MANAGEMENT'S DISCUSSION AND ANALYSIS
CRIUS ENERGY TRUST

August 10, 2016

This management's discussion and analysis (this "**MD&A**") of Crius Energy Trust (the "**Trust**") dated August 10, 2016 has been prepared with all information available up to and including August 10, 2016. This MD&A should be read in conjunction with the Trust's unaudited interim condensed consolidated financial statements and accompanying notes as at and for the three and six months ended June 30, 2016 and the Trust's audited consolidated financial statements and accompanying notes and MD&A for the year ended December 31, 2015. The Trust's financial statements and other disclosure documents, including the annual information form of the Trust for the fiscal year ended December 31, 2015, dated March 15, 2016, are available on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") under the Trust's issuer profile at www.sedar.com and on the Trust's website at www.criusenergytrust.ca. The units of the Trust ("**Units**") are listed for trading on the Toronto Stock Exchange ("**TSX**") under the symbol "**KWH.UN**".

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

Certain information contained in this MD&A constitutes non-IFRS financial measures and/or forward-looking statements (as defined herein). Investors are cautioned to 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, for the purpose of providing investors with a distribution-producing investment through its indirect ownership interest in Crius Energy, LLC ("**Crius Energy**" or the "**Company**"). Following the completion of the initial public offering of the Trust in November 2012, the Trust held an approximate 26.8% indirect ownership interest in the Company. In June 2015, the Trust completed a $40.1 million prospectus offering of Units and used certain proceeds of the offering to increase the Trust's indirect ownership interest in the Company from 26.8% to 43.1%. In June 2016, the Trust completed the Remaining LLC Acquisition (as defined herein) to increase the Trust's indirect ownership in the Company from 43.1% to 100%.

Throughout this MD&A, for purposes of convenience, references to (i) the "**Trust**", "**Crius Energy**" or "**our**" refer to Crius Energy Trust and its subsidiaries, (ii) the "**Company**" refer to Crius Energy, LLC, (iii) "**Management**" refer to the management of the Trust and the Company, together, as all of the executive officers of the Trust are also executive officers of the Company.

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

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

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

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

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

Key Terms and Abbreviations

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

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

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

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

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

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

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

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

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

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

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

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

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

Q2 2016 HIGHLIGHTS

Financial Highlights

- Revenue of $169.0 million in the second quarter, representing an increase from $166.3 million in the second quarter of 2015, primarily due to greater electricity revenues as a result of higher average electricity customer numbers
- Gross margin of 19.5% of total revenue for the quarter, representing a decrease from the 24.0% achieved in the second quarter of 2015, largely due to the increased proportion of commercial customers the Company now serves
- Adjusted EBITDA of $13.6 million during the second quarter, largely in line with the $13.8 million of Adjusted EBITDA achieved in the second quarter of 2015. After adjusting for a net non-recurring gain of $1.6 million related to the acquisition of TriEagle Energy, LP ("**TriEagle Energy**"), Adjusted EBITDA was $12.0 million
- Distributable cash for the second quarter was $9.4 million and total distributions were $5.6 million, resulting in a quarterly payout ratio of 59.6%

Operational Highlights

- Achieved net customer growth of 26,000 customers in the second quarter, representing 2.8% quarter-over-quarter growth, with total customers reaching 942,000
    - Added 110,000 customers from sales and marketing channels, which represents an increase over average quarterly organic customer adds over the last 12 months of 93,000 customers
    - Gross customer drops in the second quarter of 84,000 customers represents an increase over the average quarterly drops over the last 12 months of 78,000 customers, but representing a lower percentage attrition rate, due to the increased size of the customer portfolio
- Solar system installations
    - Solar systems installed in the quarter represented 1.1 MW of generating capacity, compared to the 2.4 MW installed in the second quarter of 2015
    - Solar sales were negatively impacted by reduced utility rates in select northeast markets and higher prices for residential power purchase agreements and lease products offered through Sungevity Inc. ("**Sungevity**")
- Continued expansion of geographic footprint
    - Launched electricity service in Connecticut early in the second quarter of 2016 under the Comcast Energy Rewards brand
    - Received new licenses in several states, including Michigan (Comcast Energy Rewards, Viridian Energy), Georgia (Comcast Energy Rewards), Massachusetts (Comcast Energy Rewards, Public Power) and New Hampshire (Comcast Energy Rewards)
    - Launch of Viridian network marketing channel in Australia with electricity and natural gas customer enrollments planned to commence in the third quarter of 2016 through a local energy partner

Growth and Corporate Highlights

- Announced a 2% distribution increase
  - In April 2016, the board of directors (the "**Board**") approved a 2% increase to distributions paid on Units during the second quarter of 2016, representing an annualized increase of $0.0143 per Unit and a total annualized distribution of $0.7283 per Unit
  - This was the second increase since the beginning of 2016, and reflects the confidence that both Management and the Board have in the long-term outlook for the Company, based in part on the strong operating cash flows of the Company and that the Company has no long-term debt on the balance sheet
- Completed C$72.5 million equity offering and the acquisition of remaining interest in the Company
  - In June 2016, the Trust successfully completed the Remaining LLC Acquisition of the remaining 56.9% of the Company and now holds a 100% interest in the Company
  - The Remaining LLC Acquisition was funded through the issuance of Units and cash raised in a public offering of 8,581,300 Units issued at a price of C$8.45 per Unit
  - The Remaining LLC Acquisition more than doubled the market capitalization of the Trust to over C$300 million and simplified its organizational structure, and is expected to enhance scale and capital markets profile of Crius, improve trading liquidity and access to capital markets

