VERMILION ENERGY TRUST

FINANCIAL STATEMENTS

Forward-looking information

This document contains forward-looking financial and operational information including earnings, fund flow, unitholder distributions, debt levels, production, reserves and capital expenditure projections. These projections are based on the Trust's expectations and are subject to a number of risks and uncertainties that could materially affect the results. These risks include, but are not limited to, future commodity prices, exchange rates, interest rates, geological risk, reserves risk, political risk, production demand, transportation restrictions, risks associated with changes in tax, royalty and regulatory regimes and risks associated with international activities. Additional risks and uncertainties are described in the Trust's Annual Information Form which is filed on SEDAR at www.sedar.com.

Due to the risks, uncertainties and assumptions inherent in forward-looking statements, prospective investors in the Trust's securities should not place undue reliance on these forward-looking statements. Forward looking statements contained in this document are made as of the date hereof and are subject to change. The Trust assumes no obligation to revise or update forward looking statements to reflect new circumstances, except as required by law. 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's) 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.

Q3-2009 – FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2009

Consolidated Balance Sheets
(Thousands of Canadian dollars, unaudited)

	September 30, 2009	December 31, 2008
ASSETS		
Current		
Cash and cash equivalents (Note 13)	**$ 2,676**	$ 67,231
Short-term investments	**10,883**	9,491
Accounts receivable	**87,771**	123,794
Crude oil inventory	**11,958**	12,167
Derivative instruments (Note 10)	**6,344**	11,638
Prepaid expenses and other	**14,068**	15,852
	133,700	240,173
Derivative instruments (Note 10)	**7,132**	3,566
Future income taxes (Note 3)	**73,559**	-
Long-term investments (Note 12)	**62,542**	63,752
Goodwill	**19,840**	19,840
Reclamation fund (Note 4)	**69,327**	63,399
Capital assets	**1,661,403**	1,407,629
	$ 2,027,503	$ 1,798,359
LIABILITIES		
Current		
Accounts payable and accrued liabilities	**$ 180,043**	$ 179,312
Distributions payable to unitholders	**13,568**	13,340
Income taxes payable	**2,779**	57,623
Future income taxes	**2,549**	-
	198,939	250,275
Long-term debt (Note 5)	**374,729**	197,651
Amount due pursuant to acquisition (Note 3)	**168,501**	-
Asset retirement obligations (Note 4)	**265,324**	265,101
Future income taxes	**214,420**	245,799
	1,221,913	958,826
Non-controlling interest – exchangeable shares (Note 7)	**89,134**	84,523
UNITHOLDERS' EQUITY		
Unitholders' capital (Note 6)	**471,160**	444,353
Contributed surplus (Note 6)	**25,967**	29,698
Retained earnings	**219,329**	280,959
	716,456	755,010
	$ 2,027,503	$ 1,798,359

APPROVED BY THE BOARD

(Signed "Kenneth Davidson")

W. Kenneth Davidson, Director

(Signed "Lorenzo Donadeo")

Lorenzo Donadeo, Director

Consolidated Statements of Earnings, Comprehensive Income and Retained Earnings
(Thousands of Canadian dollars, except unit and per unit amounts, unaudited)

