to reduce distributions to a level sustainable at lower prices and at a level that protects the Trust's strong balance sheet position. We continue to target our 75%-80% annual payout ratio, with the summer months typically in a higher range than that offset by the stronger winter months.

Selected Quarterly Information

	Mar 31	Dec 31	Sept 30	Jun 30	Mar 31	Dec 31	Sept 30	Jun 30
<i>(in thousands of \$ except per unit amounts)</i>	2009	2008	2008	2008	2008	2007	2007	2007
Total Revenue	370,470	709,145	597,403	434,154	439,677	214,549	184,246	221,621
Net (Loss) Income from continuing operations	(7,621)	(96,103)	38,215	(28,907)	2,030	9,191	635	1,925
Net (Loss) Income from continuing operations per unit - basic	(0.18)	(2.28)	0.91	(0.69)	0.05	0.22	0.02	0.05
Net (Loss) Income	(7,621)	(96,067)	37,886	10,706	5,155	9,910	4,479	5,671
Net (Loss) Income per unit - basic	(0.18)	(2.28)	0.90	0.26	0.12	0.24	0.11	0.14
Funds (used in) from continuing ops	(10,056)	(34,160)	25,205	11,065	15,999	5,168	8,557	8,617
Funds (used in) from continuing operations per unit - basic	(0.24)	(0.81)	0.60	0.26	0.38	0.12	0.21	0.21
Funds (used in) from Operations	(10,056)	(34,160)	25,200	13,714	20,271	9,557	13,211	13,167
Funds (used in) from Operations per unit - basic	(0.24)	(0.81)	0.60	0.33	0.49	0.23	0.31	0.32
Monthly Distributions paid	10,452	10,486	10,466	10,442	10,432	10,429	10,422	10,413
Monthly Distributions per unit - basic	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Total Assets	393,964	522,228	799,009	666,632	654,658	597,776	533,739	526,536

Net Income

Net income for each of the Trust's business units are as follows:

<i>(in thousands of dollars)</i>	For the three months ended	
	Mar 31, 2009 \$	Mar 31, 2008 \$
Net Income (loss)		
Financial Services – Elbow River	(6,738)	1,934
Oil and Gas	(308)	2,011
Real Estate	74	(241)
Corporate	(649)	(1,674)
Net Income from continuing operations	(7,621)	2,030
Discontinued Ops. – EnerVest	--	3,125
Net Income	(7,621)	5,155

The Trust had a net loss for the quarter ended March 31, 2009 of \$7.6 million down 248% over the \$5.2 million in income recorded for the quarter ended March 31, 2008. Solid Oil and Gas operational performance and record Elbow River propane income were offset by the first quarter non-recurring Elbow River bio-diesel charge of \$21.1 million and lower oil and gas commodity prices.

1. Financial Services – Elbow River

Net loss for the quarter ended March 31, 2009 for the Financial Services Division – Elbow River was \$6.7 million versus net income of \$1.9 million for the quarter ended March 31, 2008. Elbow River's first quarter 2009's net income was impacted by the recognition of a first quarter bio-diesel product loss of \$21.1 million as it exited from marketing bio-diesel product. Product basis risk and foreign exchange losses associated with the final disposition of the bio-diesel inventory, together with higher storage, transportation, demurrage and legal costs, significantly increased the bio-diesel charge.

2. Energy - Oil & Gas Division

The Oil and Gas Division had a net loss of \$0.3 million for the first quarter ended March 31, 2009 versus net income of \$2.0 million for the quarter ended March 31, 2008. The difference is largely due to lower oil and gas commodity prices. Included in this is the recognition of a non-cash mark-to-market hedging loss on its financial instruments of \$0.8 million for the quarter ended March 31, 2009 compared to a loss of only \$0.3 million for the same period in 2008.

3. Real Estate Division

The Real Estate Division had net income for the first quarter ended March 31, 2009 of \$0.1 million compared to a net loss of \$0.2 million in the first quarter of 2008. The increase is due to a full quarter of revenues from the Cineplex Theatre located in Red Deer and increased revenues from two new KFC locations in Wetaskawin and Spruce Grove which were under construction during the same period last year. The increase is partially offset by the sale of two properties in 2008, the Harris building located in Calgary and Station Crossing located in Fort Saskatchewan which contributed to the net income for the same period last year.

Funds from Operations

(in thousands of dollars)	For the three months ended	
	Mar 31, 2009	Mar 31, 2008
	\$	\$
Funds (used in) from Operations		
Financial Services – Elbow River	(15,804)	9,025
Oil and Gas	4,847	7,563
Real Estate	762	663
Corporate	139	(1,252)
Funds (used in) from continuing operations	(10,056)	15,999
Discontinued Ops. – EnerVest	--	4,272
Funds (used in) from Operations	(10,056)	20,271

Funds used in operations for the quarter ended March 31, 2009 were \$10.1 million down 150% from the \$20.3 million generated from operations in 2008. The solid operational results in the Oil and Gas Division and based Elbow River LPG business were more than offset by the first quarter 2009 impact of the recognition of \$26.1 million loss from the exit of marketing the biodiesel product. Within the Elbow River business, the base LPG and ethanol group recorded results of \$10.3 million on solid butane and condensate sales throughout the quarter and record propane sales, however bio-diesel incurred a negative funds from continuing operations of \$26.1 million. Excluding the non-recurring bio-diesel exit losses, the funds from operations was \$16.1 million for the first quarter.

Cash Distributions

i. Cash Distribution Policy

The amount of cash available for distribution is proposed by management and approved by the Board of Directors. Distribution levels are continually assessed with respect to forecasted funds from operations, debt levels and capital spending plans. Variations in economic factors, operational performance, levels of taxation, capital market interest and government regulatory changes all impact each of the Trust's operating divisions and their ability to fund distributions. That said the Trust believes that its diversification model across multiple business lines including Oil and Gas, Financial Services – Elbow River, and Real Estate, provide additional distribution support by balancing risk across a portfolio of business sectors. The level of cash withheld can vary and is dependent upon numerous factors. Although the Trust intends to continue to make cash distributions to unitholders, these distributions are not guaranteed.

ii. Regular Monthly Cash Distributions

The Trust distributed \$10.5 million or \$0.25 per unit in regular monthly distributions for quarter ended March 31, 2009. On a per unit basis this was consistent with the prior quarter's distributions of \$10.4 million or \$0.25 per unit.

iii. Distribution Discussion

For the quarter ended March 31, 2009, cash provided by operating activities was \$87.1 million compared to the \$10.5 million of monthly cash distributions paid, as cash collected on the exit from the bio-diesel product sale was used to off-set the non-recurring bio-diesel losses in the quarter. Effectively cash from the EnerVest sale was allocated to bio-diesel funding and additional bank lines were put in place to support the working capital requirements of the bio-diesel program and in the first quarter, the working capital was reduced in line with the exit from the marketing of bio-diesel product. As such, when comparing the distributions declared to the cash flow from operating activities it would be possible to be in a shortfall or an excess position largely depending on the changes in non-cash working capital. Changes in non-cash working capital are funded by or from available cash, or bank facilities and all monthly distributions declared are funded by the cash flow of the Trust. Changes in non-cash working capital vary based on seasonality, timing of development activities and from debt used in our operating activities.

The Trust manages its distributions based on the funds from operation of its core businesses of Oil and Gas, LPG marketing and Real Estate. In determining the monthly distributions, the losses on the exit from the bio-diesel investment were funded from the working capital and gains on the sale of the EnerVest assets. In effect, the EnerVest gain supported the bio-diesel investment. For the quarter ended March 31, 2009, monthly cash distributions of \$10.5 million exceeded the net loss of \$7.6 million by \$18.1 million largely due to the impact of the \$21.1 million in bio-diesel losses associated with the exit from marketing this product and the Trust's various non-cash expenses. Distributions typically exceed net income as a result of non-cash expenses such as unrealized gains or losses on financial instruments, non-cash impairments, depletion, depreciation and amortization, accretion, future income tax expense, and stock-based compensation. These non-cash expenses result in a reduction to net income, with no impact to cash flow from operating activities. Accordingly, we expect that distributions will exceed net income in most periods. In assessing the level of monthly distributions to be paid to the Unitholders the Trust will review the cash provided by operating activities prior to the adjustment for non-cash working capital and asset retirement costs incurred during the period, which is referred to as Funds from Operations. The Trust's policy is to target to distribute approximately 75% to 80% of total Funds from operations.

As noted above, the Trust's distribution policy is to target paying our 75% to 80% of funds from operations (see reconciliation table below). For the period ended March 31, 2009 monthly cash distributions of \$10.5 million exceeded the \$10.1 million funds used in operations. The difference between the funds from operations and the cash distributions paid out is generally reinvested back into the businesses for internally generated growth and to maintain oil and gas production levels. In this quarter, due to the loss on the wind-up of the bio-diesel product sales, funds have effectively been provided out of the proceeds on the sale of the EnerVest Management contract. Excluding the impact of the bio-diesel loss, quarterly funds from operations would have been \$16.1 million for a 65% payout ratio of funds from operations in line with our target.

iv. Distributable Cash from Operations

Distributable cash from operations is not a measure under GAAP and there is no standard measure of distributable cash from operations. Distributable cash from operations, as presented, may not be comparable to similar measures presented by other trusts.

Distributable cash from operations for the three months ended March 31, 2009 are calculated as follows:

(in thousands of dollars)	For the three months ended	
	Mar 31, 2009 \$	Mar 31, 2008 \$
Cash provided by (used in) operating activities	87,930	(14,304)
Settlement of asset retirement obligations	121	146
Changes in non-cash working capital relating to operating activities	(98,107)	34,429
Funds (used in) from operations	(10,056)	20,271
Cash (available) used to fund distributions, capital expenditures or growth	20,508	(9,839)
Distributable cash from operations	10,452	10,432
Cash distributions declared and payable	3,479	3,478
Cash distributions paid in period	6,973	6,954
Accumulated cash distributions paid and payable for the period	10,452	10,432

v. Cash Distributions Declared

Cash distributions declared per Trust unit issued and outstanding for the period were as follows:

Period covered	Date of Distribution	Per Unit \$
January 1, 2009 to January 31, 2009	16/02/2009	0.083
February 1, 2009 to February 28, 2009	16/03/2009	0.083
March 1, 2009 to March 31, 2009	15/04/2009	0.083

Revenue & Operating Expenses

1. FINANCIAL SERVICES DIVISION – Elbow River

(in thousands of dollars)	For the quarter ended March 31, 2009	For the quarter ended March 31, 2008
Revenue	357,817	423,726
Operating Costs	356,074	415,715
Net Operating Income (loss)	1,743	8,011

i. Revenue

The Trust recognized revenue in the Elbow River business of \$357.8 million for the quarter ended March 31, 2009 down 16% over the quarter ended March 31, 2008 of \$423.7 million reflecting the exit of the international bio-diesel business. Elbow River is a high revenue low margin brokerage marketing business. Revenue was also affected by high sales prices of the Elbow River underlying natural gas liquids and bio-diesel products sold, which were at high levels throughout the first quarter of 2008. The revenue included an unrealized gain on financial instruments of \$6.1 million in the first quarter of 2009 compared to an unrealized loss of \$7.0 in the first quarter of 2008.

ii. Operating Costs

The Trust's operating costs for Elbow River for the quarter ended March 31, 2009 were \$356.1 million compared to \$415.7 million for the quarter ended March 31, 2008. The decrease in operating costs is largely due to a corresponding decrease in the costs of goods sold with the decreased product prices in Elbow River's revenue stream. Off-setting this is the non-recurring costs associated with the wind-up of the bio-diesel investment that were charged to cost of goods sold.

2. OIL AND GAS DIVISION

OIL & GAS OPERATIONS	For the three months ended March 31		
	2009	2008	% Change
Production			
Oil and NGL's – bbls per day	1,455	1,596	(9)%
Gas – Mcf per day	11,069	10,397	6%
Total BOE ³ per day	3,300	3,329	(1)%
Average Pricing			
Oil & NGL (\$/Bbl) before hedging	\$40.73	\$80.14	(49)%
Oil & NGL (\$/Bbl) after hedging	\$50.72	\$71.36	(29)%
Natural Gas (\$/Mcf)	\$6.09	\$7.53	(19)%
Average Price Per BOE ³ before hedging	\$37.40	\$61.00	(39)%
Average Price Per BOE ³ after hedging	\$41.82	\$56.80	(26)%

i. Revenue and Production

For the quarter ended March 31, 2009, oil and gas gross revenue totaled \$12.7 million compared to \$17.5 million for the same period in 2008 and \$16.3 million in the fourth quarter of 2008. This decrease can be attributable in most part to the 26% decrease in realized after hedge oil and gas pricing during the first quarter of 2009. Transportation costs for the quarter ended March 31, 2009 were \$0.3 million matching the transportation costs for the quarter ended March 31, 2008.

