



2009 ANNUAL INFORMATION FORM

For the year ended December 31, 2009

Dated February 24, 2010

Our Life is the Highway™

MULLEN GROUP LTD.

2009 ANNUAL INFORMATION FORM

Table of Contents

GLOSSARY OF TERMS.....	i
FORWARD-LOOKING STATEMENTS.....	1
CORPORATE STRUCTURE	2
Inter-corporate Relationships.....	3
GENERAL DEVELOPMENT OF THE BUSINESS	5
Overview	5
Three Year History.....	6
2007.....	6
2008.....	6
2009.....	7
Significant Acquisitions	8
DESCRIPTION OF THE BUSINESS AND OPERATIONS.....	9
Overview	9
Oilfield Services Segment.....	9
Terminals.....	14
Competitive Conditions	14
Industry Position.....	14
Risk Factors.....	14
Intangible Properties	15
Seasonality	15
Economic Dependence	15
Employees.....	16
Trucking/Logistics Segment.....	16
Terminals.....	18
Competitive Conditions	18
Risk Factors.....	18
Intangible Properties	18
Economic Dependence	19
Employees.....	19
ENVIRONMENTAL PROTECTION	19
INFORMATION RELATING TO MULLEN GROUP	20
Distributions/Dividends	20
Dividends – Mullen Group	20
Distributions – MGIF.....	20
Restrictions on payment of Dividends/Distributions	21
CAPITAL STRUCTURE.....	21
Common Shares.....	22
Preferred Shares	22
Debentures	22
MARKET FOR SECURITIES.....	22
Trading Price and Volume of Listed Securities	22
Prior Sales	23
Escrowed Securities	23

DIRECTORS AND OFFICERS	24
Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions.....	25
Conflicts of Interest.....	25
AUDIT COMMITTEE INFORMATION	26
Audit Committee Charter.....	26
Composition of the Audit Committee.....	26
Audit Committee Oversight	27
Pre-Approval Policies and Procedures.....	27
External Auditor Service Fees.....	27
LEGAL PROCEEDINGS AND REGULATORY ACTIONS	27
INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS.....	28
TRANSFER AGENTS AND REGISTRARS.....	28
MATERIAL CONTRACTS.....	28
INTERESTS OF EXPERTS	28
ADDITIONAL INFORMATION	29

GLOSSARY OF TERMS

Unless otherwise specified, information in this Annual Information Form is as at the end of the Corporation's most recently completed financial year, being December 31, 2009.

"**2006 Senior Notes**" means the U.S. \$150.0 million and CDN. \$140.0 million private debt financing pursuant to which MT, a wholly-owned subsidiary of the Fund, originally issued Senior Guaranteed Unsecured Notes by way of private placement of U.S. \$100.0 million of Series A Notes, U.S. \$50.0 million of Series B Notes, CDN. \$70.0 million of Series C Notes and CDN. \$70.0 million of Series D Notes on June 29, 2006, and which notes were exchanged on May 1, 2009 such that Mullen Group became issuer;

"**2007 Senior Notes**" means the U.S. \$85.0 million and CDN. \$20.0 million private debt financing pursuant to which MT, a wholly-owned subsidiary of the Fund, originally issued Senior Guaranteed Unsecured Notes by way of private placement of U.S. \$85.0 million of Series E Notes and CDN. \$20.0 million of Series F Notes on September 5, 2007 and which notes were exchanged on May 1, 2009 such that Mullen Group became issuer;

"**2009 Financial Statements**" means the 2009 audited annual consolidated financial statements of Mullen Group for the year ended December 31, 2009;

"**2009 MD&A**" means Mullen Group's Annual Management's Discussion and Analysis for the year ended December 31, 2009;

"**ABCA**" means the *Business Corporations Act* Alberta R.S.A. 2000, c. B-9, as amended from time to time;

"**AIF**" means this annual information form dated February 24, 2010;

"**Amended and Restated 2006 Senior Note Purchase Agreement**" means the amended and restated note purchase agreement dated June 29, 2006, as amended May 31, 2007 and restated as of May 1, 2009 under which Mullen Group assumed, in connection with the Corporate Arrangement, all of the rights and obligations of MT in relation to the 2006 Senior Notes;

"**Amended and Restated 2007 Senior Note Purchase Agreement**" means the amended and restated note purchase agreement dated May 31, 2007 and restated as of May 1, 2009, under which Mullen Group assumed, in connection with the Corporate Arrangement, all of the rights and obligations of MT in relation to the 2007 Senior Notes;

"**Bank Credit Facility**" means the \$75.0 million three year extendible revolving unsecured credit facility entered into by Mullen Group with the Royal Bank of Canada on May 1, 2009;

"**Board**" means the board of directors of Mullen Group;

"**CIBC Mellon**" means CIBC Mellon Trust Company;

"**Common Shares**" means the common shares in the share capital of Mullen Group;

"**Corporate Arrangement**" means the corporate reorganization effective May 1, 2009, which was undertaken by, among others, the Fund, Mullen Group, MT and MCLP pursuant to a plan of arrangement under Section 193 of the ABCA, whereby the Fund was reorganized into a corporation known as "Mullen Group Ltd.";

"**Debentures**" means the unsecured convertible subordinated debentures of Mullen Group issued by way of private placement on May 1, 2009;

"Fund" or **"MGIF"** means Mullen Group Income Fund an open-ended investment trust, which ceased operations on May 1, 2009 pursuant to the Corporate Arrangement;

"GAAP" means Canadian generally accepted accounting principles;

"LTL" means less-than-truckload;

"Mullen Holdco" means Mullen Holding Co. Ltd., an indirectly, wholly-owned subsidiary of Mullen Group;

"MTI Holdco" means MTI Holding Co. Ltd., an indirectly, wholly-owned subsidiary of Mullen Group;

"MCLP" means Mullen Co. Limited Partnership, a limited partnership formed pursuant to the laws of Alberta, which ceased operations on May 1, 2009 pursuant to the Corporate Arrangement;

"MCLP B Units" means the previously outstanding class B limited partnership units of MCLP as they existed prior to completion of the Corporate Arrangement;

"MT" means MT Investments Inc., a wholly-owned subsidiary of Mullen Group;

"Mullen Group", "we", "us", "our" or the **"Corporation"** means Mullen Group Ltd., a corporation incorporated under the laws of Alberta and it includes its predecessors where the context so requires;

"Operating Entities" means the indirectly, wholly-owned companies and limited partnerships that carry on the business of Mullen Group;

"TL" means truckload;

"Trust Units" means the previously outstanding trust units of the Fund as they existed prior to completion of the Corporate Arrangement;

"Trust Conversion Arrangement" means the corporate reorganization effective July 1, 2005, which was undertaken by, among others, Mullen Transportation Inc., the Fund, Mullen Holding Trust and MCLP pursuant to a plan of arrangement under Section 193 of the ABCA, whereby Mullen Transportation Inc. was reorganized into an open-ended investment trust called "Mullen Group Income Fund";

"Trust Indenture" means the trust indenture between Mullen Group and CIBC Mellon dated May 1, 2009, providing for the issuance of the Debentures; and

"TSX" means the Toronto Stock Exchange.

All dollar amounts set forth in this AIF are in Canadian dollars, except where otherwise indicated.

Words importing the singular number only include the plural, and vice versa, and words importing any gender include all genders.

FORWARD-LOOKING STATEMENTS

This AIF, dated February 24, 2010, certain documents incorporated by reference into this AIF and other reports and filings made with the securities regulatory authorities, reflect management's expectations regarding Mullen Group's future growth, financial condition, results of operations, performance, business prospects, strategies and opportunities and contains forward-looking statements and forward-looking information (collectively, "forward-looking statements") within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "objective", "will", "should", "believe", "plan", "intend", "ongoing", "estimate", "may", "project" or similar expression are intended to identify forward-looking statements. More particularly and without limitation, this AIF contains forward-looking statements within the meaning of applicable Canadian Securities laws relating to:

- Mullen Group's ability to pay a quarterly dividend at the end of each financial quarter, subject to Board approval, referred to under the "Distributions/Dividend" section on page 20.

Readers are cautioned that expectations, estimates, projections and assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. With respect to forward-looking statements contained within this AIF, Mullen Group has made the following assumptions:

- the intention to pay a quarterly dividend at the end of each financial quarter, subject to Board approval, is based on Mullen Group's belief that it will generate sufficient cash from operating activities to provide for such payments.

Although Mullen Group believes that the expectations and assumptions on which such forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because Mullen Group can give no assurance that they will prove to be correct.

Since forward-looking statements 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 service and energy industry in general; ability to access sufficient capital from internal and external sources; failure to obtain required regulatory, securityholder and other approvals as may be required from time to time; and changes in legislation, including but not limited to tax laws and environmental regulations. Accordingly, readers should not place undue reliance on the forward-looking statements contained in this AIF.

Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on these and other factors that could affect the operations or financial results of Mullen Group 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 contained in this AIF are made as of the date hereof and Mullen Group undertakes no obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless so required by applicable securities law. Mullen Group relies on litigation protection for "forward-looking" statements.

Non-GAAP Measures

In this AIF, and in the documents incorporated herein by reference, the Mullen Group may refer to operating income, funds from operations and funds from operations per share, which are not measures recognized by GAAP and do not have standardized meanings prescribed by GAAP. These non-GAAP measures may not be comparable to similar measures presented by other issuers. Readers are cautioned that these indicators should not replace net income or cash flow from operating activities as indicators of GAAP performance. For further information on these non-GAAP measures refer to the section entitled "Glossary of Terms and Reconciliation of Non-GAAP Terms" of the 2009 MD&A, a copy of which is filed on SEDAR at www.sedar.com.

Access to Documents

Any document referred to in this AIF and described as being filed on SEDAR at www.sedar.com (including those documents referred to as being incorporated by reference in this AIF) may be accessed on our website at www.mullen-group.com or obtained free of charge from our Investor Services group at 121A – 31 Southridge Drive, Okotoks, Alberta, T1S 2N3, telephone (403) 995-5200, or ir@mullen-group.com.

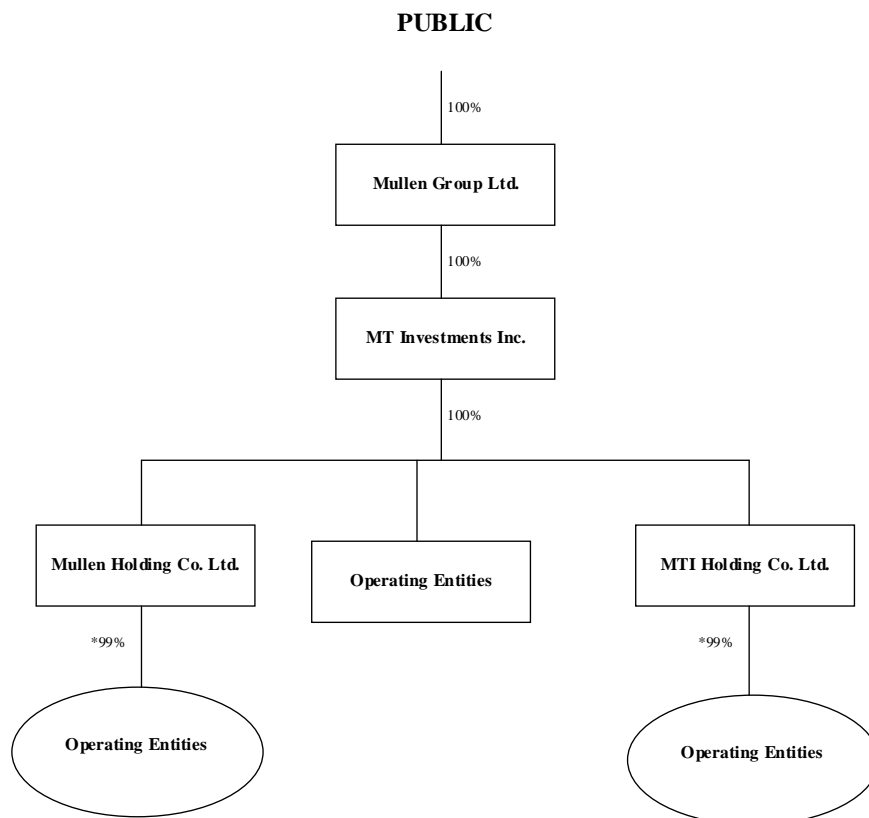
CORPORATE STRUCTURE

Mullen Group is a corporation, incorporated pursuant to the laws of the province of Alberta. Mullen Group's authorized share capital consists of an unlimited number of Common Shares and an unlimited number of Preferred Shares, issuable in series. The Corporation has not created any series of Preferred Shares.

