



**Mullen Group**  
INCOME FUND



# Q1

INTERIM REPORT

Ended March 31, 2009

*Our Life is the Highway™*

# CONTENTS

<b>HIGHLIGHTS</b>	<b>ii</b>
<b>FORWARD-LOOKING INFORMATION STATEMENT</b>	<b>1</b>
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b>	<b>3</b>
OVERVIEW	3
SIGNIFICANT DEVELOPMENTS	4
CONSOLIDATED FINANCIAL RESULTS THREE MONTH PERIOD ENDED MARCH 31, 2009	6
SEGMENTED INFORMATION THREE MONTH PERIOD ENDED MARCH 31, 2009	11
CAPITAL RESOURCES AND LIQUIDITY	18
SUMMARY OF QUARTERLY RESULTS	22
TRANSACTIONS WITH RELATED PARTIES	23
BUSINESS RISKS AND UNCERTAINTIES	23
CRITICAL ACCOUNTING ESTIMATES	23
CHANGES IN ACCOUNTING POLICIES	24
DISCLOSURE AND INTERNAL CONTROLS	25
GLOSSARY OF TERMS AND RECONCILIATION OF NON-GAAP TERMS	26
OUTLOOK	28
<b>INTERIM CONSOLIDATED FINANCIAL STATEMENTS</b>	<b>29</b>
MANAGEMENT'S REPORT TO THE UNITHOLDERS	30
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	34
CORPORATE INFORMATION	BC

## HIGHLIGHTS

- Announce intent to convert from an Income Trust to a growth oriented Corporation
- Announce intent to raise \$125.0 million of convertible subordinated debentures
- Consolidated revenue down 12.9 percent to \$312.0 million and operating income down 12.2 percent to \$73.4 million
- Operating margin improved slightly to 23.5 percent from 23.3 percent
- Reduced amount outstanding on the Bank Credit Facility by \$44.2 million to \$20.0 million

## OPERATING BUSINESS UNITS

### Trucking/Logistics segment:

Cascade Carriers L.P.  
Kleysen Group L.P.  
Mullen Trucking L.P.  
Payne Transportation L.P.

Grimshaw Trucking L.P.  
Mill Creek Motor Freight L.P.  
Tenold Transportation Limited Partnership

### Oilfield Services segment:

#### Drilling Services

OK Drilling Services L.P.  
TREO Drilling Services L.P.

#### Drilling Related Services

Formula Powell L.P.  
FSJ L.A.N.D. Transport L.P.  
Mullen Oilfield Services L.P.  
Pe Ben Oilfield Services L.P.  
Swanberg Bros. Trucking L.P.  
Withers L.P.

#### Production Services

Brady Oilfield Services L.P.  
Cascade Energy Services L.P.<sup>(1)</sup>  
E-Can Oilfield Services L.P.  
Heavy Crude Hauling L.P.  
Pro North Oilfield Services  
R.E. Line Trucking (Coleville) Ltd.<sup>(1)</sup>  
Spearing Service L.P.

#### Specialized Services

Canadian Dewatering L.P.  
Premay Equipment L.P.  
Premay Pipeline Hauling L.P.

<sup>(1)</sup> Acquired in 2008



## PRESIDENT'S MESSAGE

---

Mullen Group Income Fund ("Mullen" and/or the "Fund") reported its financial and operating results for the period ended March 31, 2009 with comparisons to the same period last year.

For the three month period ended March 31, 2009, the Fund generated consolidated revenue of \$312.0 million and operating income of \$73.4 million. The Fund generated \$31.1 million of funds from operations, which were supplemented by \$44.8 million of non-cash working capital items. These funds were mainly used to fund distributions of \$24.2 million, repay long-term debt of \$45.1 million and fund net capital expenditures of \$1.7 million.

The Fund's revenue of \$312.0 million for the three month period ended March 31, 2009, was a decrease of \$46.1 million or 12.9 percent over the \$358.1 million generated for the same period last year. This decrease in consolidated revenue was mainly attributable to a decline in revenue in the Oilfield Services segment which experienced a significant drop in demand for core drilling services. Demand in the segment for its other drilling related services also weakened due to the significant year over year decline in oil and natural gas drilling activity in western Canada. The decline in segment revenue was somewhat offset by new revenue generated by R.E. Line Trucking (Coleville) Ltd. and the Transport Division of Essential Energy Services Trust. The Trucking/Logistics segment also experienced a decline in revenue due to the current economic environment and its impact on demand for freight services especially in western Canada.

The Fund is relatively pleased with the overall financial performance of its business units in the first quarter, especially considering the severe decline in oil and natural gas drilling activity in western Canada. It was satisfying to see the Fund's overall operating margin improve slightly despite an overall decrease in revenue of \$46.1 million on a year over year basis. This ability to hold the operating margin was attributable to the cost control measures which were implemented by the business units in 2008.

The Fund generated operating income for the quarter of \$73.4 million, a decrease of \$10.2 million or 12.2 percent over the same period last year. The decrease in operating income was almost entirely attributable to the Oilfield Services segment. Operating income in the Trucking/Logistics segment only decreased slightly despite lower revenue as higher margins were generated by virtue of utilizing specialized equipment to perform larger oversized loads, performing project work, and due to an increase in U.S. dollar sales coupled with a weakening CDN. dollar.

For the period ended March 31, 2009, the Fund generated funds from operations of \$31.1 million, a decrease of \$46.8 million or 60.1 percent over the \$77.9 million generated for the same period last year. The decrease was mainly due to a \$34.5 million reclass from future income tax to current income tax by virtue of a restructuring of the Fund's corporate structure to facilitate the proposed conversion of the Fund to a corporation. To a lesser extent, the decrease was also due to a decline in net income of \$18.8 million. At March 31, 2009, the Fund had \$119.0 million of working capital and had access to approximately \$130.0 million of unused bank lines of credit.

For the period ended March 31, 2009, the Fund generated net income of \$31.0 million (\$0.38 per unit), a decrease of \$18.8 million, or 37.8 percent over the \$49.8 million (\$0.62 per unit) generated for the same period last year. The decrease was mainly attributable to the \$10.2 million decline in operating income and a year over year increase of \$3.9 million in unrealized foreign exchange loss. To a lesser extent, net income was negatively impacted by a \$1.3 million increase to both interest on long-term debt, and the loss on sale of property, plant and equipment.

*"Signed - Stephen H. Lockwood"*

Stephen H. Lockwood,  
President and Co-CEO

# MULLEN GROUP INCOME FUND

## INTERIM REPORT FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2009

### FORWARD-LOOKING INFORMATION STATEMENT

This Management Discussion and Analysis (“MD&A”), dated April 28, 2009, reflects managements expectations regarding the Mullen Group Income Fund’s (“Mullen” or the “Fund”) 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 expressions are intended to identify forward-looking statements. More particularly and without limitation, this MD&A contains forward-looking statements within the meaning of applicable Canadian Securities laws relating to:

- the Fund’s intention to convert from an income trust to a corporation in 2009 referred to under the Significant Developments section on page 4, under the Capital Resources and Liquidity section on page 18, and under the Cash Distributions section on page 21;
- the renewal of the Bank Credit Facility (as hereafter defined on page 9) scheduled for June 2009 or earlier in conjunction with the Conversion (as hereafter defined on page 4) referred to under the Capital Resources and Liquidity section on page 18;
- the Fund’s intention to sell up to \$125.0 million of convertible subordinated debentures referred to under the Significant Developments section on page 4, and under the Capital Resources and Liquidity section on page 18;
- the Fund’s intent to use cash generated from operating activities to fund 2009 capital expenditures and distributions referred to under the Capital Resources and Liquidity section on page 18; and
- our expectation that the general economy will underperform and remain challenging until the credit markets stabilize and confidence returns, that oil and natural gas activity levels are expected to fall to multi-year lows, and that we expect to manage through this downturn and to be well positioned to grow and capture market share once the market fundamentals improve, referred to in the Outlook section on page 28.

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 MD&A, Mullen has made the following assumptions:

- the anticipated completion of the proposed Conversion and the anticipated timing for completion of the Conversion. Mullen has provided these anticipated times in reliance on certain assumptions that they believe are reasonable at this time, including assumptions as to the timing of receipt of the necessary court, regulatory and other third party approvals and the time necessary to satisfy the conditions to the closing of the Conversion;

- the Fund assumes it will renew, upon acceptable terms, the Bank Credit Facility;
- the Fund anticipates the Offering (as hereafter defined on page 4) will occur concurrently with or immediately prior to the closing of the Conversion (as hereafter defined on page 4). If the Fund completes the Offering, it may reduce the amount it intends to renew on its Bank Credit Facility;
- the intention to use cash generated from operating activities to fund 2009 capital expenditures and distributions was based on Mullen's belief that cash from operating activities in 2009 will exceed the approved capital budget of \$25.0 million and the anticipated 2009 distributions of \$18.1 million; and
- the assumptions concerning the general economy, including a reduction in oil and natural gas activity levels, low natural gas prices and tighter credit markets, and our expectation to manage through this downturn.

Although Mullen 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 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; and changes in legislation, including but not limited to tax laws and environmental regulations. There are risks also inherent in the nature of the proposed Conversion, including failure to obtain the required securityholder, court, regulatory and other third party approvals. This MD&A also contains forward-looking statements concerning the anticipated completion of the proposed Conversion and the anticipated timing for completion of the Conversion. These dates may change for a number of reasons, including unforeseen delays in preparing meeting materials, inability to secure necessary court, regulatory or other third party approvals in the time assumed or the need for additional time to satisfy the conditions to the completion of the Conversion. Accordingly, readers should not place undue reliance on the forward-looking statements contained in this MD&A concerning these times.

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 or are included in reports on file with applicable securities regulatory authorities and may be accessed through the SEDAR website ([www.sedar.com](http://www.sedar.com)). The forward-looking statements contained in this MD&A are made as of the date hereof and Mullen 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. The Fund relies on litigation protection for "forward-looking" statements.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## OVERVIEW

### General

This management's discussion and analysis for the three month period ended March 31, 2009 should be read in conjunction with the annual audited consolidated financial statements of the Fund for the fiscal year ended December 31, 2008, together with the management's discussion and analysis thereof, which appears on pages 3 – 58 of the Fund's 2008 Annual Financial Report (the "2008 Financial Report") and the consolidated interim financial statements for the first quarter ended March 31, 2009. The 2008 Financial Report and the consolidated interim financial statements for the first quarter may be found on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Fund's website at [www.mullen-group.com](http://www.mullen-group.com).

### Corporate Profile

The Fund is an open-ended income fund that owns a network of independently operated businesses. Mullen is recognized as the largest provider of specialized transportation and related services to the oil and natural gas industry in western Canada and is one of the leading suppliers of trucking and logistics services in Canada – two sectors of the economy in which Mullen has strong business relationships and industry leadership. The Fund was formed on June 3, 2005 and commenced operations on July 1, 2005 as a result of the completion of a plan of arrangement (the "Plan") completed on July 1, 2005 under the Business Corporations Act (Alberta) involving, among others, the Fund, Mullen Transportation Inc. ("Mullen Transportation"), Mullen Holding Trust ("MHT"), Mullen Group Inc. ("MGI" or the "Administrator"), and Mullen Acquisition Corp., pursuant to which, among other things, the Fund indirectly acquired all the issued and outstanding common shares of Mullen Transportation and reorganized certain of its subsidiary companies and partnerships into limited partnerships. Mullen is a publicly-traded income trust listed on the Toronto Stock Exchange under the symbol "MTL.UN".

### Seasonality of Operations

A significant portion of the Fund's operations relates to the moving of heavy equipment, drilling rigs and drilling supplies such as oilfield fluids, tubulars and drilling mud and providing services such as conductor pipe-setting, core drilling and casing setting in northern and western Canada. The Fund's earnings are usually influenced significantly by the seasonal activity pattern of western Canada's oil and natural gas exploration industry whereby activity peaks in the winter months and declines during the spring. 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 exploration and production companies and corresponding declines in the demand for the goods and services of the Fund. As a result, the demand for these services is traditionally highest in the first quarter and lowest in the second quarter.