Highlights Subsequent to the end of Q2 2016

- Announced the third distribution increase since the beginning of 2016
  - In July 2016, the Board approved an additional 2% increase to distributions paid on Units for the third quarter of 2016, representing an annualized increase of $0.0146 per Unit and a total annualized distribution of $0.7429 per Unit
  - The increase was the result of the continued confidence that both Management and the Board have in the long-term growth outlook for the Company
- Entered into a partnership to accelerate growth from the network marketing sales channel
  - In July 2016, the Trust announced that the Company entered into an asset purchase agreement with Viridian International Management LLC, ("**Viridian International**"), a newly formed independent company, to transfer certain assets held by a wholly-owned subsidiary of Crius that managed the network marketing sales channel of the Company, to Viridian International
  - Crius Energy holds a 10% ownership interest in Viridian International and holds exclusive rights as the electricity, natural gas and solar energy provider for Viridian International for the next five years. Crius continues to directly own and service all existing and future electricity and natural gas customer relationships, and the transaction is expected to benefit Crius through reduced risk and increased customer growth
  - The asset purchase agreement includes payments to Crius Energy of $2.0 million in cash on the closing date, a $4.0 million promissory note due to the Company in July 2017 and an additional $10.0 million in cash over the next five years, which may be abated if specified sales targets are achieved
- Announced proposed acquisition of certain residential solar assets from SunEdison, Inc. ("**SunEdison**")
  - Proposed acquisition is expected to significantly expand the Company's capabilities in the solar energy segment and would include proprietary residential solar technology platform, customer lead databases, marketing materials and human capital.
  - The acquisition is expected to increase solar sales as the technology platform enables the Company to partner with third-parties for lead generation and sales, and the addition of installation and financing capabilities is expected to result in a higher margin contribution from each solar system sold.
  - The asset purchase agreement provides for a one-time payment to SunEdison of $1.5 million and is expected to close in August 2016 subject to the satisfaction of certain closing conditions, including the approval of the bankruptcy court under SunEdison's pending bankruptcy proceedings.

Q2 2016 DISCUSSION

The second quarter of 2016 saw continued year-over-year growth in the customer portfolio, up 19.2 % over the same time last year, as a result of the successful execution of Crius Energy's organic and acquisition growth strategy. The second quarter of 2016 was highlighted by the completion of the Remaining LLC Acquisition, whereby the Trust acquired the remaining 56.9% interest in the Company not already held, directly or indirectly, by the Trust. Following the completion of the Remaining LLC Acquisition, the market capitalization of the Trust more than doubled in size as a result of the Trust holding, directly or indirectly, a 100% interest in the Company. The simplified structure is expected to enhance the Trust's capital markets profile, improve trading liquidity and access to capital markets going forward.

For the second quarter of 2016, as a result of the confidence that both Management and the Board have in the long-term outlook for the Company, strong operating cash flows and no long-term debt on the balance sheet, the Board approved a 2% increase to the distribution while continuing to maintain a conservative payout ratio.

Overall revenues increased 1.6% in the quarter to $169.0 million from $166.3 million in the second quarter of 2015. Revenues were primarily impacted by higher volumes, resulting from organic and acquisitive customer growth over the last 12 months, and was partially offset by lower average retail energy prices and fewer solar installations.

Revenues from solar system sales in the second quarter of 2016 were $0.8 million, down from $1.7 million in the second quarter of 2015, with the prior period comparison impacted by the change in application of the revenue recognition policy adopted in the fourth quarter of 2015, where revenue is recognized upon the successful installation of a solar system as opposed to the previous method where revenue was recognized upon the execution of contracts. After adjusting for the impact from this change, comparable period solar revenue in the second quarter of 2015 would have been $1.4 million. In the second quarter, the market conditions in the solar industry continued to be challenging as a result of low utility prices in the northeast markets and increased rates for power purchase agreements and lease products offered by Sungevity which resulted in a less attractive customer value proposition.

Gross margin for the quarter was $33.1 million, representing a 17.3% decrease from the $39.9 million in the second quarter of 2015. As a percentage of total revenue, gross margin was 19.5% in the second quarter of 2016, down from 24.0% in the same quarter of the previous year. The decline in gross margin as a percentage of revenue was primarily a result of the increased proportion of commercial customers the Company now services following the acquisitions of TriEagle Energy and Iron Energy d/b/a/ Kona Energy ("**Kona Energy**") and is consistent with recent trends and management expectations. Commercial customers provide diversification to the customer portfolio and have a higher retention profile than residential customers, although with lower average unit margins. Gross margins in the second quarter were also adversely impacted by gross margins achieved in the fixed-price commercial customer portfolio acquired from Kona Energy in the prior quarter. While the customer portfolio acquired was fully hedged, the hedged margins were materially lower in the second quarter compared to the remainder of the term of the portfolio, impacting gross margins in the current quarter by an estimated $1.5 million, which equates to approximately $1.00/MWh in overall electric unit margin.

Adjusted EBITDA in the second quarter of 2016 was $13.6 million, broadly in line with $13.8 million in the second quarter of 2015. Results in the quarter benefited from a non-recurring net gain of $1.6 million related to the post-closing working capital adjustment settlement for the acquisition of TriEagle Energy and adjusting for this non-recurring impact, Adjusted EBITDA would have been $12.0 million.

Distributable Cash was $9.4 million in the second quarter of 2016 compared to $10.0 million in the second quarter of 2015. Total distributions paid in the second quarter of 2016 were $5.6 million, representing a quarterly payout ratio of 59.6%.

As at June 30, 2016, Crius Energy had 942,000 customers, up from 916,000 at the beginning of the quarter, representing net customer growth of 26,000 customers, or 2.8% during the quarter. Net customer adds in the quarter benefited from the success of the direct marketing channel and included several municipal aggregations in New Jersey. While gross customer drops were slightly higher than the quarterly average over the last 12 months, the trend of lower customer attrition rates, as a percentage of customer numbers, remains intact due to the increased size of the customer portfolio.

During the second quarter of 2016, excluding changes in operating assets and liabilities, the Company achieved operating cash flows of $13.9 million as compared to $14.1 million in the second quarter of 2015.