Mullen Group was incorporated on March 12, 2009 for the sole purpose of participating in the Corporate Arrangement. The Corporate Arrangement involved, among other things, Mullen Group acquiring, either directly or indirectly, all of the assets and assuming all of the liabilities of the Fund. Pursuant to the Corporate Arrangement, among other things, all of the issued and outstanding Trust Units and MCLP B Units became Common Shares of Mullen Group and all of the subsidiaries and Operating Entities of the Fund (whether directly or indirectly owned) became subsidiaries and Operating Entities of Mullen Group. The final court order and plan of arrangement affecting the Corporate Arrangement was filed with the Alberta Registrar of Corporations on May 1, 2009. The articles of Mullen Group were not amended by the plan of arrangement. The "Update Plan of Arrangement – No Amendment – Proof of Filing" as provided by the Alberta Corporate Registry system, together with the Articles of Arrangement and Final Court Order approving the plan of arrangement attached thereto, is available on SEDAR at www.sedar.com.

Mullen Group maintains its registered office and head office at 121A – 31 Southridge Drive, Okotoks, Alberta, T1S 2N3, telephone 403-995-5200, facsimile 403-995-5296 and its website is located at www.mullen-group.com. Mullen Group is a publicly-traded company listed on the TSX under the symbol "MTL".

Mullen Group operates a decentralized business model with each of its active Operating Entities operated as a separate business unit and held accountable for its own performance and results. The corporate details of Mullen Group's principal subsidiary companies and its Operating Entities as at the date hereof are described under "Inter-corporate Relationships". The diagram below sets forth the inter-corporate relationships among Mullen Group and its material subsidiaries and Operating Entities.



*the remaining one percent interest of each limited partnership Operating Entity is owned by the general partner of such limited partnership. All such general partners are wholly-owned, directly or indirectly, by Mullen Group.

Inter-corporate Relationships

Mullen Group, directly or indirectly, owns 100% of MT, Mullen Holdco, MTI Holdco, and the Operating Entities, as well as the general partners of all the Operating Entities that are limited partnerships. Each general partner is a corporation incorporated under the ABCA other than the general partner of Mill Creek Motor Freight L.P., which is incorporated under Ontario law, and the general partner of FSJ L.A.N.D. Transport L.P., which is incorporated under British Columbia law.

MT Investments Inc.

MT is a wholly-owned subsidiary of Mullen Group. It was formed on July 1, 2005, when Mullen Transportation Inc. was amalgamated under the ABCA with certain other corporations pursuant to the Trust Conversion Arrangement to form a corporation known as "MT Investments Inc.". MT maintains its registered office at 121A – 31 Southridge Drive, Okotoks, Alberta, T1S 2N3.

Mullen Holding Co. Ltd.

Mullen Holdco is a wholly-owned subsidiary of MT, which was incorporated under the ABCA on November 13, 2008. It is the limited partner of various Operating Entities and its registered office is located at 121A – 31 Southridge Drive, Okotoks, Alberta, T1S 2N3.

MTI Holding Co. Ltd.

MTI Holdco is a wholly-owned subsidiary of MT, which was incorporated under the ABCA on November 14, 2008. It is the limited partner of various Operating Entities and its registered office is located at 121A – 31 Southridge Drive, Okotoks, Alberta, T1S 2N3.

Operating Entities

The business of Mullen Group is operated through its 25 Operating Entities. A general description of each Operating Entity is set forth in this AIF under the heading "Description of the Business and Operations". The following table provides the name, the percentage of securities indirectly owned by Mullen Group and the jurisdiction of incorporation or formation of the Operating Entities:

Name	Percentage of ownership by Mullen Group (indirectly)*	Jurisdiction of Incorporation/Formation
Brady Oilfield Services L.P.	100%	Alberta
Canadian Dewatering L.P.	100%	Alberta
Cascade Carriers L.P.	100%	Alberta
Cascade Energy Services L.P.	100%	Alberta
E-Can Oilfield Services L.P.	100%	Alberta
Formula Powell L.P.	100%	Alberta
FSJ L.A.N.D. Transport L.P.	100%	Alberta
Grimshaw Trucking L.P.	100%	Alberta
Heavy Crude Hauling L.P.	100%	Alberta
Kleysen Group L.P.	100%	Alberta
Mill Creek Motor Freight L.P.	100%	Alberta
Mullen Oilfield Services L.P.	100%	Alberta
Mullen Trucking L.P.	100%	Alberta
OK Drilling Services L.P.	100%	Alberta
Payne Transportation L.P.	100%	Alberta
Pe Ben Oilfield Services L.P.	100%	Alberta
Premay Equipment L.P.	100%	Alberta
Premay Pipeline Hauling L.P.	100%	Alberta
Pro North Well Management Ltd.	100%	British Columbia
R. E. Line Trucking (Coleville) Ltd.	100%	Saskatchewan
Spearing Service L.P.	100%	Alberta
Swanberg Bros. Trucking L.P.	100%	Alberta
Tenold Transportation Limited Partnership	100%	Alberta
TREO Drilling Services L.P.	100%	Alberta
Withers L.P.	100%	Alberta

*includes approximately one percent interest owned by the general partner of each limited partnership. All such general partners are indirectly owned by Mullen Group.

GENERAL DEVELOPMENT OF THE BUSINESS

Overview

The business was originally founded by Roland Mullen in 1949 as a single truck operation. Over the ensuing four decades, the business grew as the economy in western Canada expanded.

In 1993, the founding shareholders believed that Mullen Trucking Ltd. could expand and that the best way to capitalize on these opportunities was to access new capital in the public markets. In December 1993, Mullen Trucking Ltd. met the listing requirements of the TSX and issued common shares through a public offering, raising \$10.5 million to fund its future growth.

Over the next decade, Mullen Trucking Ltd. expanded through a combination of internal growth and acquisitions, capitalizing on the expanding economy in western Canada and the strong growth in the oil and natural gas service sector. Mullen Trucking Ltd. changed its name to Mullen Transportation Inc. on January 1, 1997.

On June 30, 2005, the shareholders of Mullen Transportation Inc. approved the Trust Conversion Arrangement that resulted in such company's conversion to an open-ended investment trust called "Mullen Group Income Fund". Pursuant to the Trust Conversion Arrangement shareholders of Mullen Transportation Inc. received, at their election, in exchange for each common share held, either three Trust Units of the Fund or three MCLP B Units of MCLP.

On January 13, 2009, the Fund announced its intention to complete the Corporate Arrangement and on April 29, 2009, the securityholders of the Fund approved the Corporate Arrangement that resulted in the Fund's conversion to a corporation called "Mullen Group Ltd". Pursuant to the Corporate Arrangement, unitholders of the Fund received, in exchange for each Trust Unit or MCLP Class B Unit held, one Common Share of Mullen Group.

Mullen Group is recognized as the largest provider of specialized transportation and related services to the oil and natural gas industry in western Canada and as one of the leading suppliers of trucking and logistics services in Canada - two sectors of the economy in which Mullen Group has strong business relationships and industry leadership. Mullen Group's approach to managing its business, assets and cash flows to achieve the maximum overall returns to shareholders is based upon the following strategy:

- (1) Operate a decentralized business model – Mullen Group provides overall support to the Operating Entities, which are each held accountable for their own performance and results. The management and employees of these business units are remunerated based upon the performance of their business unit.
- (2) Maximize asset utilization - utilize a combination of company-owned and operated equipment, which are either acquired as an asset or under operating leases, owner-operator equipment, dedicated subcontractors or subcontractors on an as-needed basis.
- (3) Invest in energy - invest in western Canada where the economic growth is higher due to the oil and natural gas and mining sectors of the economy and where Mullen Group believes future growth opportunities exist.
- (4) Invest in accretive acquisitions – acquire competing, complementary or new business lines that can accelerate Mullen Group's growth potential.
- (5) Diversify – continue to grow and invest where opportunities exist in the two segments of the economy where Mullen Group has strong market penetration and customer relationships, namely: the oil and natural gas services industry in western Canada, and the transportation, logistics and distribution of freight within North America.
- (6) Maintain a well structured balance sheet.

Three Year History

During the past three years, most of Mullen Group's growth has occurred by acquiring businesses in its Oilfield Services segment. In 2007, Mullen Group generated approximately 61.1 percent of its revenue or \$685.4 million from its Oilfield Services segment with the Trucking/Logistics segment generating approximately 38.9 percent or \$437.0 million. In 2008, Mullen Group generated approximately 63.3 percent or \$835.2 million of its revenue from its Oilfield Services segment with the Trucking/Logistics segment generating approximately 36.7 percent or \$485.2 million. In 2009, Mullen Group generated approximately 62.2 percent or \$612.6 million of its revenue from its Oilfield Services segment with the Trucking/Logistics segment generating approximately 37.8 percent or \$372.1 million.

2007

On March 16, 2007, the Fund commenced a normal course issuer bid to purchase from time to time, as it considered advisable, up to 5,740,000 of its issued and outstanding Trust Units on the open market through the facilities of the TSX. Under this bid the Fund acquired 1,703,700 Trust Units for cancellation. Such bid terminated on March 15, 2008.

In April 2007, the Fund acquired E.K. Inc., a privately owned company based in Stavelly, Alberta, specializing in the transportation of natural gas compressor units from Canada to the United States. The business of E.K. Inc. was transferred to Mullen Trucking L.P. in October 2007. The results of its operations are included in the Trucking/Logistics segment.

In May 2007, the Fund announced that it completed the pricing of a U.S. \$85.0 million and CDN. \$20.0 million private placement debt financing pursuant to which it issued the 2007 Senior Notes. This financing effectively provided the necessary capital to allow the Fund to continue its growth strategy. In September 2007, all of the proceeds of the private placement were drawn down. The 2007 Senior Notes are described under "Note 9 – Long Term Debt" to the 2009 Financial Statements, which note is incorporated by reference herein. A copy of the 2009 Financial Statements is filed on SEDAR at www.sedar.com.

In October 2007, the Fund acquired Pro North Well Management Ltd. along with its wholly-owned subsidiary Pro North Oilfield Services Ltd., private companies based in Fort Nelson, British Columbia. These companies were amalgamated on October 31, 2007 and the business continues to operate as Pro North Oilfield Services. It provides oilfield related fluid hauling services in the Fort Nelson, British Columbia area. The results of its operations are included in the Oilfield Services segment.

2008

On March 20, 2008, the Fund commenced a normal course issuer bid to purchase from time to time, as it considered advisable, up to 4,519,375 of its issued and outstanding Trust Units on the open market through the facilities of the TSX. Under this bid no Trust Units were repurchased. Such bid terminated on March 19, 2009.

In April 2008, the Fund acquired all the outstanding shares of R. E. Line Trucking (Coleville) Ltd. and David Tuffs Holdings Ltd., oilfield transportation companies focused on the hauling of crude oil and produced water in the Coleville, Saskatchewan area. On January 1, 2010 the two companies were amalgamated and the business continues to operate as R. E. Line Trucking (Coleville) Ltd. The results of its operations are included in the Oilfield Services segment.

