

Q1

First Quarter Report

Three Months Ended March 31, 2009

The following Management's Discussion and Analysis ("MD&A") of Essential Energy Services Trust ("Essential" or the "Trust") is for the three month period ended March 31, 2009.

This MD&A is an update to, and should be read in conjunction with the Trust's audited consolidated financial statements and MD&A included in the Trust's 2008 Annual Report to Unitholders for the financial year ended December 31, 2008 and the unaudited interim consolidated financial statements as at and for the three months ended March 31, 2009 to which readers are referred. No update is provided where an item is not material or where there has been no material change from the discussion in the aforementioned annual MD&A. This MD&A was prepared effective May 12, 2009.

FORWARD-LOOKING STATEMENTS

This MD&A contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify forward-looking information or statements. In particular, this MD&A contains forward-looking statements including expectations of future cash flow and earnings, expectations regarding the Trust's ability to access credit from its lenders, expectations regarding the expected synergies and savings from the merger with Builders, expectations with respect to the demand for and price of oil and natural gas, expectations regarding the implementation of legislation, expectations regarding capital spending and cost savings measures, the sources of capital and uses of such capital, the services offered by the Trust and the relocation of these services to different geographic areas, expectations regarding the level of drilling and production activity in the Western Canadian Sedimentary Basin and expectations regarding the business, operations and revenues of the Trust in addition to general economic conditions. Although the Trust believes that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward-looking statements and information because the Trust can give no assurance that they will prove to be correct. Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, the risks associated with the oilfield services sector (e.g. demand, pricing and terms for oilfield services; current and expected oil and gas prices; exploration and development costs and delays; reserves discovery and decline rates; pipeline and transportation capacity; weather, health, safety and environmental risks), integration of acquisitions, competition, and uncertainties resulting from potential delays or changes in plans with respect to acquisitions, development projects or capital expenditures and changes in legislation, including but not limited to tax laws, royalties and environmental regulations. Accordingly, readers should not place undue reliance on the forward-looking statements. Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on these and other factors that could affect the Trust's financial results are included in reports on file with applicable securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com). The forward-looking statements and information contained in this MD&A are made as of the date hereof and the Trust undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

OVERVIEW OF ESSENTIAL

Based in Calgary, Essential is an open-end unincorporated, limited purpose investment trust. Essential provides oilfield services to oil and gas producers in western Canada related to the ongoing servicing of producing wells and new drilling activity.

The Trust's services are offered through two operating segments: Well Servicing and Wireline & Rentals. The Well Servicing segment provides production and completion services through its fleet of service rigs, rod rigs and coil tubing rigs. The Wireline & Rentals segment provides wireline and downhole tool sales, services and equipment rentals.

A third non-operating segment, Corporate, includes general and administrative costs and interest.

BASIS OF PRESENTATION

The following Management's Discussion and Analysis, and the consolidated financial statements as at and for the three months ended March 31, 2009 have been prepared in accordance with Canadian Generally Accepted Accounting Principles ("GAAP").

SELECTED FINANCIAL INFORMATION

(\$ Thousands, except per unit amounts)	Three months ended March 31,	
	2009	2008 (restated)
Revenue	42,198	15,046
Gross margin ⁽¹⁾	10,762	4,955
Gross margin as a percentage of revenue ⁽¹⁾	26%	33%
EBITDAS ⁽¹⁾ from continuing operations	8,027	3,612
EBITDAS as a percentage of revenue ⁽¹⁾	19%	24%
Earnings from continuing operations	5,562	33
Per unit – basic and diluted	\$ 0.09	\$ 0.00
Earnings from discontinued operations	n/a	2,680
Per unit – basic and diluted	n/a	\$ 0.08
Net earnings	5,562	2,713
Per unit – basic and diluted	\$ 0.09	\$ 0.08
Funds flow from continuing operations ⁽¹⁾	7,785	2,929
Per unit – basic and diluted	\$ 0.13	\$ 0.08
Funds flow from discontinued operations ⁽¹⁾	n/a	4,180
Per unit – basic and diluted	n/a	\$ 0.12
Funds flow from operations ⁽¹⁾	7,785	7,109
Per unit – basic and diluted	\$ 0.13	\$ 0.20
Distributions to Unitholders	1,994	5,308
Per unit	\$ 0.03	\$ 0.15
Total assets (excluding assets held for sale)	189,998	93,818
Total long term debt	18,928	74,167
Unitholders' equity	158,780	114,482

Certain comparative amounts have been reclassified to conform to the current period's presentation. The acquisition of Builders Energy Services Trust ("Builders") on April 4, 2008 and the subsequent disposition of the Transport division on July 2, 2008 resulted in the following changes:

- The financial results of Builders have been included in the consolidated financial statements and MD&A of the Trust since April 4, 2008.
- The financial results of the Transport division have been reclassified under the captions of Earnings from discontinued operations and Funds flow from discontinued operations.

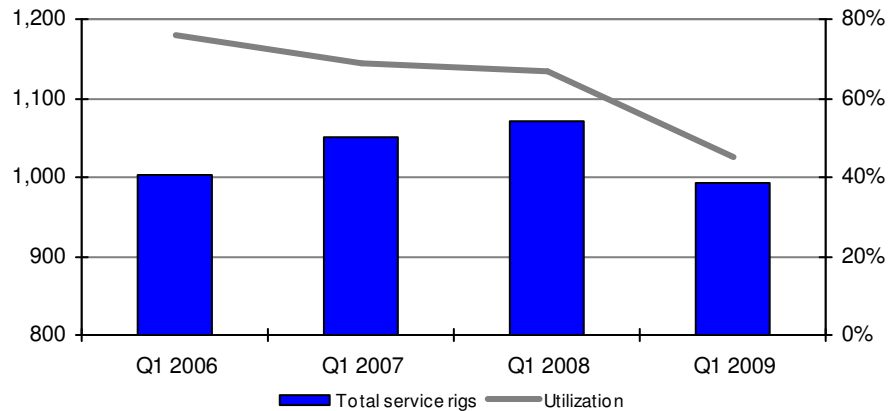
Additional information

Additional information regarding Essential, including the 2008 Annual Report and the Annual Information Form for the year ended December 31, 2008, can be found on SEDAR at www.sedar.com.

¹ Refer to "Non-GAAP Measures" section for further information.