## Disclosure Regarding Issuer Bid

Mullen had made a normal course issuer bid (the "Normal Course Issuer Bid") to purchase from time to time, as it considers advisable, up to 4,519,375 of its issued and outstanding Trust Units on the open market through the facilities of the Toronto Stock Exchange. The Normal Course Issuer Bid commenced on March 20, 2008 and was terminated on March 19, 2009. No Trust Units were repurchased under the Normal Course Issuer Bid. Copies of the Notice of Intention to Make a Normal Course Issuer Bid dated March 17, 2008 pursuant to which the Normal Course Issuer Bid was made, may be obtained by securityholders, without charge, by contacting Mullen at 121A - 31 Southridge Drive, Okotoks, Alberta, T1S 2N3 (Telephone: (403) 995-5200, Telecopy: (403) 995-5296).

## SIGNIFICANT DEVELOPMENTS

### Proposed Conversion

On January 13, 2009, the Fund announced its intention to convert from an income trust to a growth-orientated corporation (the "Conversion"). The Board of Directors of MGI, as administrator of the Fund, based on its review, unanimously approved the proposed Conversion. The Board concluded that the Conversion is in the best interests of Mullen and its holders of Trust Units and the holders of MCLP Class B Units (collectively, "Securityholders") and unanimously recommended that Securityholders vote their Mullen Trust Units and MCLP Class B Units in favour of the Conversion. The Securityholders will receive one common share of Mullen Group Ltd., a newly formed corporation ("Mullen Group Ltd.") for each Mullen Trust Unit or MCLP Class B Unit. The final result of the Conversion will be that Mullen Group Ltd. will have approximately 80.6 million issued and outstanding common shares. The Conversion is subject to receipt of all required approvals, including court, stock exchange, regulatory, bank, and approval by at least 66⅔ percent of the votes cast by Securityholders of Mullen, voting together as a single class.

A management proxy circular was mailed to Securityholders in late March in connection with the Conversion and other matters to be considered at an annual and special meeting of the Fund to be held April 29, 2009. The Fund expects, subject to receipt of required approvals, that the Conversion will be effective May 1, 2009.

### Convertible Subordinated Debentures

On March 4, 2009, the Fund announced its intention to sell up to \$125.0 million aggregate principal amount of 10.0 percent convertible subordinated debentures (the "Debentures") at a price of \$1,000 per Debenture (the "Offering"). The proceeds of the Offering will be used for working capital and general corporate purposes.

It is anticipated that closing of the Offering will occur concurrently with or immediately prior to the closing of the Conversion of the Fund to a corporation, which is currently scheduled for May 1, 2009.

In the event the Conversion is completed after the Debentures are issued, Mullen Group Ltd. shall assume all of the Fund's obligations pursuant to the Debentures. In the event the Conversion is completed before the Debentures are issued, the Debentures shall be issued by Mullen Group Ltd.

Completion of the Offering is subject to certain conditions including, settling definitive documentation, completion of due diligence and the receipt of all necessary regulatory approvals, including listing on the Toronto Stock Exchange (the "TSX") of the trust units of the Fund (the "Trust Units") or common shares of Mullen Group Ltd. ("Common Shares"), as the case may be (the "Conversion Securities"), which may be issued on conversion of the

Debentures. The Debentures and the Conversion Securities will be subject to a hold period of four months and one day from the closing date.

The Debentures will mature on July 1, 2018 and bear interest at 10.0 percent per annum payable quarterly commencing June 30, 2009.

The Debentures will be convertible into freely tradeable Conversion Securities, at the option of the holder, in whole or, from time to time, in part, at any time prior to the close of business on maturity of the Debentures. The principal amount of the Debentures will be convertible into that number of freely tradeable Conversion Securities, obtained by dividing the principal amount of Debentures being converted by \$10.73.

On maturity, the Fund or Mullen Group Ltd., as the case may be, 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 Conversion Securities, obtained by dividing the principal amount of the Debentures by 95.0 percent of the volume weighted average trading price of the Conversion Securities on the TSX for the five consecutive trading days ending five trading days preceding the date of maturity.

## Financial Highlights

<i>(unaudited)</i>	Three month period ended		
	March 31		
<i>(\$ millions, except unit and per unit amounts)</i>	2009	2008	% Change
Financial Results			
Revenue	\$ 312.0	\$ 358.1	(12.9)
Operating income <sup>(1)</sup>	73.4	83.6	(12.2)
Net income	31.0	49.8	(37.8)
Funds from operations <sup>(1)</sup>	31.1	77.9	(60.1)
Cash flow from operating activities	75.9	3.3	2,200.0
Cash distributions declared	18.1	36.1	(49.9)
Financial Position			
Long-term debt (including current portion)	485.7	410.8	18.2
Debt-to-equity ratio	0.43:1	0.36:1	19.4
Unit Information			
Funds from operations per unit <sup>(1)</sup>	\$ 0.39	\$ 0.97	(59.8)
Cash flow from operating activities per unit	\$ 0.94	\$ 0.04	2,250.0
Cash distributions declared per unit	\$ 0.225	\$ 0.45	(50.0)
Earnings per unit – basic <sup>(2)</sup>	\$ 0.38	\$ 0.62	(38.7)
Earnings per unit – diluted <sup>(2)</sup>	\$ 0.38	\$ 0.62	(38.7)
Unit price – March 31	\$ 9.12	\$ 18.85	(51.6)
Other Information			
Net property, plant and equipment additions	1.7	9.8	(82.7)

(1) Refer to the Glossary of Terms and Reconciliation of Non-GAAP terms section on page 26  
(2) Earnings per unit is calculated as net income divided by the weighted average number of units outstanding for the period.

## CONSOLIDATED FINANCIAL RESULTS THREE MONTH PERIOD ENDED MARCH 31, 2009

### Revenue

Revenue is generated by the Fund through its 25 operating businesses. These businesses are divided into two segments for reporting purposes, namely Trucking/Logistics and Oilfield Services. The Fund's operating businesses utilize a combination of company assets which are either owned by the Fund or leased under long-term operating leases ("Company Equipment"), owner-operators who provide trucks and/or trailers and work exclusively for the Fund under annual contracts and subcontractors who own their own equipment and are used during times of peak demand (collectively, "Contractors").

Consolidated revenue in the first quarter was \$312.0 million, down \$46.1 million, or 12.9 percent, from \$358.1 million in 2008. This decrease was mainly attributable to the \$33.6 million decline in revenue in the Oilfield Services segment. This segment saw a significant drop in demand for its core drilling services due to lower crude oil prices and restricted credit markets

<b>Q1 Consolidated Revenue</b>					
<i>(unaudited)</i>					
<i>(\$ millions)</i>					
	2009		2008		Change
	\$	%*	\$	%*	\$
Company	185.0	59.3	221.5	61.9	(36.5)
Contractors	125.3	40.2	134.4	37.5	(9.1)
Other	1.7	0.5	2.2	0.6	(0.5)
<b>Total</b>	<b>312.0</b>	<b>100.0</b>	<b>358.1</b>	<b>100.0</b>	<b>(46.1)</b>

\* as a percentage of total revenue

resulting in a \$29.6 million decrease in revenue from such services. In addition, those business units dependent on conventional oil and natural gas drilling experienced a \$28.4 million decline in revenue due to substantially lower drilling activity. Industry statistics indicate that overall oil and natural gas drilling activity in western Canada during the quarter declined by 42.2 percent from 5,127 wells in 2008 to approximately 2,965 wells in 2009. The decline in revenue experienced by the Oilfield Services segment was somewhat offset by \$27.3 million of new revenue generated by R.E. Line Trucking (Coleville) Ltd. ("R.E. Line") and the Transport Division of Essential Energy Services Trust ("Essential"), (collectively the "New Businesses"). The Trucking/Logistics segment experienced an \$11.1 million decrease in revenue by virtue of the slowing economy and its impact on demand for freight services especially in western Canada. Both segments generated lower fuel surcharge revenue due to the reduction in the average cost of diesel fuel on a year over year basis.

### Direct Operating Expenses

Direct operating expenses include two main categories of expenses. The first category of direct operating expenses relates to the direct costs incurred to operate and maintain Company Equipment. The major direct operating expenses associated with operating Company Equipment are wages, fuel, repairs and maintenance, and operating supplies. The Other expenses included under direct operating expenses - Company mainly consists of operating leases, equipment rent, insurance, taxes and licensing costs. The second category of direct operating expenses are the costs incurred to hire Contractors, whether owner-operators or subcontractors.

Direct operating expenses decreased to \$204.2 million, down \$32.3 million, or 13.7 percent, from \$236.5 million in 2008 as a direct result of the reduction in consolidated revenues during the quarter. Direct operating expenses related to Company Equipment decreased by \$24.1 million to \$110.0 million, or 59.5 percent of Company revenue, compared to \$134.1 million or 60.5 percent of Company revenue in 2008. Contractor expense decreased by \$8.2 million to \$94.2 million, or 75.2 percent of Contractor revenue, as compared to \$102.4 million or 76.2 percent of Contractor revenue in 2008. Direct operating expenses as a percent of revenue decreased slightly to 65.5 percent in 2009 from 66.0 percent in 2008 due to the improved margins on both Company Equipment and Contractors. The improved margins realized on Company Equipment was mainly attributable to the Trucking/Logistics segment where certain business units were able to attract higher margin project work using their specialized equipment. The improved margins on Contractors was mainly attributable to the Oilfield Services segment where both fuel surcharge revenue and the corresponding fuel surcharge paid to owner operators decreased by similar amounts. In terms of gross margin the Fund experienced a year over year decrease of \$13.8 million on a consolidated basis, however, on a percentage of revenue basis the margin increased slightly to 34.5 percent from 34.0 percent in 2008.

<b>Q1 Consolidated Direct Operating Expenses</b>					
<i>(unaudited)</i>					
<i>(\$ millions)</i>	2009		2008		Change
	\$	%*	\$	%*	\$
Company					
Wages and benefits	50.3	27.2	60.4	27.3	(10.1)
Fuel	13.5	7.3	17.8	8.0	(4.3)
Repairs and maintenance	23.5	12.7	24.7	11.2	(1.2)
Operating supplies	14.0	7.6	18.7	8.4	(4.7)
Other	8.7	4.7	12.5	5.6	(3.8)
	<b>110.0</b>	<b>59.5</b>	134.1	60.5	(24.1)
Contractors	<b>94.2</b>	<b>75.2</b>	102.4	76.2	(8.2)
<b>Total</b>	<b>204.2</b>	<b>65.5</b>	236.5	66.0	(32.3)

\* as a percentage of respective revenue

## Selling and Administrative Expenses

*Selling and administrative ("S&A") expenses include salaries, employee profit share and other administrative expenses incurred to support the operations of the Fund.*

S&A expenses decreased by \$3.6 million to \$34.4 million from \$38.0 million in 2008. This decrease was mainly attributable to the suspension of the profit share plan for 2009 which resulted in a \$6.0 million year over year decrease in S&A expenses. In addition, S&A expense decreased by virtue of a \$1.6 million improvement in realized foreign exchange gains due to the weakening CDN. dollar as compared to the U.S.

<b>Q1 Consolidated Selling and Administrative Expenses</b>					
<i>(unaudited)</i>					
<i>(\$ millions)</i>	2009		2008		Change
	\$	%*	\$	%*	\$
Wages and benefits	19.3	6.2	16.7	4.7	2.6
Communications, utilities and general supplies	10.1	3.2	9.8	2.7	0.3
Profit share	—	—	6.0	1.7	(6.0)
Foreign exchange	(0.4)	(0.1)	1.2	0.3	(1.6)
Rent and other	5.4	1.7	4.3	1.2	1.1
<b>Total</b>	<b>34.4</b>	<b>11.0</b>	38.0	10.6	(3.6)

\* as a percentage of total revenue

Dollar on cash converted during the period. These decreases in S&A expenses were somewhat offset by an additional \$4.6 million of S&A expenses in the New Businesses. S&A expenses as a percentage of revenue increased slightly to 11.0 percent from 10.6 percent in 2008.

