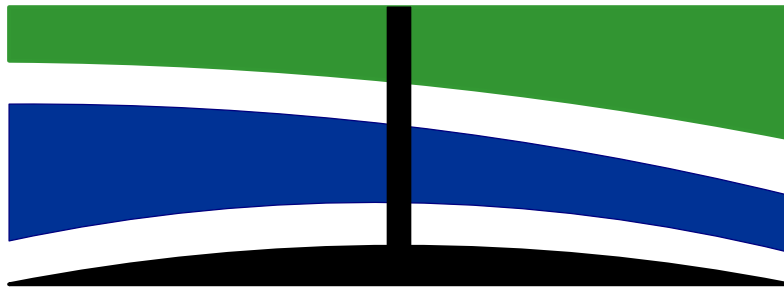


Deepwell



Energy Services

CONSOLIDATED FINANCIAL STATEMENTS OF

DEEPWELL ENERGY SERVICES TRUST

December 31, 2008

Management's Report

To the Unitholders of Deepwell Energy Services Trust

The audited consolidated balance sheets of **Deepwell Energy Services Trust** as at December 31, 2008 and 2007 and the consolidated statements of operations, comprehensive loss and accumulated deficit, and cashflows for the years ended December 31, 2008 and 2007 have been prepared by management. It is management's responsibility to ensure that sound judgment, appropriate accounting principles and methods, and reasonable estimates have been used in the preparation of this information. Management also ensures that all information presented is consistent.

Management is also responsible for developing internal controls over the financial reporting process. Management believes the system of internal controls, review procedures and established policies provide reasonable assurance as to the reliability and relevance of the financial reports. Management also believes that the Trust's operations are conducted in conformity with the law and with a high standard of business conduct.

The Board of Trustees is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Board carries out this responsibility principally through the Audit Committee of the administrator. The Committee, which consists of non-management members, reviews the financial statements and annual report, and recommends them to the Board for approval. The Committee meets with management and external auditors to discuss internal controls, auditing matters, and financial reporting issues. External auditors have full and unrestricted access to the Audit Committee. The Committee also recommends a firm of external auditors to be appointed by the Unitholders.

(signed) *"Jay B. Simmons"*

Jay B. Simmons, President and CEO

Deepwell Energy Services Trust

Calgary, Alberta

March 31, 2009



Grant Thornton LLP
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Auditors' report

To the Unitholders of *Deepwell Energy Services Trust*:

We have audited the consolidated balance sheets of *Deepwell Energy Services Trust* as at December 31, 2008 and 2007 and the consolidated statements of operations, comprehensive loss and deficit and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Trust's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly in all material respects, the financial position of the Trust as at December 31, 2008 and 2007 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Calgary, Canada
March 30, 2009

Grant Thornton LLP

Chartered Accountants

Deepwell Energy Services Trust

Consolidated Balance Sheets

As at December 31

	2008	2007
Assets		
Current assets:		
Cash	\$ 746,078	\$ -
Accounts receivable	2,919,425	2,746,918
Inventory	207,477	219,991
Prepaid expenses and deposits	384,645	214,920
	<u>4,257,625</u>	<u>3,181,829</u>
Property, plant and equipment (Note 5)	49,847,709	46,982,025
Intangible assets (Note 6)	2,583,924	2,925,102
Goodwill (Note 7)	2,030,676	7,157,402
	<u>\$ 58,719,934</u>	<u>\$ 60,246,358</u>
Liabilities		
Current liabilities:		
Bank indebtedness	\$ 343,417	\$ 40,537
Accounts payable and accrued liabilities	1,527,023	3,631,316
Operating loan (Note 8)	50,000	550,000
Taxes payable	25,694	-
Current portion of long-term debt (Note 8)	3,475,020	933,333
Reclassified long-term debt (Note 8)	14,396,510	-
Distributions payable	-	429,792
	<u>19,817,664</u>	<u>5,584,978</u>
Long-term debt (Note 8)	-	3,866,667
Future income taxes (Note 9)	465,500	-
Asset retirement obligations (Note 10)	1,205,123	1,016,449
	<u>21,488,287</u>	<u>10,468,094</u>
Unitholders' Equity		
Trust units (Note 11)	56,386,571	56,229,626
Contributed surplus (Note 11)	1,253,452	1,066,549
Deficit	(20,408,376)	(7,517,911)
	<u>37,231,647</u>	<u>49,778,264</u>
	<u>\$ 58,719,934</u>	<u>\$ 60,246,358</u>

Basis of presentation (Note 1), Commitments (Note 16)
On behalf of the Board of Trustees:

(signed) "Jay B. Simmons"

(signed) "Murray W. Montgomery"

Jay B. Simmons, Trustee

Murray W. Montgomery, Trustee

See accompanying notes to the consolidated financial statements

Deepwell Energy Services Trust
Consolidated Statements of Operations,
Comprehensive Loss & Deficit
For the years ended December 31

	2008	2007
Revenue	\$ 18,653,296	\$ 14,124,051
Operating expenses	10,755,303	6,635,001
Operating margin	7,897,993	7,489,050
Expenses		
General and administrative	2,543,414	2,518,213
Restructuring costs (Note 12)	1,202,981	-
Unit-based compensation (Note 11)	186,903	815,117
Interest and financing costs	730,966	704,534
Depreciation and accretion	4,567,429	3,246,002
Amortization of intangible assets (Note 6)	341,178	328,935
Loss (gain) on sale of property and equipment	9,484	(8,773)
Impairment of goodwill (Note 7)	7,157,402	-
Fire-related expenses	-	529,821
	16,739,757	8,133,849
Loss before income taxes	(8,841,764)	(644,799)
Income tax reduction (Note 9)		
Current	300,108	-
Future	31,000	87,201
	331,108	87,201
Net loss and comprehensive loss for the year	(8,510,656)	(557,598)
Deficit, beginning of year	(7,517,911)	(2,507,364)
Distributions to unitholders (Note 11)	(4,379,809)	(4,452,949)
Deficit, end of year	\$ (20,408,376)	\$ (7,517,911)
Net loss per Trust unit, basic and diluted:		
Basic	\$ (1.18)	\$ (0.10)
Diluted	\$ (1.18)	\$ (0.10)
Weighted average number of Trust units (Note 11)		
Basic	7,181,459	5,569,288
Diluted	7,182,621	5,570,403

