MANAGEMENT'S DISCUSSION AND ANALYSIS
CRIUS ENERGY TRUST

May 12, 2016

This management's discussion and analysis (this "**MD&A**") of Crius Energy Trust (the "**Trust**") dated May 12, 2016 has been prepared with all information available up to and including May 12, 2016. This MD&A should be read in conjunction with the Trust's unaudited interim condensed consolidated financial statements and accompanying notes as at and for the three months ended March 31, 2016 and the Trust's audited consolidated financial statements and accompanying notes and MD&A for the year ended December 31, 2015. The Trust's financial statements and other disclosure documents, including the annual information form of the Trust for the fiscal year ended December 31, 2015, dated March 15, 2016, are available on SEDAR under the Trust's issuer profile at www.sedar.com and on the Trust's website at www.criusenergytrust.ca. The units of the Trust ("**Units**") are traded on the Toronto Stock Exchange ("**TSX**") under the symbol "**KWH.UN**".

The Trust prepares its consolidated financial statements in accordance with International Financial Reporting Standards ("**IFRS**"), as issued by the International Accounting Standards Board. The consolidated financial statements of the Trust are presented in United States dollars. All figures within this MD&A are presented in United States dollars unless otherwise indicated. Certain totals, subtotals and percentages may not reconcile due to rounding.

Certain information contained in this MD&A constitutes non-IFRS financial measures and forward-looking statements. Investors should read the sections entitled *"Non-IFRS Financial Measures"* and *"Forward-Looking Statements"* at the end of this MD&A. Certain key terms and abbreviations used in this MD&A are defined in the section entitled *"Key Terms and Abbreviations"* below.

Overview of the Trust

The Trust is an unincorporated, open-ended limited purpose trust established under the laws of the Province of Ontario on September 7, 2012. The Trust was established to provide investors with a distribution-producing investment through its indirect ownership interest in Crius Energy, LLC ("**Crius Energy**" or the "**Company**"). The Trust's indirect ownership interest in the Company entitles it, through its wholly-owned subsidiaries, to appoint a majority of the members of the Company's board of directors, and thereby to control the Company's day-to-day operations. The Trust completed its initial public offering on November 13, 2012 of 10,000,000 Units at a price of C$10.00 per Unit. Concurrent with the closing of the initial public offering, the Trust, through its indirect wholly-owned subsidiaries, acquired an approximate 26.8% indirect ownership interest in the Company. On July 2, 2015, the Trust closed a public offering of 6,785,000 Units at a price of C$6.80 per Unit (the "**Offering**"). Concurrent with the closing of the Offering, the Trust, through its indirect wholly-owned subsidiaries, acquired an additional approximate 16.3% ownership interest in the Company, such that the Trust holds an approximate 43.1% indirect ownership interest in the Company as of the date hereof.

Throughout this MD&A, for purposes of convenience, references to (i) the "**Trust**", "**Crius Energy**" or "**our**" refer to Crius Energy Trust and its subsidiaries, (ii) the "**Company**" refer to Crius Energy, LLC, (iii) "**Management**" refer to the management of the Trust and the Company, together, as all of the executive officers of the Trust are also executive officers of the Company. References to results of operations refer to 100% of the consolidated operations of the Trust, notwithstanding that the Trust only holds an approximate 43.1% interest in such results.

Key Terms and Abbreviations

"**Adjusted EBITDA**" means EBITDA adjusted to exclude any change in the fair value of derivative instruments, change in fair value of non-controlling interest, change in fair value of warrant liability, unit-based compensation, goodwill impairment and distributions to non-controlling interest. See the section entitled *"Reconciliation of Net Income (Loss) and Comprehensive Income (Loss) to EBITDA and Adjusted EBITDA"* in this MD&A for a reconciliation of EBITDA and Adjusted EBITDA to net (loss) income and total comprehensive (loss) income as calculated under IFRS, the most directly comparable measure in the Trust's consolidated financial statements.

"**Customer**" refers to an RCE (see definition of RCE below).

"**Distributable Cash**" means the amount of cash available to the Trust to meet its distribution obligations. See the section entitled *"Distributable Cash and Distributions"* in this MD&A for a reconciliation of Distributable Cash to Cash flows provided by (used in) operating activities as calculated under IFRS, the most directly comparable measure in the Trust's consolidated financial statements.

"**EBITDA**" means earnings before interest, taxes, depreciation and amortization.

"**KWh**" means Kilowatt hour and is a measurement of volume of electricity.

"**LLC Units**" means the membership units of the Company.

"**MWh**" means Megawatt hour and is a measurement of volume of electricity.

"**MW**" means Megawatt and is a measurement of capacity of electricity.

"**MMBtu**" means one million British Thermal Units and is a measurement of volume of natural gas.

"**RCE**" means residential customer equivalents, which is an industry standard unit of measurement of consumption per annum equivalent to 10 MWh (or 10,000 KWh) in the case of the electricity and 100 MMBtu in the case of natural gas. We have estimated the number of RCEs in accordance with industry conventions based on information available regarding customers and their historical usage.

"**Units**" means the units of the Trust that are traded on the TSX under the symbol "KWH.UN".

"**Unitholder**" means a holder of Units.

Unless the context indicates otherwise, references in this MD&A to "volume", "usage" and "consumption" refer to MWh in the case of electricity and MMBtu in the case of natural gas.

Overview of Business

Crius Energy is a comprehensive energy solutions partner that provides electricity, natural gas and solar products to residential and commercial customers. Crius Energy connects with energy customers through an innovative family-of-brands strategy and multi-channel marketing approach. This unique combination creates multiple access points to a broad suite of energy products and services that make it easier for consumers to make informed decisions about their energy needs. Crius Energy currently sells energy products in 19 states and the District of Columbia in the United States with plans to continue expanding its geographic reach.

The Company's revenues are earned primarily from electricity and natural gas sales and are recognized based on customer consumption. Seasonal variability of customer usage of electricity and natural gas may cause the Company's revenues and gross margins to fluctuate. In general, electricity consumption is highest during the summer months of July and August due to cooling demand and, to a lesser extent, during the winter months of January and February due to heating demand. Heating demand also influences natural gas consumption, which is typically highest between the months of November through March. The Company's revenues will also fluctuate based on retail rates charged to customers, customer growth and customer attrition.

The Company also receives revenues from the marketing of solar products, primarily based on the generating capacity of the solar systems it sells. The Company also receives various customer fees as well as fees paid by independent contractors in its network marketing channel. Independent contractors pay sign-up fees and other fees to the Company to participate in its network marketing channel. Sign-up fees are deferred and recognized on a straight line basis over the twelve-month term of the agreement entered with each independent contractor, while other fees are recognized on a monthly basis.

The Company procures its energy and hedging requirements in various wholesale energy markets, including physical and financial markets, using both short-term and long-term contracts. For electricity and natural gas, the Company procures its wholesale energy requirements at various utility load zones for electricity and city gates for natural gas, based on the energy usage and geographic location of our customers. The Company manages its exposure to short-term and long-term movements in wholesale energy prices by hedging using derivative instruments. These derivative instruments are principally physical forward contracts and financial fixed-for-floating swaps, whereby the Company agrees to take physical delivery or cash settle the difference between the floating price and the fixed price on a notional quantity of electricity or natural gas for a specified timeframe, at a specified location. The Company remains subject to commodity risk for any volumetric differences between the actual quantities used by its customers and the forecasted quantities upon which such hedging instruments are based.

The Company's gross margin is derived from the difference between the revenues received from its electricity and natural gas customers and the cost of sales paid to its energy and non-energy suppliers, together with its revenues from the marketing of solar products and the fees paid by customers and independent contractors in the network marketing channel. The Company also incurs selling expenses through a mixture of upfront and residual-based payments. All such costs are recognized as expenses in the period incurred, pursuant to the applicable contractual arrangements in place. In addition, the Company incurs general, administrative, financing and other expenses while operating its business.

Q1 2016 HIGHLIGHTS

Financial Highlights

- Revenue of $180.8 million in the first quarter, representing an increase from $168.3 million in the first quarter of 2015, primarily due to greater electricity revenues as a result of higher average electricity customer numbers
- Gross margin of 22.2% of total revenue for the quarter, representing a decrease from the 23.9% achieved in the first quarter of 2015, largely due to the increased proportion of commercial customers the Company now serves
- Adjusted EBITDA of $13.0 million during the first quarter and after removing the impact of non-recurring items totaling $1.4 million, compares closely to the $14.4 million achieved in the first quarter of 2015
- Distributable cash for the first quarter was $9.8 million and total distributions were $5.7 million, resulting in a quarterly payout ratio of 58.2%, which compares to a quarterly payout ratio of 54.5% in the first quarter of 2015

Operational Highlights

- Achieved net customer growth of 97,000 customers in the first quarter, representing 11.8% quarter-over-quarter growth, with total customers reaching 916,000
    - Added 95,000 customer from sales and marketing channels, which represents an increase over average quarterly organic customer adds over the last twelve months of 92,000
    - Added 75,000 customers from Iron Energy d/b/a Kona Energy ("**Kona Energy**") in February 2016
    - Gross customer drops in the first quarter of 73,000 improved over the average quarterly customer drops over the last twelve months of 78,000 due to the transition of the customer portfolio to more fixed-price and longer-term commercial customers
- Solar system installations growth
    - Solar systems installed in the quarter represented 2.3 MW of generating capacity, compared to the 1.8 MW installed in the first quarter of 2015
    - Quarter over quarter growth in installations achieved despite the impact of the transition to Sungevity Inc. ("**Sungevity**") and seasonality that commonly occurs in the solar industry in northeast markets during the winter season

- Continued advancement of the partnership with Comcast Corporation ("**Comcast**") in the first quarter
  - Following a successful launch of Comcast Energy Rewards in the second quarter of 2015, the Company continued to see growth in line with management's expectations during the first quarter of 2016
  - Continued focus on market, product and sales channel expansion during the quarter is expected to result in increased growth throughout the remainder of 2016 as the ongoing launch of the strategic channel continues

Growth and Corporate Highlights

- Announced a 2% distribution increase
  - In January 2016, the Trust announced that the board of directors approved a 2% increase to distributions paid on Units of the Trust for the first quarter of 2016, representing an annualized increase of $0.014 per Unit and a total annualized distribution of $0.714 per Unit.
  - The increase was the result of the successful completion of several acquisitions and continued organic growth, both of which raised the growth profile of the business
- Completed the acquisition of 75,000 customers from Kona Energy
  - In February 2016, the Company successfully completed the acquisition of the customer contracts and associated assets for approximately 75,000 electricity customers for a total acquisition cost of approximately $7.0 million.
  - The acquisition further increases the Company's scale and expands the Company's customer base in Illinois, New York, Ohio, and Texas
  - Positive impacts on Distributable Cash and payout ratio expected from the $5.0 million in reduced fees over the next four years negotiated with Macquarie Energy as part of the acquisition

Highlights Subsequent to the end of Q1 2016

- Announced a further 2% distribution increase
  - In April 2016, the Trust announced that the board of directors approved an additional 2% increase to distributions paid on Units of the Trust for the second quarter of 2016, representing an annualized increase of $0.0143 per Unit and a total annualized distribution of $0.7283 per Unit
  - The increase was the result of the confidence that both Management and the Board have in the long-term outlook for Crius, strong operating cash flows and no long-term debt on the balance sheet
- Continued expansion of geographic footprint
  - Launched electricity service in Connecticut early in the second quarter of 2016 under the Comcast Energy Rewards brand
  - Received new licenses in several states including Michigan (Comcast Energy Rewards, Viridian Energy), Georgia (Comcast Energy Rewards, Viridian Energy) and Massachusetts (Comcast Energy Rewards, Public Power)
  - Launch of Viridian network marketing channel in Australia with electricity and natural gas customer enrollments planned to commence in mid-2016 through our local energy partner.

Q1 2016 DISCUSSION

Crius Energy continued to show the positive impacts from the successful execution of the Company's organic and acquisition growth strategy in the first quarter of 2016, highlighted by significant year-over-year growth in the customer base, up 57.7%. While investing to accelerate customer growth and maximize the value of each customer relationship, the Company maintained a conservative payout ratio of 58.2% in the first quarter, while growing the distribution payment to Unitholders.

Overall revenues increased 7.4% in the quarter to $180.8 million from $168.3 million in the first quarter of 2015. The increase was largely due to 16.5% greater electricity revenues primarily as a result of higher average electricity customer numbers resulting from organic customer growth and the acquisitions of TriEagle Energy and Kona Energy, offset by lower energy market conditions and lower usage per customer resulting from the seasonally milder winter causing temperatures to be approximately 26% higher than the prior comparable period, across our core markets, as measured in Heating Degree Days.

Revenues from solar system sales in the first quarter were $0.9 million, a decrease of 58.7% from revenues of $2.3 million in the first quarter of 2015, with the prior period comparison impacted by the change in application of the revenue recognition policy adopted in the fourth quarter of 2015, where revenue is recognized upon the successful installation of a solar system as opposed to the previous method where revenue was recognized upon the execution of contracts. After adjusting for the impact from the change in the application of the solar revenue recognition policy, comparable period solar revenue in the first quarter of 2015 would have been $1.0 million. Additionally, solar revenues were impacted by the ongoing transition to the new reseller partnership with Sungevity and seasonality of solar sales in northeast markets during winter months. Following the full transition to the new reseller agreement, which is expected to be completed by mid-2016, the Company expects to see improved economics per system sold and a more than 20 year co-branded customer relationship.

Gross margin for the quarter was $40.2 million, largely in line with gross margin in the first quarter of 2015, impacted by the above-mentioned mild winter weather conditions experienced in the quarter. As a percentage of total revenue, gross margin was 22.2% in the first quarter of 2016, slightly below the 23.9% in the same quarter of the previous year. The decline in gross margin as a percentage of revenue was primarily impacted by the increased proportion of commercial customers the Company now services as a result of the TriEagle Energy and Kona Energy acquisitions. Commercial customers provide diversification to the customer portfolio and have a higher retention profile than residential customers, although with lower average unit margins.

Adjusted EBITDA in the first quarter of 2016 was $13.0 million, a 9.7% decrease over $14.4 million in the first quarter of 2015, with the current quarter being impacted by non-recurring costs of $0.7 million relating to a sales and use tax assessment in Texas and $0.7 million related to costs associated with a workforce restructuring, which is expected to generate savings over the balance of the year. Adjusting for these non-recurring costs, Adjusted EBITDA was $14.4 million in the quarter and was in line with the first quarter of 2015.

Distributable Cash was $9.8 million in the first quarter of 2016 compared to $8.8 million in the first quarter of 2015, an increase of 11.4%. Total distributions paid in the first quarter of 2016 were $5.7 million, representing a quarterly payout ratio of 58.2%. Positive impacts on distributable cash primarily resulted from stronger operating cash flows, as well as lower, more normalized, capital expenditures.

At March 31, 2016, Crius Energy had 916,000 customers, up from 819,000 at the beginning of the quarter, representing net customer growth of 97,000 customers, or 11.8% over the quarter. Net customer adds in the quarter benefited from the 75,000 customers acquired from Kona Energy, success in the direct marketing channel and commercial sales activity, as well as from declining attrition rates attributable to longer-term fixed price residential and commercial customers in the portfolio.

During the first quarter of 2016, excluding changes in operating assets and liabilities, the Company achieved operating cash flows of $14.3 million as compared to $12.4 million in the first quarter of 2015. At March 31, 2016 the Trust had total cash and cash availability of $22.8 million. This consisted of $9.5 million of cash and equivalents and $13.3 million available under the credit facility. This compared to total cash and cash availability of $42.9 million at the end of 2015. The reduction in total cash and availability in the quarter was impacted by $6.0 million in initial cash consideration paid for acquisitions that closed in the quarter, primarily Kona Energy, as well as by the timing of certain large payments of ordinary course liabilities totaling $15.8 million related to renewable energy certificates and related alternative compliance payments which relate to 2013 to 2015 renewable energy compliance periods.

The Trust continues to have no long-term debt and sufficient resources to execute its growth strategy. At the end of the first quarter of 2016 the Company had $18.5 million outstanding under its credit facility.

OUTLOOK

Management expect Company performance to continue to benefit from ongoing enhancements to operations and risk management, increased scale and diversity of the customer portfolio, along with a continued investment in the business through both organic and acquisition growth initiatives.

For the remainder of 2016, Management intend to focus on accelerating customer growth and increasing customer lifetime value through expansion in the commercial segment, entering new geographies, adding new and enhancing existing distribution channels, and through the addition of new product offerings. These long-term, value creation initiatives are expected to positively benefit long-term customer growth rates and earnings, however are expected to have short-term impacts to earnings.

Commercial Expansion

In 2016, the Company expects to benefit from the integration of the TriEagle Energy commercial platform into the Crius Energy business, which expands the Company's commercial footprint to 13 states and the District of Columbia for electricity and nine states and the District of Columbia for natural gas. Additionally, with the Kona Energy acquisition which added 75,000 commercial customers, the Company has the opportunity to expand commercial sales through a broader portfolio of broker relationships.

Management expect that the platform, combined with expanded geographies, capital resources, and pricing and risk expertise, will allow Crius to grow the commercial segment in other U.S. deregulated energy markets.

New Geographies

In April 2015, through the acquisition of TriEagle Energy, the Company expanded into the Texas electricity market and is currently offering service in Texas through its Comcast Energy Rewards, TriEagle Energy and Viridian Energy brands. Texas is the largest de-regulated energy market in the United States with high growth in forecasted energy volumes, offering a significant opportunity for the Company to increase its market share in the state.

Further expansion in the United States is underway, where Crius is actively seeking licenses or in the process of launching service in six states, including states in which Crius will be launching service for the first time as well as states where the Company currently operates under one or more of its brands and will be launching service under additional brands. Potential states for new or expanded service include Delaware, District of Columbia, Maryland, Massachusetts, New Hampshire, Georgia and Michigan.

Internationally, the Company is in the process of entering the Australian market (discussed in further detail below) and Management is also evaluating opportunities in additional international markets that have recently deregulated or are in the process of deregulating.

