MANAGEMENT'S DISCUSSION AND ANALYSIS
CRIUS ENERGY TRUST

August 13, 2015

The following management's discussion and analysis ("**MD&A**") for Crius Energy Trust (the "**Trust**") dated August 13, 2015 has been prepared with all information available up to and including August 12, 2015. This MD&A should be read in conjunction with the unaudited interim condensed consolidated financial statements as at and for the three and six months ended June 30, 2015 and 2014 and the Trust's audited consolidated financial statements and accompanying notes and MD&A for the year ended December 31, 2014. The Trust's financial statements and other disclosure documents, including the Trust's Annual Information Form for the year ended December 31, 2014, dated March 24, 2015, are available on www.sedar.com under the Trust's issuer profile 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 ("**IASB**"). 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 ownership interest in Crius Energy, LLC ("**Crius Energy**" or the "**Company**") by the Trust's indirect wholly-owned subsidiaries. The Trust's 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 acquired a 26.8% indirect ownership interest in the Company. On July 2, 2015, the Trust completed 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 acquired an additional 16.3% ownership interest in the Company, such that the Trust holds a 43.1% indirect ownership interest in the Company as of the date hereof.

Throughout this MD&A, the Trust and its subsidiaries are collectively referred to as the "**Trust**", and the term "**Company**" or "**Crius Energy**" refers to Crius Energy, LLC and its consolidated subsidiaries. References to the results of operations refer to operations of the Company.

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 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, 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.

"**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 residential customer equivalents in accordance with industry conventions based on information available regarding customers and their historical usage.

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 markets 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 20 states and the District of Columbia 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 may also fluctuate because of 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 sold, and these revenues are recognized upon execution of the contracts with customers, net of expected cancellations that may occur prior to installation of the solar systems. The Company also receives various customer fees as well as fees paid by independent contractors in the network marketing channel. Independent contractors pay sign-up fees and other fees to the Company to participate in the 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 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 net revenues from the marketing of solar products and the fees paid by customers as well as 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.

Q2 2015 HIGHLIGHTS

- **Continued strong financial performance**
  - Adjusted EBITDA of $13.8 million, compared to $13.2 million in the second quarter of 2014.
  - Last twelve months Adjusted EBITDA of $57.9 million, representing a last twelve months payout ratio of 52.6%.
  - Gross margin of $39.9 million, or 24.0% of revenue, compared to $33.7 million, or 25.2% of revenue, in the second quarter of 2014.
  - Quarterly payout ratio of 44.8%, based on distributable cash of $10.0 million, and total distributions paid of $4.5 million.

- **Continued net organic growth in customers with 9,000 added in the quarter**
  - Customer adds of 88,000, above the last twelve month average of 82,500 driven by strong network and direct marketing activities.
  - Customer drops of 79,000, below the last twelve month average of 85,000 due to transition of customer portfolio to more fixed-price and commercial customers.

- **Completed TriEagle Energy LP acquisition**
  - Completed the acquisition on April 1, 2015 of TriEagle Energy LP ("TriEagle Energy"), a Houston-based energy retailer with approximately 200,000 customers in New Jersey, Pennsylvania and Texas, for a purchase price of $19.3 million.
  - Cash flow accretion is expected within the year, with significant growth upside through commercial customer growth and geographic expansion into Texas.

- **Expanded credit facility with Macquarie Energy LLC to accommodate growth initiatives**
  - Increased overall exposure limit from $150.0 million to $250.0 million.
  - Reduced fee structure through adjustments to the volumetric fee and elimination of certain other fees.
  - Improved flexibility to procure energy from market counterparties and an increased ability to enter into fixed-price products for a term up to 60 months.

HIGHLIGHTS SUBSEQUENT TO QUARTER-END

- **Completed bought deal offering of 6.8 million units for gross proceeds of C$46.1 million**
  - Net proceeds primarily used to increase indirect ownership of Crius Energy, LLC to 43.1% from 26.8%.
  - Remaining net proceeds of approximately $5.3 million retained for general corporate purposes.
  - Beneficial to unitholders through improved market float and trading liquidity.

- **Began expansion of distribution channels into Texas**
  - In July, 2015, the Company expanded the TriEagle Energy electricity license to include the Viridian Energy and Comcast Energy Rewards trade names.
  - Expansion into Texas will enable introduction of Comcast strategic partnership and network marketing channels into the state, which is expected to be operational by the fourth quarter of 2015.

- **Completed acquisition of approximately 2,000 electricity customers in New Hampshire and Rhode Island**
  - Purchased from Gulf Oil, LP for $0.2 million.
  - Customers serviced by existing infrastructure with minimal incremental costs.

Q2 2015 DISCUSSION

The second quarter of 2015 continued the positive trends of the previous four quarters with strong financial results combined with successful execution of the Company's growth strategy to expand and diversify the business.

Revenue increased 24.2% in the quarter to $166.3 million from $134.0 million in the second quarter of 2014. The increase was largely due to the 45.9% greater electricity volumes as a result of the acquisition of TriEagle Energy. This was offset somewhat by the normalized electricity customer rates which were 12.1% lower than the previous year when the Company increased rates to offset increased wholesale energy costs.

Gross sales of solar energy products were strong and in line with expectations. Solar net revenues in the quarter, were in line with the $1.7 million reported in the second quarter of 2014. Crius recognizes solar revenue based on executed customer contracts less expected cancellations prior to installation. In the second quarter of 2015, additional cancellations related to sales reported in prior periods that had not gone to installation reduced net reported revenues. The Company is actively working with its partner, SolarCity, to reduce customer cancellations as a result of delayed installations.

Crius continued to maintain its disciplined approach to energy procurement and risk management. This is reflected in gross margin in the quarter of $39.9 million, 18.5% greater than $33.7 million in the second quarter of 2014. As a percentage of total revenue, Gross Margin was 24.0% in the second quarter of 2015, slightly less than 25.2% in the same quarter the previous year. The decline is due to the increased proportion of commercial customers the Company now services as a result of the TriEagle Energy acquisition. Commercial customers provide diversification to the customer portfolio and tend to have a higher retention profile than residential customers, although with lower average unit margins.

Adjusted EBITDA in the second quarter of 2015 was $13.8 million, a 4.1% increase over $13.2 million in the second quarter of 2014. Distributable cash was $10.0 million in the quarter, representing a payout ratio of 44.8%.

The second quarter of 2015 was the second consecutive quarter of organic customer growth with 9,000 net customers added, following 12,000 net customers added in the first quarter of 2015. Customer adds in the quarter, at 88,000, were 6.7% higher than the last twelve-month average as a result of success from the direct marketing channel and commercial sales activity. Customer attrition rates continued to decline as the customer portfolio has transitioned to more fixed-price and commercial customers over the past 24 months.

The acquisition of TriEagle Energy was completed on April 1, 2015 for a purchase price of $19.3 million. Tri Eagle Energy provides a key platform to allow the Company to grow in Texas, the largest deregulated energy market in the United States. It has also increased the Company's proportion of commercial customers and added a commercial brokerage network platform, which Crius intends to deploy throughout its territory. Approximately 200,000 customers were added through the TriEagle Energy acquisition.

At June 30, 2015, Crius Energy had 790,000 customers, up from 581,000 at the beginning of the quarter as a result of both organic and acquisitive growth.

As a result of the TriEagle Energy acquisition, and to enable continued future growth, in April 2015 the Company expanded its credit facility with Macquarie Energy LLC. The facility size was increased from $150.0 million to $250.0 million and at better terms. The volumetric adder fee has been adjusted and certain other fees have been eliminated. The Company also has increased flexibility to procure energy and to enter into fixed-price product contracts for terms of up to 60 months. The base interest rate of LIBOR plus 5.5% on the $60.0 million working capital sub-facility remained unchanged.

At June 30, 2015 the Trust had cash and cash availability of $20.6 million. This consisted of $11.8 million of cash and $8.8 million available under the credit facility. This compares to cash and cash availability of $48.2 million at March 31, 2015. The Company utilized its strong cash position in the second quarter of 2015 to acquire TriEagle Energy. The TriEagle Energy purchase price included $15.9 million in cash along with $3.4 million in phantom unit rights to be settled in cash in tranches over 24 months from the acquisition date. Additionally, quarter-end availability was negatively impacted by $6.5 million in short-term transitional letter of credit requirements related to the TriEagle Energy acquisition. Subsequent to the close of the second quarter, Crius Energy's cash position improved by $11.8 million as a result of the $5.3 million raised as funds available for general corporate purposes from the bought deal equity offering completed on July 2, 2015 and the return of the $6.5 million in short-term transition letter of credit requirements.

The Trust continues to have no long-term debt and sufficient resources to execute its growth strategy.

OUTLOOK

The Company delivered its fifth consecutive quarter of strong financial performance highlighted by Adjusted EBITDA of $57.9 million in the trailing twelve month period, the highest for any twelve-month period in the Company's history, which resulted in a last twelve month payout ratio of 52.6%. It is the intention of Management to maintain a conservative payout ratio to ensure funds are available to pay down its credit facility balance that was used to fund the TriEagle Energy acquisition, as well as execute its growth strategy.

Management expect Company performance to continue to benefit from ongoing improvements to operations and risk management, increased scale and business diversity and execution on our various growth initiatives, which are detailed below.

Management anticipate additional growth from the Network Marketing channel, marketed under the Viridian Energy brand, starting in the fourth quarter of 2015, which will follow seasonally slower growth during the summer that is characteristic in this channel. The Network Marketing channel will benefit from new market expansion into Texas in the fourth quarter of 2015 and program enhancements which will be launched in September at the national convention, PowerUp! 2015. The Company will be releasing new technology, product enhancements and other programmatic improvements which are expected to be a catalyst for growth in our deregulated energy and solar customer portfolios following the national convention. The investments in growth in the Network Marketing channel will have a short-term negative impact on financial results in the coming quarters.

In addition, the Company continues to make progress on the strategic growth initiatives outlined in previous disclosures which include: (1) commercial customer growth; (2) Texas geographic expansion; (3) Comcast strategic partnership roll-out; (4) solar customer growth.

Commercial Expansion

The Company continues to make progress integrating the TriEagle Energy commercial platform into the Crius business. Management expect integration to be substantially complete in the third quarter of 2015 resulting in an increase in commercial customer growth starting in the fourth quarter of 2015 as the TriEagle Energy platform is leveraged across the Crius Energy footprint.

Texas Market Entry

The Company continues to make progress deploying its marketing channels into the Texas electricity market. The Company expanded the TriEagle Energy electricity license to include the Viridian Energy and Comcast Energy Rewards trade names during the third quarter of 2015. Management expect the Network Marketing and Strategic Partnership channels to be offering electricity service in the Texas market in the fourth quarter of 2015.

Strategic Partnership with Comcast

The Company continues to make progress expanding the footprint for marketing electricity and natural gas products under the Comcast Energy Rewards brand name. In addition to offering electricity and natural gas service in Illinois and Pennsylvania, the Company started offering electricity and natural gas service in New Jersey in August 2015. Management expect to expand the Comcast Energy Rewards brand into California (natural gas) and Texas (electricity) markets before year end.

Solar Growth

The Company continues to grow the solar energy business as gross new sales reached a record high in the second quarter of 2015. The Company added several new states in the second quarter of 2015 including New Hampshire and Rhode Island and expects to add several more new markets before year end. Management have focused several initiatives which are expected to enhance solar performance which include reducing customer cancellation rates, improving sales optimization, cross-selling solar to new and existing electricity and natural gas customers and adding new lead generation sources. Additionally, Management continue to evaluate opportunities to increase value from solar energy sales.

In addition to strong organic customer growth prospects across all products, acquisitions remain a core growth strategy for Crius Energy. The Company continues to evaluate multiple acquisition opportunities however Management have noticed increased competition for retail energy assets in recent months which has resulted in fewer opportunities within our target acquisition valuation range. In July 2015, the Company acquired a customer portfolio of approximately 2,000 electricity customers in New Hampshire and Rhode Island from Gulf Oil, LP for $0.2 million. While only a small acquisition, the customers acquired were easily added to our existing platform with minimal incremental costs and will commence service with Crius Energy during the third quarter of 2015.

While the Company's financial and growth prospects are strong, the regulatory environment continues to evolve as a result of the severe weather events in the first quarter of 2014 which caused significant increases to energy bills for those customers on variable rate plans. As a result, many state regulatory agencies acted quickly to: (i) increase consumer awareness regarding variable rate plans; (ii) require retail energy providers to engage in increased consumer notifications and disclosures; and (iii) increase verification procedures for customer enrolments through certain channels, such as door-to-door and on-line enrolment. The Company had largely been following best practices, so many of the new regulations were already operationally in effect; however, certain regulations may increase operational costs, impact customer growth and attrition or limit the products that the Company can offer to consumers. Further, in certain states, regulatory activity is continuing, and the Company cannot predict future regulatory actions or changes, which could impact the Company.

Subsequent to the end of the second quarter of 2015, the Company saw an opportunity to strengthen the Trust's presence in the capital markets by increasing its indirect ownership of Crius Energy LLC. On July 2, 2015, the Company completed a bought deal equity offering with a syndicate of underwriters for 6,785,000 units at a price of C$6.80 per Unit, including 885,000 Units issued pursuant to the exercise in full of an over-allotment option, for total gross proceeds of C$46.1 million. The net proceeds were used to purchase additional membership units of Crius Energy LLC and thus increasing the Trust's ownership to 43.1% from 26.8%, a 16.3% increase. Management expects that the increased ownership of the operating company by the Trust will improve the float of the Trust's units and market liquidity. Going forward, Management will act on further opportunities to acquire membership units of Crius Energy LLC with the intention of eventually increasing its ownership to 100%.