In July 2008, the Fund acquired the assets and business of Essential Energy Services Trust's transport division which included its fluid hauling and oilfield transport business units, namely Cascade Services, JaCar Energy Services, Circle D Transport and Rentals, Leachman Oilfield Trucking, Prime Oilfield Hauling and Polege Oilfield Hauling. These business units operated through a network of facilities strategically located in areas known for drilling activity and ranged from northeastern British Columbia and northern Alberta into central/southern Alberta and

Saskatchewan. The fluid hauling business units acquired, namely Cascade Services and JaCar Energy Services, now operate as separate divisions of the newly formed limited partnership, Cascade Energy Services L.P. One of the oilfield transport business units acquired, namely Circle D Transport and Rentals, operates as a separate division of Mullen Oilfield Services L.P., Leachman Oilfield Trucking is operated as a separate division of Withers L.P. and the business of Polege Oilfield Hauling operates as part of Withers L.P. The business of Prime Oilfield Hauling was operated as a division of Withers L.P. until September 2009, at which time its assets were reallocated to Withers L.P. The results of operations of all these acquired business units are included in the Oilfield Services segment.

2009

Corporate Arrangement

In early 2008, the Fund announced that it would be investigating potential restructuring alternatives available to it to ensure that its structure was viable and sustainable over the long-term, as well as effective and efficient in allowing for growth, capital appreciation and a cash yield for securityholders.

During 2008 the Fund investigated and considered various restructuring alternatives available to it and considered the Fund's strategic objectives, to ensure that the Fund had the most appropriate structure for its long term viability and sustainability. As the fourth quarter of 2008 approached the Fund became increasingly concerned that the global credit crisis could severely impact economic activity during 2009 and beyond.

On January 13, 2009, the Fund announced its intention to complete the Corporate Arrangement under which the Fund converted from an income trust to a corporation. The Fund's Board of Directors, based on its review, concluded that such was in the best interests of the Fund and its securityholders and unanimously approved the Corporate Arrangement and recommended that securityholders vote their Trust Units and MCLP B Units in favour of the corporate conversion. The Corporate Arrangement was subject to receipt of all required approvals, including court, stock exchange, regulatory and bank and approval by at least 66 $\frac{2}{3}$ percent of the votes cast by securityholders of the Fund, voting together as a single class. In March 2009, Mullen Group mailed a management proxy circular to its securityholders and other interested parties, which described the Corporate Arrangement and other matters to be considered at the annual and special meeting of the Fund which was scheduled for April 29, 2009. A copy of such management proxy circular is available on SEDAR at www.sedar.com.

All requisite approvals were received and effective on May 1, 2009, the Corporate Arrangement was completed which resulted in, among other things, Mullen Group acquiring, either directly or indirectly, all of the assets and assuming all of the liabilities of the Fund. Pursuant to the Corporate Arrangement, among other things, all of the issued and outstanding Trust Units and MCLP B Units became Common Shares of Mullen Group and all of the subsidiaries and Operating Entities of the Fund (whether directly or indirectly owned) became subsidiaries and Operating Entities of Mullen Group. The particulars of the Common Shares are set forth in this AIF under the heading "Description of Capital Structure".

In connection with the Corporate Arrangement, Mullen Group entered into the Bank Credit Facility. Such facility provides Mullen Group with a \$75.0 million three year extendible revolving unsecured credit facility. As at the date hereof no funds were drawn on this facility. Prior to completing the Corporate Arrangement, the Fund had a \$150.0 million extendible revolving 364-day term facility. All amounts outstanding on this facility were repaid prior to completion of the Corporate Arrangement. The Bank Credit Facility is described under "Note 9 – Long Term Debt" to the 2009 Financial Statements, which note is incorporated by reference herein. A copy of the 2009 Financial Statements is filed on SEDAR at www.sedar.com.

In connection with the Corporate Arrangement, Mullen Group also entered into the 2006 Restated and Amended Senior Note Agreement and the 2007 Restated and Amended Senior Note Agreement, whereby it assumed all of the prior rights and obligations of MT and the Fund under the 2006 Senior Notes and the 2007 Senior Notes. The 2006 Senior Notes and 2007 Senior Notes are described under "Note 9 – Long Term Debt" to the 2009 Financial

Statements, which note is incorporated by reference herein. A copy of the 2009 Financial Statements is filed on SEDAR at www.sedar.com.

\$125.0 Million Private Placement of Debentures

On May 1, 2009, Mullen Group raised capital by issuing the Debentures in the aggregate principal amount of \$125.0 million at a price of \$1,000 per Debenture. The Debentures mature on July 1, 2018 and bear interest at an annual rate of 10.0 percent payable quarterly in arrears on March 31, June 30, September 30, and December 31 in each year beginning June 30, 2009. Mullen Group may elect to satisfy its interest obligation on any interest payment date by issuing and delivering, subject to regulatory approval, Common Shares to Debenture holders. If Mullen Group elects to pay interest by issuing and delivering Common Shares for any period (other than maturity), interest for that period will be payable at 20.0 percent per annum (rather than 10.0 percent). The Debentures are non-redeemable and are subordinated to the 2006 Senior Notes, 2007 Senior Notes and the Bank Credit Facility.

Each \$1,000 Debenture is convertible into 93.2 Common Shares (such is based on a conversion price of \$10.73) at any time at the option of the holders of the Debentures. Thus, an aggregate of approximately 11.65 million Common Shares of Mullen Group may be issued if all holders convert their principal amount into Common Shares. The proceeds of the offering are being used for working capital and for general corporate purposes.

The accounting treatment of the Debentures is described under "Significant Developments" in the 2009 MD&A and under "Note 10 – Convertible Unsecured Subordinated Debentures" in the 2009 Financial Statements, copies of which are filed on SEDAR at www.sedar.com.

2009 Normal Course Issuer Bid

On June 15, 2009, Mullen Group commenced a normal course issuer bid to purchase from time to time, as it considers advisable, up to 7,379,118 of its issued and outstanding Common Shares on the open market through the facilities of the TSX. This bid will terminate on June 14, 2010. As at February 24, 2010, no Common Shares have been repurchased under this bid.

Acquisitions

In August 2009, Mullen Group acquired the remaining 50.0 percent of all the issued and outstanding shares of Durango Oilfield Services Ltd., a privately owned company in which the Fund (indirectly) previously held a 50.0 percent equity investment. This company provides oilfield related fluid hauling services in the Hudson's Hope, British Columbia area. Its business now operates as a division of Cascade Energy Services L.P. The results of operations are included in the Oilfield Services segment.

In August 2009, Mullen Group acquired certain assets and certain aspects of the business of Blackwater Oil & Gas Co. Ltd. and certain assets of Blackwater Construction Co. Ltd., oilfield transportation companies operating in the Tumbler Ridge, British Columbia area. The assets and business acquired from these companies were transferred to and now operate as part of Cascade Energy Services L.P. The results of operations are included in the Oilfield Services segment.

Significant Acquisitions

Mullen Group did not complete any significant acquisitions during 2009 for which disclosure was required under part 8 of National Instrument 51-102.

DESCRIPTION OF THE BUSINESS AND OPERATIONS

Overview

The business of Mullen Group is operated through its 25 Operating Entities, each of which is operated as a separate business unit accountable for its own performance and profitability. While the day-to-day operations of the Operating Entities is the responsibility of the management team of each Operating Entity, Mullen Group provides these entities with centralized banking and financial expertise, management services and technology and systems support, roles consistent with what is commonly known as a "Head Office". Mullen Group employs approximately 45 people at its head office located in Okotoks, Alberta.

The Operating Entities are divided into two distinct business segments: Oilfield Services and Trucking/Logistics. The segments are differentiated by the type of service provided, equipment requirements and customer needs.

The Oilfield Services segment consists of 18 Operating Entities, which utilize their highly trained personnel to provide specialized transportation services, drilling services and well-servicing equipment and warehousing to the oil and natural gas industry. These services include drilling rig relocation services, conductor pipe setting, core drilling, shallow gas and coal-bed methane drilling, casing setting, transporting of oversize and overweight shipments, pipe stockpiling and stringing, the transportation, handling and storage of oilfield fluids, tubulars and drilling mud, dredging and dewatering services and a broad range of services related to the processing and production of heavy oil, including well-servicing and pumping, hauling and disposal of fluids.

The Trucking/Logistics segment consists of seven Operating Entities, which offer a diversified range of TL and LTL general freight services to customers in Canada, the United States and Mexico. These services include transporting a wide range of goods including general freight, specialized commodities such as cable, pipe and steel, over-dimensional loads such as heavy equipment, compressors and over-sized goods and dry bulk commodities such as cement and other dry bulk goods. In addition, the Trucking/Logistics segment provides logistics, warehousing and distribution, transload and intermodal services primarily in western Canada.

The Operating Entities utilize their own equipment, as well as the services and equipment of owner-operators and dedicated subcontractors. As at December 31, 2009, the Operating Entities owned or leased 1,930 power units; had access to an additional 1,032 power units under contract with owner-operators or dedicated subcontractors; owned or leased 5,974 trailers (the vast majority of which are owned by the Operating Entities) and employed approximately 4,150 people including owner-operators and dedicated subcontractors. In addition, the Operating Entities owned a fleet of truck-mounted drilling units, including 31 hydraulic single rigs capable of coring, surface casing, and shallow gas drilling, 19 auger drilling rigs, and 2 dual rotary rigs.

Oilfield Services Segment

Overview

The oil and natural gas industry represents one of the most crucial segments of the economy providing business and consumers with a wide range of energy supplies and related products. Generally speaking, the industry is divided into two segments: upstream, which refers to oil and natural gas exploration, drilling and well completions; and downstream, referred to as the processing, refining and marketing portion of the industry. The oil and natural gas service industry provides a wide range of products and services to the oil and natural gas exploration and production companies (the "E&P's") and as such is highly reliant upon the levels of drilling activity and capital expenditures made by the E&P's. E&P's base their drilling and capital expenditure decisions on several factors, including but not limited to, hydrocarbon prices, production levels, tax implications and access to capital. They tend to examine long-term fundamentals affecting the foregoing factors before they adjust their capital budgets to reflect those factors. In

past years commodity prices, and therefore the level of drilling, production and exploration activity, have been volatile. As such, Mullen Group manages the business knowing that the oil and natural gas industry can be cyclical.

Mullen Group, through certain of its Operating Entities, provides both the upstream and downstream segments of the oil and natural gas industry in western Canada with a wide range of services related to the transportation and warehousing of oilfield equipment and supplies, and activities related to drilling, production and well servicing. The direct services provided include: drilling rig relocation services; conductor pipe setting, core drilling, shallow gas and coal-bed methane drilling; casing setting, transporting of oversize and overweight shipments; pipe stockpiling and stringing services; the transportation, handling and storage of oilfield fluids, tubulars and drilling mud, dredging and dewatering services and a broad range of services related to the processing and production of heavy oil including pumping, hauling, well servicing and fluid disposal. These services are collectively referred to as Oilfield Services and can be generally grouped into four categories: Drilling Services, Specialized Services, Production Services and Drilling Related Services. The following is a summary of the information as it relates to the 18 Operating Entities in the Oilfield Services segment.

Drilling Services

Operating Entities in the Drilling Services category provide drilling services to the oilsands operators and to oil and natural gas companies, including core drilling, conventional drilling to 1500 metres, and conductor pipe and surface casing setting services.

Treo Drilling Services L.P. ("Treo")

Treo provides drilling services to the energy and resource sector in western Canada with a focus on core drilling primarily during the winter season. With 31 core drilling rigs, Treo is a market leader providing customers with core drilling services, which involves drilling and the subsequent recovery of core samples, an essential process service used by E&P's in the analysis and delineation of oilsands deposits in northern Alberta. In addition, it provides conventional oil and natural gas drilling and coal-bed methane drilling to depths up to 1,500 metres. Treo, through its predecessors has been servicing the Alberta, British Columbia, and Saskatchewan areas safely and proficiently since 1958. Treo operates from its full-service terminal in Ponoka, Alberta.