Revenue from petroleum and natural gas sales (net of royalties and unrealized losses on financial instruments) for the quarter ended March 31, 2009 was \$10.6 million down 25% compared to \$14.1 million for the same period in 2008 as a result of lower oil and natural gas pricing. The average price received for petroleum and natural gas sales during the quarter ended March 31, 2009 was \$41.82 per BOE a decrease of 26% versus \$56.80 per BOE received in Q1 of 2008. The average price received for crude oil and natural gas liquids during the first quarter of 2009 was \$50.72 per barrel representing a decrease of 29% over the \$71.36 per barrel received for the same period of 2008. Natural gas pricing for the quarter ended March 31, 2009 was \$6.09 per mcf down 19% versus \$7.53 per mcf for first quarter of 2008.

The Trust's Oil and Gas Division hedges a portion of its production to add stability to its distributions, to guard against fluctuations in commodity prices and to support acquisition economics. As a result, the Trust recorded a hedging gain of \$1.3 million for the quarter ended March 31, 2009 versus a \$1.3 million loss for the first quarter of 2008. In addition, the accounting treatment of oil and gas swap transactions requires the Trust to recognize an unrealized loss of \$0.8 million for the change in the mark-to-market position on existing contracts at March 31, 2009 versus an unrealized loss of \$0.3 million at March 31, 2008 and an unrealized gain of \$3.0 million for the change in mark-to-market position for the fourth quarter of 2008.

Average daily sales volume for the quarter ended March 31, 2009 was 3,300 BOE per day down 1% compared with the first quarter 2008 sales volume of 3,329 BOE per day. Oil and natural gas liquids were down 9% in the first quarter of 2009 at 1,455 bbls per day as compared to 1,596 bbls per day for the quarter ended March 31, 2008. Natural gas production in the quarter ended March 31, 2009 was up 6% from the first quarter of 2008 at 11,069 mcf per day versus 10,397 mcf per day primarily due to an increase in its Noel core area.

ii. Royalties

The Trust's oil and gas royalty costs for the quarter ended March 31, 2009 was \$1.1 million or 10% of revenue compared to \$2.8 million or 15% of revenue for the same period in 2008 due to lower oil and natural gas pricing, increased gas cost allowance as well as the positive impacts from the new Alberta royalty framework effective for 2009. On a BOE basis, royalty costs averaged \$3.63 per BOE for the first quarter of 2009, which is down 61% over the 2008 same period cost of \$9.37 per BOE.

iii. Operating Expenses

The Trust's operating costs for the quarter ended March 31, 2009 were \$5.3 million or \$17.79 per BOE up 9% compared to \$4.9 million or \$16.01 per BOE for the quarter ended March 31, 2008 due mostly to \$0.3 million in non-operated prior period charges for processing expenses not previously recognized. On a total cost basis, the first quarter of 2009 was 12% lower than the fourth quarter 2008 operating costs of \$6.0 million while the per BOE cost decreased from \$18.18 to \$17.79 despite lower volumes in Q1 2009 and a \$0.78 per BOE impact from the prior period adjustments.

iv. Netbacks

	2009	2008			
	Q1	Q4	Q3	Q2	Q1
	\$/BOE	\$/BOE	\$/BOE	\$/BOE	\$/BOE
Gross revenue after hedging	41.82	48.61	69.66	68.93	58.60
Royalties	3.63	6.49	11.84	10.87	9.37
Operating costs	17.79	18.18	18.09	16.88	16.01
Operating netback	20.40	23.94	39.73	41.18	31.42

3. REAL ESTATE DIVISION

i. Revenue

The revenue from the Real Estate business unit for the quarter ended March 31, 2009 was \$1.6 million compared to \$1.9 million for the quarter ended 2008 down 18%. The decrease is primarily due to the 2008 sale of two properties offsetting increased revenues from the Cineplex building and two additional KFC locations built in 2008. Currently the Real Estate portfolio is 100% leased.

ii. Operating Costs

The Trust's operating costs for the Real Estate Division for the quarter ended March 31, 2009 were \$0.2 million compared to \$0.4 million for the quarter ended March 31, 2008. The decrease in operating costs in the first quarter 2009 compared to the same period in the previous quarter is a result of the sale of two properties the Harris building located in Calgary and Station Crossing located in Fort Saskatchewan in the latter half of 2008.

iii. Interest on long-term debt and Mortgages

Total mortgage interest for the quarter ended March 31, 2009 was \$0.5 million compared to \$0.5 million in 2008. There was minimal change in the interest expense as the interest saved on the sale of the Harris and Station properties in 2008 was offset by the interest payments for a full quarter in 2009 for the Cineplex property.

March 31, 2009			
<i>(in thousands of dollars)</i>	Interest Rate	Maturity	\$
Sunbelt	4.30%	Jan 1/10	4,597
Magee	5.73%	Oct 31/09	3,539
Snidercroft	5.70%	Aug 1/14	3,068
KFC	5.96%	Aug 1/11	7,705
KFC	5.90%	Mar 1/12	1,844
Landmark	3.81%	Nov 1/11	10,082
Cineplex	5.25%	Mar 31/10	7,619
			38,454
Current portion of mortgages			(16,343)
Long-term portion of mortgages			22,111

Mortgages were renewed on the Sunbelt and Cineplex buildings during the quarter.

General and Administrative Expenses

General and administrative (“G&A”) expenses for the quarter ended March 31, 2009 were \$6.2 million (which includes corporate costs of \$0.7 million) compared to \$8.0 million for the quarter ended March 31, 2008 (which includes corporate costs of \$1.7 million). The majority of the corporate costs represent stock based compensation expense relating to all divisions of the Trust for the period. G&A expenses for the quarter ended March 31, 2009 for the respective business units were: \$4.1 million for Financial Services – Elbow River (\$4.8 million in 2008); \$1.1 million for Oil and Gas (\$1.2 million in 2008); and \$0.3 million for Real Estate (\$0.2 million in 2008). The decrease in G&A expense is the result of lower Elbow River employee incentive costs in the first quarter and the reduction in staffing requirements in Elbow River due to the exit from marketing bio-diesel in 2008.

Bad Debt Expense

There was no additional bad debt expense recognized as the Trust continued to exit from marketing bio-diesel products in the first quarter. The Trust continues to pursue all legal avenues available to recover the large bad debt from a joint venture bio-diesel partner as reported in the Trust’s 2008 yearend report. Legal remedies continue in an effort to recover the monies owed Elbow River. On May 4, 2009, Elbow River initiated the process to have the joint venture partner placed into involuntary bankruptcy to obtain a proper and orderly distribution of monies and other assets held by the former partner.

Foreign Exchange Expense

The large increase in the foreign exchange expense from a gain of \$0.6 million for the quarter ended March 31, 2008 to a loss of \$3.6 million for the quarter ended March 31, 2009, relates mainly to the exit from marketing bio-diesel product in Elbow River. Foreign exchange losses were recorded, as the Canadian dollar fell against the US dollar.

Interest and Bank Fees

Interest expense and bank fees were \$0.7 million for the quarter ended March 31, 2009 compared to \$2.2 million for the quarter ended March 31, 2008. Interest expense for the first quarter of 2009 includes bank fees of \$0.04 million compared to fees of \$0.04 million in 2008. For the quarter ended March 31, 2009, the Financial Services Division accounted for \$0.6 million of interest expense, the majority of which relates to the outstanding balance on the banking facilities for Elbow, and the Oil and Gas Division accounted for \$0.03 million of the interest expense. The decrease in interest expense is a result of lower debt levels in both the Oil and Gas Division and Elbow River in the first quarter of 2009 compared to debt levels in the first quarter of 2008.

Depletion, Depreciation and Amortization

The provision for depletion, depreciation and amortization was \$6.3 million for the quarter ended March 31, 2009 compared to \$6.4 million for the quarter ended March 31, 2008. The Trust’s depletion and depreciation rate in its Oil and Gas Division was \$18.57 per BOE down from the \$19.39 per BOE rate in the first quarter of 2008. The Oil and Gas depletion rate reflects lower finding and development costs during 2008 and the first quarter of 2009. For the quarter ended, \$0.2 million for amortization of the intangibles related to the Financial Services Division, \$5.6 million of the depletion and depreciation cost was on oil and gas assets and \$0.5 million of amortization relating to the real estate properties.

Asset Retirement Obligations

The total future asset retirement obligation was estimated by management based on the Trust's net ownership interest in all wells and facilities, estimated costs to reclaim and abandon the wells and facilities and the estimated timing of the costs to be incurred in future periods. Given increasing costs, environmental and regulatory requirements in the oil and gas industry, the Trust undertook a detailed property review to better determine future abandonment and reclamation obligations. The Trust has estimated the net present value of its total asset retirement obligations to be \$15.0 million as at March 31, 2009 based on a total future liability of \$68.2 million. These figures compare to \$15.0 million at December 31, 2008 with a total future liability of \$68.8 million.

The majority of these payments are expected to be made by 2030. The Trust's credit adjusted risk free rate ranging from 8.5% to 10.0% and an inflation rate of 2% were used to calculate the present value of the asset retirement obligation.

Income Taxes

The Trust is a taxable entity under the Income Tax Act (Canada) and, until 2011, is taxable only on income that is not distributed or distributable to the unitholders. As the Trust allocates all of its Canadian taxable income to the unitholders in accordance with the Trust Indenture, and meets the requirements of the Income Tax Act (Canada) applicable to the Trust, no current tax provision for Canadian income tax expense has been incurred by the Trust. Provincial capital taxes are provided for under capital tax expense.

While the Trust believes it will be subject to additional tax under the new legislation, the estimated effective rate on temporary difference reversals after 2011 may change in future periods. As the legislation is new, future technical interpretations could occur and could materially affect management's estimate of the future tax liability.

The future income tax recovery totaled \$1.1 million for the first quarter ended March 31, 2009, compared to a recovery of \$0.3 million for the three months ended March 31, 2008. The future income tax recovery for the quarter was largely the result of rate changes that were enacted for the first quarter of 2009. Capital tax expense was \$0.1 million for the first quarter of 2009, reflecting the resource surcharge on Saskatchewan properties and Ontario capital taxes relating to the real estate properties owned in Ontario.

Risk Management and Financial Instruments

	2009 \$
<i>(in thousands of dollars)</i>	
Risk management asset (liability), January 1,	(294)
Change in mark-to-market for hedges not qualifying for hedge accounting – oil & gas (i)	(758)
Change in mark-to-market for hedges not qualifying for hedge accounting – Elbow River (ii)	6,134
Change in mark-to-market of cash flow hedge contracts – Elbow River (iii)	(478)
Net risk management asset, March 31,	4,604
Reclassified to risk management asset, March 31,	(11,685)
Risk management liability, March 31,	(7,081)

Fair values of commodity and foreign exchange derivatives are based on pricing models using forward curves as at March 31, 2009.

(i) The Trust has the following forward contracts outstanding as at March 31, 2009 relating to its Oil and Gas Division:

- A fixed price AECO swap for the period November 1, 2008 to October 31, 2009 on 1,000 gigajoules/day of natural gas with a price of \$8.26 CDN/gigajoules.
- A fixed price WTI collar for the period August 1, 2008 to July 31, 2009 on 200 barrels/day of crude oil with a floor price of \$90.00 US/Bbl and a ceiling price of \$113.10 US/Bbl.

- A fixed price AECO swap for the period April 1, 2010 to March 31, 2011 on 1,000 gigajoules/day of natural gas with a price of \$8.25 CDN/gigajoules.
- A fixed price WTI swap for the period March 1, 2009 to December 31, 2009 on 200 barrels/day of crude oil with a price of \$60.35 CDN/Bbl.
- A fixed price WTI swap for the period April 1, 2009 to April 30, 2009 on 200 barrels/day of crude oil with a price of \$51.75 CDN/Bbl.
- A fixed price WTI swap for the period May 1, 2009 to May 31, 2009 on 200 barrels/day of crude oil with a price of \$58.50 CDN/Bbl.

