Q1 2010

VERMILION ENERGY TRUST

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED MARCH 31, 2010

DISCLAIMER

Certain statements included or incorporated by reference in this document may constitute forward-looking statements under applicable securities legislation. Forward-looking statements or information typically contain statements with words such as "anticipate", "believe", "expect", "plan", "intend", "estimate", "propose", or similar words suggesting future outcomes or statements regarding an outlook. Forward looking statements or information in this document may include, but are not limited to:

- capital expenditures;
- business strategy and objectives;
- reserve quantities and the discounted present value of future net cash flows from such reserves;
- net revenue;
- future production levels;
- exploration plans;
- development plans;
- acquisition and disposition plans and the timing thereof;
- operating and other costs;
- royalty rates and the expected impact of changes thereto on Vermilion;
- the timing of Vermilion's proposed conversion to a corporation and proposed dividend policy and the anticipated implications of such conversion to Vermilion or its Unitholders;
- Vermilion's additional future payment in connection with the Corrib acquisition;
- the timing of first commercial gas from the Corrib field;
- the decision of the Corrib joint venture consortium to drill an exploratory well at the Corrib field and the timing thereof; and
- estimate of Vermilion's share of the expected gas rates from the Corrib field.

Such forward-looking statements or information are based on a number of assumptions which may prove to be incorrect. In addition to any other assumptions identified in this document, assumptions have been made regarding, among other things:

- the ability of the Trust to obtain equipment, services and supplies in a timely manner to carry out its activities in Canada and internationally;
- the ability of the Trust to market oil and natural gas successfully to current and new customers;
- the timing and costs of pipeline and storage facility construction and expansion and the ability to secure adequate product transportation;
- the timely receipt of required regulatory approvals;
- the ability of the Trust to obtain financing on acceptable terms;
- currency, exchange and interest rates; and
- future oil and gas prices.

Although the Trust believes that the expectations reflected in such forward-looking statements or information are reasonable, undue reliance should not be placed on forward looking statements because the Trust can give no assurance that such expectations will prove to be correct. Forward-looking statements or information are based on current expectations, estimates and projections that involve a number of risks and uncertainties which could cause actual results to differ materially from those anticipated by the Trust and described in the forward looking statements or information. These risks and uncertainties include but are not limited to:

- the ability of management to execute its business plan;
- the risks of the oil and gas industry, both domestically and internationally, such as operational risks in exploring for, developing and producing crude oil and natural gas and market demand;
- risks and uncertainties involving geology of oil and gas deposits;
- risks inherent in the Trust's marketing operations, including credit risk;
- the uncertainty of reserves estimates and reserves life;
- the uncertainty of estimates and projections relating to production, costs and expenses;
- potential delays or changes in plans with respect to exploration or development projects or capital expenditures;
- the Trust's ability to enter into or renew leases;
- fluctuations in oil and gas prices, foreign currency exchange rates and interest rates;
- health, safety and environmental risks;
- uncertainties as to the availability and cost of financing;
- the ability of the Trust to add production and reserves through development and exploration activities;
- general economic and business conditions;
- the possibility that government policies or laws may change or governmental approvals may be delayed or withheld;
- uncertainty in amounts and timing of royalty payments;
- risks associated with existing and potential future law suits and regulatory actions against the Trust; and
- other risks and uncertainties described elsewhere in this document or in the Trust's other filings with Canadian securities authorities.

The forward-looking statements or information contained in this document are made as of the date hereof and the Trust undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless required by applicable securities laws.

Certain natural gas volumes have been converted on the basis of six thousand cubic feet of gas to one barrel equivalent of oil. Barrels of oil equivalent (boe) may be misleading, particularly if used in isolation. A boe conversion ratio of six thousand cubic feet to one barrel of oil is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following is Management's Discussion and Analysis ("MD&A") dated May 5, 2010 of Vermilion's operating and financial results as at and for the three month period ended March 31, 2010 compared with the corresponding period in the prior year. This discussion should be read in conjunction with the unaudited interim consolidated financial statements for the period ended March 31, 2010 and the Trust's audited consolidated financial statements for the years ended December 31, 2009 and 2008, together with accompanying notes, as contained in the Trust's 2009 Annual Report.

The financial data contained within this MD&A has been prepared in accordance with Canadian Generally Accepted Accounting Principles ("GAAP" or "Canadian GAAP") and are reported in Canadian dollars, unless otherwise stated.

NON-GAAP MEASURES

This report includes non-GAAP measures as further described herein. These measures do not have standardized meanings prescribed by GAAP and therefore may not be comparable with the calculations of similar measures for other entities.

"Fund flows from operations" represents cash flows from operating activities before changes in non-cash operating working capital and asset retirement costs incurred. Management considers fund flows from operations and per unit calculations of fund flows from operations (see discussion relating to per unit calculations below) to be key measures as they demonstrate the Trust's ability to generate the cash necessary to pay distributions, repay debt, fund asset retirement costs and make capital investments. Management believes that by excluding the temporary impact of changes in non-cash operating working capital, fund flows from operations provides a useful measure of the Trust's ability to generate cash that is not subject to short-term movements in operating working capital. The most directly comparable GAAP measure is cash flows from operating activities. Cash flows from operating activities as presented in the Trust's consolidated statements of cash flows is reconciled to fund flows from operations below:

	Three Months Ended		
($M)	Mar 31, 2010	Dec 31, 2009	Mar 31, 2009
Cash flows from operating activities	$ 80,237	$ 84,184	$ 54,684
Changes in non-cash operating working capital	(1,876)	4,982	11,075
Asset retirement costs incurred	-	4,854	2,651
Fund flows from operations	$ 78,361	$ 94,020	$ 68,410

"Acquisitions, including acquired working capital deficiency" is the sum of "Acquisition of petroleum and natural gas properties" and "Corporate acquisition, net of cash acquired" as presented in the Trust's consolidated statements of cash flows plus any working capital deficiencies acquired as a result of those acquisitions. Management considers acquired working capital deficiencies to be an important element of a property or corporate acquisition. Acquisitions, including acquired working capital deficiency, is reconciled below:

	Three Months Ended	
($M)	Mar 31, 2010	Dec 31, 2009
Acquisition of petroleum and natural gas properties	$ 2,897	$ 16,914
Corporate acquisition, net of cash acquired	-	-
Working capital deficiencies acquired from investments and acquisitions (see financial statement notes for relevant period)	-	-
Acquisitions, including acquired working capital deficiency	$ 2,897	$ 16,914

"Net debt" is the sum of long-term debt and working capital excluding the amount due pursuant to acquisition as presented in the Trust's consolidated balance sheets. Net debt is used by management to analyze the financial position and leverage of the Trust. Net debt is reconciled below to long-term debt which is the most directly comparable GAAP measure:

($M)		As At Mar 31, 2010		As At Dec 31, 2009		As At Mar 31, 2009
Long-term debt	$	205,277	$	159,723	$	168,255
Current liabilities		217,060		217,563		205,188
Current assets		(221,360)		(256,886)		(140,832)
Net debt	$	200,977	$	120,400	$	232,611

"Cash distributions per unit" represents actual cash distributions paid per trust unit by the Trust during the relevant periods.