At June 30, 2016, the Trust had total cash and cash availability of $41.7 million, consisting of $9.2 million of cash and equivalents and $32.5 million available under the Company's credit facility with Macquarie Energy LLC ("**Macquarie Energy**"). This compared to total cash and cash availability of $22.8 million as at March 31, 2016. The increase in total cash and availability in the second quarter benefited from the $5.6 million in funds retained for general corporate purposes from the equity offering in June 2016. The Trust continues to have no long-term debt and sufficient resources to execute its growth strategy.

OUTLOOK

Management is optimistic about the growth prospects of the Company and expect to exceed the one million customer threshold in the next several quarters. Management has consistently increased quarter-over-quarter organic customer growth over the past few quarters and expects the upward trend to continue as the Company executes on strategic growth initiatives which include commercial expansion, new geographies, exclusive partnerships and new products.

The Company recently restructured the network marketing channel in order to accelerate customer growth from the channel under a 5-year exclusive partnership with Viridian International, a newly formed private company. Viridian International is led by Paul Booth, a highly regarded network marketing industry veteran, and is funded by private investors with significant experience in the network marketing industry. Viridian International is expected to increase sales through expanded product offerings, market expansion and investment in the sales force. The Company is also expected to benefit from a reduced risk profile, lower fixed costs and a retained 10% equity interest in Viridian International.

The Company expects sales and earnings from the solar business to increase as a result of the proposed transaction with SunEdison. The proposed strategic acquisition significantly expands the Company's capabilities in the solar energy segment and includes a market-leading residential solar technology platform and key employees which will add new lead generation, sales, installation and financing capabilities. The proprietary technology platform enables the Company to manage a solar customer from lead through to installation and is expected to increase solar sales as the technology platform enables the Company to partner with third-parties for lead generation and sales, and the addition of installation and financing capabilities is expected to result in a higher margin contribution from each solar system sold. Due to the integration of the assets and team, which is planned to be completed by the end of the year and the lag between recognition of revenues and the costs incurred in the ramp-up phase, we expect the acquisition to result in a negative $3.0 million impact to earnings over the balance of this year and the Company expects to see the incremental earnings contribution in 2017 and beyond once fully integrated.

Upon successful completion of the proposed acquisition, the Company will initially target customers in California, Massachusetts and New Jersey (the "**Initial Markets**") and intends to continue partnering with Sungevity in all other markets. Management has selected the Initial Markets due to their favorable market dynamics which primarily relate to the regulatory environment, utility tariff structure and solar renewable energy certificate frameworks. Management expect to selectively expand beyond the Initial Markets over time as supported by state specific market fundamentals.

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

Going forward, Management expects the Trust to benefit from the acquisition of 100% of the operating business that was completed in June 2016. The transaction more than doubled the market capitalization of the Trust which is expected to provide increased trading liquidity for investors, and the simplified structure is expected to enhance the Trust's scale and capital markets profile.

Crius is well positioned to accelerate customer growth throughout the remainder of 2016 with its unique go-to-market strategy in the retail energy and solar industries. Management is focused on growing the customer portfolio, adding high value, longer term customers in order to maximize customer life-time value to the Company. This strategy is expected to continue to bring value to investors through solid cash-flows, a low payout ratio, and sustainable and growing distributions.

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, 2016 and 2015 and the audited consolidated financial statements as at December 31, 2015. The operating data has been prepared by Management based on the Company's records.

Statement of Comprehensive Income (Loss) Highlights
(in millions)

	Three months ended June 30, 2016 (unaudited)	Three months ended June 30, 2015 (unaudited)	Six months ended June 30, 2016 (unaudited)	Six months ended June 30, 2015 (unaudited)
Revenue	$169.0	$166.3	$349.8	$334.7
Cost of sales	135.9	126.4	276.5	254.5
Gross margin	33.1	39.9	73.3	80.2
Expenses				
Selling expenses	6.6	7.5	13.8	17.5
General and administrative	12.9	18.6	32.9	34.5
Unit-based compensation	1.1	1.4	2.7	2.2
Depreciation and amortization	10.1	14.0	19.5	24.1
Operating income (loss)	2.4	(1.6)	4.4	1.9
Other (expenses) income				
Finance costs	(2.6)	(3.0)	(5.4)	(4.8)
Distributions to non-controlling interest	(2.2)	(3.9)	(5.7)	(7.8)
Change in fair value of derivative instruments	37.4	3.8	30.2	5.5
Change in fair value of warrants	—	(0.2)	0.1	(0.8)
Change in fair value of non-controlling interest	7.7	(25.3)	6.7	(55.1)
Income (loss) before income taxes	42.7	(30.2)	30.3	(61.1)
Provision for income taxes	2.4	0.5	1.1	1.4
Net income (loss) and total comprehensive income (loss)	**$40.3**	**$(30.7)**	**$29.2**	**$(62.5)**
EBITDA[(1)]	55.4	(13.2)	55.2	(32.2)
Adjusted EBITDA[(1)]	**$13.6**	**$13.8**	**$26.6**	**$28.2**

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

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

	Three months ended June 30, 2016 (unaudited)	Three months ended June 30, 2015 (unaudited)	Six months ended June 30, 2016 (unaudited)	Six months ended June 30, 2015 (unaudited)
Net income (loss) and total comprehensive income (loss)	$40.3	$(30.7)	$29.2	$(62.5)
Excluding the impacts of:				
Finance costs	2.6	3.0	5.4	4.8
Provision for income taxes	2.4	0.5	1.1	1.4
Depreciation and amortization	10.1	14.0	19.5	24.1
EBITDA	55.4	(13.2)	55.2	(32.2)
Excluding the impact of:				
Unit-based compensation	1.1	1.4	2.7	2.2
Distributions to non-controlling interest	2.2	3.9	5.7	7.8
Change in fair value of derivative instruments	(37.4)	(3.8)	(30.2)	(5.5)
Change in fair value of warrants	—	0.2	(0.1)	0.8
Change in fair value of non-controlling interest	(7.7)	25.3	(6.7)	55.1
Adjusted EBITDA	**$13.6**	**$13.8**	**$26.6**	**$28.2**