## Operating Income

Operating income<sup>(1)</sup> decreased by \$10.2 million to \$73.4 million from \$83.6 million in 2008. This decrease was mainly attributable to the year over year decrease in consolidated revenues. More specifically, business related to core drilling services experienced a \$14.1 million year over year decrease in operating income<sup>(1)</sup>. In addition, those business units (other than the New Businesses) tied to conventional oil and natural gas drilling experienced

a \$6.0 million decrease in operating income<sup>(1)</sup> as a result of lower drilling activity. Offsetting these decreases in operating income<sup>(1)</sup> was the operating income<sup>(1)</sup> of \$6.1 million generated by the New Businesses. Operating income<sup>(1)</sup> in the Trucking/Logistics segment decreased slightly compared to 2008. Operating income<sup>(1)</sup> as a percentage of revenue increased to 23.5 percent from 23.3 percent in 2008.

<sup>(1)</sup> Operating income is a non-GAAP term described in the Glossary of Terms and Non-GAAP Terms beginning on page 26 of this MD&A.

## Reconciliation of Operating Income to Net Income

<b>(unaudited)</b> <b>(\$ millions, except per unit amounts)</b>	<b>Three month period ended March 31</b>	
	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
Operating income <sup>(1)</sup>	<b>73.4</b>	83.6
Depreciation on property, plant and equipment	<b>(15.4)</b>	(15.4)
Amortization on intangible assets	<b>(4.6)</b>	(3.7)
Interest on long-term debt	<b>(7.5)</b>	(6.2)
Unrealized loss on foreign exchange	<b>(9.4)</b>	(5.5)
Unrealized loss on investments	<b>(0.7)</b>	—
(Loss) gain on sale of property, plant and equipment and investments	<b>(0.7)</b>	0.6
Provision for income taxes	<b>(4.2)</b>	(4.6)
Earnings from equity investments	<b>0.1</b>	1.0
Net income	<b>31.0</b>	49.8
Earnings per unit - basic	<b>\$0.38</b>	\$0.62

<sup>(1)</sup> Operating income is a non-GAAP term described in the Glossary of Terms and Non-GAAP Terms beginning on page 26 of this MD&A.

## Depreciation on Property, Plant and Equipment

Depreciation on property, plant and equipment remained consistent year over year at \$15.4 million. Depreciation in the Oilfield Services segment remained at \$12.6 million despite the additional depreciation as a result of the \$78.5 million of property, plant and equipment acquired by virtue of the acquisitions of the New Businesses. This additional depreciation was offset by lower depreciation being recorded on the core drilling rigs in 2009 due to reduced drilling days. Core drilling rigs are depreciated based on the number of operating days which decreased significantly from 1,560 days in 2008 to 353 days in 2009. Depreciation was also reduced in those business units dependent on oil and natural gas drilling activity in western Canada by virtue of lower capital expenditures being made by these business units coupled with the declining balance method of depreciation used by the Fund. Depreciation in both the Trucking/Logistics segment and in Corporate remained consistent with 2008.

## Amortization on Intangible Assets

Intangible assets are acquired on acquisitions and are mainly comprised of non-competition agreements and customer relationship values which are amortized over their estimated life. In the first quarter of 2009, amortization on intangible assets increased by \$0.9 million to \$4.6 million from \$3.7 million in 2008. This increase was primarily the result of additional amortization being recorded on the \$23.2 million of intangible assets acquired with the New Businesses.

## Interest on Long-Term Debt and Other Interest

Total interest expense in the first quarter increased by \$1.3 million to \$7.5 million from \$6.2 million in 2008. This increase was mainly attributable to greater interest expense being recorded on the U.S. denominated debt as a result of the weakening of the CDN. dollar as compared to the U.S. dollar on a year over year basis. In addition, the Fund had monies outstanding on its \$150.0 million extendible revolving 364-day term facility ("Bank Credit Facility") in 2009 as compared to 2008. The Fund commenced borrowing against the Bank Credit Facility in the third quarter of 2008 and was utilizing \$64.2 million as at December 31, 2008. During the first quarter of 2009, the Fund repaid \$44.2 million of the Bank Credit Facility leaving \$20.0 million outstanding at March 31, 2009. The Fund also repaid \$0.9 million of other long-term debt in 2009. The increases in interest expense were partially offset by a decrease in interest expense by virtue of particular business units repaying certain loans during the last twelve months ending March 31, 2009. The Fund's debt-to-equity ratio at March 31, 2009 was 0.43:1 compared to 0.47:1 at December 31, 2008. This decrease in the debt-to-equity ratio was mainly due to the \$44.2 million reduction in the Bank Credit Facility, the impact of which was somewhat offset by a \$9.4 million increase to long-term debt by virtue of the weakening in the CDN. dollar compared to the U.S. dollar and its impact on the Fund's U.S. dollar denominated debt, and the addition of \$12.9 million (net income less distributions declared) to unitholder's equity.

## Unrealized Loss on Foreign Exchange

<i>(unaudited)</i> (\$ millions)		U.S. \$ Debt	Exchange Rate		CDN. \$ Equivalent
December 31, 2008 - beginning balance	\$	235.0	1.22	\$	286.7
March 31, 2009		235.0	1.26		296.1
Net unrealized loss on foreign exchange in 2009				\$	9.4

For the quarter ended March 31, 2009, the Fund recorded an unrealized loss on foreign exchange of \$9.4 million. This was due to the impact of the change over the quarter in the value of the CDN. dollar relative to the U.S. dollar on the Fund's \$235.0 million of U.S. dollar denominated debt. For the same period in 2008, the Fund recorded an unrealized loss on foreign exchange of \$5.5 million which was made up of a \$9.5 million loss related to the Fund's \$235.0 million of U.S. dollar denominated debt, offset by a \$4.0 million gain due to the change in the value of the Fund's U.S. dollar cash reserves held during such period.

## Unrealized Loss on Investment

The Fund periodically invests in certain private and public corporations which operate within its core business. As such, the Fund regularly reviews the financial performance and the underlying carrying value of its investments. At March 31, 2009, the Fund recorded an unrealized loss on investment of \$0.7 million reflecting the decline in the carrying value of an investment from its original cost.

## Gain and Loss on Sale of Property, Plant and Equipment

In the first quarter 2009, the Fund recognized a loss on sale of property, plant and equipment of \$0.7 million on total proceeds on sale of \$1.3 million compared to a \$0.6 million gain on sale of property, plant and equipment on total proceeds on sale of \$3.0 million for the same period in 2008. In 2009, the Oilfield Services segment had proceeds on sale totaling \$1.1 million which mainly consisted of under-utilized equipment tied to business units dependent on oil and natural gas drilling activity and some redundant equipment resulting from the windup of Burnell Contractors L.P. The Trucking/Logistics segment had proceeds on sale of \$0.2 million which mainly consisted of the sale of older trucks and trailers and some redundant equipment resulting from the windup of Pe Ben Bulk.

## Income Taxes

<i>(unaudited)</i> (\$ millions)	Three month period ended March 31	
	2009	2008
Income before income taxes and earnings from equity investments	\$ 35.1	\$ 53.4
Income tax rate	30%	31%
Computed expected income tax expense	10.5	16.6
Add (less):		
Tax related to income allocated to unitholders	(8.1)	(13.0)
Non-deductible unit-based compensation	—	0.2
Non-taxable portion of unrealized foreign exchange loss	1.4	0.8
Other	0.4	—
Provision for income taxes	\$ 4.2	\$ 4.6

For the three month period ended March 31, 2009, the Fund recorded a provision for income taxes of \$4.2 million compared to \$4.6 million in 2008. The \$0.4 million year over year decrease in the provision was mainly due to the combination of lower earnings in 2009 compared to 2008 and a lower tax rate as a result of enacted Federal tax rate reductions being offset by the amount of tax allocated to unitholders due to a reduction in distributions declared in 2009 and a slight increase in the non-taxable portion of unrealized foreign exchange loss.

## Earnings from Equity Investments

In 2009, earnings from equity investments decreased by \$0.9 million to \$0.1 million from \$1.0 million in 2008. The decrease was due to the Fund divesting and selling its interest in Pe Ben USA Inc. (“Pe Ben USA”) on October 31, 2008. The \$1.0 million in earnings from equity investments generated in 2008 was mainly attributed to Pe Ben USA. In 2009, earnings from equity investments were generated by Durango Oilfield Services Inc. which operates an oilfield fluid transportation business in Hudson’s Hope, British Columbia, of which the Fund purchased a 50.0 percent equity interest on January 31, 2008.

## Net Income

<i>(unaudited)</i> (\$ millions, except per unit amounts)	Three month period ended March 31		
	2009	2008	% Change
Income before income taxes and earnings from equity investments	\$ 35.1	\$ 53.4	(34.3)
Net income	31.0	49.8	(37.8)
Earnings per unit	\$ 0.38	\$ 0.62	(38.7)

Net income in 2009 was \$31.0 million, a decrease of \$18.8 million compared to the \$49.8 million generated in 2008. The \$18.8 million decrease in net income was mainly due to the \$10.2 million decrease in operating income<sup>(1)</sup>. Also contributing to this decrease were other factors including:

- A \$3.9 million increase in unrealized loss on foreign exchange;
- A \$1.3 million increase in interest on long-term debt;
- A \$1.3 million increase in loss on sale of property, plant and equipment;
- A \$0.9 million increase in amortization on intangible assets;

- A \$0.7 million increase in unrealized loss on investment;
- A \$0.9 million decrease in earnings from equity investment; and
- A \$0.4 million decrease in the provision for income taxes.

As a result, earnings per unit declined to \$0.38 from \$0.62 in 2008. The weighted average number of units increased on a year over year basis to 80,605,000 in 2009 from 80,417,000 in 2008. This slight increase was due to 46,757 Trust Units and 124,238 MCLP Class B Units being issued by way of a private placement in July 2008 in connection with the acquisition of assets from Essential.

<sup>(1)</sup> Operating income is a non-GAAP term described in the Glossary of Terms and Non-GAAP Terms beginning on page 26 of this MD&A.

## SEGMENTED INFORMATION THREE MONTH PERIOD ENDED MARCH 31, 2009

Three month period ended March 31, 2009 (unaudited) (\$ millions)	Oilfield Services	Trucking /Logistics	Corporate and intersegment eliminations	Total
	\$	\$	\$	\$
Revenue	209.1	104.6	(1.7)	312.0
Direct operating expenses	129.2	78.2	(3.2)	204.2
Selling and administrative expenses	22.1	9.5	2.8	34.4
Operating income <sup>(1)</sup>	57.8	16.9	(1.3)	73.4

Three month period ended March 31, 2008 (unaudited) (\$ millions)	Oilfield Services	Trucking /Logistics	Corporate and intersegment eliminations	Total
	\$	\$	\$	\$
Revenue	242.7	115.7	(0.3)	358.1
Direct operating expenses	152.2	87.3	(3.0)	236.5
Selling and administrative expenses	22.1	11.2	4.7	38.0
Operating income <sup>(1)</sup>	68.4	17.2	(2.0)	83.6

<sup>(1)</sup> Operating income is a non-GAAP term described in the Glossary of Terms and Non-GAAP Terms beginning on page 26 of this MD&A.

## OILFIELD SERVICES SEGMENT

The Fund provides the energy sector in western and northern Canada with a wide range of services related to the drilling for oil and natural gas, infrastructure development and capital projects. Energy companies generate their income from the sale of the commodities they produce and as such their decision to deploy capital is primarily dependent on the cash flows generated by the combination of production levels and commodity prices.

A detailed description of each of the business units in the Oilfield Services segment is set forth in the Fund's Annual Information Form dated February 25, 2009, which is available on SEDAR at [www.sedar.com](http://www.sedar.com), the Fund's website at [www.mullen-group.com](http://www.mullen-group.com) or on request, free of charge, from the Fund's Investor Services group, [ir@mullen-group.com](mailto:ir@mullen-group.com).