In addition to the fundamental strength of our business model, the sustainability of the Trust's distributions will be further bolstered in 2015 and 2016 by the strength of the U.S. dollar against the Canadian dollar, which results in a lower payout ratio as business operations generate earnings in U.S. dollars and the distribution to unitholders is a set amount in Canadian dollars per Unit. The Trust maintains an active currency hedging program that uses foreign currency options to set a floor exchange rate for its current distribution levels and is currently hedged through December 2016 at close to current exchange rate levels while retaining upside from further U.S. dollar strength.

The retail energy and distributed generation industries are dynamic, and Crius Energy, through its industry-leading, multichannel marketing approach, is uniquely positioned to capitalize on diverse opportunities as they emerge. Given the investments made in human resources and information technology, the Company's ability to take advantage of the significant opportunity for growth, both organically and through acquisitions, is continually improving. With five consecutive quarters of strong performance, Crius Energy's growth prospects, combined with its financial capability, position it to continue its market leadership.

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 and six months ended June 30, 2015 and 2014 and the audited consolidated financial statements as at December 31, 2014. The operating data has been prepared by Management based on the Company's records.

Statement of Comprehensive (Loss) Highlights
(in millions)

	Three months ended June 30, 2015 (unaudited)	**Three months ended June 30, 2014 (unaudited)**	**Six months ended June 30, 2015 (unaudited)**	**Six months ended June 30, 2014 (unaudited)**
Revenue	$166.3	$134.0	$334.7	$311.6
Cost of sales	126.4	100.3	254.5	258.8
Gross margin	39.9	33.7	80.2	52.8
Expenses				
Selling expenses	7.5	8.1	17.5	17.4
General and administrative	18.6	12.4	34.5	26.4
Unit-based compensation	1.4	0.7	2.2	0.7
Depreciation and amortization	14.0	9.6	24.1	19.1
Operating (loss) income	(1.6)	2.9	1.9	(10.8)
Other (expenses) income				
Finance costs	(3.0)	(1.7)	(4.8)	(3.7)
Goodwill impairment	—	—	—	(77.1)
Distributions to non-controlling interest	(3.9)	(6.7)	(7.8)	(11.9)
Change in fair value of derivative instruments	3.8	4.6	5.5	(24.4)
Change in fair value of warrant liability	(0.2)	(0.3)	(0.8)	(0.1)
Change in fair value of non-controlling interest	(25.3)	(43.3)	(55.1)	15.5
(Loss) before income taxes	(30.2)	(44.5)	(61.1)	(112.5)
(Provision for) benefit from income taxes	(0.5)	0.7	(1.4)	13.6
Net (loss) and comprehensive (loss)	**$(30.7)**	**$(43.8)**	**$(62.5)**	**$(98.9)**
EBITDA[1]	(13.2)	(33.2)	(32.2)	(89.7)
Adjusted EBITDA[1]	**$13.8**	**$13.2**	**$28.3**	**$9.0**

(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 Comprehensive (Loss) to EBITDA and Adjusted EBITDA
(in millions)

	Three months ended June 30, 2015 (unaudited)	Three months ended June 30, 2014 (unaudited)	Six months ended June 30, 2015 (unaudited)	Six months ended June 30, 2014 (unaudited)
Net (loss) and comprehensive (loss)	$(30.7)	$(43.8)	$(62.5)	$(98.9)
Excluding the impacts of:				
Finance costs	3.0	1.7	4.8	3.7
(Provision for) benefit from income taxes	0.5	(0.7)	1.4	(13.6)
Depreciation and amortization	14.0	9.6	24.1	19.1
EBITDA	(13.2)	(33.2)	(32.2)	(89.7)
Excluding the impact of:				
Unit-based compensation	1.4	0.7	2.2	0.7
Goodwill impairment	—	—	—	77.1
Distributions to non-controlling interest	3.9	6.7	7.8	11.9
Change in fair value of derivative instruments	(3.8)	(4.6)	(5.5)	24.4
Change in fair value of warrant liability	0.2	0.3	0.8	0.1
Change in fair value of non-controlling interest	25.3	43.3	55.1	(15.5)
Adjusted EBITDA	**$13.8**	**$13.2**	**$28.3**	**$9.0**

Statement of Financial Position Highlights
(in millions)

	As at June 30, 2015 (unaudited)	As at December 31, 2014
Current assets	$109.2	$104.6
Total assets	307.3	263.3
Current liabilities	178.7	132.6
Long-term liabilities	182.0	119.0
Unitholders' (deficit) equity	(53.4)	11.7

Statement of Cash Flows Highlights
(in millions)

	Three months ended June 30, 2015 (unaudited)	Three months ended June 30, 2014 (unaudited)	Six months ended June 30, 2015 (unaudited)	Six months ended June 30, 2014 (unaudited)
Cash flows (used in) provided by operating activities	$(0.5)	$17.7	$6.7	$15.4
Cash flows used in investing activities	(13.1)	(7.1)	(15.0)	(7.3)
Cash flows provided by (used in) financing activities	12.3	(15.1)	5.8	(12.6)
Cash and cash equivalents at beginning of period	13.1	15.3	14.3	15.3
Cash and cash equivalents at end of period	11.8	10.8	11.8	10.8

Operational Highlights

	Three months ended June 30, 2015 (unaudited)	Three months ended June 30, 2014 (unaudited)	Six months ended June 30, 2015 (unaudited)	Six months ended June 30, 2014 (unaudited)
Electricity				
Volumes (MWh)	1,586,000	1,087,000	2,850,000	2,426,000
Revenue ($ million)	156.7	122.1	297.7	273.2
Gross margin ($ million)	33.2	29.1	61.4	41.1
Gross margin ($/MWh)	20.90	26.75	21.55	16.93
Gross margin as a % of revenue	21.2%	23.8%	20.6%	15.0%
Natural gas				
Volumes (MMBtu)	892,000	1,182,000	4,130,000	4,075,000
Revenue ($ million)	6.0	9.3	30.2	34.0
Gross margin ($ million)	3.2	2.1	12.0	7.3
Gross margin ($/MMBtu)	3.55	1.76	2.91	1.79
Gross margin as a % of revenue	52.6%	22.5%	39.8%	21.5%

Customer Aggregation

The following table summarizes the Company's gross additions and drops in electricity and natural gas customers over the trailing four quarters ending June 30, 2015.

Customer Aggregation
(in customers)

	Opening Customer Count	Customer Adds	Customer Drops	Net Change	Closing Customer Count
Electricity	519,000	53,000	(68,000)	(15,000)	504,000
Natural Gas	81,000	5,000	(10,000)	(5,000)	76,000
Quarter ending September 30, 2014	**600,000**	**58,000**	**(78,000)**	**(20,000)**	**580,000**
Net Change % of Opening Customer Count				***(3.3)%***	
Electricity	504,000	74,000	(81,000)	(7,000)	497,000
Natural Gas	76,000	8,000	(12,000)	(4,000)	72,000
Quarter ending December 31, 2014	**580,000**	**82,000**	**(93,000)**	**(11,000)**	**569,000**
Net Change % of Opening Customer Count				***(1.9)%***	
Electricity	497,000	92,000	(78,000)	14,000	511,000
Natural Gas	72,000	10,000	(12,000)	(2,000)	70,000
Quarter ending March 31, 2015	**569,000**	**102,000**	**(90,000)**	**12,000**	**581,000**
Net Change % of Opening Customer Count				***2.1%***	
Electricity	511,000	281,000(1)	(71,000)	210,000	721,000
Natural Gas	70,000	7,000	(8,000)	(1,000)	69,000
Quarter ending June 30, 2015	**581,000**	**288,000**	**(79,000)**	**209,000**	**790,000**
Net Change % of Opening Customer Count				***36.0%***	

(1) Includes approximately 200,000 customers acquired in conjunction with the acquisition of TriEagle Energy LP on April 1, 2015.

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

	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	Quarter ended March 31, 2014	Quarter ended December 31, 2013	Quarter ended September 30, 2013
Revenue	$166.3	$168.3	$134.3	$154.6	$134.0	$177.6	$128.6	$145.6
Cost of sales	126.4	128.0	96.1	116.7	100.3	158.5	103.7	115.6
Gross margin	39.9	40.3	38.2	37.9	33.7	19.1	24.9	30.0
Expenses								
Selling expenses	7.5	9.9	9.8	8.1	8.1	9.3	5.2	8.7
General and administrative	18.6	15.9	14.0	14.6	12.4	14.1	13.7	10.8
Unit-based compensation	1.4	0.8	0.4	0.3	0.7	—	0.1	0.1
Depreciation and amortization	14.0	10.1	10.3	10.2	9.6	9.5	9.5	9.5
Operating (loss) income	(1.6)	3.6	3.7	4.7	2.9	(13.8)	(3.6)	0.9
Other (expenses) income								
Finance costs	(3.0)	(1.8)	(1.6)	(1.6)	(1.7)	(2.0)	(1.5)	(1.6)
Goodwill impairment	—	—	—	—	—	(77.1)	(60.5)	—
Distributions to non-controlling interest	(3.9)	(3.9)	(1.5)	(4.9)	(6.7)	(5.2)	(6.7)	(6.7)
Change in fair value of derivative instruments	3.8	1.6	(39.4)	4.9	4.6	(29.0)	24.1	3.8
Change in fair value of warrant liability	(0.2)	(0.5)	(0.1)	—	(0.3)	0.3	—	—
Change in fair value of non-controlling interest	(25.3)	(29.8)	(3.1)	10.2	(43.3)	58.9	43.5	(19.9)
(Loss) income before income taxes	(30.2)	(30.8)	(42.0)	13.3	(44.5)	(67.9)	(4.7)	(23.5)
(Provision for) benefit from income taxes	(0.5)	(0.9)	14.8	0.5	0.7	12.9	(1.9)	4.4
Net (loss) income and comprehensive (loss) income	**$(30.7)**	**$(31.7)**	**$(27.2)**	**$13.8**	**$(43.8)**	**$(55.0)**	**$(6.6)**	**$(19.0)**

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

Net (loss) income and comprehensive (loss) income	$(30.7)	$(31.7)	$(27.2)	$13.8	$(43.8)	$(55.0)	$(6.6)	$(19.0)
Excluding the impacts of:								
Finance costs	3.0	1.8	1.6	1.6	1.7	2.0	1.5	1.6
Provision for (benefit from) income taxes	0.5	0.9	(14.8)	(0.5)	(0.7)	(12.9)	1.9	(4.4)
Depreciation and amortization	14.0	10.1	10.3	10.2	9.6	9.5	9.5	9.5
EBITDA	(13.2)	(18.9)	(30.1)	25.1	(33.2)	(56.4)	6.3	(12.3)
Excluding the impact of:								
Unit-based compensation	1.4	0.8	0.4	0.3	0.7	—	0.1	0.1
Goodwill impairment	—	—	—	—	—	77.1	60.5	—
Distributions to non-controlling interest	3.9	3.9	1.5	4.9	6.7	5.2	6.7	6.7
Change in fair value of derivative instruments	(3.8)	(1.6)	39.4	(4.9)	(4.6)	29.0	(24.1)	(3.8)
Change in fair value of warrant liability	0.2	0.5	0.1	—	0.3	(0.3)	—	—
Change in fair value of non-controlling interest	25.3	29.8	3.1	(10.2)	43.3	(58.9)	(43.5)	19.9
Adjusted EBITDA	**$13.8**	**$14.5**	**$14.4**	**$15.2**	**$13.2**	**$(4.3)**	**$6.1**	**$10.5**

Distributable Cash and Payout Ratio

Cash flows from operating activities	$(0.5)	$7.3	$15.7	$19.8	$17.7	$(2.3)	$11.5	$5.4
Changes in operating assets and liabilities	14.6	4.9	(2.2)	(4.8)	(3.8)	(0.7)	(4.0)	5.9
Cash flows from operating activities excluding changes in operating assets and liabilities	**14.1**	**12.2**	**13.5**	**15.0**	**13.9**	**(3.0)**	**7.5**	**11.3**
Finance costs included in financing activities	(2.1)	(1.7)	(1.4)	(1.8)	(1.4)	(2.1)	(1.3)	(1.6)
Maintenance capital expenditures[(1)]	(2.0)	(1.9)	(1.0)	(1.3)	(1.4)	(0.2)	(1.5)	(1.0)
Distributable Cash	**$10.0**	**$8.6**	**$11.1**	**$11.9**	**$11.1**	**$(5.3)**	**$4.7**	**$8.7**
Distributions to non-controlling interest	3.1	3.4	4.6	4.9	6.3	5.8	6.7	6.6
Distributions to Unitholders	1.4	1.4	1.6	1.6	1.6	2.1	2.4	2.4
Total distributions	**$4.5**	**$4.8**	**$6.2**	**$6.5**	**$7.9**	**$7.9**	**$9.1**	**$9.0**
Payout Ratio	**44.8%**	**55.4%**	**56.0%**	**54.1%**	**70.7%**	**NA**	**195.9%**	**104.1%**

(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 and six months ended June 30, 2015 and 2014

Revenue

For the three month period ended June 30, 2015, revenue was $166.3 million, representing an increase of 24.2% from $134.0 million for the three month period ended June 30, 2014. For the six months ended June 30, 2015, revenue was $334.7 million, representing an increase of 7.4% from $311.6 million for the six months ended June 30, 2014.