	Three Months Ended		Nine Months Ended	
	Sept 30, 2009	Sept 30, 2008	Sept 30, 2009	Sept 30, 2008
REVENUE				
Petroleum and natural gas revenue	**$ 150,183**	$ 245,712	**$ 459,207**	$ 816,576
Royalties	**(23,240)**	(35,340)	**(63,039)**	(128,363)
	126,943	210,372	**396,168**	688,213
EXPENSES AND OTHER (INCOME) EXPENSE				
Operating	**34,256**	35,539	**102,749**	101,991
Transportation	**3,734**	4,980	**12,517**	17,380
Unit based compensation (Note 8)	**4,706**	4,454	**13,676**	13,704
Loss (gain) on derivative instruments (Note 10)	**2,012**	(10,537)	**(2,277)**	1,865
Interest	**6,361**	2,674	**9,398**	13,948
General and administration	**8,211**	7,541	**22,464**	19,627
Foreign exchange (gain) loss	**(14,227)**	(19,204)	**(26,508)**	6,045
Other (income) expense	**(4,389)**	5,154	**(7,833)**	3,557
Depletion, depreciation and accretion	**63,602**	63,697	**191,856**	191,334
	104,266	94,298	**316,042**	369,451
EARNINGS BEFORE INCOME TAXES AND OTHER ITEMS	**22,677**	116,074	**80,126**	318,762
INCOME TAXES				
Future	**(4,878)**	639	**(17,582)**	(313)
Current	**6,456**	19,874	**25,745**	82,442
	1,578	20,513	**8,163**	82,129
OTHER ITEMS				
Non-controlling interest – exchangeable shares (Note 7)	**1,805**	8,756	**6,200**	21,222
Loss (gain) related to equity method investment	**1,460**	(144)	**3,165**	(23)
	3,265	8,612	**9,365**	21,199
NET EARNINGS AND COMPREHENSIVE INCOME	**17,834**	86,949	**62,598**	215,434
Retained earnings, beginning of period	**242,172**	261,018	**280,959**	217,209
Distributions declared (Note 6)	**(40,677)**	(39,810)	**(121,366)**	(118,652)
Unit-settled distributions on vested unit based awards (Note 6)	**-**	-	**(2,862)**	(5,834)
RETAINED EARNINGS, END OF PERIOD	**$ 219,329**	$ 308,157	**$ 219,329**	$ 308,157
NET EARNINGS PER TRUST UNIT (Note 9)				
Basic	**$ 0.25**	$ 1.24	**$ 0.88**	$ 3.11
Diluted	**$ 0.25**	$ 1.22	**$ 0.87**	$ 3.03
WEIGHTED AVERAGE TRUST UNITS OUTSTANDING (Note 9)				
Basic	**71,328,047**	69,842,684	**70,963,460**	69,322,375
Diluted	**79,070,585**	78,364,794	**78,920,821**	78,114,281

Consolidated Statements of Cash Flows
(Thousands of Canadian dollars, unaudited)

	Three Months Ended		Nine Months Ended	
	Sept 30, 2009	**Sept 30, 2008**	**Sept 30, 2009**	**Sept 30, 2008**
OPERATING				
Net earnings	**$ 17,834**	$ 86,949	**$ 62,598**	$ 215,434
Adjustments:				
Depletion, depreciation and accretion	**63,602**	63,697	**191,856**	191,334
Change in unrealized gains and losses and accruals relating to derivative contracts (Note 10)	**3,104**	(14,959)	**1,728**	(10,705)
Unit based compensation	**4,706**	4,454	**13,676**	13,704
Interest on accrued on amount due pursuant to acquisition	**2,237**	-	**2,237**	-
Loss (gain) related to equity method investment	**1,460**	(144)	**3,165**	(23)
Unrealized foreign exchange (gain) loss	**(16,111)**	(22,780)	**(32,769)**	7,299
Non-controlling interest – exchangeable shares	**1,805**	8,756	**6,200**	21,222
Change in unrealized gains and losses and accruals included in other (income) expense relating to investments	**(4,448)**	5,222	**(7,892)**	3,625
Future income taxes	**(4,878)**	639	**(17,582)**	(313)
	69,311	131,834	**223,217**	441,577
Asset retirement costs incurred (Note 4)	**(1,019)**	(2,986)	**(5,285)**	(5,277)
Changes in non-cash operating working capital	**20,005**	39,403	**(71,800)**	80,852
Cash flows from operating activities	**88,297**	168,251	**146,132**	517,152
INVESTING				
Drilling and development of petroleum and natural gas properties	**(50,781)**	(37,402)	**(119,208)**	(105,971)
Acquisition of petroleum and natural gas properties (Note 3)	**(125,074)**	(959)	**(142,622)**	(46,387)
Proceeds from short-term investments	**(2,546)**	-	**(2,111)**	-
Long-term investment	**-**	-	**-**	(627)
Contributions to reclamation fund	**-**	(9,711)	**-**	(9,711)
Changes in non-cash investing working capital	**3,109**	1,228	**(2,706)**	(498)
Cash flows used in investing activities	**(175,292)**	(46,844)	**(266,647)**	(163,194)
FINANCING				
Increase (decrease) in long-term debt	**129,000**	(4,043)	**178,947**	(172,893)
Issue of trust units for cash	**1,843**	-	**2,700**	3,740
Issue of trust units pursuant to the distribution reinvestment plan	**-**	-	**-**	18,453
Cash distributions	**(40,637)**	(39,808)	**(121,138)**	(118,175)
Cash flows from (used in) financing activities	**90,206**	(43,851)	**60,509**	(268,875)
Foreign exchange (loss) on cash held in foreign currencies	**(2,973)**	(5,209)	**(4,549)**	(515)
Net change in cash and cash equivalents	**238**	72,347	**(64,555)**	84,568
Cash and cash equivalents, beginning of period	**2,438**	60,089	**67,231**	47,868
Cash and cash equivalents, end of period	**$ 2,676**	$ 132,436	**$ 2,676**	$ 132,436
Supplementary information - cash payments				
Interest paid	**$ 6,793**	$ 3,304	**$ 9,215**	$ 13,065
Income taxes paid	**$ 5,284**	$ 13,091	**$ 80,589**	$ 30,064