"Net distributions" is calculated as distributions declared for a given period less proceeds received by the Trust pursuant to the Distribution Reinvestment Plan ("DRIP"). Distributions both before and after DRIP are reviewed by management and are also assessed as a percentage of fund flows from operations to analyze how much of the cash that is generated by the Trust is being used to fund distributions. Net distributions is reconciled below to distributions declared, the most directly comparable GAAP measure:

						Three Months Ended
($M)		Mar 31, 2010		Dec 31, 2009		Mar 31, 2009
Distributions declared	$	45,528	$	45,019	$	40,173
Issue of trust units pursuant to the DRIP		(7,380)		-		-
Net distributions	$	38,148	$	45,019	$	40,173

"Total net distributions, capital expenditures, reclamation fund contributions or withdrawals and asset retirement costs incurred" is calculated as net distributions as determined above plus the following amounts for the relevant periods from the Trust's consolidated statements of cash flows: "Drilling and development of petroleum and natural gas properties", "Withdrawals from (contributions) to reclamation fund" and "Asset retirement costs incurred." This measure is reviewed by management and is also assessed as a percentage of fund flows from operations to analyze the amount of cash that is generated by the Trust that is available to repay debt and fund potential acquisitions. This measure is reconciled to the relevant GAAP measures below:

						Three Months Ended
($M)		Mar 31, 2010		Dec 31, 2009		Mar 31, 2009
Distributions declared	$	45,528	$	45,019	$	40,173
Issue of trust units pursuant to the DRIP		(7,380)		-		-
Drilling and development of petroleum and natural gas properties		119,896		75,458		39,918
Withdrawals from (contributions to) to reclamation fund		-		-		-
Asset retirement costs incurred		-		4,854		2,651
	$	158,044	$	125,331	$	82,742

"Netbacks" are per unit of production measures used in operational and capital allocation decisions.

"Adjusted basic trust units outstanding" and "Adjusted basic weighted average trust units outstanding" are used in the per unit calculations on the Highlights schedule of this document and are different from the most directly comparable GAAP figures in that they include amounts related to outstanding exchangeable shares at the period end exchange ratio. As the exchangeable shares will eventually be converted into units of the Trust, management believes that their inclusion in the calculation of basic rather than only in diluted per unit statistics provides meaningful information.

"Diluted trust units outstanding" is the sum of "Adjusted basic trust units outstanding" as described above plus outstanding awards under the Trust's Unit Rights Incentive Plan and the Trust Unit Award Incentive Plan, based on current performance factor estimates.

These measures are reconciled to the relevant GAAP measures below:

	Three Months Ended	
	Mar 31, 2010	Dec 31, 2009
Basic weighted average trust units outstanding	79,710,068	72,405,606
Trust units issuable pursuant to exchangeable shares outstanding	7,338,930	7,279,431
Adjusted basic weighted average trust units outstanding	87,048,998	79,685,037

	Three Months Ended	
	Mar 31, 2010	Dec 31, 2009
Trust units outstanding	80,409,833	79,523,028
Trust units issuable pursuant to exchangeable shares outstanding	7,337,727	7,219,261
Adjusted basic trust units outstanding	87,747,560	86,742,289
Potential trust units issuable pursuant to unit compensation plans	1,363,253	1,497,422
Diluted trust units outstanding	89,110,813	88,239,711

OPERATIONAL ACTIVITIES

Canada

In Canada, Vermilion participated in the drilling of 23 wells (19.9 net) during the first quarter of 2010. Activities included the drilling of five gas wells (3 net) with two coming on production late in the quarter. Five Cardium oil wells (5 net) were drilled during the quarter of which three were completed and subsequently tied-in after the end of the first quarter. The remaining two Cardium oil wells were awaiting completion following spring break-up. The remaining 13 wells (12 net) were CBM wells that were drilled to take advantage of drilling credits available during the period.

France

In France, Vermilion initiated drilling of the Les Mimosas 2 well in the Aquitaine Basin. Drilling remained in progress at the end of the first quarter of 2010. This well is being drilled to improve the recovery of oil from this single well pool that was discovered in 2004. Vermilion plans to maintain an active workover and recompletion program across its properties in France to hold production relatively flat while it continues preparations for its CO_2 injection pilot in 2011 and furthers its evaluation of the Lias shale and other resource plays in the region with a view to potential commercial production in the years ahead.

Netherlands

In the Netherlands, Vermilion completed the De Hoeve-1 exploration well, which tested at gross rates of more than 20 mmcf/d. Vermilion continued to work towards receipt of permitting and regulatory approvals in anticipation of a four to six well drilling program to be initiated in 2011. Further work also continued with respect to identification and delineation of further drilling prospects in the region. Two of the four highly successful wells drilled as part of the 2009 drilling program were initially brought on at restricted rates late in the first quarter and are now producing in excess of 2,000 boe/d with the remaining two wells targeted for first production in the third quarter of 2011.

Australia

Vermilion continued preparations to drill three wells in the Wandoo Field in the third quarter of 2010 based on the continued strong performance of the two wells drilled in December 2008.

PRODUCTION

Average production in Canada during the first quarter of 2010 was 11,514 boe/d comprised of 3,682 bbls/d of oil and NGLs and 47.0 mmcf/d of natural gas compared to 12,008 boe/d, comprised of 3,744 bbls/d of oil and NGLs and 49.6 mmcf/d of natural gas, during the comparable quarter in 2009. The year over year decrease of 4.1% was largely attributable to a continuing reduction in natural gas sales and production additions due to weak North American natural gas prices. This compares with a 4.5% increase from 11,021 boe/d in the fourth quarter 2009, comprised of 3,510 bbls/d of oil and NGLs and 45.1 mmcf/d of natural gas. The increase primarily reflected the tie-in of production related to our fourth quarter 2009 drilling activities. Canadian production is expected to increase in 2010 with the acceleration of Vermilion's resource related development activity.