Distribution Channels

Strategic Partnership with Comcast

The Company continues to make progress marketing electricity and natural gas products under the Comcast Energy Rewards brand name, now offering service in California, Illinois, New Jersey, Pennsylvania and Texas. Several initiatives including new product offerings, call centre expansion, and additional retail partners are expected to drive growth in the channel. Management expect to continue to expand the Comcast Energy Rewards brand into new U.S. markets throughout the year with Connecticut and New Hampshire launching in the second quarter of 2016. The Company remains on track to have access to substantially all Comcast subscribers in deregulated energy markets by the end of 2016. In addition to expanding geography, the Company is actively looking to expand access to new channels within Comcast to increase penetration within their customer base.

Viridian Energy

The Company's network marketing channel is expected to remain a contributor to Adjusted EBIDTA in the United States with service being offered in 15 states. Additionally, the Company is actively expanding this channel internationally. In mid-2016 the Company plans to begin marketing electricity and natural gas products in Australia through a partnership with a leading Australian retail energy supplier that is responsible for all energy procurement and operations, with Crius Energy being responsible for customer acquisition through its leading and differentiated network marketing brand. Australia has a significant addressable market and low market penetration rates. With few unique sales channels in the market, Crius expects to benefit from first-mover advantage with the first energy-focused network marketing opportunity in the country, as well as a differentiated focus on responsible energy options for customers. The initial investment to enter the market is expected to be approximately $2.0 million in 2016, with EBITDA contributions in 2017 and beyond.

New Products

Solar

Management continue to focus on the transition to the new solar reseller partnership with Sungevity which is expected to be completed in the first half of 2016. Once completed, the Company expects to benefit from improved economics per system sold, reduced cancellation rates and a more than 20 year co-branded customer relationship. Through the reseller partnership, the Company is well positioned to benefit from the five-year extension of the U.S. Investment Tax Credit that was announced at the end of 2015, which is one of the most significant public policy mechanisms to support the deployment of solar energy in the United States, providing long-term business certainty to solar energy project developers, investors and the solar industry.

Bundled Products

To support accelerating customer growth and increasing customer lifetime value Management is focused on growing revenue per customer through pairing current product offerings with higher margin product bundles and building customer relationships that offer the opportunity for cross selling additional products. In addition to core products, offerings may include smart thermostats, efficiency upgrades, HVAC audits, lighting packages and demand response programs. This bundle strategy is also expected to have a positive impact on customer attrition rates in the future through offering increased value to customers.

Acquisitions

Acquisitions remain a core growth strategy for Crius Energy. The Company has an established, robust platform that uniquely allows the seamless acquisition and integration of new assets onto the Crius platform. The Company continues to evaluate multiple acquisition opportunities in the market.

Regulatory

On February 23, 2016, the New York Public Service Commission ("**NYPSC**") issued an order, effective March 4, 2016 ("**Order**"), resulting in changes to the regulatory rules regarding the marketing of natural gas and electricity to residential and small commercial customers in the state of New York. The order applies to new or renewed residential and small commercial customer contracts only. The regulation requires customers to be offered value products in the form of either an electric product that meets a minimum 30% renewable energy content ("**Green Product**"), or an electric or gas product that meets or provides the customer savings as compared to the rate offered by the local distribution utility, measured on an annual basis ("**Saving Product**").

- Management believes the majority of Crius electricity customers in New York are not impacted by this regulatory change as customers are already serviced with higher renewable energy content than the minimum 30% required under the regulation. Additionally, large commercial customers, which represent approximately 15% of the Company's customers in the state, are not impacted by the regulatory change.
- The Company plans to comply in the following manner if the Order is found valid: (i) for gas, offering a Savings Product, and (ii) for electricity customers not already on a compliant Green Product, automatically renewing customers onto a Savings Product unless they select a Green Product. This transition may result in increased cost-to-serve per customer and could have an impact on customer attrition rates within the state.
- On March 4, 2016, Crius Energy, along with many of its peers in the retail energy industry, received a Temporary Restraining Order ("**TRO**") staying the NYPSC's Order until May 20, 2016, at which time the judge will hear a preliminary injunction hearing. Based on the success of the TRO, there is no immediate impact on our customers in New York.

In addition to the Order, Management are continuing to monitor other potential developments which may have regulatory implications for the retail energy industry.

Distributions

In April, 2016 the Board approved a 2% increase to distributions paid to unitholders, following the 2% increase announced in January 2016. The increase was the result of the confidence that both Management and the Board have in the long-term outlook for Crius, strong operating cash flows and no long-term debt on the balance sheet.

Management expect the sustainability of the Trust's distributions to be further supported through the end of 2017 by the value of the U.S. dollar versus the Canadian dollar, which results in a lower payout ratio as business operations generate earnings in U.S. dollars whereas the distributions to unitholders are set in Canadian dollars. The Trust maintains an active currency hedging program that uses foreign currency options to set a floor exchange rate for its distribution levels and is currently hedged through December 2017 at C$1.37 per US$1.00, while retaining upside from further U.S. dollar strength.

Capital Structure

Going forward, Management will act on further opportunities to acquire additional membership units of Crius Energy in a similar fashion to the July 2015 equity offering and acquisition of an additional 16.3% interest in the operating business, with the intention of eventually increasing its ownership to 100%. We expect such opportunities will be dependent on a number of factors, including prevailing capital market conditions, the continued improvement in the trading price of Units and the willingness of private owners of LLC Units to sell LLC Units.

Summary

Through the offering of essential products in the retail energy and solar industries, and unique go-to-market strategy, Crius is well positioned to accelerate customer growth and focus on increasing customer lifetime value throughout 2016 and beyond. Crius is uniquely positioned with no long-term debt, a low payout ratio supporting a sustainable distribution, and sufficient access to capital to execute on the Company's clearly defined growth strategy.

Selected Consolidated Financial and Operational Data

The following selected historical financial information has been derived from the unaudited interim condensed consolidated financial statements of the Trust for the three months ended March 31, 2016 and 2015 and the audited consolidated financial statements as at December 31, 2015. The operating data has been prepared by Management based on the Company's records.

Statement of Comprehensive Loss Highlights
(in millions)

	Three months ended March 31, 2016 (unaudited)	Three months ended March 31, 2015 (unaudited)
Revenue	$180.8	$168.3
Cost of sales	140.6	128.1
Gross margin	40.2	40.2
Expenses		
Selling expenses	7.2	9.9
General and administrative	20.0	15.9
Unit-based compensation	1.6	0.8
Depreciation and amortization	9.4	10.1
Operating income	2.0	3.5
Other (expenses) income		
Finance costs	(2.8)	(1.8)
Distributions to non-controlling interest	(3.5)	(3.9)
Change in fair value of derivative instruments	(7.2)	1.6
Change in fair value of warrants	0.1	(0.5)
Change in fair value of non-controlling interest	(1.0)	(29.9)
Loss before income taxes	(12.4)	(31.0)
(Benefit from) provision for income taxes	(1.3)	0.9
Net loss and total comprehensive loss	**$(11.1)**	**$(31.9)**
EBITDA[1]	(0.2)	(19.1)
Adjusted EBITDA[1]	**$13.0**	**$14.4**

(1) EBITDA and Adjusted EBITDA have limitations as analytical tools and should not be considered in isolation from, or as an alternative to, net loss or other data prepared in accordance with IFRS. See *"Non -IFRS Financial Measures"*. The following table is a reconciliation of net loss and comprehensive loss to EBITDA and Adjusted EBITDA for the periods indicated.

Reconciliation of Net Loss and Total Comprehensive Loss to EBITDA and Adjusted EBITDA
(in millions)

	Three months ended March 31, 2016 (unaudited)	Three months ended March 31, 2015 (unaudited)
Net loss and total comprehensive loss	$(11.1)	$(31.9)
Excluding the impacts of:		
Finance costs	2.8	1.8
(Benefit from) provision for income taxes	(1.3)	0.9
Depreciation and amortization	9.4	10.1
EBITDA	(0.2)	(19.1)
Excluding the impact of:		
Unit-based compensation	1.6	0.8
Distributions to non-controlling interest	3.5	3.9
Change in fair value of derivative instruments	7.2	(1.6)
Change in fair value of warrants	(0.1)	0.5
Change in fair value of non-controlling interest	1.0	29.9
Adjusted EBITDA	**$13.0**	**$14.4**

Statement of Financial Position Highlights
(in millions)

	As at March 31, 2016 (unaudited)	As at December 31, 2015
Current assets	$108.4	$103.8
Total assets	306.5	280.8
Current liabilities	194.2	154.2
Long-term liabilities	161.3	162.4
Unitholders' deficit	(49.0)	(35.8)

Statement of Cash Flows Highlights
(in millions)

	Three months ended March 31, 2016 (unaudited)	Three months ended March 31, 2015 (unaudited)
Cash flows provided by operating activities	$(0.6)	$7.3
Cash flows used in investing activities	(7.4)	(1.9)
Cash flows provided by (used in) financing activities	6.2	(6.6)
Cash and cash equivalents at beginning of period	11.2	14.3
Cash and cash equivalents at end of period	9.5	13.1

Operational Highlights

	Three months ended March 31, 2016 (unaudited)	Three months ended March 31, 2015 (unaudited)
Electricity		
Volumes (MWh)	1,744,000	1,264,000
Revenue ($ million)	164.3	141.0
Gross margin ($ million)	32.8	28.3
Gross margin ($/MWh)	18.79	22.37
Gross margin as a % of revenue	19.9%	20.0%
Natural gas		
Volumes (MMBtu)	2,595,000	3,238,000
Revenue ($ million)	13.2	24.2
Gross margin ($ million)	4.1	8.8
Gross margin ($/MMBtu)	1.58	2.73
Gross margin as a % of revenue	31.1%	36.6%

Customer Aggregation

The following table summarizes the Company's gross additions and drops in electricity and natural gas customers from both organic growth and acquisitions activity over the trailing four quarters ending March 31, 2016.

Customer Aggregation
(in customers)

	Opening Customer Count	Customer Adds	Customer Drops	Net Change	Closing Customer Count
Electricity	511,000	281,000	(71,000)	210,000	721,000
Natural Gas	70,000	7,000	(8,000)	(1,000)	69,000
Quarter ended June 30, 2015	**581,000**	**288,000**	**(79,000)**	**209,000**	**790,000**
Net Change % of Opening Customer Count				***36.0%***	
Electricity	721,000	81,000	(71,000)	10,000	731,000
Natural Gas	69,000	8,000	(9,000)	(1,000)	68,000
Quarter ended September 30, 2015	**790,000**	**89,000**	**(80,000)**	**9,000**	**799,000**
Net Change % of Opening Customer Count				***1.1%***	
Electricity	731,000	91,000	(73,000)	18,000	749,000
Natural Gas	68,000	7,000	(5,000)	2,000	70,000
Quarter ended December 31, 2015	**799,000**	**98,000**	**(78,000)**	**20,000**	**819,000**
Net Change % of Opening Customer Count				***2.5%***	
Electricity	749,000	163,000	(63,000)	100,000	849,000
Natural Gas	70,000	7,000	(10,000)	(3,000)	67,000
Quarter ended March 31, 2016	**819,000**	**170,000**	**(73,000)**	**97,000**	**916,000**
Net Change % of Opening Customer Count				***11.8%***	

Solar Systems Installed

The following table summarizes the Company's solar sales in terms of solar systems installed over the trailing four quarters ending March 31, 2016.

Solar Systems Installed
(in MW of generating capacity)

Systems Installed	**MW**
Residential	2.4
Commercial	—
Quarter ended June 30, 2015	**2.4**
Residential	2.4
Commercial	1.0
Quarter ended September 30, 2015	**3.4**
Residential	1.5
Commercial	—
Quarter ended December 31, 2015	**1.5**
Residential	2.3
Commercial	—
Quarter ended March 31, 2016	**2.3**

Summary of Quarterly Results
Quarterly Results (unaudited)
(in millions)

	Quarter ended March 31, 2016	Quarter ended December 31, 2015	Quarter ended September 30, 2015	Quarter ended June 30, 2015	Quarter ended March 31, 2015	Quarter ended December 31, 2014	Quarter ended September 30, 2014	Quarter ended June 30, 2014
Revenue	$180.8	$147.5	$204.2	$166.3	$168.3	$134.3	$154.6	$134.0
Cost of sales	140.6	112.0	156.1	126.4	128.1	96.2	116.6	100.3
Gross margin	40.2	35.5	48.1	39.9	40.2	38.1	38.0	33.7
Expenses								
Selling expenses	7.2	9.8	11.6	7.5	9.9	9.8	8.1	8.1
General and administrative	20.0	17.3	20.4	18.6	15.9	14.0	14.6	12.4
Unit-based compensation	1.6	0.5	1.7	1.4	0.8	0.4	0.3	0.7
Depreciation and amortization	9.4	7.4	17.6	14.0	10.1	10.3	10.2	9.6
Operating income (loss)	2.0	0.5	(3.2)	(1.6)	3.5	3.6	4.8	2.9
Other (expenses) income								
Finance costs	(2.8)	(1.7)	(2.5)	(3.0)	(1.8)	(1.6)	(1.6)	(1.7)
Distributions to non-controlling interest	(3.5)	(3.8)	(3.2)	(3.9)	(3.9)	(1.5)	(4.9)	(6.7)
Change in fair value of derivative instruments	(7.2)	(1.6)	11.0	3.8	1.6	(39.4)	4.9	4.6
Change in fair value of warrants	0.1	0.2	(0.6)	(0.2)	(0.5)	(0.1)	—	(0.4)
Change in fair value of non-controlling interest	(1.0)	9.4	(17.1)	(25.3)	(29.9)	(3.1)	10.2	(43.4)
(Loss) income before income taxes	(12.4)	3.0	(15.6)	(30.2)	(31.0)	(42.1)	13.4	(44.7)
(Benefit from) provision for income taxes	(1.3)	(2.9)	2.6	0.5	0.9	(14.8)	(0.5)	(0.7)
Net (loss) income and comprehensive (loss) income	**$(11.1)**	**$5.9**	**$(18.2)**	**$(30.7)**	**$(31.9)**	**$(27.3)**	**$13.9**	**$(44.0)**

Reconciliation of Net (Loss) Income and Comprehensive (Loss) Income to EBITDA and Adjusted EBITDA

Net (loss) income and comprehensive (loss) income	$(11.1)	$5.9	$(18.2)	$(30.7)	$(31.9)	$(27.3)	$13.9	$(44.0)
Excluding the impacts of:								
Finance costs	2.8	1.7	2.5	3.0	1.8	1.6	1.6	1.7
(Benefit from) provision for income taxes	(1.3)	(2.9)	2.6	0.5	0.9	(14.8)	(0.5)	(0.7)
Depreciation and amortization	9.4	7.4	17.6	14.0	10.1	10.3	10.2	9.6
EBITDA	(0.2)	12.1	4.5	(13.2)	(19.1)	(30.2)	25.2	(33.4)
Excluding the impact of:								
Unit-based compensation	1.6	0.5	1.7	1.4	0.8	0.4	0.3	0.7
Distributions to non-controlling interest	3.5	3.8	3.2	3.9	3.9	1.5	4.9	6.7
Change in fair value of derivative instruments	7.2	1.6	(11.0)	(3.8)	(1.6)	39.4	(4.9)	(4.6)
Change in fair value of warrants	(0.1)	(0.2)	0.6	0.2	0.5	0.1	—	0.4
Change in fair value of non-controlling	1.0	(9.4)	17.1	25.3	29.9	3.1	(10.2)	43.4
Adjusted EBITDA	**$13.0**	**$8.4**	**$16.1**	**$13.8**	**$14.4**	**$14.3**	**$15.3**	**$13.2**

Distributable Cash and Payout Ratio

Cash flows from operating activities	$(0.6)	$3.8	$26.7	$(0.5)	$7.3	$15.7	$19.9	$17.7
Changes in operating assets and liabilities	(14.9)	(9.4)	13.7	(14.6)	(5.1)	2.4	4.9	3.8
Cash flows from operating activities excluding changes in operating assets and liabilities	**$14.3**	**$13.2**	**$13.0**	**$14.1**	**$12.4**	**$13.3**	**$15.0**	**$13.9**
Finance costs included in financing activities	(2.5)	(2.0)	(3.1)	(2.1)	(1.7)	(1.4)	(1.8)	(1.4)
Maintenance Capital Expenditures[1]	(1.4)	(2.2)	(2.9)	(2.0)	(1.9)	(1.0)	(1.3)	(1.4)
Unit-based compensation payments	(0.6)	—	—	—	—	—	—	—
Distributable Cash	**$9.8**	**$9.0**	**$7.0**	**$10.0**	**$8.8**	**$10.9**	**$11.9**	**$11.1**
Distributions to non-controlling interest	3.6	3.7	3.2	3.1	3.4	3.4	4.9	6.3
Distributions to Unitholders	2.1	2.2	1.9	1.4	1.4	1.4	1.6	1.6
Total distributions	**$5.7**	**$5.9**	**$5.1**	**$4.5**	**$4.8**	**$4.8**	**$6.5**	**$7.9**
Payout Ratio	**58.2%**	**65.6%**	**72.9%**	**45.0%**	**54.5%**	**44.0%**	**54.6%**	**71.2%**

(1) Maintenance Capital Expenditures consisted of Cash flows used in investing activities from the Consolidated Statement of Cash Flows, adjusted to exclude Cash flows used in investing activities relating to acquisitions.

Discussion of Operations
For the three months ended March 31, 2016 and 2015

Revenue

For the three month period ended March 31, 2016, revenue was $180.8 million, representing an increase of 7.4% from $168.3 million for the three month period ended March 31, 2015. Revenues in the quarter from both electricity and natural gas customers were adversely impacted by a seasonally milder winter causing temperatures to be approximately 13% higher than the 10 year normal and approximately 26% higher than the prior comparable period, across our core markets, as measured in Heating Degree Days.

Electricity

Electricity revenue for the three month period ended March 31, 2016 was $164.3 million, representing an increase of 16.5% from $141.0 million for the three month period ended March 31, 2015, primarily as a result of a 38.0% increase in volume, partially offset by a 15.6% lower average retail rate per unit, reflecting a lower energy price environment. Electricity volumes for the three month period ended March 31, 2016 were 1,744,000 MWh representing an increase of 38.0% from 1,264,000 MWh for the three month period ended March 31, 2015, with the increase being primarily due to higher average customer numbers resulting from the acquisitions of TriEagle Energy and Kona Energy.