OK Drilling Services L.P. ("OK")

OK provides the upstream segment of the oil and natural gas drilling industry with services related to the setting of conductor pipe, which is required on some well sites prior to a drilling rig being moved onto the lease location, and in the drilling and setting of surface casing. OK operates 12 auger drilling rigs, one dual rotary rig, one mud rig and a fleet of support trucks and trailers. The business has been in operation since 1978 and is currently operated from its full service terminal located in Red Deer, Alberta along with terminals in Whitecourt, Alberta and Fort St. John, British Columbia. OK's sales operations are conducted out of Calgary, Alberta.

Specialized Services

Operating Entities in the Specialized Services category provide oversize and overweight transportation services, dredging and dewatering services and the hauling, stringing and stockpiling of large diameter oil and natural gas transmission pipe to the oilsands and to the oil and natural gas related industries.

Premay Equipment L.P. ("Premay")

Premay provides a wide range of specialized services through the transportation of oversize and overweight modules, vessels, equipment and machinery for clients in the engineering, procurement, construction, mining, and oil and natural gas related industries. With over 500 pieces of specialized tractors, off-highway vehicles and trailers, Premay is a leader in the specialized transportation market in western Canada. It has been in business since 1964 and its main facility is located in Edmonton, Alberta, providing sales and operating support to the other terminals in

the network. The Edmonton facility is also where major repairs to the specialized equipment are performed. Additional full-service operational terminals are located in Calgary and Fort McMurray, Alberta and Regina, Saskatchewan.

Canadian Dewatering L.P. ("Canadian Dewatering")

Canadian Dewatering generates most of its revenue through the rental and sale of trailer or skid mounted dri-prime diesel pumps, submersible centrifugal pumps, diesel generators and associated suction and discharge piping systems within western Canada. Canadian Dewatering's fluid management services are utilized by energy companies involved in the development of the oilsands of northern Alberta (specifically in the Fort McMurray, Alberta area), well fracturing fluid supply operations in northeast British Columbia, pulp & paper industry, power generation, mining industry, general contractors and the municipal infrastructure development community. Canadian Dewatering has been in business since 1972 and currently has over 500 trailers and skid mounted dri-prime diesel pumps, 820 submersible pumps, 160 portable diesel generators and associated suction and discharge-piping systems. In addition, Canadian Dewatering provides specialized services, which includes dredging, barge rentals, with their fleet of 46 portable engineered barges and 6 small to large portable dredges. Canadian Dewatering also operates its commercial diving operations across western Canada through its Northern Underwater Systems division. Mullen Group believes Canadian Dewatering is the one of the largest full service provider of its kind in western Canada.

In October 2004, Mullen Group entered this market by acquiring Northern Underwater Systems (N.U.S.) Ltd. Mullen Group furthered its investment in this marketplace by acquiring Canadian Dewatering Limited in August 2006. These two entities were combined in January 2007 and now operate as Canadian Dewatering. Canadian Dewatering's corporate office is in Edmonton, Alberta and it has terminals in Fort McMurray and Calgary, Alberta; Saskatoon, Saskatchewan; Surrey and Castlegar, British Columbia; Yellowknife, Northwest Territories and Winnipeg, Manitoba. Additionally, Canadian Dewatering maintains four onsite oilsands locations and one office in Fort McMurray, Alberta.

Premay Pipeline Hauling L.P. ("Premay Pipeline")

Premay Pipeline provides the mainline large diameter pipeline construction industry with contract services including the hauling, stockpiling and stringing of large diameter oil and natural gas transmission pipe, along with the transport of pipeline equipment. The equipment operated by Premay Pipeline is designed to meet the regulatory and legislated requirements of transporting oversized shipments. Trailers are specifically designed to transport lengths of pipe in excess of 80 feet and to maximize payload. Premay Pipeline has been in business since 1986 and currently operates a fleet of 51 trucks, 150 trailers, 7 crane/pickers, 5 side booms, 6 vacuum lifts, and 8 loaders from its terminal in Edmonton, Alberta.

Production Services

Operating Entities in the Production Services category provide a broad range of services related to the processing and production of heavy oil in western Canada.

Brady Oilfield Services L.P. ("Brady")

Brady has been in business since 1968. It provides a broad range of services related to the production of oil and liquids in the Midale and Weyburn fields located in southeastern Saskatchewan, through two facilities located in Halbrite and Weyburn, Saskatchewan. Brady utilizes specially designed bulk trailers and personnel to assist oil companies in the pumping, hauling and disposal of crude oil and produced water and fluids. Brady's company owned fleet is comprised of approximately 65 power units and over 123 specialized tanker trailers and auxiliary equipment. Brady also has access to an additional 34 power units under contract with owner-operators.

Cascade Energy Services L.P. ("Cascade Energy")

Cascade Energy commenced its operation in 1997 and provides a wide range of production services pertaining to fluid management to the oil and natural gas industry in northern British Columbia, northern and southern Alberta and southwest Saskatchewan. Cascade Energy also provides chemicals such as methanol and KCL solutions to the oil and natural gas industry and maintains facilities for mixing, storage and transport of these chemicals. Cascade Energy's fleet is comprised of approximately 214 specialized trucks and auxiliary equipment including hydro-vacuum trucks, pressure trucks, hot oilers, steaming trucks and fluid hauling units. The northern operations of Cascade Energy are conducted through its Cascade Services division. This division operates approximately 135 power units from branches in Fort St. John, Hudson's Hope, Tumbler Ridge and Dawson Creek, British Columbia and Slave Lake, Grande Prairie and Wabasca, Alberta. The southern operations are conducted through Jacar Energy Services. This division operates approximately 79 power units from branches in Richmond, Saskatchewan, and Medicine Hat, Brooks, Taber, Aldersyde and Pincher Creek, Alberta.

E-Can Oilfield Services L.P. ("E-Can")

E-Can provides a wide range of oilfield services to the heavy oil industry in Alberta. E-Can utilizes specialized equipment and personnel to assist in the pumping, hauling and disposal of fluids associated with the processing and production of heavy oil. With over 180 power units, E-Can is a market leader providing customers with well servicing using the latest coiled tubing and flush-by units; vacuum, pressure and fluid hauling units; as well as safety and environmental spill clean-up services. E-Can has been in business since 1984 and currently operates from four terminals located in Elk Point, Fort Kent, Peace River and Wabasca, Alberta.

Heavy Crude Hauling L.P. ("Heavy Crude Hauling")

Heavy Crude Hauling commenced its operations in 1974 and provides a broad range of services related to the production of heavy oil in western Canada. Heavy Crude Hauling utilizes specially designed bulk trailers and personnel to assist oil companies in the pumping, hauling and disposal of crude oil, produced water and other fluids associated with the production of heavy oil. Operating from its facility in Lloydminster, Alberta with approximately 200 bulk trailers, Heavy Crude Hauling is one of the largest transporters of fluids in northern Alberta and Saskatchewan, generally referred to as the Lloydminster heavy oil region.

Pro North Oilfield Services ("Pro North")

Pro North provides fluid transportation, tank services, 400 BBL rentals and tank farm and related services to the oil and natural gas industry from its facility in Fort Nelson, British Columbia. Pro North utilizes specialized equipment and personnel to assist in the pumping, hauling and disposal of fluids associated with the processing and production of oil and natural gas. Pro North owns and operates a fleet of approximately 20 tank truck/trailer combinations. Pro North has been in business since 1991.

R. E. Line Trucking (Coleville) Ltd. ("R.E. Line")

R.E. Line is located in Coleville, Saskatchewan and provides fluid transportation to its customers within the oil and natural gas industry throughout west central Saskatchewan and east central Alberta. R.E. Line has been in the business of hauling crude oil and produced water since 1954. It operates a fleet of approximately 44 units.

Spearing Service L.P. ("Spearing")

Spearing has been in business since 1956 specializing in oilfield trucking by providing a broad range of services to oil companies in southeast Saskatchewan, southwest Manitoba and North Dakota, USA. Spearing utilizes specially designed trucks and bulk trailers to haul crude oil, produced water, natural gas liquids, condensate and other fluids. Spearing's fleet includes 110 tractors, including lease operators and over 130 specialized tanker trailers operating from its terminal locations in Oxbow and Carlyle, Saskatchewan and Pipestone, Manitoba. Other services offered by

Spearing to oil companies include vacuum trucks, steam trucks, hot oiler units, super heaters, winch tractors and frac tanks.

Drilling Related Services

Operating Entities in the Drilling Related Services category service the upstream market, which refers to oil and natural gas exploration, drilling and well completions and as such are highly reliant upon the levels of drilling activity and capital expenditures made by the E&P's. The direct services provided include rig relocation services, the warehousing, transportation, handling and storage of oilfield fluids, drilling mud, and tubulars and general oilfield hauling.

FSJ L.A.N.D. Transport L.P. ("FSJ L.A.N.D.")

FSJ L.A.N.D. commenced business in 1975 and provides rig relocation services from its terminal in Fort St. John, British Columbia. The operations of FSJ L.A.N.D. were acquired by Mullen Group in 1989.

Formula Powell L.P. ("Formula Powell")

Formula Powell provides a wide range of trucking, warehousing, fluid storage and matting services to customers involved in the oil and natural gas industry in western Canada. Through a network of terminals strategically located in areas known for high levels of oil and natural gas drilling activity, Formula Powell provides its customers with the necessary trucks and trailers specifically designed to meet the demanding requirements of off-highway oilfield work, and trained personnel to transport and handle oilfield fluids; haul, handle, manage and warehouse drilling mud; supply and haul wood fibre and drilling cuttings; haul oilfield equipment such as camps, drilling rigs and service rigs; and store, transport and install road mats. In addition, Formula Powell provides tank farms and related services as well as oilfield rental equipment to their oil and natural gas customers. Formula Powell has been in business since 1970 and currently operates 220 tractor units and 1,300 trailers from its terminals and yards located in Grande Prairie, Edson, High Level, Blackfalds, Slave Lake and Lloydminster, Alberta; Fort St. John and Fort Nelson, British Columbia; and Estevan, Saskatchewan.

Mullen Oilfield Services L.P. ("Mullen Oilfield")

Mullen Oilfield provides rig relocation services from its terminals in Leduc, Grimshaw, and Taber, Alberta and Weyburn, Saskatchewan along with terminals it has access to in the MacKenzie Delta region of northern Canada. Mullen Oilfield began its operations in 1982 and has expanded its operations through the purchase of equipment, terminals and competitors. In 2008, Mullen Group expanded its rig relocation capabilities by acquiring Circle D Transport & Rentals ("Circle D") as part of Mullen Group's acquisition of the assets and business of Essential Energy Services Trust's transport division. Circle D operates as a division of Mullen Oilfield.

Pe Ben Oilfield Services L.P. ("Pe Ben")

Pe Ben provides transportation and field warehousing of drill pipe and casing for the oil and natural gas industry as well as general oilfield hauling. The operations of Pe Ben originally began in 1957 and were purchased by Mullen Group in January 2006. Pe Ben's primary business is the transportation, handling, storage and computerized management of oilfield tubular products. Pe Ben's fleet consists of approximately 50 tractors, 22 pickers, 30 leased operators, 218 trailers, 47 loaders and a fleet of support equipment. Pe Ben's main terminal and storage facility is located in Edmonton and it also has branches and storage facilities in Nisku, Brooks and Dimsdale (near Grande Prairie), Alberta; and Fort St. John and Fort Nelson, British Columbia.

Withers L.P. ("Withers")

Withers has been in business since 1981 and provides transportation and field warehousing of casing and other tubular products for the oil and natural gas industry as well as general oilfield hauling. In 2008, Withers expanded its

operations by acquiring Prime Oilfield Hauling, Leachman Oilfield Trucking, and Polege Oilfield Hauling as part of Mullen Group's acquisition of the assets and business of Essential Energy Services Trust's transport division. Withers operates 90 tractor units and 215 trailers from its facilities located in Grande Prairie, Edmonton, Blackfalds, Edson and Provost, Alberta. Withers' primary business is the transportation, handling, storage and computerized management of oilfield tubular products. Withers also transports service rigs and related equipment such as tanks, field production and specialized recovery equipment, camp equipment, and directional drilling and down-hole equipment.