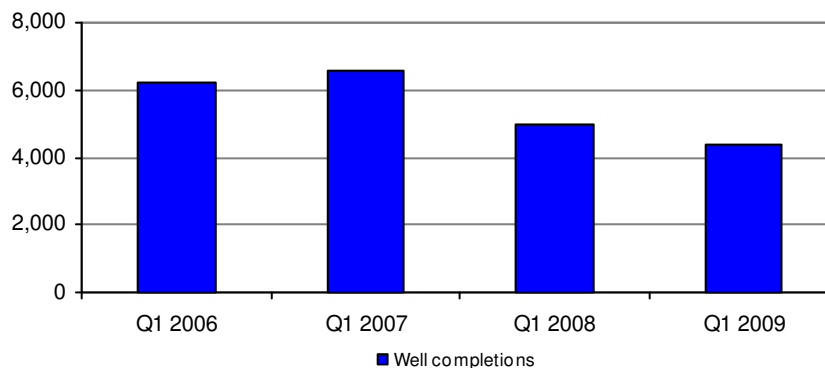
OVERVIEW OF SECTOR ACTIVITY

Activity levels in the western Canadian oilfield services sector are significantly impacted by the activity of exploration and production companies. The current weakness in commodity prices and adverse credit conditions have negatively impacted the 2009 capital budgets for exploration and production companies, resulting in significantly lower oilfield activity. Utilization levels peaked in early February as a result of this “economic break-up” and activity levels in March remained depressed despite weather suitable for drilling and completion activity. Drilling rig utilization rates, which act as a barometer for oilfield service activity, are at the lowest levels they have been for nearly two decades. Drilling rig utilization in the Western Canadian Sedimentary Basin (“WCSB”) decreased to 37% in the first quarter of 2009 from 56% in the first quarter of 2008. Service rig utilization has also declined to 45% in the first quarter of 2009 from 67% in the first quarter of 2008.



Source: Canadian Association of Oilfield Drilling Contractors

The weakness and lack of stability in the price of oil and natural gas has continued to impact drilling activity in the WCSB. According to the Canadian Association of Oilfield Drilling Contractors (“CAODC”) the number of wells drilled on a completion basis in the WCSB declined by 12%, to 4,371 wells in the first quarter of 2009 from 4,986 wells in the first quarter of 2008.



Source: Canadian Association of Oilfield Drilling Contractors

Competition for oilfield services remained high during the first quarter of 2009 as a result of the current low activity levels combined with the surplus of equipment in the oilfield services sector. The Western Canadian oilfield services sector experienced pricing pressure in the first quarter of 2009 due to these difficult operating conditions.

OVERVIEW OF RESULTS

The results from the three months ended March 31, 2009 are generally not comparable to the results for 2008 due to the increased size, scope and geographical reach of the operations from the Builders acquisition and the completion of the divestiture of the Transport division. After giving consideration to these two transactions, only one third of the current operations are included in the March 31, 2008 comparable information for the Trust.

Operational Highlights

- Revenue from continuing operations for the period ended March 31, 2009 was \$42.2 million, compared to \$15.0 million for the three months ended March 31, 2008.
- Gross margin⁽¹⁾ and gross margin as a percentage of revenue⁽¹⁾ from continuing operations for the three months ended March 31, 2009 were \$10.8 million and 26% respectively, compared to \$5.0 million and 33% for the three months ended March 31, 2008.
- Earnings from continuing operations for the three months ended March 31, 2009 was \$5.6 million, compared to \$nil for the three months ended March 31, 2008.
- Funds flow from continuing operations⁽¹⁾ for the three months ended March 31, 2009 was \$7.8 million, compared to \$2.9 million for the three months ended March 31, 2008.
- As at March 31, 2009, the Trust had total assets of \$190.0 million compared to total assets (excluding assets held for sale) of \$93.8 million as at March 31, 2008.
- As at March 31, 2009, the Trust had total long-term debt of \$18.9 million compared to total long-term debt of \$74.2 million as at March 31, 2008.
- The Trust's working capital in excess of (less than) long-term debt⁽¹⁾, as at March 31, 2009 was \$14.2 million compared to (\$53.7) million as at March 31, 2008.

RESULTS OF OPERATIONS

(Thousands, except per unit amounts)	Three months ended March 31,	
	2009	2008 (restated)
Revenue	\$ 42,198	\$ 15,046
Operating expenses	31,436	10,091
Gross margin ⁽¹⁾	10,762	4,955
Gross margin as a percentage of revenue ⁽¹⁾	26%	33%
General and administrative expenses	2,735	1,343
EBITDAS ⁽¹⁾	8,027	3,612
EBITDAS as a percentage of revenue ⁽¹⁾	19%	24%
Unit-based compensation	388	572
Depreciation and amortization	4,903	2,324
Interest on long-term debt	242	683
Other	47	-
Earnings from continuing operations before income taxes	2,447	33
Future income tax recovery	(3,115)	-
Earnings from continuing operations	5,562	33
Earnings from discontinued operations	-	2,680
Net earnings	\$ 5,562	\$ 2,713
Earnings per unit from continuing operations – basic and diluted	\$ 0.09	\$ 0.00
Earnings per unit from discontinued operations – basic and diluted	\$ 0.00	\$ 0.08
Net earnings per unit – basic and diluted	\$ 0.09	\$ 0.08

Certain comparative amounts have been reclassified to conform to the current period's presentation.

The changes in Results of Operations from 2008 to 2009 is primarily due to the acquisition of Builders and the resulting increased size, nature and geographic reach of the Trust's equipment fleet and the addition of the downhole tool and rental operations.

Revenue

(Thousands)	Three months ended March 31,	
	2009	2008
Revenue		
Well Servicing	\$ 27,986	\$ 15,046
Wireline & Rentals	14,212	-
	\$ 42,198	\$ 15,046

Revenue from continuing operations for the three months ended March 31, 2009 was \$42.2 million, compared to \$15.0 million for the same period ended March 31, 2008.

Comparative fleet information is as follows:

	March 31, 2009	March 31, 2008
Well Servicing Equipment*:		
Service Rigs	55	15
Rod Rigs	27	20
Coil Tubing Rigs	32	25
Wireline Equipment		
E-line Trucks	14	-
Slickline Trucks	7	-

* In addition to the fleet of service rigs, rod rigs and coil tubing rigs, Essential provides ancillary services through nitrogen units, cement & acid unit and other specialty equipment.

Well Servicing

Essential provides well completion and production/workover services across western Canada through its fleet of service rigs, rod rigs and coil tubing rigs. Well Servicing generated revenue of \$28.0 million for the three months ended March 31, 2009, compared to \$15.0 million for the same period ended March 31, 2008.

Comparative utilization of the well servicing fleet is as follows:

	Three months ended March 31,	
	2009	2008
Essential Utilization		
Service Rigs	39%	63%
Rod Rigs	36%	55%
Coil Tubing Rigs	38%	51%
Industry Utilization* (per CAODC)		
Service Rigs	45%	67%
Drilling Rigs	37%	56%

*Drilling rig utilization is included because industry data specific to rod rigs and coil tubing rigs is not available.

The decline in utilization rates experienced by Essential in the current period were consistent with the decline in utilization experienced by the sector as a whole. Activity levels in the Trust's northern Alberta, northeastern BC and southern Saskatchewan operations remained strong throughout the quarter. Essential continued to relocate equipment to take advantage of the strength in these regions. Activity levels in the Trust's southern Alberta operations remained weak given low natural gas prices and the corresponding nature of resource plays in that region.