Natural Gas

Natural gas revenue for the three month period ended March 31, 2016 was $13.2 million, representing a decrease of 45.3% from $24.2 million for the three month period ended March 31, 2015, primarily as a result of a 19.9% decrease in natural gas volumes and a 31.8% lower average retail rate per unit. Natural gas volumes for the three month period ended March 31, 2016 were 2,595,000 MMBtu, representing a decrease of 19.9% from 3,238,000 MMBtu for the three month period ended March 31, 2015, with the decrease resulting from lower average usage per customer and lower average customer numbers.

Solar Revenue

Solar revenue for the three month period ended March 31, 2016 was $0.9 million, representing fees earned in connection with the marketing of solar systems installed with total generation capacity of 2.3 MW. This represents a decrease of 58.7% from revenues of $2.3 million and 1.8 MW of generating capacity in the three month period ended March 31, 2015. The period-over-period comparison is impacted by a change in the application of our revenue recognition accounting policy for solar revenues. Commencing in the fourth quarter of 2015, solar revenues are recognized upon the installation of the solar systems. However, in periods prior to the accounting change, solar revenues were recognized upon the execution of contracts with customers, net of expected cancellations that may occur prior to installation of the solar systems. After adjusting for the impact from the change in the application of the solar revenue recognition policy, comparable period solar revenue in the first quarter of 2015 would have been $1.0 million. Additionally, solar revenues in the current quarter were impacted by the ongoing transition to our new solar reseller partnership with Sungevity.

Fee Revenue

Fee revenue, consisting of sign-up fees and other monthly fees received from independent contractors in the network marketing channel and various fees received from customers, for the three month period ended March 31, 2016 was $2.4 million, representing an increase of 183.3% from $0.9 million for the three month period ended March 31, 2015, which was primarily attributable to customer fee revenues in the Texas electricity market as a result of the acquisition of TriEagle Energy, which closed on April 1, 2015.

Gross Margin

For the three month period ended March 31, 2016, gross margin was $40.2 million, representing no change from $40.2 million for the three month period ended March 31, 2015. Gross margin in the current quarter was adversely impacted by the seasonally milder winter temperatures across our core markets, which reduced customer usage. Gross margin for the three month period ended March 31, 2016 was 22.2% of total revenue, representing a decrease from 23.9% of total revenue for the three month period ended March 31, 2015. Gross margin benefited from increased average customer numbers due to the acquisitions of TriEagle Energy and Kona Energy, with the reduction in gross margin as a percentage of revenue in the current quarter primarily a result of the increased proportion of lower margin commercial customers as a result of the acquisitions of TriEagle Energy and Kona Energy, as well as the period-over-period reduction in solar revenues with no related cost of sales.

Electricity

Electricity gross margin for the three month period ended March 31, 2016 was $32.8 million, representing an increase of 15.9% from $28.3 million for the three month period ended March 31, 2015. For the three month period ended March 31, 2016, electricity gross margin was 19.9% of electricity revenues, and electricity gross margin per unit was $18.79/MWh, representing decreases from 20.0% and $22.37/MWh, respectively, for the three month period ended March 31, 2015. Electricity gross margin as a percentage of electricity revenue was broadly consistent with the prior year and electricity gross margin per unit in the quarter were driven lower by the increasing commercial customer base in the portfolio from the acquisitions of TriEagle Energy and Kona Energy.

Natural Gas

Natural gas gross margin for the three month period ended March 31, 2016 was $4.1 million, representing a 53.6% decrease from $8.8 million for the three month period ended March 31, 2015. For the three month period ended March 31, 2016, natural gas gross margin was 31.1% of natural gas revenues and natural gas gross margin per unit was $1.58/MMBtu, representing a decrease from 36.6% and $2.73/MMBtu, respectively, for the three month period ended March 31, 2015, with the unit margins in the current quarter representing a more normalized wholesale and retail environment.

Other

Gross margin for the three month period ended March 31, 2016 included solar revenues of $0.9 million and revenues from independent contractors in the network marketing channel and various fees received from customers of $2.4 million. For three month period ended March 31, 2015, solar revenues were $2.3 million and revenues from independent contractors in the network marketing channel and various fees received from customers were $0.9 million. These revenues do not have associated cost of sales.

Selling Expenses

Selling expenses consist of commissions due to (i) independent contractors in our network marketing channel, commercial broker channel, telemarketing and door-to-door channels, (ii) partners in our strategic partnerships, (iii) employees both for customer consumption and enrolling new electricity, natural gas and solar customers, and (iv) vendors used in the Company's direct mail and other direct marketing campaigns. Selling expenses are expensed in the period during which they are earned by the independent contractors, strategic partnerships, employees or vendors, as applicable.

Commissions earned are comprised of upfront commissions, which are primarily based on the successful enrollment of customers, and residual commissions, which are primarily based on customer consumption and receipt of customer payments. The commission structures utilized are summarized below:

- Commissions due to independent contractors for customers acquired through network marketing are calculated according to a multi-level compensation plan designed to reward independent contractors for building successful marketing networks. Under the compensation plan, independent contractors are eligible to earn upfront and residual commissions, cash bonuses and promotional pay based on a number of factors, including, but not limited to, customer enrollment and energy usage.

- Commissions due for customers acquired through our strategic partnerships are calculated primarily based on upfront commissions calculated per customer enrolled, and may be subject to a partial or full repayment of such commission for customers who terminate their service within certain timeframes and a residual-based commission based on a revenue or energy usage over a customer's term of enrollment.

- Commissions due to independent contractors in our direct marketing channel are primarily comprised of upfront commissions, based on successful customer enrollments, and may be subject to a partial or full repayment of such commission for customers who terminate their service within certain timeframes, or paid under hourly contracts. Selling costs also include costs from various vendors used in direct mail and other direct marketing campaigns.

- Commissions due to brokers in our commercial broker channel are primarily residual commissions, which are based on energy usage over a customer's term of enrollment.

- Commissions due to employees in a sales team focusing on solar sales are based on the size and pricing of the solar systems sold.

For the three month period ended March 31, 2016, selling expenses were $7.2 million, representing a decrease of 27.3% from $9.9 million for the three month period ended March 31, 2015. Selling expenses for the three month period ended March 31, 2016 amounted to 4.0% of revenue compared to 5.9% of revenue for the three month period ended March 31, 2015. These expenses consist of:

(a) Upfront electricity and natural gas customer acquisition commissions for the three month period ended March 31, 2016 of $2.9 million (amounting to $31 per customer acquired), representing a decrease from $4.2 million for the three month period ended March 31, 2015 (amounting to $41 per customer acquired), with the costs being impacted by 7,000 lower organic customer enrollments compared to the prior comparable period in 2015 and the lower upfront costs per customer, primarily associated with increased commercial customer enrollments as a result of the acquisition of TriEagle Energy.

(b) Residual-based electricity and natural gas commissions for the three month period ended March 31, 2016 of $3.4 million (amounting to 1.9% of revenues), representing a decrease from $4.9 million for the three month period ended March 31, 2015 (amounting to 2.9% of revenues), with the reduction primarily attributable to lower residual based commissions in the network marketing channel under a revamped compensation plan implemented at the end of 2015, which is structured to increase compensation and incentives for growth and lower residual based payments. The decrease in residual-based commissions as a percentage of revenue is impacted by the acquisition accounting for the acquisitions of TriEagle Energy and Kona Energy, which closed on April 1, 2015 and February 1, 2016, respectively. Residual-based commissions owed to brokers based on customer usage are treated under acquisition accounting as an assumed liability and are included in the purchase price allocation for the acquisition, based on estimated customer usage and contracted commission rates. Thus, ongoing payment of residual-based commissions associated with the customers acquired from TriEagle Energy and Kona Energy will relieve the liability on the consolidated statement of financial position rather than be expensed as a selling cost.

(c) Solar selling expenses for the three month period ended March 31, 2016 of $0.9 million (amounting to 94.9% of solar revenues), representing no change from $0.9 million for the three month period ended March 31, 2015 (amounting to 37.8% of solar revenues). Solar selling expenses as a percentage of revenue were higher than in the prior comparable period due to the impact of the revenue recognition accounting change implemented in the fourth quarter of 2015, whereby commissions are expensed as earned, however, revenues are recognized upon installation of the solar systems, as well as higher fixed costs due to the ongoing transition to the new reseller partnership with Sungevity.

General and Administrative Expenses

General and administrative expenses for the three month period ended March 31, 2016 were $20.0 million. This represented an increase from $15.9 million for the three month period ended March 31, 2015, as set out in the tables below. The increased level of general and administrative expenses period over period was impacted by the acquisition of TriEagle Energy on April 1, 2015.

General and Administrative Expenses
(in $ millions and % of revenue)

	Three months ended March 31, 2016		Three months ended March 31, 2015	
	$	**%**	**$**	**%**
POR fees / bad debt	$1.8	1.0%	$1.9	1.1%
Processing costs	1.3	0.7%	1.5	0.9%
Human resources	8.0	4.4%	6.4	3.8%
Gross receipts taxes and other taxes	2.4	1.3%	1.3	0.8%
Professional and consultant fees	1.2	0.7%	1.2	0.7%
Legal and regulatory	1.0	0.6%	0.7	0.4%
Other	4.3	2.4%	2.9	1.7%
Total	**$20.0**	**11.1%**	**$15.9**	**9.4%**

General and administrative expenses incurred during the three month period ended March 31, 2016 were made up of the following categories:

(a) POR fees / bad debt represent fees paid to the local distribution companies ("**LDCs**") pursuant to Purchase of Receivables ("**POR**") programs, under which the LDCs assume credit risk associated with customer non-payment and bad debt costs incurred in markets where the Company does not operate under a POR program, which exposes the Company to customer credit risk. The POR fees / bad debt costs for the three month period ended March 31, 2016 was $1.8 million, representing 1.0% of revenue, compared to $1.9 million for the three month period ended March 31, 2015, representing 1.1% of revenue for that period.

(b) Processing costs for the three month period ended March 31, 2016 of $1.3 million include various data processing and information technology costs incurred to service our customers and salesforce. This figure compares closely to $1.5 million for the three month period ended March 31, 2015.

(c) Human resource costs for the three month period ended March 31, 2016 of $8.0 million, consist of costs incurred in relation to the Company's employee base, temporary staff and independent contractors compared to costs in the prior comparable period in 2015 of $6.4 million. The increase was primarily the result of growth in employee headcount over the period as a result of the acquisition of TriEagle Energy and also due to $0.7 million in non-recurring costs associated with a workforce rationalization implemented in the quarter.

(d) Gross receipts taxes and other taxes for the three month period ended March 31, 2016 of $2.4 million represent operational taxes in various states and jurisdictions and are primarily driven by revenue. This compares to the $1.3 million incurred in the prior comparable period in 2015, with the increase primarily attributable to the acquisition of TriEagle Energy, which had a concentration of customers in markets in which such taxes are applicable, as well as a non-recurring charge related to a sales and use tax assessment in Texas of $0.7 million.

(e) Professional and consultant fees for the three month period ended March 31, 2016 of $1.2 million represent audit, tax, investor relations, share registry, valuation, due diligence, internal controls consulting and other fees and compares closely to $1.2 million in the prior comparable period in 2015.

(f) Legal and regulatory costs for the three month period ended March 31, 2016 of $1.0 million represent external legal fees incurred in the United States and Canada and compares to $0.7 million in the prior comparable period in 2015, with the increase primarily attributable to costs associated with acquisition related due diligence and industry-wide increased activity by state regulatory agencies.

(g) Other costs for the three month period ended March 31, 2016 of $4.3 million represent the balance of corporate, operational and marketing related expenses incurred to operate our business. These costs compare to $2.9 million in the prior comparable period in 2015. The increase in the level of other costs period over period was impacted by the acquisition of TriEagle Energy on April 1, 2015.

Unit-Based Compensation

The unit-based compensation charge relates to the cumulative net issuance of Phantom Unit Rights ("**PURs**") and Restricted Trust Units ("**RTUs**") to Management, the directors of the Crius Energy Administrator Inc. and other parties. For the three month period ended March 31, 2016, the unit-based compensation expense amounted to $1.6 million, representing an increase from $0.8 million for the three month period ended March 31, 2015. The expense reflects the fair value of the unit-based compensation based on the market price of the Units at the end of the period and the applicable vesting period. The unit-based compensation expense in the current period was impacted by increased unit-based issuances to both Management and the sellers of TriEagle Energy as part of the acquisition of TriEagle Energy, which closed on April 1, 2015.

Depreciation and Amortization

Depreciation and amortization relate to the property and equipment, and intangibles used in the Company's operations. Depreciation and amortization for the three month period ended March 31, 2016 was $9.4 million, representing a decrease from $10.1 million for the three month period ended March 31, 2015. The decrease is primarily attributable to certain intangible assets established in the initial public offering of the Trust in November 2012, which have now been fully amortized, and is offset by incremental amortization associated with the acquisition of TriEagle Energy completed in the second quarter of 2015 and the acquisition of Kona Energy completed in the first quarter of 2016, as well as the impact of changes in estimates of the useful lives of intangible assets.

Finance Costs

Finance costs for the three month period ended March 31, 2016 were $2.8 million, representing an increase from $1.8 million for the three month period ended March 31, 2015. Finance costs are primarily incurred pursuant to the Company's credit facility with Macquarie Energy LLC ("**Macquarie Energy**"). Refer to the discussion in the section entitled *"Liquidity and Capital Resources"* in this MD&A, for a detailed description of this facility. The higher finance fees for the three month period ended March 31, 2016 as compared to the prior comparable period in 2015 were attributable to increased volumetric energy fees, primarily as a result of increased volumes from the acquisitions of TriEagle Energy and Kona Energy, which closed on April 1, 2015 and February 1, 2016, respectively, as well as increased usage of the working capital facility, including cash advances issued in conjunction with the closing of the acquisition of Kona Energy.

Distributions to Non-Controlling Interest

Distributions to non-controlling interest for the three month period ended March 31, 2016 were $3.5 million, compared to $3.9 million for the three month period ended March 31, 2015. This decrease was primarily due to the reduction in the non-controlling interest ownership of the Company's units as a result of the acquisition of an additional 16.3% indirect ownership interest by the Trust on July 2, 2015. In addition, distributions to non-controlling interest were lower than the prior comparable periods due to the effects of a stronger USD/CAD exchange rate, which results in lower U.S. denominated distributions to the non-controlling interest.

Due to certain provisions in the Trust's governance documents, which in change of control circumstances provide the non-controlling interest a redemption right, the non-controlling interest is classified as a long-term liability on the interim condensed consolidated statement of financial position. Accordingly, monthly distributions paid by Crius Energy to the non-controlling interest are included in the profit and loss.

Change in Fair Value of Derivative Instruments

The change in fair value of derivative instruments consists of changes in unrealized gains or losses on derivatives, which represent the estimated amount that the Trust would need to pay or receive to dispose of the remaining notional commodity or currency positions in the market if the derivative contracts were to be terminated at the respective period end (see the section entitled *"Financial Instruments and Risk Management"* in this MD&A).

For the three month period ended March 31, 2016, the changes in unrealized gains or losses associated with derivative contracts were net losses of $7.2 million compared to net gains of $1.6 million for the three month period ended March 31, 2015.

Change in Fair Value of Derivative Instruments
(in millions)

	Three months ended March 31, 2016	Three months ended March 31, 2015
Forward electricity positions	$(9.3)	$0.1
Forward natural gas positions	1.9	2.1
Weather derivative positions	(0.4)	(0.3)
Forward currency positions	0.6	(0.3)
Change in fair value of derivative instruments	**$(7.2)**	**$1.6**

These gains and losses represent non-cash gains and losses associated with mark-to-market movements on forward hedge positions that are outstanding at period end. These hedges are put in place to hedge either the fixed price exposure of customers on fixed price contracts, the expected short-term exposure of variable priced customers, or the impacts of currency movements on the Trust's distributions, thereby minimizing the impact of these unrealized mark-to-market gains and losses.

Change in Fair Value of Warrants

The change in fair value of warrants for the three month period ended March 31, 2016 was a gain of $0.1 million compared to a loss of $0.5 million for the three month period ended March 31, 2015. This gain represents the mark-to-market valuation of the 750,000 Unit purchase warrants ("**Warrants**") issued to Macquarie Energy as consideration for the expansion of the Supplier Agreement (as defined in the section entitled *"Liquidity and Capital Resources"* in this MD&A) in February 2014. The valuation of the Warrants is based on an option valuation model, and accordingly the non-cash loss is the result of changes in the Unit price, volatility, yield, time to maturity and risk-free rate over the period.

Change in Fair Value of Non-controlling Interest

The change in fair value of non-controlling interest for the three month period ended March 31, 2016 was a loss of $1.0 million compared to a loss of $29.9 million for the three month period ended March 31, 2015. These losses represent the mark-to-market valuation of the non-controlling interest liability included on the Trust's statement of financial position. The mark-to-market valuation losses in the three month periods ended March 31, 2016 and 2015 were primarily the result of increases in the trading price of Units, during the respective reporting periods.

Due to certain provisions in the Trust's governance documents, which in change of control circumstances provide the non-controlling interest a redemption right, the non-controlling interest is classified as a long-term liability on the Trust's interim consolidated statement of financial position. Accordingly, this non-controlling interest is measured at fair value at the end of each period with the gain or loss being recorded in the profit and loss. The fair value of the non-controlling interest is measured principally based on the trading price of Units on the TSX, with an adjustment for certain profit interest units of the Company that is calculated using an option pricing model.

(Benefit from) Provision for Income Taxes

For the three month period ended March 31, 2016, the Trust recorded a benefit from income taxes of $1.3 million and for the three month period ended March 31, 2015, the Trust recorded a provision for income taxes of $0.9 million. The (benefit from) provision for income taxes is based on Management's estimate of the average annual effective income tax rate expected for the full financial year. The (benefit from) provision for income taxes attributable to the Trust's continuing operations differs from the amount derived by applying the U.S. statutory federal rate of 34% to the pretax loss principally due to the effect of state taxes, judgments related to the ability to realize deferred taxes and permanent items, such as distributions to non-controlling interest holders. Under United States partnership taxation rules, Crius Energy, LLC is not a taxable entity and its taxable (loss) income flows through to its partners who are then taxed on their allocable share of the partnership (loss) income.