Swanberg Bros. Trucking L.P. ("Swanberg")

Swanberg provides rig relocation services from its terminals in Grande Prairie, Alberta and Fort St. John, British Columbia. Swanberg began its operations in 1962 and was acquired by Mullen Group in 2006.

Terminals

The Oilfield Services segment maintains a network of full service terminals throughout western Canada, each of which is designed to meet the specific needs of the Operating Entity. Mullen Group owns 39 of these facilities and leases another 39 facilities.

Competitive Conditions

All of the Operating Entities in the Oilfield Services segment operate in a competitive environment with competitors ranging from small local or regional businesses to large international companies. The business is highly competitive and totally deregulated, requiring Mullen Group to maintain good relations with both its customers and drivers. In addition, the oil and natural gas drilling industry is characterized by its cyclical activity. Exploration and development drilling can be affected by such factors as oil and natural gas commodity prices and government policies. This in turn directly affects the level of activity in these companies. Companies compete primarily on the basis of their ability to provide customers with a safe, reliable and cost efficient service. Due to the nature of the industry it is imperative that the Operating Entities have access to specialized equipment and experience, well-trained personnel. Mullen Group believes that its size, terminal locations, accompanied by its operational systems, safety standards and policies, technology solutions and well structured balance sheet provide it with the ability to compete with any carrier in this market. Furthermore, Mullen Group is positioned to consolidate complimentary or competing firms, if and when, such opportunities exist.

Industry Position

The oilfield services business is fragmented and is generally characterized as smaller owner-managed businesses along with a few large carriers. Entry into the business can be difficult, however, due to the large capital requirements, a need for skilled labour and a need for information systems that provide management with job costing analysis. In addition, the oil and natural gas drilling industry is characterized by its cyclical activity. Exploration and development drilling can be affected by such factors as oil and natural gas commodity prices and government policies. This in turn directly affects the level of activity for oilfield service companies. Companies compete primarily on the basis of their ability to provide customers with a safe, reliable and cost efficient service.

Mullen Group believes that its operational systems, fleet size, terminal locations, safety standards and policies, communications systems and well structured balance sheet provide it with the opportunity to compete with any oilfield service business. Management believes that it has more equipment and greater capital resources than the majority of its competitors. Management believes that the industry will continue to consolidate.

Risk Factors

The Operating Entities included in this segment are subject to various risks, the primary one being the level of activity in the oil and natural gas industry. That level of activity is dependent on oil and natural gas prices, as lower prices

result in lower cash flow and less spending on exploration and development and on capital projects, and could result in existing wells being shut in which would reduce the level of well servicing. The industry could also be either positively or negatively affected by regulatory changes, over which Mullen Group has no control. Any prolonged, substantial reduction in commodity prices will likely affect the activity levels of the E&P's and the demand for Mullen Group's services. A significant, prolonged decline in commodity prices could have a material adverse effect on Mullen Group's Oilfield Services segment, results of operations and financial condition. A complete list of the risk factors affecting Mullen Group are described under the section entitled "Principal Risks and Uncertainties" of the 2009 MD&A, which section is incorporated by reference herein. A copy of the 2009 MD&A is filed on SEDAR at www.sedar.com.

Intangible Properties

At December 31, 2009, Mullen Group had \$772.9 million of goodwill recorded in the Oilfield Services segment, an increase of \$2.0 million from the \$770.9 million recorded at December 31, 2008. This increase was due to \$1.0 million of additional goodwill being recorded on the 2008 acquisition of R.E. Line, as certain financial targets were achieved resulting in additional cash consideration. The remaining \$1.0 million increase to goodwill was due to the acquisition of the outstanding shares of Durango Oilfield Services Ltd. ("Durango"), and the acquisition of certain assets and business of Blackwater Oil & Gas Co. Ltd. and Blackwater Construction Co. Ltd. (collectively, "Blackwater"). Mullen Group assesses the valuation of this goodwill on an annual basis or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable and at end of both 2009 and 2008, it was determined that a writedown was not required.

At December 31, 2009, the carrying value of intangible assets in the Oilfield Services segment was \$68.0 million, a decrease of \$13.2 million compared to \$81.2 million at December 31, 2008. This decrease was a result of \$14.8 million of amortization expense on intangibles recorded in the segment in 2009. This decrease was partially offset by \$1.6 million of intangible assets acquired on the Durango and Blackwater acquisitions. These intangible assets are mostly comprised of non-competition agreements and customer relationships and are amortized over their estimated life. Mullen Group assesses the valuation of intangible assets whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. At December 31, 2009, intangible assets were not reviewed for impairment given there were no changes in circumstances that indicated that the carrying amount may not be recoverable. Intangible assets were tested for impairment at December 31, 2008 given the unstable global economic market conditions at that time and it was determined that no impairment writedown on intangible assets was required.

Seasonality

Harsh weather conditions can impede the movement of goods and increase the operating costs for the materials that can be transported, which could have a material adverse effect on Mullen Group's business, results of operations and financial condition.

In general, the level of activity in the Canadian oilfield service industry is influenced by seasonal weather patterns. Wet weather and the spring thaw may make the ground unstable. Consequently, municipalities and provincial transportation departments enforce road bans that restrict the movement of rigs and other heavy equipment, thereby reducing activity levels. Additionally, certain oil and natural gas producing areas are only accessible in the winter months because the ground surrounding the drilling sites in these areas consists of swampy terrain. Seasonal factors and unexpected weather patterns may lead to declines in the activity levels of E&P companies and corresponding declines in the demand for the goods and services of Mullen Group. As a result, the demand for these services is traditionally highest in the first quarter and lowest in the second quarter.

Economic Dependence

The Operating Entities in the Oilfield Services segment haul a wide variety of goods for a broad customer base, which are all related to the oil and natural gas industry. Certain Operating Entities in this segment have entered into

longer term contracts or memorandums of understanding with well established customers. This segment's top ten customers are all well-known, publicly-traded companies. These top ten customers accounted for 44.0 percent of this segment's revenue. During 2009 and 2008, no one customer in the Oilfield Services segment accounted for more than 12.9 percent of Mullen Group's total consolidated revenue. During 2009, one customer in the Oilfield Services segment accounted for 10.0 percent of this segment's revenue.

Employees

At December 31, 2009, the Oilfield Services segment employed 2,100 full and part-time employees and further contracted the services of 400 owner-operators or dedicated subcontractors. The employees in the Oilfield Services segment operate specialized equipment, which requires unique instruction, training and operating skills. Many employees start in entry-level positions and progress to a more specialized position through ongoing in-house training, as well as outsourced specialized programs. This segment has many long-term employees, however, this segment faces the same demand for its workers as any other oilfield service company. Some of Oilfield Services segment's business units are subject to collective agreements with their employees. Mullen Group believes that it has fostered a positive working relationship with its employees and contractors.

Trucking/Logistics Segment

Overview

The trucking industry is a valuable contributor to the Canadian economy growing over the past decade to be the most important mode of commercial transportation in the country. Mullen Group's Trucking/Logistics segment provides various types of trucking services in Canada, the continental United States and Mexico. More goods move by truck than by rail and air combined. One of the fastest growing segments in the trucking industry is that of cross border trade between Canada and the United States. It has been estimated that in the cross border market trucks haul approximately 70.0 percent of all cargo shipped between Canada and the United States. Through the Trucking/Logistics segment, Mullen Group provides a wide range of transportation services to shippers on a for-hire basis including bulk hauling, TL and LTL general freight services throughout Canada and the United States. This segment also provides direct service to and from Mexico through interline agreements with certified Mexican carriers. Information on the seven Operating Entities in this segment is as follows:

Cascade Carriers L.P. ("Cascade")

Cascade provides customers in the construction, mineral and oil and natural gas industries in western Canada with dry bulk transportation services, hauling a wide variety of commodities including; cement, blend, fly ash, sand, flour, salt and lime. Cascade operates one of the largest fleets of pneumatic dry bulk trailers in Canada. Cascade is the primary carrier for Lafarge North America Inc. in Alberta and has been in business since 1919. Cascade's fleet includes approximately 125 tractors, 525 trailers and 11 portable silos. In addition, Cascade also utilizes 30 specialized cyclone units and 2 pneumatic recovery units. Cascade operates two full service terminals located in Calgary and Sherwood Park, Alberta, which are complimented by several branch operations.

Grimshaw Trucking L.P. ("Grimshaw")

Grimshaw provides LTL scheduled deliveries of freight of all kinds to over 300 communities in northern Alberta, British Columbia and the Northwest Territories. Grimshaw operates a fleet of over 500 pieces of equipment, which includes 140 trucks and 380 trailers. The business of Grimshaw was established in 1949 with its head office located in Edmonton, Alberta. Approximately 1,100 shipments per day pass through the Edmonton yard and dock for delivery the following morning. Grimshaw maintains a network of 23 service centers, of which 8 are operated by independent agencies.

Kleysen Group L.P. ("Kleysen")

Kleysen is a diversified transportation and logistics provider that offers dry bulk, deck, intermodal, transload, storage and logistics services primarily in the western Canadian marketplace. Its significant rail capabilities and "know how" and substantial storage handling capacity provides Kleysen with the ability to efficiently and effectively service its customers. Kleysen owns over 1,700 pieces of equipment including tractors, trailers, railcars, containers, heavy equipment and other auxiliary equipment. Kleysen also has access to a network of other assets through strategic partner arrangements. In business since 1935, Kleysen operates out of 13 strategically located facilities with its major sites located in Winnipeg and Thompson, Manitoba; Esterhazy and Saskatoon, Saskatchewan; and Calgary and Edmonton, Alberta.

Mill Creek Motor Freight L.P. ("Mill Creek")

Mill Creek has been in business since 1980 and provides shippers with TL and LTL highway van service throughout Canada, the continental United States and Mexico, transporting a wide variety of commodities. The customers and drivers are supported by a team of customer service specialists and a state-of-the-art mobile satellite communications system that provides real-time shipment information and vehicle monitoring. Management believes that its commitment to customer service and its investment in new technologies will provide it with an advantage over the long-term in a competitive industry. Service is provided to customers requiring transborder shipments between Canada, the United States and Mexico, as well as shipments within Canada. Mill Creek has concentrated on customers that need a high level of service and just-in-time delivery requirements. Currently, Mill Creek has a customer list from across North America that exceeds 1,000. The top 10 customers, as represented by revenue, account for approximately 44 percent of the total revenue of Mill Creek. Mill Creek operates a fleet consisting of approximately 93 tractors and a standardized fleet of 240 - 53 foot logistic van type trailers and 10 flat bed trailers from its full service terminal in Cambridge, Ontario.

Mullen Trucking L.P. ("Mullen Trucking")

Mullen Trucking provides shippers with an irregular-route truckload and LTL transportation service throughout Canada and the continental United States, transporting a wide variety of commodities. Mullen Trucking offers its customers a range of services utilizing a combination of company operated equipment, owner-operators and subcontractors, which are approved and certified. Management believes that this combination allows it the flexibility to offer customers a total transportation solution, to maximize equipment utilization and the ability to adjust rapidly to market swings. Mullen Trucking has been in business since 1949. Mullen Trucking's fleet includes approximately 150 tractors, 419 trailers and support equipment. Mullen Trucking's main terminal is located in Aldersyde, Alberta, which is approximately 30 kilometres south of Calgary, Alberta. This facility operates as the hub for Mullen Trucking. The facility also has a separate storage area for freight storage and transfer, including rail access.