Electricity

Electricity revenue for the three month period ended June 30, 2015 was $156.7 million, representing an increase of 28.3% from $122.1 million for the three month period ended June 30, 2014, as a result of a 45.9% increase in volume, partially offset by a 12.1% lower average retail rate per unit, reflecting the normalization of customer rates. Electricity volumes for the three month period ended June 30, 2015 were 1,586,000 MWh representing an increase of 45.9% from 1,087,000 MWh for the three month period ended June 30, 2014, with the increase being primarily due to higher average customer numbers resulting from the TriEagle Energy acquisition.

Electricity revenue for the six month period ended June 30, 2015 was $297.7 million, representing an increase of 9.0% from $273.2 million for the six month period ended June 30, 2014, as a result of a 17.5% increase in volume, partially offset by a 7.2% lower average retail rate per unit. Electricity volumes for the six month period ended June 30, 2015 were 2,850,000 MWh representing an increase of 17.5% from 2,426,000 MWh for the six month period ended June 30, 2014, with the increase primarily due to higher average customer numbers resulting from the TriEagle Energy acquisition.

Natural Gas

Natural gas revenue for the three month period ended June 30, 2015 was $6.0 million, representing a decrease of 35.0% from $9.3 million for the three month period ended June 30, 2014, as a result of a 24.5% decrease in volume as well as a 13.9% lower average retail rate per unit, reflecting the normalization of customer rates. Natural gas volumes for the three month period ended June 30, 2015 were 892,000 MMBtu, representing a decrease of 24.5% from 1,182,000 MMBtu for the three month period ended June 30, 2014, with the decrease primarily resulting from lower average usage per customer and lower average customer numbers.

Natural gas revenue for the six month period ended June 30, 2015 was $30.2 million, representing a decrease of 11.2% from $34.0 million for the six month period ended June 30, 2014, as a result of a 12.4% lower average retail rate per unit, partially offset by a 1.4% increase in volume. Natural gas volumes for the six month period ended June 30, 2015 were 4,130,000 MMBtu, representing an increase of 1.4% from 4,075,000 MMBtu for the six month period ended June 30, 2014, with the increase primarily resulting from higher average usage per customer and partially offset by the lower average customer numbers.

Solar Revenue

Solar revenue for the three month period ended June 30, 2015 was $1.7 million, representing fees earned in connection with the marketing of solar systems with total generation capacity of 3.0 MW. This represents a small increase of 4.1% from revenues of $1.7 million and 3.0 MW in the three month period ended June 30, 2014. Solar revenues are recognized upon execution of the contracts with customers, net of expected cancellations that may occur prior to installation of the solar systems. The net revenues recognized in the quarter were comparable to the prior comparable period in 2014, however solar revenues were adversely impacted by cancellations being higher than expected.

Solar revenue for the six month period ended June 30, 2015 was $4.0 million, representing fees earned in connection with the marketing of solar systems with total generation capacity of 12.8 MW. This represents an increase of 54.7% from revenues of $2.6 million and 4.8 MW in the six month period ended June 30, 2014. The growth in revenues represents the growth of our solar business over the period, which has benefited from the launch of our commercial solar program, which resulted in sales of systems with higher generation capacity and lower revenue, on a per MW basis, for each system sold.

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 June 30, 2015 was $1.9 million, representing an increase of 115.9% from $0.9 million for the three month period ended June 30, 2014, which was primarily attributable to customer fee revenues in the Texas electricity market as a result of the TriEagle Energy acquisition, which closed on April 1, 2015.

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 six month period ended June 30, 2015 was $2.7 million, representing an increase of 52.2% from $1.8 million for the six month period ended June 30, 2014, which was primarily attributable to customer fee revenues in the Texas electricity market as a result of the TriEagle Energy acquisition, which was completed on April 1, 2015.

Gross Margin

For the three month period ended June 30, 2015, gross margin was $39.9 million, representing an increase of 18.5% from $33.7 million for the three month period ended June 30, 2014. Gross margin for the three month period ended June 30, 2015 was 24.0% of total revenue, representing a decrease from 25.2% of total revenue for the three month period ended June 30, 2014. For the six months ended June 30, 2015, gross margin was $80.2 million, representing an increase of 52.0% from $52.8 million for the six months ended June 30, 2014. Gross margin for the six months ended June 30, 2015 was 24.0% of total revenue, representing an increase from 16.9% for the six months ended June 30, 2014. Gross margin benefited from increased average customer numbers due to the TriEagle Energy acquisition, with the slight 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 this acquisition.

Electricity

Electricity gross margin for the three month period ended June 30, 2015 was $33.2 million, representing an increase of 14.0% from $29.1 million for the three month period ended June 30, 2014. For the three month period ended June 30, 2015, electricity gross margin was 21.2% of electricity revenues, and electricity gross margin per unit was $20.90/MWh, representing decreases from 23.8% and $26.74/MWh, respectively, for the three month period ended June 30, 2014. Electricity gross margin per unit in the quarter reflect normalized average customer pricing as compared to the second quarter of 2014, when the Company was passing through to customers the high wholesale energy costs incurred as a result of the severe weather conditions experienced in the first quarter of 2014.

Electricity gross margin for the six month period ended June 30, 2015 was $61.4 million, representing an increase of 49.5% from $41.1 million for the six month period ended June 30, 2014. For the six month period ended June 30, 2015, electricity gross margin was 20.6% of electricity revenues, and electricity gross margin per unit was $21.55/MWh, representing increases from 15.0% and $16.93/MWh, respectively, for the six month period ended June 30, 2014. Higher gross margins per unit were primarily attributable to a lower energy price and volatility environment as compared to the prior comparable period in 2014 which included the "polar vortex" weather event.

Natural Gas

Natural gas gross margin for the three month period ended June 30, 2015 was $3.2 million, representing a 52.1% increase from $2.1 million for the three month period ended June 30, 2014. For the three month period ended June 30, 2015, natural gas gross margin was 52.6% of natural gas revenues, and natural gas gross margin per unit was $3.55/MMBtu, representing increases from 22.5% and $1.76/MMBtu, respectively, for the three month period ended June 30, 2014, with the gross margins benefitting from a lower energy price and volatility environment combined with higher target margins.

Natural gas gross margin for the six month period ended June 30, 2015 was $12.0 million, representing a 64.5% increase from $7.3 million for the six month period ended June 30, 2014. For the six month period ended June 30, 2015, natural gas gross margin was 39.8% of natural gas revenues, and natural gas gross margin per unit was $2.91/MMBtu, representing increases from 21.5% and $1.79/MMBtu, respectively, for the six month period ended June 30, 2014, with the gross margins benefitting from a lower energy price and volatility environment combined with higher target margins.

Other

Gross margin for the three and six month periods ended June 30, 2015 also included solar revenues of $1.7 million and $4.0 million, and revenues from independent contractors in the network marketing channel and various fees received from customers of $1.9 million and $2.7 million, respectively. For the three and six month periods ended June 30, 2014, solar revenues were $1.7 million and $2.6 million, and revenues from independent contractors in the network marketing channel and various fees received from customers were $0.9 million and $1.8 million, respectively. These revenues do not have associated cost of sales.

Selling Expenses

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

Commissions earned are comprised of upfront commissions, which are primarily based on the successful enrolment 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 enrolment 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 enrolment.

- Commissions due to independent contractors in our direct marketing channel are primarily comprised of upfront commissions, based on successful customer enrolments, 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 enrolment.

- 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 June 30, 2015, selling expenses were $7.5 million, representing a decrease of 7.1% from $8.1 million for the three month period ended June 30, 2014. Selling expenses for the three month period ended June 30, 2015 amounted to 4.5% of revenue compared to 6.1% of revenue for the three month period ended June 30, 2014. These expenses consist of:

(a) Upfront electricity and natural gas customer acquisition commissions for the three month period ended June 30, 2015 of $2.2 million (amounting to $25 per customer acquired), compared to $2.2 million for the three month period ended June 30, 2014 (amounting to $32 per customer acquired), with the costs being impacted by 19,000 higher organic customer enrolments compared to the prior comparable period in 2014, offset by lower upfront costs per customer, primarily associated with increased commercial customer enrolments as a result of the TriEagle Energy acquisition.

(b) Residual-based electricity and natural gas commissions for the three month period ended June 30, 2015 of $3.9 million (amounting to 2.3% of revenues), representing a decrease from $5.1 million for the three month period ended June 30, 2014 (amounting to 3.8% of revenues), with the reduction primarily resulting from lower volumes and revenues from customers excluding customers acquired as part of the TriEagle Energy acquisition. The decrease in residual-based commissions as a percentage of revenue is impacted by two factors associated with the acquisition of TriEagle Energy on April 1, 2015. Firstly, residual-based commissions owed to brokers based on customer usage are treated under acquisition accounting as an assumed liability and are included on the preliminary 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 will relieve the liability on the consolidated statement of financial position rather than be expensed as a selling cost. Secondly, the Texas electricity market structure is a 'marketer consolidated billing' model, in contrast to the 'utility consolidated billing' and 'dual billing' models in other Crius electricity and natural gas markets. Under the Texas model, the marketer, Crius Energy, is responsible for the billing and collection of transmission and distribution charges of the local utility as well as its own energy charges, and as such residual-based commissions are lower as a percentage of revenue as they are based only on the energy charges and usage.

(c) Solar commissions for the three month period ended June 30, 2015 of $1.5 million (amounting to 83.6% of solar revenues), representing an increase from $0.8 million for the three month period ended June 30, 2014 (amounting to 48.2% of solar revenues). Solar commissions as a percentage of revenue were higher than typical and were adversely impacted by cancellations prior to installation of solar systems being higher than expected. Revenues are recognized upon execution of the contracts with customers, net of expected cancellations that may occur prior to installation of the solar systems. The impact of these cancelations on net revenues recognized in the quarter was not offset by a proportional reduction of solar commissions, which do not reflect a full claw-back of commissions on the cancelled contracts.

For the six month period ended June 30, 2015, selling expenses were $17.5 million, representing a slight increase of 0.4% from $17.4 million for the six month period ended June 30, 2014. Selling expenses for the six month period ended June 30, 2015 amounted to 5.2% of revenue compared to 5.6% of revenue for the six month period ended June 30, 2014. These expenses consist of:

(a) Upfront electricity and natural gas customer acquisition commissions for the six month period ended June 30, 2015 of $6.4 million (amounting to $34 per customer acquired), representing an increase from $6.0 million for the six month period ended June 30, 2014 (amounting to $40 per customer acquired), with the costs impacted by an increase of 38,000 in customer enrolments as compared to the prior comparable period in 2014, partially offset by lower upfront costs per customer, primarily associated with increased commercial customer enrolments as a result of the TriEagle Energy acquisition.

(b) Residual-based electricity and natural gas commissions for the six month period ended June 30, 2015 of $8.8 million (amounting to 2.6% of revenues), representing a decrease from $10.0 million for the six month period ended June 30, 2014 (amounting to 3.2% of revenues) with the decrease being due to similar reasons as noted above for the three month period ended June 30, 2015.

(c) Solar commissions for the six month period ended June 30, 2015 of $2.3 million (amounting to 57.6% of solar revenues), representing an increase from $1.4 million for the six month period ended June 30, 2014 (amounting to 52.3% of solar revenues), primarily representing the growth in solar revenues over the prior comparable period in 2014.

General and Administrative Expenses

General and administrative expenses for the three month and six month periods ended June 30, 2015 were $18.6 million and $34.5 million, respectively. This represented an increase from $12.4 million and $26.4 million for the three and six month periods ended June 30, 2014, respectively, 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 June 30, 2015		Three months ended June 30, 2014		Six months ended June 30, 2015		Six months ended June 30, 2014	
	$	%	$	%				
POR fees / bad debt	$2.2	1.3%	$1.3	1.0%	$4.1	1.2%	$4.2	1.4%
Processing costs	2.0	1.2%	1.6	1.2%	3.5	1.1%	2.8	0.9%
Human resources	7.7	4.6%	5.0	3.7%	14.0	4.2%	10.0	3.2%
Gross receipts taxes and other taxes	1.7	1.0%	1.0	0.7%	3.0	0.9%	2.4	0.8%
Professional and consultant fees	0.5	0.3%	0.2	0.2%	1.8	0.5%	1.2	0.4%
Legal and regulatory	0.6	0.4%	0.2	0.2%	1.3	0.4%	0.7	0.2%
Other	3.9	2.4%	3.1	2.3%	6.8	2.0%	5.1	1.6%
Total	$18.6	11.2%	$12.4	9.3%	$34.5	10.3%	$26.4	8.5%

General and administrative expenses incurred during the three and six months ended June 30, 2015 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 June 30, 2015 was $2.2 million, representing 1.3% of revenue, compared to $1.3 million for the three month period ended June 30, 2014, representing 1.0% of revenue for that period. The increase reflects a higher concentration in non-POR markets such as Texas, in which the Company is exposed to credit risk primarily as a result of the TriEagle Energy acquisition.

The POR fees / bad debt costs for the six month period ended June 30, 2015 was $4.1 million, representing 1.2% of revenue, compared to $4.2 million for the six month period ended June 30, 2014, representing 1.4% of revenue for that period.

(b) Processing costs for the three month period ended June 30, 2015 of $2.0 million include various data processing and information technology costs incurred to service our customers and salesforce. This figure compares to $1.6 million for the three month period ended June 30, 2014. The increase was primarily due to increased information technology costs related to customer and salesforce data processing in the period.