Production in France averaged 8,057 boe/d in the first quarter of 2010, 4% lower than average first quarter 2009 and fourth quarter 2009 production of 8,395 boe/d and 8,407 boe/d, respectively. The year over year and quarter over quarter decreases were largely attributable to a minor outage experienced during the first quarter of 2010. France production is expected to decrease marginally in 2010 due to natural production declines offset to some extent by continuing workover and recompletion activities.

Production in the Netherlands averaged 3,519 boe/d in the first quarter of 2010. This represents a year over year decrease of 10.6% versus 3,936 boe/d in the first quarter of 2009, and a quarter over quarter increase of 1.6% versus 3,464 boe/d during the fourth quarter of 2009. The year over year decrease reflects natural production declines while the quarter over quarter increase reflects the partial impact of production additions from the Middelburen-2 well (drilled in 2009) which was brought on production late in the first quarter of 2010. Netherlands production is expected to increase sharply in the second quarter of 2010 due to the full impact of production additions from both Middelburen-2 and the Middenmeer-3 wells with further gains in 2011 as the Vinkega-1 and De Hoeve-1 wells are brought on stream.

Australia production averaged 7,094 boe/d in the first quarter of 2010, compared to 8,612 boe/d in the first quarter of 2009, a decrease of 17.6% largely attributable to natural production declines on existing wells and a decline from flush production recorded in the first quarter of 2009 in relation to the December 2008 drilling program. This compares to relatively flat production quarter over quarter of 7,124 boe/d in the fourth quarter 2009. Upon success of the 2010 drilling program, it is anticipated that Australian production will increase late in the year as related production is brought on stream.

	Three Months Ended March 31, 2010				Three Months Ended March 31, 2009			
	Oil & NGLs (bbls/d)	Natural Gas (mmcf/d)	Total (boe/d)	%	Oil & NGLs (bbls/d)	Natural Gas (mmcf/d)	Total (boe/d)	%
Canada	3,682	46.99	11,514	38	3,744	49.58	12,008	37
France	7,900	0.94	8,057	27	8,223	1.04	8,395	25
Netherlands	25	20.97	3,519	12	24	23.47	3,936	12
Australia	7,094	-	7,094	23	8,612	-	8,612	26
Total Production	18,701	68.90	30,184	100	20,603	74.09	32,951	100

FINANCIAL REVIEW

During the three month period ended March 31, 2010, the Trust generated fund flows from operations of $78.4 million. For the same period in 2009, the Trust generated fund flows from operations of $68.4 million. The year over year increase in fund flows from operations of $10.0 million is primarily the result of increased revenue associated with stronger oil prices partially offset by increases in the Trust's cost structure. The GAAP measure, cash flows from operating activities similarly increased year over year to $80.2 million for the three month period ended March 31, 2010 versus $54.7 million for the same period in 2009.

During the three month period ended March 31, 2010, the price of WTI crude oil averaged US $78.72 per bbl (three month period ended March 31, 2009, US $43.08 per bbl). For the three month period ended March 31, 2010, the AECO price for gas averaged $4.95 per mcf (three month period ended March 31, 2009, $4.92 per mcf).

The Trust's net debt was $201.0 million at March 31, 2010 (December 31, 2009 - $120.4 million) representing 64.1% of first quarter annualized fund flows from operations. The Trust's long-term debt at March 31, 2010 was $205.3 million (December 31, 2009 - $159.7 million). These quarter over quarter increases are a function of Vermilion's significant Canadian land acquisitions during the first quarter of 2010.

For the three month period ended March 31, 2010, total net distributions, capital expenditures (excluding those on the Corrib project), reclamation fund contributions or withdrawals and asset retirement costs incurred as a percentage of fund flows from operations was 181.4% (three month period ended March 31, 2009, 121.0%). The year over year increase in this ratio relates to Vermilion's land acquisition activity during the first quarter of 2010.

CAPITAL EXPENDITURES

Total capital spending, including acquisitions for the three month period ended March 31, 2010 was $122.8 million (three month period ended March 31, 2009, $45.0 million).

Capital spending has increased as a result of significant land acquisitions associated with Vermilion's focus on Western Canadian resource plays. Post acquisition capital costs on the Corrib project of $15.9 million also contributed to the higher levels of capital spending year over year. These Corrib project costs are primarily related to the completion of the facilities necessary to bring the gas on-stream.

	Three Months Ended	
($M)	Mar 31, 2010	Mar 31, 2009
Land	$ 51,048	$ 1,461
Seismic	1,429	474
Drilling and completion	28,276	15,899
Production equipment and facilities	24,632	9,687
Recompletions	6,633	4,931
Other	7,878	7,466
	119,896	39,918
Acquisitions (excluding acquired working capital deficiency)	2,897	5,046
Total	$ 122,793	$ 44,964

REVENUE

Revenue for the three month period ended March 31, 2010 was $169.6 million (three month period ended March 31, 2009, $146.2 million).

Vermilion's combined crude oil and NGLs price was $79.30 per boe in the first quarter of 2010, an increase of 53.2% over the $51.76 per boe reported in the first quarter of 2009. The realized natural gas price was $5.82 per mcf in the first quarter of 2010, compared to $7.54 per mcf in the first quarter of 2009, a 22.8% decrease year over year. Although Canadian gas prices were relatively stable, Vermilion's realized price for gas in the Netherlands decreased from $12.21 per mcf in the first quarter of 2009 to $6.49 per mcf in the first quarter of 2010 as a result of the delayed impact of historical commodity prices in the Netherlands gas pricing formula, as well as annual modifications to that formula and the strengthening of the Canadian dollar relative to the Euro. Vermilion's higher revenue year over year was primarily driven by stronger oil prices in the first quarter of 2010 versus 2009.