### Revenue

Revenue in the Oilfield Services segment is generated through its 18 business units by utilizing both Company Equipment and Contractors.

This segment was responsible for 66.7 percent of pre-consolidated revenue for the quarter compared to 67.7 percent in 2008. Revenue was \$209.1 million, a decrease of \$33.6 million, or 13.8 percent, from \$242.7 million in 2008. The decrease in revenue was attributable to three factors:

Q1 Revenue - Oilfield Services (unaudited)					
(\$ millions)	2009		2008		Change
	\$	%*	\$	%*	\$
Company	148.3	70.9	179.8	74.1	(31.5)
Contractors	59.6	28.5	61.9	25.5	(2.3)
Other	1.2	0.6	1.0	0.4	0.2
Total	209.1	100.0	242.7	100.0	(33.6)

\* as a percentage of total revenue

- Revenue associated with core drilling services decreased by \$29.6 million on a year over year basis due to low crude oil prices which put downward pressure on demand for these services.
- Business units dependent on oil and natural gas drilling activity in western Canada experienced a decrease in revenue of approximately \$28.4 million or 24.1 percent from 2008 due to the 42.2 percent reduction in overall drilling activity. The exposure these business units have to both the Horn River and Montney resource pools assisted them by reducing their decline in revenue compared to the significant overall decline in drilling activity in western Canada. The significantly lower demand for drilling related services resulted in a highly competitive market place and rate reductions.
- Revenue in business units leveraged to the transportation of fluids and the servicing of wells decreased by \$1.6 million due to a combination of lower revenue associated with a year over year decrease in fuel surcharge revenue and lower demand for services due to the impact of lower crude oil prices and inclement weather which resulted in some wells being shut-in for certain periods during the first quarter of 2009.

These decreases in revenue were offset by two factors:

- The addition of the New Businesses added approximately \$27.3 million of new revenue.
- Revenue generated by business units tied to infrastructure development improved on a year over year basis by \$2.6 million as a result of the strong demand for these services.

Company revenue decreased by \$31.5 million compared to a \$2.3 million decrease in revenue from Contractors. The more predominant decrease in Company revenue was due to lower year over year revenue generated by core drilling services which is all generated by Company equipment.

## Direct Operating Expenses

Direct operating expenses decreased to \$129.2 million, down \$23.0 million, or 15.1 percent, from \$152.2 million in 2008. This \$23.0 million decrease was directly related to the \$33.6 million reduction in segment revenues during the quarter. Direct operating expenses related to Company Equipment decreased by \$18.8 million to \$86.3 million, or 58.2 percent of Company revenue, compared to \$105.1 million or 58.4 percent of Company revenue in 2008. Repairs and maintenance expense as a percentage of Company Revenue increased by 1.7 percent. This increase was offset by lower operating supplies and fuel expense. As a result, direct operating expenses related to Company Equipment as a percentage of Company revenue remained consistent on a year over year basis. Contractor expense decreased by \$4.2 million to \$42.9 million, or 72.0 percent of Contractor revenue, as compared to \$47.1 million or 76.1 percent of Contractor revenue in 2008. Direct operating expenses as a percent of revenue decreased to 61.8 percent in 2009 from 62.7 percent in 2008 due to the improved margins generated on Contractor revenue in the current period. These improved margins were mainly due to a decrease in fuel surcharge revenue and the flow through of this revenue to owner operators. In terms of gross margin, this segment experienced a decrease of \$10.6 million, however, on a percentage of revenue basis the margin increased slightly to 38.2 percent of segment revenue as compared to 37.3 percent in 2008.

Q1 Direct Operating Expenses - Oilfield Services (unaudited)					
(\$ millions)	2009		2008		Change
	\$	%*	\$	%*	\$
Company					
Wages and benefits	42.7	28.8	51.7	28.8	(9.0)
Fuel	10.5	7.1	13.7	7.6	(3.2)
Repairs and maintenance	18.3	12.3	19.1	10.6	(0.8)
Operating supplies	9.4	6.3	12.8	7.1	(3.4)
Other	5.4	3.7	7.8	4.3	(2.4)
	86.3	58.2	105.1	58.4	(18.8)
Contractors	42.9	72.0	47.1	76.1	(4.2)
Total	129.2	61.8	152.2	62.7	(23.0)

\* as a percentage of respective revenue

## Selling and Administrative Expenses

S&A expenses remained consistent on a year over year basis at \$22.1 million. The New Businesses generated an additional \$4.6 million of S&A expenses which was offset by:

- the suspension of the profit share plan for 2009 which resulted in a \$4.1 million year over year decrease in S&A expenses; and

Q1 Selling and Administrative Expenses - Oilfield Services (unaudited)					
(\$ millions)	2009		2008		Change
	\$	%*	\$	%*	\$
Wages and benefits	11.7	5.6	9.3	3.8	2.4
Communications, utilities and general supplies	6.5	3.1	6.2	2.6	0.3
Profit share	—	—	4.1	1.7	(4.1)
Rent and other	3.9	1.9	2.5	1.0	1.4
Total	22.1	10.6	22.1	9.1	—

\* as a percentage of total revenue

- approximately \$0.5 million by virtue of the continuing efforts of the business units in the segment to reduce and control costs.

S&A expenses as a percentage of revenue increased by 1.5 percent to 10.6 percent from 9.1 percent in 2008 as a result of a year over year decrease in segment revenue.

## Operating Income

Operating income<sup>(1)</sup> decreased by \$10.6 million, or 15.5 percent, to \$57.8 million from \$68.4 million in 2008. This decrease was mainly attributable to a year over year decrease in operating income<sup>(1)</sup> of \$14.1 million related to core drilling services. In addition, operating income<sup>(1)</sup> decreased by:

- \$6.0 million in those business units dependent on conventional oil and natural gas drilling due to lower drilling activity levels.
- \$0.8 million in those business units leveraged to the transportation of fluids and the servicing of wells by virtue of increased competition and inclement weather which reduced customer demand and productivity.

These decreases were offset by increases in operating income<sup>(1)</sup> of:

- \$6.1 million from the New Businesses.
- \$4.2 million from those business units tied to infrastructure development.

Despite a 13.8 percent decrease in Oilfield Services segment revenue and continued pricing pressure, operating income<sup>(1)</sup> as a percentage of revenue only decreased slightly to 27.6 percent from 28.2 percent in 2008.

<sup>(1)</sup> Operating income is a non-GAAP term described in the Glossary of Terms and Non-GAAP Terms beginning on page 26 of this MD&A.

## Capital Expenditures

The Oilfield Services segment had gross capital expenditures of \$2.7 million and dispositions of \$2.8 million for net capital dispositions of \$0.1 million in 2009. Gross capital expenditures mainly consisted of acquiring additional equipment for those business units providing services to the oilsands projects near Fort McMurray, Alberta. As well, some trucks and trailers were added in certain business units tied to the transportation of fluids. The majority of the dispositions occurred in those business units tied directly to oil and natural gas drilling activity as the Fund disposed of under-utilized equipment due to the decline in drilling activity. In 2008, gross capital expenditures were \$11.3 million and dispositions were \$0.8 million for net capital expenditures of \$10.5 million. The year over year decline in capital expenditures is consistent with and directly attributed to the downturn in the economy and its impact on demand for the Fund's services within the Oilfield Services segment.

## TRUCKING/LOGISTICS SEGMENT

The transportation and distribution of freight is a multi-billion dollar business in Canada and is generally described as both highly competitive and fragmented. The Trucking/Logistics segment provides a wide range of trucking and logistics services in Canada, as well as to and from the continental U.S. and Mexico.

A detailed description of each of the business units in the Trucking/Logistics segment is set forth in the Fund's Annual Information Form dated February 25, 2009 which is available on SEDAR at [www.sedar.com](http://www.sedar.com), the Fund's website at [www.mullen-group.com](http://www.mullen-group.com) or on request, free of charge, from the Fund's Investor Services group, [ir@mullen-group.com](mailto:ir@mullen-group.com).

### Revenue

Revenue in the Trucking/Logistics segment is generated through its seven business units by utilizing both Company Equipment and Contractors.

This segment was responsible for 33.3 percent of pre-consolidated revenue for the quarter compared to 32.3 percent in 2008. Revenue was \$104.6 million, a decrease of \$11.1 million, or 9.6 percent, from \$115.7 million in 2008. The slowdown in the general economy negatively impacted demand for freight services, especially in relation to bulk transportation services, which was the main contributor to this decrease in revenue. Also contributing to the \$11.1 million decrease in revenue were the following:

Q1 Revenue - Trucking/Logistics (unaudited) (\$ millions)					
	2009		2008		Change
	\$	%*	\$	%*	\$
Company	36.7	35.1	41.7	36.0	(5.0)
Contractors	67.7	64.7	73.7	63.7	(6.0)
Other	0.2	0.2	0.3	0.3	(0.1)
<b>Total</b>	<b>104.6</b>	<b>100.0</b>	115.7	100.0	(11.1)

\* as a percentage of total revenue

- a year over year reduction in fuel surcharge revenue due to the decline in the price of diesel fuel.
- a weaker demand for LTL services especially in Alberta.
- the cessation of business operations of Pe Ben Bulk.

Offsetting these decreases in revenue was a year over year increase in revenue due to higher utilization of specialized equipment, an increased number of complex and oversized loads and an increase in the amount of U.S. dollar revenue at a time when the CDN. dollar was weakening as compared to the U.S. dollar.

<sup>(1)</sup> Operating income is a non-GAAP term described in the Glossary of Terms and Non-GAAP Terms beginning on page 26 of this MD&A.

## Direct Operating Expenses

Direct operating expenses decreased to \$78.2 million, down \$9.1 million, or 10.4 percent, from \$87.3 million in 2008. This \$9.1 million decrease was directly related to the \$11.1 million reduction in segment revenues during the quarter. Direct operating expenses related to Company Equipment decreased by \$5.9 million to \$24.9 million or 67.9 percent of Company revenue, compared to \$30.8 million or 73.9 percent of Company revenue in 2008. Contractor expense decreased by \$3.2 million to \$53.3 million, or 78.7 percent of Contractor revenue, as compared to \$56.5 million or 76.7 percent of Contractor revenue in 2008. Direct operating expenses as a percent of revenue decreased to 74.8 percent in 2009 from 75.5 percent in 2008 by virtue of the improved margins generated on Company Equipment. This improvement was a result of a greater proportion of revenue being generated by high margin activities such as the utilization of specialized equipment and project work and an increase in U.S. dollar sales coupled with a weakening of the CDN. dollar as compared to the U.S. dollar. In terms of gross margin, this segment experienced a year over year decrease of \$2.0 million, however, on a percentage of revenue basis the margin increased slightly to 25.2 percent of segment revenue as compared to 24.5 percent in 2008.

Q1 Direct Operating Expenses - Trucking/Logistics (unaudited)					
(\$ millions)	2009		2008		Change
	\$	%*	\$	%*	\$
Company					
Wages and benefits	7.6	20.7	8.7	20.9	(1.1)
Fuel	3.0	8.2	4.1	9.8	(1.1)
Repairs and maintenance	5.2	14.2	5.7	13.7	(0.5)
Operating supplies	4.6	12.5	5.8	13.9	(1.2)
Other	4.5	12.3	6.5	15.6	(2.0)
	<b>24.9</b>	<b>67.9</b>	30.8	73.9	(5.9)
Contractors	<b>53.3</b>	<b>78.7</b>	56.5	76.7	(3.2)
<b>Total</b>	<b>78.2</b>	<b>74.8</b>	87.3	75.5	(9.1)

\* as a percentage of respective revenue

## Selling and Administrative Expenses

S&A expenses decreased by \$1.7 million to \$9.5 million from \$11.2 million in 2008. This \$1.7 million decrease was mainly due to the suspension of the profit share plan for 2009 which resulted in a \$1.9 million year over year decrease in S&A expenses. This reduction was slightly offset by a \$0.3 million decrease in foreign exchange gains. S&A expenses as a percentage of revenue decreased by 0.6 percent to 9.1 percent from 9.7 percent in 2008.