See accompanying notes to the consolidated financial statements

Deepwell Energy Services Trust

Consolidated Statements of Cash Flows

For the years ended December 31

	2008	2007
Operating activities		
Net loss	\$ (8,510,656)	\$ (557,598)
Non-cash items		
Depreciation and accretion	4,567,429	3,246,002
Amortization of intangible assets	341,178	328,935
Impairment of goodwill (Note 7)	7,157,402	-
Future income tax reduction (Note 9)	(31,000)	(87,201)
Unit-based compensation (Note 11)	186,903	815,117
Loss (gain) on sale of property and equipment	9,484	(8,773)
Loss on write-off of property and equipment	-	746,332
	<u>3,720,740</u>	<u>4,482,814</u>
Change in non-cash working capital (Note 13)	(1,253,519)	(685,719)
Cash provided by operating activities	<u>2,467,221</u>	<u>3,797,095</u>
Investing activities		
Financial security deposits	-	1,433,474
Business acquisition (Note 4)	(3,978,265)	-
Expenditures on property, plant and equipment	(4,910,433)	(11,199,255)
Proceeds on sale of property, plant and equipment	28,813	101,980
Change in non-cash working capital (Note 13)	(1,083,012)	648,521
Cash used in investing activities	<u>(9,942,897)</u>	<u>(9,015,280)</u>
Financing activities		
Issue of Trust units (net of costs)	-	15,475,066
Increase in bank indebtedness	302,880	40,537
Advances (repayments) of long-term debt (Note 8)	13,071,530	(6,700,000)
(Repayment) advances of operating loan	(500,000)	550,000
Distribution payments	(4,652,656)	(4,176,279)
Cash flow from financing activities	<u>8,221,754</u>	<u>5,189,324</u>
Increase (decrease) in cash	746,078	(28,861)
Cash, beginning of year	-	28,861
Cash, end of year	<u>\$ 746,078</u>	<u>\$ -</u>
Supplementary information		
Cash interest paid	\$ 721,304	\$ 590,491
Cash taxes paid	\$ 75,000	\$ -

See accompanying notes to the consolidated financial statements

Deepwell Energy Services Trust

Notes to Consolidated Financial Statements

For the year ended December 31, 2008

1. Nature of the organization and basis of presentation

Deepwell Energy Services Trust (the "Trust" or "Deepwell") is an open-ended unincorporated investment Trust governed by the laws of the Province of Alberta and created pursuant to a Declaration of Trust dated April 21, 2006. Deepwell provides water disposal and oilfield waste management services, including treating, processing and disposing of oilfield wastes and custom treating of oil/water emulsions.

These consolidated financial statements have been prepared on a going concern basis which contemplates the realization of assets and the payment of liabilities in the ordinary course of business. As at December 31, 2008, the Trust had a working capital deficit of \$15,560,039 (2007 – \$2,403,149) and an accumulated deficit of \$20,408,376 (2007 – \$7,517,911). This deficit is due to significant capital expenditures and accumulated operating losses which are not expected to be recurring. Of the working capital deficit at December 31, 2008, \$14,396,510 is related to long term debt that has been reclassified to current due to a covenant violation (Note 8b). The Trust is considering various alternatives to remedy any future shortfall in capital. The Trust may deem it necessary to raise capital through equity markets, debt markets or other financing arrangements. There is no assurance this capital will be available.

The ability of the Trust to continue as a going concern will depend on achieving and maintaining profitable operations and may also depend on raising additional financing sufficient to meet all obligations. Although in the opinion of Management, the use of the going concern assumption is appropriate, there can be no assurance that any steps Management is taking will be successful. These consolidated financial statements do not reflect adjustments in the carrying values of the assets and liabilities, expenses and the balance sheet classifications that would be used if the going concern assumption were not appropriate (Note 8). Such adjustments could be material.

These consolidated financial statements include the accounts of the Trust, its wholly owned subsidiary Deepwell Energy Services LP ("Deepwell LP"), Deepwell LP's subsidiaries Deepwell Energy Services Commercial Trust and Deepwell Energy Services Ltd. and its joint interest investment in Palko Energy Ltd. ("Palko") after the elimination of intercompany transactions and balances.

2. Significant accounting policies

These consolidated financial statements have been prepared by management in accordance with generally accepted accounting principles in Canada. The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts in the financial statements and accompanying notes including the disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates. These consolidated financial statements have, in management's opinion, been properly prepared using careful judgment with reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

a) Cash

Cash includes cash on hand and bank balances (overdrafts).

b) Prepaids

Prepaid expenses consist of deposits and prepaid annual fees which are amortized over the term of the related payment.

Deepwell Energy Services Trust

Notes to Consolidated Financial Statements

For the year ended December 31, 2008

2. Significant accounting policies *(continued)*

c) Inventory

Inventory consists of drilling fluids, oilfield supplies and crude oil, all of which are valued at the lower of cost and net realizable value. Cost includes all costs of purchase, processing costs, and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

d) Property, plant and equipment

Property, plant and equipment are initially recorded at cost. Depreciation is provided using methods and rates intended to depreciate the cost of equipment over the estimated useful lives. Depreciation is provided at the following rates:

Assets	Method	Rate
Plant and equipment	Declining balance	10 - 30%
Disposal wells	Unit of production	cubic metres used of the remaining capacity
Administrative	Declining balance	20 - 30%
Leasehold improvements	Straight-line	5 years

Plant and equipment includes buildings, site improvements, pipelines, tanks and mobile equipment.

e) Long lived assets

Long lived assets consist of property, plant, and equipment and are measured and depreciated as described in the applicable accounting policy. Management assesses the carrying value of long lived assets for impairment at least annually or when events or circumstances indicate that the carrying value of those assets may not be recoverable. Such events or circumstances include items such as an ongoing lack of profitability and significant changes in technology. When there is an indication of impairment, the Trust tests for impairment by comparing the carrying value of the asset to its net recoverable amount. Impairment is recognized if the carrying value of the asset exceeds the sum of the undiscounted cash flows expected to result from that asset. If the carrying amount is greater than the net recoverable amount, the asset is written down to its estimated fair value.