Utilization rates for the three months ended March 31, 2009 continued to be impacted by low commodity prices and adverse credit markets which reduced overall activity in the WCSB. The Trust's customer relationships, reputation of its businesses and customer mix have allowed Essential to retain its share of market activity in this difficult operating environment.

Wireline & Rentals

Essential offers both electric wireline ("e-line") and slickline wireline services in addition to its downhole tool and equipment rental operations, through the Wireline & Rentals business segment. Wireline & Rentals generated revenue of \$14.2 million for the three months ended March 31, 2009. Prior to the completion of the Builders transaction, the Trust did not operate a Wireline & Rentals segment.

Wireline & Rentals revenue in the first quarter of 2009 was comparable to the revenue it generated when it was operated by Builders during the first quarter of 2008. The Trust was able to maintain these revenue levels as a result of customer demand, nature of work and quality service. This was particularly true within the Trust's slickline, downhole tool and rental operations. However, the e-line business was

negatively impacted by reduced activity in the shallow gas resource plays in Alberta. The Trust continues to expand the services offered and the geographical reach of its downhole tool operations in order to capitalize on the strength of this segment.

Operating Expenses

(Thousands)	Three months ended March 31,	
	2009	2008
Operating expenses	\$ 31,436	\$ 10,091
As a % of revenue	74%	67%

Operating expenses were \$31.4 million for the three months ended March 31, 2009, compared to \$10.1 million for the same period in 2008.

Throughout all of its field operations, Essential maintains a scalable cost infrastructure wherever possible. Costs including repairs and maintenance, fuel and certain labour costs can increase and decrease in proportion to activity levels. Other operating costs, including costs associated with retaining key personnel, qualified equipment operators, maintaining service locations and insurance, are relatively fixed in nature and must be changed in steps in relation to a longer term industry outlook. Periods of decreased activity, such as the current economic downturn, result in higher operating costs as a percentage of revenue until fixed costs are adjusted downwards. The Trust has been proactive in managing its cost profile as surplus industry equipment and declining activity levels has eroded margins.

In order to preserve operating margins and remain competitive in future periods, the Trust implemented significant cost reduction measures during the latter part of the first quarter including staff reductions, unpaid leaves of absence, wage rollbacks, and the suspension of the Trust's short term incentive program. The Trust expects to realize approximately \$4.0 million in operating expense savings over the remainder of 2009 as a result of these steps. This is in addition to the \$2.0 million of operating expense savings as a result of the synergies achieved with the Builders acquisition in 2008.

General and Administrative Expenses

(Thousands)	Three months ended March 31,	
	2009	2008
General and administrative expenses	\$ 2,735	\$ 1,343
As a % of revenue	7%	9%

General and administrative expenses were \$2.7 million for the three months ended March 31, 2009, compared to \$1.3 million for the same period in 2008. General and administrative expenses have increased from the prior year as a result of the increased size and complexity of the Trust subsequent to the Builders acquisition. On a year over year basis, 2009 general and administrative expenses also reflect the cost savings realized from the successful integration of the Essential and Builders operations subsequent to the Builders acquisition in April 2008.

In response to the deterioration of utilization levels and market conditions, management implemented additional cost reduction measures in an effort to further reduce general and administrative costs. In February 2009 the Trust announced that the executive management team has taken 10% voluntary salary rollbacks and the Trust had suspended its short term incentive and savings plan matching programs. As a result of these initiatives, and other discretionary cost saving measures implemented since that time, the Trust expects to realize a further \$4.0 million of additional general and administrative cost savings throughout 2009. This is in addition to the \$6.0 million of general and administrative cost savings from the synergies achieved with the Builders acquisition in 2008.

Unit-based Compensation Expense

The Trust recorded a non-cash expense related to unit-based compensation for the three months ended March 31, 2009 of \$0.4 million, compared to \$0.6 million for the same period in 2008. The net reduction in the expense is primarily due to forfeitures of options prior to vesting by departed employees.

Depreciation and Amortization

(Thousands)	Three months ended	
	March 31,	
	2009	2008
Depreciation and amortization	\$ 4,903	\$ 2,324

Depreciation and amortization expense was \$4.9 million for the three months ended March 31, 2009, compared to \$2.3 million for the same period in 2008. The period over period increase from 2008 to 2009 is due to the increase in the size and nature of the equipment fleet resulting from the acquisition of Builders.

Interest on Long-term Debt

(Thousands)	Three months ended	
	March 31,	
	2009	2008
Interest on long-term debt	\$ 242	\$ 683

Interest expense was \$0.2 million for the three months ended March 31, 2009, compared to \$0.7 million for the same period in 2008.

The Trust's credit agreement with its banking syndicate bears interest that fluctuates with the bank's prime rate which has resulted in a decline in the average interest rate for the year. Interest rates on the Trust's long-term debt facility averaged 2.9% for the three months ended March 31, 2009 compared with 6.4% for 2008.

Interest on long-term debt has declined in the three month period ending March 31, 2009 in comparison to the same period in 2008, due to the significantly lower average long-term debt outstanding during the period combined with lower interest rates. The average long-term debt outstanding for the three months ended March 31, 2009 was \$19.1 million in comparison to an average of \$73.3 million for the same period ended March 31, 2008. Essential's low debt levels continue to provide the Trust with a competitive advantage, not only because of available credit, but also due to reduced interest costs on an ongoing basis.

Income Taxes

(Thousands)	Three months ended	
	March 31,	
	2009	2008
Future income tax recovery	\$ (3,115)	\$ -

Future income tax recovery was \$3.1 million for the three months ended March 31, 2009, compared to \$nil for the same period in 2008.

In June 2007, the Government of Canada enacted legislation imposing additional income taxes on trusts for taxation years commencing January 1, 2011. The Trust is subject to income taxes based on the temporary differences expected to be in effect at January 1, 2011. Changes in the current period result from changes in these expectations.

The Trust does not anticipate current taxes prior to 2011 as its tax pools should be sufficient to shelter any taxable income during those periods.

In November 2008, the Government of Canada enacted legislation to permit a trust to convert to a corporation. The legislation proposes to reduce the administration and compliance associated with a conversion and to allow for the tax deferred conversion of a trust to a corporation.

SUMMARY OF QUARTERLY DATA

<i>(\$Thousands, except per unit amounts)</i>	Mar 31, 2009	Dec 31, 2008	Sep 30, 2008	Jun 30, 2008	Mar 31, 2008	Dec 31, 2007	Sep 30, 2007	Jun 30, 2007
Revenue from continuing operations	42,198	43,842	43,891	25,145	15,046	11,930	12,992	9,339
Net earnings (loss)	5,562	(15,950)	8,400	(14,424)	2,713	(38,479)	1,767	(4,440)
Per unit – basic and diluted	0.09	(0.27)	0.14	(0.24)	0.08	(1.09)	0.05	(0.15)
Funds flow from (used) in Operations ⁽¹⁾	7,785	6,113	8,125	(5,361)	7,109	3,608	5,759	996
Per unit – basic and diluted	0.13	0.09	0.13	(0.10)	0.20	0.10	0.16	0.03
Distributions per unit	0.03	0.04	0.05	0.12	0.15	0.18	0.25	0.25

Quarterly data only incorporates the impact of the Builders acquisition for the quarters ended subsequent to March 31, 2008. Net earnings (loss) for the periods ended December 31, 2008 and December 31, 2007 include goodwill impairment charges of \$17.9 million and \$35.1 million, respectively.