The mark-to-market value of these contracts as at March 31, 2009 was a risk management asset of \$2.1 million (December 31, 2008 – a risk management asset of \$2.9 million), resulting in the recognition of an unrealized loss on the income statement for the three months ended March 31, 2009 of \$0.8 million (three months ended March 31, 2008 - \$0.3 million).

- (ii) Elbow River sells natural gas liquids, ethanol, diesel, and asphalt product in the United States, Canada and overseas, giving rise to significant exposure to market risks from foreign exchange rates and commodity price changes. The Trust uses derivative financial instruments to reduce risks including foreign exchange and commodities hedging contracts. These financial instruments are subject to normal credit standards, financial controls, risk management and monitoring procedures. The commodity hedge contracts are entered into for the following commodities: butane, propane, natural gasoline, and ethanol.

At December 31, 2008, Management determined that the documentation and effectiveness measures for hedge accounting had not been met from April 1, 2008 onward. As a result the unrealized loss of \$4.0 million relating to these contracts as at April 1, 2008 will remain in other comprehensive income until the hedged items relating to these commodity hedge contracts are settled. The change in the fair value of an unrealized gain of \$9.0 million from January 1, 2009 to March 31, 2009 has been recognized in earnings for the quarter.

The following tables detail those transactions in Elbow River that do not qualify for hedge accounting, which resulted in a risk management asset of \$7.8 million (December 31, 2008 – a risk management asset of \$1.7 million), resulting in the recognition of an unrealized gain on the income statement for the quarter ended March 31, 2009 of \$6.1 million (quarter ended March 31, 2008 - \$7.0 million).

Commodities hedging contracts:			March 31, 2009
Settlement dates	Average Monthly Volume (bbl)	Prices \$(/bbl)	Unrealized gain (loss) \$
April – June 2009	629,991	25.62 – 82.30	3,467,444
July – September 2009	599,933	34.30 – 82.30	1,001,181
October – December 2009	610,810	28.77 – 82.30	424,696
January – March 2010	611,026	29.40 – 83.20	(930,787)
			<u>3,962,534</u>
		Exchange rate	1.2602
		Total CDN dollars	4,993,586
		Amount recorded as Other Comprehensive Loss	3,979,467
		Amount recorded in Unrealized Gain on Financial Instruments	<u>8,973,053</u>

Forward exchange contracts:			March 31, 2009
Term Due	Amount \$	Forward Rates CDN \$	Unrealized gain (loss) \$
April 2009	10,900,000	1.2791 – 1.2792	208,020
May 2009	45,000,000	1.2171 – 1.2789	(1,387,536)
Total US dollars	55,900,000		<u>(1,179,516)</u>
Exchange Rate	1.2602		
Total CDN dollars	70,445,180		

(iii) The following table details those transactions that qualify for hedge accounting that are outstanding giving rise to a risk management liability of \$1.3 million (December 31, 2008 – a risk management asset of \$0.2 million), resulting in the recognition of a comprehensive loss of \$1.5 million when compared to the December 31, 2008 mark-to-market. Also included in other comprehensive income for the quarter ended March 31, 2009 is an unrealized gain of \$1.0 million relating to the change in the fair value from December 31, 2008 to March 31, 2009 of commodity hedge contracts as at April 1, 2008 as described above. As such this amount will remain in other comprehensive income until such time as the foreign exchange hedges are settled. This brings the total amount of other comprehensive loss for the quarter to \$0.5 million (three months ended March 31, 2008 - \$8.4 million).

Forward exchange contracts:			March 31, 2009
Term Due	Amount \$	Forward Rates CDN \$	Unrealized loss \$
April – June 2009	7,929,550	1.2148 – 1.2783	(344,297)
July – September 2009	3,766,550	1.2133 – 1.2764	(303,023)
October – December 2009	3,436,550	1.2116 – 1.2735	(310,934)
January – April 2010	4,427,550	1.2096 – 1.2705	(347,462)
Total US dollars	19,560,200		(1,305,716)
Exchange Rate	1.2602		
Total CDN dollars	24,649,764		

Liquidity and Debt

In relation to its Oil and Gas Division, as at March 31, 2009, the Trust had available a combined revolving demand facility with a major Canadian bank in the amount of \$46.5 million bearing interest ranging from prime to prime plus one percent depending on the debt to cash flow ratio of the Oil and Gas Division (as defined by the banking agreement). The revolving demand facility is collateralized by a floating charge debenture over all of the Trust's assets. In addition, the Trust has a development facility in the amount of \$5.0 million, bearing interest ranging from prime plus one-quarter of one percent to prime plus one and one-quarter percent.

As at March 31, 2009, \$nil was drawn on the revolving demand facility and \$nil was drawn on the development facility. The Oil & Gas Division was in compliance with all its banking covenants as at March 31, 2009.

In relation to Elbow River Marketing Limited Partnership ("Elbow River"), the Trust has a demand revolving loan facility with a Canadian bank in the amount of \$70.0 million bearing interest at bank prime rate plus 0.4% or US bank base rate plus 0.4%. These facilities are collateralized by a charge over all of Elbow River's assets. As at March 31, 2009 \$29.3 million was drawn on the demand loan facilities. Elbow River was in compliance with all its banking covenants as at March 31, 2009.

The average effective interest rate on borrowings under the above lines for the three months ended March 31, 2009, including service fees, was 4.98% (three months ended March 31, 2008 – 6.19%).

As at March 31, 2009, the Trust had 13 letters of credit outstanding in the aggregate amount of \$5.7 million. The letters of credit reduce the amount available to be drawn on the related demand facilities. In addition Elbow River had 18 bonds outstanding in the aggregate amount of \$2.2 million which do not reduce the availability of Elbow's demand facility.

To provide the Elbow River with additional credit on natural gas liquids inventory purchases, the Trust has guarantees to third parties for a maximum of \$204.4 million. These guarantees, provided by the Trust to third party counterparties of Elbow River, require the Trust to be responsible for inventory settlements if Elbow River was unable to do so. The Trust has no specific assets pledged and the amounts exposed against the total outstanding guarantees will vary depending on the transactions in place at a specific point in time. During the second quarter of 2009 the amount of parental guarantees will be reduced by \$36.0 million.

<i>(in thousands of dollars)</i>	Payments due by period			
	Total	Less than 1 year	1 – 3 year	4+ year
Mortgages	38,454	16,343	19,433	2,678
Lease Commitments	13,526	4,904	7,335	1,287
Total Contractual Obligations	51,980	21,247	26,768	3,965

Ongoing operations and capital expenditures will be managed by funds from operations and the availability of the Trust's current revolving demand facility and proposed future financings.

Investment and Capital Expenditures

<i>(in thousands of dollars)</i>	March 31, 2009 \$	March 31, 2008 \$
Financial Services		
Financial services development expenditures	--	5
Proceeds received on sale of financial service assets	(604)	--
Sub-Total	(604)	5
Oil and Gas		
Land	72	72
Drilling	1,881	2,746
Production equipment and facilities	1,429	944
Other	5	146
Oil and gas property acquisitions	3,473	30
Proceeds received on oil and gas property dispositions	(406)	--
Sub-Total	6,454	3,938
Real Estate		
Real estate acquisitions	--	--
Real estate development expenditures	12	1,550
Proceeds received on real estate property dispositions	--	--
Sub-Total	12	1,550
Other assets	3	3
Net capital expenditures	5,865	5,493

Contractual Obligations

The Trust enters into fixed price contracts for the physical delivery of commodities and the purchase of power. These contracts are in the normal course of business and are not intended to be settled for net cash payment. As such, these contracts are not recognized in the financial statement and future revenues and costs are recognized as earned over the term of the contract.

At March 31, 2009, the following contracts were outstanding with respect to the physical deliveries of oil and gas product:

- A physical fixed price sale for the period April 1, 2009 to March 31, 2010 on 2,000 gigajoules/day of gas at a price of \$7.92 CDN/gigajoule.
- A physical fixed price sale for the period January 1, 2009 to December 31, 2010 on 1,000 gigajoules/day of gas at a price of \$7.95 CDN/gigajoule.
- A physical fixed price sale for the period February 1, 2009 to March 31, 2011 on 1,000 gigajoules/day of gas at a price of \$6.79 CDN/gigajoule.

The mark-to-market value of these contracts as at March 31, 2009 was an unrealized gain of \$4.8 million.

At March 31, 2009, the following contracts were outstanding with respect to the physical purchase of power:

- A physical fixed price purchase of electrical power for the period January 1, 2009 to June 30, 2009 of 2.0 megawatts per month at a price of \$74.99/megawatt hour.

- A physical fixed price purchase of electrical power for the period January 1, 2009 to December 31, 2009 of 1.0 megawatts per month at a price of \$79.84/megawatt hour.
- A physical fixed purchase of electrical power for the period July 1, 2009 to December 31, 2010 of 2.0 megawatts per month at a price of \$67.72/megawatt hour.
- A physical fixed purchase of electrical power for the period January 1, 2010 to December 31, 2011 of 1.0 megawatts per month at a price of \$67.86/megawatt hour.

The mark-to-market value of these contracts as at March 31, 2009 was an unrealized loss of \$0.4 million.

The Trust has various long-term lease commitments with respect to its premises, equipment and rail car leases with terms ranging from one to nine quarters.

The payments over the remaining terms of these lease agreements are as follows:

	\$ (in thousands of dollars)
2009	3,929
2010	3,899
2011	2,882
2012	1,529
2013	344
2014 and thereafter	943
Total	13,526

The Trust indemnifies its directors and officers who are serving at the Trust's request in such capacities. These costs have not been material to the Trust's financial position, operations, or cash flows. The Trust has acquired and maintains liability insurance for its directors and officers.

Unitholders' Capital

Trust Units	Number of Units	Amount \$ (in thousands of dollars)
Balance December 31, 2008	42,100,796	422,017
Units issued on exercise of stock options	2,666	15
Units repurchased & cancelled – Normal Course Issuer Bid	(190,200)	(1,907)
Balance March 31, 2009	41,913,262	420,125

For the first quarter ended March 31, 2009 the Trust had weighted average trust units outstanding of 41,911,633. The diluted per unit amount was calculated assuming the exercise of outstanding in-the-money options resulting in weighted average trust units outstanding of 42,116,895 for the first quarter ended March 31, 2009. As at March 31, 2009 the total units outstanding for the Trust were 41,913,262. At March 31, 2009 there were 2,659,000 in anti-dilutive options that were not part of the dilutive per unit calculation. Earnings per share from continuing operations for 2009 did not include the dilution adjustment as there was a loss for the quarter.

As at March 31, 2009, the Trust had a total of 2,978,835 options which represents 71% of the options available for issuance.

Related Party Transactions

During the quarter ended March 31, 2009, the Trust paid \$0.05 million (March 31, 2008 - \$0.05 million) to Avenir Capital Corporation ("Avenir"), a significant unitholder of the Trust for rent, administration and advisory services. Included in accounts payable as at March 31, 2009 is \$0.02 million (December 31, 2008 - \$0.02 million) owing to Avenir relating to administration and advisory services.

During the quarter ended March 31, 2009, the Trust incurred marketing fees of \$0.02 million (March 31, 2008 - \$0.02 million) payable to a company with a shareholder who is also a director of the Trust. Of this balance, \$0.02 million is included in accounts payable and accrued liabilities as at March 31, 2009 (December 31, 2008 - \$0.02 million).

During the quarter ended March 31, 2009, the Trust incurred fees relating to its Real Estate Division for management of properties, acquisitions, divestitures and mortgage financing of \$0.1 million (March 31, 2008 - \$0.1 million) payable to a company with a shareholder who is also a director of the Trust.

In the normal course of joint venture activities, the Trust's Oil and Gas Division from time to time engages in business transactions with companies having directors in common with the Trust.

Financial Risks

Cash Distributions to Unitholders are Dependent on the Performance of the Trust

Distributable cash generally refers to the net cash received by the Trust that is available for payment to Unitholders on a monthly basis. The Trust is entirely dependent upon the operations and assets of its Divisions to make cash distributions to Unitholders.