f) Intangible assets

Intangible assets are comprised of values attributable to customer relationships, certificates of approval or completion, and non-competition agreements. The carrying value of these assets is assessed annually or whenever an event or changes in circumstances indicate their carrying value may not be recoverable. Amortization is provided at the following annual rates:

Assets	Method	Rate
Completions and contracts	Straight line	5%
Non competition agreements	Straight line	33%
Customer relationships	Straight line	17%

Deepwell Energy Services Trust

Notes to Consolidated Financial Statements

For the year ended December 31, 2008

2. Significant accounting policies *(continued)*

g) Goodwill

Goodwill is recognized when the total purchase price of a business acquisition exceeds the fair value of the net identifiable assets and liabilities of the acquired business. The goodwill balance is assessed for impairment annually or when an event or circumstance occurs that more likely than not reduces the fair value of a reporting unit below its carrying amount. To assess impairment, the fair value of a reporting unit is compared to its carrying value including goodwill. When the carrying value of the reporting unit exceeds its fair value, the fair value of the reporting unit's goodwill is compared with its carrying value to determine the amount of the impairment loss.

h) Asset retirement obligation

Asset retirement costs and liabilities associated with site restoration and abandonment of long-lived assets are initially measured at a fair value which approximates the cost a third party would incur in performing the tasks necessary to retire such assets. Such costs are capitalized as part of the cost of property and equipment and amortized to expense through depreciation over the life of the asset. The change in the liability due to the passage of time is measured by applying an interest method of allocation to the opening liability and is recognized as an increase in the carrying value of the liability and an expense. The expense is recorded as accretion expense in the statement of operations. A change in the liability resulting from revisions to either the timing or the amount of the original estimate of undiscounted cash flows is recognized as an increase or decrease in the carrying amount of the liability, with an offsetting increase or decrease in the carrying amount of the associated asset.

i) Financial instruments

All financial instruments, including all derivatives, are required to be recognized on the balance sheet initially at fair value. Subsequent measurement of all financial assets and liabilities except those held-for-trading and available for sale are measured at amortized cost determined using the effective interest rate method. Held-for-trading financial assets are measured at fair value with changes in fair value recognized in earnings. Available-for-sale financial assets are measured at fair value with changes in fair value recognized in comprehensive income and reclassified to earnings when derecognized or impaired.

The Trust has classified its financial assets and liabilities as follows:

Held-for-trading	Loans and receivables	Other liabilities
Cash	Accounts receivable	Accounts payable and accrued liabilities Operating loan & long term debt & bank indebtedness

j) Comprehensive loss

Comprehensive loss is the change in shareholders' equity during a period from transactions and other events and circumstances from non-owner sources and includes unrealized gains and losses on financial assets classified as available-for-sale. The Trust has reported a statement of comprehensive loss combined with the statement of operations. When related amounts are recorded, a new category for accumulated other comprehensive income will be presented in the shareholders' equity section of the balance sheet.

Deepwell Energy Services Trust

Notes to Consolidated Financial Statements

For the year ended December 31, 2008

2. Significant accounting policies *(continued)*

k) Revenue recognition

The Trust's services include the processing and separation of oilfield waste, the disposal of oilfield waste water and the custom treating of oil. Revenue is recorded in the period when treatment services are provided or performed and when collectability is reasonably assured. Processing and disposal revenue are recorded at the time of completion of services. Oil sales are recorded at the time of delivery.

l) Future income tax

Income taxes in the Trust's corporate subsidiary have been accounted for under the asset and liability method of accounting for future taxes. Under this method, future income tax assets and liabilities are recorded based on temporary differences between the carrying amount of balance sheet items and their corresponding tax bases. In addition, the future benefits of income tax assets, including unused tax losses, are recognized, subject to a valuation allowance, to the extent that it is more likely than not that such future benefits will ultimately be realized. Future income tax assets and liabilities are measured using enacted tax rates and laws expected to apply when the tax liabilities or assets are to be either settled or realized.

m) Transaction costs

Transaction costs directly attributable to the acquisition or issue of financial instruments classified as other financial liabilities are expensed in the period incurred.

n) Unit based compensation

The Trust has established a unit option plan for Trustees, directors, officers, employees and consultants. Unit-based compensation expense is based on the estimated fair value of options granted at the time of the grant. The fair value is recognized as unit based compensation with a corresponding increase to contributed surplus over the vesting period of the options. Upon the exercise of the options, consideration paid together with the amount previously recognized in contributed surplus is recorded as an increase in Trust units. In the event that vested options expire, previously recognized compensation expense associated with such unit options is not reversed. In the event that unvested options are cancelled, previously recognized compensation expense associated with such stock options is reversed.

o) Proportionate consolidation

Deepwell accounts for its joint interest investment in Palko using the proportionate consolidation method whereby the Trust's proportionate share of assets, liabilities, revenues and expenses have been recorded in these financial statements from the closing date of the purchase on September 25, 2008. Use of the proportionate consolidation method is appropriate as Palko is jointly controlled by Deepwell through its 50% interest with other non-related parties hold the remaining 50% interest.

p) Income per unit

Basic net income per unit is computed by dividing net income by the weighted average number of units outstanding during the reporting period. Diluted net income per unit is calculated using the treasury stock method which assumes that any proceeds obtained on the exercise of options would be used to purchase units at the average price during the period. The effect of anti-dilutive options is not included in the calculation of diluted net income per unit.

Deepwell Energy Services Trust

Notes to Consolidated Financial Statements

For the year ended December 31, 2008

2. Significant accounting policies *(continued)*

q) Use of estimates

The preparation of consolidated financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

In particular, significant estimates include those related to revenue recognition, the valuation of inventory, the realization of future income taxes, the valuation of goodwill and other intangible assets, unit based compensation, valuation of property and equipment, and asset retirement obligations. Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amounts recorded for depreciation of property and equipment and asset retirement obligations are based on estimates of useful lives and future costs to abandon and reclaim wells and facilities. Amounts related to the fair value of unit options are based on estimates of unit price volatility, risk-free interest rate and expected lives of options.