Q1 Selling and Administrative Expenses - Trucking/Logistics (unaudited)					
(\$ millions)	2009		2008		Change
	\$	%*	\$	%*	\$
Wages and benefits	6.2	5.9	6.3	5.5	(0.1)
Communications, utilities and general supplies	2.8	2.7	2.9	2.5	(0.1)
Profit share	—	—	1.9	1.6	(1.9)
Foreign exchange	(0.2)	(0.2)	(0.5)	(0.4)	0.3
Rent and other	0.7	0.7	0.6	0.5	0.1
<b>Total</b>	<b>9.5</b>	<b>9.1</b>	11.2	9.7	(1.7)

\* as a percentage of total revenue

## Operating Income

Operating income<sup>(1)</sup> decreased by \$0.3 million, or 1.7 percent, to \$16.9 million from \$17.2 million in 2008. This decrease was mainly attributable to the decrease in operating income<sup>(1)</sup> related to bulk transportation services. To a lesser extent, operating income<sup>(1)</sup> was also negatively impacted by a decline in the demand for freight services due to the slowdown in the economy, especially in western Canada and the cessation of operations of Pe Ben Bulk

The decreases in operating income<sup>(1)</sup> were somewhat offset by increases in operating income<sup>(1)</sup> by virtue of utilizing specialized equipment to perform larger oversized loads, performing project work, and by virtue of an increase in U.S. dollar sales coupled with a weakening of the CDN. dollar compared to the U.S. dollar.

As a result, operating income<sup>(1)</sup> as a percentage of revenue, increased to 16.1 percent from 14.8 percent in 2008.

<sup>(1)</sup> *Operating income is a non-GAAP term described in the Glossary of Terms and Non-GAAP Terms beginning on page 26 of this MD&A.*

## Capital Expenditures

The Trucking/Logistics segment had gross capital expenditures of \$2.0 million and dispositions of \$0.2 million for net capital expenditures of \$1.8 million in 2009. Gross capital expenditures and dispositions consisted of the replacement of older trucks and trailers. In 2008, gross capital expenditures were \$1.5 million and dispositions were \$0.4 million for net capital expenditures of \$1.1 million.

## CORPORATE

*The Corporate Head Office provides support to the Fund's business units including payroll services, information technology support and accounting services. In addition, the Corporate Head Office is responsible for all regulatory and public reporting expenses.*

For the period, the Corporate Head Office generated miscellaneous revenue of \$0.5 million and incurred net administrative expenses of \$1.8 million, which resulted in a net operating loss of \$1.3 million. For the same period in 2008, Corporate Head Office generated miscellaneous revenue of \$1.1 million and incurred net administrative expenses of \$3.1 million, which resulted in a net operating loss of \$2.0 million. The year over year decrease in miscellaneous revenue of \$0.6 million was mainly due to lower interest income being generated on the Fund's cash balances. The \$1.3 million decrease in net administrative expenses was mainly due to a \$1.9 million year over year increase in foreign exchange gains.

## CAPITAL RESOURCES AND LIQUIDITY

### Sources and Uses of Cash

<i>(unaudited)</i> (\$ millions)	Three month period ended March 31	
	2009	2008
Cash, beginning of period	\$ 0.3	\$ 79.2
Sources of cash:		
Funds from operations <sup>(1)</sup>	31.1	77.9
Proceeds from Trust Unit issuances	—	0.2
Changes in non-cash working capital items	44.8	—
Other assets	—	0.1
Total sources	75.9	78.2
Uses of cash:		
Changes in non-cash working capital items	—	(74.6)
Distributions paid	(24.2)	(36.2)
Net property, plant and equipment additions	(1.7)	(9.8)
Repayment of long-term debt	(45.1)	(1.1)
Purchase of investments	—	(1.2)
Total usage	(71.0)	(122.9)
Increase (decrease) in cash	4.9	(44.7)
Cash, end of period	\$ 5.2	\$ 34.5

<sup>(1)</sup> *Funds from operations is a non-GAAP term described in the Glossary of Terms and Non-GAAP Terms beginning on page 26 of this MD&A.*

In 2009, funds from operations<sup>(1)</sup> were \$31.1 million, a decrease of \$46.8 million, or 60.1 percent, from \$77.9 million in 2008. This decrease was mainly due to the Fund recording a future income tax recovery of \$30.8 million compared to an expense of \$4.5 million in 2008. The \$30.8 million future income tax recovery in 2009 resulted from a reclass from future income tax to current income tax payable. This reclass was due to a restructuring of the Fund's corporate structure which occurred in January 2009 to facilitate the proposed Conversion of the Fund to a corporation. Funds from operations<sup>(1)</sup> also decreased year over year due to less operating income<sup>(1)</sup> being generated in 2009 compared to 2008. On a per unit basis, funds from operations<sup>(1)</sup> were \$0.39 per unit in 2009, a decrease of \$0.58 from the \$0.97 generated in 2008.

The \$31.1 million of funds from operations<sup>(1)</sup> were supplemented by \$44.8 million in changes in non-cash working capital items. Cash was used to repay long-term debt of \$45.1 million, pay distributions to unitholders' of \$24.2 million, and to acquire net property, plant and equipment in the amount of \$1.7 million.

Cash flow from operating activities was \$75.9 million, an increase of \$72.6 million, from \$3.3 million in 2008. This increase was due to the \$119.4 million year over year change in non-cash working capital items offset by the \$46.8 million decrease in funds from operations<sup>(1)</sup> as discussed above. The \$119.4 million change in non-cash working capital items was mainly due to;

- a year over year variance of \$118.6 million in accounts receivable. Over the first quarter of 2009, accounts receivable decreased by \$37.6 million compared to an increase during the same period in 2008 of \$81.0 million. This significant change was due to the decline in drilling activity during the first quarter of 2009 and the resulting decrease in accounts receivable generated by the fund;

- the \$30.8 million future income tax recovery mainly due to a reclass of future income tax to current income tax payable; and
- offsetting these items was a year over year decrease of \$28.0 million in accounts payable and accrued liabilities.

At March 31, 2009, the Fund had access to an additional \$130.0 million of cash from its Bank Credit Facility. This additional funding is available to finance the Fund's ongoing working capital and capital expenditure requirements. Although the facility is available, the Fund intends to use cash generated from operating activities to fund 2009 capital expenditures and distributions of \$24.2 million which have now been discontinued. The Fund's Board approved a \$25.0 million net capital expenditure budget for 2009 to be allocated to those business units that have attractive growth opportunities which will generate high returns on capital employed. At March 31, 2009, the Fund had net capital expenditures of \$1.7 million.

The Fund had drawn \$20.0 million on its Bank Credit Facility at March 31, 2009. This facility is scheduled to be renewed in June 2009 but it is anticipated that an earlier renewal will occur in conjunction with the Conversion. On March 4, 2009, the Fund announced it intends to sell up to \$125.0 million of convertible subordinated debentures for working capital and general corporate purposes. The closing of this transaction will increase its working capital by approximately \$125.0 million which will reduce the amount it intends to renew on its Bank Credit Facility. As such the Fund will not require the \$150.0 million Bank Credit Facility and has chosen to reduce it to \$75.0 million. At March 31, 2009, the Fund had net debt outstanding of \$363.7 million which is defined as long-term debt of \$482.7 million less working capital of \$119.0 million. Of the Fund's long-term debt, U.S. \$100.0 million and CDN \$70.0 million matures on June 30, 2016, U.S. \$50.0 million and CDN \$70.0 million matures on June 30, 2018, and the remaining U.S. \$85.0 million and CDN \$20.0 million matures on September 27, 2017.

<sup>(1)</sup> Funds from operations and operating income are non-GAAP terms described in the Glossary of Terms and Non-GAAP Terms beginning on page 26 of this MD&A.

<b>Financial Covenants</b>	<b>Financial Covenant Threshold</b>	<b>March 31, 2009</b>	<b>December 31, 2008</b>
<b>Private Placement Debt Covenants</b>			
(a) Total debt to operating cash flow	3.50:1.0	1.84:1.0	1.90:1.0
(b) Total earnings available for fixed charges to total fixed charges	1.75:1.0	5.94:1.0	6.40:1.0
<b>Bank Credit Facility Covenants</b>			
(a) Total debt to operating income <sup>(1)</sup>	2.75:1.0	1.87:1.0	1.88:1.0
(b) Minimum fixed charge coverage ratio	1.75:1.0	3.11:1.0	5.58:1.0

The Fund has certain financial covenants under both its private placement debt facility as well as its Bank Credit Facility. The Fund is not in violation of these covenants which are summarized as follows:

#### *Private Placement Debt Financial Covenants*

- Total debt to operating cash flow – The Fund's total long-term debt (including the current portion) cannot exceed 3.5 times operating cash flow calculated using the trailing twelve months financial results. Operating cash flow consists of operating income<sup>(1)</sup> plus unit-based compensation.
- Total earnings available for fixed charge to total fixed charges – The Fund cannot have a fixed charge coverage ratio less than 1.75:1.00 calculated using the trailing twelve months financial results.

### Bank Credit Facility Financial Covenants

- Total debt to operating income<sup>(1)</sup> – The Fund's total long-term debt (including the current portion) cannot exceed 2.75 times operating income<sup>(1)</sup> using the trailing twelve months financial results.
- Minimum fixed charge coverage ratio – The Fund cannot have a minimum fixed charge coverage ratio less than 1.75:1.00 calculated using the trailing twelve months financial results.
- The Fund's distributions to unitholders, in any given fiscal year, cannot exceed distributable cash. Distributable cash consists of funds from operations<sup>(1)</sup> less maintenance capital expenditures.

The Fund is prohibited from making distributions to unitholders if it is in violation of any of the above financial covenants.

<sup>(1)</sup> Operating income and funds from operations are non-GAAP terms described in the Glossary of Terms and Non-GAAP Terms beginning on page 26 of this MD&A.

### Capital Expenditures

For the three month period ended March 31, 2009, net property, plant and equipment expenditures totaled \$1.7 million. The Oilfield Services segment had gross capital expenditures of \$2.7 million less dispositions of \$2.8 million for net dispositions of \$0.1 million. The Trucking/Logistics segment had gross capital expenditures of \$2.0 million less dispositions of \$0.2 million for net property, plant and equipment expenditures of \$1.8 million.

### Contractual Obligations

The management's discussion and analysis for the year ended December 31, 2008 includes an overview of contractual obligations. This overview can be found on page 27 of the Fund's 2008 Financial Report. As at March 31, 2009, other than the \$44.2 million repayment of long-term debt on the Bank Credit Facility, the contractual obligations have not changed significantly from the overview.

### Unitholders' Capital

<i>(unaudited)</i> (\$ millions, except unit amounts)	Trust Units	\$	B Units	\$	Total Units	\$
Balance at December 31, 2008	61,858,140	843.0	18,747,157	342.8	80,605,297	1,185.8
Trust Units issued on exchange of B Units	7,448	0.1	(7,448)	(0.1)	—	—
Balance at March 31, 2009	61,865,588	843.1	18,739,709	342.7	80,605,297	1,185.8

Total Unitholders' Capital at the end of March 31, 2009 did not change from December 31, 2008. There were 7,448 MCLP Class B Units exchanged for Trust Units in 2009. Each MCLP Class B Unit is exchangeable on a one for one basis for a Trust Unit.

## Cash Distributions

<i>(unaudited)</i> (\$ millions)	Three month period ended March 31	
	2009	2008
Cash distributions declared to unitholders	\$ 18.1	\$ 36.1
Cash flow from operating activities	75.9	3.3
Net income	31.0	49.8
Excess (deficiency) of cash flow from operating activities over cash distributions declared	57.8	(32.8)
Excess of net income over cash distributions declared	\$ 12.9	\$ 13.7

In 2009, the excess of cash flow from operations over cash distributions was \$57.8 million compared to a deficiency of \$32.8 million in 2008. The deficiency in 2008 was due to the requirement to fund non-cash working capital items of \$74.6 million which is a seasonal requirement and was reversed by the 2008 year end. The excess of net income over cash distributions declared was \$12.9 million in 2009 compared to \$13.7 million in 2008.