There is no assurance regarding the amounts of cash to be distributed by the Trust or generated by the Trust and therefore, the funds available for distribution to Unitholders. The actual amount distributed will depend on a variety of factors, including without limitation, oil and gas commodity prices, the performance of each operating business, the effect of acquisitions or dispositions on the Trust, and other factors that may be beyond the control of the Trust. In the event significant sustaining capital expenditures are required or the profitability of the Trust declines, there would be a decrease in the amount of cash available for distribution to Unitholders and such decrease could be material.

The Trust's distribution policy is subject to change at the discretion of the board of directors of the Administrator of the Trust.

Fair values of financial assets and liabilities

The Trust's financial instruments consist of cash, accounts receivable, marketable securities, risk management assets (liabilities), bank indebtedness, accounts payable and accrued liabilities, distributions payable, notes payable, and assets and liabilities of assets held for sale. Unless otherwise noted, as at March 31, 2009, there were no significant differences between the carrying amounts of these financial instruments and their estimated fair values.

Marketable securities are classified as available for sale and at March 31, 2009, recorded as permanently re-valued at a fair value of \$18 thousand. The decrease in the market value of the investments of \$2 thousand for the quarter ended March 31, 2009 has been included on the income statement.

Borrowings under bank credit facilities are revolving in nature and are market rate based, thus, carrying value approximates fair value. The fair values of the promissory notes are derived from third party indications which consider these notes payable as subordinated mezzanine level debt in determining the fair value. This fair value approximates the carrying values. The mortgages are for varying lengths and carry interest rates in line with the market terms agreed to when the mortgages were entered into. The fair value of the mortgages reflect the discounted present value of the principal and interest payments using the effective yield for instruments having the same term and risk characteristics. The fair value of the Trust's mortgages at March 31, 2009 was \$38.3 million (December 31, 2008 - \$38.6 million), while the carrying value was \$38.5 million (December 31, 2008 - \$38.7 million).

Risk management assets and liabilities are recorded at their estimated fair values based on discounted cash flow analysis using current market rates, forward pricing curves, implied volatility and option pricing models. The results are compared to confirmations from third counterparties for reasonability.

Credit risk

The Trust's financial instruments exposed to credit risk consist primarily of trade accounts receivable and risk management assets (liabilities). The trade receivables are from the Trust's Oil & Gas Division and Elbow River. The oil and gas trade receivables are dependent upon the strength of the North American energy complex and specifically the petroleum industry. Elbow River is also exposed to additional risk with international and overseas counterparts relating to biofuel revenues wherein additional due diligence and documentary letters of credit are undertaken. Management routinely assesses the financial strength of partners and customers, and monitors the exposure for credit losses. At March 31, 2009, the Trust had an allowance for doubtful accounts relating to its Oil and Gas Division receivable balance of \$0.7 million and Elbow River has an allowance for doubtful accounts of \$37.0 million, the two amounts representing 36% of the Trust's accounts receivables.

The increase in the allowance in the Oil and Gas Division is the result of a purchaser of a small portion of the Oil and Gas Division's production, filing for protection under the Companies Creditor Arrangement Act or CCAA on July 22, 2008. As a result, the Trust's total exposure of approximately \$0.5 million for production proceeds for the period from June 1, 2008 to July 21, 2008, was recorded as an allowance for doubtful accounts as at March 31, 2009. The Trust is registered as a creditor under the CCAA proceedings and may eventually be able to collect some portion of the amounts owing. The Trust believes it has no additional exposure to this counterparty as all production purchases were reallocated to another counterparty effective July 22, 2008 as allowed by the court orders.

The allowance in Elbow River is for doubtful bio-diesel joint venture partner receivables. In Mid March 2009, Elbow River was advised by this joint venture partner that they would be unable to pay to Elbow River its proportionate share owing under their "memorandum of understanding". Elbow River has taken legal actions against the joint venture partner, its equity investor and its secured bank, claiming return of funds owing to Elbow River under the joint venture agreement. There can be no certainty under the legal proceedings that Elbow River will recover these monies. A provision for this partner receivable was booked in 2008. No additional provision was made during the first quarter of 2009. Elbow River continues to work with its bio-diesel counterparties and partners and will pursue all avenues to recover funds owed. On May 4, 2009, Elbow River initiated involuntary bankruptcy proceedings against its former joint venture partner, to obtain a proper and orderly distribution of the monies and other assets held by the former joint venture partner. This may provide Elbow River with the ability to recover some funds while still pursuing its other legal options.

The maximum credit exposures associated with the Trust's customers are the carrying value of the accounts receivable and the presales in Elbow River (which are not reflected in the consolidated financial statements). As at March 31, 2009, 38% of the Trusts consolidated accounts receivable are due from one customer of which \$13.3 million has been received subsequent to March 31, 2009. The total amount of receivables past due 90 days amounted to \$18.3 million as at March 31, 2009. Elbow River has now exited from marketing bio-diesel products and its additional inherent counterparty and partner risks. Management continues to scrutinize and monitor its remaining bio-diesel receivables and expects to have completely collected all outstanding amounts by mid 2009. The Elbow River LPG base accounts receivables have been reviewed and are continually monitored. No allowance was deemed necessary for these accounts.

With respect to financial instruments, the Trust could be exposed to losses either directly, if the counterparty is unable or fails to perform in accordance with the terms of the contract or through the parental guarantees the Trust provides from time to time to its operating divisions. This risk is managed by diversifying the derivative portfolio among counterparties meeting certain financial criteria. The Trust also evaluates its credit risk by monitoring on a regular basis the Standard and Poor's ratings for its counterparties and as a guideline the Trust starts with a minimum rating of BBB or above. For the period all Elbow River LPG counterparties met this requirement.

The Trust also has a credit risk arising from cash and cash equivalents held with banks and financial institutions and derivative financial instruments with positive values. Again, the Trust attempts to mitigate potential losses by monitoring the credit worthiness of the counterparties and restricting the types of investments.

Foreign currency risk

The Trust's Elbow River group operates internationally and is therefore exposed to foreign exchange risk. The Trust's primary exposures are from fluctuations in the US dollar relative to the Canadian dollar. The Trust enters into derivative instruments from time to time to mitigate its currency risk. At March 31, 2009 forward exchange contracts were designated as cash flow hedges.

In respect of existing financial instruments, a \$0.01 change in the US dollar against the Canadian dollar, with all other variables assumed constant, would have resulted in a change of approximately \$0.6 million in net income from continuing operations and a change of approximately \$0.2 million in other comprehensive income for the quarter ended March 31, 2009.

Commodity price risk

The Trust is exposed to commodity price risk. The Trust enters into derivative instruments from time to time to mitigate commodity price risk volatility. The Trust does not use derivative contracts for speculative purposes.

The following sensitivity analyses show the effects of reasonably possible changes in relevant risk variables on net income from continuing operations and other comprehensive income. The periodic effects are determined by relating the reasonable possible changes in the risk variables to actual volumes.

At March 31, 2009, in respect of the financial derivative instruments in the Oil and Gas Division, a change of \$10.00 US/Bbl in the price of oil would have resulted in unrealized gains and losses impacting net income from continuing operations by approximately \$0.7 million while a change of \$1.00/gigajoule in the price of natural gas would have resulted in unrealized gains and losses impacting net income from continuing operations by approximately \$0.6 million.

In respect of the financial derivative instruments in Elbow River, a 5% change in commodity pricing would have resulted in unrealized gains and losses changing net income from continuing operations and other comprehensive income by approximately \$2.0 million.

Interest rate risk

Drawings under the Trust's bank credit facilities are at floating interest rates and expose the Trust to interest rate risk. The Trust is authorized by the Board of Directors to enter into fixed rate swaps to manage risks associated with rising interest rates if felt appropriate. The Trust is also exposed to interest rate risk on maturity and refinancing of its fixed rate mortgages including the possibility that existing mortgages may not be refinanced or may not be refinanced on as favourable terms or with interest rates as favourable as those of the existing debt. The Trust mitigates these risks by its continued efforts to enhance the value of its real estate properties and maintain high occupancy levels. A 1% change in interest rates would result in net income from continuing operations sensitivity of approximately \$0.1 million. The Trust has not entered into any derivative agreements to mitigate this risk.

Liquidity risk

The Trust is exposed to liquidity risk, which is the risk that the Trust may be unable to generate or obtain sufficient cash to meet its commitments as they come due. The Trust mitigates this risk through its management of cash, debt and its distributions. With the sale of the EnerVest assets in May 2008, the Trust has a significant cash and working capital surplus together with undrawn credit facilities in its Oil & Gas Division providing significant flexibility in meeting current and future liquidity requirements.

The Trust maintains appropriate unused capacity in its revolving credit facilities to meet short term fluctuations from forecasted results or volatility in commodities affecting margining requirements, especially in Elbow River. The Trust manages its liquidity requirements through the use of both short term and long term cash forecasts, by establishing a conservative distribution payout target of 75%-80% of funds from continuing operations, targeting a 60% mortgage to fair market value ratio on the Real Estate Division mortgages and targeting a 1:1 working capital (net debt), excluding non-cash risk management assets and liabilities, to annualized funds from continuing operations ratio for the non-real estate divisions.

On its real estate portfolio, the Trust maintains a debt maturity profile to avoid excessive concentrations of refinancing requirements. In its Oil and Gas Division, the Trust may hedge a portion of future production to protect cash flows to allow the Trust to meet its strategic objectives and preserve distributions. In Elbow River, the Trust attempts to hedge as much of its business as possible in order to lock in profit margins and product purchases at the time the transactions are entered into.

Except for the mortgages and some hedges covering term deals of up to two quarters in Elbow River, all the Trust financial liabilities are effectively due within one quarter.

Business Risks and Critical Accounting Estimates

For a discussion of Business Risks and Critical Accounting Estimates, please refer to the audited consolidated financial statements for the year ended December 31, 2008 available on SEDAR (www.sedar.com) and our website (www.avenirtrust.com).

Disclosure Controls

Disclosure controls and procedures have been designed to provide reasonable assurance that material information relating to the Trust required to be disclosed is recorded, processed, summarized and reported within the time periods specified by securities regulations and that information required to be disclosed is communicated to the Trust's management as appropriate to allow timely decisions regarding required disclosure. The Trust's Chief Executive Officer and Chief Financial Officer have evaluated the effectiveness of these disclosure controls and have concluded, based on their evaluation that the Trust's disclosure controls and procedures were operating effectively to provide reasonable assurance that material information related to the Trust, including its consolidated subsidiaries, is made known to them by others within those entities.

Internal Controls over Financial Reporting

As at December 31, 2008, Management had evaluated the design and operation of the Trust's internal controls over financial reporting as is required under National Instrument 52-109. Management had used the framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) to evaluate the effectiveness of the Trust's internal controls over financial reporting. At March 31, 2009, the Chief Executive Officer and Chief Financial Officer are continuing to work with the management at Elbow River regarding the implementation of internal controls over financial reporting. Management expects that the deficiencies at Elbow River will be addressed during the second and third quarters as Elbow River exits completely from marketing bio-diesel product. With this completed, transaction complexities will diminish, any new additionally required control procedures will have been implemented and staff workloads and training will return to more normal levels. The new Chief Financial Officer of Elbow River was hired in February 2009 to ensure the required changes are made and oversee the effective implementation of any additional internal controls required in this business unit.

Recent Accounting Pronouncements and the Impact on the Trust

Effective January 1, 2009, the Trust adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants ("CICA").

- Section 3064 "Goodwill and Intangible Assets", replacing Section 3062 "Goodwill and Other Intangible Assets". This section establishes standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets subsequent to its initial recognition. Standards concerning goodwill are unchanged from the standards included in the previous Section 3062. The adoption of this new Section did not have a material impact on the consolidated financial statements.

Future Accounting Pronouncements

In February 2008, the CICA's Accounting Standards Board confirmed that International Financial Reporting Standards ("IFRS") will replace Canadian GAAP in 2011 for profit-oriented Canadian publicly accountable enterprises. The Trust will be required to report its results in accordance with IFRS beginning in 2011. During the first quarter of 2009, the Trust continued the design and planning phase of the project, which involves documenting the high impact areas identified and evaluating the different accounting policy options available under IFRS. During this phase, the Trust will also assess the impact that a conversion to IFRS will have on the policies and procedures, information technology and accounting systems, as well as internal controls. The Trust anticipates completing this phase and moving to the solution development phase later this year. The impact of IFRS on the Trust's consolidated financial statements is not reasonably determinable at this time.