Statement of Financial Position Highlights (in millions)

	As at June 30, 2016 (unaudited)	As at December 31, 2015
Current assets	$115.9	$125.7
Total assets	303.6	302.6
Current liabilities	159.7	176.0
Long-term liabilities	7.3	162.4
Unitholders' equity (deficit)	136.5	(35.8)

Statement of Cash Flows Highlights (in millions)

	Three months ended June 30, 2016 (unaudited)	Three months ended June 30, 2015 (unaudited)	Six months ended June 30, 2016 (unaudited)	Six months ended June 30, 2015 (unaudited)
Cash flows provided by (used in) operating activities	$7.1	$(0.5)	$6.6	$6.7
Cash flows used in investing activities	(3.3)	(13.1)	(10.7)	(15.0)
Cash flows (used in) provided by financing activities	(4.1)	12.3	2.1	5.8
Cash and cash equivalents at beginning of period	9.5	13.1	11.2	14.3
Cash and cash equivalents at end of period	9.2	11.8	9.2	11.8

Operational Highlights

	Three months ended June 30, 2016 (unaudited)	Three months ended June 30, 2015 (unaudited)	Six months ended June 30, 2016 (unaudited)	Six months ended June 30, 2015 (unaudited)
Electricity				
Volumes (MWh)	1,797,000	1,586,000	3,541,000	2,850,000
Revenue ($ million)	161.6	156.7	325.9	297.7
Gross margin ($ million)	28.1	33.2	60.9	61.4
Gross margin ($/MWh)	15.63	20.90	17.19	21.55
Gross margin as a % of revenue	17.4%	21.2%	18.7%	20.6%
Natural gas				
Volumes (MMBtu)	865,000	892,000	3,460,000	4,130,000
Revenue ($ million)	4.1	6.0	17.3	30.2
Gross margin ($ million)	1.7	3.2	5.8	12.0
Gross margin ($/MMBtu)	1.94	3.55	1.67	2.91
Gross margin as a % of revenue	40.8%	52.6%	33.4%	39.8%

Customer Aggregation

The following table summarizes the Company's gross additions and drops in electricity and natural gas customers from both organic growth and acquisitions activity over the trailing four quarters ending June 30, 2016.

Customer Aggregation
(in customers)

	Opening Customer Count	Customer Adds	Customer Drops	Net Change	Closing Customer Count
Electricity	721,000	81,000	(71,000)	10,000	731,000
Natural Gas	69,000	8,000	(9,000)	(1,000)	68,000
Quarter ended September 30, 2015	**790,000**	**89,000**	**(80,000)**	**9,000**	**799,000**
Net Change % of Opening Customer Count				***1.1%***	
Electricity	731,000	91,000	(73,000)	18,000	749,000
Natural Gas	68,000	7,000	(5,000)	2,000	70,000
Quarter ended December 31, 2015	**799,000**	**98,000**	**(78,000)**	**20,000**	**819,000**
Net Change % of Opening Customer Count				***2.5%***	
Electricity	749,000	163,000	(63,000)	100,000	849,000
Natural Gas	70,000	7,000	(10,000)	(3,000)	67,000
Quarter ended March 31, 2016	**819,000**	**170,000**	**(73,000)**	**97,000**	**916,000**
Net Change % of Opening Customer Count				***11.8%***	
Electricity	849,000	106,000	(77,000)	29,000	878,000
Natural Gas	67,000	4,000	(7,000)	(3,000)	64,000
Quarter ended June 30, 2016	**916,000**	**110,000**	**(84,000)**	**26,000**	**942,000**
Net Change % of Opening Customer Count				***2.8%***	

Solar Systems Installed

The following table summarizes the Company's solar sales in terms of solar systems installed over the trailing four quarters ending June 30, 2016.

Solar Systems Installed
(in MW of generating capacity)

Systems Installed	**MW**
Residential	2.4
Commercial	1.0
Quarter ended September 30, 2015	**3.4**
Residential	1.5
Commercial	—
Quarter ended December 31, 2015	**1.5**
Residential	2.3
Commercial	—
Quarter ended March 31, 2016	**2.3**
Residential	1.1
Commercial	—
Quarter ended June 30, 2016	**1.1**

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

	Quarter ended June 30, 2016	Quarter ended March 31, 2016	Quarter ended December 31, 2015	Quarter ended September 30, 2015	Quarter ended June 30, 2015	Quarter ended March 31, 2015	Quarter ended December 31, 2014	Quarter ended September 30, 2014
Revenue	$169.0	$180.8	$147.5	$204.2	$166.3	$168.3	$134.3	$154.6
Cost of sales	135.9	140.6	112.0	156.1	126.4	128.1	96.2	116.6
Gross margin	33.1	40.2	35.5	48.1	39.9	40.2	38.1	38.0
Expenses								
Selling expenses	6.6	7.2	9.8	11.6	7.5	9.9	9.8	8.1
General and administrative	12.9	20.0	17.3	20.4	18.6	15.9	14.0	14.6
Unit-based compensation	1.1	1.6	0.5	1.7	1.4	0.8	0.4	0.3
Depreciation and amortization	10.1	9.4	7.4	17.6	14.0	10.1	10.3	10.2
Operating income (loss)	2.4	2.0	0.5	(3.2)	(1.6)	3.5	3.6	4.8
Other (expenses) income								
Finance costs	(2.6)	(2.8)	(1.7)	(2.5)	(3.0)	(1.8)	(1.6)	(1.6)
Distributions to non-controlling interest	(2.2)	(3.5)	(3.8)	(3.2)	(3.9)	(3.9)	(1.5)	(4.9)
Change in fair value of derivative instruments	37.4	(7.2)	(1.6)	11.0	3.8	1.6	(39.4)	4.9
Change in fair value of warrants	—	0.1	0.2	(0.6)	(0.2)	(0.5)	(0.1)	—
Change in fair value of non-controlling interest	7.7	(1.0)	9.4	(17.1)	(25.3)	(29.9)	(3.1)	10.2
Income (loss) before income taxes	42.7	(12.4)	3.0	(15.6)	(30.2)	(31.0)	(42.1)	13.4
Provision for (benefit from) income taxes	2.4	(1.3)	(2.9)	2.6	0.5	0.9	(14.8)	(0.5)
Net income (loss) and comprehensive income (loss)	**$40.3**	**$(11.1)**	**$5.9**	**$(18.2)**	**$(30.7)**	**$(31.9)**	**$(27.3)**	**$13.9**