	Three Months Ended	
($M except per boe and per mcf)	Mar 31, 2010	Mar 31, 2009
Crude oil & NGLs	$ 133,465	$ 95,985
Per boe	79.30	51.76
Natural gas	36,116	50,251
Per mcf	5.82	7.54
Petroleum and natural gas revenue	$ 169,581	$ 146,236
Per boe	$ 62.43	$ 49.31

The following table summarizes Vermilion's ending inventory positions for France and Australia for the most recent four quarters:

	As at Mar 31, 2010	As at Dec 31, 2009	As at Sep 30, 2009	As at Jun 30, 2009
France (bbls)	179,404	167,962	147,043	151,488
France ($M)	$ 5,448	$ 5,068	$ 4,459	$ 4,706
Australia (bbls)	61	5,387	246,311	137,518
Australia ($M)	$ 2	$ 167	$ 7,499	$ 4,143

DERIVATIVE INSTRUMENTS

Vermilion manages a component of its risk exposure through commodity and currency economic hedging strategies. Vermilion had the following financial derivatives in place at March 31, 2010:

Risk Management: Oil	Funded Cost	bbls/d	US $/bbl
Collar - WTI			
April 2010 - October 2010	US $0.00/bbl	750	$ 72.00 - $ 95.00
2010	US $0.00/bbl	750	$ 72.00 - $ 95.00
2010	US $0.00/bbl	1,500	$ 70.00 - $ 97.80
2010	US $1.00/bbl	1,500	$ 72.00 - $ 99.00
2010	US $1.00/bbl	1,500	$ 72.00 - $100.65
2010	US $1.50/bbl	750	$ 70.00 - $ 97.40
2010	US $1.50/bbl	750	$ 69.00 - $ 90.15
Call Spread - BRENT			
2010	US $4.94/bbl	1,100	$ 65.00 - $ 85.00
2011	US $6.08/bbl	960	$ 65.00 - $ 85.00
2010	US $5.64/bbl	700	$ 65.00 - $ 85.00
2011	US $5.15/bbl	600	$ 65.00 - $ 85.00
Risk Management: Natural Gas	**Funded Cost**	**GJ/d**	**$/GJ**
SWAP - AECO			
April 2010 - October 2010	$0.00/GJ	5,000	$ 5.28
April 2010 - October 2010	$0.00/GJ	5,000	$ 5.30
January 2010 - October 2011	$0.00/GJ	700	$ 5.13
Put - AECO			
April 2010 - October 2010	$0.35/GJ	10,000	$ 4.50

The impact of Vermilion's economic hedging program increased the fund flows netback for the three months ended March 31, 2010 by $0.45 per boe. This compares to an increase of $0.75 per boe in the funds flows netback for the three months ended March 31, 2009.

ROYALTIES

Consolidated royalties for the three month period ended March 31, 2010 were $10.34 per boe compared to $7.32 per boe in the first quarter of 2009. As a percent of revenue for the three month period ended March 31, 2010, royalties were 16.6% as compared to 14.8% in the first quarter of 2009.

In Australia, royalties, as a percentage of revenue for the three month period ended March 31, 2010 were 28.2% (three month period ended March 31, 2009, 25.6%). The year over year increase is attributable to the impact of higher commodity pricing in the royalty formula.

In Canada, royalties as a percent of revenue for the three month period ended March 31, 2010 were 19.5% (three month period ended March 31, 2009, 16.8%). The year over year increase is attributable to the impact of higher commodity prices in 2010 versus the same period in 2009.

In France, a portion of the royalties levied is based on units of production and therefore is not subject to changes in commodity prices. Accordingly, as commodity prices were higher for the three month period ended March 31, 2010 compared to the same period in 2009, royalties, as a percent of revenue, decreased to 6.7% from 10.2% year over year.

Production in the Netherlands is not subject to royalties.

	Three Months Ended	
($M except per boe and per mcf)	Mar 31, 2010	Mar 31, 2009
Crude oil & NGLs	$ 25,006	$ 18,234
Per boe	14.86	9.83
Natural gas	3,091	3,466
Per mcf	0.50	0.52
Royalties	$ 28,097	$ 21,700
Per boe	$ 10.34	$ 7.32

In March 2010, the Alberta government amended its resource royalty structure by making permanent the current maximum 5% front end rate on natural gas and conventional oil wells. Vermilion expects to benefit from this change as it increases its level of Canadian drilling activity over the next few years.

OPERATING COSTS

Consolidated operating costs for the three month period ended March 31, 2010 were $13.38 per boe (three month period ended March 31, 2009, $11.52 per boe). Canadian operating costs decreased to $9.48 per boe for the first quarter of 2010 as compared $10.38 per boe for the same period in the prior year as a result of lower gas processing costs, higher operating fee income and the timing of well intervention work.

Operating costs in France increased for the three month period ended March 31, 2010 to $14.97 per boe compared to $12.81 per boe in the first quarter of 2009 as a result of higher levels of downhole maintenance spending.

Australian operating costs increased to $17.84 per boe for the three month period ended March 31, 2010 compared to $10.30 per boe for the first quarter of 2009. The increase is attributable to higher planned maintenance costs related to replacing a bearing on the platform's CALM buoy coupled with lower production levels.

In the Netherlands, operating costs decreased to $13.47 per boe for the three month period ended March 31, 2010 as compared to $14.94 per boe for the same period in the prior year due to lower fuel and electricity costs during the first quarter of 2010.

	Three Months Ended	
($M except per boe and per mcf)	Mar 31, 2010	Mar 31, 2009
Crude oil & NGLs	$ 25,324	$ 21,320
Per boe	15.05	11.50
Natural gas	11,011	12,847
Per mcf	1.78	1.93
Operating	$ 36,335	$ 34,167
Per boe	$ 13.38	$ 11.52

TRANSPORTATION

Transportation costs are a function of the point of legal transfer of the product and are dependent upon where the product is sold, product split, location of properties as well as industry transportation rates that are driven by supply and demand of available transport capacity. For Canadian gas production, legal title transfers at the intersection of major pipelines whereas the majority of Vermilion's Canadian oil production is sold at the wellhead. In France, the majority of Vermilion's transportation costs are made up of shipping charges incurred in the Aquitaine Basin where oil production is transported by tanker from the Ambès terminal in Bordeaux to the refinery. In Australia, oil is sold at the Wandoo B platform and in the Netherlands, gas is sold at the plant gate, resulting in no transportation costs relating to Vermilion's production in these countries.

Transportation costs increased during the first quarter of 2010 compared to the same period in the prior year as a result of ship or pay pipeline tariff charges included in the 2010 results related to the Corrib project. As there is a ceiling on the total tariff payments due in relation to the pipeline, these costs essentially represent a prepayment for future pipeline transportation services.

	Three Months Ended	
($M except per boe)	Mar 31, 2010	Mar 31, 2009
Transportation	$ 6,949	$ 4,351
Per boe	$ 2.56	$ 1.47

GENERAL AND ADMINISTRATION EXPENSES

General and administration expense for the three month period ended March 31, 2010 was $3.74 per boe (three month period ended March 31, 2009, $2.29 per boe). The increase per boe from 2009 is associated with an overall increase in employee related costs, higher legal and advisory fees associated with a restructuring of Vermilion's international holding companies that will result in a more efficient corporate structure and lower production year over year. In addition, in preparation for Vermilion's transition to IFRS reporting, we have elected to expense certain general and administrative related costs that were previously capitalized.