FINANCIAL RESOURCES AND LIQUIDITY

On an annualized basis, the Trust finances its distributions through funds flow from operations⁽¹⁾. The Trust reviews and establishes its distribution based on actual results to date, future expected funds flow from operations⁽¹⁾ and the Trust's ability to otherwise fund its capital requirements. Throughout 2008 and the first quarter of 2009, the board of directors of the Trust reviewed and approved the distribution level and paid distributions on a monthly basis. Essential will begin to pay a quarterly distribution commencing with the period from April 1, 2009 to June 30, 2009. Thereafter, the board will review and approve the distribution level and payment on a quarter-by-quarter basis.

Funds Flow from Operations⁽¹⁾

(Thousands)	Three months ended March 31,	
	2009	2008
Cash flow from operations	\$ 4,013	\$ 1,012
Less:		
Changes in non-cash operating working capital	3,772	6,097
Funds flow from operations	\$ 7,785	\$ 7,109
Per unit – basic and diluted	\$ 0.13	\$ 0.20

Funds flow from operations⁽¹⁾ was \$7.8 million for the three months ended March 31, 2009, compared to \$7.1 million for the same period in 2008.

Working Capital

(Thousands)	March 31, 2009	March 31, 2008
Current assets, excluding assets held for sale	\$ 44,863	\$ 30,617
Current liabilities, excluding current portion of long-term debt and liabilities held for sale	(11,781)	(10,169)
Working capital	\$ 33,082	\$ 20,448
Working capital ratio	3.8:1	3.0:1

Working capital at March 31, 2009 was \$33.1 million compared to \$20.4 million at March 31, 2008. The increase in working capital was due to the Builders acquisition in April 2008, partially offset by the reduction in working capital resulting from the disposition of the Transport segment.

Working Capital Net of Long-term Debt

(Thousands)	March 31, 2009	March 31, 2008
Working capital	\$ 33,082	\$ 20,448
Long-term debt, including the current portion of long-term debt	(18,928)	(74,167)
Working capital net of long-term debt	\$ 14,154	\$ (53,719)

Working capital net of long-term debt at March 31, 2009 was a surplus of \$14.2 million compared to a deficit of \$53.7 million at March 31, 2008. During 2008, the Trust significantly improved its financial position as a result of the Builders acquisition and applying the proceeds of the subsequent disposition of its Transport division to reduce its long-term debt.

Credit Facility

The Trust's credit agreement with its banking syndicate is comprised of an extendible revolving loan facility (the "Facility"). The Trust has renewed its credit facility with the existing banking syndicate effective May 30, 2009. At management's request, the facility size has been reduced from \$140 million to \$50 million. In addition, at renewal, the Facility will be amended to add a \$25 million accordion feature that may be exercised at a future date, subject to certain terms and conditions.

Under the renewed agreement, the Facility is limited to the lesser of \$50.0 million or the sum of 75% of the Trust's accounts receivables less specific items (the "Borrowing Base") and 60% of the Trust's carrying value of property and equipment less term debt. The Borrowing Base must be at least 20% of the Facility otherwise the Facility is reduced by the amount of any shortfall. The Facility has no required principal repayments until expiry and bears interest that fluctuates with the bank's prime rate plus a margin based on financial covenants. On May 12, 2009, \$13.1 million of long-term debt was outstanding.

The Facility expires on May 30, 2010 and can be renewed, at the lender's option. If not renewed, debt repayments would be made monthly over a two year period, based on a three year amortization schedule.

As at March 31, 2009, all financial debt covenants were satisfied and all banking requirements were up to date. The Trust does not anticipate any financial resources or liquidity issues to restrict its future operating, investing or financing activities.

Equipment Expenditures

(Thousands)	Three months ended March 31,	
	2009	2008
Equipment expenditures		
Well Servicing	\$ 1,974	\$ 495
Wireline & Rentals	376	-
Corporate	270	870
	2,620	1,365
Less proceeds on disposal of property and equipment	(210)	(2)
Net equipment expenditures ⁽¹⁾	\$ 2,410	\$ 1,363

Net equipment expenditures⁽¹⁾ for the three months ended March 31, 2009 were \$2.4 million compared to \$1.4 million for the three months ended March 31, 2008.

Essential's classifies its equipment expenditures as growth capital, maintenance capital or information systems, operational facilities and leasehold improvements. Comparative equipment expenditures are as follows:

(Thousands)	Three months ended March 31,	
	2009	2008
Equipment expenditures		
Growth capital	\$ 1,566	\$ 1,010
Maintenance capital	1,054	355
	\$ 2,620	\$ 1,365

The Trust expects to spend \$8 million in capital in 2009, comprised of \$5 million of growth capital and \$3 million of net maintenance capital. Essential will continue to assess the appropriate level of capital spending relative to industry activity throughout 2009.

Trust Units

As at May 12, 2009, there were 59,852,965 Trust units and 4,660,329 Trust unit options outstanding (including 826,833 Essential Replacement Options issued in conjunction with the acquisition of Builders). Of the 4,660,329 Trust unit options, 1,235,899 were exercisable of which nil were "in-the-money".

NORMAL COURSE ISSUER BID ("NCIB")

On October 29, 2008 the Trust received approval from the Toronto Stock Exchange ("TSX") to implement an NCIB commencing on October 31, 2008 and terminating on October 30, 2009. Purchases have been made at the discretion of management at prevailing market prices, through the facilities of the TSX. No units have been acquired and cancelled during the three months ended March 31, 2009. The NCIB continues until October 30, 2009 and the Trust intends to cancel any additional units acquired under the issuer bid.

DISCLOSURE CONTROLS AND PROCEDURES

The Trust's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") have designed, or caused to be designed under their supervision, disclosure controls and procedures to provide a reasonable assurance that: (i) material information relating to the Trust is made known to the Trust's CEO and CFO by others, particularly during the period in which annual filings are being prepared; and (ii) information required to be disclosed by the Trust in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time period specified in securities legislation.

The Trust reported on these as part of the 2008 reporting (please refer to the management discussion and analysis for the year ended December 31, 2008 available on SEDAR at www.sedar.com and on the Trust's website at www.essentialenergy.ca). There have been no significant changes to disclosure controls in the current period.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

Internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of the Trust's financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. The Trust's CEO and CFO are responsible for designing, or causing to be designed under their supervision, internal controls over financial reporting related to the Trust, including its consolidated subsidiaries.

The Trust reported on these as part of the 2008 reporting (please refer to the management discussion and analysis for the year ended December 31, 2008 available on SEDAR at www.sedar.com and on the Trust's website at www.essentialenergy.ca). There have been no significant changes to the design of internal controls over financial reporting in the current period.

INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")

In 2008, the Canadian Accounting Standards Board (AcSB) confirmed that publicly accountable enterprises will be required to adopt International Financial Reporting Standards ("IFRS"), for interim and annual reporting purposes, beginning on or after January 1, 2011. The adoption date of January 1, 2011 will require the restatement, for comparative purposes, of amounts reported by the Trust for its year ended December 31, 2010, and of the opening balance sheet as at January 1, 2010.

Essential commenced its IFRS conversion project in 2008 by establishing a project plan and a project team. The project plan has been designed with some flexibility to be able to adapt to unexpected developments as new accounting developments are made by the AcSB and the International Accounting Standards Board. Updates will be provided to the audit committee on a quarterly basis.

The project plan consists of four phases: the impact assessment, design and planning, solution development and implementation. The Trust has completed the initial assessment phase which included a high level review of the major differences between current Canadian GAAP and IFRS, and an initial evaluation of IFRS 1 transition exemptions.

The Trust is now engaged in the design and planning phase. The design and planning phase involves completing a comprehensive analysis of the impact of the IFRS differences identified in the initial assessment phase.

During the solution development and implementation phases, the Trust will quantify and evaluate the transitional and long-term options available to the Trust and implement the identified changes to business processes, financial systems, accounting policies, disclosure controls and internal controls over financial reporting.

The Trust continues to assess the financial reporting impacts of converting to IFRS and, at this time, the impact on future financial position and results of operations cannot be determined or estimated.

OUTLOOK

Traditionally the first quarter is the busiest quarter of the year and the fact that activity levels in the first quarter of 2009 were lower than the activity levels in the fourth quarter of 2008, which is unusual for the industry, does not bode well for the remainder of the year. The well count expectations released by the Petroleum Services Association of Canada ("PSAC") in April 2009 were indicative of this as the current PSAC well count forecast of 10,000 wells, on a rig release basis, represents a 41% decrease compared to the 2008 well count of 16,940.

The second quarter is always a seasonally slow quarter and with low natural gas prices and reduced customer credit availability it is expected to be even slower than normal. Drilling rig utilization of 10% for month of April was the lowest it has been in over 15 years. The economic factors prevalent in the first quarter are anticipated to continue to impact activity levels as customers continue to limit spending. Production-related services, which make up more than 50% of Essential's services, are typically less affected during industry downturns. However, low commodity prices and tight credit conditions are anticipated to continue to negatively impact production-related services. Alberta continues to be impacted to a greater degree than other areas in the WCSB due to the continued lack of certainty surrounding the government's royalty policy. Looking to the third and fourth quarters, Essential believes that depressed natural gas prices will also preclude any significant increase in natural gas related activity in these periods. Stability in the price of oil above current levels in the latter half of 2009 would be positive for sector activity.

Despite industry conditions, management believes Essential's businesses will continue to perform relatively well in the contracting market as a result of its experienced field managers, customer relationships and the strength of its brands. The relocation of some of the Trust's operations into areas such as northeastern B.C. and southern Saskatchewan, that have been more resilient in the current downturn, is expected to benefit the Trust in future periods. In addition, the Trust's strong balance sheet and timely cost cutting measures will be vital under the current operating environment.

Essential has taken definitive steps to reduce costs and preserve cash flow in light of these difficult industry conditions. The Trust implemented further cost reduction measures during the first quarter and will continue to review its cost profile and reduce costs as necessary. Essential's objective is to continue to operate profitably during this challenging period while retaining its workforce to the extent possible so the Trust is prepared for a sector turnaround, the timing of which is impossible to predict.

As the outlook clarifies, the Trust anticipates future opportunities may begin to unfold. Essential remains well-positioned financially, with low debt and minimal debt servicing costs, in circumstances where costs of credit are increasing exponentially.

While the short-term outlook is discouraging, management continues to believe in the long-term fundamentals for natural gas and oil drilling and the demand for oilfield services in the WCSB. Over the longer term, the fundamentals still point to an increasing demand for natural gas and oil. The high production decline rates in the WCSB will, over time, require more drilling to maintain current production levels. In the meantime, Essential's management will continue to manage spending and debt effectively.

(1) Non-GAAP Measures

Throughout this MD&A, certain terms that are not specifically defined in Canadian Generally Accepted Accounting Principles (“GAAP”) are used to analyze the operations. In addition to the primary measures of net earnings and net earnings per unit in accordance with GAAP, the Trust believes that certain measures not recognized under GAAP assist both the Trust and the reader in assessing performance and understanding the Trust’s results. Each of these measures provides the reader with additional insight into the Trust’s ability to fund future distributions, principal debt repayments and capital programs. These non-GAAP measures are not recognized measures under GAAP. As a result, the method of calculation may not be comparable with other companies or Trusts. These measures should not be considered alternatives to net earnings and net earnings per unit as calculated in accordance with GAAP.

Gross margin⁽²⁾ – This measure is considered a primary indicator of operating performance as calculated by revenue less operating expenses.

Gross margin as a percentage of revenue⁽²⁾ – This measure is considered a primary indicator of operating performance as calculated by gross margin divided by revenue.

EBITDAS⁽³⁾ (Earnings before interest, income taxes, depreciation, amortization, non-controlling interest earnings, losses or gains on disposal of equipment, results of discontinued operations, impairment of goodwill and unit based compensation) – This measure is considered an indicator of the Trust’s ability to generate funds flow in order to meet distributions, fund required working capital, service debt, pay current income taxes and fund capital programs.

EBITDAS as a percentage of revenue⁽³⁾ – This measure is considered an indicator of the Trust’s ability to generate funds flow as calculated by EBITDAS⁽³⁾ divided by revenue.

Funds flow or funds flow from (used in) operations⁽⁴⁾ – This measure is an indicator of the Trust’s ability to generate funds flow⁽⁴⁾ in order to fund distributions, working capital, principal debt repayments and capital programs. Funds flow or funds flow from operations is defined as cash flow from operations before changes in non-cash operating working capital. This measure is useful in assessing the Trust’s operational cash flow as it provides cash generated in the period excluding the timing of non-cash operating working capital. This reflects the ability of the operations of the Trust to meet the above noted funding requirements.

Working capital in excess of long-term debt – This measure is considered an indicator of the financial strength of the Trust.

Growth capital – Growth capital is capital spending which is intended to result in incremental increases in revenue. Growth capital is considered to be a key measure as it represents the total expenditures on equipment expected to add incremental revenues and funds flow to the Trust.

Net maintenance capital – Equipment additions that are incurred in order to refurbish or replace previously acquired equipment less proceeds on the disposal of retired equipment. Such additions do not provide incremental increases in revenue. Net maintenance capital is a key component in understanding the sustainability of the Trust’s business as cash resources retained within the Trust must be sufficient to meet net maintenance capital needs to replenish the assets for future cash generation.

Net equipment expenditures⁽⁵⁾ – This measure is equipment expenditures less proceeds on the disposal of equipment. The Trust uses net equipment expenditures to assess net cash flows related to the financing of the Trust’s oilfield services equipment.