Processing costs for the six month period ended June 30, 2015 were $3.5 million, representing an increase over the $2.8 million in costs incurred for the prior comparable period in 2014, for similar reasons as noted above for the three month period ended June 30, 2015.

(c) Human resource costs for the three month period ended June 30, 2015 of $7.7 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 2014 of $5.0 million. The increase was primarily the result of increased incentive compensation, higher salary levels reflecting annual merit based increases and overall growth in employee headcount over the period as a result of the TriEagle Energy acquisition as well as to support our growth initiatives, improve operational and risk management capabilities and manage public company requirements.

Human resource costs for the six month period ended June 30, 2015 of $14.0 million were higher than the prior comparable period in 2014 of $10.0 million, for similar reasons as noted above.

(d) Gross receipts taxes and other taxes for the three month period ended June 30, 2015 of $1.7 million represent operational taxes in various states and jurisdictions and are primarily driven by revenue. This compares to the $1.0 million incurred in the prior comparable period in 2014, with the increase primarily attributable to higher revenues in certain markets such as New York and Pennsylvania, in which such taxes are applicable, which was also impacted by the acquisition of TriEagle Energy, which had a concentration of customers in Pennsylvania.

Gross receipts taxes and other taxes for the six month period ended June 30, 2015 amounted to $3.0 million. This represented an increase over $2.4 million incurred in the prior comparable period in 2014, for similar reasons as noted above.

(e) Professional and consultant fees for the three month period ended June 30, 2015 of $0.5 million represent audit, tax, investor relations, share registry, valuation, due diligence, internal controls consulting and other fees and compares closely to $0.2 million in prior comparable period in 2014.

Professional and consultant fees for the six month period ended June 30, 2015 amounted to $1.8 million, which compares to $1.2 million incurred in the prior comparable period in 2014.

(f) Legal and regulatory costs for the three month period ended June 30, 2015 of $0.6 million represent external legal fees incurred in the United States and Canada and compares to $0.2 million in the prior comparable period in 2014, with the increase being primarily attributable to $0.2 million TriEagle Energy acquisition related legal fees as well as costs associated with industry-wide increased activity by state regulatory agencies.

Legal and regulatory costs for the six months ended June 30, 2015 amounted to $1.3 million compared with $0.7 million in costs incurred in the prior comparable period in 2014, with the increase being primarily attributable to $0.2 million TriEagle Energy acquisition related legal fees as well as costs associated with industry-wide increased activity by state regulatory agencies.

(g) Other costs for the three month period ended June 30, 2015 of $3.9 million represent the balance of corporate, operational and marketing related expenses incurred to operate our business. These costs compare to $3.1 million in the prior comparable period in 2014.

Other costs for the six month period ended June 30, 2015 amounted to $6.8 million compared with $5.1 million in the prior comparable period in 2014.

The increases in both the three and six month periods ended June 30, 2015 were impacted by, among other things, the regulatory environment in certain markets leading to increased fulfillment costs related to customer notices, as well as increased third party verification expenses related to new customer enrolments.

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 Administrator and other parties. For the three and six month periods ended June 30, 2015, unit-based compensation expense amounted to $1.4 million and $2.2 million, representing increases from $0.7 million and $0.7 million for the three month and six month periods ended June 30, 2014, respectively. 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 periods was impacted by an increasing Unit price, as well as increased unit-based issuances to both Management and the sellers of TriEagle Energy as part of the acquisition that was completed 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 and six month periods ended June 30, 2015 was $14.0 million and $24.1 million, representing increases from $9.6 million and $19.1 million for the three and six month periods ended June 30, 2014, respectively, with the increases being primarily attributable to incremental amortization associated with intangible asset additions made by the Company during the second quarter of 2014, including the TriEagle Energy acquisition.

Finance Costs

Finance costs for the three and six month periods ended June 30, 2015 were $3.0 million and $4.8 million, representing increases from $1.7 million and $3.7 million for the three and six month periods ended June 30, 2014. Finance costs are primarily incurred pursuant to the Company's credit facility with 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 and six months ended June 30, 2015 as compared to the prior comparable periods in 2014 were attributable to increased volumetric energy fees primarily as a result of increased volumes from the TriEagle Energy acquisition that was completed on April 1, 2015 as well as increased usage on the working capital facility including cash advances and transitional letters of credit issued in conjunction with the closing of the TriEagle Energy acquisition.

Goodwill Impairment

The Trust recorded goodwill impairment for the three and six month periods ended June 30, 2015 of $ — and $ —. The Trust recorded goodwill impairment charges for the three and six month periods ended June 30, 2014 of $ — million and $77.1 million due to the carrying value of equity being in excess of the market capitalization of the Trust, adjusted for an estimated acquisition premium. The impairment charge in the prior period was non-cash and did not impact our normal business operations or liquidity, cash flow from operations or financial covenants under our credit facility with Macquarie Energy.

Distributions to Non-Controlling Interest

Distributions to non-controlling interest for the three and six month periods ended June 30, 2015 were $3.9 million and $7.8 million, compared to $6.7 million and $11.9 million for the three and six month periods ended June 30, 2014, respectively. The reductions were due to a stronger USD/CAD exchange rate, which results in lower U.S. denominated distributions to the non-controlling interest, as well as the 30.0% reduction in the Trust's monthly distribution to unitholders from C$0.0833 to C$0.0583, starting in February 2014.

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 and six month periods ended June 30, 2015, the unrealized gains associated with derivative contracts were a net gain of $3.8 million and $5.5 million (three and six month ended June 30, 2014 — $4.6 million gain and $24.4 million loss).

Change in Fair Value of Derivative Instruments
(in millions)

	Three months ended June 30, 2015	Three months ended June 30, 2014	Six months ended June 30, 2015	Six months ended June 30, 2014
Forward electricity positions..............	$1.5	$4.7	$1.7	$(22.7)
Forward natural gas positions	2.2	$(0.1)	4.3	$(1.5)
Weather derivative positions..............	—	—	(0.3)	—
Forward currency positions................	0.1	—	(0.2)	$(0.2)
Unrealized Gain/(Loss) on Derivatives....	**$ 3.8**	**$4.6**	**$ 5.5**	**$(24.4)**

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 thus minimizing the impact of these unrealized mark-to-market losses.

Change in Fair Value of Warrant Liability

The change in fair value of warrant liability for the three and six month periods ended June 30, 2015 were losses of $0.2 million and $0.8 million, respectively (three and six month ended June 30, 2014 — losses of $0.3 million and $0.1 million). This loss 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 price, volatility and yield of the Units, the time to maturity and the 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 and six month periods ended June 30, 2015 was a loss of $25.3 million and $55.1 million (three and six month ended June 30, 2014 — $43.3 million loss and $15.5 million gain). These gains and losses represent the mark-to-market valuation of the non-controlling interest liability included on the statement of financial position. The mark-to-market valuation losses in the three and six months ended June 30, 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 that provide the non-controlling interest with a redemption right in the event of a “change of control” of the Trust, the non-controlling interest is classified as a long-term liability on the interim condensed 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 interim condensed consolidated statement of comprehensive 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.

(Provision for) benefit from Income Taxes

For the three and six month periods ended June 30, 2015, the provision for income tax expense was $0.5 million and $1.4 million (June 30, 2014 — $0.7 million and $13.6 million tax benefits, respectively). The Trust was in a pre-tax loss position for the three and six month periods ended June 30, 2015, and was in an income position for the same periods after adjusting for permanent differences, including the change in fair value of non-controlling interest and removing the profit or loss of the Company that is attributed directly to the non-controlling partners. Under United States partnership taxation rules, the Company is not a taxable entity; therefore, its taxable income / (loss) flows directly to its partners who are then taxed on their allocable share of the partnership income / (loss). The increases in tax expense in the three and six months periods ended June 30, 2015 were attributable to increases in taxable income, after accounting for the adjustments noted above, as compared to the prior comparable periods in 2014.

Net Loss and Comprehensive Loss

For the three and six month periods ended June 30, 2015, net loss and comprehensive loss was $30.7 million and $62.5 million, compared to net loss and comprehensive loss of $43.8 million and $98.9 million for the three and six month periods ended June 30, 2014, respectively, with the changes 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. On April 1, 2015, in conjunction with the closing of the TriEagle Energy acquisition, the Company expanded the Supplier Agreement. The key changes to the Supplier Agreement include: an increased overall exposure limit from $150.0 million to $250.0 million; a reduced fee structure through adjustments to the volumetric fee and elimination of certain other fees; improved flexibility to procure energy from market counterparties; and an increased ability to enter into fixed price products for a term up to 60 months.

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 (0.19% and 0.16% at June 30, 2015 and December 31, 2014, respectively), 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 year ended December 31, 2014, 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 June 30, 2015 and December 31, 2014, the Trust has no long-term debt and $19.0 million and $ — outstanding under its credit facility, respectively. At June 30, 2015, the Company was in compliance with all covenants under the Supplier Agreement.

Cash and Availability

As of June 30, 2015, the Trust had total cash and availability of $20.6 million consisting of cash and cash equivalents of $11.8 million and $8.8 million of availability under the credit facility. This compares to the total cash and availability as at December 31, 2014 of $46.3 million, consisting of cash and cash equivalents of $14.3 million and $32.0 million of availability under the credit facility. The reduction in the total cash and availability was primarily the result of the cash advances of $19.0 million as well as usage of $6.5 million for transitional letter of credit requirements in conjunction with the closing of the TriEagle Energy acquisition. Subsequent to quarter-end, the Company’s cash and availability benefited by $6.5 million by the removal of the transitional letter of credit requirements no longer required as well as by $5.3 million due to the funds available for general corporate purposes as a result of the equity offering that was completed on July 2, 2015.

Cash Flow from Operations

Cash flow used in operations for the three month period ended June 30, 2015 amounted to $0.5 million and included net outflows of $14.6 million for changes in operating assets and liabilities, which compared to cash flow from operations for the three month period ended June 30, 2014 of $17.7 million and included net inflows of $3.8 million for changes in operating assets and liabilities. Excluding these changes in operating assets and liabilities, cash flow from operations was $14.1 million for the three month period ended June 30, 2015, compared to $13.9 million for the three month period ended June 30, 2014.

Cash flow from operations for the six month period ended June 30, 2015 amounted to $6.7 million and included net outflows of $19.5 million for changes in operating assets and liabilities, which compared to cash flow from operations for the six month period ended June 30, 2014 of $15.4 million and included net inflows of $4.6 million for changes in operating assets and liabilities. Excluding these changes in operating assets and liabilities, cash flow from operations was $26.2 million for the six month period ended June 30, 2015, compared to $10.8 million for the six month period ended June 30, 2014.

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 sold, 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 of June 30, 2015, the Trust had an adjusted working capital balance, defined as current assets less current liabilities, excluding unrealized gains and losses on derivatives, of $(17.9) million (December 31, 2014 — $7.9 million). The decrease of $25.8 million was primarily attributable to cash advances utilized to fund the TriEagle Energy acquisition as well as negative working capital assumed in the transaction. 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 June 30, 2015	As at December 31, 2014
Current assets	$109.2	$104.6
Current liabilities	178.7	132.6
Working capital	**$(69.5)**	**$(28.0)**
Adjusted for the impact of:		
Other current financial assets	(0.9)	(2.1)
Other current financial liabilities	52.5	38.0
Adjusted working capital	**$(17.9)**	**$7.9**

Distributable Cash and Distributions

Distributable Cash for the three month period ended June 30, 2015 was $10.0 million and total distributions paid for the quarter were $4.5 million, which represented a payout ratio of 44.8% of Distributable Cash. This compares to Distributable Cash of $11.1 million, total distributions of $7.9 million and a payout ratio of 70.7% for the quarter ending June 30, 2014.

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 June 30, 2015	Three months ended June 30, 2014	Six months ended June 30, 2015	Six months ended June 30, 2014
Cash flows from operating activities	$(0.5)	$17.7	$6.7	$15.4
Changes in operating assets and liabilities	14.6	(3.8)	19.5	(4.6)
Cash flows from operating activities excluding changes in operating assets and liabilities	**14.1**	**13.9**	**26.2**	**10.8**
Finance costs - included in financing activities	(2.1)	(1.4)	(3.8)	(3.5)
Maintenance capital expenditures[1]	(2.0)	(1.4)	(3.8)	(1.6)
Distributable Cash	**$10.0**	**$11.1**	**$18.6**	**$5.7**
Distributions to non-controlling interest	3.1	6.3	6.5	12.1
Distributions to Unitholders	1.4	1.6	2.7	3.7
Total distributions	**$4.5**	**$7.9**	**$9.2**	**$15.8**
Payout Ratio	**44.8%**	**70.7%**	**49.7%**	**272.8%**

(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 June 30, 2015, 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	$104.0	$103.9	$103.9	$—	$—
Operating leases	—	1.7	1.0	0.7	—
Financing leases	0.8	0.8	0.3	0.5	—
Credit Facility	19.0	19.0	19.0	—	—
Distribution payable	0.5	0.5	0.5	—	—
Other long-term liabilities	4.7	4.7	—	4.7	—
	$129.0	$130.6	$124.7	$5.9	$—

Outstanding Unit Data

At the date of this MD&A, the Trust had (i) 16,745,151 Units outstanding (including 6,785,000 Units issued on July 2, 2015 pursuant to the Offering) and (ii) 750,000 Warrants outstanding, which were issued to Macquarie Energy in February 2014. The Warrants have a strike price of C$6.23 per Unit over a five-year term.

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 price for any such Unit purchases was the prevailing market price at the time of such purchases. The Trust did not purchase any Units in the six months ending June 30, 2015. In the year ended December 31, 2014, the Trust repurchased 94,193 Units for cancellation at an aggregate cost of $0.4 million.