As of January 1, 2011, the Trust will be required to adopt the following CICA Handbook sections:

"Business Combinations", Section 1582, which will replace CICA Handbook Section 1581 of the same name. Under this guidance, the purchase prices used in a business combination is based on the fair value of shares exchanged at their market price at the date of the exchange. Currently, the purchase price used is based on the market price of the shares for a reasonable period before and after the date of the acquisition is agreed upon and announced. This new standard generally requires all acquisition costs to be expensed, which currently are capitalized as part of the purchase price. Contingent liabilities are to be recognized at fair value at the acquisition date and re-measured at fair value through earnings each period until settled. Currently, only contingent liabilities that are resolved and payable are included in the cost to acquire the business. In addition, negative goodwill is required to be recognized immediately in earnings, unlike the current requirement to eliminate it by deducting it from non-current assets in the purchase price allocation.

"Consolidated Financial Statements", Section 1601, which together with Section 1602 below, replace the former consolidated financial statements standard. Section 1601 establishes the requirements for the preparation of consolidated financial statements. The adoption of this standard should not have a material impact on the Trust's consolidated financial statements.

"Non-controlling Interests", Section 1602. The standard establishes the accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. This standard requires a non-controlling interest in a subsidiary to be classified as a separate component of equity. In addition, net earnings and components of other comprehensive income are attributed to both the parent and non-controlling interest. The adoption of this standard should not have a material impact on the Trust's consolidated financial statements.

For additional information on the Trust, please go to the company's profile on SEDAR at www.sedar.com or the Trust's website at www.avenirtrust.com.

Submitted on behalf of:



William M. Gallacher, President & CEO



Gary Dundas, Vice President & CFO

Avenir Diversified Income Trust

CONSOLIDATED BALANCE SHEETS

(unaudited)

As at	March 31, 2009	December 31, 2008
<i>(in thousands of dollars)</i>	\$	\$
ASSETS [note 5]		
Current		
Cash	1,682	21,956
Marketable securities [note 10]	18	20
Accounts receivable and prepaid expenses	107,189	88,737
Inventory [note 4]	5,632	127,883
Note receivable	25,000	25,000
Risk management assets [note 10]	11,685	14,522
	151,206	278,118
Property and equipment [notes 5 and 6]	194,636	195,237
Intangibles and other assets	11,393	11,571
Goodwill	23,424	23,424
Future income taxes [note 12]	13,305	13,878
	393,964	522,228
LIABILITIES AND UNITHOLDERS' EQUITY		
Current		
Bank indebtedness [note 5]	29,266	93,127
Accounts payable and accrued liabilities [note 11]	71,131	81,516
Distributions payable [note 14]	3,479	28,755
Deferred revenue	212	201
Risk management liabilities [note 10]	7,081	14,816
Current portion of mortgages [note 6]	16,343	11,856
	127,512	230,271
Mortgages [note 6]	22,111	26,832
Asset retirement obligation [note 7]	14,962	15,009
Future income taxes [note 12]	9,087	10,721
Unitholders' equity		
Unitholder capital [note 8]	420,125	422,017
Contributed surplus [note 8]	8,116	6,777
Accumulated earnings	87,563	95,184
Accumulated other comprehensive loss [note 8]	(5,285)	(4,807)
Accumulated distributions	(290,227)	(279,776)
	220,292	239,395
	393,964	522,228

See accompanying notes to the interim consolidated financial statements

On behalf of the Board



Director



Director

Avenir Diversified Income Trust

**CONSOLIDATED STATEMENTS OF
OPERATIONS AND ACCUMULATED EARNINGS**

(unaudited)

For the three months ended March 31,

<i>(in thousands of dollars)</i>	2009 \$	2008 \$
		(restated – note 3)
REVENUE		
Financial services revenue	351,683	430,689
Unrealized gain on financial instruments <i>[note 10]</i>	6,134	(6,963)
Total financial services revenue	357,817	423,726
Oil and gas revenue	12,712	17,486
Oil and gas transportation costs	(291)	(280)
Royalties	(1,077)	(2,839)
Unrealized gain (loss) on financial instruments <i>[note 10]</i>	(758)	(316)
Total oil and gas revenue	10,586	14,051
Real estate revenue	1,554	1,900
Interest and other revenue	513	—
Total revenue	370,470	439,677
EXPENSES		
Financial services operating	356,074	415,715
Oil and gas operating	5,284	4,850
Real estate operating	171	440
General and administrative <i>[notes 9 and 11]</i>	6,220	7,987
Bad debt expense	2	—
Foreign exchange	3,646	(599)
Interest and bank fees	673	2,243
Interest on long-term debt	501	539
Capital taxes	65	146
Depletion, depreciation and amortization	6,253	6,358
Asset retirement obligation accretion <i>[note 7]</i>	263	272
	379,152	437,951
Income (loss) from continuing operations before income tax	(8,682)	1,726
Future income tax recovery	1,061	304
Net income (loss) from continuing operations	(7,621)	2,030
Net income from discontinued operations – EnerVest	—	3,125
Net income (loss) for the period	(7,621)	5,155
Accumulated earnings, beginning of period	95,184	92,671
Accumulated earnings, end of period	87,563	97,826
Net income (loss) from continuing operations per unit <i>[note 8]</i>		
Basic and diluted	(0.18)	0.05
Net income from discontinued operations per unit <i>[note 8]</i>		
Basic and diluted	—	0.07
Net income (loss) per unit <i>[note 8]</i>		
Basic and diluted	(0.18)	0.12

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(unaudited)

For the three months ended March 31,

<i>(in thousands of dollars)</i>	2009 \$	2008 \$
Net income (loss) for the period	(7,621)	5,155
Change in fair value of derivative instruments designated as cash flow hedges <i>[note 10]</i>	(478)	(8,417)
Change in fair value of marketable securities	—	(28)
Other comprehensive income (loss)	(478)	(8,445)
Comprehensive income (loss) for the period	(8,099)	(3,290)

See accompanying notes to the interim consolidated financial statements

Avenir Diversified Income Trust

CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited)

For the three months ended March 31,

<i>(in thousands of dollars)</i>	2009 \$	2008 \$
		(restated – note 3)
OPERATING ACTIVITIES		
Net income (loss) from continuing operations	(7,621)	2,030
Add (deduct) non-cash items:		
Non-cash general and administrative <i>[note 9]</i>	534	657
Depletion, depreciation and amortization	6,253	6,358
Asset retirement obligation accretion	263	272
Unrealized loss (gain) on financial instruments	(5,376)	7,279
Unrealized foreign exchange	(3,048)	(293)
Future income tax recovery	(1,061)	(304)
Funds from (used in) continuing operations	(10,056)	15,999
Funds from discontinued operations	—	4,272
	(10,056)	20,271
Asset retirement expenditures during year <i>[note 7]</i>	(121)	(146)
Change in non-cash working capital	97,107	(34,429)
Cash provided (used in) by operating activities	87,930	(14,304)
FINANCING ACTIVITIES		
Issue of trust units, net of issue costs	5	46
Repurchase of trust units <i>[note 8a(ii)]</i>	(886)	—
Cash settlement of options	—	(4)
Distributions to unitholders <i>[note 14]</i>	(10,452)	(10,432)
(Decrease) increase in bank indebtedness	(63,861)	28,129
(Decrease) increase in notes payable	—	2,000
Increase in mortgages	—	1,423
Repayment of mortgages	(234)	(506)
Repayments of long-term debt	—	(838)
Change in non-cash working capital	(25,276)	1
Cash provided by (used in) financing activities	(100,704)	19,819
INVESTING ACTIVITIES		
Financial services development expenditures	—	(5)
Sale of financial services assets	604	—
Oil and gas property acquisitions	(3,473)	(30)
Oil and gas property disposals	406	—
Oil and gas development expenditures	(3,387)	(3,908)
Purchase of other assets	(3)	(3)
Real estate development expenditures	(12)	(1,550)
Change in non-cash working capital	(1,635)	205
Cash provided by (used in) investing activities	(7,500)	(5,291)
Increase (decrease) in cash during the period	(20,274)	224
Cash, beginning of period	21,956	—
Change in cash of assets held for sale	—	(224)
Cash, end of period	1,682	—
Cash taxes paid	125	116
Cash interest paid	999	2,813

See accompanying notes to the interim consolidated financial statements

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at and for the three months ended March 31, 2009 and 2008

1. NATURE OF THE ORGANIZATION

Avenir Diversified Income Trust (the "Trust") is an open-end unincorporated trust governed by the laws of the Province of Alberta. Funds from operations are provided to the Trust from financial services income, oil and gas properties, and real estate income.

The operating results for the three months ended March 31, 2009 are not necessarily indicative of the results that may be expected for the full fiscal year revenues and expenses during the reporting period, due to seasonal factors. Actual results may differ from those estimates. The Trust's natural gas liquids marketing group traditionally has stronger results in the first and fourth quarters of the fiscal year. In the natural gas liquids marketing group colder winter weather provides more opportunity for sale of propane and butane.

Comparative periods have been restated to conform with current period presentation (see note 3).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The unaudited interim consolidated financial statements of the Trust have been prepared by management in accordance with Canadian generally accepted accounting principles and in a manner consistent with the accounting policies in the audited consolidated financial statements of the Trust for the year ended December 31, 2008 except as noted below. Certain information has been condensed or omitted although the Trust believes that the disclosures are adequate to ensure the information presented is not misleading. The following notes are incremental to and should be read in conjunction with the December 31, 2008 audited consolidated financial statements.

Effective January 1, 2009, the Trust adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants ("CICA"):

Section 3064 "Goodwill and Intangible Assets", replacing Section 3062 "Goodwill and Other Intangible Assets". This section establishes standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets subsequent to its initial recognition. Standards concerning goodwill are unchanged from the standards included in the previous Section 3062. The adoption of this new Section did not have a material impact on the consolidated financial statements.

Future Accounting Pronouncements

In February 2008, the CICA's Accounting Standards Board confirmed that International Financial Reporting Standards ("IFRS") will replace Canadian GAAP in 2011 for profit-oriented Canadian publicly accountable enterprises. The Trust will be required to report its results in accordance with IFRS beginning in 2011. During the first quarter of 2009, the Trust continued the design and planning phase of the project, which involves documenting the high impact areas identified and evaluating the different accounting policy options available under IFRS. During this phase, the Trust will also assess the impact that a conversion to IFRS will have on the policies and procedures, information technology and accounting systems, as well as internal controls. The Trust anticipates completing this phase and moving to the solution development phase later this year. The impact of IFRS on the Trust's consolidated financial statements is not reasonably determinable at this time.

As of January 1, 2011, the Trust will be required to adopt the following CICA Handbook sections:

"Business Combinations", Section 1582, which will replace CICA Handbook Section 1581 of the same name. Under this guidance, the purchase prices used in a business combination is based on the fair value of shares exchanged at their market price at the date of the exchange. Currently, the purchase price used is based on the market price of the shares for a reasonable period before and after the date of the acquisition is agreed upon and announced. This new standard generally requires all acquisition costs to be expensed, which currently are capitalized as part of the purchase price. Contingent liabilities are to be recognized at fair value at the acquisition date and re-measured at fair value through earnings each period until settled. Currently, only contingent liabilities that are resolved and payable are included in the cost to acquire the business. In addition, negative goodwill is required to be recognized immediately in earnings, unlike the current requirement to eliminate it by deducting it from non-current assets in the purchase price allocation.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at and for the three months ended March 31, 2009 and 2008

"Consolidated Financial Statements", Section 1601, which together with Section 1602 below, replace the former consolidated financial statements standard. Section 1601 establishes the requirements for the preparation of consolidated financial statements. The adoption of this standard should not have a material impact on the Trust's consolidated financial statements.

"Non-controlling Interests", Section 1602. The standard establishes the accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. This standard requires a non-controlling interest in a subsidiary to be classified as a separate component of equity. In addition, net earnings and components of other comprehensive income are attributed to both the parent and non-controlling interest. The adoption of this standard should not have a material impact on the Trust's consolidated financial statements.