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

Net income (loss) and comprehensive income (loss)	$40.3	$(11.1)	$5.9	$(18.2)	$(30.7)	$(31.9)	$(27.3)	$13.9
Excluding the impacts of:								
Finance costs	2.6	2.8	1.7	2.5	3.0	1.8	1.6	1.6
Provision for (benefit from) income taxes	2.4	(1.3)	(2.9)	2.6	0.5	0.9	(14.8)	(0.5)
Depreciation and amortization	10.1	9.4	7.4	17.6	14.0	10.1	10.3	10.2
EBITDA	55.4	(0.2)	12.1	4.5	(13.2)	(19.1)	(30.2)	25.2
Excluding the impact of:								
Unit-based compensation	1.1	1.6	0.5	1.7	1.4	0.8	0.4	0.3
Distributions to non-controlling interest	2.2	3.5	3.8	3.2	3.9	3.9	1.5	4.9
Change in fair value of derivative instruments	(37.4)	7.2	1.6	(11.0)	(3.8)	(1.6)	39.4	(4.9)
Change in fair value of warrants	—	(0.1)	(0.2)	0.6	0.2	0.5	0.1	—
Change in fair value of non-controlling	(7.7)	1.0	(9.4)	17.1	25.3	29.9	3.1	(10.2)
Adjusted EBITDA	**$13.6**	**$13.0**	**$8.4**	**$16.1**	**$13.8**	**$14.4**	**$14.3**	**$15.3**

Distributable Cash and Payout Ratio

Cash flows from operating activities	$7.1	$(0.6)	$3.8	$26.7	$(0.5)	$7.3	$15.7	$19.9
Changes in operating assets and liabilities	(6.8)	(14.9)	(9.4)	13.7	(14.6)	(5.1)	2.4	4.9
Cash flows from operating activities excluding changes in operating assets and liabilities	**$13.9**	**$14.3**	**$13.2**	**$13.0**	**$14.1**	**$12.4**	**$13.3**	**$15.0**
Finance costs included in financing activities	(2.5)	(2.5)	(2.0)	(3.1)	(2.1)	(1.7)	(1.4)	(1.8)
Maintenance Capital Expenditures[1]	(2.0)	(1.4)	(2.2)	(2.9)	(2.0)	(1.9)	(1.0)	(1.3)
Unit-based compensation payments	—	(0.6)	—	—	—	—	—	—
Distributable Cash	**$9.4**	**$9.8**	**$9.0**	**$7.0**	**$10.0**	**$8.8**	**$10.9**	**$11.9**
Distributions to non-controlling interest	3.4	3.6	3.7	3.2	3.1	3.1	4.6	4.9
Distributions to Unitholders	2.2	2.1	2.2	1.9	1.4	1.4	1.5	1.6
Total distributions	**$5.6**	**$5.7**	**$5.9**	**$5.1**	**$4.5**	**$4.5**	**$6.1**	**$6.5**
Payout Ratio	**59.6%**	**58.2%**	**65.6%**	**72.9%**	**45.0%**	**51.1%**	**56.0%**	**54.6%**

(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, 2016 and 2015

Revenue

For the three month period ended June 30, 2016, revenue was $169.0 million, representing an increase of 1.6% from $166.3 million for the three month period ended June 30, 2015. For the six months ended June 30, 2016, revenue was $349.8 million, representing an increase of 4.5% from $334.7 million for the six months ended June 30, 2015. In general, the period-over-period revenue comparisons were impacted by higher volumes as a result of growth in the customer base, but partially offset by a lower retail energy price environment.

Electricity

Electricity revenue for the three month period ended June 30, 2016 was $161.6 million, representing an increase of 3.1% from $156.7 million for the three month period ended June 30, 2015, primarily as a result of a 13.3% increase in volume, partially offset by a 8.9% lower average retail rate per unit, reflecting a lower energy price environment. Electricity volumes for the three month period ended June 30, 2016 were 1,797,000 MWh representing an increase of 13.3% from 1,586,000 MWh for the three month period ended June 30, 2015, with the increase being primarily due to higher average customers resulting from organic growth as well as the acquisition of Kona Energy in the first quarter of 2016.

Electricity revenue for the six month period ended June 30, 2016 was $325.9 million, representing an increase of 9.5% from $297.7 million for the six month period ended June 30, 2015, as a result of a 24.3% increase in volume, partially offset by a 11.9% lower average retail rate per unit. Electricity volumes for the six month period ended June 30, 2016 were 3,541,000 MWh representing an increase of 24.3% from 2,850,000 MWh for the six month period ended June 30, 2015, with the increase primarily due to higher average customers resulting from organic growth as well as the TriEagle Energy and Kona Energy acquisitions.

Natural Gas

Natural gas revenue for the three month period ended June 30, 2016 was $4.1 million, representing a decrease of 31.8% from $6.0 million for the three month period ended June 30, 2015, primarily as a result of a 29.7% lower average retail rate per unit as well as a 3.0% decrease in volume. Natural gas volumes for the three month period ended June 30, 2016 were 865,000 MMBtu, representing a decrease of 3.0% from 892,000 MMBtu for the three month period ended June 30, 2015, with the decrease resulting from lower average customer numbers.