² Gross margin and gross margin as a percentage of revenue are reconciled to the GAAP measures, revenue and operating costs, in the table “Results of Operations”.

³ EBITDAS and EBITDAS as a percentage of revenue are reconciled to the GAAP measure, loss from continuing operations before income taxes, in the table “Results of Operations”.

⁴ Funds flow is reconciled to the GAAP measure, cash flow from operations, in the table “Funds Flow from Operations”.

⁵ Net equipment expenditures is calculated from the GAAP measures, equipment expenditures and proceeds on disposal of equipment, in the table “Equipment Expenditures”

Consolidated Financial Statements

Essential Energy Services Trust

March 31, 2009

ESSENTIAL ENERGY SERVICES TRUST
CONSOLIDATED BALANCE SHEETS
(unaudited)

<i>(Thousands)</i>	As at March 31, 2009	As at December 31, 2008
Assets <i>(note 8)</i>		
Current assets		
Accounts receivable	\$ 33,489	\$ 33,140
Inventory <i>(note 5)</i>	8,937	8,570
Prepaid expenses and deposits	2,437	2,650
	<hr/> 44,863	<hr/> 44,360
Property and equipment <i>(note 6)</i>	140,232	142,464
Intangible assets <i>(note 7)</i>	4,903	5,211
	<hr/> \$ 189,998	<hr/> \$ 192,035
Liabilities		
Current liabilities		
Bank indebtedness	\$ 1,342	\$ 1,192
Accounts payable and accrued liabilities	10,241	13,972
Distributions payable <i>(note 11)</i>	198	898
Current portion of long-term debt <i>(note 8)</i>	28	3,468
	<hr/> 11,809	<hr/> 19,530
Long-term debt <i>(note 8)</i>	18,900	14,057
Future income tax liability <i>(note 12)</i>	509	3,624
	<hr/> 31,218	<hr/> 37,211
Commitments <i>(note 15)</i>		
Unitholders' Equity		
Unitholders' capital	265,573	265,573
Contributed surplus <i>(note 9)</i>	5,896	5,508
Accumulated deficit	(112,689)	(116,257)
	<hr/> 158,780	<hr/> 154,824
	<hr/> \$ 189,998	<hr/> \$ 192,035

See accompanying notes to unaudited interim consolidated financial statements

ESSENTIAL ENERGY SERVICES TRUST
CONSOLIDATED STATEMENTS OF OPERATIONS, COMPREHENSIVE EARNINGS AND
ACCUMULATED DEFICIT
(unaudited)

<i>(Thousands, except per unit amounts)</i>	For the three months ended	
	2009	March 31, 2008
		<i>(restated notes 13 and 19)</i>
Revenue	\$ 42,198	\$ 15,046
Operating expenses	31,436	10,091
Expenses	10,762	4,955
General and administrative	2,735	1,343
Unit-based compensation <i>(note 10)</i>	388	572
Depreciation and amortization	4,903	2,324
Interest on long-term debt	242	683
Loss on disposal of assets	47	-
Earnings from continuing operations before income taxes	2,447	33
Income tax recovery Future <i>(note 12)</i>	(3,115)	-
Earnings from continuing operations	5,562	33
Earnings from discontinued operations <i>(note 13)</i>	-	2,680
Net earnings and comprehensive earnings	5,562	2,713
Accumulated deficit, beginning of period	(116,257)	(79,341)
Distributions to unitholders <i>(note 11)</i>	(1,994)	(5,308)
Accumulated deficit, end of period	\$ (112,689)	\$ (81,936)
Earnings per unit from continuing operations <i>(note 14)</i> Basic and diluted	\$ 0.09	\$ 0.00
Earnings per unit from discontinued operations <i>(note 14)</i> Basic and diluted	\$ 0.00	\$ 0.08
Net earnings per unit <i>(note 14)</i> Basic and diluted	\$ 0.09	\$ 0.08

See accompanying notes to unaudited interim consolidated financial statements

ESSENTIAL ENERGY SERVICES TRUST
CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

<i>(Thousands)</i>	For the three months ended	
	2009	March 31, 2008
		<i>(restated notes 13 and 19)</i>
Operating activities:		
Earnings from continuing operations	\$ 5,562	\$ 33
Items not affecting cash:		
Depreciation and amortization	4,903	2,324
Future income tax recovery <i>(note 12)</i>	(3,115)	-
Unit-based compensation <i>(note 10)</i>	388	572
Loss on disposal of assets	47	-
Funds flow from continuing operations	7,785	2,929
Funds flow from discontinued operations	-	4,180
	7,785	7,109
Changes in non-cash working capital	(3,772)	(6,097)
	4,013	1,012
Financing activities:		
Distributions paid	(2,694)	(5,289)
Repayment of operating line of credit	-	(13,321)
Increase in long-term debt	1,553	16,517
Changes in non-cash working capital	-	19
	(1,141)	(2,074)
Investing activities:		
Property and equipment	(2,620)	(1,365)
Proceeds on disposal of equipment	210	2
Decrease in assets held for sale	-	2,507
Changes in non-cash working capital	(462)	(82)
	(2,872)	1,062
Change in cash, beginning and end of period	\$ -	\$ -
Supplementary cash flow information:		
Interest paid	\$ 262	\$ 1,195

See accompanying notes to unaudited interim consolidated financial statements

ESSENTIAL ENERGY SERVICES TRUST
NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As at and for the periods ended March 31, 2009 and 2008

(All tabular amounts in thousands unless otherwise stated, except for per unit amounts)

1. Nature of the Organization

Essential Energy Services Trust (“Essential” or the “Trust”) is a publicly traded open-ended unincorporated investment trust governed by the laws of the Province of Alberta. Essential is listed on the Toronto Stock Exchange and trades under the symbol ESN.UN.

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. These unaudited interim consolidated financial statements do not include all disclosures provided in the December 31, 2008 financial statements and should be read in conjunction with the Trust’s annual consolidated financial statements for the year ended December 31, 2008. Certain information has been condensed or omitted although the Trust believes that the disclosures are adequate to make the information presented not misleading.

3. Adoption of New Accounting Policies

During the three months ended March 31, 2009, Essential adopted two new accounting standards that were issued by the Canadian Institute of Chartered Accountants (“CICA”): Handbook section 3064 “Goodwill and Intangible Assets” and EIC 173 “Credit Risk and the Fair Value of Financial Assets and Financial Liabilities”.

Goodwill and Intangible Assets

This section establishes the standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets by profit-oriented enterprises. This standard has been adopted effective January 1, 2009. Essential has assessed the impact of this standard and noted no impact to its intangible assets.

Credit Risk and the Fair Value of Financial Assets and Financial Liabilities

This EIC impacts the application of Section 3855 “Financial Instruments – Recognition and Measurement”. This EIC outlines the inclusion of an entity’s credit risk and the credit risk of counterparties in the determination of fair value of financial assets and liabilities. The treatment outlined in this EIC is to be applied retroactively without restatement effective January 20, 2009. This standard has been adopted effective January 20, 2009. The Trust has assessed the impact of this standard and noted no impact to its financial statements.