	Three Months Ended	
($M except per boe)	Mar 31, 2010	Mar 31, 2009
General and administration	$ 10,153	$ 6,786
Per boe	$ 3.74	$ 2.29

UNIT BASED COMPENSATION EXPENSE

Non-cash unit based compensation expense for the three month period ended March 31, 2010 was $5.3 million (three month period ended March 31, 2009, $4.4 million). This expense relates to the value attributable to long-term incentives granted to officers, employees and directors under the Trust Unit Award Incentive Plan and the Trust's bonus plan.

Total unit based compensation expense has increased on a year over year basis due to the effect of Vermilion's increased unit price year over year on the Trust's bonus plan expense coupled with a 2009 change in the grant date of annual awards from March to April which reduced unit based compensation expense in the comparative period.

	Three Months Ended	
($M except per boe)	Mar 31, 2010	Mar 31, 2009
Unit based compensation expense	$ 5,307	$ 4,364
Per boe	$ 1.95	$ 1.47

INTEREST EXPENSE

Interest expense for the three month period ended March 31, 2010 was $3.0 million (three month period ended March 31, 2009 $1.8 million). Interest expense for the year to date period in 2010 has increased from the same period in 2009 despite similar average debt levels, as a result of higher average interest rates and increased facility fees.

	Three Months Ended	
($M except per boe)	Mar 31, 2010	Mar 31, 2009
Interest expense	$ 3,033	$ 1,779
Per boe	$ 1.12	$ 0.60

DEPLETION, DEPRECIATION AND ACCRETION EXPENSES

Depletion, depreciation and accretion expenses for the three month period ended March 31, 2010 were $21.01 per boe (three month period ended March 31, 2009, $21.22 per boe). Depletion, depreciation and accretion rates per boe remained consistent on a year over year basis.

	Three Months Ended	
($M except per boe)	Mar 31, 2010	Mar 31, 2009
Depletion, depreciation and accretion	$ 57,063	$ 62,918
Per boe	$ 21.01	$ 21.22

TAXES

Vermilion is subject to current taxes in France, the Netherlands and Australia. Current taxes for the three months ended March 31, 2010 increased slightly to $10.0 million as compared to $9.3 million for the same period in the prior year. This increase is mainly attributable to higher revenues year over year related to stronger oil prices.

	Three Months Ended	
($M except per boe)	Mar 31, 2010	Mar 31, 2009
Current taxes	$ 9,973	$ 9,318
Per boe	$ 3.67	$ 3.14

It is Vermilion's intention to convert from a trust into a corporation effective September 1, 2010, subject to unitholder approval and other required regulatory approvals. Management is completing its analysis to determine the final conversion plan and does not anticipate there will be any adverse tax implications to Vermilion or its unitholders associated with the conversion.

FOREIGN EXCHANGE

For the three month period ended March 31, 2010, a combined realized and unrealized foreign exchange gain of $19.6 million was recorded compared to a gain of $4.5 million in 2009. The combined gain through March 31, 2010 is comprised of a realized gain of $2.1 million associated with cash repatriations and an unrealized, non-cash gain of $17.6 million. The year to date unrealized gain is largely related to the translation to Canadian dollars of foreign currency denominated future income taxes and asset retirement obligations. Since December 31, 2009, the Canadian dollar has strengthened against the Euro resulting in this unrealized gain.

	Three Months Ended	
($M except per boe)	Mar 31, 2010	Mar 31, 2009
Foreign exchange (gain)	$ (19,645)	$ (4,495)
Per boe	$ (7.23)	$ (1.52)

EARNINGS

Net earnings for the three month period ended March 31, 2010 were $42.5 million or $0.53 per trust unit (three month period ended March 31, 2009, $19.9 million or $0.28 per trust unit). The increase in earnings in 2010 versus 2009 is due to higher revenue associated with stronger oil prices in 2010 as compared to the prior year.

SUMMARY OF QUARTERLY RESULTS

	2010 Q1	Q4	Q3	Q2	2009 Q1	Q4	Q3	2008 Q2
Petroleum and natural gas revenue	$ 169,581	$ 180,544	$ 150,183	$ 162,788	$ 146,236	$ 185,329	$ 245,712	$ 341,405
Net earnings	$ 42,508	$ 122,900	$ 17,834	$ 24,880	$ 19,884	$ 13,755	$ 86,949	$ 102,289
Net earnings per trust unit								
Basic	$ 0.53	$ 1.60	$ 0.25	$ 0.35	$ 0.28	$ 0.20	$ 1.24	$ 1.47
Diluted	$ 0.53	$ 1.59	$ 0.25	$ 0.35	$ 0.28	$ 0.19	$ 1.22	$ 1.44

LIQUIDITY AND CAPITAL RESOURCES

Vermilion’s net debt as at March 31, 2010 was $201.0 million compared to $120.4 million as at December 31, 2009.

As at March 31, 2010, the Trust had syndicated credit facilities allowing for maximum borrowings of $675 million comprised of a revolving facility and an acquisition facility. The revolving period under the revolving credit facility is expected to expire in June 2010 and may be extended for an additional period of up to 364 days at the option of the lenders. If the lenders convert the revolving credit facility to a non-revolving credit facility, the amounts outstanding under the facility become repayable 24 months after the end of the revolving period. The acquisition facility is a non-revolving, non-extendible facility permitting maximum borrowings of $100 million and is expected to mature in June 2010. Various borrowing options are available under the facilities including prime rate based advances and bankers’ acceptance loans.

The credit facilities are secured by various fixed and floating charges against subsidiaries of the Trust. Under the terms of the revolving credit facility, the Trust must maintain a ratio of total borrowings under the facility to consolidated earnings before interest, income taxes, depreciation, accretion and other certain non-cash items of not greater than 3.0. The Trust is in compliance with this covenant. Borrowings under the acquisition facility are subject to certain conditions including unanimous approval of all banks in the syndicate.

The amount available to the Trust under these facilities is reduced by outstanding letters of credit associated with the Trust’s operations totalling $5.3 million as at March 31, 2010. Through March 31, 2010, the Trust had not drawn on the acquisition facility.

In December 2009, Vermilion announced it was reinstating the DRIP effective January 15, 2010. Cash flows from financing activities for the three months ended March 31, 2010 included cash flows related to the issuance of trust units pursuant to the DRIP of $7.4 million and there were no proceeds related to the program in 2009.

RECLAMATION FUND

Vermilion has established a reclamation fund for the ultimate payment of environmental and site restoration costs on its asset base. The reclamation fund is funded by Vermilion Resources Ltd. and its operating subsidiaries. Contribution levels to the reclamation fund are reviewed on a regular basis and are adjusted when necessary to ensure that reclamation obligations associated with the Trust’s assets will be substantially funded when the costs are expected to be incurred.