In 2009, the Fund declared distributions of \$0.075 per unit per month or \$0.225 per unit for the period for total cash distributions declared of \$18.1 million. The Fund then ceased distributions in anticipation of approval of the proposed Conversion.

There are restrictions limiting the amount of distributions under the Fund's Bank Credit Facility which are outlined on page 20 the Capital Resources and Liquidity - Bank Credit Facility Financial Covenants.

## Cumulative Cash Distributions

<i>( \$ millions )</i>	Six month period ended December 31, 2005	Twelve month period ended December 31, 2006	Twelve month period ended December 31, 2007	Twelve month period ended December 31, 2008	Three month period ended March 31, 2009	Total Since Inception
	\$	\$	\$	\$	\$	\$
Cash distributions declared to unitholders	38.2	124.0	146.8	144.8	18.1	471.9
Cash flow from operating activities	26.8	192.2	212.4	203.8	75.9	711.1
Net income (loss)	40.8	128.1	(118.7)	113.0	31.0	194.2
(Deficiency) excess of cash flow from operating activities over cash distributions declared	(11.4)	68.2	65.6	59.0	57.8	239.2
Excess (deficiency) of net income (loss) over cash distributions declared	2.6	4.1	(265.5)	(31.8)	12.9	(277.7)

Since the inception of the Fund, its cash flow from operating activities of \$711.1 million has exceeded its cumulative distributions declared of \$471.9 million by \$239.2 million. During this same period there was a deficiency of net income over cash distributions declared totaling \$277.7 million, which is almost entirely attributable to the non-cash impairment of goodwill and intangible assets of \$275.0 million recognized in 2007. Cumulative net income before adjusting for the impairment of goodwill and intangible assets was \$9.4 million less than cash distributions declared. The remaining deficiency is a result of cumulative non-cash unrealized foreign exchange losses totaling \$39.6 million. For the twelve month period ended December 31, 2008, the \$31.8 million deficiency of net income over cash distributions declared in 2008 was largely attributable to the Fund recording a non-cash unrealized foreign exchange loss of \$49.3 million.

## SUMMARY OF QUARTERLY RESULTS

The first quarter of the year traditionally has the highest revenue and net income. This is primarily due to the seasonality of a significant portion of the Fund's operations, which relate to the movement of heavy equipment, drilling rigs and drilling supplies such as oilfield fluids, tubulars and drilling mud and the services provided such as conductor pipe-setting, core drilling and casing setting in northern and western Canada. The seasonality of the Fund's business follows the seasonal pattern of western Canada's oil and natural gas exploration which peaks in the winter months and declines during the spring. Wet weather and the spring thaw may make the ground unstable. As a result, the demand for these services is traditionally highest in the first quarter and lowest in the second quarter.

### Summary of Quarterly Results

Quarter End	Revenue	Net income before impairment of goodwill and intangible assets	Net income (loss)	Earnings (loss) per unit		
				Basic before impairment of goodwill and intangible assets	Basic Diluted	
Quarters Ended						
(unaudited) (\$ millions, except per unit amounts)	\$	\$	\$	\$	\$	\$
2009						
March 31	312.0	31.0	31.0	0.38	0.38	0.38
2008						
December 31	354.8	7.1	7.1	0.09	0.09	0.09
September 30	352.2	36.2	36.2	0.45	0.45	0.45
June 30	249.1	19.9	19.9	0.25	0.25	0.25
March 31	358.1	49.8	49.8	0.62	0.62	0.62
2007						
December 31	273.6	36.7	(231.6)	0.45	(2.85)	(2.85)
September 30	261.3	38.0	38.0	0.46	0.46	0.46
June 30	218.9	16.6	16.6	0.21	0.21	0.20
March 31	365.7	58.3	58.3	0.71	0.71	0.71

The decrease in revenue and operating income<sup>(1)</sup> in the first quarter of 2009, compared to 2008, reflects the decline in the Oilfield Services segment due to lower oil and natural gas drilling activity. Net income was negatively affected by both lower operating income<sup>(1)</sup>, an increase in unrealized foreign exchange loss, and higher interest expense.

Compared to the fourth quarter of 2008, revenue in the first quarter of 2009 decreased again due to a reduction in oil and natural gas drilling activity quarter-over-quarter. However, net income increased in 2009 as the unrealized foreign exchange loss decreased quarter-over-quarter by \$28.2 million reflecting the reduction in the impact of the weakening CDN. dollar compared to the U.S. dollar. Net income in 2009 was negatively impacted by a \$7.8 million decrease in operating income<sup>(1)</sup> compared to the fourth quarter in 2008.

In the second quarter 2008, revenue increased compared to the second quarter 2007 due to increased activity in both the Oilfield Services segment and the Trucking/Logistics segment. The Oilfield Services segment increased its operating results due to both an increased demand for the transportation of fluids and servicing of wells, and to the inclusion of the acquisitions of Pro North and R.E. Line. These increases were partially offset by a decline in business activity related to oil and natural gas drilling activity. Revenue in the Trucking/Logistics segment increased as demand for its services increased. Net income was higher in the second quarter of 2008 compared

to 2007 and was mainly due to greater earnings generated by the Fund's operations as well as higher future tax recoveries.

Revenue and operating income <sup>(1)</sup> in both the third and fourth quarters of 2008 increased compared to the same period in 2007. In the Oilfield Services segment the acquisition of Essential in July 2008 added to the revenue, as well as increased demand for other services provided by the segment. The Trucking/Logistics segment also experienced higher demand for its services in the third and fourth quarter, and both revenue and operating income <sup>(1)</sup> increased. Net income, before the impairment of goodwill and intangibles, was much lower in the second half of the year due to higher interest and to a \$46.2 million unrealized loss on foreign exchange, as compared to a \$12.8 million unrealized gain in 2007. Net income in 2007 was also impacted by a \$275.0 million write down of goodwill and intangibles.

<sup>(1)</sup> Operating income is a non-GAAP terms described in the Glossary of Terms and Non-GAAP Terms beginning on page 26 of this MD&A.

## **TRANSACTIONS WITH RELATED PARTIES**

The management discussion and analysis for the year ended December 31, 2008 includes a description of transactions with related parties. These descriptions can be found on pages 41 and 42 of the Fund's 2008 Financial Report. As at March 31, 2009, the type of transactions with related parties have not changed significantly from these descriptions.

All of the transactions with related parties noted in the first quarter of 2009 occurred in the normal course of operations with terms consistent with those offered to arm's length parties and are measured at the exchange amount. Other than a lease agreement which expires in 2011 on land and buildings, the Fund has no long-term contracts with any related party.

## **BUSINESS RISKS AND UNCERTAINTIES**

The management discussion and analysis for the year ended December 31, 2008 includes a description of business risks and uncertainties. This description can be found on page 42 of the Fund's 2008 Financial Report. As at March 31, 2009, business risks and uncertainties have not changed significantly from the description.

## **CRITICAL ACCOUNTING ESTIMATES**

The management discussion and analysis for the year ended December 31, 2008 includes a description of critical accounting estimates. This description can be found on page 48 of the Fund's 2008 Financial Report. As at March 31, 2009, critical accounting estimates have not changed significantly from the description.

## CHANGES IN ACCOUNTING POLICIES

### *CICA Section 3064, Goodwill and Intangible Assets*

This section provides guidance on the recognition, measurement, presentation and disclosure for goodwill and intangible assets, other than the initial recognition of goodwill or intangible assets acquired in a business combination. Retroactive application to prior-period financial statements will be required. The Fund has assessed the impact of this standard and noted no impact to its goodwill or intangible assets.

### **Future Changes in Accounting Policies**

#### *International Financial Reporting Standards*

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

The Fund began planning the transition from current Canadian GAAP to IFRS, in 2008, by establishing a project plan and a project team. The project team is led by senior finance members that provide overall project governance, management and support. Members also include representatives from various areas of the organization as necessary and external advisors that have been engaged to assist in the IFRS conversion project. The team reports quarterly to the Audit Committee of the Fund.

The project plan consists of three phases: the initial assessment, detailed assessment and design, and implementation. The Fund has completed the initial assessment phase which included the development of a detailed timeline, the completion of a high level review of the major differences between current Canadian GAAP and IFRS, and an initial evaluation of IFRS 1 transition exemptions. The initial assessment also included education and training sessions for project team members and discussions with the Fund’s external auditors and advisors.

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

During the implementation phase, the Fund will implement the identified changes to business processes, financial systems, accounting policies, disclosure controls and internal controls over financial reporting.

The Fund continues to assess the financial reporting impacts of converting to IFRS and, at this time, the impact on future financial position and results of operations is not reasonably determinable or estimable.

## DISCLOSURE AND INTERNAL CONTROLS

### Disclosure Controls and Internal Controls over Financial Reporting

The Chief Executive Officer (“CEO”), the Co-Chief Executive Officer (“Co-CEO”) and the Chief Financial Officer (“CFO”) are responsible for designing disclosure controls and internal controls over financial reporting as defined in National Instrument 52-109 Certification of Disclosure in Issuer’s Annual and Interim Filings (“52-109”), or causing them to be designed under their supervision in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. As of March 31, 2009, the CEO, the Co-CEO and the CFO together with the Fund’s management have evaluated the design and effectiveness of the Fund’s disclosure controls and procedures (“DC&P”) and have concluded that they are not effective due to the weaknesses discussed in internal control over financial reporting below. Our DC&P have been designed to provide reasonable assurance that material information relating to Mullen is made known to them by others and that information required to be disclosed by Mullen in its annual filings, interim filings or other reports filed or submitted by Mullen under securities legislation is recorded, processed, summarized and reported within the time periods specified in applicable securities legislation.

Management has also designed internal controls over financial reporting and have conducted an evaluation of those controls.

The Fund, due to its corporate structure, decentralized operations and strategy of growth through acquisition, does have weaknesses in its internal control over financial reporting. As a result, the Fund’s management have concluded that internal controls over financial reporting are not effective. These weaknesses include:

- in certain business units there is a weakness in regards to segregation of duties. This weakness is addressed by management and senior executive overview. In addition, the Fund will, where practicable, make the necessary changes to improve the segregation of duties.
- the complex structure of the Fund and its decentralized operations raises a risk of misstatements due to the handling of complex and non-routine accounting and tax related transactions. Management and board reviews are utilized to mitigate these risks but there is no guarantee that a material misstatement would be prevented. The Fund will attempt to remediate this weakness by utilizing outside consultants with the appropriate expertise when the need arises or by developing in-house expertise or recruiting the necessary personnel with the expertise.

These weaknesses identified did not result in any adjustments to the Fund’s annual or interim financial statements for the 2008 fiscal year or the 2009 period. In spite of these weaknesses, the CEO, the Co-CEO and the CFO have determined, as of the date hereof, that the Fund’s internal controls over financial reporting have been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. The Fund has not made any changes in its internal control over financial reporting that would materially affect, or is reasonably likely to materially affect, the Fund’s internal control over financial reporting.

Because of their inherent limitations, DC&P and internal controls over financial reporting may not prevent or detect misstatements, errors or fraud. Control systems, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control systems are met.

## GLOSSARY OF TERMS AND RECONCILIATION OF NON-GAAP TERMS

The interim consolidated financial statements attached to and referred to in this MD&A are prepared according to GAAP. References to operating income, funds from operations and funds from operations per unit 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. Investors are cautioned that these indicators should not replace net income or cash flow from operating activities as indicators of GAAP performance.

### Operating Income

Operating income is defined as net income before interest, income taxes, depreciation on property, plant and equipment, amortization on intangible assets, earnings or losses from equity investments, unrealized gains or losses on foreign exchange and investments, and gains or losses on sale of property, plant and equipment and investments. Management relies on operating income as a measurement as it provides an indication of the results generated by the Fund's principal business activities and the performance of its operations prior to depreciation and amortization, financing, or taxation in various jurisdictions. Net income is also an indicator of financial performance, however, net income includes expenses that are not a direct result of the Fund's operations.