Notes to the Consolidated Financial Statements
For the three and nine month periods ended September 30, 2009 and 2008
(Tabular amounts are in thousands of Canadian dollars, except unit and per unit amounts, unaudited)

1. BASIS OF PRESENTATION

The consolidated financial statements of Vermilion Energy Trust (the “Trust” or “Vermilion”) include the accounts of the Trust and its subsidiaries and have been prepared by management in accordance with Canadian Generally Accepted Accounting Principles (“GAAP”) on a consistent basis with the audited consolidated financial statements for the year ended December 31, 2008 except as disclosed in Note 2 below. These interim consolidated financial statements do not include all disclosures required in annual financial statements and therefore should be read in conjunction with the audited consolidated financial statements as at and for the year ended December 31, 2008 included in the Trust’s 2008 Annual Report.

2. NEW ACCOUNTING POLICIES

On January 1, 2009 the Trust adopted CICA Handbook Section 3064, “Goodwill and Intangible Assets” which replaced Section 3062, “Goodwill and Other Intangible Assets” and Section 3450, “Research and Development Costs”. Section 3064 incorporates guidance addressing when an internally developed intangible asset meets the criteria for recognition as an asset. The adoption of this standard did not impact the Trust’s consolidated financial statements.

Effective January 1, 2009 the Trust adopted EIC 173, “Credit Risk and the Fair Value of Financial Assets and Financial Liabilities”. This abstract concludes that for all financial assets and liabilities measured at fair value, including derivative instruments, an entity’s own credit risk and the credit risk of the counterparty should be taken into account when determining fair value. The adoption of this abstract did not impact the Trust’s consolidated financial statements.

On July 1, 2009 the Trust adopted the amendments to Section 3855 “Financial Instruments – Recognition and Measurement”. The amendments clarify that reclassification out of the held for trading category of an embedded derivative in a contract that can not be measured separately is prohibited. The adoption of this amendment did not have an impact on the Trust’s consolidated financial statements.

3. INVESTMENTS AND ACQUISITIONS

a) Corrib Acquisition

On July 30, 2009 the Trust completed its previously announced acquisition of an 18.5% non-operated interest in the Corrib gas field located off the northwest coast of Ireland. The cash consideration paid was $136.8 million including a US $10 million deposit paid to the vendor during the second quarter of 2009. Pursuant to the terms of the acquisition agreement the Trust will make an additional future payment to the vendor, the amount of which will be between US $135 million and US $300 million depending on the date when first commercial gas is achieved. Management currently expects that first commercial gas will be achieved by the end of 2011.

To reflect the future payment due to the vendor, the Trust has recognized a non-current liability which was determined by calculating the expected value of the payment based on management’s best estimates associated with the timing of first commercial gas and discounting the resulting amount. The discount rate used to present value this obligation was 8% which is the Trust’s best estimate of the interest rate that would result from an arm’s length borrowing transaction associated with the purchase of these assets. During the three and nine month periods ended September 30, 2009 interest expense of $2.2 million was recorded in the Trust’s consolidated statement of earnings associated with the unwinding of the discount on this obligation. The cost of this acquisition, which is not a business combination for accounting purposes, was allocated as follows:

Capital assets	**$ 304,564**
Future income tax assets	**67,299**
Asset retirement obligation	**(9,788)**
Working capital	**(57,507)**
Total consideration	**$ 304,568**

3. INVESTMENTS AND ACQUISITIONS (CONTINUED)

Comprised of:

Cash	$	**136,832**
Present value of estimated future payment due to vendor		**167,736**
Total consideration	$	**304,568**

b) Verenex GORR Acquisition

During the first quarter of 2009, the Trust acquired a gross overriding royalty ("GORR") from Verenex Energy Inc., a company in which Vermilion owns 42% of the outstanding shares, for cash consideration of $4.5 million. The transaction was accounted for at the exchange amount and is recorded as acquisition of petroleum and natural gas properties on the consolidated statement of cash flows.

4. ASSET RETIREMENT OBLIGATIONS AND RECLAMATION FUND

The asset retirement obligations were determined based on the estimated future costs and timing to reclaim the Trust's net interest in all wells and facilities. The Trust has estimated the net present value of its asset retirement obligations to be $265.3 million as at September 30, 2009 (December 31, 2008 - $265.1 million) based on a total undiscounted future liability after inflation adjustment of $909.8 million (December 31, 2008 - $948.2 million).

The following table reconciles the changes in the Trust's asset retirement obligation:

	Sept 30, 2009	Dec 31, 2008
Carrying amount, beginning of period	**$ 265,101**	$ 163,374
Increase in liabilities in the period	**10,170**	2,487
Disposition of liabilities in the period	**(5,285)**	(10,200)
Change in estimate	**(2,941)**	66,576
Accretion expense	**15,047**	14,468
Foreign exchange	**(16,768)**	28,396
Carrying amount, end of period	**$ 265,324**	$ 265,101

The Trust has set aside funds for the future payment of its estimated asset retirement obligations. The following table reconciles the Trust's reclamation fund investments:

	Sept 30, 2009	Dec 31, 2008
Cash and short term investments, at fair value	**$ 21,973**	$ 21,700
Equity and debt securities, at fair value	**47,354**	41,699
	$ 69,327	$ 63,399

A portion of the cash and short-term investments as well as all of the equity and debt securities which comprise the reclamation fund are professionally managed by third parties.

5. LONG-TERM DEBT

As at September 30, 2009, the Trust had credit facilities allowing for maximum borrowings of $675 million comprised of a syndicated 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 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. 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 totalling $89.0 million as at September 30, 2009 associated with the Trust's operations.

6. UNITHOLDERS' CAPITAL AND CONTRIBUTED SURPLUS

Trust Units	**Number of Units**		**Amount**
Unlimited number of trust units authorized to be issued			
Balance as at December 31, 2007	67,335,427	$	380,941
Distribution reinvestment plan	521,839		18,453
Issued on conversion of exchangeable shares	600,697		17,766
Unit rights exercised and issuance of units on vesting of trust unit award plan grants	1,630,943		3,740
Transfer from contributed surplus for unit based awards	-		17,304
Trust units issued for bonus plan	18,555		597
Unit-settled distributions on vested unit based awards	150,908		5,834
Unit buyback	(45,600)		(282)
Balance as at December 31, 2008	70,212,769	$	444,353
Issued on conversion of exchangeable shares	125,474		3,838
Unit rights exercised and issuance of units on vesting of trust unit award plan grants	931,982		2,700
Transfer from contributed surplus for unit based awards	-		16,772
Trust units issued for bonus plan	23,790		635
Unit-settled distributions on vested unit based awards	116,918		2,862
Balance as at September 30, 2009	71,410,933	$	471,160

Contributed Surplus		**Sept 30, 2009**		**Dec 31, 2008**
Opening balance	**$**	**29,698**	$	29,211
Unit compensation expense (excluding bonus plan)		**13,041**		17,791
Transfer to unitholders' capital for unit based awards		**(16,772)**		(17,304)
Ending balance	**$**	**25,967**	$	29,698

Distributions declared to unitholders for the three and nine month periods ended September 30, 2009 were $40.7 million and $121.4 million, respectively (2008 - $39.8 million and $118.7 million, respectively). Distributions are determined by the Board of Directors in accordance with the Trust indenture and are paid monthly.