As at March 31, 2010, the fair value of the reclamation fund was $66.0 million which was comprised of $19.5 million in cash and short term investments and $46.4 million in equity and debt securities. A portion of the cash and short term investments and all of the equity and debt securities are professionally managed by third parties. During the three month period ended March 31, 2010, no contributions or withdrawals were made to or from the reclamation fund.

ASSET RETIREMENT OBLIGATIONS

As at March 31, 2010, Vermilion’s asset retirement obligations were $231.1 million compared to $237.1 million as at December 31, 2009. The decrease is largely attributable to the impact of exchange rates on foreign currency denominated obligations.

DISTRIBUTIONS

Vermilion maintained monthly distributions at $0.19 per trust unit for the three month period ended March 31, 2010 and declared distributions totalling $45.5 million compared to $40.2 million for the same period in 2009.

Since inception, the Trust has declared $985.4 million in distributions to unitholders as compared to unitholders' capital of $740.3 million at March 31, 2010.

Sustainability of Distributions

($M)	Three Months Ended March 31, 2010	Year Ended Dec 31, 2009	Year Ended Dec 31, 2008	Year Ended Dec 31, 2007
Cash flows from operating activities	$ 80,237	$ 230,316	$ 660,135	$ 349,890
Net earnings	$ 42,508	$ 185,498	$ 229,189	$ 164,286
Distributions declared	$ 45,528	$ 166,385	$ 158,674	$ 136,389
Excess of cash flows from operating activities over cash distributions declared	$ 34,709	$ 63,931	$ 501,461	$ 213,501
(Shortfall) excess of net earnings over cash distributions declared	$ (3,020)	$ 19,113	$ 70,515	$ 27,897

Excess of cash flows from operating activities over cash distributions declared are used to fund capital expenditures, asset retirement costs, reclamation fund contributions and debt repayments. The current quarter shortfall of net earnings over distributions declared is a result of non-cash charges such as depletion, depreciation and accretion which have no immediate impact on distribution sustainability.

The Trust's policy with respect to distributions is to be conservative and retain a low payout ratio when comparing distributions to fund flows from operations. During low price commodity cycles, Vermilion will initially maintain distributions and allow the payout ratio to rise. Should the low price cycle remain for an extended period of time, the Trust will evaluate the necessity to change the level of distributions, taking into consideration capital development requirements, debt levels and acquisition opportunities.

Over the next two years, the Corrib project will require a significant capital investment by Vermilion. As such, the Trust's fund flows from operations may not be sufficient during this period to fund cash distributions, capital expenditures and asset retirement costs. The Trust currently intends to finance any shortfall primarily with debt.

Since Vermilion's conversion to a trust in January 2003, the distribution remained at $0.17 per unit per month until December 2007. Since then, the distribution has remained at $0.19 per unit per month.

UNITHOLDERS' EQUITY

During the three month period ended March 31, 2010, 886,805 trust units were issued pursuant to the conversion of exchangeable shares, the DRIP and the Trust's unit based compensation programs. Unitholders' capital increased by $28.6 million as a result of the issuance of those trust units.

As at May 5, 2010, there were 80,549,754 trust units outstanding.

NON-CONTROLLING INTEREST – EXCHANGEABLE SHARES

The Trust has recorded non-controlling interest attributed to the issued and outstanding exchangeable shares.

Non-controlling interest on the consolidated balance sheets represents the book value of exchangeable shares plus accumulated earnings attributable to the outstanding exchangeable shares. The reduction in net income represents the net income attributable to the exchangeable shareholders for the period. As the exchangeable shares are converted to trust units, unitholders' capital is increased for the fair value of the trust units issued. As the exchangeable shares are exchanged for trust units over time, the non-controlling interest will decrease and eventually will be nil when all exchangeable shares have been exchanged for trust units.

As at March 31, 2010, there were 4,006,753 exchangeable shares outstanding at an exchange ratio of 1.83134 whereby 7,337,727 trust units would be issuable upon conversion. The exchangeable shares can be redeemed by the shareholder for trust units at any time. All outstanding exchangeable shares must be redeemed on or before January 22, 2013 and Vermilion may redeem the exchangeable shares at any time if the number of exchangeable shares outstanding falls below 500,000 shares. Vermilion may issue cash or trust units upon redemption of exchangeable shares and it is the intention to issue trust units upon redemption. Upon converting to a corporation, it is expected that the outstanding exchangeable shares will be converted to common shares of Vermilion at the exchange ratio prevailing at the time of conversion.

RISK MANAGEMENT

Vermilion is exposed to various market and operational risks. For a detailed discussion of these risks, please see Vermilion's 2009 Annual Report.

CRITICAL ACCOUNTING ESTIMATES

The Trust's financial and operating results contain estimates made by management in the following areas:

i. Capital expenditures are based on estimates of projects in various stages of completion;
ii. Revenues, royalties and operating costs include accruals based on estimates of management;
iii. Fair value of derivative instruments are based on estimates that are subject to the fluctuation of commodity prices and foreign exchange rates;
iv. Depletion, depreciation and accretion are based on estimates of oil and gas reserves that the Trust expects to recover in the future;
v. Asset retirement obligations are based on estimates of future costs and the timing of expenditures;
vi. The future recoverable value of capital assets and goodwill are based on estimates that the Trust expects to realize;
vii. Unit compensation expense is determined using accepted fair value approaches which rely on historical data and certain estimates made by management; and
viii. The amount recorded as due to the vendor pursuant to the Corrib acquisition is dependent on management's estimate of the timing of first gas.

OFF BALANCE SHEET ARRANGEMENTS

The Trust has certain lease agreements that are entered into in the normal course of operations. All leases are operating leases and, accordingly, no asset or liability value has been assigned in the balance sheet as of March 31, 2010.

The Trust uses a variety of options including funded and costless collars and puts to manage the risk associated with fluctuating commodity prices on the sale of crude oil and natural gas. The Trust does not obtain collateral or other security to support its financial derivatives as prior to entering into a derivative contract Vermilion reviews the creditworthiness of the counterparty.

The Trust has not entered into any guarantee or off balance sheet arrangements that would adversely impact the Trust's financial position or results of operations.

INTERNAL CONTROL OVER FINANCIAL REPORTING

There was no change in Vermilion's internal control over financial reporting that occurred during the period covered by this MD&A that has materially affected, or is reasonably likely to materially affect its internal control over financial reporting.