<i>(unaudited)</i> (\$ millions)	Three month period ended March 31	
	2009	2008
	\$	\$
Net income	31.0	49.8
Add (less):		
Earnings from equity investments	(0.1)	(1.0)
Provision for income taxes	4.2	4.6
Loss (gain) on sale of property, plant and equipment	0.7	(0.6)
Unrealized loss on foreign exchange	9.4	5.5
Unrealized loss on investments	0.7	—
Interest on long-term debt and other interest	7.5	6.2
Depreciation on property, plant and equipment	15.4	15.4
Amortization on intangible assets	4.6	3.7
Operating income	73.4	83.6

## Funds from Operations

Funds from operations is defined as cash flow from operating activities before changes in non-cash working capital items. Management uses funds from operations as an indication of Mullen's ability to generate funds from its operations without the seasonality effect on its working capital.

## Reconciliation of Funds from Operations to Cash Flow from Operating Activities

<i>(unaudited)</i> (\$ millions)	Three month period ended March 31	
	2009	2008
	\$	\$
Funds from operations	31.1	77.9
Changes in non-cash working capital items	44.8	(74.6)
Cash flow from operating activities	75.9	3.3

## Funds from Operations per Unit

Funds from operations per unit is calculated by dividing funds from operations by the weighted average number of units outstanding for the period. Management uses funds from operations per unit as a measure to determine funds generated from its operations on a per unit basis for the period without the effect of seasonality on its working capital.

## Calculation of Funds from Operations per Unit

<i>(unaudited)</i> (\$ millions, except unit and per unit amounts)	Three month period ended March 31	
	2009	2008
	\$	\$
Funds from operations	31.1	77.9
Weighted average number of units outstanding	80,605,000	80,417,000
Funds from operations per unit	\$0.39	\$0.97

## OUTLOOK

Over the past few quarters we have consistently expressed to investors our concerns as to the short-term prospects for both the general economy as well as the oil and natural gas sector in western Canada, two sectors of the economy that have a significant impact on our business. We have experienced a drop in the demand for our services across virtually all business lines impacting our first quarter 2009 results. Nevertheless, Mullen generated strong results despite the challenging market primarily due to the diversification of our business lines combined with the extra-ordinary efforts of all of our 25 businesses to reduce costs.

As we look forward we expect the general economy to underperform and remain challenging until the credit markets stabilize and confidence returns. In the oil and natural gas sector activity levels are expected to fall to multi-year lows due to the combination of low natural gas prices, tighter credit markets and a generally very competitive marketplace. In particular we expect the second quarter to be very challenging. As such management will continue to focus on the cost side of business, right-sizing our fleet and employee base to meet the market, reduce expenses and deploy capital selectively. We expect to manage through this downturn and will be well positioned to grow and capture market share once the market fundamentals improve.

This MD&A contains information as of April 28, 2009.



**MARCH 31, 2009**

**INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**AND**

**NOTES TO THE INTERIM  
CONSOLIDATED FINANCIAL STATEMENTS**

## MANAGEMENT'S REPORT TO THE UNITHOLDERS

The accompanying consolidated financial statements of Mullen Group Income Fund (the "Fund") have been approved by the Board of Directors and have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). The financial information contained elsewhere in this report has been reviewed to ensure consistency with these consolidated financial statements. In preparing the report, the Fund undertakes steps to ensure the information presented is accurate and conforms to applicable laws and standards, including:

- The Board of Directors and management have established corporate governance practices that are consistent with guidelines set out in the report issued by The Toronto Stock Exchange Committee on Corporate Governance in Canada.
- Management maintains accounting control systems designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized, financial records are accurately maintained and statements are generated in a timely manner.
- The Board of Directors oversees the management of the business and the affairs for the Fund including ensuring management fulfills its responsibility for financial reporting, and is ultimately responsible for reviewing and approving the consolidated financial statements. The Board carries out this responsibility principally through its Audit Committee.
- The Audit Committee of the Board of Directors, comprised of five members considered to be "outside and unrelated" directors, has reviewed the consolidated financial statements with management and the external auditors.
- Management, with the participation of the Chief Executive Officer ("CEO"), the Co-Chief Executive Officer ("Co-CEO") and the Chief Financial Officer ("CFO"), has evaluated the effectiveness of the Fund's disclosure controls and procedures and has evaluated the design and effectiveness of internal controls over financial reporting and have concluded that they are not effective due to weaknesses in internal control over financial reporting. These weaknesses are due to the complexity of accounting and income tax issues and with control weaknesses related to segregation of duties. In spite of these weaknesses, the CEO, the Co-CEO and the CFO have concluded, as of the date hereof, that the Fund's internal controls over financial reporting have been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP.

**Signed: "Murray K. Mullen"**

Murray K. Mullen  
Chairman, Chief Executive Officer and Director

April 28, 2009

**Signed: "David E. Olson"**

David E. Olson  
Vice-President, Finance and  
Chief Financial Officer

## CONSOLIDATED BALANCE SHEETS

<i>(unaudited)</i>	<b>March 31</b>		<b>December 31</b>	
<b>(\$ thousands)</b>	<b>2009</b>		<b>2008</b>	
<b>Assets</b>				
<b>Current assets:</b>				
Cash and cash equivalents	\$	5,232	\$	291
Accounts receivable		207,643		245,294
Inventory		22,513		22,980
Prepaid expenses		9,536		10,999
		<b>244,924</b>		<b>279,564</b>
Investments		4,215		4,854
Property, plant and equipment		648,719		663,088
Goodwill		844,420		844,420
Intangible assets		84,468		89,081
Other assets		957		1,070
	\$	<b>1,827,703</b>	\$	<b>1,882,077</b>
<b>Liabilities and Unitholders' Equity</b>				
<b>Current liabilities:</b>				
Accounts payable and accrued liabilities	\$	81,990	\$	109,946
Distributions payable (note 3)		6,045		12,091
Income tax payable (note 5)		34,843		1,635
Current portion of long-term debt (note 4)		3,018		3,438
		<b>125,896</b>		<b>127,110</b>
Long-term debt (note 4)		482,676		518,007
Future income taxes (note 5)		99,221		130,024
<b>Unitholders' equity:</b>				
Unitholders' capital (note 6)		1,185,821		1,185,821
Contributed surplus		7,621		7,530
Deficit		(73,532)		(86,415)
		<b>1,119,910</b>		<b>1,106,936</b>
Subsequent events (note 8)				
	\$	<b>1,827,703</b>	\$	<b>1,882,077</b>

See accompanying notes to the consolidated financial statements.

Approved by the Board of Directors

**"Signed - Murray K. Mullen"**

Murray K. Mullen, Director

**"Signed - Dennis J. Hoffman"**

Dennis J. Hoffman, Director

## CONSOLIDATED STATEMENTS OF INCOME AND (DEFICIT) RETAINED EARNINGS

<i>(unaudited)</i>	Three month period ended March 31	
(\$ thousands, except per unit amounts)	2009	2008
Revenue	\$ 312,015	\$ 358,054
Direct operating expenses	204,195	236,465
Selling and administrative expenses	34,408	37,959
Depreciation on property, plant and equipment	15,433	15,427
Amortization on intangible assets	4,613	3,691
Interest on long-term debt	7,450	6,214
Other interest	29	28
Unrealized loss on foreign exchange	9,400	5,499
Unrealized loss on investment	746	—
Loss (gain) on sale of property, plant and equipment	673	(649)
Income before income taxes and earnings from equity investments	35,068	53,420
Provision for income taxes (note 5):		
Current	34,959	157
Future (recovery)	(30,803)	4,451
	4,156	4,608
Income before earnings from equity investments	30,912	48,812
Earnings from equity investments	107	1,000
Net income and other comprehensive income	\$ 31,019	\$ 49,812
Deficit, beginning of period	\$ (86,415)	\$ (54,601)
Distributions declared to unitholders	(18,136)	(36,102)
Deficit, end of period	\$ (73,532)	\$ (40,891)
Earnings per unit:		
Basic	\$ 0.38	\$ 0.62
Diluted	\$ 0.38	\$ 0.62
Weighted average number of units outstanding:		
Basic	80,605	80,417
Diluted	80,605	80,417

*See accompanying notes to the consolidated financial statements.*

## CONSOLIDATED STATEMENTS OF CASH FLOWS

<i>(unaudited)</i>	Three month period ended March 31	
<b>(\$ thousands)</b>	<b>2009</b>	<b>2008</b>
Cash provided by (used in):		
Operations:		
Net income	\$ 31,019	\$ 49,812
Items not involving cash:		
Depreciation on property, plant and equipment	15,433	15,427
Amortization on intangible assets	4,613	3,691
Unit-based compensation	184	632
Unrealized loss on foreign exchange	9,400	5,499
Unrealized loss on investment	746	—
Loss (gain) on sale of property, plant and equipment	673	(649)
Future income taxes (recovery)	(30,803)	4,451
Earnings from equity investments	(107)	(1,000)
	<b>31,158</b>	<b>77,863</b>
Changes in non-cash working capital items	<b>44,833</b>	<b>(74,626)</b>
	<b>75,991</b>	<b>3,237</b>
Financing activities:		
Repayment of long-term debt	(45,151)	(1,003)
Proceeds from Trust Unit issuances	—	222
Distributions paid	(24,182)	(36,159)
	<b>(69,333)</b>	<b>(36,940)</b>
Investing activities:		
Property, plant and equipment additions	(3,034)	(12,840)
Proceeds on sale of property, plant and equipment	1,297	3,002
Purchase of investments	—	(1,225)
Other assets	20	75
	<b>(1,717)</b>	<b>(10,988)</b>
Change in cash	<b>4,941</b>	<b>(44,691)</b>
Cash, beginning of period	<b>291</b>	<b>79,155</b>
Cash, end of period	<b>\$ 5,232</b>	<b>\$ 34,464</b>
Supplemental cash flow information:		
Interest paid	\$ 4,306	\$ 3,982
Income taxes paid (received)	\$ 1,751	\$ (1,242)

See accompanying notes to the consolidated financial statements

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Three month period ended March 31, 2009 and 2008 (unaudited))

(Tabular amounts in thousands, except unit and per unit amounts)

---

### 1. Significant Accounting Policies

These consolidated financial statements are prepared in accordance with Canadian Generally Accepted Accounting Principles ("GAAP"). Management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from these estimates.

#### (a) Basis of Presentation

Mullen Group Income Fund ("Mullen" and/or the "Fund") is an unincorporated investment trust. The business of the Fund is held in wholly-owned subsidiaries and limited partnerships. The business of Mullen is a diversified transportation and oilfield service organization with its activities divided into two distinct business segments; Oilfield Services and Trucking/Logistics.

The Fund is an unincorporated open-ended investment trust governed by the laws of the Province of Alberta and created pursuant to a declaration of trust dated as of June 3, 2005. Pursuant to the provisions of section 193 of the Business Corporations Act (Alberta), Mullen Transportation Inc. ("Mullen Transportation"), Mullen Acquisition Corp. ("Acquisition Co."), certain subsidiaries of MTI and certain other corporations were amalgamated, effective as of July 1, 2005 to form MT Investments Inc. ("MT"). MT is wholly-owned by Mullen Co. Limited Partnership ("MCLP"). MCLP is approximately 77 percent owned by Mullen Holding Trust ("MHT") and the balance of MCLP is owned by other third parties. MHT is wholly-owned by the Fund. CIBC Mellon Trust Company has been appointed Trustee under the Fund. The beneficiaries of the Fund are the holders of the trust units ("Trust Units") issued by the Fund ("unitholders").

The consolidated financial statements include the accounts of the Fund, its subsidiaries and its limited partnerships. The accompanying audited consolidated financial statements for the Fund have been prepared in accordance with GAAP for consolidated financial statements.