Natural gas revenue for the six month period ended June 30, 2016 was $17.3 million, representing a decrease of 42.6% from $30.2 million for the six month period ended June 30, 2015, as a result of a 31.6% lower average retail rate per unit, as well as a 16.2% decrease in volume. Natural gas volumes for the six month period ended June 30, 2016 were 3,460,000 MMBtu, representing a decrease of 16.2% from 4,130,000 MMBtu for the six month period ended June 30, 2015, with the decrease primarily resulting from lower average usage per customer and lower average customer numbers.

Solar Revenue

Solar revenue for the three month period ended June 30, 2016 was $0.8 million, representing fees earned in connection with the marketing of solar systems installed with total generation capacity of 1.1 MW. This represents a decrease of 53.0% from revenues of $1.7 million and 2.4 MW of generating capacity in the three month period ended June 30, 2015. The period-over-period comparison is impacted by a change in the application of our revenue recognition accounting policy for solar revenues. Commencing in the fourth quarter of 2015, solar revenues are recognized upon the installation of the solar systems. However, in periods prior to the accounting change, solar revenues were recognized upon the execution of contracts with customers, net of expected cancellations that may occur prior to installation of the solar systems. After adjusting for the impact from this accounting change, comparable period solar revenue for the three month period ended June 30, 2015 would have been $1.4 million.

Solar revenue for the six month period ended June 30, 2016 was $1.8 million, representing fees earned in connection with the marketing of solar systems with total generation capacity of 3.4 MW. This represents a decrease of 56.2% from revenues of $4.0 million and 4.2 MW in the six month period ended June 30, 2015. The period-over-period comparison is impacted by the above mentioned change in the application of our revenue recognition accounting policy for solar revenues. After adjusting for the impact from the change in the application of the solar revenue recognition policy, comparable period solar revenue in the six month period ended June 30, 2015 would have been $2.4 million.

In addition to the impact of the above-mentioned accounting change, prior period comparisons for solar revenues were impacted by market conditions in the solar industry which continued to be challenging as a result of low utility prices in the northeast markets and increased rates for power purchase agreements and lease products offered by Sungevity which resulted in a less attractive customer value proposition.

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, 2016 was $2.4 million, representing an increase of 30.5% from $1.9 million for the three month period ended June 30, 2015, which was primarily attributable to increased customer fee revenues in the Texas electricity market.

Fee revenue, for the six month period ended June 30, 2016 was $4.8 million, representing an increase of 78.8% from $2.7 million for the six month period ended June 30, 2015, which was primarily attributable to increased customer fee revenues in the Texas electricity market following the TriEagle Energy acquisition.

Gross Margin

For the three month period ended June 30, 2016, gross margin was $33.1 million, representing a decrease from $39.9 million for the three month period ended June 30, 2015. Gross margin for the three month period ended June 30, 2016 was 19.5% of total revenue, representing a decrease from 24.0% of total revenue for the three month period ended June 30, 2015. The reduction in gross margin as a percentage of revenue in the current quarter was primarily a result of the increased proportion of lower margin commercial customers following the acquisitions of TriEagle Energy and Kona Energy, consistent with recent trends and Management expectation, as well as the period-over-period reduction in solar revenues with no related cost of sales. Electric gross margins were also adversely impacted by lower than average margins in the Kona Energy portfolio acquired in the first quarter, as detailed in the "*Electricity"* section below.

For the six month period ended June 30, 2016, gross margin was $73.3 million, representing a decrease of 8.6% from $80.2 million for the six month period ended June 30, 2015. Gross margin for the six month period ended June 30, 2016 was 20.9% of total revenue, representing a decrease from 24.0% for the six month period ended June 30, 2015, with the decrease being impacted by the same above-mentioned factors for the three month comparison.

Electricity

Electricity gross margin for the three month period ended June 30, 2016 was $28.1 million, representing a decrease of 15.3% from $33.2 million for the three month period ended June 30, 2015. For the three month period ended June 30, 2016, electricity gross margin was 17.4% of electricity revenues, and electricity gross margin per unit was $15.63/MWh, representing decreases from 21.2% and $20.90/MWh, respectively, for the three month period ended June 30, 2015. Electricity gross margins and electricity gross margin per unit in the quarter were driven lower by the increasing commercial customer base in the portfolio from the acquisitions of TriEagle Energy and Kona Energy consistent with recent trends and management expectation. In addition, Gross margins in the quarter were also adversely impacted by gross margins achieved in the fixed-price commercial customer portfolio acquired from Kona Energy in the prior quarter. While the customer portfolio acquired was fully hedged, the hedged margins were materially lower in the second quarter compared to the remainder of the term of the portfolio, impacting gross margins in the current quarter by an estimated $1.5 million, which equates to approximately $1.00/MWh in overall electric unit margin.

Electricity gross margin for the six month period ended June 30, 2016 was $60.9 million, representing a decrease of 0.9% from $61.4 million for the six month period ended June 30, 2015. For the six month period ended June 30, 2016, electricity gross margin was 18.7% of electricity revenues, and electricity gross margin per unit was $17.19/MWh, representing decreases from 20.6% and $21.55/MWh, respectively, for the six month period ended June 30, 2015. Electricity gross margin as a percentage of electricity revenue and electricity gross margin per unit in the quarter were driven lower by the same above-mentioned factors for the three month comparison.

Natural Gas

Natural gas gross margin for the three month period ended June 30, 2016 was $1.7 million, representing a 47.1% decrease from $3.2 million for the three month period ended June 30, 2015. For the three month period ended June 30, 2016, natural gas gross margin was 40.8% of natural gas revenues and natural gas gross margin per unit was $1.94/MMBtu, representing a decrease from 52.6% and $3.55/MMBtu, respectively, for the three month period ended June 30, 2015, with the unit margins in the current quarter representing a more normalized wholesale and retail environment.