INTERNATIONAL FINANCIAL REPORTING STANDARDS TRANSITION ("IFRS")

Background

Publicly accountable enterprises such as Vermilion must begin to report their financial results under IFRS in 2011. Accordingly, in 2008, Vermilion formed an internal IFRS transition team and retained the services of a large international public accounting firm to advise the Trust in its conversion program. Initially, the transition team focused on completing a scoping diagnostic to determine the areas of significant difference between Canadian GAAP and IFRS and the related reporting and information system issues. Since completing the scoping diagnostic, Vermilion's transition team has continued to draft accounting research and policy papers which are reviewed by the advising public accounting firm.

Project Status

Vermilion has not yet finalized all of its accounting policies under IFRS as the Trust is actively working with peer entities to select, when appropriate and practicable, consistent accounting policies in an effort to preserve comparability. Vermilion remains focused on the transition to IFRS and the Trust will be ready to prepare financial statements under both Canadian GAAP and IFRS for 2010 to provide for comparative financial statements after the official changeover in 2011. Vermilion is targeting to complete its draft opening IFRS balance sheet by June 2010, however as noted above, it is likely that certain issues will not be ultimately concluded by that time.

Areas of Focus

The following discussion provides additional information on the key areas of focus; however, as certain aspects of the adoption of IFRS in Canada remain uncertain, Vermilion cannot guarantee that this information will not change as the date of transition approaches. The Trust will continue to communicate information in relation to its conversion process as it becomes available.

<u>Accounting for Capital Assets Including Impairment</u>

Vermilion's transition team is currently determining the Trust's accounting policies associated with capital assets under IFRS. When appropriate, the Trust is electing to make policy choices that minimize the differences between Vermilion's capital asset accounting under current Canadian GAAP and IFRS and also that reflect policies which are consistent with our peer entities.

There are still a number of significant differences associated with accounting for capital assets under IFRS versus Canadian GAAP which will impact Vermilion. Under Canadian GAAP's full-cost accounting, expenditures related to oil and gas assets are aggregated on a country-by-country basis for depletion and impairment testing purposes. Under IFRS, the unit of account for both depletion and impairment testing is significantly smaller and accordingly, non-cash impairments are more likely under IFRS than under Canadian GAAP full-cost accounting.

On July 23, 2009, the International Accounting Standards Board ("IASB") issued amendments to IFRS 1, "First-time Adoption of International Financial Reporting Standards" that greatly reduced the amount of effort required upon transition to IFRS for entities, such as Vermilion, that have historically applied the full-cost method of accounting. Under the amendment, Canadian GAAP full cost pools are allocated to smaller units of account at the transition date of January 1, 2010 based on either reserve volumes or values and, currently, Vermilion intends to rely on this exemption and perform this allocation based on reserve values.

Vermilion's current accounting systems and processes are capable of accounting for capital assets at the more detailed level required under IFRS.

<u>Functional Currency</u>

Under Canadian GAAP, Vermilion concluded that the functional currency of its foreign operating subsidiaries is the Canadian dollar. As a result of differences in the requirements for functional currency determination, Vermilion has concluded that under IFRS the functional currency of its foreign operating subsidiaries will be their local currencies. As a consequence of this change, gains and losses related to the translation of the financial statements of these subsidiaries will be recorded through the balance sheet and will not impact net income. In addition, the capital asset accounts of Vermilion's foreign operating subsidiaries will be translated to Canadian dollars at the foreign exchange rates in effect at the balance sheet date whereas presently, these capital asset accounts are translated at historical rates of exchange.

<u>Deferred Income Taxes</u>

Vermilion has been closely monitoring the progress associated with the IASB's exposure draft to replace International Accounting Standard ("IAS") 12 "Income Taxes." In October 2009, the IASB decided it would not proceed with the exposure draft and instead would consider a limited scope project to amend IAS 12. Accordingly, Vermilion is evaluating the differences between the current version of IAS 12 and the relevant Canadian GAAP requirements.

<u>Accounting for Trust Units and Exchangeable Shares</u>

In Canada, units issued by investment trusts such as Vermilion are redeemable by unitholders and under IFRS, unless certain specific criteria are met, redeemable securities cannot be classified as permanent equity. Although Vermilion plans to convert to a corporation prior to the end of 2010, non-equity presentation of Vermilion's trust units prior to conversion could result in a large increase to the value of Vermilion's resulting share capital with a corresponding decrease in retained earnings.

Vermilion is currently working with its advising public accounting firm to determine whether or not Vermilion's trust units qualify for the exemption which would allow the Trust to continue to present its trust units as equity.

Unit Based Compensation
Vermilion is currently assessing the impact of the redemption feature associated with its trust units and the intended corporate conversion on the Trust's unit based compensation plans.

Asset Retirement Obligations
The basic fundamental premise underlying the accounting for asset retirement obligations is consistent between Canadian GAAP and IFRS, however under the latter, the liability is remeasured at each reporting date using the current risk free interest rate. As the Trust is electing to use the IFRS 1 deemed cost accounting exemption noted above, upon transition Vermilion will recognize its asset retirement obligations at the amounts required under IFRS and will record the difference between those amounts, and the Canadian GAAP values, against retained earnings.

Issues Associated with the Initial Adoption of IFRS
Aside from the IFRS 1 deemed cost accounting exemption, Vermilion has not yet ultimately concluded on what other available exemptions it will take upon transition to IFRS. Presently however, the Trust believes it will apply the IFRS 1 exemptions associated with business combinations and cumulative translation differences related to the change in the functional currency of Vermilion's operating subsidiaries as described above.

As noted previously, Vermilion has conducted a review of its accounting systems and processes and, as a result of a various upgrades that have been completed over recent years, the Trust's current systems and processes will accommodate the transition to IFRS.

Vermilion has established internal controls associated with the IFRS transition which include approvals at various stages of the project and the Trust continues to work closely with its advising public accounting firm in relation to the IFRS conversion.

ACCOUNTING PRONOUNCEMENTS NOT YET ADOPTED

On February 13, 2008, the Accounting Standards Board ("AcSB") confirmed that the transition date to IFRS from Canadian GAAP will be January 1, 2011 for publicly accountable enterprises such as Vermilion.

In January 2009, the CICA issued Section 1582 – "Business Combinations", Section 1601– "Consolidated Financial Statements" and Section 1602 – "Non-controlling Interests". These new sections are effective for years beginning on or after January 1, 2011 with earlier adoption permitted. Sections 1582 and 1602 will require net assets, non-controlling interests and goodwill acquired in a business combination to be recorded at fair value and non-controlling interests will be reported as a component of equity. In addition, the definition of a business is expanded and is described as an integrated set of activities and assets that are capable of being managed to provide a return to investors or economic benefits to owners, members or participants. Finally, acquisition costs are not part of the consideration and, with the exception of trust unit issue costs, acquisition-related costs are to be expensed when incurred. Vermilion is currently assessing the potential impact and whether or not it will elect to adopt these standards in advance of the transition to IFRS.