On October 30, 2009 the Trust closed the sale of 7,282,000 trust units at $30.90 per trust unit which resulted in net proceeds of $213.8 million after deducting the underwriters' fee. In addition, the underwriters have been granted an over-allotment option to purchase up to an additional 809,000 trust units at the issue price at any time from the closing date until 30 days following the closing date which would result in additional net proceeds of up to $23.8 million.

7. NON-CONTROLLING INTEREST – EXCHANGEABLE SHARES

The following table summarizes the change in the outstanding exchangeable share balance:

Exchangeable Shares	Sept 30, 2009	Dec 31, 2008
Opening number of exchangeable shares	**4,085,605**	4,457,473
Exchanged for trust units	**(72,387)**	(371,868)
Ending balance	**4,013,218**	4,085,605
Ending exchange ratio	**1.76706**	1.66196
Trust units issuable upon conversion	**7,091,597**	6,790,112

The following table summarizes the changes in the non-controlling interest as presented on the consolidated balance sheets:

	Sept 30, 2009	Dec 31, 2008
Non-controlling interest, beginning of period	**$ 84,523**	$ 68,576
Reduction of book value for conversion to trust units	**(1,589)**	(6,579)
Current period net earnings attributable to non-controlling interest	**6,200**	22,526
Non-controlling interest, end of period	**$ 89,134**	$ 84,523

8. UNIT COMPENSATION PLANS

Unit Rights Incentive Plan

The following table summarizes information about the rights under the Trust's Unit Rights Incentive Plan:

	Number of Unit Rights	Grant Date Weighted Average Exercise Price
Balance as at December 31, 2008	339,850	$ 18.40
Exercised	(325,850)	18.39
Balance as at September 30, 2009	14,000	$ 18.72

A summary of the plan as at September 30, 2009 is as follows:

Range of Exercise Price at Grant Date	Adjusted Exercise Price	Number of Rights Outstanding and Exercisable	Remaining Contractual Life of Rights (Years)
$15.01 - $19.56	$2.84 - $7.39	14,000	0.13

No compensation expense was recorded for the three and nine month periods ended September 30, 2009 and 2008 related to the Unit Rights Incentive Plan as all awards have fully vested.

Trust Unit Award Incentive Plan

The following table summarizes information about the Trust Unit Award Incentive Plan:

	Number of Awards
Balance as at December 31, 2008	1,208,255
Granted	653,903
Vested	(382,239)
Cancelled	(48,970)
Balance as at September 30, 2009	1,430,949

Compensation expense for the three and nine month periods ended September 30, 2009 was $4.7 million and $13.0 million, respectively (2008 – $4.5 million and $13.1 million, respectively) related to the Trust Unit Award Incentive Plan.

8. UNIT COMPENSATION PLANS (CONTINUED)

Phantom Award Incentive Plan

Compensation expense for this cash settled plan of $0.3 million and $0.8 million has been recorded as general and administration expense and operating expense during the three and nine month periods ended September 30, 2009, respectively (2008 - $0.2 million and $1.2 million, respectively).

9. PER UNIT AMOUNTS

Basic and diluted net earnings per unit have been determined based on the following:

	Three Months Ended		Nine Months Ended	
	Sept 30, 2009	**Sept 30, 2008**	**Sept 30, 2009**	**Sept 30, 2008**
Net earnings	**$ 17,834**	$ 86,949	**$ 62,598**	$ 215,434
Non-controlling interest – exchangeable shares	**1,805**	8,756	**6,200**	21,222
Net earnings for diluted net earnings per trust unit calculation	**$ 19,639**	$ 95,705	**$ 68,798**	$ 236,656
Basic weighted average trust units outstanding	**71,328,047**	69,842,684	**70,963,460**	69,322,375
Dilutive impact of trust units issuable on conversion of exchangeable shares	**7,090,852**	7,060,450	**7,162,800**	7,065,140
Dilutive impact of unit rights incentive and trust unit award plans	**651,686**	1,461,660	**794,561**	1,726,766
Diluted weighted average trust units outstanding	**79,070,585**	78,364,794	**78,920,821**	78,114,281

Basic net earnings per trust unit has been calculated based on net earnings divided by the basic weighted average trust units outstanding. Earnings attributable to the non-controlling interest related to the exchangeable shares are added back to net earnings in calculating diluted net earnings per trust unit. All outstanding potential units related to incentive plans were dilutive and therefore have been included in the calculation of the diluted trust units for all periods presented.