Natural gas gross margin for the six month period ended June 30, 2016 was $5.8 million, representing a 51.9% decrease from $12.0 million for the six month period ended June 30, 2015. For the six month period ended June 30, 2016, natural gas gross margin was 33.4% of natural gas revenues, and natural gas gross margin per unit was $1.67/MMBtu, representing decreases from 39.8% and $2.91/MMBtu, respectively, for the six month period ended June 30, 2015, with the unit margins in the current period representing a more normalized wholesale and retail environment.

Other

Gross margin for the three and six month periods ended June 30, 2016 included solar revenues of $0.8 million and $1.8 million, respectively and revenues from independent contractors in the network marketing channel and various fees received from customers of $2.4 million and $4.8 million, respectively. For three and six month periods ended June 30, 2015, solar revenues were $1.7 million and $4.0 million, respectively and revenues from independent contractors in the network marketing channel and various fees received from customers were $1.9 million and $2.7 million, respectively. These revenues do not have associated cost of sales.

Selling Expenses

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

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

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

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

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

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

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

For the three month period ended June 30, 2016, selling expenses were $6.6 million, representing a decrease of 12.8% from $7.5 million for the three month period ended June 30, 2015. Selling expenses for the three month period ended June 30, 2016 amounted to 3.9% of revenue compared to 4.5% of revenue for the three month period ended June 30, 2015. These expenses consist of:

(a) Upfront electricity and natural gas customer acquisition commissions for the three month period ended June 30, 2016 of $1.9 million (amounting to $17 per customer acquired), representing a decrease from $2.2 million for the three month period ended June 30, 2015 (amounting to $41 per customer acquired), with the costs being impacted by the lower upfront costs per customer, primarily associated with increased commercial customer enrollments following the acquisitions of TriEagle Energy and Kona Energy, partially offset by 22,000 higher organic customer enrollments compared to the prior comparable period in 2015.

(b) Residual-based electricity and natural gas commissions for the three month period ended June 30, 2016 of $4.0 million (amounting to 2.3% of revenues), representing an increase from $3.9 million for the three month period ended June 30, 2015 (amounting to 2.3% of revenues).

(c) Solar selling expenses for the three month period ended June 30, 2016 of $0.8 million (amounting to 94.0% of solar revenues), representing a decrease from $1.5 million for the three month period ended June 30, 2015 (amounting to 83.6% of solar revenues). Solar selling expenses as a percentage of revenue were higher than in the prior comparable period due to the impact of the revenue recognition accounting change implemented in the fourth quarter of 2015, whereby commissions are expensed as earned, however, revenues are recognized upon installation of the solar systems.

For the six month period ended June 30, 2016, selling expenses were $13.8 million, representing a decrease of 21.1% from $17.5 million for the six month period ended June 30, 2015. Selling expenses for the six month period ended June 30, 2016 amounted to 3.9% of revenue compared to 5.2% of revenue for the six month period ended June 30, 2015. These expenses consist of:

(a) Upfront electricity and natural gas customer acquisition commissions for the six month period ended June 30, 2016 of $4.8 million (amounting to $23 per customer acquired), representing a decrease from $6.4 million for the six month period ended June 30, 2015 (amounting to $41 per customer acquired), with the costs being impacted by the lower upfront costs per customer, primarily associated with increased commercial customer enrollments following the acquisitions of TriEagle Energy and Kona Energy, partially offset by 16,000 higher organic customer enrollments compared to the prior comparable period in 2015.

(b) Residual-based electricity and natural gas commissions for the six month period ended June 30, 2016 of $7.3 million (amounting to 2.1% of revenues), representing a decrease from $8.8 million for the six month period ended June 30, 2015 (amounting to 2.6% of revenues).

(c) Solar selling expenses for the six month period ended June 30, 2016 of $1.7 million (amounting to 94.5% of solar revenues), representing a decrease from $2.3 million for the six month period ended June 30, 2015 (amounting to 57.6% of solar revenues). Solar selling expenses as a percentage of revenue were higher than in the prior comparable period due to the impact of the revenue recognition accounting change implemented in the fourth quarter of 2015, whereby commissions are expensed as earned, however, revenues are recognized upon installation of the solar systems.

General and Administrative Expenses

General and administrative expenses for the three and six month periods ended June 30, 2016 were $12.9 million and $32.9 million, respectively. This represented a decrease from $18.6 million and a decrease from $34.5 million, respectively, for the three and six month periods ended June 30, 2015, as set out in the tables below.

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

	Three months ended June 30, 2016		Three months ended June 30, 2015		Six months ended June 30, 2016		Six months ended June 30, 2015	
	$	%	$	%	$	%	$	%
POR fees / bad debt	$1.2	0.7%	$2.2	1.3%	$3.1	0.9%	$4.1	1.2%
Processing costs	1.1	0.7%	2.0	1.2%	2.4	0.7%	3.5	1.0%
Human resources	6.6	3.9%	7.6	4.6%	14.6	4.2%	14.0	4.2%
Gross receipts taxes and other taxes	0.4	0.2%	1.7	1.0%	2.8	0.8%	3.0	0.9%
Professional and consultant fees	0.7	0.4%	0.5	0.3%	2.1	0.6%	1.8	0.5%
Legal and regulatory	1.1	0.7%	0.6	0.4%	2.1	0.6%	1.4	0.4%
Other	1.8	1.1%	4.0	2.4%	5.8	1.7%	6.7	2.0%
Total	**$12.9**	**7.6%**	**$18.6**	**11.2%**	**$32.9**	**9.4%**	**$34.5**	**10.3%**

General and administrative expenses incurred during the three and six month periods ended June 30, 2016 were made up of the following categories:

(a) POR fees / bad debt represent fees paid to the local distribution companies ("**LDCs**") pursuant to Purchase of Receivables ("**POR**") programs, under which the LDCs assume credit risk associated with customer non-payment and bad debt costs incurred in markets where the Company does not operate under a POR program, which exposes the Company to customer credit risk. The POR fees / bad debt costs for the three month period ended June 30, 2016 was $1.2 million, representing 0.7% of revenue, compared to $2.2 million for the three month period ended June 30, 2015, representing 1.3% of revenue for that period. The decrease was primarily impacted by the increase in the mix of commercial customers, which are generally associated with lower POR fees and bad debt expense.