Proposed Transactions

Equity Offering and Crius Energy LLC Units Acquisition

On June 4, 2015, the Trust announced that it had entered into an agreement with Cormark Securities Inc., on behalf of a syndicate of underwriters co-led by Cormark Securities Inc., Scotiabank and RBC Capital Markets (collectively, the "**Underwriters**"), pursuant to which the Underwriters agreed, on a "bought deal" basis, to buy and sell to the public 4,500,000 Units at a price of C$6.80 per Unit, for gross proceeds to the Trust of C$30.6 million. The Underwriters were also granted an over-allotment option, exercisable in whole or in part at any time up to 30 days after the closing of the Offering, to purchase up to an additional 675,000 Units.

On June 5, 2015, the Trust announced that it had increased its previously announced "bought deal" financing to 5,900,000 Units at a price of C$6.80 per Unit, for gross proceeds to the Trust of C$40.1 million. The Underwriters were also granted an over-allotment option, exercisable in whole or in part at any time up to 30 days after the closing of the Offering, to purchase up to an additional 885,000 Units.

On July 2, 2015, the Trust completed its Offering of 6,785,000 Units at a price of C$6.80 per Unit, which included 885,000 Units issued pursuant to the exercise in full of the over-allotment option, for total gross proceeds of C$46.1 million. Concurrent with the closing of the Offering, and in accordance with the terms of the Offering, the net proceeds of the Offering were primarily used by the Trust to make an additional indirect investment in Crius Energy Corporation, through a capital contribution, to enable Crius Energy Corporation to purchase membership units of the Company ("**LLC Units**") from certain existing holders of LLC Units. Through this acquisition of LLC Units, the Trust acquired an additional 16.3% indirect ownership interest in the Company, such that the Trust holds a 43.1% indirect ownership interest in the Company as of the date hereof. The remaining net proceeds of the Offering (approximately $5.3 million) are for general corporate purposes.

A long-term goal of the Trust is to increase, over time, its ownership interest in the Company to 100% on a non-dilutive basis. Management of the Trust believes that this acquisition of LLC Units represents an important step in achieving this business objective, which it believes will meaningfully benefit unitholders of the Trust by improving the Trust's float and trading liquidity.

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 Trust's Annual Information Form for the year ended December 31, 2014, which is available on SEDAR under the issuer profile of the Trust 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**"). This Risk Management Policy prohibits speculative positions and sets out a variety of hedging limits, most importantly a target of maintaining a 100% 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 consolidated statement 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 consolidated statement 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 June 30, 2015, the Company had electricity and natural gas derivative instruments outstanding with the following terms:

	Notional Volume	Total Remaining Volume	Maturity Date	Fixed Price ($)	Fair Value ($)	Notional Value ($)
Fixed-for-floating electricity swaps	(15) – 50 MW	2,844,184 MWh	1 – 33 months	$22.50 to $79.50	$(30.6)	$153.7
Fixed-for-floating natural gas swaps	(6,452)– 10,000 MMBtu	4,915,375 MMBtu	1 – 30 months	$2.75 to $4.44	$(5.9)	$21.1
Physical electric forward contracts	(35) – 25 MW	2,323,049 MWh	1 – 58 month	$27.25 to $77.80	$(14.5)	$95.9
Physical natural gas forward contracts	(5) – 1,582 MMBtu	235,135 MMBtu	1 month	$1.10 to $3.36	$—	$0.4
Physical electric basis forward contracts	(20) – 20 MW	— MWh	1 – 8 month	$27.40 to $35.95	$—	$—
Fixed-for-floating electricity basis swaps	(25) – 25 MW	— MWh	1 – 11 months	$34.25 to $54.45	$(0.2)	$0.5
Fixed-for-floating natural gas basis swaps	250 – 600 MMBtu	104,550 MMBtu	1 – 4 month	$(1.18) to $(1.34)	$—	$(0.1)
Physical-settled heat rate forward contracts	1 – 30 MW	282,214 MWh	1 – 18	$7.50 to $18.95	$(1.0)	$9.5
Congestion revenue rights	0.6 – 49 MW	323,086 MWh	1 – 12 month	$0.03 to $12.50	$0.1	$0.1
Electricity financial transmission rights	0.1 – 10 MW	952,701 MWh	1 – 35 month	$(1.36) to $3.97	$(0.2)	$0.3
Electricity transmission congestion contracts	1 – 5 MW	27,528 MWh	1 month	$(8.70) to $8.25	$—	$—

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 comprehensive loss of $22.9 million in the 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 June 30, 2015, the Trust has cash advances and letters of credit outstanding of $19.0 million and $18.8 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 June 30, 2015, 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 interim condensed consolidated statements of comprehensive 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

June 30, 2015, the Trust was hedged for this currency exposure with a floor exchange rate of C$1.28 per US$1.00, based on its current distribution rate of C$0.70 per Unit to December 31, 2016.

As at June 30, 2015, the Company had foreign currency derivatives outstanding with the following terms:

	Notional Value	**Total Remaining Volume**	**Maturity Date**	**Fixed Price**	**Fair Value**
June 30, 2015					
Foreign currency options	US$8.2 C$10.4	US$8.2 C$10.4	1–18 months	C$1.28 per US$1.00	US$0.4

On July 2, 2015, in conjunction with the closing of the Offering, the Trust increased its currency hedge to cover distributions on the additional 6,785,000 Units issued. As at the date of this MD&A, the Trust was hedged for this currency exposure with a weighted average floor exchange rate of C$1.27 per US$1.00, based on its current distribution rate of C$0.70 per Unit to December 31, 2016 on the 16,745,151 Units outstanding as of the date hereof.

Realized settlements under derivative instruments are included in the relevant section of the interim condensed consolidated statement 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 statement 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 of +/-10% would result in increase/(decrease) in net loss and comprehensive loss of $(0.4) million and $0.9 million, respectively, in the interim condensed consolidated statements of comprehensive 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 the other markets in which the Company operates, the Company is exposed 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 June 30, 2015, the customer credit risk exposure was in the amount of $7.7 million (December 31, 2014 — $3.3 million) and the accounts receivable aging for these markets are as follows:

	Total	**Current**	**30-59 days**	**Over 60 days**
Accounts receivable	$7.7	$6.5	$0.3	$0.9

The Company receives revenues from a third party for the marketing of solar products. Management believes that the risk of this party failing to deliver payment to the Company for the associated receivables is minimal.

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 $0.9 million as at June 30, 2015 (December 31, 2014 — $2.1 million), 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 June 30, 2015.

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 totalling $18.8 million (December 31, 2014 – $7.6 million) to various counterparties, principally LDCs.

Pursuant to separate arrangements with various insurance companies, the Company has issued surety bonds to various counterparties, including 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 states or markets. Surety bonds issued as at June 30, 2015 totalled $19.2 million (December 31, 2014 – $8.6 million).

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 these 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 June 30, 2015, Macquarie Energy had extended trade credit to the Company totalling $41.4 million (December 31, 2014 — $36.0 million) under the Supplier Agreement. As at June 30, 2015, there were letters of credit issued totalling $18.8 million (December 31, 2014 — $7.6 million), and cash advances of $19.0 million drawn under the working capital facility (December 31, 2014. — $—). During the three month period ended June 30, 2015, energy purchases totalled $109.0 million (June 30, 2014 — $91.7 million) and interest expense under the Supplier Agreement totalled $2.6 million (June 30, 2014 — $1.5 million). As at June 30, 2015, the aggregate availability under the credit facility was $8.8 million (December 31, 2014 — $32.0 million).

During the year ended December 31, 2014, 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 June 30, 2015 was $2.1 million (December 31, 2014 — $2.1 million) and is included in the line item “Other current assets” in the interim condensed consolidated statements of financial position. This amount is being repaid through future distribution disbursement and is expected to be fully recouped during 2015. 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, unless extended up to 60 additional days or earlier terminated by Crius Energy Corporation.

The purchase price payable to each seller of LLC Units (an "LLC Unit Seller") per LLC Unit was C$6.39 (or US$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 5.14% 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 35.32% 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 4.41% of the outstanding LLC Units, which represents a 0.73% 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 31.79% of the outstanding LLC Units, which represents a 3.53% 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 are recognized net of expected cancellations, which are estimated based on historical cancellation rates.

Allowance for doubtful accounts

The Trust reviews its accounts receivables 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 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 assets 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 expects 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 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 its 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, 2014, with the exception of the following new standards:

Amendments to IAS 19 Defined Benefit Plans: *Employee Contributions* requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. IAS 19 requires such contributions that are linked to service to be attributed to periods of service as a negative benefit. These amendments had no impact on the Trust's interim condensed consolidated financial statements.

Two new annual improvements including Annual Improvements to IFRS 2010 – 2012 Cycle and Annual Improvements 2011 – 2013 Cycle included amendments effective immediately and thus were effective for periods beginning January 1, 2015; however, they did not have an impact on the interim condensed consolidated financial statements of the Trust.

Disclosure Controls and Procedures & Internal Controls over Financial Reporting

Internal control over financial reporting ("**ICFR**") is a process designed to provide reasonable, but not absolute, assurance regarding the reliability of financial reporting and of the preparation of financial statements for external purposes in accordance with IFRS. Management, including the Chief Executive Officer and the Chief Financial Officer, are responsible for establishing and maintaining adequate ICFR, as such term is defined in National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual Interim Filings* ("NI 52-109"), to provide reasonable, but not absolute, assurance regarding the reliability of the Trust's financial reporting and designing disclosure controls and procedures to provide reasonable assurance that information required to be disclosed by the Trust in its corporate filings has been recorded, processed, summarized and reported within the time periods specified by securities legislation.

A material weakness in ICFR exists if a deficiency is such that there is reasonable possibility that a material misstatement of our annual or interim consolidated financial statements will not be prevented or detected on a timely basis. Because of its inherent limitations, ICFR may not prevent or detect misstatements. Also, projections or any evaluation of effectiveness to future periods are subject to risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that its objectives are met. Due to inherent limitations in all such systems, no evaluation of controls can provide absolute assurance that all control issues, if any, within a company have been detected. Accordingly, the Trust's disclosure controls and procedures, and its ICFR are designed to provide reasonable, not absolute, assurance that the objectives of its control systems have been met.

As of December 31, 2014, the Trust assessed the effectiveness of its ICFR using the criteria set forth in the Internal Control Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("**COSO**"), and concluded that it was effective as at that date.

The Trust initially designed its internal control structure under the COSO 1992 Framework and will be transitioning to the COSO 2013 Framework in 2015 by mapping its ICFR control set to the principles under the new COSO 2013 Framework to identify any potential gaps that may exist and highlight where there are opportunities to further enhance our control structure. The Trust will then implement the required design changes to position us to test them as part of our 2015 ICFR testing program.

Limitation on Scope of Design

The CEO and CFO have limited the scope of design of disclosure controls and procedures and internal control over financial reporting to exclude controls, policies and procedures of TriEagle Energy, which was acquired 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 disclosure controls and procedures and internal control over financial reporting for a business that the issuer acquired not more than 365 days before the last day of the period covered by this MD&A.

Changes to Internal Control over Financial Reporting

NI 52-109 also requires public companies in Canada to disclose in their MD&A any change in ICFR during the most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, ICFR. There were no changes in ICFR during the quarter ended June 30, 2015 that materially affected, or are reasonably likely to materially affect, the Trust's ICFR**.**

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

Certain statements contained in this MD&A constitute 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 under the *"Risk Factors"* and *"Forward-Looking Statements"* headings in the Annual Information Form of the Trust for the year ended December 31, 2014, which is available on SEDAR under the issuer profile of the Trust on 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 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 AND SIX MONTHS ENDED
JUNE 30, 2015

CRIUS ENERGY TRUST

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2015

INDEX TO FINANCIAL STATEMENTS

CRIUS ENERGY TRUST

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT JUNE 30, 2015 AND DECEMBER 31, 2014

(in thousands of U.S. dollars)

	Notes	As at June 30, 2015	As at December 31, 2014
		(unaudited)	
ASSETS			
Current			
Cash and cash equivalents		$11,797	$14,268
Collateral deposits		1,161	1,008
Accounts receivable		86,991	80,166
Inventory		392	1,141
Income tax receivable		2,098	2,392
Other current financial assets	7	915	2,067
Other current assets		5,838	3,550
		109,192	**104,592**
Non-current			
Property and equipment		2,084	1,927
Intangible assets	12	74,675	51,069
Deferred tax assets		3,523	1,982
Goodwill	6	117,787	103,745
Other non-current assets		2	7
		$307,263	**$263,322**
LIABILITIES AND UNITHOLDERS' (DEFICIT) EQUITY			
Current			
Trade and other payables		$104,362	$93,667
Credit facility		19,000	–
Distribution payable	9	454	489
Unit-based compensation	13	2,336	–
Other current financial liabilities	7	52,499	38,049
Other current liabilities		–	390
		178,651	**132,595**
Non-current			
Contingent consideration liability	7,16	108	260
Warrant liability	7	1,220	470
Unit-based compensation	7,13	4,708	1,510
Non-controlling interest	7	170,719	115,570
Other non-current liabilities		5,218	1,186
		360,624	**251,591**
Unitholders' (deficit) equity			
Trust capital		90,161	90,058
Accumulated deficit		(123,322)	(60,840)
Accumulated distributions		(20,200)	(17,487)
Total Unitholders' (deficit) equity		**(53,361)**	**11,731**
		$307,263	**$263,322**
Commitments and contingencies	16		

See accompanying notes to the interim condensed consolidated financial statements.