4. Future Accounting Policies

The following new accounting standards issued by the CICA are not yet effective but are applicable to the Trust’s future reporting periods.

International Financial Reporting Standards (“IFRS”)

In February 2008, the Accounting Standards Board (“AcSB”) confirmed that all Canadian publicly accountable enterprises will be required to adopt IFRS for interim and annual reporting purposes for fiscal years beginning on or after January 1, 2011.

CICA Handbook Sections 1582 – Business Combinations; 1601 – Consolidated Financial Statements; and 1602 – Non-controlling Interest

These standards are to be adopted prospectively for fiscal years beginning on or after January 1, 2011 and early adoption is permitted. These standards provide the Canadian equivalent to IFRS standards.

5. Inventory

	As at March 31, 2009	As at December 31, 2008
Downhole service tools	\$ 7,235	\$ 6,644
Coil tubing and wireline products	1,702	1,926
	\$ 8,937	\$ 8,570

For the three months ended March 31, 2009, \$1.9 million of inventory was included in operating expenses.

6. Property and Equipment

As at March 31, 2009	Cost	Accumulated Depreciation	Net Book Value
Service rigs and equipment	\$ 139,610	\$ 32,123	\$ 107,487
Oilfield equipment	29,511	4,845	24,666
Vehicles	5,753	1,713	4,040
Other	5,206	1,167	4,039
	\$ 180,080	\$ 39,848	\$ 140,232

As at December 31, 2008	Cost	Accumulated Depreciation	Net Book Value
Service rigs and equipment	\$ 142,560	\$ 29,495	\$ 113,065
Oilfield equipment	24,469	3,491	20,978
Vehicles	5,488	1,409	4,079
Other	5,235	893	4,342
	\$ 177,752	\$ 35,288	\$ 142,464

7. Intangible Assets

As at March 31, 2009	Cost	Accumulated Amortization	Net Book Value
Customer relationships	\$ 5,464	\$ 1,776	\$ 3,688
Management service contracts	1,847	1,363	484
Favourable leases	576	130	446
Trade names	428	143	285
	\$ 8,315	\$ 3,412	\$ 4,903

As at December 31, 2008	Cost	Accumulated Amortization	Net Book Value
Customer relationships	\$ 5,464	\$ 1,661	\$ 3,803
Management service contracts	1,847	1,238	609
Favourable leases	576	98	478
Trade names	428	107	321
	\$ 8,315	\$ 3,104	\$ 5,211

8. Long-term Debt

	As at March 31, 2009	As at December 31, 2008
Term loan	\$ 18,900	\$ 17,450
Capital leases	28	75
	18,928	17,525
Less: current portion of long-term debt	(28)	(3,468)
	\$ 18,900	\$ 14,057

The Trust's credit agreement with its banking syndicate is comprised of an extendible revolving loan facility (the "Facility") limited to the lesser of \$140.0 million or the sum of 75% of the Trust's accounts receivables less specific items (the "Borrowing Base") and 60% of the Trust's carrying value of property and equipment less Term Debt as defined in the Facility agreement. The Borrowing Base must be at least 20% of the Facility; otherwise the Facility is reduced by the amount of any shortfall. The Facility has no required principal repayments until expiry and bears interest that fluctuates with the bank's prime rate plus a margin based on financial covenants.

As at March 31, 2009, all financial debt covenants were satisfied and all banking requirements were up to date. A maximum of \$102.9 million was available to the Trust as at March 31, 2009.

The average effective interest rate on borrowings under the Facility for the three months ended March 31, 2009 was 2.9% (2008 – 6.4%).

Subsequent to March 31, 2009, the Trust renewed its Facility with the existing banking syndicate. At management's request, the Facility size has been reduced from \$140 million to \$50 million effective May 30, 2009. In addition, at renewal the Facility will be amended to add a \$25 million accordion feature that may be exercised at a future date, subject to certain terms and conditions. The renewed Facility has no required principal repayments until expiry and bears interest that fluctuates with the bank's prime rate plus a margin based on financial covenants. The calculations for determining the Borrowing Base under the renewed Facility are unchanged.

The new Facility expires on May 30, 2010 and can be renewed, at the lender's option for an additional 364-day period. If not renewed, debt repayments would be made monthly over a two year period, based on a three year amortization schedule.

9. Contributed Surplus

	As at March 31, 2009	As at December 31, 2008
Balance, beginning of period	\$ 5,508	\$ 2,480
Unit-based compensation	388	1,588
Normal course issuer bid	-	1,440
Balance, end of period	\$ 5,896	\$ 5,508

10. Trust Unit Options and Unit-based Compensation

	Trust Unit Options	Weighted Average Exercise Price
Outstanding, beginning of period	4,758	\$ 4.01
Forfeitures	(81)	4.67
Outstanding, end of period	4,677	\$ 4.00
Exercisable, end of period	1,230	\$ 7.59

The Trust recorded unit-based compensation expense in respect of the Option Plan of \$0.4 million for the three months ended March 31, 2009 (2008 - \$0.6 million) with a corresponding increase to contributed surplus.

11. Accumulated Distributions and Distributions Payable

During 2009 and 2008, the Trust declared monthly distributions to Unitholders of record as at the close of business on each Distribution Record Date. Such distributions are recorded as reductions of Unitholders' equity upon declaration of the distribution.

	As at and for the three months ended March 31, 2009
Accumulated distributions, beginning of period	\$ 63,694
Distributions declared and paid in the period	1,796
Distributions declared and payable	198
Accumulated distributions for the period	1,994
Accumulated distributions, end of period	\$ 65,688

12. Income Taxes

The Trust is subject to income taxes for Specified Investment Flow-Through Trusts ("SIFT") based on the temporary differences expected to be in effect at January 1, 2011. Changes in the current period result from changes in these expectations.

Income tax expense differs from the amount computed by applying the Canadian statutory rates on income before income taxes as follows:

	For the three months ended March 31,	
	2009	2008
Earnings before income taxes	\$ 2,447	\$ 33
Effective tax rate	0%	0%
Expected income tax expense	-	-
Increase (decrease) resulting from:		
Effective tax law changes and future tax rate reductions	(3,115)	-
Future income tax recovery	\$ (3,115)	\$ -

The future income tax liability consists of:

	As at March 31, 2009	As at December 31, 2008
Tangible assets	\$ (4,209)	\$ (8,117)
Net operating losses	1,862	2,015
Goodwill/ Intangible assets	2,369	3,134
Trust unit issuance costs	471	372
Valuation allowance	(223)	(250)
Other	(779)	(778)
Future income tax liability	\$ (509)	\$ (3,624)

13. Discontinued Operations

On July 2, 2008, the Trust completed the sale of the assets of its Transport segment. Earnings from discontinued operations related to the Transport segment are as follows:

	For the three months ended	
	2009	March 31, 2008
Revenue	\$ -	\$ 20,820
Expenses		
Operating	-	12,840
General and administrative	-	3,093
Interest on long term debt	-	707
Depreciation and amortization	-	1,873
Gain on disposal of assets	-	(373)
Earnings from discontinued operations	\$ -	\$ 2,680

14. Per Unit Amounts

The weighted average number of units outstanding for the three months ended March 31, 2009 was 59,852,965 (2008 – 35,392,338). For the three months ended March 31, 2009 and 2008, options convertible to units are not included in the denominator as their effect is anti-dilutive.