NETBACKS (6:1)

Trust Financial Information	Three Months Ended March 31, 2010 Oil & NGLs $/bbl	Natural Gas $/mcf	Total $/boe	Three Months Ended Mar 31/09 Total $/boe
Canada				
Price	$ 74.94	$ 5.46	$ 46.25	$ 36.03
Realized hedging gain or loss	-	(0.05)	(0.19)	-
Royalties	(18.92)	(0.73)	(9.04)	(6.04)
Transportation	(1.91)	(0.21)	(1.49)	(1.22)
Operating costs	(10.62)	(1.49)	(9.48)	(10.38)
Operating netback	$ 43.49	$ 2.98	$ 26.05	$ 18.39
France				
Price	$ 78.06	$ 9.02	$ 77.60	$ 48.70
Realized hedging gain or loss	1.99	-	1.95	2.92
Royalties	(5.33)	0.09	(5.21)	(4.98)
Transportation	(3.86)	-	(3.78)	(4.01)
Operating costs	(14.65)	(5.19)	(14.97)	(12.81)
Operating netback	$ 56.21	$ 3.92	$ 55.59	$ 29.82
Netherlands				
Price	$ 22.70	$ 6.49	$ 38.84	$ 73.03
Operating costs	-	(2.26)	(13.47)	(14.94)
Operating netback	$ 22.70	$ 4.23	$ 25.37	$ 58.09
Australia				
Price	$ 83.14	$ -	$ 83.14	$ 57.58
Royalties	(23.42)	-	(23.42)	(14.72)
Operating costs	(17.84)	-	(17.84)	(10.30)
Operating netback	$ 41.88	$ -	$ 41.88	$ 32.56
Total Trust				
Price	$ 79.30	$ 5.82	$ 62.43	$ 49.31
Realized hedging gain or loss	0.84	(0.03)	0.45	0.75
Royalties	(14.86)	(0.50)	(10.34)	(7.32)
Transportation	(2.01)	(0.58)	(2.56)	(1.47)
Operating costs	(15.05)	(1.78)	(13.38)	(11.52)
Operating netback	$ 48.22	$ 2.93	$ 36.60	$ 29.75
General and administration			(3.74)	(2.29)
Interest			(1.12)	(0.60)
Realized foreign exchange			0.77	(0.65)
Current taxes			(3.67)	(3.14)
Fund flows netback			$ 28.84	$ 23.07
Depletion, depreciation and accretion			(21.01)	(21.22)
Future income taxes			3.83	6.14
Other income or loss			(0.57)	(0.35)
Unrealized foreign exchange			6.46	2.17
Non-controlling interest – exchangeable shares			(1.43)	(0.65)
Equity in affiliate			-	(0.37)
Unrealized gain or loss on derivative instruments			1.47	(0.60)
Fair value of unit compensation			(1.95)	(1.47)
Earnings netback			$ 15.64	$ 6.72

The above table includes non-GAAP measures which may not be comparable to other companies. Please see “Non-GAAP Measures” under MD&A section for further discussion.

Trust Information

DIRECTORS

Larry J. Macdonald [1, 2, 3, 4, 5]
Chairman & CEO, Point Energy Ltd.
Calgary, Alberta

W. Kenneth Davidson [2, 3]
Toronto, Ontario

Lorenzo Donadeo
Calgary, Alberta

Claudio A. Ghersinich [2, 4, 5]
Executive Director, Carrera Investments Corp.
Calgary, Alberta

Joseph F. Killi [2, 3]
Chairman,
Parkbridge Lifestyle Communities Inc.
Vice Chairman, Realex Properties Corp.
Calgary, Alberta

William F. Madison [2, 4, 5]
Sugar Land, Texas

Timothy R. Marchant [3, 4, 5]
Calgary, Alberta

1 Chairman of the Board
2 Audit Committee
3 Governance and Human Resources Committee
4 Health, Safety and Environment Committee
5 Independent Reserves Committee

ABBREVIATIONS

bbl(s)	barrel(s)
mbbls	thousand barrels
bbls/d	barrels per day
mcf	thousand cubic feet
mmcf	million cubic feet
bcf	billion cubic feet
mcf/d	thousand cubic feet per day
mmcf/d	million cubic feet per day
boe	barrels of oil equivalent of natural gas and crude oil on the basis of one boe for six mcf of natural gas
mboe	thousand barrels of oil equivalent
mmboe	million barrels of oil equivalent
boe/d	barrels of oil equivalent per day
CBM	coalbed methane
NGLs	natural gas liquids
GJ/d	Gigajoules per day
WTI	West Texas Intermediate, the reference price paid in U.S. dollars at Cushing, Oklahoma for crude oil of standard grade
$M	thousand dollars
$MM	million dollars

OFFICERS AND KEY PERSONNEL

CANADA
Lorenzo Donadeo, P.Eng.
President & Chief Executive Officer

John D. Donovan, F.C.A.
Executive Vice President Business Development

Curtis W. Hicks, C.A.
Executive Vice President & CFO

G. R. (Bob) Mac Dougall, P.Eng.
Executive Vice President & COO

Paul L. Beique
Vice President Capital Markets

Mona Jasinski, M.B.A., C.H.R.P.
Vice President People

Raj C. Patel, P.Eng.
Vice President Marketing

Daniel Goulet, P.Eng.
Director Production and Operations

Cameron A. Hercus, MSc
Director Exploitation and New Growth

Dean N. Morrison, CFA
Director Investor Relations

Robert (Bob) J. Engbloom, LL.B
Corporate Secretary

EUROPE
Peter Sider, P.Eng.
Vice President European Operations

David Burghardt, P.Eng.
Director Exploitation

Scott Ferguson, P.Eng.
Director European Operations

AUSTRALIA
Bruce D. Lake, P.Eng.
Managing Director
Vermilion Oil & Gas Australia Pty Ltd.

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Calgary, Alberta

Bank of Montreal
Calgary, Alberta

BNP Paribas (Canada)
Toronto, Ontario

Royal Bank of Canada
Calgary, Alberta

The Bank of Nova Scotia
Calgary, Alberta

Alberta Treasury Branches
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Canadian Imperial Bank of Commerce
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Citibank N.A., Canadian Branch
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STOCK EXCHANGE LISTING
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