10. DERIVATIVE INSTRUMENTS

Risk Management Activities

The nature of the Trust's operations result in exposure to fluctuations in commodity prices, interest rates and foreign currency exchange rates. The Trust monitors and, when appropriate, uses derivative financial instruments to manage its exposure to these risks. The Trust does not obtain collateral or other security to support its financial derivatives as Vermilion reviews the creditworthiness of the counterparty prior to entering into a derivative contract.

Risk Management: Oil	**Funded Cost**	**bbls/d**	**US$/bbl**
Collar - BRENT			
2009	US $1.00/bbl	260	$100.50 - $200.00
Call Spread - BRENT			
2009 – 2011	US $5.73/bbl	700	$ 65.00 - $ 85.00
2010	US $4.94/bbl	1,100	$ 65.00 - $ 85.00
2011	US $6.08/bbl	960	$ 65.00 - $ 85.00

Risk Management: Natural Gas	**Funded Cost**	**GJ/d**	**C$/GL**
SWAP – AECO			
October to November 2009	$0.00/GJ	5,000	$2.89

10. DERIVATIVE INSTRUMENTS (CONTINUED)

The following table reconciles the change in the Trust's fair value of derivative contracts:

	Sept 30, 2009	Dec 31, 2008
Fair value of contracts, beginning of period	**$ 15,204**	$ 2,102
Opening unrealized (gain) loss on contracts settled during the period	**(8,969)**	7,414
Realized gain (loss) on contracts settled during the period	**4,005**	(10,625)
Unrealized gain during the period on contracts outstanding at the end of the period	**7,241**	5,688
Net (receipt from) payment to counterparties under settlements during the period	**(4,005)**	10,625
Fair value of contracts, end of period	**13,476**	15,204
Comprised of:		
Current derivative asset	**6,344**	11,638
Non-current derivative asset	**7,132**	3,566
Fair value of contracts, end of period	**$ 13,476**	$ 15,204

The loss (gain) on derivative instruments for the periods is comprised of the following:

	Three Months Ended		Nine Months Ended	
	Sept 30, 2009	Sept 30, 2008	Sept 30, 2009	Sept 30, 2008
Realized (gain) loss on contracts settled during the period	**$ (1,092)**	$ 4,422	**$ (4,005)**	$ 12,570
Opening unrealized gain (loss) on contracts settled during the period	**2,989**	(2,110)	**8,969**	(6,708)
Unrealized loss (gain) during the period on contracts outstanding at the end of the period	**115**	(12,849)	**(7,241)**	(3,997)
Loss (gain) on derivative instruments for the period	**$ 2,012**	$ (10,537)	**$ (2,277)**	$ 1,865

During the normal course of business, the Trust enters into fixed price arrangements to sell a portion of its production. The Trust has elected to exempt these contracts from fair value accounting through the use of the normal purchase and sale exemption.

11. SEGMENTED INFORMATION

	Three Months Ended		Nine Months Ended	
	Sept 30, 2009	Sept 30, 2008	**Sept 30, 2009**	Sept 30, 2008
Petroleum and natural gas revenue				
Canada	**$ 33,761**	$ 83,646	**$ 109,998**	$ 252,473
France	**55,539**	79,041	**145,003**	260,787
Netherlands	**12,432**	28,090	**54,372**	84,416
Australia	**48,451**	54,935	**149,834**	218,900
Ireland	**-**	-	**-**	-
	$ 150,183	$ 245,712	**$ 459,207**	$ 816,576
Net earnings				
Canada	**$ (19,065)**	$ 9,640	**$ (49,110)**	$ 43,070
France	**15,609**	40,069	**40,721**	81,890
Netherlands	**4,611**	12,700	**21,383**	23,125
Australia	**18,713**	24,540	**51,638**	67,349
Ireland	**(2,034)**	-	**(2,034)**	-
	$ 17,834	$ 86,949	**$ 62,598**	$ 215,434
Capital expenditures				
Canada	**$ 13,234**	$ 16,698	**$ 40,213**	$ 86,607
France	**11,009**	11,768	**49,216**	39,971
Netherlands	**4,695**	1,410	**9,293**	11,101
Australia	**26**	8,485	**4,457**	14,679
Ireland	**146,891**	-	**158,651**	-
	$ 175,855	$ 38,361	**$ 261,830**	$ 152,358