By their nature, these estimates and related future cash flows are subject to measurement uncertainty, and the impact on the financial statements of future periods could be material. These assumptions are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the periods in which they become known.

3. Changes in accounting policies

On January 1, 2008, the Trust adopted the new or revised Canadian accounting standards for inventory, capital disclosures, and financial instruments. Prior periods have not been restated. The adoption of these changes had no impact on the Trust's opening retained earnings.

a) Inventories

Section 3031 Inventories provides guidance on the measurement and disclosure of inventories. This section indicates that inventories should be measured at the lower of cost and net realizable value and provides guidance on the determination of cost. The cost of inventories shall be determined using the first-in, first-out or weighted average cost formula. The same cost formula must be used for all inventories having a similar nature and use to the entity.

b) Capital disclosures

Section 1535 Capital Disclosures specifies the disclosure of (i) an entity's objectives, policies, and processes for managing capital, (ii) quantitative data about what the entity regards as capital, (iii) whether the entity has complied with any capital requirements, and (iv) if it has not complied, the consequences of such noncompliance.

c) Financial instruments – presentation and disclosure

Section 3862 Financial Instruments – Disclosure and Section 3863 Financial Instruments – Presentation replace Section 3861 Financial Instruments – Disclosure and Presentation. The new standards revise and enhance disclosure requirements and place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how the entity manages those risks. Presentation requirements remain unchanged.

Deepwell Energy Services Trust

Notes to Consolidated Financial Statements

For the year ended December 31, 2008

3. Changes in accounting policies *(continued)*

d) Financial instruments – reclassification of financial assets

In October 2008, the Accounting Standards Board of Canada (“AcSB”) issued amendments to its standards dealing with reclassification of financial assets in response to similar amendments made by the International Accounting Standards Board (“IASB”) in the context of the current financial market turmoil. The amendments allow reclassification of financial assets out of the held-for-trading category (measured at fair value with gains and losses recognized immediately in net income) into the available-for-sale or held-to-maturity categories, in “rare circumstances.” The latter two categories are subject to impairment testing, but income statement charges for impairment are recognized when impairment is considered “other than temporary.” The financial assets that can be reclassified exclude derivatives and financial assets an entity has elected to include in the held-for-trading category. Assets qualifying for reclassification are mainly debt and equity investments that were originally classified as held for trading because they were acquired for the purpose of near-term sale. The amendments are accompanied by extensive disclosure requirements to provide clear information to financial statement users and apply to reclassifications made on or after July 1, 2008. An entity is precluded from reclassifying a financial asset in accordance with the amendments before July 1, 2008. Any reclassification made on or after November 1, 2008 takes effect from the date of reclassification.

However, any reclassification before November 1, 2008 can take effect from July 1, 2008 or a subsequent date. Any reclassification of a financial asset in accordance with the amendments must not be applied retrospectively to reporting periods ended before July 1, 2008. An entity does not reclassify financial assets retrospectively in periods reported on in previously issued financial statements. The Trust did not reclassify any financial assets during 2008.

e) Future accounting standards

International Financial Reporting Standards (“IFRS”)

In 2005, the AcSB announced that accounting standards in Canada are to converge with IFRS. The AcSB has indicated that Canadian entities will need to begin reporting under IFRS by the first quarter of 2011 with appropriate comparative data from the prior year. Under IFRS, the primary audience is capital markets and as a result, there is significantly more disclosure required, specifically for quarterly reporting. Further, while IFRS uses a conceptual framework similar to Canadian GAAP, there are significant differences in accounting policy which must be addressed. The Trust is currently developing its IFRS conversion plan and is evaluating the effect of the new standard on its consolidated financial statements.

Goodwill and intangible assets

In January 2008, *Section 3064 Goodwill and Intangible Assets* was issued to replace *Section 3062 Goodwill and Other Intangible Assets* and *Section 3450 Research and Development Costs*. In addition, *Section 1000 Financial Statement Concepts* and *Accounting Guideline AcG 11 Enterprises in the Development Stage* were amended. The new and amended material clarifies that costs may only be deferred when they relate to an item that meets the definition of an asset. The practice of matching revenues and expenses remains appropriate only for allocating the cost of an asset that is consumed in generating revenue over multiple reporting periods. Section 3064 provides extensive guidance on when expenditures qualify for recognition as intangible assets, aligns Canadian GAAP with IFRS and will be effective on January 1, 2009.

Deepwell Energy Services Trust

Notes to Consolidated Financial Statements

For the year ended December 31, 2008

3. Changes in accounting policies *(continued)*

e) Future accounting standards *(continued)*

Business combinations and non-controlling interests

In January 2009, the AcSB issued Section 1582 Business Combinations, Section 1601 Consolidations and Section 1602 Non-controlling Interests. Section 1582 replaces Section 1581 Business Combinations and provides the Canadian equivalent to IFRS 3 Business Combinations. Section 1601 and Section 1602 replace Section 1600 Consolidated Financial Statements. Section 1602 provides the Canadian equivalent to International Accounting Standard ("IAS") 27 Consolidated and Separate Financial Statements, for non-controlling interests. These standards are effective January 1, 2011.

4. Acquisition of Palko Energy Ltd.

On September 25, 2008, Deepwell Energy Services Ltd. acquired a 50% joint interest in Palko Energy Ltd ("Palko"), based out of Midale, Saskatchewan for net cash consideration of \$3,978,265. Palko currently operates one facility which provides treatment, processing and disposal of oilfield waste to customers in south eastern Saskatchewan. The operating results of Palko are proportionately consolidated effective the closing date of the transaction. The amount of the consideration paid and the fair value of Deepwell's proportionate share of the assets acquired and liabilities assumed were:

Cash consideration	\$ 5,271,530
Acquisition costs	202,036
Total consideration	<u>5,473,566</u>
Cash acquired	(1,495,301)
Net cash consideration	<u>\$ 3,978,265</u>
Allocation of purchase price	
Net working capital	\$ 71,786
Capital assets	
- Disposal well	2,050,000
- Oilfield service equipment	429,551
Goodwill	2,030,676
Asset retirement obligation	(107,248)
Future income tax liability	(496,500)
	<u>\$ 3,978,265</u>

As at December 31, 2008, Deepwell's proportionate share of Palko's results are as follows:

Current assets	\$ 1,217,187
Long term assets	4,524,655
	<u>5,741,842</u>
Current liabilities	1,373,737
Long term liabilities	574,920
	<u>1,948,656</u>

Deepwell Energy Services Trust

Notes to Consolidated Financial Statements

For the year ended December 31, 2008

4. Acquisition of Palko Energy Ltd. (continued)

Revenue	\$	620,029
Expenses		(381,517)
Income tax recovery		331,108
Net income		<u>569,620</u>
Cashflows from operating activities	\$	375,428
Cashflows used in investing activities		(124,651)
		<u>250,777</u>

5. Property, plant and equipment

	2008		
	Cost	Accumulated Depreciation	Net Book Value
Disposal wells	\$ 32,505,220	\$ 5,211,638	\$ 27,293,582
Pipelines	3,957,782	448,777	3,509,005
Oilfield service equipment & tanks	12,443,596	1,922,055	10,521,541
Site improvements	4,692,492	725,087	3,967,405
Buildings	3,925,080	236,570	3,688,510
Administrative	1,324,390	456,724	867,666
	<u>\$ 58,848,560</u>	<u>\$ 9,000,851</u>	<u>\$ 49,847,709</u>
	2007		
	Cost	Accumulated Depreciation	Net Book Value
Disposal wells	\$ 28,705,932	\$ 3,341,134	\$ 25,364,798
Pipelines	3,458,236	230,977	3,227,259
Oilfield service equipment & tanks	5,930,100	832,325	5,097,775
Site improvements	2,608,276	245,837	2,362,439
Future sites	8,258,067	-	8,258,067
Buildings	1,927,341	69,048	1,858,293
Administrative	1,025,566	212,172	813,394
	<u>\$ 51,913,518</u>	<u>\$ 4,931,493</u>	<u>\$ 46,982,025</u>

During the year ended December 31, 2008, the Trust capitalized \$235,395 related to the asset retirement obligation of property and equipment. In February 2008, construction of the Claresholm facility was completed and the facility became operational at which time depreciation on the facility commenced. The vast majority of the future sites category at December 31, 2007 relates to construction costs incurred prior to opening the Claresholm facility. As at December 31, 2008, the Trust completed a review and determined that no impairment of long-lived assets existed.

Deepwell Energy Services Trust

Notes to Consolidated Financial Statements

For the year ended December 31, 2008

6. Intangible assets

	Cost	2008 Accumulated Amortization	Net Book Value
Completions and contracts	\$ 2,115,000	\$ 252,576	\$ 1,862,424
Customer relations	1,310,000	593,833	716,167
Non-competition agreements	48,000	42,667	5,333
	<u>\$ 3,473,000</u>	<u>\$ 889,076</u>	<u>\$ 2,583,924</u>

	Cost	2007 Accumulated Amortization	Net Book Value
Completions and contracts	\$ 2,115,000	\$ 150,208	\$ 1,964,792
Customer relations	1,310,000	371,023	938,977
Non-competition agreements	48,000	26,667	21,333
	<u>\$ 3,473,000</u>	<u>\$ 547,898</u>	<u>\$ 2,925,102</u>

7. Goodwill

	2008	2007
Balance, beginning of year	\$ 7,157,402	\$ 7,157,402
Acquisition (Note 4)	2,030,676	-
Impairment of goodwill	(7,157,402)	-
Balance, end of year	<u>\$ 2,030,676</u>	<u>\$ 7,157,402</u>

At December 31, 2008, goodwill represents the excess of total purchase price over the net identifiable assets and liabilities on the Palko acquisition. As the Trust's investment in Palko is considered to be a separate reporting unit, a separate impairment test of the Palko goodwill was performed and no adjustment for impairment resulted. At December 31, 2007, goodwill consisted of excess purchase price on the acquisition of the Producers Oilfield Services assets in 2006. During the year ended December 31, 2008, the Trust performed an assessment of the carrying value of goodwill. In view of the economic downturn within the oil and gas service sector and the recent decline in the trading value of the Trust's units, management concluded that the carrying value of goodwill pertaining to the Producers Oilfield Services assets in the amount of \$7,157,402 was impaired and; therefore, was charged to earnings.

8. Credit facilities

The Trust renewed its existing credit facilities on September 19, 2008 with a Canadian chartered bank (the "credit facilities"), which consist of the following at December 31:

a) Extendible revolving operating loan

	2008	2007
Facility limit	\$ 2,000,000	\$ 2,000,000
Outstanding drawings	50,000	550,000

Deepwell Energy Services Trust

Notes to Consolidated Financial Statements

For the year ended December 31, 2008

8. Credit facilities *(continued)*

a) Extendible revolving operating loan *(continued)*

As at December 31, 2008, the Trust had a 364 day extendible revolving operating loan committed to May 28, 2009, bearing interest at the lender's prime rate plus 0.125 percent to 1.625 percent, based on the funded debt to earnings before interest, income taxes, depreciation and amortization ("EBITDA") ratio, with any unused amounts subject to standby fees. Drawings under this facility are repayable at May 28, 2009 unless extended by the bank. At December 31, 2008 the borrowing base for the demand loan was \$1,485,424 (2007 - \$1,212,863). Due to the covenant breach at year end, no further drawings are available under this facility.

b) Extendible revolving term loan

As at December 31, 2008, the Trust had a three year extendible revolving term loan committed to May 28, 2009. If the loan is not extended by the bank for an additional 364 day period, monthly payments of \$496,431 are required to be made on a non-revolving basis to May 28, 2012. The facility has a \$5,000,000 sublimit for the issue of letters of guarantee/credit and bears interest at the lender's prime rate plus 0.125 percent to 1.625 percent, based on the funded debt to EBITDA ratio, with any unused amounts subject to standby fees. \$2,276,502 in letters of guarantee has been issued under this facility. At the option of the Trust, this facility may be utilized by way of banker's acceptances up to 50 percent of the authorized credit available with interest calculated at lender's prime rate plus 1.125% to 2.625% based on the funded debt to EBITDA ratio. Due to the covenant breach at year end, no further drawings are available under this facility.