Net Loss and Total Comprehensive Loss

For the three month period ended March 31, 2016, net loss and total comprehensive loss was $11.1 million, compared to net loss and total comprehensive loss of $31.9 million for the three month period ended March 31, 2015, with the changes primarily being attributable to the factors noted above. Net loss and comprehensive loss is impacted by numerous non-cash items, some being a result of the structure of the Trust and its subsidiaries as well as the industry in which it operates. Accordingly, Management believes the additional non-IFRS financial measures of Adjusted EBITDA and Distributable Cash are useful metrics to be considered together with net loss and comprehensive loss for evaluating the Trust's financial and operating performance, as they are measures that Management uses internally to assess performance.

Liquidity and Capital Resources

The Trust expects to have sufficient liquidity to fund its planned operations for the foreseeable future. The following are the primary sources of funding for future expenditures that are expected by Management to be available: (i) internally generated cash flow from operations; (ii) existing cash and working capital; and (iii) borrowing capacity under the Company's supplier agreement (the "**Supplier Agreement**") with Macquarie Energy. Additionally, Management may seek to raise capital through the following means: (iv) external debt financing; and (v) the issuance of additional Units.

Supplier Agreement

The Supplier Agreement provides for the exclusive supply of the Company's wholesale energy needs and hedging requirements for a term ending in January 2019. Under the Supplier Agreement, Macquarie Energy assumes the responsibility for meeting all the credit and collateral requirements with each Independent System Operator ("**ISO**"). Further, the Company's customers as well as the LDCs serving the Company's customers are directed to remit all customer payments into a designated restricted bank account (the "**Lockbox**"), and the funds in that account are used to pay Macquarie Energy for energy supplied and other fees and interest due under the Supplier Agreement. The trade payables are secured by funds pledged in the Lockbox, accounts receivable, natural gas inventory and all other Company assets.

Macquarie Energy extends trade credit to buy wholesale energy supply, with all amounts due being payable in the month following the delivery of the energy. The credit extended under the Supplier Agreement is limited to an overall exposure limit of $250.0 million subject to certain standard financial covenants, and limited to a calculated credit base based on restricted cash in the Lockbox, billed and unbilled receivables, natural gas inventory, forward value of customers and certain other items. The Company incurs a volumetric fee based on the wholesale energy delivered, which is included in the Trust's finance costs in the interim condensed consolidated statements of comprehensive loss. Effective February 1, 2016, the Company entered into an amended Supplier Agreement with Macquarie Energy, whereby the volumetric fees are temporarily reduced until the Company reaches an agreed upon savings. Upon reaching the targeted savings, the volumetric fees will revert to their previous rate.

The Supplier Agreement includes a working capital facility with a sub-limit of $60.0 million under which letters of credit and cash advances can be made based on the calculated credit base. Such letters of credit and cash advances under this line are subject to an annual interest rate of 5.5% plus LIBOR, with an incremental interest rate of 1.25% applied to borrowings above a certain threshold.

Under the Supplier Agreement, the Company and its operating subsidiaries are permitted to make monthly distributions provided that (i) no event of default, termination event or potential event of default under the Supplier Agreement has occurred, (ii) Macquarie Energy has been paid in full for all amounts owing under all then outstanding monthly invoices, (iii) Macquarie Energy has not received notice that any amount owed to any party is then currently past due, and (iv) the requested distribution would not result in a breach of any covenant under the Supplier Agreement. For a detailed description of the Supplier Agreement, refer to the section entitled "*Principal Agreement with Macquarie Energy*" in the annual information form of the Trust for the fiscal year ended December 31, 2015, dated March 15, 2016, which is available on SEDAR under the Trust's issuer profile at www.sedar.com and on the Trust's website at www.criusenergytrust.ca.

As at March 31, 2016, the Trust has no long-term debt and $18.5 million outstanding under its credit facility, compared to no long-term debt and $4.0 million outstanding under its credit facility as at December 31, 2015. As at March 31, 2016, the Company was in compliance with all covenants under the Supplier Agreement.

Cash and Availability

As at March 31, 2016, the Trust had total cash and availability of $22.8 million, consisting of cash and cash equivalents of $9.5 million and $13.3 million of availability under the credit facility. This compares to the total cash and availability as at December 31, 2015 of $42.9 million, consisting of cash and cash equivalents of $11.2 million and $31.7 million of availability under the credit facility. The reduction in total cash and availability in the quarter was impacted by $6.0 million in initial cash consideration paid for acquisitions that closed in the quarter, primarily Kona Energy, as well as by the timing of certain large payments of ordinary course liabilities totaling $15.8 million related to renewable energy certificates and related alternative compliance payments which relate to 2013 to 2015 renewable energy compliance periods.

Cash Flow from Operations

Cash flow from operations for the three month period ended March 31, 2016 amounted to $(0.6) million and included net outflows of $14.9 million for changes in operating assets and liabilities, which compared to cash flow from operations for the three month period ended March 31, 2015 of $7.3 million and included net outflows of $5.1 million for changes in operating assets and liabilities. Excluding these changes in operating assets and liabilities, cash flow from operations was $14.3 million for the three month period ended March 31, 2016, compared to $12.4 million for the three month period ended March 31, 2015.

Changes in operating assets and liabilities primarily arise due to the time lag associated with the cash conversion cycle or the period between the time the Company pays for wholesale energy and the time it receives payments from our customers for the energy it sells, which is also impacted by the business' growth and seasonality. The credit facility in place with Macquarie Energy is a borrowing base facility and, as such, provides access to cash that is needed to fund changes in operating assets and liabilities associated with the build-up of customer accounts receivables and trade payables.

Working Capital

As at March 31, 2016, the Trust had an Adjusted Working Capital balance, defined as current assets less current liabilities, excluding unrealized gains and losses on derivatives, of negative $22.7 million compared to Adjusted Working Capital of negative $9.2 million as at December 31, 2015. The decrease of $13.5 million was impacted by the approximately $7.9 million purchase prices for the acquisitions that closed in the quarter, primarily Kona Energy, as well as the recognition of an assumed liability of $1.5 million for the estimated residual-based broker commissions owed for customers acquired as part of the acquisition of Kona Energy. In addition, Adjusted Working Capital was impacted by the sales and use tax assessment of $2.9 million as well as by $2.7 million of long-term unit based compensation liabilities that shifted into short-term liabilities during the quarter, including those related to the acquisition of TriEagle Energy. The current portion of the assumed liabilities totaled $6.7 million for estimated residual-based broker commissions for both the acquisitions of Kona Energy and TriEagle Energy, and therefore contributed to the negative adjusted working capital as at March 31, 2016. The table below shows a reconciliation of adjusted working capital to the Trust's consolidated balance sheet as prepared under IFRS:

Adjusted Working Capital
(in millions)

	As at March 31, 2016	As at December 31, 2015
Current assets	108.4	103.8
Current liabilities	194.2	154.2
Working capital	**$(85.8)**	**$(50.4)**
Adjusted for the impact of:		
Other current financial assets	1.6	1.9
Other current financial liabilities	64.7	43.1
Adjusted working capital	**$(22.7)**	**$(9.2)**

Distributable Cash and Distributions

Distributable Cash for the three month period ended March 31, 2016 was $9.8 million and total distributions paid for the quarter were $5.7 million, which represented a payout ratio of 58.2% of Distributable Cash. This compares to Distributable Cash of $8.8 million, total distributions of $4.8 million and a payout ratio of 54.5% for the quarter ending March 31, 2015. Distributable Cash in the current period was impacted by unit based compensation payments of $0.6 million, related to phantom unit rights granted to Management in the first quarter of 2013.

The following table provides a reconciliation of Cash flows provided by operating activities to Distributable Cash and shows the payout ratio of total distributions as a percentage of Distributable Cash.

Distributable Cash and Payout Ratio (unaudited)
(in millions)

	Three months ended March 31, 2016	Three months ended March 31, 2015
Cash flows from operating activities	$(0.6)	$7.3
Changes in operating assets and liabilities	(14.9)	(5.1)
Cash flows from operating activities excluding changes in operating assets and liabilities	**14.3**	**12.4**
Finance costs - included in financing activities	(2.5)	(1.7)
Maintenance Capital Expenditures[1]	(1.4)	(1.9)
Unit-based compensation payments	(0.6)	—
Distributable Cash	**$9.8**	**$8.8**
Distributions to non-controlling interest	3.6	3.4
Distributions to Unitholders	2.1	1.4
Total distributions	**$5.7**	**$4.8**
Payout Ratio	**58.2%**	**54.5%**

(1) Maintenance Capital Expenditures consisted of Cash flows used in investing activities from the Consolidated Statement of Cash Flows, adjusted to exclude cash flows used in investing activities relating to acquisitions.

Contractual Obligations

In the normal course of business, the Company is obligated to make future payments under various non-cancellable contracts and other commitments. As at March 31, 2016, the payments due by period are set out in the following table:

Contractual Obligations (in millions)	Carrying amount	Contractual cash flow	Less than 1 year	1 to 5 years	More than 5 years
Trade and other payables	$104.2	$184.2	$131.2	$53.0	$-
Operating leases	—	1.1	0.6	0.5	—
Financing leases	0.5	0.6	0.3	0.3	—
Credit facility	18.5	18.5	18.5	—	—
Distribution payable	0.7	0.7	0.7	—	—
Other non-current liabilities	4.4	4.4	—	4.4	—
	$128.3	**$209.5**	**$151.3**	**$58.2**	**$—**

In April 2016, the Company entered into an agreement to relocate its global headquarters to Norwalk, CT. The Company will consolidate its two Connecticut offices to one office in Norwalk, CT. The relocation is expected to be substantially completed by the end of 2016. The lease term is 13 years and the total amount of lease payments to be paid over that term is approximately $12.7 million.

Outstanding Unit Data

At the date of this MD&A, the Trust had (i) 16,745,151 Units outstanding and (ii) 750,000 Warrants outstanding, which were issued to Macquarie Energy in February 2014. Of the 750,000 Warrants outstanding, 625,000 Warrants are vested, with another 62,500 Warrants due to become vested on February 7, 2017 and the remaining 62,500 Warrants due to become vested on February 7, 2018. The Warrants have a strike price of C$6.23 per Unit over a five-year term ending on February 6, 2019.

During the period commencing April 11, 2014 and ending April 10, 2015, the Trust was authorized pursuant to a normal course issuer bid to purchase through the facilities of the TSX, in accordance with its rules or alternative Canadian trading platforms, a maximum of 500,746 Units representing approximately 5.0% of the public float (as defined by the rules and guidelines of the TSX) as of April 7, 2014. The Trust did not purchase any Units during the three months ended March 31, 2016 or 2015.

Financial Instruments and Risk Management

Overview

The Trust's operations are affected by a number of underlying risks, both internal and external to the Trust. The Trust's financial position, results of operations and cash distributions are directly impacted by these factors. A full listing of the operational and business risks is set out in the annual information form of the Trust for the fiscal year ended December 31, 2015, dated March 15, 2016, which is available on SEDAR under the Trust's issuer profile at www.sedar.com and on the Trust's website at www.criusenergytrust.ca. The Trust's activities expose it to a variety of financial risks that arise as a result of its operating, investing, and financing activities, including:

- market risk, including commodity risk, interest rate risk and foreign currency risk;
- credit risk, including customer credit risk and counterparty credit risk;
- liquidity risk; and
- supplier risk.

This part of the MD&A sets out information about the Trust's exposure to each of the above-noted risks, the Trust's objectives, policies and processes for measuring and managing such risks, and the Trust's management of capital. Further quantitative disclosures are included throughout the Trust's consolidated financial statements.

Market Risk

Market risk is the potential loss that may be incurred as a result of changes in the market or fair value of a particular instrument or commodity. Components of market risk to which the Trust is exposed are discussed below.

Commodity risk

The Company has entered into contracts with customers to provide electricity or natural gas at variable or fixed prices. Fixed-price contracts expose the Company to changes in market prices of electricity and natural gas, as the Company is obligated to purchase electricity and natural gas at floating wholesale market prices for delivery to its customers. The Trust is, therefore, exposed to market risks associated with commodity prices and market volatility where estimated customer requirements do not match actual customer requirements. Management actively monitors these positions on a daily basis in accordance with the Company's risk management policy (the "**Risk Management Policy**"). The Risk Management Policy prohibits speculative positions and sets out a variety of hedging limits, most importantly a target of maintaining a 100.0% hedged position, within certain tolerance bands, at all times for fixed-price contracts exposure in our electricity and natural gas portfolios. The Trust's exposure to market risk is affected by a number of factors, including the accuracy of estimation of customer commodity requirements, commodity prices, and market volatility and liquidity.

Electricity and natural gas derivatives

To reduce its exposure to short-term and long-term movements in commodity prices, arising from the procurement of electricity and natural gas at floating prices, the Company uses derivative instruments. These derivative instruments are principally physical forward contracts and fixed-for-floating swaps, whereby the Company agrees with a counterparty, through the Supplier Agreement, to take physical delivery or cash settle the difference between the floating price and the fixed price on a notional quantity of electricity or natural gas, for a specified timeframe at a specified location. The cash flow from these instruments is expected to be effective in offsetting the Company's price exposure and serves to fix the Company's wholesale cost of electricity or natural gas to be delivered to the customer. The Company remains subject to commodity risk for any volumetric differences between the actual quantities used by customers and the forecasted quantities upon which the commodity hedging instruments are based.

Realized swap settlements under derivative instruments are included in cost of sales in the Trust's interim condensed consolidated statements of comprehensive loss. Unrealized gains or losses resulting from changes in the fair value of the derivative instruments, generally referred to as mark-to-market gains or losses, have been recognized as the change in fair value on derivative instruments in the interim condensed consolidated statements of comprehensive loss.

The fair value of derivative financial instruments is the estimated amount that the Company would pay or receive to dispose of these derivative instruments in the market in the unlikely event that the Company was required to dispose of its derivative instruments. The Company has estimated the value of its derivative instruments using market-based, forward wholesale price curves wherever available.

As at March 31, 2016, the Company had electricity and natural gas derivative instruments outstanding with the following terms:

	Notional Volume	Total Remaining Volume	Maturity Date (months)	Fixed Price ($)	Fair Value ($ millions)	Notional Value ($ millions)
Fixed-for-floating electricity swaps	0.1 – 30 MW	4,288,272 MWh	1 – 45	$13.50 to $79.50	$(37.2)	$177.2
Fixed-for-floating natural gas swaps	(2,000) – 3,333 MMBtu	3,678,800 MMBtu	1 – 27	$1.79 to $4.24	$(5.2)	$19.0
Physical electric forward contracts	0.1 – 40 MW	3,018,507 MWh	1 – 57	$17.00 to $76.80	$(22.4)	$113.5
Physical natural gas forward contracts	(223) – 2,413 MMBtu	434,279 MMBtu	1	$1.28 to $2.25	$(0.1)	$0.7
Fixed-for-floating electricity basis swaps.	(25) – 25 MW	– MWh	1 – 21	($6.20) to $34.20	$0.3	$5.5
Fixed-for-floating natural gas basis swaps	(2,500) – 2,500 MMBtu	– MMBtu	1 – 12	$0.00 to $0.33	$—	$—
Heat rate forward contracts	1 – 20 MW	149,069 MWh	1 – 24	$18.08 to $42.39	$0.1	$3.5
Electricity capacity contracts	600 – 25,000 KWM	224,700 KWM	1 – 9	$3.10 to $12.97	$(0.2)	$2.6
Financial transmission rights	0.1 – 19.9 MW	611,654 MWh	1 – 26	$(7.37) to $7.81	$0.5	$0.5

The fair value of electricity and natural gas financial instruments is significantly influenced by the variability of forward commodity prices. Periodic changes in forward prices could cause significant changes in the mark-to-market valuation of these financial instruments. For example, assuming that all other variables remain constant, a market move of +/-10% would result in an increase / (decrease) in net loss and total comprehensive loss of $24.3 million in the interim condensed consolidated statements of comprehensive loss but would not impact Adjusted EBITDA or Distributable Cash.

Interest rate risk

The Trust is exposed to interest rate risk on certain advances within the Supplier Agreement. As at March 31, 2016, the Trust has cash advances and letters of credit outstanding of $18.5 million and $10.4 million respectively, under the Supplier Agreement and, therefore, is exposed to interest rate risk. The Trust's current exposure to interest rate risk does not economically warrant the use of derivative instruments and the Trust does not currently believe that it is exposed to material interest rate risk. In the three month period ended March 31, 2016 the impact of a 1.0% increase (decrease) in the interest rate on these balances would not have had a material impact on Finance costs in the in the profit and loss.

Foreign currency risk

The Trust is exposed to currency rate risk because the Company's business operations are conducted in United States dollars; however, the Trust's distributions and Units are denominated in Canadian dollars.

Currency derivatives

The Trust's policy is to mitigate its exposure to currency rate movements by entering into currency derivative products, including foreign currency options whereby the Company agrees with a counterparty to have the right to swap the floating price for a fixed price on a notional quantity of currency at or over a specified timeframe. The Trust maintains a rolling hedging program for this foreign currency exposure of at least 12 forward months that is extended on a quarterly basis.

As at March 31, 2016, the Trust was hedged for this currency exposure for the 21 months to December 31, 2017 with a floor exchange rate of C$1.37 per US$1.00, based on a distribution rate of C$0.70 per Unit.

As at March 31, 2016, the Company had foreign currency derivatives outstanding with the following terms:

	Notional Value	Maturity Date	Fixed Price	Fair Value
Foreign currency options	US$14.9 C$20.5	1-21 months	C$1.37 per US $1.00	US$1.1

Realized settlements under derivative instruments are included in the relevant section of the interim condensed consolidated statements of comprehensive loss or interim condensed consolidated balance sheet. Unrealized gains or losses resulting from changes in the fair value of the derivatives, generally referred to as mark-to-market gains or losses, have been recognized as the change in fair value on derivative instruments in the interim condensed consolidated statements of comprehensive loss.

The fair value of derivative financial instruments is the estimated amount that the Company would pay or receive to dispose of these derivative instruments in the market in the unlikely event that the Company was required to dispose of its derivative instruments. The Company has estimated the value of derivative instruments using market-based prices and option valuation methods.