Payne Transportation L.P. ("Payne")

Payne focuses on the transportation of TL and LTL general freight across Canada and into the United States transporting a wide range of commodities. Payne also specializes in scheduled, expedited LTL servicing the oil and natural gas industry between Texas, Oklahoma and Louisiana, USA, and the Canadian prairie provinces. Commencing operations in 2000, Payne operates a fleet of over 150 trucks and 260 trailers out of four terminals. Payne's main and full service terminal is located in Winnipeg, Manitoba. Payne also operates terminals in Fort Saskatchewan, Alberta; Montréal, Quebec and Houston, Texas.

Tenold Transportation Limited Partnership ("Tenold")

Tenold provides its customers with an irregular-route truckload and LTL transportation service throughout Canada and the continental United States, utilizing flatbed, stepdeck, bulkhaul and van equipment. In addition, Tenold also provides logistics, warehousing and other non-transportation services such as cable cutting and reel services to its existing customers in the wire and cable, telephone, hydro and construction industries. Operating since 1968,

Tenold was acquired by the Mullen Group in May 2005. Tenold's business model is built around developing unique business relationships with strategic partners – namely, customers, owner-operators and subcontractors. Tenold utilizes owner-operators and subcontractors and their equipment to provide a complete range of services, supported by Tenold employees. This business model allows Tenold employees to focus on providing quality service to meet the needs and demands of its customers as well as adapt to the rapidly changing market conditions. Tenold operates a fleet of approximately 110 tractors and 130 trailers from terminals located in Surrey, British Columbia; Edmonton, Alberta; Weyburn, Saskatchewan; Winnipeg, Manitoba; Brampton, Ontario and St Jean Sur Richelieu, Quebec.

Terminals

The Trucking/Logistics segment maintains a network of full service terminals throughout Canada and the United States, each of which is designed to meet the specific needs of the Operating Entity. Mullen Group owns 23 of these facilities and leases 20 facilities.

Competitive Conditions

The transportation and distribution of freight is a multi-billion dollar business in Canada and is generally described as both highly competitive and fragmented. All the Operating Entities in the Trucking/Logistics segment operate in a competitive environment with competitors ranging from small local or regional businesses to large international companies. The business is highly competitive and totally deregulated, requiring Mullen Group to maintain good relations with both its customers and drivers. Due to the nature of the industry it is imperative that the Operating Entities have access to experienced and well-trained personnel. Mullen Group believes that its size, accompanied by its operational systems, safety standards and policies, technology solutions and well structured balance sheet provide it with the ability to compete with any carrier in this market. Furthermore, Mullen Group is positioned to consolidate complimentary or competing firms, if and when, such opportunities arise.

Risk Factors

The trucking industry is subject to various risks such as a general slowdown in the economy, which would reduce demand for its services, to the risks associated with moving freight over North America's busy highways and to fuel price fluctuations. The industry could also be either positively or negatively affected by regulatory changes, over which Mullen Group has no control. A complete list of the risk factors affecting Mullen Group are described in the 2009 MD&A under the section entitled "Principal Risks and Uncertainties", which is incorporated by reference herein. A copy of the 2009 MD&A is filed on SEDAR at www.sedar.com.

Intangible Properties

At December 31, 2009 and 2008, Mullen Group had \$73.5 million of goodwill recorded in the Trucking/Logistics segment. Mullen Group assesses the valuation of this goodwill on an annual basis or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable and at end of both 2009 and 2008, it was determined that a writedown was not required.

At December 31, 2009, the carrying value of intangible assets in the Trucking/Logistics segment was \$4.2 million, a decrease of 3.5 million, compared to \$7.7 million in 2008. This decrease was a result of \$3.8 million of amortization expense on intangibles recorded in the segment in 2009. This decrease was partially offset by \$0.3 million of intangible assets acquired as part of the Coledan Carriers Ltd. acquisition. These intangible assets are mostly comprised of non-competition agreements and customer relationships and are amortized over their estimated life. Mullen Group assesses the valuation of intangible assets whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. At December 31, 2009, intangible assets were not reviewed for impairment given there were no changes in circumstances that indicated that the carrying amount may not be recoverable. Intangible assets were tested for impairment at December 31, 2008 given the unstable global economic

market conditions at that time and it was determined that no impairment writedown on intangible assets was required.

Economic Dependence

The Operating Entities in the Trucking/Logistics segment haul a wide variety of freight for a broad customer base. Certain of these Operating Entities have entered into longer term contracts or master service agreements with well established customers. The top ten customers in this segment are all well-known companies, accounting for 33.5 percent of this segment's revenue in 2009. No one customer in the Trucking/Logistics segment accounted for more than 10.0 percent of this segment's 2009 revenue.

Employees

At December 31, 2009, the Trucking/Logistics segment employed 1,000 full and part-time employees and further contracted the services of 650 owner-operators. The employees in the Trucking/Logistics segment operate both specialized and regular highway equipment, which requires unique instruction, training and operating skills. This segment has many long-term employees, however, this segment faces the same demand for its workers as any other trucking company. Some of Trucking/Logistics segment's business units are subject to collective agreements with their employees. Mullen Group believes that it has fostered a positive working relationship with its employees and owner-operators.

ENVIRONMENTAL PROTECTION

Mullen Group endorses a formalized quality program and strives to be the best in class in the areas of safety and the environment. Mullen Group believes in a balanced approach to sustainable development and is committed to best-in-class environmental management systems. Mullen Group believes that educating and training people in the discipline of environmental management will motivate every individual to be environmentally responsible. In addition, Mullen Group works with government, industry groups and the public to improve and develop environmental standards and further understanding of environmental issues.

That said, risk of environmental liabilities is inherent in oilfield service and transportation operations, historic activities associated with such operations and the ownership, management or control of real estate. Mullen Group's operations are subject to numerous laws, regulations and guidelines governing the management, handling, transportation and disposal of non-regulated and regulated substances and otherwise relating to the protection of the environment. These laws, regulations and guidelines include those relating to spills, releases, emissions and discharges of regulated substances into the environment, requiring removal or remediation of pollutants or contaminants and may impose civil and criminal penalties for violations. While certain of Mullen Group's Operating Entities carry significant volumes of dangerous goods, Mullen Group ensures that strict guidelines are met before an Operating Entity and the individual drivers are permitted to manage, handle or transport such dangerous goods. This involves specific insurance requirements, training programs and appropriate permits with the various provinces and states in which Mullen Group operates.

Mullen Group's customers are subject to various laws, regulations, and guidelines as well as limits on emissions into the air and discharges into surface and sub-surface waters. While regulatory developments that may follow in subsequent years could have the effect of reducing industry activity, Mullen Group cannot predict the nature of the restrictions that may be imposed. Mullen Group may be required to increase operating expenses or capital expenditures in order to comply with any new restrictions or regulations.

Mullen Group operates out of numerous owned and leased facilities throughout Canada and at these facilities storage tanks may be used or may have been used at some previous time. In Canada laws generally impose potential liability on the present or former owners or occupants of properties on which contamination has occurred.

Although Mullen Group is not aware of any contamination which, if remediation or clean-up were required, would have a material adverse effect on Mullen Group, certain facilities have been in operation for many years and over such time, Mullen Group or the prior owners, operators or custodians of the properties may have generated and disposed of substances which are or may be considered hazardous. There can be no assurance that Mullen Group will not be required at some future date to comply with environmental laws, or that its operations, business or assets will not be affected by current or future environmental laws.

While Mullen Group maintains liability insurance, including insurance for environmental claims, the insurance is subject to coverage limits and certain of Mullen Group's policies exclude coverage for damages resulting from environmental contamination. There can be no assurance that insurance will continue to be available to Mullen Group on commercially reasonable terms, that the possible types of liabilities that may be incurred by Mullen Group will be covered by Mullen Group's insurance, or that the dollar amount of such liabilities will not exceed Mullen Group's policy limits.

Mullen Group is committed to supporting research that develops improved technologies that protect the environment. Mullen Group has initiated the phasing-in of new trucks and motor equipment that meet the highest emission standards. While our goal was to have at least 80 percent of rolling assets meeting the highest emission standards by 2010, the unprecedented global economic conditions along with concerns with the reliability of the new technologies designed to enhance emission standards has forced Mullen Group to delay the phasing-in of new equipment. Notwithstanding, Mullen Group strives to achieve the best fuel mileage possible by controlling the speed of our trucks; adhering to a strict preventative maintenance schedule; minimizing the idle time of our trucks and continuing to invest in engine technology that provides the best fuel mileage. Recycling is also an important element of Mullen Group's environmental protection strategy, and Mullen Group actively promotes recycling of waste oils, tires and office products.

INFORMATION RELATING TO MULLEN GROUP

Distributions/Dividends

Dividends – Mullen Group

In September 2009, following completion of the Corporate Arrangement, Mullen Group established a dividend policy providing for the payment of a quarterly dividend at the end of each financial quarter, subject to Board approval. As at February 24, 2010, Mullen Group has paid the following dividends to its shareholders:

Record Date	Payment Date	Number of Common Shares	Amount per Common Share	Total Dividend
September 30, 2009	October 15, 2009	80,605,298	\$0.125	\$10,075,662
December 31, 2009	January 15, 2010	80,605,298	\$0.125	\$10,075,662

Distributions – MGIF

Prior to completing the Corporate Arrangement, MGIF paid cash distributions to unitholders on a monthly basis. In each of 2007 and 2008, the Fund declared distributions to its unitholders in the amount of \$0.15 per unit per month for aggregate declared distributions in each of those years of \$1.80 per unit. During the first quarter of 2009, the Fund reduced its monthly distributions from \$0.15 per unit to \$0.075 per unit in preparation for the Corporate Arrangement. The Fund paid such reduced distributions for the months of January, February and March of 2009,

following which the payment of distributions ceased entirely. The specific details of the distributions paid by the Fund to its unitholders for the last three years are set forth below.

Record Date	Payment Date	Number of Units	Amount per Unit	Total Distribution
January 31, 2007	February 15, 2007	81,975,127	\$0.15	\$12,296,269
February 28, 2007	March 15, 2007	81,983,422	\$0.15	\$12,297,513
March 31, 2007	April 17, 2007	81,970,022	\$0.15	\$12,295,503
April 30, 2007	May 15, 2007	81,466,132	\$0.15	\$12,219,919
May 31, 2007	June 15, 2007	81,481,748	\$0.15	\$12,222,262
June 30, 2007	July 16, 2007	81,498,787	\$0.15	\$12,224,818
July 31, 2007	August 15, 2007	81,508,864	\$0.15	\$12,226,329
August 31, 2007	September 17, 2007	81,511,087	\$0.15	\$12,226,663
September 30, 2007	October 15, 2007	81,512,273	\$0.15	\$12,226,840
October 31, 2007	November 15, 2007	81,514,940	\$0.15	\$12,227,241
November 30, 2007	December 17, 2007	81,518,643	\$0.15	\$12,227,796
December 31, 2007	January 15, 2008	80,743,843	\$0.15	\$12,111,576
January 31, 2008	February 15, 2008	80,350,751	\$0.15	\$12,052,613
February 29, 2008	March 17, 2008	80,357,419	\$0.15	\$12,053,613
March 31, 2008	April 15, 2008	80,367,047	\$0.15	\$12,055,057
April 30, 2008	May 15, 2008	80,372,984	\$0.15	\$12,055,948
May 31, 2008	June 16, 2008	80,379,490	\$0.15	\$12,056,924
June 30, 2008	July 15, 2008	80,409,559	\$0.15	\$12,061,434
July 31, 2008	August 15, 2008	80,583,073	\$0.15	\$12,087,461
August 31, 2008	September 15, 2008	80,595,665	\$0.15	\$12,089,350
September 30, 2008	October 15, 2008	80,598,631	\$0.15	\$12,089,795
October 31, 2008	November 17, 2008	80,605,297	\$0.15	\$12,090,795
November 30, 2008	December 15, 2008	80,605,297	\$0.15	\$12,090,795
December 31, 2008	January 15, 2009	80,605,297	\$0.15	\$12,090,795
January 31, 2009	February 16, 2009	80,605,297	\$0.075	\$6,045,397
February 28, 2009	March 16, 2009	80,605,297	\$0.075	\$6,045,397
March 31, 2009	April 15, 2009	80,605,297	\$0.075	\$6,045,397

Restrictions on payment of Dividends/Distributions

There are restrictions limiting the amount of dividends that can be paid under Mullen Group's Bank Credit Facility. Specifically, Mullen Group is restricted from declaring dividends if the financial covenants with its lenders are in default. As at the date hereof, Mullen Group is not in default of any of its financial covenants.