Certain comparative figures have been reclassified to conform to the current financial statement presentation.

#### (b) Changes in Accounting Policies

Effective January 1, 2009, the Fund adopted the Canadian Institute of Chartered Accountants ("CICA") Handbook, Section 3064, Goodwill and Intangible Assets. This section provides guidance on the recognition, measurement, presentation and disclosure for goodwill and intangible assets, other than the initial recognition of goodwill or intangible assets acquired in a business combination. Retroactive application to prior-period financial statements will be required. The Fund has assessed the impact of this standard and noted no impact to its goodwill or intangible assets.

#### *International Financial Reporting Standards*

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

The Fund began planning the transition from current Canadian GAAP to IFRS, in 2008, by establishing a project plan and a project team. The project team is led by senior finance members that provide overall project governance, management and support. Members also include representatives from various areas of the organization as necessary and external advisors that have been engaged to assist in the IFRS conversion project. The team reports quarterly to the Audit Committee of the Fund.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(Three month period ended March 31, 2009 and 2008 (unaudited))

(Tabular amounts in thousands, except unit and per unit amounts)

---

**1. Significant Accounting Policies, (continued)**

The project plan consists of three phases: the initial assessment, detailed assessment and design, and implementation. The Fund has completed the initial assessment phase which included the development of a detailed timeline, the completion of a high level review of the major differences between current Canadian GAAP and IFRS, and an initial evaluation of IFRS 1 transition exemptions. The initial assessment also included education and training sessions for project team members and discussions with the Fund's external auditors and advisors.

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

During the implementation phase, the Fund will implement the identified changes to business processes, financial systems, accounting policies, disclosure controls and internal controls over financial reporting.

The Fund continues to assess the financial reporting impacts of converting to IFRS and, at this time, the impact on future financial position and results of operations is not reasonably determinable or estimable.

**2. Seasonality of Operations**

A significant portion of the Fund's operations relates to the moving of heavy equipment, drilling rigs and drilling supplies such as oilfield fluids, tubulars and drilling mud and providing services such as conductor pipe-setting, core drilling and case setting, in northern and western Canada. The Fund's earnings are influenced significantly by the seasonal activity pattern of western Canada's oil and natural gas exploration industry whereby activity peaks in the winter months and declines during the spring. 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 exploration and production companies and corresponding declines in the demand for the goods and services of the Fund. As a result, the demand for these services is traditionally highest in the first quarter and lowest in the second quarter.

**3. Distributions Payable**

The Fund declared distributions of \$18.1 million during the three month period ended March 31, 2009. Total distributions paid were \$24.2 million. The distributions payable is \$6.0 million which relates to the \$0.075 per unit of distributions declared for holders of record on March 31, 2009.

**4. Long-Term Debt**

As at March 31, 2009, the Fund had long-term debt of \$482.7 million and current portion of long-term debt of \$3.0 million. The Fund also has available a \$150.0 million extendible revolving 364-day term facility convertible to a one year reducing facility. Interest on the 364-day term facility is payable monthly and is based on either the bank prime rate or bankers' acceptance rates plus a prime acceptance fee which varies from 0.85 percent to 2.0 percent per annum based upon achieving certain financial ratios. At March 31, 2009, \$20.0 million was drawn on this facility.

**5. Income Taxes**

The Fund and its subsidiaries follow the liability method of accounting for future income taxes. Under the liability method, future income tax assets and liabilities are determined based on "temporary differences" (differences between the accounting basis and the tax basis of the assets and liabilities), and are measured using the currently enacted, or substantively enacted, tax rates and laws expected to apply when these differences reverse. The effect of a change in income tax rates on future tax liabilities and assets is recognized in income during the period in which the change occurs.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS***(Three month period ended March 31, 2009 and 2008 (unaudited))**(Tabular amounts in thousands, except unit and per unit amounts)***5. Income Taxes (continued)**

The provision for income taxes differs from the amounts which would be obtained by applying the expected Canadian statutory tax rates as follows:

	<b>2009</b>	2008
Income before income taxes and earnings from equity investments	\$ 35,068	\$ 53,420
Income tax rate	30%	31%
Computed expected income tax expense	10,520	16,560
Add (less):		
Tax related to income allocated to unitholders	(8,111)	(13,044)
Non-deductible unit-based compensation	53	193
Non-taxable portion of unrealized foreign exchange loss	1,410	47
Other	284	852
Provision for income taxes	\$ 4,156	\$ 4,608

At March 31, 2009, the Fund owned six businesses for which the operating results flowed through to the Fund because such businesses were flow-through entities not owned by MT, the Fund's subsidiary compared to eight businesses not owned by MT at March 31, 2008. Current temporary income tax differences between the projected book value and the tax value of certain assets of these businesses, as at January 1, 2011, were \$23.6 million (2007 - \$28.0 million). As a result of the legislation affecting tax on SIFT entities, the Fund recorded future tax of \$7.3 million in 2009 (2008 - \$8.0 million).

**6. Unitholders' Capital****Trust Units:****Authorized: Unlimited Number**

	# of Trust Units	Amount
Balance at December 31, 2008	61,858,140	\$ 842,960
Units issued on exchange of B Units	7,448	136
Balance at March 31, 2009	61,865,588	\$ 843,096

**MCLP Class B Units\*:****Authorized: Unlimited Number**

	# of B Units	Amount
Balance at December 31, 2008	18,747,157	\$ 342,861
Exchanged for Trust Units	(7,448)	(136)
Balance at March 31, 2009	18,739,709	\$ 342,725

*\*B Units are exchangeable for Trust Units on a one for one basis*

**Summary of Unitholders' Capital:**

	# of Units	Amount
Trust Units	61,865,588	\$ 843,096
B Units	18,739,709	342,725
Unitholders' capital at March 31, 2009	80,605,297	\$ 1,185,821

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS***(Three month period ended March 31, 2009 and 2008 (unaudited))**(Tabular amounts in thousands, except unit and per unit amounts)***7. Segmented Information**

The Fund conducts its business through wholly-owned subsidiaries, which are categorized into two business segments. The Oilfield Services segment primarily provides transportation services to the oil and natural gas industry which includes exploration and development companies and production and gas transmission companies. The Trucking/Logistics segment provides both long haul and local transportation services to customers in various industries. The following provides financial results by segment:

<b>Three month period ended March 31, 2009</b>	Oilfield Services	Trucking/ Logistics	Corporate	Intersegment eliminations		Total
				Oilfield Services	Trucking/ Logistics	
Revenue	\$ 209,090	\$ 104,591	\$ 477	\$ (1,648)	\$ (495)	\$ 312,015
Income before income taxes and earnings from equity investments	38,167	12,635	(15,734)	—	—	35,068
Depreciation	12,584	2,193	656	—	—	15,433
Amortization	3,650	956	7	—	—	4,613
Total assets	1,442,676	216,555	168,472	—	—	1,827,703
Capital expenditures <sup>(1)</sup>	2,736	2,014	19	—	(1,735)	3,034
Goodwill	770,955	73,465	—	—	—	844,420

<b>Three month period ended March 31, 2008</b>	Oilfield Services	Trucking/ Logistics	Corporate	Intersegment eliminations		Total
				Oilfield Services	Trucking/ Logistics	
Revenue	\$ 242,712	\$ 115,679	\$ 1,069	\$ (619)	\$ (787)	\$ 358,054
Income before income taxes and earnings from equity investments	52,071	13,857	(12,508)	—	—	53,420
Depreciation	12,499	2,240	688	—	—	15,427
Amortization	2,729	956	6	—	—	3,691
Total assets	1,375,217	232,712	189,605	—	—	1,797,534
Capital expenditures <sup>(1)</sup>	11,252	1,539	52	—	(3)	12,840
Goodwill	720,983	73,465	—	—	—	794,448

(1) Excludes business acquisitions

**8. Subsequent Events***Proposed Conversion*

On January 13, 2009, the Fund announced its intention to convert from an income trust to a growth-orientated corporation (the "Conversion"). The Board of Directors of Mullen Group Inc., as administrator of the Fund, based on its review, unanimously approved the proposed Conversion. The Board concluded that the Conversion is in the best interests of Mullen and its holders of Trust Units and the holders of MCLP Class B Units (collectively, "Securityholders") and unanimously recommended that Securityholders vote their Mullen Trust Units and MCLP Class B Units in favour of the Conversion. The Securityholders will receive one common share of a newly formed corporation ("Mullen Group Ltd.") for each Mullen Trust Unit or MCLP Class B Unit. The final result of the Conversion will be that Mullen Group Ltd. will have approximately 80.6 million issued and outstanding common shares. The Conversion is subject to receipt of all required approvals, including court, stock exchange, regulatory and bank and approval by at least 66⅔ percent of the votes cast by Securityholders of Mullen, voting together as a single class.

A management proxy circular was mailed to Securityholders in late March in connection with the Conversion and other matters to be considered at an annual and special meeting of the Fund to be held on April 29, 2009. The Fund expects, subject to receipt of required approvals, that the Conversion will be effective by May 1, 2009.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

*(Three month period ended March 31, 2009 and 2008 (unaudited))*

*(Tabular amounts in thousands, except unit and per unit amounts)*

---

**8. Subsequent Events (continued)**

*Convertible Subordinated Debentures*

On March 4, 2009, the Fund announced it intends to sell up to \$125.0 million aggregate principal amount of 10.0 percent convertible subordinated debentures at a price of \$1,000 per Debenture (the "Offering"). The proceeds of the Offering will be used for working capital and for general corporate purposes.

It is anticipated that closing of the Offering will occur concurrently with or immediately prior to the closing of the proposed plan of arrangement resulting in the Conversion of the Fund to a corporation, which is currently scheduled for May 1, 2009. It is anticipated that the Debentures will mature on July 1, 2018 and bear interest at 10.0 percent per annum payable quarterly commencing June 30, 2009.

## CORPORATE INFORMATION

### DIRECTORS AND OFFICERS

Murray K. Mullen  
Chairman, Chief Executive Officer and Director

Alan D. Archibald<sup>(1), (2)</sup>  
Director

Greg Bay<sup>(1), (2)</sup>  
Director

Steven C. Grant<sup>(1), (2)</sup>  
Director

Dennis J. Hoffman, CA<sup>(1), (2)</sup>  
Director

Stephen H. Lockwood, Q.C.  
President, Co-Chief Executive Officer and  
Director

Richard Peterson  
Director

Patrick Powell  
Director

Bruce W. Simpson<sup>(1), (2)</sup>  
Director

David E. Olson  
Vice President, Finance and Chief Financial  
Officer

Bruce W. Mullen  
Senior Vice President

Roberta A. Wheatcroft  
Corporate Secretary

- (1) Member of the Audit Committee  
(2) Member of the Compensation,  
Nomination and Governance Committee

### CORPORATE HEAD OFFICE

Mullen Group Inc.  
Chimney Rock Centre  
121A, 31 Southridge Drive  
Okotoks, Alberta T1S 2N3  
Telephone: (403) 995-5200  
Canada/U.S.: 1-866-995-7711  
Facsimile: (403) 995-5296  
Internet: [www.mullen-group.com](http://www.mullen-group.com)  
Email: [IR@mullen-group.com](mailto:IR@mullen-group.com)

### BANKER

The Royal Bank of Canada  
Calgary, Alberta

### LAWYERS

Burnet, Duckworth & Palmer LLP  
Calgary, Alberta

### AUDITORS

KPMG LLP  
Calgary, Alberta

### STOCK EXCHANGE

Toronto Stock Exchange  
Trading Symbol: MTL.UN

### TRANSFER AGENT AND REGISTRAR

CIBC Mellon Trust Company  
Calgary, Alberta  
Telephone: (403) 232-2400  
North America: 1-800-387-0825  
Outside North America: 1-416-643-5000  
Internet: [www.cibcmellon.com](http://www.cibcmellon.com)



121A - 31 Southridge Drive  
Okotoks, Alberta T1S 2N3  
[www.mullen-group.com](http://www.mullen-group.com)