Period to period changes in forward currency prices could cause significant changes in the mark-to-market valuation of these hedge contracts. For example, assuming that all other variables remain constant, a market move in C$ to US$ of +/-10% would result in increase (decrease) in net loss and total comprehensive loss of $1.4 million and $(0.9) million, respectively, in the profit and loss, but would not impact Adjusted EBITDA.

Credit risk

Credit risk is the risk that one party to a financial instrument fails to discharge an obligation and causes financial loss to another party. The Trust is exposed to credit risk in two specific areas: customer credit risk and counterparty credit risk.

Customer credit risk

In the majority of markets in which the Company serves electricity and natural gas customers, LDCs provide collection services and assume the risk of any bad debts owing from the Company's customers for a fee, which is referred to as a POR fee. Management believes that the risk of the LDCs failing to deliver payment to the Company is minimal; however, there is no assurance that the LDCs that provide these services will continue to do so in the future.

In certain other markets in which the Company operates, the Company is exposed directly to customer credit risk. As a result, credit review and other processes have been implemented to perform credit evaluations of customers and manage customer defaults. Customer credit risk exposure represents the risk related to the Company's accounts receivable from certain markets. If a significant number of customers in these markets were to default on their payments, it could have an adverse effect on the operations and cash flows of the Company.

As at March 31, 2016, the customer credit risk exposure was in the amount of $6.7 million, compared to $5.9 million for the year ended December 31, 2015 and the accounts receivable aging for these markets are as follows:

	Total	Current	30-59 days	Over 60 days
Accounts receivable	$6.7	$5.7	$0.4	$0.6

Counterparty credit risk

Counterparty credit risk represents the loss that the Trust would incur if a counterparty fails to perform its contractual obligations. This risk would manifest itself in the Trust replacing the contracted commodities or currencies at prevailing market rates, thus impacting the related financial results. Counterparty risk is limited to Macquarie Energy for all wholesale energy supply positions and other counterparties for currency and other derivatives. The failure of a counterparty to meet its contracted obligations could have a material adverse effect on the operations and cash flows of the Trust.

The maximum counterparty credit risk exposure amounted to $1.6 million as at March 31, 2016 compared to $1.9 million for the year ended December 31, 2015, representing the risk relating to the Company's derivative financial assets.

Liquidity risk

Liquidity risk is the potential inability to meet financial obligations as they fall due. The Trust manages this risk by monitoring near-term and long-term cash flow forecasts to ensure adequate and efficient use of cash resources and credit facilities.

The table in the section entitled *"Contractual Obligations"* of this MD&A outlines the contractual maturities of the Trust's financial liabilities as at March 31, 2016.

Supplier risk

The Company purchases the energy it delivers to its customers through contracts entered into with Macquarie Energy. This exposes the Company to supplier risk, as its ability to continue to deliver energy to its customers depends upon the ongoing operations of this supplier and its fulfillment of its contractual obligations.

Off-Balance Sheet Arrangements

Pursuant to the Supplier Agreement, the Company has issued letters of credit as at March 31, 2016 totaling $10.4 million (December 31, 2015 – $10.4 million) to various counterparties, principally LDCs.

Pursuant to separate arrangements with various insurance companies, the Company has issued surety bonds to various counterparties, including U.S. states, regulatory bodies and LDCs in return for a fee and/or meeting certain collateral posting requirements. Such surety bond postings are required in order to operate in certain U.S. states or markets. Surety bonds issued as at March 31, 2016 totaled $20.7 million (December 31, 2015 – $20.4 million).

We do not reasonably expect any presently known trend or uncertainty to affect our ability to continue using these arrangements.

Transactions Between Related Parties

Certain transactions between the Trust and its subsidiaries meet the definition of related party transactions, including intercompany notes and administrative service fees between the Trust and its subsidiaries. These transactions are eliminated on consolidation and are not disclosed in the Trust's consolidated financial statements.

The Company is a party to the Supplier Agreement with Macquarie Energy, which is related to Macquarie Americas Corp., a unitholder of the Company. Both Macquarie entities are part of the same group. As at March 31, 2016, Macquarie Energy had extended trade credit to the Company totaling $43.1 million (December 31, 2015 — $33.9 million) under the Supplier Agreement. As at March 31, 2016, there were letters of credit issued totaling $10.4 million (December 31, 2015 — $10.4 million), and cash advances drawn under the working capital facility of $18.5 million (December 31, 2015 — $4.0 million). During the three month period ended March 31, 2016, energy purchases totaled $114.8 million (March 31, 2015 — $118.4 million) and interest expense under the Supplier Agreement totaled $2.6 million (March 31, 2015 — $1.6 million). As at March 31, 2016, the aggregate availability under the credit facility was $13.3 million (December 31, 2015 — $31.7 million).

During the year ended December 31, 2015, the Trust made certain tax payments on behalf of the non-controlling interest holders, which are treated as advances of future distributions. The balance as at March 31, 2016 was $0.2 million (December 31, 2015 — $0.4 million) and is included in Other current assets in the interim condensed consolidated statement of financial position. These amounts are being repaid through future distribution disbursements and are expected to be fully recouped within one year from the date of the advances. Due to the short-term nature for the repayment of these advances, there is no interest being charged.

All related party transactions are in the normal course of operations and have been measured at the agreed to exchange amounts, which are the amounts of consideration established and agreed to by the related parties.

LLC Units Acquisition

Concurrently with the closing of the Offering, Crius Energy Corporation purchased 5,557,542 LLC Units from certain existing holders of LLC Units (the "**LLC Units Acquisition**"). Such acquisitions were completed pursuant to an offer to purchase (the "**Offer**") from Crius Energy Corporation dated June 4, 2015 to each registered holder of LLC Units, other than Crius Energy Corporation, whereby Crius Energy Corporation offered to purchase LLC Units from such registered holders of LLC Units on or prior to July 1, 2015.

The purchase price payable to each seller of LLC Units (an "**LLC Unit Seller**") per LLC Unit was C$6.39 (or $5.18) (the "**Purchase Price**"). Upon the terms and subject to the conditions of the Offer, Crius Energy Corporation accepted LLC Units for purchase pursuant to the Offer and paid the Purchase Price to each LLC Unit Seller.

Michael Fallquist, a director of Crius Energy Administrator Inc., Chief Executive Officer of the Trust, a director of the Company and Chief Executive Officer of the Company, held 1,756,538 LLC Units, representing approximately 5.1% of the outstanding LLC Units prior to the LLC Units Acquisition. Michael Fallquist sold 250,000 LLC Units pursuant to the Offer on the same terms and for the same Purchase Price as the other LLC Unit Sellers.

Robert Gries Jr., a director of the Company, is the Managing Member and a Director of GF Power I, LLC and GF Factoring, LP, which held, in the aggregate, 12,070,453 LLC Units, representing approximately 35.3% of the outstanding LLC Units prior to the LLC Units Acquisition. GF Power I, LLC and GF Factoring, LP sold 1,146,693 and 60,353 LLC Units, respectively, pursuant to the Offer on the same terms and for the same Purchase Price as the other LLC Unit Sellers.

Following the LLC Units Acquisition, Michael Fallquist holds, in the aggregate, 1,506,538 LLC Units, representing approximately 4.4% of the outstanding LLC Units, which represents a 0.7% decrease. Following the LLC Units Acquisition, Robert Gries Jr., as the Managing Member and a Director of GF Power I, LLC and GF Factoring, LP, holds, in the aggregate, 10,863,407 LLC Units, representing approximately 31.8% of the outstanding LLC Units, which represents a 3.5% decrease.

None of the interested parties subscribed for Units under the Offering.

Critical Accounting Estimates

The preparation of the consolidated financial statements requires the use of judgments, estimates and assumptions to be made in applying accounting policies that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities, at the date of the consolidated financial statements, and the reported income and expenses during the reporting period.

Judgment is commonly used in determining whether a balance or transaction should be recognized in the consolidated financial statements and estimates and assumptions are more commonly used in determining the measurement of recognized transactions and balances. However, judgment and estimates are often interrelated. As the basis for its judgments, management uses estimates and related assumptions which are based on previous experience and various commercial, economic and other factors that are considered reasonable under the circumstances. These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised. Actual outcomes may differ from these estimates under different assumptions and conditions.

Judgments, made by Management in the application of IFRS that have a significant impact on the consolidated financial statements relate to the following:

Revenue recognition

Accounts receivable includes an unbilled receivables component, representing the amount of energy consumed by customers as at the end of the period but not yet billed. Unbilled receivables are estimated by the Trust using usage data available, multiplied by the current customer average sales price per unit.

Solar revenues were historically recognized net of expected cancellations, which were estimated based on management judgment of historical cancellation rates. During the three months ended December 31, 2015, Management concluded that it can no longer reliably estimate expected cancellations and therefore recognizes revenue upon installation of the solar system.

Allowance for doubtful accounts

The Trust reviews its accounts receivable at each reporting date to assess whether an allowance needs to be provided to reflect estimated amounts that will not be collected from customers. In particular, judgment by management is required in the estimation of the amount and timing of collectability of accounts receivable, based on financial conditions, the aging of the receivables, customer and industry concentrations, the current business environment and historical experience.

Fair value of financial instruments

Determining the fair value of financial instruments requires judgment and is based on market prices or management's best estimates if there is no market and/or if the market is illiquid. Where the fair value of financial instruments recorded cannot be derived from active markets, they are determined using valuation techniques including making internally generated adjustments to quoted prices in observable markets. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgment includes consideration of inputs such as liquidity risk, credit risk and volatility of the underlying commodity price. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Impairment of intangible or non-financial assets

In assessing the recoverable amount of intangible assets or non-financial assets for potential impairment, the Trust evaluates value in use and fair value less costs of disposal. In doing so, assumptions are made regarding the market capitalization of the Trust, recent market transactions or other market indicators, future cash flows, including the discount rate to be used to calculate the present value of those cash flows. These calculations require the use of estimates. If these estimates change in the future, the Trust may be required to record impairment charges related to intangible or other non-financial assets.

Deferred taxes

Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable income realized, including the usage of tax-planning strategies.

Useful life of property and equipment and intangible assets

The amortization method and useful lives reflect the pattern in which management expect the asset's future economic benefits to be consumed by the Trust, including customer attrition rates.

Acquisition accounting

Management uses judgment to determine whether an acquisition qualifies as an asset acquisition or a business combination by reviewing inputs, processes, and outputs within a transaction. All identifiable assets, liabilities and contingent liabilities acquired in an asset acquisition or business combination are recognized at fair value on the date of acquisition. Estimates are used to calculate the fair value of these assets and liabilities as at the date of acquisition.

Classification of Units as equity

Units issued by the Trust give the holder the right to put the Units back to the Trust in exchange for cash. IAS 32 *Financial Instruments: Presentation* establishes the general principle that an instrument which gives the holder the right to put the instrument back to the issuer for cash should be classified as a financial liability, unless such instrument has all of the features and meets the conditions of the IAS 32 "puttable instrument exemption". If these "puttable instrument exemption" criteria are met, the instrument is classified as equity. The Trust has examined the terms and conditions of its Trust Indenture and classifies the outstanding Units as equity because the Units meet the "puttable instrument exemption" criteria as there is no contractual obligation to distribute cash.

Consolidation of entities in which the Trust has less than majority of ownership interest

The Trust has determined that it controls the operating subsidiaries through its indirect wholly owned subsidiary, Crius Energy Corporation, notwithstanding that its ownership interest is less than 50% of the voting interest. The factors the Trust considered in this determination include the relative size and dispersion of holdings by other shareholders, the Trust's right to a majority of board members and the sharing of key management positions between the entities.

New Standards and Accounting Policies Adopted

The interim condensed consolidated financial statements have been prepared following the same accounting policies as the financial statements for the year ended December 31, 2015, with the exception of the following new standards:

Amendments to IAS 1 *Presentation of Financial Statements* were issued to address perceived impediments to preparers exercising their judgment in presenting their financial reports. Specific clarification in the areas of materiality, aggregation and disaggregation of financial statement line items and the ordering of footnotes have been provided. The amendments are effective for periods beginning on January 1, 2016, however, they did not have an impact on the Trust's interim condensed consolidated financial statements.

Annual Improvements to the 2012 - 2014 Cycle included amendments for periods beginning on January 1, 2016, however, they did not have an impact on the Trust's interim condensed consolidated financial statements.

Disclosure Controls and Procedures & Internal Controls over Financial Reporting

Disclosure controls and procedures have been designed to ensure that information required to be disclosed by the Trust is accumulated and communicated to the Trust's management as appropriate to allow timely decisions regarding required disclosure.

The Chief Executive Officer and Chief Financial Officer of the Trust are responsible for establishing and maintaining disclosure controls and procedures ("**DC&P**") and internal control over financial reporting ("**ICFR**"), as those terms are defined in National Instrument 52-109 - *Certification of Disclosure in Issuers' Annual and Interim Filings* ("**NI 52-109**"). The Chief Executive Officer and Chief Financial Officer of the Trust have concluded that, as at March 31, 2016, the Trust's DC&P have been designed effectively to provide reasonable assurance that (i) material information relating to the Trust is made known to them by others, particularly during the period in which the annual filings are being prepared; and (ii) information required to be disclosed by the Trust in its annual filings, interim filings or other reports filed or submitted by the Trust under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation. They have also concluded that the Trust's ICFR have been designed effectively to provide reasonable assurance regarding the reliability of the preparation and presentation of the financial statements for external purposes and were effective as at March 31, 2016.

It should be noted that while the Chief Executive Officer and Chief Financial Officer of the Trust believe that the Trust's DC&P provide a reasonable level of assurance that they are effective, they do not expect that the disclosure controls will prevent all errors and fraud. A control system, no matter how well conceived or operated, can only provide reasonable, not absolute, assurance that the objectives of the control system are met.

Internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external reporting purposes in line with IFRS. Management is responsible for establishing and maintaining adequate internal controls over financial reporting appropriate to the nature and size of the Trust. However, any system of internal control over financial reporting has inherent limitations and can only provide reasonable assurance with respect to financial statement preparation and presentation.

The Trust uses the Committee of Sponsoring Organizations of the Treadway Commission control framework (2013). There were no changes to the Trust's ICFR that occurred during the period ended March 31, 2016 that materially affected, or are reasonably likely to affect, the Trust's ICFR.

Limitation on Scope of Design

The Chief Executive Officer and Chief Financial Officer of the Trust have limited the scope of design of the Trust's DC&P and ICFR to exclude controls, policies and procedures of TriEagle Energy, which was acquired by the Company on April 1, 2015. This scope limitation is in accordance with Section 3.3(1)(b) of NI 52-109, which allows for an issuer to limit the design of DC&P and ICFR for a business that the issuer acquired not more than 365 days before the last day of the period covered by this MD&A.

Non-IFRS Financial Measures

Statements throughout this MD&A make reference to EBITDA, Adjusted EBITDA, Distributable Cash and payout ratio, which are non-IFRS financial measures commonly used by financial analysts in evaluating the financial performance of companies, including companies in the energy industry. Accordingly, Management believes EBITDA, Adjusted EBITDA, Distributable Cash and payout ratio may be useful metrics for evaluating the Trust's financial performance as they are measures that Management uses internally to assess performance, in addition to IFRS measures. As there is no generally accepted method of calculating EBITDA, Adjusted EBITDA, Distributable Cash and payout ratio, these terms as used herein are not necessarily comparable to similarly titled measures of other companies. EBITDA, Adjusted EBITDA, Distributable Cash and payout ratio have limitations as analytical tools and should not be considered in isolation from, or as an alternative to, net (loss) income or other data prepared in accordance with IFRS. EBITDA is calculated as earnings before interest, taxes, depreciation and amortization. Adjusted EBITDA is calculated as EBITDA adjusted to exclude any change in the fair value of derivative instruments, change in fair value of non-controlling interest, change in fair value of warrant liability, unit-based compensation, goodwill impairment and distributions to non-controlling interest. The items excluded from EBITDA and Adjusted EBITDA are significant in assessing the Trust's operating results and liquidity. See the section entitled *"Reconciliation of Net (Loss) and Comprehensive (Loss) to EBITDA and Adjusted EBITDA"* in this MD&A for a reconciliation of EBITDA and Adjusted EBITDA to net loss and comprehensive loss as calculated under IFRS for the relevant periods, the most directly comparable measure in the Trust's consolidated financial statements. See the section entitled *"Distributable Cash and Payout Ratio"* in this MD&A for a reconciliation of Distributable Cash to cash flows provided by (used in) operating activities as calculated under IFRS, the most directly comparable measure in the Trust's consolidated financial statements. Other financial data has been prepared in accordance with IFRS.

Forward-Looking Statements

This MD&A contains forward-looking statements and forward-looking information (collectively, "**forward-looking statements**") that involve substantial known and unknown risks and uncertainties, most of which are beyond the control of the Trust, including, without limitation, those listed in the section entitled *"Financial Instruments and Risk Management"* in this MD&A and in the sections entitled *"Risk Factors"* and *"Forward-Looking Statements"* in the annual information form of the Trust for the fiscal year ended December 31, 2015, dated March 15, 2016, which is available on SEDAR under the Trust's issuer profile at www.sedar.com and on the Trust's website at www.criusenergytrust.ca. A statement may be considered a forward-looking statement when it uses what the Trust knows or expects today to make a statement about the future. Forward-looking statements may be identified by words such as anticipate, assume, believe, could, expect, goal, guidance, intend, may, objective, outlook, plan, seek, should, strive, target, will or other similar expressions. Statements that are not historical facts may be considered forward-looking statements and may involve estimates, assumptions and uncertainties, which could cause actual results or outcomes to differ materially from those expressed in such forward-looking statements. Forward-looking statements in this MD&A include, without limitation, statements pertaining to EBITDA, Adjusted EBITDA, Distributable Cash, payout ratio, treatment under governmental regulatory regimes (including statements pertaining to the Trust's objectives and status as a mutual fund trust and not a specified investment flow-through ("**SIFT**") trust), hedging strategies, risk management, market risk, credit risk, off-balance sheet arrangements, transactions between related parties, liquidity and capital resources, critical accounting estimates, ICFR, derivative instruments, potential transactions, results of operations, financial position or cash flows, customer revenues and margins, customer additions and renewals, customer attrition, customer consumption levels, expenses and distributions to Unitholders. Investors are cautioned that important factors could cause the Trust's actual results to differ materially from those contained in forward-looking statements. No assurance can be given that the expectations set-forth in this MD&A will ultimately prove to be accurate and, accordingly, such forward-looking statements should not be unduly relied upon. It is not possible for Management to predict new factors that may emerge from time to time, or to assess in advance the impact of each such factor on the Trust's business, or the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in forward-looking statements. These forward-looking statements are given only as of the date of this MD&A and the Trust does not assume any obligation to update or revise any forward-looking statement to reflect new events or circumstances, except as may be expressly required by applicable securities laws.