CRIUS ENERGY TRUST

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2015 AND 2014

(in thousands of U.S. dollars)
(Unaudited)

	Notes	For the three months ended June 30, 2015	For the three months ended June 30, 2014	For the six months ended June 30, 2015	For the six months ended June 30, 2014
Revenue		$166,344	$133,952	$334,654	$311,582
Cost of sales		126,412	100,253	254,465	258,811
Gross margin		39,932	33,699	80,189	52,771
Expenses					
Selling expenses		7,546	8,118	17,495	17,428
General and administrative expenses		18,626	12,368	34,488	26,436
Goodwill impairment	6	–	–	–	77,121
Unit-based compensation	13	1,441	696	2,198	683
Depreciation and amortization		13,985	9,555	24,097	19,060
Operating (loss) income		(1,666)	2,962	1,911	(87,957)
Other (expenses) income					
Finance costs		(2,963)	(1,699)	(4,750)	(3,668)
Distributions to non-controlling interest		(3,919)	(6,672)	(7,826)	(11,912)
Change in fair value of derivative instruments	7	3,837	4,641	5,484	(24,401)
Change in fair value of warrants		(215)	(351)	(750)	(50)
Change in fair value of non-controlling interest	7	(25,297)	(43,363)	(55,149)	15,536
Loss before income taxes		(30,223)	(44,482)	(61,080)	(112,452)
(Provision for) benefit from income taxes	8	(545)	653	(1,402)	13,603
Net loss and total comprehensive loss		**$(30,768)**	**$(43,829)**	**$(62,482)**	**$(98,849)**

See accompanying notes to the interim condensed consolidated financial statements.

CRIUS ENERGY TRUST

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (DEFICIT)
FOR THE SIX MONTHS ENDED JUNE 30, 2015 AND 2014

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

	Notes	Number of Trust Units	Trust Capital	Accumulated Earnings (Deficit)	Accumulated Distributions	Total Equity (Deficit)
Balance at December 31, 2013		10,014,924	$90,403	$51,430	$(10,977)	$130,856
Distribution to Unitholders	9	—	—	—	(3,423)	(3,423)
Repurchase of Trust Units		(94,193)	(435)	—	—	(435)
Issuance of Trust Units		19,290	90	—	—	90
Net loss and total comprehensive loss		—	—	(98,849)	—	(98,849)
Balance at June 30, 2014		**9,940,021**	**$90,058**	**$(47,419)**	**$(14,400)**	**$28,239**

	Notes	Number of Trust Units	Trust Capital	Accumulated Deficit	Accumulated Distributions	Total Equity (Deficit)
Balance at December 31, 2014		9,940,021	$90,058	$(60,840)	$(17,487)	$11,731
Distribution to Unitholders	9	—	—	—	(2,713)	(2,713)
Issuance of Trust Units		20,130	103	—	—	103
Net loss and total comprehensive loss		—	—	(62,482)	—	(62,482)
Balance at June 30, 2015		**9,960,151**	**$90,161**	**$(123,322)**	**$(20,200)**	**$(53,361)**

See accompanying notes to the interim condensed consolidated financial statements.

CRIUS ENERGY TRUST

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2015 AND 2014

(in thousands of U.S. dollars)
(Unaudited)

	Notes	For the three months ended June 30, 2015	For the three months ended June 30, 2014	For the six months ended June 30, 2015	For the six months ended June 30, 2014
Net inflow (outflow) of cash related to the following activities:					
Operating Activities					
Net loss and total comprehensive loss		$(30,768)	$(43,829)	($62,482)	($98,849)
Add net income items related to financing activities:					
Finance costs		2,963	1,699	4,750	3,668
Distributions to non-controlling interest		3,919	6,672	7,826	11,912
Add (deduct) items not affecting cash					
Depreciation of property and equipment		341	234	586	461
Goodwill impairment	6	–	–	–	77,121
Amortization of intangible assets	12	13,644	9,321	23,511	18,599
Change in fair value of contingent consideration liability	7	–	–	(152)	–
Change in fair value of derivative instruments	7	(3,837)	(4,641)	(5,484)	24,401
Change in fair value of non-controlling interest	7	25,297	43,363	55,149	(15,536)
Change in fair value of warrant liability	7	215	351	750	50
Unit-based compensation	13	1,441	696	2,198	683
Bad debt expense	7	987	735	1,300	2,105
Non-cash interest		(67)	(80)	(136)	(149)
Provision for income taxes	8	(83)	(653)	(1,541)	(13,603)
		14,052	13,868	26,275	10,863
Net change in operating assets and liabilities	11	(14,586)	3,849	(19,534)	4,578
		(534)	17,717	6,741	15,441
Investing Activities					
Purchase of intangible assets	12	(416)	(6,410)	(1,600)	(6,603)
Acquisition of a subsidiary, net of cash acquired	4	(11,146)	–	(11,146)	–
Development expenditures	12	(1,155)	(561)	(1,551)	(561)
Purchase of property and equipment		(385)	(138)	(686)	(175)
		(13,102)	(7,109)	(14,983)	(7,339)
Financing Activities					
Credit facility advances	5	38,000	12,000	38,000	30,571
Credit facility repayments	5	(19,000)	(17,361)	(19,000)	(23,360)
Repayment of finance leases		(72)	(67)	(143)	(134)
Finance costs		(2,114)	(1,380)	(3,838)	(3,515)
Distributions to non-controlling interest		(3,107)	(6,276)	(6,510)	(12,092)
Distributions to Unitholders		(1,363)	(1,599)	(2,738)	(3,654)
Repurchase of Trust units		–	(435)	–	(435)
		12,344	(15,118)	5,771	(12,619)
Net cash outflow		(1,292)	(4,510)	(2,471)	(4,517)
Cash and cash equivalents, beginning of period		13,089	15,336	14,268	15,343
Cash and cash equivalents, end of period		**$11,797**	**$10,826**	**$11,797**	**$10,826**

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 acquisition (the "**Acquisition**") of an approximate 26.8% 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. was incorporated for the purpose of forming, acquiring and holding all of the issued and outstanding shares in Crius Energy Corporation.

- 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 26.8% 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.

The following are the subsidiaries that the Trust, through its indirect wholly-owned subsidiary Crius Energy Corporation, holds a 26.8% ownership interest in the Company and its subsidiaries: Cincinnati Bell Energy, LLC; Citra, LLC; Crius Energy Management, LLC; Everyday Energy, LLC; Everyday Energy NJ, LLC; FairPoint Energy, LLC; Public Power Energy, LLC; Public Power, LLC (a Connecticut limited liability company); Public Power, LLC (a Pennsylvania limited liability company); Public Power & Utility, Inc.; 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 Arizona, California, Connecticut, Delaware, District of Columbia, Hawaii, Maryland, Massachusetts, Nevada, New Hampshire, New Jersey, New York, Oregon and Pennsylvania markets.

3. BASIS OF PRESENTATION

Statement of compliance

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, 2014**.**

Basis of presentation and interim reporting

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, 2015. 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, 2014, with the exception of the following new standards:

Amendments to IAS 19 Defined Benefit Plans: *Employee Contributions* requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. IAS 19 requires such contributions that are linked to service to be attributed to periods of service as a negative benefit. These amendments had no impact on the Trust's interim condensed consolidated financial statements.

Two new annual improvements including Annual Improvements to IFRS 2010 – 2012 Cycle and Annual Improvements 2011 – 2013 Cycle included amendments effective immediately and, thus, were effective for periods beginning January 1, 2015, however, they did not have an impact on the Trust's interim condensed consolidated financial statements.

Business combinations

Business combinations are accounted for using the acquisition method. The acquired identifiable tangible and intangible assets and liabilities are measured at their fair values at the date of acquisition. Acquisition costs incurred are expensed under General and administrative expenses.

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 June 30, 2015 and December 31, 2014, 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.

Reclassification

Certain reclassifications have been made in 2014 to conform to the 2015 presentation. For the three and six months ended June 30, 2014, changes in inventory in the amount of $(144) and $(97) and repayment of finance leases in the amounts of $(67) and $(134) were reclassified from the change in other current assets to Trade and other payables, respectively, in the interim condensed consolidated statements of cash flows.

4. ACQUISITIONS

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 interim condensed consolidated financial statements included the results of TEE from the acquisition date. 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 purchase price allocation is preliminary, and as a result, may be adjusted during the twelve month period following the acquisition, in accordance with IFRS 3. If new information obtained within one year from the acquisition date about facts and circumstances that existed at the acquisition date identifies adjustments to the preliminary amounts then the acquisition accounting will be revised.

(in thousands of U.S. dollars, unless otherwise stated)

The following table shows the preliminary allocation of fair value:

Fair value of identifiable net assets acquired:	**April 1, 2015 (preliminary)**
Cash and cash equivalents	$4,723
Accounts receivable	18,661
Trade and other payables	(32,471)
Other current financial liabilities	(20,332)
Other net assets	1,018
Customer relationships	40,743
Sales network	852
Broker commission liability	(10,308)
Computer software	1,591
Other intangible assets	785
Goodwill	14,042
Total purchase price	**$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 Trust units on the Toronto Stock Exchange 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 13. 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.

Acquisition-related costs amounting to $211 and $241 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 and six months ended June 30, 2015, respectively.

At June 30, 2015, the fair values of identifiable intangible assets amounting to $43,971 are provisional pending receipt of their final valuation. The fair value of the trade and other receivables acquired as part of the business combination amounted to $18,661, with a gross contractual amount of $19,299. As of the acquisition date, the Company's best estimate of the contractual cash flow not expected to be collected amounted to $638. 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. This goodwill has been allocated to the Company's existing single segment. Goodwill that is deductible for tax purposes is $13,086.

TEE has contributed $47,019 and $(2,186) to the Company's revenues and net loss and total comprehensive loss, respectively, from the acquisition date to June 30, 2015. Had the acquisition occurred on January 1, 2015, the Company's revenue for the period to June 30, 2015 would have been $379,600 and the Company's net loss for the period would have been $(73,050). These pro forma amounts have been determined by applying the Company's accounting policies.

5. FINANCING

Macquarie Energy Supplier Agreement

In September 2012, the Company and its operating subsidiaries entered into several agreements (the "**Supplier Agreement**") with Macquarie Energy LLC ("**Macquarie Energy**") for the exclusive supply of the Trust's wholesale energy needs and commodity hedging requirements for a term ending in October 2017. Effective February 7, 2014, an amendment to the Supplier Agreement extended the term to January

2019 and amended the facility limits. In consideration for entering into this amendment, a one-time payment in the amount of $1,250 was made to Macquarie Energy, and the Trust also issued Macquarie Energy 750,000 warrants to purchase units ("**Units**") of the Trust with a strike price of C$6.23 per Unit and a term of five years, with the warrants being exercisable over a four-year period, which were fair valued using an option pricing model. The amendment fee, together with the fair value of the warrants issued, are being amortized over the life of the extended Supplier Agreement.

Under the Supplier Agreement, Macquarie Energy assumes the responsibility for meeting credit and collateral requirements with each independent system operator ("**ISOs**") and the utilities serving the Company's customers are directed to remit all customer payments into a designated restricted bank account, (the "**Lockbox**"), whereby the funds in that account are used to pay Macquarie Energy for the energy supplied and other fees and interest due under the Supplier Agreement. The trade payables are secured by funds pledged in the Lockbox and all other assets of the Company.

Macquarie Energy extends trade credit to buy wholesale energy supply, with all amounts due being payable in the month following delivery of the energy. The credit extended under the Supplier Agreement, as amended, is limited to an overall exposure limit of $150,000 subject to certain standard financial covenants, and limited to a calculated credit base based on restricted cash in the Lockbox, billed and unbilled receivables and natural gas inventory. On April 1, 2015, the Supplier Agreement was amended to include an overall exposure limit increase from $150,000 to $250,000, a reduced fee structure and an increased ability to enter into fixed price commodity products for a term up to 60 months. The Company incurs a volumetric fee based on the wholesale energy delivered, which is included in finance costs in the interim condensed consolidated statements of comprehensive loss.

The Supplier Agreement, as amended, 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 (0.19% and 0.16% at June 30, 2015 and December 31, 2014, 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 $41,390 and $36,046 under this Supplier Agreement as at June 30, 2015 and December 31, 2014, respectively. There were letters of credit issued totaling $18,803 and $7,573, and cash advances drawn totaling $19,000 and $- under the working capital facility as at June 30, 2015 and December 31, 2014, respectively. During the three and six months ended June 30, 2015, total energy purchases totaled $108,957 and $227,309, respectively, and interest expense under the Supplier Agreement totaled $2,628 and $4,194, respectively, whereas during the three and six months ended June 30, 2014, total energy purchases totaled $91,663 and $239,602, respectively, and interest expense under the Supplier Agreement totaled $1,482 and $3,146, respectively. The availability under the credit facility was $8,780 and $31,966 at June 30, 2015 and December 31, 2014, respectively. At June 30, 2015, the Company was in compliance with all covenants.