Annual principal repayments required over the term of this loan are as follows:

2009	\$	3,475,020
2010		5,957,177
2011		5,957,177
2012		<u>2,482,156</u>
	\$	<u>17,871,530</u>

As at December 31, 2008, the Trust has breached the financial covenant which requires a minimum consolidated equity position, excluding Palko, of \$35,000,000. This breach was reported to the creditor and negotiations have commenced in conjunction with the May 2009 refinancing. As no waiver has been obtained from the creditor and a further breach of covenants is possible prior to the finalization of the refinancing, the long term debt has been reclassified to current liabilities.

Deepwell Energy Services Trust

Notes to Consolidated Financial Statements

For the year ended December 31, 2008

8. Credit facilities *(continued)*

b) Extendible revolving term loan *(continued)*

As security for the credit facilities, Deepwell LP granted lenders a security interest over all of its assets. In addition, the Trust and its subsidiaries guaranteed the indebtedness of Deepwell LP under the credit facilities with such guarantee being secured by all of the assets of each such guarantor. In respect of any proceeds resulting from the enforcement of the credit facilities or the above-mentioned guarantees, the lenders will have a prior ranking claim relative to the units. Additionally, the shares of Palko Energy Ltd. held by Deepwell Energy Services Ltd. are pledged as security under the credit facilities.

9. Income taxes

In 2007, Income Trust tax legislation was passed resulting in a two-tiered tax structure subjecting distributions to the federal corporate income tax rate plus a deemed 13 per cent provincial income tax at the Trust level commencing in 2011. On February 26, 2008 the Federal Government announced as part of the Federal budget that the provincial component of the tax on the Trust is to be calculated based on the general provincial rate in each province in which the Trust has a permanent establishment. This is the same way that a corporation would calculate its provincial tax rate. On February 1, 2009 the Minister of Finance tabled a Notice of Ways and Means which includes the proposed legislation for calculating the provincial tax rate. As the proposed rules were not substantively enacted as of December 31, 2008, the Trust has not reflected a reduced tax rate in the calculation of future income taxes in 2008.

Based on the amount of the Trust's existing temporary differences that are anticipated to reverse after January 1, 2011, the Trust expects a future income tax asset as at January 1, 2011. However, the future income tax asset is fully offset by a valuation allowance.

The anticipated amount and timing of reversals of temporary differences will be dependent on the Trust's actual results, distributions and actual acquisition and disposition of assets and liabilities. As a result, a change in estimates or assumptions could materially affect the estimate of the future tax asset.

The Trust's net future income tax balances are comprised of the following:

	2008	2007
Future income tax assets:	\$	\$
Difference in tax and book value of Trust's assets	3,013,388	2,215,677
Asset retirement obligation	336,253	284,661
Unit issuance costs	121,536	123,624
Operating losses of a subsidiary	355,279	315,129
	<u>3,826,456</u>	<u>2,939,091</u>
Future income tax liabilities:		
Difference in tax and book value of Subsidiary and joint venture assets	(537,368)	(128,907)
Valuation allowance	(3,754,588)	(2,810,184)
	<u>\$ (465,500)</u>	<u>\$ -</u>

Deepwell Energy Services Trust

Notes to Consolidated Financial Statements

For the year ended December 31, 2008

9. Income taxes *(continued)*

The provision for future income taxes differs from the amount computed by applying the combined federal and provincial tax rates to the loss before taxes. The difference results from the following:

	2008	2007
(Loss) before taxes	\$ (8,841,764)	\$ (644,799)
Combined federal and provincial income tax rate	29.5%	32.12%
	(2,608,320)	(207,109)
Increase (decrease) in income taxes resulting from:		
Write off of Goodwill with no tax basis	2,111,434	-
Change in tax status with enactment of Bill C-52	-	(2,622,368)
Non-taxable portion of Trust's income	(566,934)	(168,841)
Non-deductible items and other	(211,692)	100,933
Valuation allowance	944,404	2,810,184
	<u>\$ (331,108)</u>	<u>\$ (87,201)</u>

The Trust has non-capital loss carry forwards from its subsidiary of approximately \$1,421,000. The expiration of the losses is as follows:

2013	111,000
2014	229,000
2025	168,000
2026	178,000
2027	297,000
2028	438,000
	<u>\$ 1,421,000</u>

10. Asset retirement obligation

The following table presents the reconciliation of the carrying amount of the obligation associated with the retirement of the Trust's property and equipment:

	2008	2007
Balance, beginning of year	\$ 1,016,449	\$ 713,744
Acquisition	107,248	240,889
Revisions	(12,008)	-
Accretion	93,434	61,816
Balance, end of year	<u>\$ 1,205,123</u>	<u>\$ 1,016,449</u>

Deepwell Energy Services Trust

Notes to Consolidated Financial Statements

For the year ended December 31, 2008

10. Asset retirement obligation *(continued)*

The following significant assumptions were used to estimate the December 31, 2008 asset retirement obligation:

Undiscounted cash flows	\$	4,500,000	3,430,000
Discount rate		8.5%	8.5%
Inflation rate		2%	2%
Weighted average expected timing of cash flows		20 years	20 years

11. Unitholders' equity

a) Authorized

The Trust is authorized to issue an unlimited number of Trust units. Trust units are redeemable at any time at the option of the unitholder. The redemption price is equal to the lesser of 90 percent of the average market price for the 10 days immediately prior to the date the units were tendered for redemption and the closing market price on the date the units were tendered for redemption.

The Trust is authorized to issue an unlimited number of Special Voting Units, which will enable the Trust to provide voting rights to holders of any exchangeable shares that may be issued by any direct or indirect subsidiaries of the Trust. Except for the right to vote, the Special Voting Units do not confer any other rights.