CRIUS ENERGY TRUST

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

AS AT AND FOR THE THREE MONTHS ENDED
March 31, 2016

CRIUS ENERGY TRUST

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE THREE MONTHS ENDED MARCH 31, 2016

INDEX TO FINANCIAL STATEMENTS

CRIUS ENERGY TRUST

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT MARCH 31, 2016 AND DECEMBER 31, 2015
(in thousands of U.S. dollars)

	Notes	As at March 31, 2016	As at December 31, 2015
ASSETS		(unaudited)	
Current			
Cash and cash equivalents		$9,486	$11,245
Collateral deposits		1,247	1,215
Accounts receivable		86,268	80,346
Inventory		155	597
Income tax receivable		2,574	5,511
Other current financial assets	7	1,609	1,850
Other current assets		7,059	3,059
		108,398	**103,823**
Non-current			
Property and equipment		1,635	1,685
Intangible assets	12	73,714	55,318
Deferred tax assets		2,521	2,320
Goodwill	6	119,597	117,105
Other non-current assets		633	519
		$306,498	**$280,770**
LIABILITIES AND UNITHOLDERS' DEFICIT			
Current			
Trade and other payables		$104,517	$103,287
Credit facility		18,500	4,000
Distribution payable		727	698
Unit-based compensation		5,774	3,105
Other current financial liabilities	7	64,677	43,069
		194,195	**154,159**
Non-current			
Warrant liability	7	1,455	1,576
Unit-based compensation	14	4,473	6,166
Non-controlling interest	7	150,666	149,619
Other non-current liabilities	7,17	4,755	5,069
		355,544	**316,589**
Unitholders' Deficit			
Trust capital		124,523	124,523
Accumulated deficit		(146,804)	(135,751)
Accumulated distributions		(26,765)	(24,591)
Total Unitholders' deficit		**(49,046)**	**(35,819)**
		$306,498	**$280,770**
Commitments and contingencies	17		

See accompanying notes to the interim condensed consolidated financial statements.

CRIUS ENERGY TRUST

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
FOR THE THREE MONTHS ENDED MARCH 31, 2016 AND 2015
(in thousands of U.S. dollars)
(Unaudited)

	Notes	For the three months ended March 31, 2016	For the three months ended March 31, 2015
Revenue		$180,831	$168,310
Cost of sales		140,599	128,053
Gross margin		40,232	40,257
Expenses			
Selling expenses		7,231	9,945
General and administrative expenses		19,973	15,863
Unit-based compensation	14	1,559	756
Depreciation and amortization		9,413	10,112
Operating income		2,056	3,581
Other (expenses) income			
Finance costs		(2,805)	(1,787)
Distributions to non-controlling interest		(3,469)	(3,907)
Change in fair value of derivative instruments	7	(7,186)	1,647
Change in fair value of warrants	7	121	(535)
Change in fair value of non-controlling interest	7	(1,047)	(29,852)
Loss before income taxes		(12,330)	(30,853)
(Benefit from) provision for income taxes	8	(1,277)	856
Net loss and total comprehensive loss		**($11,053)**	**($31,709)**

See accompanying notes to the interim condensed consolidated financial statements.

CRIUS ENERGY TRUST

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN DEFICIT
FOR THE THREE MONTHS ENDED MARCH 31, 2016 AND 2015

(in thousands of U.S. dollars, except Unit amounts)
(Unaudited)

	Notes	Number of Trust Units	Trust Capital	Accumulated Deficit	Accumulated Distributions	Total Unitholders' Deficit
Balance at December 31, 2014		9,940,021	$90,058	($60,840)	($17,487)	$11,731
Distribution to Unitholders	9	—	—	—	(1,458)	(1,458)
Net loss and total comprehensive loss		—	—	(31,709)	—	(31,709)
Balance at March 31, 2015		**9,940,021**	**$90,058**	**($92,549)**	**($18,945)**	**($21,436)**

	Notes	Number of Trust Units	Trust Capital	Accumulated Deficit	Accumulated Distributions	Total Unitholders' Deficit
Balance at December 31, 2015		16,745,151	$124,523	($135,751)	($24,591)	($35,819)
Distribution to Unitholders	9	—	—	—	(2,174)	(2,174)
Net loss and total comprehensive loss		—	—	(11,053)	—	(11,053)
Balance at March 31, 2016		**16,745,151**	**$124,523**	**($146,804)**	**($26,765)**	**($49,046)**

See accompanying notes to the interim condensed consolidated financial statements.

CRIUS ENERGY TRUST

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2016 AND 2015
(in thousands of U.S. dollars)
(Unaudited)

	Notes	For the three months ended March 31, 2016	For the three months ended March 31, 2015
Net (outflow) inflow of cash related to the following activities:			
Operating Activities			
Net loss and total comprehensive loss		($11,053)	($31,709)
Add net loss items related to financing activities:			
Finance costs		2,805	1,787
Distributions to non-controlling interest		3,469	3,907
Add (deduct) items not affecting cash			
Depreciation of property and equipment		311	243
Amortization of intangible assets	12	9,102	9,869
Change in fair value of derivative instruments	7	7,186	(1,647)
Change in fair value of non-controlling interest	7	1,047	29,852
Change in fair value of warrant liability	7	(121)	535
Unit-based compensation	14	1,559	756
Bad debt expense	7	487	313
Non-cash interest		(202)	(69)
Provision for income taxes	8	(201)	(1,458)
		14,389	12,379
Net change in operating assets and liabilities	11	(14,944)	(5,104)
		(555)	**7,275**
Investing Activities			
Purchase of intangible assets	12	—	(1,186)
Acquisitions	4	(5,970)	—
Software development expenditures	12	(1,158)	(396)
Purchase of property and equipment		(261)	(299)
		(7,389)	**(1,881)**
Financing Activities			
Credit facility advances	5	26,500	—
Credit facility repayments	5	(12,000)	—
Repayment of finance leases		(75)	(71)
Finance costs		(2,534)	(1,724)
Distributions to non-controlling interest		(3,562)	(3,403)
Distributions to Unitholders		(2,144)	(1,375)
		6,185	**(6,573)**
Net cash outflow		(1,759)	(1,179)
Cash and cash equivalents, beginning of period		11,245	14,268
Cash and cash equivalents, end of period		**$9,486**	**$13,089**

See accompanying notes to the interim condensed consolidated financial statements

1. NATURE AND ORGANIZATION

Crius Energy Trust (the "**Trust**") is an unincorporated, open-ended limited purpose trust established under the laws of the Province of Ontario on September 7, 2012. The Trust was established to provide investors with a distribution producing investment through its ownership interest in Crius Energy, LLC (the "**Company**"), a Delaware limited liability company, by its indirect wholly-owned subsidiary, Crius Energy Corporation.

The Trust is administered by Crius Energy Administrator (the "**Administrator**"), pursuant to the Administration Agreement dated September 7, 2012 between Computershare Trust Company, as Trustee of the Trust, and the Administrator. The Board of Directors of the Administrator therefore performs the majority of the oversight and governance role for the Trust. The Trust is domiciled at: 3400, One First Canadian Place, P.O. Box 130, 100 King Street West, Toronto, Ontario, Canada M5X 1A4.

The following is a summary of the entities directly or indirectly wholly-owned by the Trust:

- Crius Energy Holdings Inc. was incorporated under the *Business Corporations Act* (Ontario) on October 23, 2012. The Trust is the sole shareholder of Crius Energy Holdings Inc. Crius Energy Holdings Inc. holds all of the issued and outstanding shares in Crius Energy Corporation and Crius Energy Australia, Pty Ltd., which was formed for the purpose of conducting business in Australia.

- Crius Energy Corporation was incorporated under the Delaware General Corporation Law on October 26, 2012. Crius Energy Corporation was incorporated for the purpose of acquiring a controlling interest in the Company.

- Crius Energy Commercial Trust was established as an unincorporated open-ended limited purpose trust under the laws of the Province of Ontario on November 7, 2012. Crius Energy Commercial Trust was established for the purpose of acquiring and holding the debt of the Trust's other subsidiary, Crius Energy Corporation.

As at March 31, 2016, the following are the subsidiaries that the Trust, through its indirect wholly-owned subsidiary Crius Energy Corporation, holds a 43.1% ownership interest in the Company and its subsidiaries: Cincinnati Bell Energy, LLC; Citra, LLC; Crius Energy Management, LLC; Energy Solutions Group, LLC; Everyday Energy, LLC; Everyday Energy NJ, LLC; FairPoint Energy, LLC; People's Choice Energy, LLC; Public Power Energy, LLC; Public Power, LLC (a Connecticut limited liability company); Public Power, LLC (a Pennsylvania limited liability company, entity number 3911142); Public Power, LLC (a Pennsylvania limited liability company, entity number 3933152); Public Power & Utility of Maryland, LLC, Public Power & Utility of NY, Inc.; Regional Energy Holdings, Inc.; TriEagle 1, LLC; TriEagle 2, LLC; TriEagle Energy LP; Viridian Energy, LLC; Viridian Energy NY, LLC; Viridian Energy PA LLC; and Viridian Network, LLC.

2. OPERATIONS

The Company's business primarily involves the sale of electricity and natural gas to residential and commercial customers under variable price and fixed price contracts. The Company, through its subsidiaries, principally markets electricity and natural gas, and derives its gross margin from the difference between the price at which it sells the commodities to its customers and the price at which it purchases the associated volumes from its supplier. The Company, through its subsidiaries, also markets solar products to its existing customers as well as to new prospects.

Through its licensed operating subsidiaries, the Company (i) provides retail electricity to its customers in the Connecticut, Delaware, District of Columbia, Illinois, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island and Texas markets; (ii) provides retail natural gas to its customers in the California, District of Columbia, Illinois, Indiana, Maryland, New Jersey, New York, Ohio, Pennsylvania and Virginia markets; and (iii) markets solar energy products in the California, Connecticut, Delaware, District of Columbia, Maryland, Massachusetts, New Jersey, New Mexico, New York, Rhode Island, South Carolina and Vermont markets.

3. BASIS OF PRESENTATION

Basis of presentation and interim reporting

These interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") applicable to the preparation of interim financial statements, including International Accounting Standard ("**IAS**") 34 "*Interim Financial Reporting Standards*". Accordingly, certain information and footnote disclosures normally included in annual financial statements prepared in accordance with IFRS, as issued by the International Accounting Standards Board ("**IASB**"), have been omitted or condensed. These interim condensed consolidated financial statements should be read in conjunction with the Trust's annual financial statements for the year ended December 31, 2015.

The Trust's operations are seasonal and, therefore, the interim operating results are not necessarily indicative of the results that may be expected for the year ending December 31, 2016. Electricity consumption is typically highest during the summer months of July and August due to cooling demand and the winter months of January and February due to heating demand. Natural gas consumption is typically highest during the months of November through March due to heating demand. The impact of seasonality on customer usage is one of the many factors impacting revenues, which are also affected by retail rates charged to customers, customer growth and customer attrition.

The interim condensed consolidated financial statements are presented in U.S. dollars, the functional currency of the Trust and all its subsidiaries, and all values are rounded to the nearest thousands. The interim condensed consolidated financial statements are prepared on a going concern basis under the historical cost convention except for certain financial assets and liabilities which are stated at fair value.

Accounting policies and new standards adopted

These interim condensed consolidated financial statements have been prepared following the same accounting policies as the financial statements for the year ended December 31, 2015, with the exception of the following new standards:

Amendments to IAS 1 *Presentation of Financial Statements* were issued to address perceived impediments to preparers exercising their judgment in presenting their financial reports. Specific clarification in the areas of materiality, aggregation and disaggregation of financial statement line items and the ordering of footnotes have been provided. The amendments are effective for periods beginning on January 1, 2016, however, they did not have an impact on the Trust's interim condensed consolidated financial statements.

Annual Improvements to the 2012 - 2014 Cycle included amendments for periods beginning on January 1, 2016, however, they did not have an impact on the Trust's interim condensed consolidated financial statements.

Principles of consolidation

The interim condensed consolidated financial statements include the financial statements of the Trust and entities controlled by the Trust and the Administrator including subsidiaries as at March 31, 2016 and December 31, 2015, respectively, and include all the subsidiaries and entities over which the Trust has power to govern the financial and operating policies for and are consolidated from the date of acquisition and control, and continue to be consolidated until the date that such control ceases. All intercompany balances, income, expenses, and unrealized gains and losses resulting from intercompany transactions are eliminated on consolidation.

4. ACQUISITIONS

TriEagle Energy, LP

On April 1, 2015, the Company obtained control of TriEagle Energy, LP ("**TEE**") by acquiring 100% of TEE's partners' capital. TEE is a competitive retail energy provider of electricity to commercial and residential customers in Texas, Pennsylvania and New Jersey. The Company acquired TEE because it increases both its customer portfolio as well as presence in new and existing markets.

The acquisition was accounted for using the acquisition method of accounting. The Company allocated the purchase price of $19,304 to the identifiable assets and liabilities based on their fair values as at the date of acquisition.

The following table shows the fair value of identifiable net assets acquired:

	Preliminary	Adjustments	Final
Cash and cash equivalents	$4,723	$—	$4,723
Accounts receivable	18,661	1,166	19,827
Trade and other payables	(32,476)	(2,686)	(35,162)
Other current financial liabilities	(20,332)	—	(20,332)
Other net assets	1,018	—	1,018
Customer relationships	40,744	—	40,744
Sales network	852	—	852
Broker commission liability	(10,308)	—	(10,308)
Computer software	1,591	—	1,591
Other intangible assets	789	—	789
Goodwill	14,042	1,520	15,562
Total purchase price	**$19,304**	**$—**	**$19,304**

The purchase price for the acquisition of $19,304 was settled in cash of $15,869 and by issuing 623,217 Phantom Unit Rights ("**PURs**") in the Company which are to be settled in cash based on the future trading prices of units of the Trust ("**Units**") on the Toronto Stock Exchange ("**TSX**") on the first and second anniversary of the acquisition date with an acquisition date fair value of $3,435. Details on the PURs issued are included in Note 14. The fair value of the PURs was based on the closing price of the Trust units as of the acquisition date. The purchase price is subject to a customary post-closing working capital adjustment for the twenty-four months following the acquisition date. As at March 31, 2016, the post-closing working capital adjustment has not been finalized. Once finalized, all adjustments will be recorded in the respective accounting period.

Acquisition-related costs amounting to $90 have been recognized as an expense in the interim condensed consolidated statements of comprehensive loss, as part of general and administrative expenses in the three months ended March 31, 2016. Total acquisition-related costs amounting to $421 have been recognized as an expense in the period in which the expense occurred.

The fair values of identifiable intangible assets amounted to $43,976 and the trade and other receivables acquired amounted to $19,827, with a gross contractual amount of $20,661. The Company's contractual cash flow not expected to be collected amounted to $834. Goodwill recognized on the acquisition largely relates to benefits such as the value of the assembled workforce and synergies and economies of scale that are expected from combining the operations of the Company and TEE that do not meet the criteria for recognition as intangible assets under IAS 38 *Intangible Assets*. This goodwill has been allocated to the Company's existing single segment. Goodwill that is deductible for tax purposes is $3,183.

Had the TEE acquisition occurred on January 1, 2015, the Company's revenue for the three months ended March 31, 2015 would have been $213,256 and the Company's net loss and total comprehensive loss for the three months ended March 31, 2015 would have been ($42,011). These *pro forma* amounts have been determined by applying the Company's accounting policies**.**

Iron Energy, LLC d/b/a Kona Energy

On February 1, 2016, the Company purchased the customer contracts and associated assets of approximately 75,000 electric residential customer equivalents in Illinois, New York, Ohio, and Texas from Iron Energy LLC d/b/a Kona Energy ("**Kona**"), a Texas-based energy retailer. The Company acquired Kona because it increases its geographic footprint in selected states, as well as adding to the Company's existing portfolio of commercial accounts. Additionally, the Company assumed broker commission liabilities and liabilities related to assumed electricity and natural gas derivative contracts. The acquisition was funded by cash and availability under the Company's credit facility with Macquarie Energy. This transaction is treated as an asset acquisition and the Company allocated the purchase price of $6,713 to the identifiable assets and liabilities based on their relative fair values as at the date of acquisition.

The following table shows the fair value of identifiable net assets and liabilities acquired:

	As at March 31, 2016
Customer relationships	$25,430
Derivative liability	(14,193)
Broker commission liability	(4,524)
Total purchase price	**$6,713**

Commercial Energy Broker

On February 25, 2016, the Company obtained control of a Florida-based broker ("**Broker**") of electricity and natural gas by purchasing certain seller agreements, business licenses, all intellectual property, call center equipment and hiring a majority of the former employees of the Broker. The Company acquired the Broker to expand its internal salesforce to focus primarily on the commercial customer market.

The acquisition was accounted for using the acquisition method of accounting. The interim condensed consolidated financial statements include the results of the Broker from the acquisition date. The Company allocated the purchase price of $1,200 to the identifiable assets based on their fair values as at the date of acquisition.

The following table shows the fair value of identifiable net assets acquired:

	As at March 31, 2016
Customer relationships	$910
Goodwill	290
Total purchase price	**$1,200**

The purchase price for the acquisition of $1,200 was settled in cash of $600, with subsequent payments totalling $600 to be paid within the next twelve months.

Goodwill recognized on the acquisition largely relates to benefits such as the value of synergies that are expected from combining the operations of the Company and the Broker that do not meet the criteria for recognition as intangible assets under IAS 38 *Intangible Assets*. This goodwill has been allocated to the Company's existing single segment. Goodwill that is deductible for tax purposes is $290.