(in thousands of U.S. dollars, unless otherwise stated)

6. IMPAIRMENT OF GOODWILL

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

Goodwill	As at June 30, 2015	As at December 31, 2014
Goodwill at the beginning of the period	$241,381	$241,381
Goodwill recognized	14,042	–
Goodwill at the end of the period	**$255,423**	**$241,381**

Accumulated impairment	As at June 30, 2015	As at December 31, 2014
Balance at the beginning of the period	$(137,636)	$(60,515)
Goodwill impairment	–	(77,121)
Balance at the end of the period	**$(137,636)**	**$(137,636)**
Net book value at the end of the period	**$117,787**	**$103,745**

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 June 30, 2015 including a review of the relationship between its market capitalization and its carrying value, among other factors and concluded no impairment indicator was present. As at March 31, 2014, the market capitalization of the Trust was below the carrying value of its equity, indicating that a potential impairment of goodwill existed. The recoverable amount as at March 31, 2014 was determined based on a fair value less cost of disposal calculation using the market capitalization of the Units plus an estimated acquisition premium. The recoverable amount was classified as Level 2 in the FV hierarchy. As a result, a non-cash goodwill impairment charge of $77,121 was recorded in the interim condensed consolidated statements of comprehensive loss for the three months ended March 31, 2014. 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 additional impairment of goodwill in subsequent reporting periods. The impairment charge does not impact our normal business operations nor will it affect liquidity, cash flows from operations or financial covenants under our credit facility.

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, last and recent transactions 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 fair value of the contingent consideration liability was determined based on an internally developed discounted cash flow model that was based on the financial budgets and long-term plan approved by the Board of Directors of the Trust, as well as the contractual terms of the contingent consideration. 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.

(in thousands of U.S. dollars, unless otherwise stated)

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 June 30, 2015	**For the three months ended June 30, 2014**	**For the six months ended June 30, 2015**	**For the six months ended June 30, 2014**
Foreign exchange options	$72	$27	$(197)	$(165)
Fixed-for-floating electricity swaps	3,718	4,666	3,768	(22,748)
Fixed-for-floating natural gas swaps	(4,511)	(489)	(3,562)	(557)
Physical electric forward contracts	(1,383)	-	(1,383)	-
Physical natural gas forward contracts	6,694	416	7,421	305
Physical electric basis forward contracts	(7)	-	(7)	-
Fixed-for-floating electricity basis swaps	(48)	(9)	(17)	1
Fixed-for-floating natural gas basis swaps	(11)	-	416	(1,267)
Heat rate forward contracts	(1,025)	-	(1,025)	-
Congestion revenue rights	40	-	40	-
Financial transmission rights	326	-	326	-
Weather derivatives	(28)	30	(296)	30
Change in fair value of derivative instruments	**$3,837**	**$4,641**	**$5,484**	**$(24,401)**

(in thousands of U.S. dollars, unless otherwise stated)

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 June 30, 2015:

	Other current financial assets	**Other current financial liabilities**
Foreign exchange options	$440	$–
Fixed-for-floating electricity swaps	—	30,650
Fixed-for-floating natural gas swaps	—	5,906
Physical electric forward contracts	—	14,482
Physical natural gas forward contracts	—	20
Physical electric basis forward contracts	—	7
Fixed-for-floating electricity basis swaps	—	217
Fixed-for-floating natural gas basis swaps	—	25
Heat rate forward contracts	—	955
Congestion revenue rights	56	—
Financial transmission rights	38	237
Weather derivatives	381	—
	$915	**$52,499**

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, 2014:

	Other current financial assets	**Other current financial liabilities**
Foreign exchange options	$79	$–
Fixed-for-floating electricity swaps	—	34,417
Fixed-for-floating natural gas swaps	—	2,345
Physical natural gas forward contracts	—	646
Fixed-for-floating electricity basis swaps	—	200
Fixed-for-floating natural gas basis swaps	—	441
Weather derivatives	1,988	—
	$2,067	**$38,049**

The following table summarizes the fair value of the financial assets and liabilities classified as held-for-trading and recorded as at June 30, 2015 and December 31, 2014:

	Notional Volume	**Total Remaining Volume**	**Maturity Date (months)**	**Fixed Price ($)**	**Fair Value ($)**	**Notional Value ($)**
June 30, 2015						
Fixed-for-floating electricity swaps	(15) - 50 MW	2,844,184 MWh	1 - 33	$22.50 to $79.50	$(30,650)	$153,741
Fixed-for-floating natural gas swaps	(6,452) – 10,000 Mmbtu	4,915,375 Mmbtu	1 - 30	$2.75 to $4.44	$(5,906)	$21,136
Physical electric forward contracts	(35) – 25 MW	2,323,049 MWh	1 - 58	$27.25 to $77.80	$(14,482)	$95,919
Physical natural gas forward contracts	(5) – 1,582 Mmbtu	235,135 Mmbtu	1	$1.10 to $3.36	$(20)	$434
Physical electric basis forward contracts	(20) – 20 MW	– MWh	1 - 8	$27.40 to $35.95	$(7)	$(3)

(in thousands of U.S. dollars, unless otherwise stated)

	Notional Volume	Total Remaining Volume	Maturity Date (months)	Fixed Price ($)	Fair Value ($)	Notional Value ($)
Fixed-for-floating electricity basis swaps	(25) – 25 MW	– MWh	1 - 11	$34.25 to $54.45	$(217)	$511
Fixed-for-floating natural gas basis swaps	250 - 600 Mmbtu	104,550 Mmbtu	1 - 4	$(1.18) to $(1.34)	$(25)	$(128)
Heat rate forward contracts	1 – 30 MW	282,214 MWh	1 - 18	$7.50 to $18.95	$(955)	$9,484
Congestion revenue rights	0.6 – 49 MW	323,086 MWh	1 - 12	$0.03 to $12.50	$56	$149
Financial transmission rights	0.1 – 10 MW	952,701 MWh	1 - 35	$(1.36) to $3.97	$(199)	$326
Transmission congestion contracts	1 - 5 MW	27,528 MWh	1	$(8.70) to $8.25	$0	$6
December 31, 2014						
Fixed-for-floating electricity swaps	(15) - 50 MW	2,868,237 MWh	1 - 35	$32.61 to $141.25	$(34,417)	$170,571
Fixed-for-floating natural gas swaps	123 – 31,000 Mmbtu	3,027,800 Mmbtu	1 - 32	$3.51 to $4.47	$(2,345)	$11,938
Physical natural gas forward contracts	2 – 8,066 Mmbtu	966,177 Mmbtu	1 - 3	$1.30 to $7.98	$(646)	$3,848
Fixed-for-floating electricity basis swaps	(25) – 25 MW	– MWh	1 - 12	$34.25 to $52.85	$(200)	$610
Fixed-for-floating natural gas basis swaps	1,000 – 3,000 Mmbtu	229,000 Mmbtu	1 - 3	$2.00 to $6.62	$(441)	$976
Financial transmission rights	0.1 – 11.6 MW	132,814 MWh	1	$(9.62) to $17.86	$0	$940

The Company has entered into weather derivatives, specifically, a temperature contingent, financially settled, electricity strangle option which, as at June 30, 2015, matures in three months and gives the Company the right to purchase or sell electricity at predetermined fixed prices in quantities that are dependent on average daily temperatures at certain agreed weather locations. There is no quoted price in an active market for this type of weather derivative as of either the initial recognition date or June 30, 2015. The Company marks to market the fair value of the weather derivative and has included that value as other current financial assets on the interim condensed consolidated statements of financial position. Changes in the fair value of the weather derivatives are recorded through the interim condensed consolidated statements of comprehensive loss as a change in fair value of derivative instruments.

(in thousands of U.S. dollars, unless otherwise stated)

The following table summarizes the fair value of the foreign exchange options as at June 30, 2015 and December 31, 2014:

	Notional Value	Total Remaining Volume	Maturity Date (months)	Fixed Price ($)	Fair Value ($)
June 30, 2015					
Foreign exchange options	US$8,168 C$10,431	US$8,168 C$10,431	1 - 18	C$1.2770 per US$1	US$440
December 31, 2014					
Foreign exchange options	US$6,060 C$6,954	US$6,060 C$6,954	1 - 12	C$1.1475 per US$1	US$79

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
June 30, 2015				
Commodity contracts offset to assets	$142	$(48)	$(48)	$94
Commodity contracts offset to liabilities	$3,724	$(56,223)	$3,724	$(52,499)
December 31, 2014				
Commodity contracts	$2,925	$(40,974)	$(40,974)	$(38,049)

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.

(in thousands of U.S. dollars, unless otherwise stated)

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 June 30, 2015:

Recurring measurements	Level 1	Level 2	Level 3	Total
Financial assets				
Other current financial assets	$–	$534	$381	**$915**
Financial liabilities				
Other current financial liabilities	$–	$(50,876)	$(1,623)	**$(52,499)**
Contingent consideration liability	–	–	(108)	**(108)**
Warrant liability	–	(1,220)	–	**(1,220)**
Non-controlling interest	–	–	(170,719)	**(170,719)**

The following table illustrates the classification of financial assets and liabilities in the FV hierarchy as at December 31, 2014:

Recurring measurements	Level 1	Level 2	Level 3	Total
Financial assets				
Other current financial assets	$–	$79	$1,988	**$2,067**
Financial liabilities				
Other current financial liabilities	$–	$(37,608)	$(441)	**$(38,049)**
Contingent consideration liability	–	–	(260)	**(260)**
Warrant liability	–	(470)	–	**(470)**
Non-controlling interest	–	–	(115,570)	**(115,570)**

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

Contingent consideration liability	As at June 30, 2015	As at December 31, 2014
Liability at the beginning of period	$260	$–
Additions	–	93
Changes in fair value of contingent consideration liability	(152)	167
Liability at the end of period	**$108**	**$260**

Non-controlling interest	As at June 30, 2015	As at December 31, 2014
Liability at the beginning of period	$115,570	$138,234
Changes in fair value of non-controlling interest	55,149	(22,664)
Liability at the end of period	**$170,719**	**$115,570**

(in thousands of U.S. dollars, unless otherwise stated)

Commodity contracts	As at June 30, 2015	As at December 31, 2014
Net balance at the beginning of period	$1,547	$2,700
Total loss	(2,706)	(10,977)
Purchases	414	1,547
Settlements	(371)	8,277
Transfer out of Level 3	(126)	–
Net balance at the end of period	**$(1,242)**	**$1,547**

During the three months ended June 30, 2015, transfers out of level 3 was due to an increase in observability of pricing on the underlying derivative instruments, as evidenced by published commodity futures quotes.

Classification of financial assets and liabilities

As at June 30, 2015 and December 31, 2014, respectively, the carrying amounts of the financial assets and liabilities, except for derivative assets and liabilities, contingent consideration liability, warrant liability and non-controlling interest, approximated their fair value due to the short-term nature of these items. The derivative assets and liabilities, contingent consideration liability, 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. 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 $22,923 in the interim condensed consolidated statements of comprehensive loss.

(in thousands of U.S. dollars, unless otherwise stated)

Interest rate risk

The Trust is exposed to interest rate risk on certain advances within the Supplier Agreement with Macquarie Energy. As at June 30, 2015 and December 31, 2014 respectively, the Trust has aggregate letters of credit outstanding of $18,803 and $7,573 and cash advances outstanding of $19,000 and $- 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. In the three months ended June 30, 2015, 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 of +/-10% would result in increase/(decrease) in net loss and total comprehensive loss of $(385) and $906, 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 accounts receivable in the states of Delaware, District of Columbia, Illinois, Maine, New Hampshire, New Jersey, Ohio, Pennsylvania, Rhode Island, Texas and Virginia. 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.

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 June 30, 2015, the customer credit risk exposure amounted to $7,736 (December 31, 2014 – $3,347) and the accounts receivable aging for these markets are as follows:

Accounts Receivable at	**Total**	**Current**	**30-59 days**	**Over 60 days**
June 30, 2015..	$7,736	$6,461	$356	$919
December 31, 2014...	$3,347	$2,114	$431	$802

(in thousands of U.S. dollars, unless otherwise stated)

Changes in the allowance for doubtful accounts were as follows:

	As at June 30, 2015	As at December 31, 2014
Balance, beginning of year	$1,519	$4,984
Bad debt expense	1,300	1,747
Bad debts written off	(854)	(5,212)
Balance, end of year	**$1,965**	**$1,519**

The Trust receives revenues from a third party for the marketing of solar products. Management believes that the risk of this party failing to deliver payment to the Trust for the associated receivables is minimal.

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 $915 and $2,067 as at June 30, 2015 and December 31, 2014, 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 June 30, 2015:

	Carrying amount	Contractual cash flow	Less than 1 year	1 to 5 years	More than 5 years
Trade and other payables	$104,027	$103,906	$103,906	$–	$–
Operating leases	–	1,709	1,002	707	–
Financing leases	759	825	335	490	–
Credit facility	19,000	19,000	19,000	–	–
Distribution payable	454	454	454	–	–
Other non-current liabilities	4,728	4,708	–	4,708	–
	$128,968	**$130,602**	**$124,697**	**$5,905**	**$–**

The following are the contractual maturities of the Trust's financial liabilities as at December 31, 2014:

	Carrying amount	Contractual cash flow	Less than 1 year	1 to 5 years	More than 5 years
Trade and other payables	$91,142	$91,021	$91,021	$–	$–
Operating leases	–	906	558	348	–
Financing leases	902	993	336	657	–
Distribution payable	489	489	489	–	–
Other non-current liabilities	529	448	–	448	–
	$93,062	**$93,857**	**$92,404**	**$1,453**	**$–**

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 expense for the three and six months ended June 30, 2015 in the amount of $545 and $1,402 respectively, whereas for the three and six month period ending June 30, 2014 it recorded an income tax (benefit) of $653 and $13,603, respectively. The income tax 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 expense (benefit) 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 the change in fair value of non-controlling interest, distributions to non-controlling interest holders and the impairment of non-deductible goodwill. Under United States partnership taxation rules, Crius Energy, LLC is not a taxable entity and its taxable income (loss) flows through to its partners who are then taxed on their allocable share of the partnership income tax (benefit).