On April 10, 2007, the Trust established a distribution reinvestment plan (the "DRIP"). The DRIP allows eligible unitholders of the Trust to direct that their cash distributions be reinvested in additional Trust units. The cash distributions will be re-invested at the discretion of Deepwell Energy Services Ltd. either by acquiring Trust units issued from treasury at 95 percent of the average market price (as defined in the DRIP) or by acquiring Trust units at prevailing market prices.

b) Issued

Trust units

	2008		2007	
	Number	Amount	Number	Amount
Balance, beginning of year	7,163,200	\$ 56,229,626	4,356,000	\$ 40,490,377
Issued upon rights offering July 9, 2007 (i)	-	-	2,180,515	13,104,895
Issued upon private placement July 31, 2007 (ii)	-	-	582,362	3,499,996
Issued from Distribution Reinvestment Plan	36,998	156,945	44,323	264,184
Trust unit issue costs	-	-	-	(1,129,826)
Balance, end of year	<u>7,200,198</u>	<u>\$ 56,386,571</u>	<u>7,163,200</u>	<u>\$ 56,229,626</u>

- i) On July 9, 2007, the Trust completed an issuance of 2,180,515 rights at \$6.01 per right for total proceeds of \$13,104,895.
- ii) On July 31, 2007, the Trust completed a private placement of 582,362 units at \$6.01 per unit for total proceeds of \$3,499,996.

Deepwell Energy Services Trust

Notes to Consolidated Financial Statements

For the year ended December 31, 2008

11. Unitholders' equity (continued)

b) Issued (continued)

Special Voting Rights

No Special Voting Units have been issued since inception of the Trust.

c) Trust unit options

The Trust has established a unit option plan for its directors, officers, employees and consultants. Pursuant to this plan, the Trust is authorized to reserve for issuance up to 10% of its Trust units outstanding from time to time. Options expire five years from the date of grant and vest over periods as determined by the board of Directors at the time of grant.

The initial total fair value of the options granted during the year ended December 31, 2008 was estimated to be \$62,616 (2007 - \$566,311). The fair value of options issued during the year was estimated using the Black-Scholes pricing model with the following assumptions: risk free interest rate of 4.21% (2007 - 4.25%); volatility of 48% (2007 - 45%).

The impact of monthly distributions and corresponding changes in exercise price during the life of the options are assumed to be equal and offsetting, and so no provision is made in the pricing model for either factor.

	2008		2007	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance, beginning of year	506,971	\$ 7.70	303,500	\$ 8.81
Granted	29,000	4.15	208,971	6.12
Expired/Cancelled	(329,967)	6.87	(5,500)	9.27
Balance, end of year	206,004	\$ 6.83	506,971	\$ 7.70

As such, the weighted average exercise prices have been adjusted by \$0.67 (2007 - \$0.82) to reflect the decrease in exercise price for distribution over the year.

Exercise Price	Quantity	Options Outstanding		Options Exercisable	
		Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Quantity	Weighted Average Exercise Price
\$4.15	29,000	4.27	\$4.15	-	\$ -
\$5.45	57,504	3.71	\$5.45	19,174	\$5.45
\$5.65	1,000	3.35	\$5.65	334	\$5.65
\$8.43	15,000	2.75	\$8.43	10,000	\$8.43
\$8.12	103,500	2.64	\$8.12	68,996	\$8.12
	206,004	3.18	\$6.83	98,504	\$7.62

Deepwell Energy Services Trust

Notes to Consolidated Financial Statements

For the year ended December 31, 2008

11. Unitholders' equity (continued)

d) Contributed surplus

	2008	2007
Balance, beginning of year	\$ 1,066,549	\$ 251,432
Unit-based compensation expense	186,903	815,117
Balance, end of year	\$ 1,253,452	\$ 1,066,549

e) Cash distributions

The Trust declares monthly distributions of cash to unitholders of record as at the close of business on each Distribution Record Date. Pursuant to the declaration of Trust, the Trust is required to pay to unitholders the net income of the Trust determined pursuant to the provisions of the Income Tax Act (Canada). Such distributions are recorded as reductions of equity upon declaration of the distribution.

During the year, the Trust declared and paid distributions to the unitholders in accordance with the following schedule:

Period	2008		2007	
	Distribution per Trust unit	Distribution amount	Distribution per Trust unit	Distribution amount
January	\$ 0.06	\$ 430,112	\$ 0.096	\$ 417,304
February	0.06	430,268	0.096	417,304
March	0.06	430,426	0.060	261,360
April	0.06	430,564	0.060	261,360
May	0.06	430,682	0.060	261,523
June	0.06	430,805	0.060	261,662
July	0.06	430,974	0.060	427,655
August	0.06	431,144	0.060	427,952
September	0.06	431,315	0.060	428,485
October	0.06	431,540	0.060	429,119
November	0.01	71,979	0.060	429,433
December	-	-	0.060	429,792
		\$ 4,379,809		\$ 4,452,949

Effective December 19, 2008 the Trust announced the indefinite suspension of distribution payments.

f) Per unit amounts

	2008	2007
Basic	7,181,459	5,569,288
Diluted	7,182,621	5,570,403

In calculating diluted unit amounts for the year ended December 31, 2008, the Trust excluded 247,404 (2007 – 303,000) units because the exercise price was greater than the average market price during the year.

Deepwell Energy Services Trust

Notes to Consolidated Financial Statements

For the year ended December 31, 2008

12. Restructuring costs

For the year ended December 31, 2008, \$1,202,981 was incurred for employee severance, recruitment, legal, and professional costs associated with the Trust's pending conversion to a corporation.

13. Change in non-cash working capital

	2008	2007
Accounts receivable	\$ (172,507)	\$ (17,812)
Inventory	12,514	(139,786)
Prepaid expenses and deposits	(169,725)	28,070
Accounts payable and accrued liabilities	(2,104,293)	92,330
Taxes payable	25,694	-
Working capital acquired	71,786	-
	<u>\$ (2,336,531)</u>	<u>\$ (37,198)</u>

The change in non-cash working capital has been allocated to the following activities:

	2008	2007
Operating	\$ (1,253,519)	\$ (685,719)
Investing	(1,083,012)	648,521
Financing	-	-
	<u>\$ (2,336,531)</u>	<u>\$ (37,198)</u>

14. Capital management

The Trust's objective when managing capital is to maintain a flexible capital structure which will allow it to execute acquisitions and any capital expenditure programs. The Trust seeks to maintain a balance between the level of long-term debt and unitholders' equity to ensure access to capital to fund growth and working capital given the cyclical nature of the oilfield services sector.

The Trust considers its capital structure to include working capital, debt, and unitholders' equity. The Trust monitors capital based on annual funds from operations and acquisition opportunities, for which budgets are updated as necessary and are reviewed and periodically approved by the Trust's Board of Directors.