5. FINANCING

Macquarie Energy Supplier Agreement

The Company and its operating subsidiaries entered into several agreements (the "**Supplier Agreement**") with Macquarie Energy LLC ("**Macquarie Energy**") to provide for the exclusive supply of the Company's wholesale energy needs and hedging requirements for a term ending in January 2019. Under the Supplier Agreement, Macquarie Energy assumes the responsibility for meeting all the credit and collateral requirements with each ISO. Further, the Company's customers and the LDCs serving the Company's customers are directed to remit all customer payments into a designated restricted bank account (the "**Lockbox**"), and the funds in that account are used to pay Macquarie Energy for energy supplied and other fees and interest due under the Supplier Agreement. The trade payables are secured by funds pledged in the Lockbox, accounts receivable, natural gas inventory and all other Company assets.

Macquarie Energy extends trade credit to buy wholesale energy supply, with all amounts due being payable in the month following the delivery of the energy. The credit extended under the Supplier Agreement is limited to an overall exposure limit of $250,000 subject to certain standard financial covenants, and limited to a calculated credit base based on restricted cash in the Lockbox, billed and unbilled receivables, natural gas inventory, forward value of customers and certain other items. The Company incurs a volumetric fee based on the wholesale energy delivered, which is included in the Trust's finance costs in the interim condensed consolidated statements of comprehensive loss. Effective February 1, 2016, the Company entered into an amended Supplier Agreement with Macquarie Energy, whereby the volumetric fees are temporarily reduced until the Company reaches an agreed upon savings. Upon reaching the targeted savings, the volumetric fees will revert to their previous rate.

The Supplier Agreement includes a working capital facility with a sub-limit of $60,000 under which letters of credit and cash advances can be made based on the calculated credit base. Such letters of credit and cash advances under this line are subject to an annual interest rate of 5.5% plus LIBOR (0.43% and 0.43% as at March 31, 2016 and December 31, 2015, respectively), with an incremental interest rate of 1.25% applied to borrowings above a certain threshold.

Macquarie Energy has extended trade credit to the Company totaling $43,121 and $33,933 under this Supplier Agreement as at March 31, 2016 and December 31, 2015, respectively. There were letters of credit issued totaling $10,446 and $10,446, as well as cash advances of $18,500 and $4,000 drawn under the working capital facility as at March 31, 2016 and December 31, 2015, respectively. During the three months ended March 31, 2016, total energy purchases totaled $114,777 and interest expense under the Supplier Agreement totaled $2,619, whereas during the three months ended March 31, 2015, total energy purchases totaled $118,352 and interest expense under the Supplier Agreement totaled $1,566. The availability under the credit facility was $13,282 and $31,739 as at March 31, 2016 and December 31, 2015, respectively. As at March 31, 2016, the Company was in compliance with all covenants.

6. GOODWILL

The reconciliation of the carrying amount of goodwill is as follows:

	As at March 31, 2016	As at December 31, 2015
Goodwill at the beginning of the period	$254,741	$241,381
Goodwill recognized related to acquisition of TEE	2,202	13,360
Goodwill recognized related to acquisition of Broker	290	—
Goodwill at the end of the period	**$257,233**	**$254,741**
Less: accumulated impairment	**($137,636)**	**($137,636)**
Net book value at the end of the period	**$119,597**	**$117,105**

Goodwill acquired through business combinations have been allocated to a single Cash Generating Unit ("**CGU**"), as the Trust operates under a single segment.

The Trust performed a review of impairment indicators as at March 31, 2016 including a review of the relationship between its market capitalization and its carrying value, among other factors and concluded no impairment indicator was present. The principal sensitivity of the fair value less cost of disposal calculation is the Unit price. Future reductions in the Unit price may result in impairment of goodwill in subsequent reporting periods.

7. FINANCIAL INSTRUMENTS

Fair value

Fair value is the estimated amount that the Trust would pay or receive to dispose of financial instruments in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act. Management has estimated the fair value of financial instruments using a method that employs market forward curves that are either directly sourced from third parties or are developed internally based on third party market data. These curves can be volatile thus leading to volatility in the mark-to-market with no impact to cash flows. To the extent the Trust has derivative instruments that are either not traded directly on an exchange or there is no published market data available, management uses a valuation based on actual historical data on certain spreads to adjust forward published market prices to arrive at a forward curve. The fair value of the non-controlling interest is measured principally based on the publicly traded Unit price, with an adjustment for the profit interest units of the Company that is calculated using an option pricing model. The principal sensitivity of the fair value of non-controlling interest is the Unit price. Changes in the Unit price will result in additional gains (losses) in subsequent reporting periods. The fair value of the warrant liability is based on an option pricing model. The cash flows projections were discounted using the estimated weighted average cost of capital of a market participant. The fair value of the weather derivative was determined based on an internally developed model that was based on certain historical temperature and electricity pricing data together with the contractual terms of the derivative.

The Trust's activities expose it to a variety of market risks, principally from fluctuating commodity and currency prices. The Trust has established risk management policies and procedures designed to reduce the potentially adverse effects of price volatility on operating results and distributions. The Trust's risk management activities include the use of derivative instruments such as options, swaps, forward contracts, weather derivatives, financial transmission rights and transmission congestion contracts. The Trust maintains commodity and currency price risk management strategies that use derivative instruments, within approved risk tolerances to minimize significant, unanticipated fluctuations in earnings or distributions caused by market price volatility.

The following table illustrates changes in fair value of derivative instruments related to financial instruments classified as held-for-trading and recorded in the interim condensed consolidated statements of comprehensive loss:

	For the three months ended March 31, 2016	For the three months ended March 31, 2015
Foreign exchange options	$561	($269)
Fixed-for-floating electricity swaps	(12,822)	50
Fixed-for-floating natural gas swaps	1,544	949
Physical electric forward contracts	2,896	—
Physical natural gas forward contracts	218	726
Physical electric basis forward contracts	(33)	—
Fixed-for-floating electricity basis swaps	477	32
Fixed-for-floating natural gas basis swaps	160	427
Heat rate forward contracts	335	—
Electricity capacity contracts	(191)	—
Financial transmission rights	106	—
Weather derivatives	(437)	(268)
Change in fair value of derivative instruments	**($7,186)**	**$1,647**

The following table summarizes the fair value of the financial assets and liabilities classified as held-for-trading and recorded in the interim condensed consolidated statements of financial position as at March 31, 2016:

	Other current financial assets	Other current financial liabilities
Foreign exchange options	$1,091	$-
Fixed-for-floating electricity swaps	—	37,223
Fixed-for-floating natural gas swaps	—	5,158
Physical electric forward contracts	—	22,440
Physical natural gas forward contracts	—	96
Fixed-for-floating electricity basis swaps	—	(345)
Fixed-for-floating natural gas basis swaps	—	12
Heat rate forward contracts	—	(98)
Electricity capacity contracts	—	191
Financial transmission rights	518	—
	$1,609	**$64,677**

The following table summarizes the fair value of the financial assets and liabilities classified as held-for-trading and recorded in the interim condensed consolidated statements of financial position as at December 31, 2015:

	Other current financial assets	Other current financial liabilities
Foreign exchange options	$530	$–
Fixed-for-floating electricity swaps	—	22,567
Fixed-for-floating natural gas swaps	—	6,702
Physical electric forward contracts	—	12,976
Physical natural gas forward contracts	—	315
Physical electric basis forward contracts	—	(33)
Fixed-for-floating electricity basis swaps	—	132
Fixed-for-floating natural gas basis swaps	—	173
Heat rate forward contracts	—	237
Financial transmission rights	412	—
Weather derivatives	908	—
	$1,850	**$43,069**

The following table summarizes the fair value of the financial assets and liabilities classified as held-for-trading and recorded as at March 31, 2016 and December 31, 2015:

	Notional Volume	Total Remaining Volume	Maturity Date (months)	Fixed Price ($)	Fair Value ($)	Notional Value ($)
March 31, 2016						
Fixed-for-floating electricity swaps	0.1 – 30 MW	4,288,272 MWh	1 – 45	$13.50 to $79.50	($37,223)	$177,183
Fixed-for-floating natural gas swaps	(2,000) – 3,333 MMBtu	3,678,800 MMBtu	1 – 27	$1.79 to $4.24	($5,158)	$19,016
Physical electric forward contracts	0.1 – 40 MW	3,018,507 MWh	1 – 57	$17.00 to $76.80	($22,440)	$113,488
Physical natural gas forward contracts	(223) – 2,413 MMBtu	434,279 MMBtu	1	$1.28 to $2.25	($96)	$665
Fixed-for-floating electricity basis swaps	(25) – 25 MW	– MWh	1 – 21	($6.20) to $34.20	$345	$5,494
Fixed-for-floating natural gas basis swaps	(2,500) – 2,500 MMBtu	– MMBtu	1 – 12	$0.00 to $0.33	($12)	$12
Heat rate forward contracts	1 – 20 MW	149,069 MWh	1 – 24	$18.08 to $42.39	$98	$3,541
Electricity capacity contracts	600 – 25,000 KWM	224,700 KWM	1 – 9	$3.10 to $12.97	($191)	$2,571
Financial transmission rights	0.1 – 19.9 MW	611,654 MWh	1 – 26	$(7.37) to $7.81	$518	$533
December 31, 2015						
Fixed-for-floating electricity swaps	1 - 50 MW	3,730,457 MWh	1 – 36	$20.25 to $79.50	($22,567)	$173,658
Fixed-for-floating natural gas swaps	(2,000) – 2,500 MMBtu	5,772,900 MMBtu	1 – 30	$2.02 to $4.44	($6,702)	$28,089
Physical electric forward contracts	(35) – 20 MW	1,841,907 MWh	1 – 52	$17.75 to $76.80	($12,976)	$70,888
Physical natural gas forward contracts	(270) – 5,566 MMBtu	763,008 MMBtu	1 – 3	$0.30 to $5.67	($315)	$1,984
Physical electric basis forward contracts	(20) – 20 MW	– MWh	2	$23.50 to $24.94	$33	$635
Fixed-for-floating electricity basis swaps	(25) – 25 MW	– MWh	1 – 12	$26.80 to $42.55	($132)	$25,516
Fixed-for-floating natural gas basis swaps	(2,500) – 600 MMBtu	– MMBtu	1 – 15	$(0.93) to $2.75	($173)	$920
Heat rate forward contracts	1 – 20 MW	180,828 MWh	3 – 12	$22.20 to $47.81	($237)	$4,810
Financial transmission rights	0.1 – 31.7 MW	770,865 MWh	1 – 29	$(4.06) to $9.81	$412	$645

The following table summarizes the fair value of the foreign exchange options as at March 31, 2016 and December 31, 2015:

	Notional Value	Total Remaining Volume	Maturity Date (months)	Fixed Price ($)	Fair Value ($)
March 31, 2016					
Foreign exchange options	US$14,946 C$20,476	US$14,946 C$20,476	1 – 21	C$1.37 per US$1	US$1,091
December 31, 2015					
Foreign exchange options	US$17,084 C$23,405	US$17,084 C$23,405	1 – 24	C$1.37 per US$1	US$530

The following table summarizes the financial assets and liabilities that are subject to offsets and related arrangements and the effect of offsets and arrangements on the amounts recorded in the interim condensed consolidated statements of financial position:

	Gross Assets	Gross Liabilities	Offset	Net Amount
March 31, 2016				
Commodity contracts offset to assets	$560	($42)	($42)	$518
Commodity contracts offset to liabilities	$23,204	($87,881)	$23,204	($64,677)
December 31, 2015				
Commodity contracts offset to assets	$715	($303)	($303)	$412
Commodity contracts offset to liabilities	$5,561	($48,630)	$5,561	($43,069)

In August 2015, the Company entered into an agreement (the "**Reseller Agreement**") with Sungevity Inc. ("**Sungevity**") for the exclusive marketing of Sungevity's solar products for a term ending in September 2018. In consideration for entering into the Reseller Agreement, a one-time grant of 120,000,000 warrants to purchase Series C Preferred Shares of Sungevity at a strike price of $0.09 per share was made to the Company. These warrants vest at the latter of the one year anniversary of the Reseller Agreement or once certain performance criteria have been met and are exercisable for a period of five years. The warrants were not recorded in the interim condensed consolidated statements of financial position, as they have zero fair value due to the underlying shares not being quoted in active markets and the terms and conditions of the Reseller Agreement not providing a transaction price. As such, they are not reliably measurable. In subsequent periods, the fair value of the warrants will remain at zero until they can be reliably measured.

Fair value ("FV") hierarchy

Level 1

The fair value measurements are classified as Level 1 in the FV hierarchy if the fair value is determined using quoted, unadjusted market prices.

Level 2

Fair value measurements that require inputs other than quoted prices in Level 1, either directly or indirectly, are classified as Level 2 in the FV hierarchy. This could include the use of statistical techniques to derive the FV curve from observable market prices. However, in order to be classified under Level 2, inputs must be substantially observable in the market. Derivative assets and liabilities included in Level 2 are valued using multiple prices quoted by market participants other than exchanges, industry pooling, volatility and other inputs that are derived principally from, or collaboratively by, observable market data.

Level 3

Fair value measurements that require unobservable market data or use statistical techniques to derive forward curves from observable market data and unobservable inputs, such as internally developed assumptions used in pricing an asset or a liability, for example, an estimate of cash flows used in internally developed present value of future cash flows are classified as Level 3 in the FV hierarchy. The Trust's policy is to recognize transfers in and out as at the end of the reporting period.

When the inputs used to measure fair value fall within more than one level of the hierarchy, the level within which the fair value measurement is categorized is based on the lowest level input that is significant to the fair value measure in its entirety.

The following table illustrates the classification of financial assets and liabilities in the FV hierarchy as at March 31, 2016:

Recurring measurements	Level 1	Level 2	Level 3	Total
Financial assets				
Other current financial assets	$–	$1,364	$245	**$1,609**
Financial liabilities				
Other current financial liabilities	$–	($64,677)	$–	**($64,677)**
Warrant liability	—	(1,455)	—	**(1,455)**
Non-controlling interest	—	—	(150,666)	**(150,666)**

The following table illustrates the classification of financial assets and liabilities in the FV hierarchy as at December 31, 2015:

Recurring measurements	Level 1	Level 2	Level 3	Total
Financial assets				
Other current financial assets	$–	$803	$1,047	**$1,850**
Financial liabilities				
Other current financial liabilities	$–	($42,865)	($204)	**($43,069)**
Warrant liability	—	(1,576)	—	**(1,576)**
Non-controlling interest	—	—	(149,619)	**(149,619)**

The following tables illustrate the changes in net fair value of financial assets and liabilities classified as Level 3 in the FV hierarchy:

Non-controlling interest	As at March 31, 2016	As at December 31, 2015
Liability at the beginning of period	$149,619	$115,570
Acquisition of non-controlling interest	—	(28,794)
Changes in fair value of non-controlling interest	1,047	62,843
Liability at the end of period	**$150,666**	**$149,619**

Commodity contracts	As at March 31, 2016	As at December 31, 2015
Net balance at the beginning of period	$843	$1,547
Total loss	(1,806)	(4,841)
Purchases	143	2,762
Settlements	1,065	1,501
Transfer out of Level 3	—	(126)
Net balance at the end of period	**$245**	**$843**

Classification of financial assets and liabilities

As at March 31, 2016 and December 31, 2015, respectively, the carrying amounts of the financial assets and liabilities, except for derivative assets and liabilities, warrant liability and non-controlling interest, approximated their fair value due to the short-term nature of these items. The derivative assets and liabilities, warrant liability and non-controlling interest are recorded at fair value.

Management of risks arising from financial instruments

The risks associated with the Trust's financial instruments are as follows:

Market risk

Market risk is the potential loss that may be incurred as a result of changes in the market or fair value of a particular instrument or commodity. Components of market risk to which the Trust is exposed are discussed below.

Commodity price risk

The Trust is exposed to market risks associated with commodity prices and market volatility where estimated customer requirements do not match actual customer requirements. Management actively monitors these positions on a daily basis in accordance with its Risk Management Policy. This policy sets out a variety of limits, most importantly thresholds for open positions in the electricity and natural gas portfolios. The Trust's exposure to market risk is affected by a number of factors, including accuracy of estimation of customer commodity requirements, commodity prices, volatility and liquidity of markets. The Trust enters into derivative instruments including but not limited to commodity forwards, swaps, options and weather derivatives in order to manage exposures to changes in commodity prices. The inability or failure of the Trust to manage and monitor the above market risks could have a material adverse effect on the operations and cash flow of the Trust.

The fair value of electricity and natural gas financial instruments is significantly influenced by the variability of forward commodity prices. Periodic changes in forward prices could cause significant changes in the mark-to-market valuation of these financial instruments. For example, assuming that all other variables remain constant, a market move of +/-10% would result in an increase (decrease) in net loss and total comprehensive loss of $24,317 for the three months ended March 31, 2016.

Interest rate risk

The Trust is exposed to interest rate risk on certain advances within the Supplier Agreement with Macquarie Energy. As at March 31, 2016 and December 31, 2015, the Trust has aggregate letters of credit outstanding of $10,446 and $10,446, as well as cash advances of $18,500 and $4,000, respectively, outstanding under this facility, and therefore is exposed to interest rate risk. The Trust's current exposure to interest rate risk does not economically warrant the use of derivative instruments and the Trust does not currently believe that it is exposed to material interest rate risk. For the three months ended March 31, 2016, the impact of a 1% increase (decrease) in the interest rate on these balances would have not had a material impact on finance costs in the interim condensed consolidated statements of comprehensive loss.

Foreign currency risk

The Trust is exposed to currency rate risk in that its business operations are conducted in United States dollars, however, its distributions and publicly-listed Units are denominated in Canadian dollars. The Trust's policy is to mitigate its economic exposure to currency rate movements by entering into currency derivative products including options and swaps.

Period to period changes in forward currency prices could cause significant changes in the mark-to-market valuation of these contracts. For example, assuming that all other variables remain constant, a market move in C$ to US$ of +/-10% would result in increase (decrease) in net loss and total comprehensive loss of $1,384 and ($851), respectively, in the interim condensed consolidated statements of comprehensive loss.

Credit risk

Credit risk is the risk that one party to a financial instrument fails to discharge an obligation and causes financial loss to another party. The Trust is exposed to credit risk in two specific areas: customer credit risk and counterparty credit risk.