15. Commitments

The Trust has entered into operating leases for office and shop premises and equipment that provide for minimum annual lease payments as follows:

	Amount
For the year ended:	
2009	\$ 3,227
2010	3,942
2011	3,071
2012	2,166
2013	1,197
Thereafter	1,511
	\$ 15,114

16. Financial Instruments

a) Designation and valuation of financial instruments

Essential has classified its accounts receivable as loans and receivables. Bank indebtedness, accounts payable and accrued liabilities, long-term debt and capital leases are classified as other financial liabilities. The carrying values of accounts receivable, bank indebtedness and accounts payable and accrued liabilities approximate their estimated fair values due to their short terms to maturity.

The fair value of a financial instrument is the amount that would be agreed to in an arm's length transaction between knowledgeable, willing parties who are under no obligation to act. Fair value can be determined by reference to prices in active markets to which the Trust has access. In the absence of active markets, the Trust determines fair value based on market or by reference to other similar products.

The fair-value of long-term debt is estimated to equal the carrying value, as the interest rate attached to the debt is a floating rate which fluctuates with market interest rates and due to the relative short term to maturity.

b) Risks

Exposure to credit risk and interest rate risk arises in the normal course of the Trust's business. The Trust currently does not use derivative financial instruments to reduce exposure to fluctuations in any of the risks impacting the Trust's operations.

(i) Credit risk

As at March 31, 2009, accounts receivable are aged as follows: 39% - current; 45% - 31-60 days; 9% - 61-90 days; and 7% - over 90 days (2008 - 41% - current; 43% - 31-60 days; 9% - 61-90 days; and 7% - over 90 days). The Trust utilizes an allowance for doubtful accounts, based on specific receivables, to record potential credit losses associated with its trade receivables. As at March 31, 2009, the Trust's provision for doubtful accounts is \$0.7 million and for the three months then ended had a bad debt expense of \$0.2 million. As at March 31, 2009, approximately 33% of the total accounts receivable balance was due from five companies.

(ii) Interest rate risk

With respect to interest rate risk, if interest rates on the floating instrument were to change by 1%, it is estimated that annual net earnings would change by \$0.2 million assuming all other variables remain the same.

(iii) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Trust manages liquidity risk by forecasting cash flows to identify financing requirements, by maintaining committed credit facilities, and by maintaining access to additional financing at competitive rates through capital markets and highly rated financial institutions. The Trust believes that it has access to sufficient capital through internally generated cash flows and to undrawn committed borrowing facilities to meet current spending forecasts.

17. Seasonality of Operations

The Trust's operations are carried out in western Canada. The oilfield service industry's ability to move heavy equipment in exploration and production areas is dependent on weather conditions. With the onset of spring, melting snow together with frost coming out of the ground renders many secondary roadways incapable of supporting heavy equipment until sufficient time has passed for them to dry out. In addition, certain areas in Canada are typically only accessible during winter months, when the surface is frozen enough to support the heavy equipment. As a result, the activity levels of the Trust are directly impacted by this seasonality, whereby activity is traditionally higher in the first and fourth quarters of the year and lower in the second and third quarters.

18. Segmented Information

The Trust has two operating segments, Well Servicing and Wireline & Rentals, and a non-operating segment, Corporate.

a) Well Servicing

The Well Servicing segment provides well completion and production/workover services in northeastern British Columbia, south-east Saskatchewan and throughout Alberta. The Well Servicing segment is comprised of a fleet of service rigs, coil tubing and nitrogen units and rod rigs.

b) Wireline & Rentals

The Wireline & Rentals segment is comprised of wireline services, downhole tools, and equipment rentals. The Wireline & Rentals segment includes a fleet of wireline units, including electric line and slickline, and a variety of downhole tools and drilling-related rental equipment operated primarily in Alberta.

Selected financial information by operating segment and Corporate is as follows:

	As at and for the three months ended March 31, 2009			
	Well Servicing	Wireline & Rentals	Corporate	Consolidated
Revenue	\$ 27,986	\$ 14,212	\$ -	\$ 42,198
Earnings (loss) from continuing operations before income taxes	\$ 2,916	\$ 2,631	\$ (3,100)	\$ 2,447
Depreciation and amortization	\$ 3,346	\$ 1,400	\$ 157	\$ 4,903
Total assets	\$ 135,657	\$ 48,883	\$ 5,458	\$ 189,998
Equipment expenditures	\$ 1,974	\$ 376	\$ 270	\$ 2,620

	As at and for the three months ended March 31, 2008			
	Well Servicing	Wireline & Rentals	Corporate	Consolidated
Revenue	\$ 15,046	\$ -	\$ -	\$ 15,046
Earnings (loss) from continuing operations before income taxes	\$ 2,325	\$ -	\$ (2,292)	\$ 33
Depreciation and amortization	\$ 2,294	\$ -	\$ 30	\$ 2,324
Total assets (excluding assets held for sale)	\$ 92,110	\$ -	\$ 1,708	\$ 93,818
Equipment expenditures	\$ 495	\$ -	\$ 870	\$ 1,365

19. Comparative Amounts

Certain comparative amounts have been reclassified to conform to the current period's presentation.

20. Subsequent event

On May 11, 2009, Essential completed the renewal of its credit facility with its banking syndicate (see Note 8).

C O R P O R A T E I N F O R M A T I O N

Directors

James A. Banister^{2,3}, Chairman

Garnet K. Amundson

Dennis B. Balderston^{1,2}

Michael J. Black²

Verne G. Johnson^{1,3}

Jeffrey J. Scott^{1,3}

1. Audit Committee

2. Compensation & Governance Committee

3. Health, Safety & Environment Committee

Auditors

Ernst & Young LLP

Bankers

National Bank of Canada

Toronto Dominion Bank

Bank of Montreal

Canadian Western Bank

Legal Counsel

Heenan Blaikie LLP

Transfer Agent

Olympia Trust Company

Management

Garnet K. Amundson
President & Chief Executive Officer

Jeff B. Newman
Chief Financial Officer & VP, Finance

Kevin W. Job
VP, Operations

Don A. K. Webster
VP, Operations

Stock Exchange Listing

TSX: ESN.UN

Calgary Office

Livingston Place West

1100, 250 2nd Street SW

Calgary, Alberta T2P 0C1

Phone: (403) 263-6778

Fax: (403) 263-6737

Email: service@essentialenergy.ca

Website: www.essentialenergy.ca