3. REAL ESTATE – RECLASSIFIED AS ASSETS HELD AND USED

During 2007, the Trust had made the decision to dispose of the Real Estate Division assets by way of sale or spin-out. A national brokerage firm had been engaged and the Trust expected to have completed a transaction on all of its real estate properties during 2008. In 2008, due to the deteriorating real estate and credit market conditions, the Trust decided that the Real Estate Division assets would no longer be brokered. Two properties were sold in 2008 for proceeds of \$20,020,250 and a gain of \$10,096,296. In 2008, the remainder of the Real Estate Division was therefore reclassified as assets held and used at the lower of carrying value, adjusted for depreciation or market.

The results of operations that have been reclassified to income from operations are as follows:

<i>(in thousands of dollars)</i>	March 31, 2008
	\$
REVENUE	
Real estate revenue	1,900
	1,900
EXPENSES	
Real estate operating	440
General and administrative	249
Interest on long-term debt	539
Capital taxes	10
Depreciation and amortization	—
	1,238
Income before taxes	662
Future income tax expense	(903)
Net income	(241)

4. INVENTORY

<i>(in thousands of dollars)</i>	2009	2008
	\$	\$
Biodiesel	—	105,650
Butane	3,379	8,764
Propane	90	2,961
Fuel ethanol	1,827	4,722
Natural gasoline	336	3,355
Canola oil	—	2,406
Other	—	25
	5,632	127,883

All inventory balances relate to the Trust's subsidiary Elbow River Marketing Limited Partnership.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at and for the three months ended March 31, 2009 and 2008

Inventory is valued at the lower of cost and estimated net realizable value. For the year ended December 31, 2008, a \$65,413,879 write down of bio-diesel inventory to estimated net realizable value was recorded in operating expenses.

5. BANK INDEBTEDNESS

In relation to its Oil and Gas Division, as at March 31, 2009, the Trust had available a combined revolving demand facility with a major Canadian bank in the amount of \$46,500,000 (December 31, 2008 - \$46,500,000) bearing interest ranging from prime to prime plus one percent depending on the debt to cash flow ratio of the Oil and Gas Division (as defined by the banking agreement). The revolving demand facility is collateralized by a floating charge debenture over all of the Trust's assets. In addition, the Trust has a development facility in the amount of \$5,000,000, bearing interest ranging from prime plus one-quarter of one percent to prime plus one and one-quarter percent.

As at March 31, 2009, \$nil (December 31, 2008 - \$4,000,000) was drawn on the revolving demand facility and \$nil (December 31, 2008 - \$nil) was drawn on the development facility. The Oil & Gas Division was in compliance with all its banking covenants as at March 31, 2009.

In relation to Elbow River Marketing Limited Partnership ("Elbow River"), the Trust has a demand revolving loan facility with a Canadian bank in the amount of \$70,000,000 (December 31, 2008 - \$70,000,000) bearing interest at bank prime rate plus 0.4% or US bank base rate plus 0.4%. These facilities are collateralized by a charge over all of Elbow River's assets. As at March 31, 2009 \$29,265,516 (December 31, 2008 - \$89,126,989) was drawn on the demand loan facilities. Elbow River was in compliance with all its banking covenants as at March 31, 2009.

The average effective interest rate on borrowings under the above lines for the three months ended March 31, 2009, including service fees, was 4.98% (three months ended March 31, 2008 - 6.19%).

As at March 31, 2009, the Trust had 13 letters of credit outstanding in the aggregate amount of \$5,676,258 (December 31, 2008 - \$7,366,098). The letters of credit reduce the amount available to be drawn on the related demand facilities. In addition Elbow River had 18 bonds outstanding in the aggregate amount of \$2,226,143 (December 31, 2008 - \$2,160,807) which do not reduce the availability of Elbow's demand facility.

To provide the Elbow River with additional credit on natural gas liquids inventory purchases, the Trust has guarantees to third parties for a maximum of \$204,395,912 (December 31, 2008 - \$190,428,176). These guarantees, provided by the Trust to third party counterparties of Elbow River, require the Trust to be responsible for inventory settlements if Elbow River was unable to do so. The Trust has no specific assets pledged and the amounts exposed against the total outstanding guarantees will vary depending on the transactions in place at a specific point in time. During the second quarter of 2009 the amount of parental guarantees will be reduced by \$36,041,720.

6. MORTGAGES

<i>(in thousands of dollars)</i>	March 31, 2009			December 31, 2008		
	Interest Rate	Maturity	\$	Interest Rate	Maturity	\$
Sunbelt	4.30%	Jan 1/10	4,597	6.05%	Jan 1/09	4,656
Magee	5.73%	Oct 31/09	3,539	5.73%	Oct 31/09	3,569
Snidercroft	5.70%	Aug 1/14	3,068	5.70%	Aug 1/14	3,091
KFC	5.96%	Aug 1/11	7,705	5.96%	Aug 1/11	7,746
KFC	5.90%	Mar 1/12	1,844	5.90%	Mar 1/12	1,853
Landmark	3.81%	Nov 1/11	10,082	3.81%	Nov 1/11	10,154
Cineplex	5.25%	Mar 31/10	7,619	5.00%	Mar 1/09	7,619
			38,454			38,688
Current portion of mortgages			(16,343)			(11,856)
Long-term portion of mortgages			22,111			26,832

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at and for the three months ended March 31, 2009 and 2008

The weighted average interest rate on all mortgages is 5.30% (December 31, 2008 – 5.49%). All mortgages are collateralized by a first charge over the related properties.

Approximate principal repayments required to maturity are as follows:

<i>(in thousands of dollars)</i>	\$
2009	4,288
2010	12,517
2011	17,126
2012	1,845
2013	121
2014	2,557
	<u>38,454</u>

Upon maturity, the Trust intends to re-mortgage each of the properties.

The Trust provides guarantees to third party mortgagors for a maximum of the total value of the mortgages outstanding on behalf of its Real Estate Division. The guarantees require the Trust to be responsible for the mortgage principal and interest payments if its Real Estate Division is unable to do so.

During the period, the Sunbelt and Cineplex mortgages were renewed for a one year period with an interest rate of 4.30% and 5.25% respectively.

7. ASSET RETIREMENT OBLIGATION

The total future asset retirement obligation was estimated by management based on the Trust's net ownership interest in all wells and facilities in its Oil and Gas Division, estimated costs to reclaim and abandon the wells and facilities and the estimated timing of the costs to be incurred in future periods. As at March 31, 2009, the Trust has estimated the net present value of its total asset retirement obligations to be \$14,962,478 (December 31, 2008 - \$14,894,362) based on an undiscounted total future liability of \$68,203,750 (December 31, 2008 - \$68,846,648). The majority of these payments are expected to be made by 2030. The Trust's credit adjusted risk free rate ranging from 8.5% to 10.0% (December 31, 2008 – 8.5% to 10.0%) and an inflation rate of 2% (December 31, 2008 – 2%) were used to calculate the present value of the asset retirement obligation.

The following table reconciles the Trust's total asset retirement obligation:

<i>(in thousands of dollars)</i>	2009 \$
Carrying amount, as at January 1	15,009
Oil and gas activities during the year	23
Oil and gas divestitures during the year	(212)
Adjustment for estimated changes in costs and timing	—
Abandonment expenditures incurred during the year	(121)
Asset retirement obligation accretion for the year	263
Carrying amount, as at March 31	14,962

8. UNITHOLDERS' CAPITAL

a) Unitholders' capital

Authorized

Authorized capital consists of an unlimited number of Trust Units, and an unlimited number of Special Voting Units. No Special Voting Units have been issued to date. Each unit is transferable and represents an equal and undivided beneficial interest in any distributions from the Trust whether of earnings, net working capital gains or

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at and for the three months ended March 31, 2009 and 2008

other amounts, and in the net assets of the Trust in the event of termination or wind-up. All units are redeemable at the demand of the unitholder.

Issued

Trust Units	Number of Units	Amount \$ <i>(in thousands of dollars)</i>
Balance December 31, 2008	42,100,796	422,017
Units issued on exercise of stock options (i)	2,666	15
Units repurchased and cancelled – (ii)	(190,200)	(1,907)
Balance March 31, 2009	41,913,262	420,125

- (i) The total cash received for Trust Units issued upon exercise of stock options during the year amounted to \$4,560 and the difference of \$10,311 represents the movement from contributed surplus to unitholders capital relating to the stock based compensation expense previously recognized.
- (ii) On October 20, 2008, the Trust instituted a Normal Course Issuer Bid (“NCIB”) under which it may purchase up to 3,463,769 Trust Units for cancellation in a 12 month period. During the period from January 1, 2009 to March 31, 2009, the Trust has purchased 190,200 Trust Units under this Normal Course Issuer Bid for \$886,307 in cash representing a total repurchase of 248,544 Trust Units. All Trust Units repurchased have been cancelled.

b) Per unit amounts

For the three months ended March 31, 2009, the Trust had a weighted average number of trust units outstanding of 41,911,633 (three months ended March 31, 2008 – 41,788,894). The diluted per unit amount was calculated assuming the exercise of outstanding in-the-money options of an additional 205,262 Trust Units resulting in a weighted average number of trust units outstanding for the three months ended March 31, 2009, of 42,116,895 (three months ended March 31, 2008 – 42,200,188). At March 31, 2009, there were 2,659,000 (March 31, 2008 – 277,000) in anti-dilutive options that were not part of the dilutive per unit calculation. Earnings per share from operations for 2009 did not include the dilution adjustment as there was a loss for the period.

c) Contributed surplus

The following table reconciles the movement in the contributed surplus balance:

<i>(in thousands of dollars)</i>	2009 \$
Contributed surplus, January 1	6,777
Stock-based compensation expense [note 9]	310
Stock-based compensation capitalized [note 9]	19
NCIB unit buy back [note 8(a)(ii)]	1,020
Options exercised	(10)
Settlement of options	—
Contributed surplus, March 31	8,116

d) Accumulated other comprehensive loss

The following table reconciles the components of the accumulated other comprehensive loss balance:

<i>(in thousands of dollars)</i>	2009 \$
Accumulated other comprehensive loss, January 1	(4,807)
Gain (loss) on derivative instruments designated as cash flow hedges	
Unrealized gain (loss) arising during the period	(641)
Realized gain (loss) arising during the period	163
Accumulated other comprehensive loss, March 31	(5,285)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at and for the three months ended March 31, 2009 and 2008

The accumulated other comprehensive loss is made up of an unrealized loss on commodity hedges in the amount of \$3,979,467 (see note 10(c)(ii)) and an unrealized loss on foreign exchange contract of \$1,305,716 (see note 10(c)(iii)).

9. STOCK-BASED COMPENSATION

Under the Trust's unit option plan, options to acquire trust units are granted to employees and directors from time to time at exercise prices equal to the market value of the units at the date of the grant. Options granted under the plan vest a third each year over a three-year period starting on the first anniversary from the date of grant. The options have a five-year life. The exercise price of the options is periodically adjusted to reflect the Trust's monthly distributions. Any consideration paid on exercise of stock options is credited to unitholders' capital. A total of 4,191,326 units have been reserved under this plan.

The following table summarizes the status and changes during the three months ended March 31, 2009:

	Number of options outstanding	Weighted average grant date exercise price \$
Outstanding, January 1	2,979,833	8.17
Granted	29,500	5.15
Exercised	(2,666)	(10.85)
Expired	(27,832)	(7.89)
Outstanding, March 31	2,978,835	8.14
Exercisable, March 31	1,448,190	8.59

The following table summarizes information about the unit options outstanding at March 31, 2009:

March 31, 2009 Strike Price \$	Grant date exercise price \$	Number of options outstanding	Weighted average remaining life (years)	Number of options exercisable
1.23	11.00	30,000	0.76	30,000
1.53	10.90	237,668	1.08	237,668
2.06	11.20	25,000	1.25	25,000
2.03	10.69	27,167	1.62	27,167
5.05	8.30	959,334	2.34	632,320
5.26	8.35	36,166	2.51	26,331
4.40	7.16	12,500	2.91	8,332
4.49	7.16	100,000	2.91	66,666
4.69	7.28	998,500	3.01	328,375
6.20	8.54	166,500	3.25	55,500
5.24	7.17	28,000	3.67	9,665
5.69	7.45	2,500	3.84	1,166
5.72	7.32	5,000	4.01	—
6.59	8.10	3,500	4.09	—
6.75	8.08	301,000	4.27	—
6.23	7.41	1,500	4.42	—
3.83	4.84	15,000	4.59	—
4.90	5.15	29,500	4.76	—
		<u>2,978,835</u>	2.76	<u>1,448,190</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at and for the three months ended March 31, 2009 and 2008

As a result of the grind feature of the options, the price on the date of grant is reduced by the distributions paid to unitholders. Accordingly, the weighted average strike price at March 31, 2009 on all outstanding options was \$4.77 per option and the weighted average strike price at March 31, 2009 on all exercisable options is \$4.23 per option.