	Sept 30, 2009	Dec 31, 2008
Total assets		
Canada	**$ 685,843**	$ 779,634
France	**580,497**	587,979
Netherlands	**117,796**	136,403
Australia	**251,259**	294,343
Ireland	**392,108**	-
	$ 2,027,503	$ 1,798,359

12. LONG-TERM INVESTMENTS

The following table reconciles the Trust's total long-term investments as presented on the consolidated balance sheets:

	Sept 30, 2009	Dec 31, 2008
Portfolio investments, at fair value	**$ 6,534**	$ 4,579
Investment in Verenex Energy Inc., equity method (fair value - $133.0 million, 2008 – $128.5 million)	**56,008**	59,173
Total long-term investments	**$ 62,542**	$ 63,752

Verenex Energy Inc. ("Verenex"), in which Vermilion holds 18,760,540 common shares representing a 42% equity ownership position has entered into a definitive arrangement agreement (the "Agreement") with the Libyan Investment Authority (the "LIA") pursuant to which the LIA, through a subsidiary, has agreed to acquire all of the Verenex shares issued and outstanding upon completion of the transaction at a price per share in cash equal to $7.09 plus positive net working capital at the time of completion of the transaction. The transaction will be completed by way of plan of arrangement (the "Arrangement"), to be submitted to the holders of Verenex securities (Verenex shares, options and performance warrants) for approval at a meeting scheduled for December 11, 2009.

13. COMPONENTS OF CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at September 30, 2009 and December 31, 2008 was comprised of monies on deposit with banks.

14. CAPITAL DISCLOSURES

The Trust's manner of managing capital has not changed from the prior year. The following table calculates the Trust's ratio of net debt to annualized fund flows from operations (both non-GAAP measures) for the three and nine month periods ended September 30, 2009:

	Three Months Ended Sept 30, 2009	Nine Months Ended Sept 30, 2009
Long-term debt	$ 374,729	$ 374,729
Current liabilities	198,939	198,939
Current assets	(133,700)	(133,700)
Net debt [1]	$ 439,968	$ 439,968
Cash flows from operating activities	$ 88,297	$ 146,132
Changes in non-cash operating working capital	(20,005)	71,800
Asset retirement costs incurred	1,019	5,285
Fund flows from operations	$ 69,311	$ 223,217
Annualized fund flows from operations [2]	$ 277,244	$ 297,623
Ratio of net debt to annualized fund flows from operations ([1] ÷ [2])	1.59	1.48

For the three and nine month periods ended September 30, 2009, the ratio of net debt to annualized fund flows from operations was 1.59 and 1.48 respectively, which is within the range targeted by the Trust.

In relation to its long-term debt, the Trust is subject to a debt to EBITDA ratio test (where debt is defined as long-term debt as presented on the consolidated balance sheet and EBITDA is defined as earnings before interest, taxes, depreciation, amortization and other certain non-cash items). During the periods covered by these financial statements, the Trust continued to comply with this externally imposed capital requirement.

15. FINANCIAL INSTRUMENTS

Fair Values of Financial Instruments

Cash, short-term investments, derivative assets and liabilities, the reclamation fund and portfolio investments included within long-term investments are recorded at fair value which is determined with reference to published price quotations in active markets or accepted pricing models which are adjusted for credit risk. The carrying value of accounts receivable, accounts payable and distributions payable approximates fair value due to the short maturities of these instruments. The carrying value of long-term debt approximates its fair value due to the use of short-term borrowing instruments at market rates of interest.

Summarized Quantitative Data Associated with the Risks Arising from Financial Instruments

Credit risk:
As at September 30, 2009 Vermilion's maximum exposure to receivable credit risk was $101.2 million which is the aggregate value of receivables and derivative assets at the balance sheet date. Vermilion's receivables are due from counterparties that have investment grade third party credit ratings or, in the absence of the availability of such ratings; Vermilion has satisfactorily reviewed the counterparty for creditworthiness as appropriate. In addition, at September 30, 2009 Vermilion had $2.7 million in cash on deposit at banks. As practical, the Trust has continued to apply excess cash against its long-term debt to reduce its risk exposure given recent economic events.