Customer credit risk

The Trust is exposed to customer credit risk and, therefore, credit review and other processes have been implemented to perform credit evaluations of customers and manage customer default. The Trust has customer credit risk exposure relating to all or certain electricity and natural gas accounts receivable in the states of California, Delaware, District of Columbia, Illinois, Maine, New Hampshire, New Jersey, Ohio, Pennsylvania, Rhode Island, Texas and Virginia ("**Non-POR markets**"). If a significant number of customers in these markets were to default on their payments, it could have a material adverse effect on the operations and cash flows of the Trust. In Texas, certain customers are required to provide a deposit when they open an account with the

Company, which can be used in the event of default on a customer account, thereby reducing customer credit risk in this market. As at March 31, 2016 and December 31, 2015, these customer deposits total $830 and $764, respectively, and are included within trade and other payables on the interim condensed consolidated statements of financial position.

For the remaining markets, the local distribution companies ("**LDCs**") provide collection services and assume the risk of any bad debts owing from the Trust's customers for a fee. Management believes that the risk of the LDCs failing to deliver payment to the Trust is minimal. There is no assurance that the LDCs that provide these services will continue to do so in the future.

As at March 31, 2016 and December 31, 2015, the customer credit risk exposure from Non-POR markets amounted to $6,708 and $5,947, respectively, and the accounts receivable aging for these markets are as follows:

Accounts Receivable at	Total	Current	30-59 days	Over 60 days
March 31, 2016	$6,708	$5,748	$353	$607
December 31, 2015	$5,947	$5,149	$314	$484

Changes in the allowance for doubtful accounts were as follows:

	As at March 31, 2016	As at December 31, 2015
Balance, beginning of year	$965	$1,519
Bad debt expense	487	1,408
Bad debts written off	(249)	(1,962)
Balance, end of period	**$1,203**	**$965**

Counterparty credit risk

Counterparty credit risk represents the loss that the Trust would incur if a counterparty fails to perform under its contractual obligations. This risk would manifest itself in the Trust replacing the contracted commodities or currencies at prevailing market rates, thus impacting the related financial results. Counterparty risk is limited to Macquarie Energy for all wholesale energy supply positions and other counterparties for currency and other derivatives. The failure of a counterparty to meet its contracted obligations could have a material adverse effect on the operations and cash flows of the Trust.

The maximum counterparty credit risk exposure amounted to $1,609 and $1,850 as at March 31, 2016 and December 31, 2015, respectively, representing the risk relating to its derivative financial assets.

Liquidity risk

Liquidity risk is the potential inability to meet financial obligations as they fall due. The Trust manages this risk by monitoring near-term and long-term cash flow forecasts to ensure adequate and efficient use of cash resources and credit facilities.

The following are the contractual maturities of the Trust's financial liabilities as at March 31, 2016:

	Carrying amount	Contractual cash flow	Less than 1 year	1 to 5 years	More than 5 years
Trade and other payables	$104,225	$184,194	$131,168	$53,026	$-
Operating leases	—	1,138	658	480	—
Financing leases	537	573	292	281	—
Credit facility	18,500	18,500	18,500	—	—
Distribution payable	727	727	727	—	—
Other non-current liabilities	4,406	4,406	—	4,406	—
	$128,395	**$209,538**	**$151,345**	**$58,193**	**$—**

The following are the contractual maturities of the Trust's financial liabilities as at December 31, 2015:

	Carrying amount	Contractual cash flow	Less than 1 year	1 to 5 years	More than 5 years
Trade and other payables	$102,962	$156,799	$121,049	$35,750	$–
Operating leases	—	1,389	824	565	—
Financing leases	613	657	325	332	—
Credit facility	4,000	4,000	4,000	—	—
Distribution payable	698	698	698	—	—
Other non-current liabilities	4,668	4,668	—	4,668	—
	$112,941	**$168,211**	**$126,896**	**$41,315**	**$—**

Supplier risk

The Trust purchases its energy delivered to its customers through contracts entered into with Macquarie Energy. The Trust has an exposure to supplier risk as the ability to continue to deliver energy to its customers is reliant upon the ongoing operations of this supplier and its contractual obligations.

8. INCOME TAXES

The Trust has recorded an income tax benefit for the three months ended March 31, 2016 in the amount of $1,277, whereas for the three months ended March 31, 2015 it recorded an income tax expense of $856. The income tax benefit (expense) recorded is based on management's estimate of the average annual effective income tax rate expected for the full financial year. The income tax (benefit) expense attributable to the Trust's continuing operations differs from the amount derived by applying the U.S. statutory federal rate of 34% to pretax loss principally due to the effect of state taxes, judgments related to the ability to realize deferred taxes, and permanent items such as distributions to non-controlling interest holders. Under United States partnership taxation rules, Crius Energy, LLC is not a taxable entity and its taxable loss flows through to its partners who are then taxed on their allocable share of the partnership loss.

9. TRUST CAPITAL

Distributions paid and proposed

For the three months ended March 31, 2016, monthly distributions of C$0.0595 per unit were declared by the Trust for January through March 2016 which together amounted to $2,174. These distributions were approved throughout the periods by the Board of Directors of the Trust and all amounts were paid by April 15, 2016 to Unitholders of record at the close of business on March 31, 2016. For the three months ended March 31, 2015, distributions of C$0.0583 per unit were declared by the Trust for January through March 2015, which together amounted to $1,375.

Declared dividends subsequent to quarter-end

On April 11, 2016, the Board of Directors of the Trust declared monthly distributions for April through June 2016, in the amount of C$0.0607 per unit per month. The April 2016 distribution will be paid on May 16, 2016, to Unitholders of record at the close of business on April 30, 2016. The May 2016 distribution will be paid on June 15, 2016, to Unitholders of record at the close of business on May 31, 2016. The June 2016 distribution will be paid on July 15, 2016 to Unitholders of record at the close of business on June 30, 2016.

10. LOSS PER UNIT

	For the three months ended March 31, 2016	For the three months ended March 31, 2015
Net loss and total comprehensive loss	($11,053)	($31,709)
Weighted average number of Units outstanding	16,745,151	9,940,021
Basic loss per Unit	**($0.66)**	**($3.19)**
Net loss and total comprehensive loss	($11,053)	($31,709)
Adjust for change in fair value of Unit-based compensation	—	—
Adjusted net loss and total comprehensive loss	($11,053)	($31,709)
Diluted weighted average number of total Units outstanding	16,745,151	9,940,021
Diluted loss per Unit	**($0.66)**	**($3.19)**

The 750,000 warrants are anti-dilutive to loss per Unit and are therefore excluded from the determination of dilutive per Unit amounts for the three months ended March 31, 2016 and 2015. Phantom Unit Rights are excluded from the determination of dilutive per Unit amounts as they are settled in cash.

11. INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

The outflows of net change in operating assets and liabilities are as follows:

	For the three months ended March 31, 2016	For the three months ended March 31, 2015
Collateral deposits	($32)	($86)
Accounts receivable	(6,445)	(2,735)
Inventory	442	893
Income tax receivable	2,937	2,309
Other current financial assets	470	1,163
Other current assets	(4,029)	(110)
Other non-current assets	(114)	5
Trade and other payables	(4,947)	(5,892)
Distributions payable	29	(35)
Other current liabilities	—	(390)
Other non-current liabilities	(3,255)	(226)
	($14,944)	**($5,104)**

12. INTANGIBLE ASSETS

	Computer software	Customer relationships	Non-compete agreements	Sales network	Other intangibles	Total
Cost						
Balance as at December 31, 2015	$15,588	$121,326	$1,637	$20,152	$675	$159,378
Additions	—	25,430	—	—	—	25,430
Additions from business combinations	—	910	—	—	—	910
Internally developed software	1,158	—	—	—	—	1,158
Balance as at March 31, 2016	**$16,746**	**$147,666**	**$1,637**	**$20,152**	**$675**	**$186,876**
Accumulated amortization						
Balance as at December 31, 2015	($3,811)	($89,615)	($1,574)	($8,854)	($206)	($104,060)
Amortization	(1,151)	(7,101)	(21)	(760)	(69)	(9,102)
Balance as at March 31, 2016	(4,962)	(96,716)	(1,595)	(9,614)	(275)	(113,162)
Net book value at March 31, 2016	**$11,784**	**$50,950**	**$42**	**$10,538**	**$400**	**$73,714**

The Trust reviewed the useful life of its intangible assets, and after considering customer retention and other key factors, it was determined that the useful lives of certain customer relationships decreased from its historical rate of 36 months to 27 months. As such, the Trust adjusted the amortization periods for these intangibles. The effect of this change on amortization expense is as follows:

	Three months ended March 31, 2016	Three months ended June 30, 2016	Three months ended September 30, 2016	Three months ended December 31, 2016	Year ended December 31, 2017	Year ended December 31, 2018
Increase (decrease) in amortization expense	$1,698	$1,698	$1,698	$1,698	($3,396)	($3,396)

13. LOAN RECEIVABLE

In October 2015, the Company entered into a loan agreement with Big Sky Gas Holdings, LLC ("**Big Sky Gas**"), whereby the Company has made available a credit facility of $800. Upon closing, the Company issued a 36 month convertible term loan in the amount of $500, with an annual interest rate of LIBOR + 10%. Interest will be paid on the convertible loan maturity date, and as such, accrues interest monthly and increases the balance of the loan. In February 2016, Big Sky Gas borrowed an additional $100 under the revolving portion of the credit facility, with an annual interest rate of LIBOR + 15%. Principal and interest on the revolving balance are payable 90 days after the borrowing date. As at March 31, 2016 and December 31, 2015, the loan receivable balances of $624 and $509, respectively, are included on the interim condensed consolidated statements of financial position.

14. UNIT-BASED COMPENSATION

Phantom Unit Rights Plan

Under the Trust's Phantom Unit Right Plan ("**PURP**"), phantom unit rights ("**PURs**") may be granted by the board of the Administrator, or an appointed committee thereof (the "**Plan Administrator**") to directors, officers, employees or direct or indirect service providers of the Company residing in the United States ("**U.S. Participants**"). The purpose of the PURP is to provide incentive compensation based on the appreciation in value of the Units and distributions payable in respect of these Units, thereby providing additional incentive for continued efforts in promoting the growth and success of the business and in attracting and retaining management personnel in the United States. The PURP allows U.S. Participants to comply with tax and securities laws in the United States applicable to the awards.

A PUR is a unit credited by means of an entry on the books of the Company to a U.S. Participant, representing the right to receive a cash payment equal to the fair market value of a Unit on the vesting date. Grants will be calculated using the five-day volumetric weighted-average trading price of a Unit on the TSX. The vesting of PURs is determined by the Plan Administrator at the time of grant and a date on or before the date which is three calendar years following the date of grant, the U.S. Participant will receive (subject to applicable withholding taxes) for each PUR held, the cash equivalent of one Unit. The value of the unit will be determined based upon the volume weighted-average trading price of a Unit on the TSX for the last five trading days prior to the vesting date. In addition, the U.S. Participants will be credited with additional PURs in respect of any distributions declared by the Trust on the Units that would have been paid to the U.S. Participant if the PURs in the U.S. Participant's account were outstanding during the relevant period ("**accrued distributions**"). A U.S. Participant shall not have the right or be entitled to exercise any voting rights, receive distributions or have or being entitled to any other rights as a Unitholder of the Trust in respect to any PURs. PURs may only be settled with cash payments by Crius Energy Management, LLC. The PURs vest between January 2016 and January 2019 and are being expensed ratably over this period.

The following schedule provides the continuity of the PURs:

	Number of Units
As at December 31, 2015	2,206,090
PURs issued	350,156
PURs accrued distributions	51,176
PURs settled	(91,802)
Forfeitures	(34,113)
As at March 31, 2016	**2,481,507**

In conjunction with the acquisition of TEE, the Company issued PURs of 623,217 and accrued PUR distributions of 54,932, which are included in the table above. During the three months ended March 31, 2016, 91,802 PURs settled. Except for the PURs that were settled or issued in conjunction with the TEE acquisition, there are no vested PURs as at March 31, 2016. For the three months ended March 31, 2016 and 2015, unit-based compensation was $1,559 and $756, respectively. These amounts are included in the interim condensed consolidated statements of comprehensive loss.

Deferred Trust Unit Plan

In January 2016, the Trust established the Deferred Trust Unit Plan ("**DTUP**") for non-executive Administrator Directors to enhance our ability to attract and retain high quality individuals to serve as members of our Board and to promote a greater alignment of interests between our outside Administrator Directors and our Unitholders.

A Deferred Trust Unit ("**DTU**") is a security, equivalent in value to a trust Unit, credited by means of a bookkeeping entry in our books, to an account in the name of the Administrator Director. Under the DTUP, non-executive Administrator Directors may receive a percentage of their annual fee in the form of DTUs. The number of DTUs to be credited to an Administrator Director's account in each year is calculated by dividing (a) the amount of the annual fee that the Administrator Director will receive in the form of DTUs, by (b) the market value of a Unit using the five-day trailing volume-weighted average price prior to the grant date. As at March 31, 2016, there are no DTUs issued.

Restricted Trust Unit Plan

The Trust adopted the Restricted Trust Unit Plan ("**RTUP**") on November 2, 2012, prior to the IPO of the Trust that closed on November 13, 2012, for directors, officers, employees and direct or indirect service providers of any member of the Crius Group. The Administrator has reviewed the RTUP and, based on this review and its consideration of the remuneration paid to directors, officers, employees and consultants of other publicly traded entities, has determined that the RTUP is no longer the most appropriate long-term incentive plan for the Trust. As such, the RTUP expired on November 2, 2015. During the three months ended March 31, 2015, 20,130 RTUs were granted under the RTUP. As at March 31, 2016, no RTUs were outstanding.

15. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise influence over the other party in making financial or operating decisions. The definition includes subsidiaries and other persons.

Subsidiaries

Certain transactions between the Trust and its subsidiaries meet the definition of related party transactions, including primarily intercompany notes and administrative service fees amongst its subsidiaries. These transactions are eliminated on consolidation and are not disclosed in these interim condensed financial statements.

Other related party transactions

The Company has entered into a Supplier Agreement with Macquarie Energy, which is related to Macquarie Americas Corp, a Unitholder in the Company. Both Macquarie entities are part of the same group (Note 5).

During the three months ended March 31, 2016 and the year ended December 31, 2015, the Trust made certain tax payments on behalf of the non-controlling interest holders, which are treated as advances. These advances as at March 31, 2016 and December 31, 2015, were approximately $155 and $448, respectively, and are included in other current assets in the interim condensed consolidated statements of financial position. These amounts are being repaid through future distribution disbursements and are expected to be fully recovered within one year of the advance. Due to the short-term nature for the repayment of these advances, there is no interest charged.

16. BUSINESS SEGMENTS

Operating segments

For the three months ended March 31, 2016 and 2015, the Trust operated in a single operating segment and evaluates the performance of the business as a single segment.

Products

The following table summarizes the revenue by product recorded in the interim condensed consolidated statements of comprehensive loss:

	For the three months ended March 31, 2016	For the three months ended March 31, 2015
Electricity	$164,264	$141,020
Natural gas	13,203	24,154
Fee revenue	2,422	854
Solar	942	2,282
Total revenue	**$180,831**	**$168,310**

Geographic information

All of the Trust's revenues from external customers and assets are located in the United States of America. The Trust does not have any key customers. For the three months ended March 31, 2016, the Trust operated in six states which comprise 81.4% of revenue. For the three months ended March 31, 2015, the Trust operated in three states which comprise 58.1% of revenue.

17. COMMITMENTS AND CONTINGENCIES

Surety bonds

As at March 31, 2016 and December 31, 2015, the Trust had surety bonds outstanding of $20,682 and $20,357, respectively, to the various state regulatory commissions and LDCs.

Operating leases

The Trust leases office facilities under non-cancelable operating leases which contain fixed escalation clauses and are subject to extension at the option of the Trust. The Trust takes into account escalation clauses when determining the amount of future minimum lease payments. Furthermore, the Trust has entered into an agreement to occupy additional office space, which does not contain escalations or an extension. All future minimum lease payments are recognized on a straight-line basis over the minimum lease term. For the three months ended March 31, 2016, the Trust incurred rent expense under its operating leases of $250. For the three months ended March 31, 2015, rent expense under its operating leases of $149, was incurred. These amounts were included in the interim condensed consolidated statements of comprehensive loss. Deferred rent liability associated with the operating lease is included within other non-current liabilities in the interim condensed consolidated statements of financial position.

Financing leases

The Trust leases certain property and equipment under non-cancelable financing leases. These leases are measured at amortized cost using the effective interest rate method and are initially measured at fair value. A purchase option is provided at the end of the lease term and ranges in value from $1 to fair market value. For the three months ended March 31, 2016 and 2015, depreciation expense under its financing leases of $74 was incurred by the Trust. These amounts were included in the interim condensed consolidated statements of comprehensive loss. The related lease liability is included within trade and other payables and other non-current liabilities on the interim condensed consolidated statements of financial position.

Regulatory proceedings

The Company is an independent energy marketer of retail electricity and natural gas to residential and commercial customers across numerous states. Market rules and regulations locally, regionally and state to state change periodically. These changes will likely have an impact on the Company's business. Some changes may lead to new or enhanced business opportunities, while other changes may result in a negative impact on the Company's business. As such, there is no way to measure an exact effect through a cost benefit analysis, because there are many variables. The regulatory process does allow for some participation, and the Company engages in that participation, however, such participation provides no assurance as to the outcome of such proceedings. The Trust does not expect proceedings to have a material adverse effect on the Trust's financial condition or results of operations.

Litigation and other claims

The Company is involved in various disputes and litigation. In the opinion of management, the resolution of these disputes against the Company will not have a material effect on the consolidated results of operations, cash flows or financial position of the Trust.

From time to time, the Company is subject to state and federal tax audits. In the opinion of management, assessments levied against the Company as a result of these audits will not have a material effect on the consolidated results of operations, cash flows or financial position of the Trust.

18. APPROVAL OF THE FINANCIAL STATEMENTS

These interim condensed financial statements were authorized for issue on May 12, 2016 by the Board of Directors of the Administrator.

19. SUBSEQUENT EVENTS

In April 2016, the Company entered into an agreement to relocate its global headquarters to Norwalk, CT. The Company will consolidate its two Connecticut offices to one office in Norwalk, CT. The relocation is expected to be substantially completed by the end of 2016. The lease term is 13 years and the total amount of lease payments to be paid over that term is approximately $12,730.