The total fair value of stock-based compensation of \$9,534,265 for these options issued at the date of grant was calculated using a Black-Scholes option-pricing model. The assumptions made for the options granted in 2009 are as follows:

	2009 Granted Options
Expected volatility	42.47%
Risk – free interest rate	1.61%
Expected life of options	3.75 years
Dividend yield	nil

The Trust recorded stock based compensation and contributed surplus of \$329,500 (three months ended March 31, 2008 - \$661,124) relating to the Trust's current options, of which \$19,404 was capitalized (three months ended March 31, 2008 - \$nil) for the three months ended March 31, 2009.

10. FINANCIAL INSTRUMENTS

a) Fair values of financial assets and liabilities

Unless otherwise noted below, as at March 31, 2009, there were no significant differences between the carrying amounts of the financial instruments listed above and their estimated fair values due to their short-term nature.

Marketable securities are classified as available for sale and at March 31, 2009 have been recorded as permanently re-valued to the current fair value of \$17,500. The decrease in the market value of the investments of \$2,500 for the three months ended March 31, 2009 has been included in net income.

Borrowings under bank credit facilities are revolving in nature and are market rate based, thus, carrying value approximates fair value. The mortgages are for varying lengths and carry interest rates in line with the market terms agreed to when the mortgages were entered into. The fair value of the mortgages reflect the discounted present value of the principal and interest payments using the effective yield for instruments having the same term and risk characteristics. The fair value of the Trust's mortgages as at March 31, 2009 was \$38,250,175 (December 31, 2008 - \$38,631,215), while the carrying value was \$38,453,939 (December 31, 2008 - \$38,688,417).

b) Credit risk

At March 31, 2009, the Trust had an allowance for doubtful accounts relating to its Oil and Gas Division receivable balance of \$721,084 and Elbow River has an allowance for doubtful accounts of \$36,989,386, the two amounts representing 36% of the Trust's accounts receivables.

The majority of the allowance in the Oil and Gas Division is the result of a purchaser of a small portion of the Oil and Gas Division's production, filing for protection under the Companies Creditor Arrangement Act or CCAA on July 22, 2008. As a result, the Trust's total exposure of approximately \$482,645 for production proceeds for the period from June 1, 2008 to July 21, 2008, was recorded as an allowance for doubtful accounts as at December 31, 2008. The Trust is registered as a creditor under the CCAA proceedings and may eventually be able to collect some portion of the amounts owing. The Trust believes it has no additional exposure to this counterparty as all production purchases have been reallocated to another counterparty effective July 22, 2008 as allowed by the court orders.

The allowance in Elbow River is the result of a bio-diesel joint venture partner receivable. In Mid March 2009, Elbow River was advised by this joint venture partner that they would be unable to pay to Elbow River its proportionate share owing under their "memorandum of understanding". Elbow River has taken legal actions against the joint venture partner, its equity investor and its secured bank, claiming return of funds

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at and for the three months ended March 31, 2009 and 2008

owing to Elbow River under the joint venture agreement. There can be no certainty under the legal proceedings that Elbow River will recover these monies. A provision for this partner receivable was booked in 2008. No additional provision was made during the first quarter of 2009.

The maximum credit exposures associated with the Trust's customers are the carrying value of the accounts receivable and the presales in Elbow River (which are not reflected in the consolidated financial statements). As at March 31, 2009, 38% of the Trusts consolidated accounts receivable are due from one customer, of which \$13,257,635 has been received subsequent to March 31, 2009. The total amount of receivables past due 90 days amounted to \$18,318,279 as at March 31, 2009. Elbow River has now exited from marketing bio-diesel products and its additional inherent counterparty and partner risks. Management continues to scrutinize and monitor its remaining bio-diesel receivables and expects to have completely collected all outstanding amounts by mid 2009. The Elbow River LPG base accounts receivables have been reviewed and are continually monitored. No allowance was deemed necessary for these accounts.

c) Risk management asset (liability)

<i>(in thousands of dollars)</i>	2009
	\$
Net risk management liability, January 1,	(294)
Change in mark-to-market for hedges not qualifying for hedge accounting – Oil & Gas Division (i)	(758)
Change in mark-to-market for hedges not qualifying for hedge accounting – Elbow River (ii)	6,134
Change in mark-to-market of cash flow hedge contracts – Elbow River (iii)	(478)
Net risk management asset, March 31,	4,604
Reclassified to risk management asset, March 31,	(11,685)
Risk management liability, March 31,	(7,081)

(i) The Trust has the following forward contracts that do not qualify for hedge accounting outstanding as at March 31, 2009 relating to its Oil and Gas Division:

- A fixed price AECO swap for the period November 1, 2008 to October 31, 2009 on 1,000 gigajoules/day of natural gas with a price of \$8.26 CDN/gigajoules.
- A fixed price WTI collar for the period August 1, 2008 to July 31, 2009 on 200 barrels/day of crude oil with a floor price of \$90.00 US/Bbl and a ceiling price of \$113.10 US/Bbl.
- A fixed price AECO swap for the period April 1, 2010 to March 31, 2011 on 1,000 gigajoules/day of natural gas with a price of \$8.25 CDN/gigajoules.
- A fixed price WTI swap for the period March 1, 2009 to December 31, 2009 on 200 barrels/day of crude oil with a price of \$60.35 CDN/Bbl.
- A fixed price WTI swap for the period April 1, 2009 to April 30, 2009 on 200 barrels/day of crude oil with a price of \$51.75 CDN/Bbl.
- A fixed price WTI swap for the period May 1, 2009 to May 31, 2009 on 200 barrels/day of crude oil with a price of \$58.50 CDN/Bbl.

The mark-to-market value of these contracts as at March 31, 2009 was a risk management asset of \$2,095,047 (December 31, 2008 – a risk management asset of \$2,852,926), resulting in the recognition of an unrealized loss on the income statement for the three months ended March 31, 2009 of \$757,879 (three months ended March 31, 2008 - \$315,798).

(ii) Elbow River sells natural gas liquids, ethanol, diesel, and asphalt product in the United States, Canada and overseas, giving rise to significant exposure to market risks from foreign exchange rates and commodity price changes. The Trust uses derivative financial instruments to reduce risks including foreign exchange and commodities hedging contracts. These financial instruments are subject to normal credit standards, financial controls, risk management and monitoring procedures. The commodity hedge contracts are entered into for the following commodities: butane, propane, natural gasoline, and ethanol.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at and for the three months ended March 31, 2009 and 2008

At December 31, 2008, Management determined that the documentation and effectiveness measures for hedge accounting had not been met from April 1, 2008 onward. As a result the unrealized loss of \$3,979,467 relating to these contracts as at April 1, 2008 will remain in other comprehensive income until the hedged items relating to these commodity hedge contracts are settled. The change in the fair value of an unrealized gain of \$8,973,053 from January 1, 2009 to March 31, 2009 has been recognized in earnings for the period.

The following tables detail those transactions in Elbow River that do not qualify for hedge accounting, which resulted in a risk management asset of \$7,793,537 (December 31, 2008 – a risk management asset of \$1,659,607), resulting in the recognition of an unrealized gain on the income statement for the three months ended March 31, 2009 of \$6,133,930 (three months ended March 31, 2008 - \$6,962,604).

Commodities hedging contracts:

			March 31, 2009
Settlement dates	Average Monthly Volume (bbl)	Prices \$(/bbl)	Unrealized gain (loss) \$
April – June 2009	629,991	25.62 – 82.30	3,467,444
July – September 2009	599,933	34.30 – 82.30	1,001,181
October – December 2009	610,810	28.77 – 82.30	424,696
January – March 2010	611,026	29.40 – 83.20	(930,787)
			3,962,534
Exchange rate			1.2602
Total CDN dollars			4,993,586
Amount recorded as Other Comprehensive Loss			3,979,467
Amount recorded in Unrealized Gain on Financial Instruments			8,973,053

Forward exchange contracts:

			March 31, 2009
Term Due	Amount \$	Forward Rates CDN \$	Unrealized gain (loss) \$
April 2009	10,900,000	1.2791 – 1.2792	208,020
May 2009	45,000,000	1.2171 – 1.2789	(1,387,536)
Total US dollars	55,900,000		(1,179,516)
Exchange rate	1.2602		
Total CDN dollars	70,445,180		

- (iii) The following table details those transactions that qualify for hedge accounting that are outstanding giving rise to a risk management liability of \$1,305,716 (December 31, 2008 – a risk management asset of \$163,744), resulting in the recognition of a comprehensive loss of \$1,469,460 when compared to the December 31, 2008 mark-to-market. Also included in other comprehensive income for the three months ended March 31, 2009 is an unrealized gain of \$990,853 relating to the change in the fair value from December 31, 2008 to March 31, 2009 of commodity hedge contracts in place as at April 1, 2008 as described in note 10(c)(ii) above. As such this amount will remain in other comprehensive income until such time as the hedges are settled. This brings the total amount of other comprehensive loss for the three months ended March 31, 2009 to \$478,607 (three months ended March 31, 2008 - \$8,416,601).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at and for the three months ended March 31, 2009 and 2008

Forward exchange contracts:			March 31, 2009
Term Due	Amount \$	Forward Rates CDN \$	Unrealized loss \$
April – June 2009	7,929,550	1.2148 – 1.2783	(344,297)
July – September 2009	3,766,550	1.2133 – 1.2764	(303,023)
October – December 2009	3,436,550	1.2116 – 1.2735	(310,934)
January – April 2010	4,427,550	1.2096 – 1.2705	(347,462)
Total US dollars	19,560,200		<u>(1,305,716)</u>
Exchange rate	1.2602		
Total CDN dollars	24,649,764		

(iv) Foreign currency risk

The Trust's Elbow River group operates internationally and is therefore exposed to foreign exchange risk. The Trust's primary exposures are from fluctuations in the US dollar relative to the Canadian dollar. The Trust enters into derivative instruments from time to time to mitigate its currency risk. At March 31, 2009 all of the forward exchange contracts listed above were designated as cash flow hedges.

In respect of existing financial instruments, a \$0.01 change in the US dollar against the Canadian dollar, with all other variables assumed constant, would have resulted in a change of approximately \$604,000 in net income from continuing operations and a change of approximately \$192,000 in other comprehensive income for the three months ended March 31, 2009.

(v) Commodity price risk

At March 31, 2009, in respect of the financial derivative instruments in the Oil and Gas Division, a change of \$10.00 US/Bbl in the price of oil would have resulted in unrealized gains and losses impacting net income from continuing operations and other comprehensive income by approximately \$672,000 while a change of \$1.00/gigajoule in the price of natural gas would have resulted in unrealized gains and losses impacting net income from continuing operations and other comprehensive income by approximately \$579,000.

In respect of the financial derivative instruments in Elbow River, a 5% change in commodity pricing would have resulted in unrealized gains and losses changing net income from continuing operations and other comprehensive income by approximately \$1,968,000.

d) Interest rate risk

A 1% change in interest rates would result in net income from continuing operations and other comprehensive income sensitivity of approximately \$134,000. The Trust has not entered into any derivative agreements to mitigate this risk.

e) Liquidity risk

The Trust is exposed to liquidity risk, which is the risk that the Trust may be unable to generate or obtain sufficient cash to meet its commitments as they come due. The Trust mitigates this risk through its management of cash, debt and its distributions. With the sale of the EnerVest assets in May 2008, the Trust has a significant cash and working capital surplus together with undrawn credit facilities in its Oil & Gas Division providing significant flexibility in meeting current and future liquidity requirements.