The most significant financial covenants under the Bank Credit Facility are described in the 2009 MD&A within the section entitled "Capital Resources and Liquidity", such being incorporated by reference herein. A copy of the 2009 MD&A is filed on SEDAR at www.sedar.com.

CAPITAL STRUCTURE

The authorized share capital of Mullen Group consists of an unlimited number of Common Shares and an unlimited number of Preferred Shares, issuable in series. On May 1, 2009, Mullen Group issued the Debentures, which are convertible into Common Shares at the option of the holder. Set forth below are the material characteristics of each of these securities.

Common Shares

A holder of Common Shares is entitled to one vote per share at meetings of shareholders, to receive dividends, if any, as and when declared by the Board, and to receive *pro rata* the remaining property and assets of Mullen Group upon its dissolution or winding-up, subject to the rights of shares having priority over the Common Shares. As at the date hereof, there were 80,606,780 Common Shares issued and outstanding.

Preferred Shares

The number of, and the specific rights, privileges, restrictions and conditions attaching to any series of Preferred Shares shall be determined by the Board of Mullen Group prior to the creation and issuance thereof. With respect to the payment of dividends and distribution of assets in the event of liquidation, dissolution or winding-up of Mullen Group, whether voluntary or involuntary, the Preferred Shares are entitled to preference over the Common Shares and any other shares ranking junior to the Preferred Shares from time to time and may also be given such other preferences over the Common Shares and any other shares ranking junior to the Preferred Shares as may be determined at the time of creation of such series. As at the date hereof, no series of Preferred Shares had been created.

Debentures

Mullen Group issued the Debentures by way of private placement in the aggregate principal amount of \$125.0 million at a price of \$1,000 per Debenture. The Debentures mature on July 1, 2018, and bear interest at an annual rate of 10.0 percent payable quarterly in arrears on March 31, June 30, September 30, and December 31 in each year beginning June 30, 2009. Mullen Group may elect to satisfy its interest obligation on any interest payment date by issuing and delivering, subject to regulatory approval, Common Shares to Debenture holders. If Mullen Group elects to pay interest by issuing and delivering Common Shares for any period (other than maturity), interest for that period will be payable at 20.0 percent per annum (rather than 10.0 percent). The Debentures are non-redeemable and are subordinated to the 2006 Senior Notes, 2007 Senior Notes and the Bank Credit Facility.

Each \$1,000 Debenture is convertible into 93.2 Common Shares (such is based on a conversion price of \$10.73) at any time at the option of the holders of the Debentures. Thus, an aggregate of approximately 11.65 million Common Shares may be issued if all holders convert their principal amount. As at the date hereof, no Debentures have been converted into Common Shares.

On maturity, Mullen Group may, at its option, on not more than 60 days and not less than 40 days prior notice and subject to regulatory approval, elect to satisfy its obligation to repay the principal amount of the Debentures by issuing and delivering that number of freely tradeable Common Shares, obtained by dividing the principal amount of the Debentures by 95.0 percent of the volume weighted average trading price of the Common Shares of Mullen Group on the TSX for the five consecutive trading days ending five trading days preceding the date of maturity.

Further details relating to the Debentures are contained in the Trust Indenture, a copy of which is filed on SEDAR at www.sedar.com.

MARKET FOR SECURITIES

Trading Price and Volume of Listed Securities

Mullen Group has one class of securities that is publicly traded, being its Common Shares. The Common Shares are listed on the TSX under the trading symbol "MTL". The Debentures are not listed on any stock exchange. Mullen Group's Common Shares are included in the S&P/TSX Composite Index as well as the S&P/TSX Capped Energy, S&P/TSX Completion, S&P/TSX Small Cap, S&P/TSX Equity, S&P/TSX Capped Composite and S&P/TSX Capped Equity indices.

The following sets forth trading information for the Common Shares as reported by the TSX for the period commencing with the date the Common Shares began trading on the TSX following completion of the Corporate Arrangement.

Mullen Group Ltd. May 8, 2009 – December 31, 2009					
	Symbol	Volume	High \$	Low \$	Close \$
May	MTL	2,372,432	13.78	12.36	13.48
June	MTL	4,086,802	15.50	12.31	12.53
July	MTL	3,446,678	13.26	10.81	13.00
August	MTL	2,762,153	14.80	12.97	14.34
September	MTL	2,834,748	15.95	13.43	15.77
October	MTL	2,290,032	16.39	14.63	15.65
November	MTL	3,395,171	16.62	15.09	15.52
December	MTL	3,440,076	17.05	14.76	16.35

The following set forth trading information for the Trust Units of the Fund as reported by the TSX for the period indicated.

Mullen Group Income Fund January 1, 2009 – May 7, 2009					
	Symbol	Volume	High \$	Low \$	Close \$
January	MTL.UN	3,144,299	14.99	10.50	11.00
February	MTL.UN	3,069,792	11.18	7.88	8.60
March	MTL.UN	2,861,712	10.95	8.10	9.12
April	MTL.UN	2,099,097	12.76	8.94	12.06
May	MTL.UN	2,431,605	13.10	11.75	12.75

Prior Sales

On May 1, 2009, Mullen Group issued the Debentures by way of private placement in the aggregate principal amount of \$125.0 million, at a price of \$1,000 per debenture.

Escrowed Securities

There are no securities of Mullen Group currently held in escrow.

DIRECTORS AND OFFICERS

Directors are elected to hold office until the next Annual Meeting of the shareholders of Mullen Group. The following table sets forth the names, office held with Mullen Group and principal occupation of each director and officer of Mullen Group as at February 24, 2010:

Name, Province or State, and Country of Residence	Position and Offices Held	Principal Occupation During the Last Five Years	Date First Elected or Appointed as a Director of Mullen Group
Alan D. Archibald ^{1,2} Alberta, Canada	Director	Chief Executive Officer, Northpoint Energy Ltd. (a private oil and gas company) since November 2005; and prior thereto, CEO of Tripoint Energy Ltd.	2003
Greg Bay ^{1,2} British Columbia, Canada	Director	President, Cypress Capital Management Ltd. (an investment management firm).	2005
Steven C. Grant ^{1,2} Texas, U.S.A.	Director	Independent Businessman since his retirement in February 2008; and prior thereto, Managing Director of Energy Investment Banking with Raymond James & Associates (a New York Stock Exchange listed investment banking and brokerage firm).	2008
Dennis J. Hoffman ^{1,2} Alberta, Canada	Director	Independent Businessman since his retirement in 2005; and prior thereto Senior Partner, PricewaterhouseCoopers LLP (Chartered Accountants).	2005
Stephen H. Lockwood, Q.C. Alberta, Canada	President, Co-Chief Executive Officer and Director	Director and Officer	2005
Murray K. Mullen Alberta, Canada	Chairman, Chief Executive Officer and Director	Director and Officer	1986
Richard E. Peterson Alberta, Canada	Director	Executive Chairman, Horizon North Logistics Inc. (a public company) since January 1, 2010; and prior thereto Chief Executive Officer of Horizon North Logistics Inc. from June 2006 and prior thereto Chief Executive Officer of Producers Oilfield Services Inc. from January 2005 until June 2006.	2006
Patrick G. Powell Alberta, Canada	Director	Chairman, Bonnetts Energy Trust (a public company) since June 2, 2008; and prior thereto Independent Businessman from January 2007 until June 2, 2008, Co-Chief Executive Officer of MGIF from June 2006 until January 2007, President of Producers Oilfield Services Inc. from April 2005 until January 2007 and prior thereto President of H.L. Powell Ltd.	2006
Bruce W. Simpson ^{1,2} Alberta, Canada	Director	Independent Businessman	1997
David E. Olson Alberta, Canada	Vice President Finance and Chief Financial Officer	Officer	N/A
Roberta A. Wheatcroft, Alberta, Canada	Corporate Secretary	Officer since June 2006; prior thereto Corporate Secretary of Producers Oilfield Services Inc. from February 1, 2005 until June 2006.	N/A

Notes

1 Member of the Audit Committee

2 Member of the Compensation, Nomination and Corporate Governance Committee

The directors and officers of Mullen Group, as a group, beneficially owned, or controlled or directed, directly or indirectly, an aggregate of 6,316,114 Common Shares, representing approximately 7.84% of the issued and outstanding Common Shares as at December 31, 2009. The directors and officers of Mullen Group, or associates of such persons, as a group, beneficially owned, or controlled or directed, directly or indirectly, an aggregate of 5,250 Debentures, which are convertible into an aggregate 489,300 Common Shares at the option of the holder.

Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the best of the Mullen Group's knowledge, no director or executive officer of Mullen Group is, as of the date of this AIF, or was within ten years before the date of this AIF, a director, chief executive officer or chief financial officer of any company that was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days (collectively, an "Order") that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer or was subject to an Order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

To the best of Mullen Group's knowledge, except as otherwise disclosed herein, no director or executive officer of Mullen Group, or shareholder holding a sufficient number of securities of Mullen Group to affect materially the control of Mullen Group is, as of the date of this AIF, or has been within the ten years before the date of this AIF, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets, other than Mr. Simpson who was a director of Q/Media Services Corporation (a former TSX listed company) which appointed a receiver-manager in 2002. In addition, none of our directors (nor any personal holding company) or any such person has, within the ten years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

To the best of Mullen Group's knowledge, no director or executive officer of Mullen Group, or shareholder holding a sufficient number of securities of Mullen Group to affect materially the control of Mullen Group, has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

Circumstances may arise where members of the Board or officers of Mullen Group are also directors or officers of corporations, which have conflicting interests to those of Mullen Group. Mullen Group monitors these situations in a number of ways including requiring members of the Board and officers of Mullen Group to disclose all other companies in which they serve as an officer or a director. As at December 31, 2009, Mullen Group was not aware of any existing or potential material conflicts of interest between Mullen Group, or a subsidiary or Operating Entity of Mullen Group, and a director or officer of Mullen Group, or of a subsidiary or Operating Entity of Mullen Group, other than the following:

- a. In those cases where members of the Board or officers of Mullen Group are also directors or officers of corporations doing business with Mullen Group, such business is done in the normal course of Mullen Group's operations and on the similar terms and conditions as transactions Mullen Group contracts with its other customers.

- b. Mr. Peterson, a director of Mullen Group, is the Executive Chairman and a director of Horizon North Logistics Inc., which competes, directly or indirectly through its partnerships, with certain Operating Entities of Mullen Group. Mr. Grant, a director of Mullen Group is also a director of Horizon North Logistics Inc.

AUDIT COMMITTEE INFORMATION

Audit Committee Charter

Appendix A attached hereto sets forth the Charter and Terms of Reference of the Audit Committee.