9. TRUST CAPITAL

Repurchase of Trust Units

During the period commencing April 11, 2014 and ending on April 10, 2015, the Trust had approval to make a normal course issuer bid to purchase up to 500,746 Units, representing approximately 5% of the issued and outstanding Units. Purchase of Units may be made through the facilities of the Toronto Stock Exchange in accordance with its rules or alternative Canadian trading platforms. Daily limits were limited to 12,531 Units, other than block purchase exceptions. The price that the Trust will pay for any Units purchased under the bid will be the prevailing market price at the time of purchase and any Units purchased by the Trust will be cancelled. The Trust did not purchase any Units in the six months ending June 30, 2015. In the year ending December 31, 2014, the Trust purchased 94,193 Units for approximately $435.

Distributions paid and proposed

For the three and six months ended June 30, 2015, monthly distributions of C$0.0583 per unit were declared by the Trust for January through June 2015 which together amounted to $1,338 and $2,713, respectively. These distributions were approved throughout the periods by the Board of Directors of the Trust and all amounts were paid by July 15, 2015 to Unitholders of record at the close of business on June 30, 2015. For the three and six months ended June 30, 2014, distributions of C$0.0833 per unit were declared by the Trust for January and monthly distributions of C$0.0583 per unit were declared by the Trust for February through June 2014 which together amounted to $1,611 and $3,423, respectively.

Declared dividends subsequent to quarter-end

On July 14, 2015, the Board of Directors of the Trust declared monthly distributions for July through September 2015, in the amount of C$0.0583 per unit per month. The July 2015 distribution will be paid on August 17, 2015, to Unitholders of record at the close of business on July 31, 2015. The August 2015 distribution will be paid on September 15, 2015, to Unitholders of record at the close of business on August

(in thousands of U.S. dollars, unless otherwise stated)

31, 2015. The September 2015 distribution will be paid on October 15, 2015 to Unitholders of record at the close of business on September 30, 2015.

10. INCOME (LOSS) PER UNIT

	For the three months ended June 30, 2015	For the three months ended June 30, 2014	For the six months ended June 30, 2015	For the six months ended June 30, 2014
Net loss and total comprehensive loss	$(30,768)	$(43,829)	$(62,482)	$(98,849)
Weighted average number of Units outstanding	9,960,151	9,982,891	9,960,151	9,998,819
Basic loss per Unit	**$(3.09)**	**$(4.39)**	**$(6.27)**	**$(9.89)**
Net loss and total comprehensive loss	$(30,768)	$(43,829)	$(62,482)	$(98,849)
Adjust for change in fair value of Unit-based compensation	–	–	–	–
Adjusted net loss and total comprehensive loss	**$(30,768)**	**$(43,829)**	**$(62,482)**	**$(98,849)**
Weighted average number of Units outstanding	9,960,151	9,982,891	9,960,151	9,998,819
Weighted average number of dilutive Units outstanding	–	–	–	–
Diluted weighted average number of total Units outstanding	9,960,151	9,982,891	9,960,151	9,998,819
Diluted loss per Unit	**$(3.09)**	**$(4.39)**	**$(6.27)**	**$(9.89)**

Restricted Trust Units and 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 and six months ended June 30, 2015 and 2014. 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) inflows of net change in operating assets and liabilities are as follows:

	For the three months ended June 30, 2015	For the three months ended June 30, 2014	For the six months ended June 30, 2015	For the six months ended June 30, 2014
Accounts receivable	$13,271	$12,381	10,537	$5,516
Collateral deposits	(67)	(316)	(153)	(281)
Inventory	(144)	(144)	749	(97)
Other current financial assets	(408)	(1,469)	755	(1,565)
Other current assets	(2,680)	516	(2,790)	808
Other non-current assets	-	-	5	-
Trade and other payables	(21,637)	(6,781)	(27,527)	934
Dividend payable	-	-	(35)	-
Income tax receivable	(2,015)	(178)	294	(389)
Other current liabilities	(5,154)	-	(5,544)	-
Other non-current liabilities	4,248	(160)	4,175	(348)
	$(14,586)	**$3,849**	**$(19,534)**	**$4,578**

(in thousands of U.S. dollars, unless otherwise stated)

12. INTANGIBLE ASSETS

2015	Computer software	Customer relationships	Sales network	Exclusive marketing relationships	Other intangibles	Total
Cost						
Balance as at December 31, 2014..	$6,198	$80,535	$19,300	$24,947	$1,523	$132,503
Additions......................................	3,379	40,743	852	—	789	45,763
Internally developed software	1,551	—	—	—	—	1,551
Asset acquisition adjustment	—	(197)	—	—	—	(197)
Balance as at June 30, 2015...........	**11,128**	**121,081**	**20,152**	**24,947**	**2,312**	**179,620**
Accumulated amortization						
Balance as at December 31, 2014..	(1,113)	(55,210)	(5,884)	(17,741)	(1,486)	(81,434)
Amortization.................................	(1,234)	(16,565)	(1,450)	(4,158)	(104)	(23,511)
Balance as at June 30, 2015...........	(2,347)	(71,775)	(7,334)	(21,899)	(1,590)	(104,945)
Net book value – June 30, 2015	**$8,781**	**$49,306**	**$12,818**	**$3,048**	**$722**	**$74,675**

13. UNIT-BASED COMPENSATION

Restricted Trust and Phantom Unit Plans

Under the Trust's Restricted Trust Unit Plan ("**RTUP**"), restricted trust units ("**RTUs**") may be granted by the board of the Administrator, or an appointed committee thereof (the "**RTUP Administrator**") to directors, officers, employees or direct or indirect service providers ("**Participants**") of the Trust. The number of Units reserved for issuance pursuant to the redemption of RTUs granted under the RTUP and pursuant to all other security based compensation arrangements of the Trust shall, in the aggregate, not exceed 10% of the number of Units then issued and outstanding. If any RTUs are redeemed, the number of Units to which such redeemed RTUs relate shall be available for the purpose of granting additional RTUs under the RTUP. In addition, if any RTUs expire or terminate for any reason without having been redeemed, any unissued Units to which such RTUs relate shall be available for the purposes of granting additional RTUs under the RTUP. The vesting of RTUs is determined by the RTUP Administrator at the time of grant, provided that no vesting conditions shall extend beyond December 20th of the third calendar year following the service year in respect of which the RTUs were granted. Unless otherwise provided in the applicable award agreement, all RTUs shall vest: (i) one-third on the first anniversary of the date of grant of such RTUs (the "**Grant Date**"); (ii) an additional one-third on the second anniversary of the Grant Date; and (iii) the final one-third on the third anniversary of the Grant Date.

At the determination of the RTUP Administrator, on a date on or before the date which is three calendar years following the end of the service year in respect of which the RTUs were granted, the holder will receive, subject to applicable withholding taxes, for each RTU held either (i) the cash equivalent of one Unit; or (ii) at the election of the Trust, one Unit, which may be issued from treasury or purchased by a designated broker on the TSX. The determination of the value of the cash equivalent of Units will be determined based upon the volume weighted average trading price of the Units on the TSX for the last five trading days prior to the date of calculation. Participant's RTU account will be credited with additional RTUs in respect of any distributions declared by the Trust on the Units that would have been paid to the Participant if the RTUs in the Participant's account were outstanding Units during the relevant period ("**accrued distributions**"). A Participant shall not have the right or be entitled to exercise any voting rights, receive distributions or have or be entitled to any other rights as a Unitholder of the Trust in respect of any RTUs.

(in thousands of U.S. dollars, unless otherwise stated)

The following schedule provides the continuity of the RTUs:

	Number of Units
As at December 31, 2014	—
RTUs issued	19,535
RTUs accrued distributions	595
RTUs vested into Units	(20,130)
As at June 30, 2015	—

In December 2014, RTUs that were not previously forfeited due to employment separation or converted into Units were voluntarily forfeited by Participants. Each Participant received the same number of Phantom Units Rights along with all accrued Units.

The Company adopted a cash settled Phantom Unit Right Plan ("**PURP**") for the benefit of directors, officers or employees or direct or indirect service providers of the Company residing in the United States ("**U.S. Participants**"). In December 2014, the PURP was renamed under Crius Energy Management, LLC. 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 Trust and in attracting and retaining management personnel in the United States. The PURP mirrors the material terms of the RTUP with the exception that PURs may only be settled with cash payments by Crius Energy Management, LLC. The PURP allows U.S. Participants to comply with tax and securities laws in the United States applicable to the awards. As at June 30, 2015, there were no vested PURs.

The PURs will 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, 2014	755,414
PURs issued	1,329,046
PURs accrued distributions	80,715
Forfeitures	(49,667)
As at June 30, 2015	**2,115,508**

In conjunction with the acquisition of TEE, the Company issued PURs of 623,217 and accrued PUR distributions of 14,112, which are included in the table above.

For the three months ended June 30, 2015 and 2014, unit-based compensation was $1,441 and $696, respectively. For the six months ended June 30, 2015 and 2014, unit-based compensation was $2,198 and $683, respectively. These amounts are included in the interim condensed consolidated statements of comprehensive loss.

14. 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 which is a Unitholder in the Company. Both Macquarie entities are part of the same group (Note 5).

During the six months ended June 30, 2015 and the year ended December 31, 2014, the Trust made certain tax payments on behalf of the non-controlling interest holders, which are treated as advances. The balance as at June 30, 2015 and December 31, 2014, was approximately $2,147 and $2,129, respectively, and is included in other current assets in the interim condensed consolidated statements of financial position. This amount is being repaid through future distribution disbursement and is expected to be fully recouped during 2015. Due to the short-term nature for the repayment of these advances, there is no interest being charged.

15. REPORTABLE BUSINESS SEGMENTS

Operating segments

For the three months ended June 30, 2015 and 2014, the Trust operated in a single operating segment and evaluates the performance of the business as a single segment.

Products

For the three and six months ended June 30, 2015, revenue by product is as follows: $156,714 for electricity, $6,028 for natural gas, $1,854 for fee revenue and $1,748 for solar revenue and $297,734 for electricity, $30,182 for natural gas, $2,709 for fee revenue and $4,029 for solar revenue, respectively. For the three and six months ended June 30, 2014, revenue by product is as follows: $122,141 for electricity, $9,273 for natural gas, $859 for fee revenue and $1,679 for solar revenue and $273,196 for electricity, $34,002 for natural gas, $1,780 for fee revenue and $2,604 for solar revenue, respectively.

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 and six months ended June 30, 2015, the Trust operated in three states which together comprised 49.6% and 51.4% of revenue, respectively, which comprise 18.7%, 17.4% and 13.5%, and 18.8%, 16.9% and 15.7%, respectively. For the three and six months ended June 30, 2014, the Trust operated in three states which together comprised 62.7% and 61.8% of revenue, respectively, which comprise 23.4%, 21.4% and 17.9%, and 24.6%, 21.9% and 15.3%, respectively.

16. COMMITMENTS AND CONTINGENCIES

Surety bonds

As at June 30, 2015 and December 31, 2014, the Trust had surety bonds issued of $19,152 and $8,556, respectively, to the various state regulatory commissions and LDCs.

Contingent consideration liability

As at June 30, 2015 and December 31, 2014, respectively, the Trust had contingent consideration payable related to the acquisition of a technology platform in the amounts of $108 and $260, respectively. The amount of contingent consideration payable is based on an agreed percentage of the cash flows generated by use of the technology platform over a four-year period commencing in 2015.

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 and six months ended June 30, 2015, the Trust incurred rent expense under its operating leases of $222 and $370, respectively. For the three and six months ended June 30, 2014, rent expense under its operating leases of $137 and $251, respectively, 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 and six months ended June 30, 2015, depreciation expense under its financing leases of $74 and $147, respectively, was incurred by the Trust. For the three and six months ended June 30, 2014, the depreciation expense incurred by the Trust was the same as 2015, respectively. 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 may be material and others may not. Some changes may lead to new or enhanced business opportunities, some changes may result in a negative impact on the Company's business. As such, there is no way to impute 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.

17. APPROVAL OF THE FINANCIAL STATEMENTS

These interim condensed financial statements were authorized for issue on August 13, 2015 by the Board of Directors of the Administrator.

18. SUBSEQUENT EVENTS

On July 2, 2015, the Trust closed a public equity offering of 6,785,000 Units at a price of C$6.80 per Unit, which included 885,000 Units issued pursuant to the exercise in full of the over-allotment option by the underwriters, for total gross proceeds of C$46,138 (the "**Offering**").

Concurrent with the closing of the Offering, the Trust used the proceeds to primarily make an additional indirect investment in Crius Energy Corporation through a capital contribution to enable Crius Energy Corporation to purchase 5,557,542 membership units ("**LLC Units**") of the Corporation from certain existing holders of LLC Units (the "**LLC Units Acquisition**"), representing an additional 16.3% indirect ownership interest in the Company such that the Trust holds a 43.1% indirect ownership interest in the Company immediately following the transaction. Such LLC Units Acquisition was 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, unless extended up to 60 additional days or earlier terminated by Crius Energy Corporation. The purchase price payable to each seller of LLC Units (an "**LLC Unit Seller**") per LLC Unit was C$6.39 (or US$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 an aggregate Purchase Price of $28,794 to the LLC Unit Sellers. The remaining net proceeds of the Offering, after the payment of transaction costs, of approximately $5,334 are available for general corporate purposes.