The Trust maintains appropriate unused capacity in its revolving credit facilities to meet short term fluctuations from forecasted results or volatility in commodities affecting margining requirements, especially in Elbow River. The Trust manages its liquidity requirements through the use of both short term and long term cash forecasts, by establishing a conservative distribution payout target of 75%-80% of funds from continuing operations, targeting a 60% mortgage to fair market value ratio on the Real Estate Division mortgages and targeting a 1:1 working capital (net debt), excluding non-cash risk management assets and liabilities, to annualized funds from continuing operations ratio for the non-real estate divisions.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at and for the three months ended March 31, 2009 and 2008

On its real estate portfolio, the Trust maintains a debt maturity profile to avoid excessive concentrations of refinancing requirements. In its Oil and Gas Division, the Trust may hedge a portion of future production to protect cash flows to allow the Trust to meet its strategic objectives and preserve distributions. In Elbow River, the Trust attempts to hedge as much of its business as possible in order to lock in profit margins and product purchases at the time the transactions are entered into.

Except for the mortgages as described in note 10 and some hedges covering term deals of up to two years in Elbow River, all the Trust financial liabilities are effectively due within one year.

11. RELATED PARTY TRANSACTIONS

In addition to the related party transactions described elsewhere in these consolidated financial statements, the Trust entered into the following transactions with related parties which are recorded at exchange amounts:

- During the three months ended March 31, 2009, the Trust paid \$53,639 (three months ended March 31, 2008 - \$52,836) to Avenir Capital Corporation (“Avenir”), a significant unitholder of the Trust for rent, administration and advisory services. Included in accounts payable and accrued liabilities as at March 31, 2009 is \$17,592 (December 31, 2008 - \$17,012) owing to Avenir relating to administration and advisory services.
- During the three months ended March 31, 2009, the Trust incurred marketing fees of \$18,000 (three months ended March 31, 2008 - \$18,000) payable to a company with a shareholder who is also a director of the Trust. Of this balance, \$18,000 is included in accounts payable and accrued liabilities as at March 31, 2009 (December 31, 2008 - \$18,000).
- During the three months ended March 31, 2009, the Trust incurred fees relating to its Real Estate Division for management of properties, acquisitions, divestitures and mortgage financing of \$115,431 (three months ended March 31, 2008 - \$135,100) payable to a company with a shareholder who is also a director of the Trust. Of this balance, \$nil is included in accounts payable and accrued liabilities as at March 31, 2009 (December 31, 2008 - \$nil).
- In the normal course of joint venture activities, the Trust’s Oil and Gas Division from time to time engages in business transactions with companies having directors in common with the Trust.

12. FUTURE INCOME TAXES

The difference between the accounting value and the income tax value of assets and liabilities, which comprise the future tax liability, are as follows:

<i>(in thousands of dollars)</i>	2009 \$
Property and equipment	(3,552)
Intangibles and goodwill	3,172
Net risk management liability	(631)
Asset retirement obligation	3,844
Partnership income	(1,498)
Non-capital losses	2,883
Net future income tax asset	4,218
Future income tax liability	9,087
Future income tax asset	13,305

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at and for the three months ended March 31, 2009 and 2008

13. SEGMENTED INFORMATION

The Trust determines its reportable segments based on the structure of its operations, which are primarily focused on the following principal business segments – oil and gas, financial services, and real estate. The accounting policies followed by these business segments are the same as those described in the summary of significant accounting policies.

The following is selected financial information for each business segment:

(in thousands of dollars)

	Three months ended March 31, 2009				
	Financial Services – Elbow River \$	Oil & Gas \$	Real Estate \$	Corporate \$	Total \$
Gross total revenue	357,817	10,586	1,554	1,794	371,751
Inter-segment eliminations	—	—	—	(1,281)	(1,281)
Net total revenue	357,817	10,586	1,554	513	370,470
Net operating expenses	356,074	5,284	171	—	361,529
Income (loss) before inter-segment eliminations	(8,019)	(308)	74	632	(7,621)
Inter-segment eliminations	1,281	—	—	(1,281)	—
Net income (loss)	(6,738)	(308)	74	(649)	(7,621)

(in thousands of dollars)

	Three months ended March 31, 2008					Total \$
	Financial Services – Elbow River \$	Oil & Gas \$	Real Estate \$	Corporate \$	Discontinued Operations \$	
Gross total revenue	423,726	14,051	1,900	156	—	439,833
Inter-segment eliminations	—	—	—	(156)	—	(156)
Net total revenue	423,726	14,051	1,900	—	—	439,677
Net operating expenses	415,715	4,850	440	—	—	421,005
Income (loss) before inter-segment eliminations	1,778	2,011	(241)	(1,518)	—	2,030
Inter-segment eliminations	156	—	—	(156)	—	—
Income (loss) from continuing operations	1,934	2,011	(241)	(1,674)	—	2,030
Discontinued operations – EnerVest	—	—	—	—	3,125	3,125
Net income (loss)	1,934	2,011	(241)	(1,674)	3,125	5,155

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at and for the three months ended March 31, 2009 and 2008

(in thousands of dollars)

	2009				
	Financial Services \$	Oil & Gas \$	Real Estate \$	Corporate \$	Total \$
Selected balance sheet items					
Property and equipment	717	148,455	45,464	—	194,636
Intangibles and other assets	10,246	—	1,147	—	11,393
Goodwill	23,424	—	—	—	23,424
Total assets	146,457	164,537	50,668	32,302	393,964
Working capital (deficiency)	19,188	(1,116)	(15,948)	21,570	23,694
Mortgages excluding current portion	—	—	(22,111)	—	(22,111)

14. DISTRIBUTIONS

The amount of cash available for distribution is proposed by management and approved by the Board of Directors. Distribution levels are continually assessed with respect to forecasted funds from operations, debt levels and capital spending plans. Variations in economic factors, operational performance, capital market interest and government regulatory changes all impact each of our operating divisions and their ability to fund distributions. The Trust believes that its strong balance sheet diversification model across multiple business lines including Energy, Financial Services and Real Estate, provides additional distribution support by balancing risk across a portfolio of business sectors. The level of cash withheld can vary and is dependent upon numerous factors, although the Trust intends to continue to make cash distributions to unitholders, these distributions are not guaranteed.

a) Cash distributions declared per Trust unit issued and outstanding:

During the three months ended March 31, 2009, the Trust declared distributions to the unitholders in the aggregate amount of \$10,451,968 (three months ended March 31, 2008 - \$10,431,762) in accordance with the following table:

Period covered	Date of Distribution	Per Unit \$
January 1, 2009 to January 31, 2009	02/16/2009	0.0830
February 1, 2009 to February 28, 2009	03/16/2009	0.0830
March 1, 2009 to March 31, 2009	04/15/2009	0.0830

As at March 31, 2009, the Trust had cash distributions payable of \$3,478,800 (December 31, 2008 - \$28,754,844) representing the Trust's regular monthly distribution to be paid on April 15, 2009.

15. CAPITAL DISCLOSURES

The Trust's capital structure is comprised of unitholders' equity and bank indebtedness. The Trust's objectives when managing its capital structure are to:

- i) maintain balance sheet strength, ensuring the Trust's strategic objectives are met, while retaining an appropriate amount of leverage; and
- ii) provide an appropriate return including distributions to unitholders relative to the risk of the Trust's underlying assets

The Trust manages its capital structure within guidelines approved by the Board of Directors. Changes to the Trust's capital structure are made based on economic conditions and the Trust's planned requirements. The Trust has the ability to adjust its capital structure by issuing new equity or debt, selling assets to reduce debt, controlling the amount it distributes to unitholders and making adjustments to its capital expenditure program. In 2008, the sale of the EnerVest assets for proceeds net of costs and adjustments of \$160,957,081 provided the Trust with a

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at and for the three months ended March 31, 2009 and 2008

great deal of flexibility in its go forward capital structure. While some of the flexibility has been impacted by Elbow River's operating losses and bad debt provisions on its exit from marketing bio-diesel product. The Trust's balance sheet continues to be strong.

The Trust does have externally imposed capital requirements, which consist of positive, non-financial covenants on its demand revolving facilities that the Trust is in compliance with for the three months ended March 31, 2009. As collateral for the demand revolving facilities, the Trust has provided a general security agreement with a floating charge debenture over all of the Trust's assets. Other than these restrictions the Trust is not subject to any externally imposed capital requirements.

Consistent with its capital structure guidelines, the Trust monitors capital using non-GAAP financial metrics of net debt (calculated as current assets less current liabilities adjusting for the current portion of mortgages and the risk management assets and liabilities) to annualized funds from continuing operations for the non-real estate divisions targeting a ratio of 1:1, 60% mortgage to fair market value ratio on the Real Estate Division and distribution payout ratio of 75% - 80% of funds from continuing operations.

For the three months ended March 31, 2009, the net debt to funds from continuing operations ratio is not meaningful to the Trust as the Trust is in a net positive working capital position versus a net debt position.

For the Real Estate Division, the ratio is calculated using the total amount of the outstanding mortgages for the period as a percentage of the estimated fair market value of the real estate properties.

The distribution payout ratio uses the total distributions to unitholders per the Statement of Cash Flows of \$10,451,968 as a percentage of the funds from operations. For the three months ended March 31, 2009 regular monthly cash distributions of \$10,451,968 exceeded funds used in operations of \$10,056,052 by \$20,508,020. Excluding the large loss on the Elbow River bio-diesel exit the payout ratio would have been positive 65% in line with the targeted distribution payout ratios.

CORPORATE INFORMATION

Directors

William M. Gallacher ^(2,3)
President & CEO, Chairman

Gary H. Dundas
VP Finance & CFO

David E. Butler ^(1,3,4)

Stuart Y. Chow ^(2,3,4)

Jeffery Kohn ⁽⁴⁾

Alan Moon ^(1,2,4)
Lead Director

William E. Patterson ^(1,2,4)

1. Audit Committee
2. Governance & Compensation Committee
3. Reserves Committee
4. Strategic Review Committee

Corporate Secretary

J.G. (Jeff) Lawson

Auditors

Ernst & Young, LLP

Bankers

National Bank of Canada
HSBC Bank Canada

Evaluation Engineers

McDaniel & Associates Consultants Ltd.

Legal Counsel

Burnet, Duckworth & Palmer, LLP
Vogel & Company, LLP

Transfer Agent

Olympia Trust Company of Canada

Officers & Key Personnel

Corporate Headquarters

William Gallacher, P.Eng
President & CEO

Gary Dundas, CMA, MBA
Vice President, Finance & CFO

Jill Koskimaki, BBA
Manager Bus. Development

Michelle O'Grady, CA
Controller

Avenir Operating Corp.

Grant Leslie, P. Eng., COO
Bob Guy, VP Production
Debbie Carter, Controller

Elbow River Marketing LP

Ed Malcolm, President
Arie Prins, Chief Financial Officer
George Petropoulos, Mgr, LPG Marketing

Real Estate Management

MDC Property Services Ltd.

Investor Relations

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OIL & GAS ABBREVIATIONS

Oil and Natural Gas Liquids		Natural Gas	
Bbl	Barrel	Mcf	thousand cubic feet
Bbls	Barrels	Mmcf	million cubic feet
Mbbls	thousand barrels	Bcf	billion cubic feet
Bbls/d	barrels per day	Mcf/d	thousand cubic feet per day
Mmbbls	million barrels	Mmcf/d	million cubic feet per day
NGLs	natural gas liquids	MMBTU	million British Thermal Units
Other			
AECO	EnCana Corporation's natural gas storage facility located at Suffield, Alberta.		
BOE	means barrel of oil equivalent, using the conversion factor of 6 Mcf of natural gas being equivalent to one Bbl of oil, unless otherwise specified. The conversion factor used to convert natural gas to oil equivalent is not necessarily based upon either energy or price equivalents at this time.		
BOE/d	barrels of oil equivalent per day.		
COGPE	means Canadian oil and gas property expense, as defined in the Tax Act.		
MBOE	means thousand barrels of oil equivalent.		
McfGe	means thousand cubic feet of gas equivalent.		
MMBOE	means million barrels of oil equivalent.		
OOIP	means original oil in place.		
WTI	means West Texas Intermediate, the reference price paid in U.S. dollars at Cushing, Oklahoma for crude oil of standard grade.		
°API	means the measure of the density or gravity of liquid petroleum products derived from a specific gravity.		
MW	megawatts of electrical power.		
3D	three dimensional.		
Darcies	means the measure of permeability (being the ease with which a single fluid will flow through connected pore space when a pressure gradient is applied).		
Porosity	means the measure of the fraction of pore space of a reservoir.		

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