As at the balance sheet date the amount of financial assets that were past due or impaired was not material for disclosure.

15. FINANCIAL INSTRUMENTS (CONTINUED)

Liquidity risk:
The following table summarizes Vermilion's financial liabilities and their contractual maturities:

Due in (from balance sheet date)	Not later than one month	Later than one month and not later than three months	Later than three months and not later than one year	Later than one year and not later than five years
Non-derivative financial liabilities	120,583	65,467	7,561	543,230

Minimal liquidity risk exists with regards to the Trust's financial liabilities given the Trust's financial position and committed borrowing facility.

Market risk:
The Trust is exposed to currency risk related to changes in foreign currency denominated financial instruments, commodity price risk related to outstanding derivative positions, interest rate risk related to its long-term debt and investments in debt securities and equity price risk related to investments in equity securities. The following table summarizes what the impact on net earnings before tax would be for the three and nine month periods ended September 30, 2009 given changes in the relevant risk variables that the Trust considers were reasonably possible at September 30, 2009. The impact on net earnings before tax associated with changes in these risk variables for liabilities that are not considered financial instruments is excluded from this analysis. This analysis does not attempt to reflect any interdependencies between the relevant risk variables.

Risk	Description of change in risk variable	Effect on net earnings before tax increase (decrease)
Currency risk – Euro to Canadian	Increase in strength of the Canadian dollar against the Euro by 10% over the relevant closing rates on Sept 30, 2009.	$ (3,082)
	Decrease in strength of the Canadian dollar against the Euro by 5% over the relevant closing rates on Sept 30, 2009.	$ 1,541
Currency risk – US$ to Canadian	Increase in strength of the Canadian dollar against the US$ by 10% over the relevant closing rates on Sept 30, 2009.	$ (5,446)
	Decrease in strength of the Canadian dollar against the US$ by 5% over the relevant closing rates on Sept 30, 2009.	$ 2,723
Currency risk – AUD$ to Canadian	Increase in strength of the Canadian dollar against the AUD$ by 10% over the relevant closing rates on Sept 30, 2009.	$ (1,327)
	Decrease in strength of the Canadian dollar against the AUD$ by 5% over the relevant closing rates on Sept 30, 2009.	$ 664
Commodity price risk	Increase in relevant oil reference price at Sept 30, 2009 by US$5.00/bbl within option pricing models used to determine the fair value of derivative positions.	$ 2,532
	Decrease in relevant oil reference price at Sept 30, 2009 by US$5.00/bbl within option pricing models used to determine the fair value of derivative positions.	$ (2,726)

Reasonably possible changes in the relevant variables associated with interest rate risk and equity price risk would not have had a material impact on net earnings for the period ended September 30, 2009.

16. RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In June 2009 the CICA amended Section 3862, "Financial Instruments – Disclosures" to require certain additional disclosures relating to the determination of fair values. The amendments require that an entity disclose a fair value hierarchy classification for each class of financial instruments. The amendments are effective for annual financial statements ending on or after September 30, 2009 and Vermilion's financial statements for the year ended December 31, 2009 will reflect these additional disclosure requirements. As the amendments related strictly to disclosures, the adoption of these amendments to Section 3862 will not have a material impact on the financial statements of the Trust.

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Vice Chairman, Realex Properties Corp.
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William F. Madison [2, 4, 5]
Sugar Land, Texas

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

API	American Petroleum Institute
bbls	barrels
bbls/d	barrels per day
bcf	billion cubic feet
boe	barrel of oil equivalent
boe/d	barrel of oil equivalent per day
CBM	coalbed methane
GJ	gigajoules
$m	thousands of dollars
$mm	millions of dollars
mbbls	thousand barrels
mboe	thousand barrels of oil equivalent
mcf	thousand cubic feet
mcf/d	thousand cubic feet per day
mmboe	million barrels of oil equivalent
mmcf	million cubic feet
mmcf/d	million cubic feet per day
MW	megawatt
NGLs	natural gas liquids
NPV	net present value
WTI	West Texas Intermediate

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Executive Vice President & CFO

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

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