Composition of the Audit Committee

The following table sets forth the names of each current member of the Audit Committee, whether such member is independent in accordance with National Instrument 52-110, whether such member is financially literate and the relevant education and business experience of such member:

Name, Province or State, and Country of Residence	Independent	Financially Literate	Relevant education and business experience
Alan D. Archibald Alberta, Canada	Yes	Yes	Mr. Archibald is the Chief Executive Officer of Northpoint Energy Ltd. He was the co-founder of Point Energy Group, which created two private exploration and production companies, Northpoint Energy Ltd. and Tripoint Energy Ltd. Mr. Archibald graduated with a Bachelor of Science, Engineering degree in 1980 from the Dalhousie University and in 1982 received his Bachelor of Engineering, Mining from the Technical University of Nova Scotia.
Greg Bay British Columbia, Canada	Yes	Yes	Mr. Bay is the President and Chief Executive Officer of Cypress Capital Management Ltd., an investment firm that he founded in 1998. Mr. Bay graduated with a B.Comm degree in Finance from Brigham Young University in 1980 and earned a Chartered Financial Analyst designation in 1988.
Steven C. Grant Texas, U.S.A.	Yes	Yes	Mr. Grant is an independent businessman who, prior to his retirement in February 2008, was a U.S. based Managing Director of Energy Investment Banking with Raymond James & Associates, a New York Stock Exchange listed investment banking and brokerage firm, a position he held from 1996 through February 2008. Prior to joining Raymond James & Associates, Mr. Grant was the Senior Vice President and Chief Financial Officer of Enterra Corporation, a New York Stock Exchange listed oilfield service company, for a period of nine years. Mr. Grant received his MBA (Finance) from Harvard Graduate School of Business Administration in 1966 and a Bachelor of Arts (Economics) from Yale University in 1964.
Dennis J. Hoffman Alberta, Canada	Yes	Yes	Mr. Hoffman is a member of the Canadian and Alberta Institutes of Chartered Accountants. He joined Price Waterhouse in June 1970, was admitted to partnership in 1982 and was appointed City Leader of Calgary Office in 2001, a position he held until his retirement in 2005. Since Mr. Hoffman's retirement he has pursued independent business interests. Mr. Hoffman graduated from the University of Saskatchewan in 1970 with B. Comm and B.Sc degrees.
Bruce W. Simpson Alberta, Canada	Yes	Yes	Mr. Simpson is an independent businessman involved in real estate property investment and management. Prior to his retirement, Mr. Simpson served as Executive Vice President of TransCanada Pipelines Limited. Prior to 1998 Mr. Simpson was President and Chief Operating Officer of NOVA Gas Transmission Ltd. Mr. Simpson received a Bachelor of Commerce degree from the University of Alberta in 1967 and is a former member of the Canadian and Alberta Institutes of Chartered Accountants.

Audit Committee Oversight

None

Pre-Approval Policies and Procedures

Mullen Group follows the following procedures with respect to the pre-approval of audit and permitted non-audit services to be provided by its external auditors, KPMG LLP. The audit committee approves a schedule which summarizes the services to be provided that the audit committee believes to be typical, recurring or otherwise likely to be provided by KPMG LLP during the upcoming year. The Audit Committee pre-approves fees for audit, audit related services and non-audit services such as tax advisory or advice on accounting related issues and proposed fees provided by the external auditor.

External Auditor Service Fees

The fees billed to Mullen Group for professional services by KPMG LLP, Mullen Group's external Auditor, during fiscal 2009 and 2008 is included in the table below.

(\$ thousands)	2009	2008
	\$	\$
Audit fees ⁽¹⁾	860	919
Audit-related fees ⁽²⁾	40	—
Tax fees ⁽³⁾	67	13
Total	967	932

Notes:

- (1) Audit fees consist of fees for the audit of Mullen Group's annual financial statements, the review of quarterly annual reports or services that are normally provided in connection with statutory and regulatory filings or engagements.
- (2) Audit-related fees consist of fees for assurance and related services that are reasonably related to the performance of the audit or review of Mullen Group's financial statements and are not reported as Audit Fees. During fiscal 2009 and 2008, the services provided in this category included services provided in connection with the Information Circular relating to the Corporate Arrangement and IFRS.
- (3) Tax fees consist of fees for tax compliance services, tax advice and tax planning. During fiscal 2009 and 2008, the services provided in this category included assistance and advice in relation to the corporate and trust tax and tax planning.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Mullen Group and its Operating Entities are involved from time to time in various claims and litigation which arise in the normal course of business. To the knowledge of Mullen Group, there are no significant legal proceedings currently in progress.

There were no: (i) penalties or sanctions imposed against us by a court relating to securities legislation or by a securities regulatory authority during our most recently completed financial year; (ii) other penalties or sanctions imposed by a court or regulatory body against us that would likely be considered important to a reasonable investor in making an investment decision; or (iii) settlement agreements we entered into with a court relating to securities legislation or with a securities regulatory authority during our most recently completed financial year.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

During the past three years, there have been no material interests, direct or indirect, of any senior officer, director, an associate or any shareholder who beneficially owns, or controls or directs, directly or indirectly, more than 10% of the outstanding securities, or any known associate or affiliate of such persons, in any transaction or in any proposed transaction which has materially affected or would materially affect Mullen Group.

TRANSFER AGENTS AND REGISTRARS

CIBC Mellon is the transfer agent and registrar for Mullen Group and such was the transfer agent and registrar for MGIF and MCLP. CIBC Mellon is also the Debenture trustee. Its offices are located in Calgary, Alberta and in Toronto, Ontario.

MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business, the only material contracts entered into by us within the most recently completed financial year, or before the most recently completed financial year that are still material and are still in effect are the following:

- the Amended and Restated 2006 Senior Note Purchase Agreement;
- the Amended and Restated 2007 Senior Note Purchase Agreement;
- the Arrangement Agreement among the Fund, Mullen Holding Trust, Mullen Group Inc., MCLP, MT and Mullen Group dated March 13, 2009, which was entered into as part of the Corporate Arrangement;
- the Bank Credit Facility;
- the Distribution of Assets and Assumption of Liabilities Agreement between the Fund and MT effective as of May 1, 2009, which was entered into as part of the Corporate Arrangement;
- First Supplemental Trust Indenture of the Fund between MT and CIBC Mellon dated May 1, 2009, which was entered into as part of the Corporate Arrangement;
- the Stock Option Plan of Mullen Group dated May 1, 2009; and
- the Trust Indenture.

Copies of each of the foregoing are available on SEDAR at www.sedar.com.

INTERESTS OF EXPERTS

There is no person or company whose profession or business gives authority to a statement made by such person or company and who is named as having prepared or certified a statement, report or valuation described or included in a filing, or referred to in a filing, made under National Instrument 51-102 by us during, or related to, our most recently completed financial year other than KPMG LLP, our independent auditors. KPMG LLP is independent within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Alberta. As of

February 22, 2010, the partners of KPMG LLP do not hold any registered or beneficial ownership directly or indirectly in the securities of the Corporation.

Burnet, Duckworth & Palmer LLP, the Corporation's legal counsel, provided certain opinions on behalf of Mullen Group, the Fund and Mullen Group Inc. in connection with legal matters relating to the Corporate Arrangement. As of February 22, 2010, the partners and associates of Burnet, Duckworth & Palmer LLP will hold less than one percent of the securities of the Corporation.

In addition, none of the aforementioned persons or companies, nor any director, officer or employee of any of the aforementioned persons or companies, is or is expected to be elected, appointed or employed as a director, officer or employee of Mullen Group.

ADDITIONAL INFORMATION

Additional information relating to Mullen Group may be found on SEDAR at www.sedar.com, and on Mullen Group's website at www.mullen-group.com. Additional information, including directors' and officers' remuneration and indebtedness, principal holders of Mullen Group's securities and securities issued and authorized for issuance under our equity compensation plans will be contained in our 2010 proxy materials relating to our Annual General Meeting to be held on May 4, 2010. Additional financial information is contained in the 2009 Financial Statements and the 2009 MD&A.

APPENDIX A

THE AUDIT COMMITTEE MANDATE AND TERMS OF REFERENCE

Purpose

The mandate of the Audit Committee (the "Committee") specifies that the purpose of the Committee is to assist the Board in fulfilling its responsibilities by reviewing: the financial information provided to Mullen Group's shareholders and other interested parties; the financial control systems established by management; and the audit process.

Composition and Terms of Office

- A. Following each annual meeting of shareholders of Mullen Group, the Board shall elect from its members not less than three directors to serve on the Committee, none of whom shall be officers or employees of Mullen Group or its subsidiaries.
- B. The Chair of the Committee shall be appointed by the Board.
- C. The Committee will meet at least four times per year. The meetings will be scheduled to permit timely review of the interim and annual financial statements. Additional meetings may be held as deemed necessary by the Chair of the Committee or as requested by any member or by the internal or external auditors.
- D. A quorum for a meeting shall be a majority of the Committee members.
- E. The Corporate Secretary or some other person designated by the Committee shall be Secretary to the Committee.

Duties and Responsibilities

A. Financial Control and Reporting Systems

The Committee shall:

- i) review reports from management outlining any significant changes in financial risks facing Mullen Group;
- ii) review the management letter (if any) of the external auditors and Mullen Group's responses to suggestions made;
- iii) review any new appointments to executive positions with financial reporting responsibilities;
- iv) satisfy itself that Mullen Group has appropriate systems of internal control for the safeguarding of assets and for financial reporting necessary to ensure compliance with legal and regulatory requirements;
- v) obtain assurance from external auditors regarding the overall financial control environment and the adequacy of accounting system controls; and
- vi) satisfy itself that the external audit functions have been effectively carried out and that any matters which the external auditors bring to the Committee's attention are being addressed.

B. Quarterly Financial Statements and Press Release

The Committee shall review the quarterly financial statements, Management's Discussion and Analysis and press release with management and the external auditors and recommend their approval to the Board.

C. Annual Financial Statements and Other Financial Information

The Committee shall:

- i) review any changes in accounting policies or financial reporting requirements that may affect the current year's financial statements;
- ii) receive and review summaries of material transactions and other complex matters whose treatment in the annual financial statements merits advance consideration;
- iii) review the annual financial statements, including Management's Discussion and Analysis with management and external auditors and recommend their approval to the Board;
- iv) review Mullen Group's external legal counsel report on the status of any material pending or threatened litigation, claims and assessments;
- v) review Mullen Group's Annual Report and other publications including the Management Proxy Circular, the Annual Information Form, as well as any prospectus issued by Mullen Group and recommend their approval to the Board;
- vi) review adequacy of insurance coverage including directors' and officers' liability coverage; and
- vii) review reports from management outlining any significant changes in risks relating to financial instruments such as foreign exchange hedging, derivatives, etc.

D. External Audit Terms of Reference, Reports, Planning and Appointment

The Committee shall:

- i) recommend to the Board each year the appointment of the external auditors, their terms of engagement and remuneration;
- ii) review the audit plan with the external auditors and management; and
- iii) discuss in private with the external auditors, matters affecting the conduct of their audit and other corporate matters.

E. Whistle Blower Policy

- i) The Committee shall provide a facility for the retention and treatment of anonymous complaints received regarding accounting, accounting controls or auditing matters in accordance with the Ontario Securities Commission and the Audit Committees Rule of the Canadian Securities Administrators Guidelines (Multilateral Instrument 52-110).
- ii) The Chairman of the Audit Committee will be responsible for investigating and resolving all reported complaints and allegations concerning Mullen Group's accounting practices, internal controls or

auditing matters and at his discretion shall advise the Chairman and CEO and/or the President and Co-CEO and/or the CFO and the Audit Committee.

Accountability

- A.** The Committee shall report to the Board at its next regular meeting all action it has taken since the previous report.
- B.** The Committee is empowered to review the appropriateness and effectiveness of any activity or business practice which impacts on the financial integrity of Mullen Group and all employees shall be required to co-operate with the Committee.
- C.** The Committee is authorized to request the presence, at any meeting, of a representative from the external auditors, senior management, internal audit, legal counsel or anyone else who could contribute substantively to the subject of the meeting.
- D.** The Committee shall annually review the terms of reference of the Committee.

Limitation Of Audit Committee's Role

While the Committee has the responsibilities and powers set forth in its Charter, it is not the duty of the Committee to prepare financial statements, plan or conduct audits or to determine that Mullen Group's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the external Auditors.

Committee Timetable

The timing of meetings and content is determined by the Committee Chair.



Chimney Rock Centre
121A – 31 Southridge Dr.
Okotoks, AB T1S 2N3
www.mullen-group.com