The Trust manages its capital structure and makes adjustments by continually monitoring its business conditions including the current economic conditions, the risk characteristics of the Trust's assets, the depth of its investment opportunities, current and forecasted net debt levels, current and forecasted commodity prices and other facts that influence commodity prices and funds from operations.

The Trust has externally imposed capital requirements as governed by the credit facilities through the maintenance of certain bank covenants, in particular, the funded debt to EBITDA, as defined in note 8, covenant. For the purposes of this covenant, funded debt consists of the current and long-term portions of bank debt, operating loan advances and commitments at the balance sheet date. A one time allowance was granted for certain items incurred in the third quarter of 2008 of \$1,550,000. The targeted ratio of funded debt to EBITDA is 2.50:1 with a maximum limit under the bank covenant of 2.75:1. The Trust was in compliance with this covenant as at December 31, 2008.

Deepwell Energy Services Trust

Notes to Consolidated Financial Statements

For the year ended December 31, 2008

14. Capital management *(continued)*

The Trust has amended its' capital management strategy in response to the covenant breach as discussed in notes 1 and 8. As well, the Trust suspended distributions indefinitely in December 2008.

15. Financial instruments and financial risk management

The Trust's financial instruments include cash, accounts receivable, bank indebtedness, accounts payable and accrued liabilities, and debt. The carrying values of these financial instruments approximate their fair values due to their relatively short periods to maturity.

The Trust's risk management policies are established to identify and analyze the risks faced by the Trust, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions and the Trust's activities. The Trust has exposure to credit risk, liquidity risk and market risk as a result of its use of financial instruments.

This note presents information about the Trust's exposure to each of the above risks and the Trust's objectives, policies and processes for measuring and managing these risks. Further quantitative disclosures are included throughout these financial statements. The Board of Directors has overall responsibility for the establishment and oversight of the Trust's risk management framework. The Board has implemented and monitors compliance with risk management policies.

a) Credit risk

Credit risk is the risk of financial loss to the Trust if a customer or counterparty to a financial instrument fails to meet its contractual obligations. A substantial portion of the Trust's accounts receivable is due from an oil marketer and is subject to normal industry credit risks. The purchaser of the Trust's oil is subject to credit review to minimize the risk of non-payment. As at December 31, 2008, the maximum credit exposure is the carrying amount of the accounts receivable and accruals of \$2,919,425 (December 31, 2007 – \$2,746,918).

The Trust's policy to mitigate credit risk associated with these balances is to establish relationships with large purchasers. The Trust historically has not experienced any significant collection issues with its marketers. The majority of the remaining receivable balances have been reviewed for collectibility. The Trust provided an allowance of \$38,324 for doubtful accounts during the year ended December 31, 2008. The Trust would only choose to write-off a receivable balance (as opposed to providing an allowance) after all reasonable avenues of collection had been exhausted.

As at December 31, 2008, the Trust considers its receivables to be aged as follows:

Current	\$	888,309
Past due by less than 90 days		1,456,523
Past due by more than 90 days		574,593
	\$	<u>2,919,425</u>

Deepwell Energy Services Trust

Notes to Consolidated Financial Statements

For the year ended December 31, 2008

15. Financial instruments and financial risk management *(continued)*

b) Liquidity risk

Liquidity risk is the risk that the Trust will incur difficulties meeting its financial obligations as they are due. The Trust's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and distressed conditions without incurring unacceptable losses or risking harm to the Trust's reputation.

As the Trust pursues additional opportunities, annual capital expenditure budgets will be prepared, regularly monitored and updated as considered necessary. The Trust monitors its cash flow monthly. The Trust's financial liabilities are comprised of accounts payable and accrued liabilities, operating loan, and long term debt. Accounts payable and accrued liabilities have an expected maturity of less than one year. Amounts owing under the operating loan and the long term debt is disclosed in note 8. As at December 31, 2008, the Trust has a working capital deficit of \$15,560,039 as discussed in note 1.

c) Market risk

Market risk consists of currency risk, commodity price risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximizing returns. The Trust may use both financial derivatives and physical delivery sales contracts to manage market risks. All such transactions are conducted in accordance with a risk management policy as set out herein:

i) Currency risk

Foreign currency exchange rate risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign exchange rates. All of the Trust's oil sales are denominated in Canadian dollars; however, the underlying market prices in Canada for petroleum are impacted by changes in the exchange rate between the Canadian and United States dollar. The Trust has not entered into any forward exchange rate contracts as at December 31, 2008.

ii) Commodity price risk

Commodity price risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices for petroleum and natural gas are impacted by world economic events that dictate the levels of supply and demand as well as the relationship between the Canadian and United States dollar, as outlined above. The Trust has not entered into any commodity contracts as at December 31, 2008.

iii) Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Trust is exposed to interest rate fluctuations on its operating loan and long term debt for which the interest rate fluctuates based on the prime rate of interest. For the year ended December 31, 2008, if interest rates had been 1% higher with all other variables held constant, earnings for the period would have been \$200,000 lower due to higher interest expense. An equal and opposite impact would have occurred had interest rates been lower by the same amounts. The Trust had no interest rate swap or financial contracts in place at December 31, 2008.

Deepwell Energy Services Trust

Notes to Consolidated Financial Statements

For the year ended December 31, 2008

16. Commitments

The Trust is committed to the following future minimum payments under lease contracts for office space and two vehicles with varying expiration dates:

2009	\$	173,620
2010		147,909
2011		<u>91,704</u>
	\$	<u><u>413,233</u></u>

17. Related party transactions

During the year ended December 31, 2008, the Trust made payments in the amount of \$333,607 (2007 - nil as the partner was not a board member in 2007) for professional services to a partnership in which one of Deepwell's board members is a partner. These transactions were conducted in the normal course of operations, on commercial terms established and agreed to by the parties.

The Trust also received management fees for certain management services for its joint venture in the amount of \$1,250,000 (2007 – nil) and provided certain assets and other services at cost in the amount of \$44,950 (2007 – nil). These amounts have been proportionately eliminated upon consolidation.

18. Comparative figures

Certain of the comparative figures have been reclassified to conform to the current year's financial statement presentation.