The POR fees / bad debt costs for the six month period ended June 30, 2016 was $3.1 million, representing 0.9% of revenue, compared to $4.1 million for the six month period ended June 30, 2015, representing 1.2% of revenue for that period, with the reduction attributable to the same factor noted above.

(b) Processing costs for the three month period ended June 30, 2016 of $1.1 million include various data processing and information technology costs incurred to service our customers and salesforce. This compares to $2.0 million for the three month period ended June 30, 2015 with the reduction the result of efficiencies in information technology costs related to customer and salesforce data processing achieved over the last 12 months.

Processing costs for the six month period ended June 30, 2016 were $2.4 million, representing a decrease from $3.5 million in costs incurred for the prior comparable period in 2015, for similar reasons as noted above for the three month period ended June 30, 2016.

(c) Human resource costs for the three month period ended June 30, 2016 of $6.6 million, consist of costs incurred in relation to the Company's employee base, temporary staff and independent contractors compared to costs in the prior comparable period in 2015 of $7.6 million. The decrease was primarily the result of the workforce rationalization implemented in first quarter of 2016.

Human resource costs for the six month period ended June 30, 2016 of $14.6 million were higher than the prior comparable period in 2015 of $14.0 million, primarily due to $0.7 million in non-recurring costs associated with a workforce rationalization implemented in the first quarter of 2016.

(d) Gross receipts taxes and other taxes for the three month period ended June 30, 2016 of $0.4 million represent operational taxes in various states and jurisdictions and are primarily driven by revenue. This compares to the $1.7 million incurred in the prior comparable period in 2015, with the decrease partially attributable to the reduction of certain operational taxes expensed in prior quarters.

Gross receipts taxes and other taxes for the six month period ended June 30, 2016 amounted to $2.8 million. This represented a decrease from $3.0 million incurred in the prior comparable period in 2015.

(e) Professional and consultant fees for the three month period ended June 30, 2016 of $0.7 million represent audit, tax, investor relations, share registry, valuation, due diligence, internal controls consulting and other fees and compares to $0.5 million in the prior comparable period in 2015.

Professional and consultant fees for the six month period ended June 30, 2016 amounted to $2.1 million, which compares to $1.8 million incurred in the prior comparable period in 2015.

(f) Legal and regulatory costs for the three month period ended June 30, 2016 of $1.1 million represent external legal fees and compares to $0.6 million in the prior comparable period in 2015, with the increase primarily attributable to $0.4 million in costs associated with potential acquisition/due diligence costs and $0.2 million related to the working capital settlement in connection with the acquisition of TriEagle Energy.

Legal and regulatory costs for the six month period ended June 30, 2016 amounted to $2.1 million compared with $1.4 million in costs incurred in the prior comparable period in 2015, with the increase primarily attributable to $0.7 million in costs associated with potential acquisition/due diligence.

(g) Other costs for the three month period ended June 30, 2016 of $1.8 million represent the balance of corporate, operational and marketing related expenses incurred to operate our business. These costs compare to $4.0 million in the prior comparable period in 2015 and were impacted by a $1.6 million non-recurring net gain on the settlement of the post-closing working capital adjustment related to the acquisition of TriEagle Energy in the second quarter of 2015. Pursuant to a settlement agreement entered into in the current quarter, all 623,217 PURs issued to the sellers of TriEagle Energy as part of the purchase price, together with their accrued distributions, were cancelled and, as a result, the Company recorded a net gain of $1.6 million.

Other costs for the six month period ended June 30, 2016 amounted to $5.8 million compared with $6.7 million in the prior comparable period in 2015, with the reduction attributable to the same factor noted above.

Unit-Based Compensation

The unit-based compensation charge relates primarily to the cumulative net issuance of Phantom Unit Rights ("**PURs**") to Management and other parties. For the three and six month periods ended June 30, 2016, the unit-based compensation expense amounted to $1.1 million and $2.7 million, representing a decrease from $1.4 million and an increase from $2.2 million for the three and six month periods ended June 30, 2015. The expense reflects the fair value of the unit-based compensation based on the market price of the Units at the end of the period and the applicable vesting period.

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, 2016 was $10.1 million and $19.5 million, representing decreases from $14.0 million and $24.1 million for the three and six month periods ended June 30, 2015. The decreases are primarily attributable to certain intangible assets established in the initial public offering of the Trust in November 2012, which have now been fully amortized, and is offset by incremental amortization associated with the acquisition of TriEagle Energy completed in the second quarter of 2015 and the acquisition of Kona Energy completed in the first quarter of 2016, as well as the impact of changes in estimates of the useful lives of certain intangible assets.

Finance Costs

Finance costs for the three and six month periods ended June 30, 2016 were $2.6 million and $5.4 million, representing a decrease from $3.0 million and an increase from $4.8 million for the three and six month periods ended June 30, 2015, respectively. 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 prior year comparison of finance costs for the three and six month periods ended June 30, 2016 were impacted by increased volumetric energy fees as a result of increased volumes but offset by certain pricing improvements put in place in conjunction with the acquisition of Kona Energy in the first quarter of 2016.

Distributions to Non-Controlling Interest

Distributions to non-controlling interest for the three and six month periods ended June 30, 2016 were $2.2 million and $5.7 million, compared to $3.9 million and $7.8 million for the three and six month periods ended June 30, 2015. This decrease was primarily due to the reduction in the non-controlling interest ownership of the Company's units as a result of the acquisitions of the remaining non-controlling interests by the Trust in July 2015 and in June 2016.

Due to certain provisions relating to redemption rights for the non-controlling interest in change of control circumstances that existed in the Trust's governance documents prior to its acquisition of 100% of the Company's LLC Units in June 2016, the non-controlling interest was classified as a long-term liability on the statement of financial position. Accordingly, monthly distributions paid by Crius Energy to the non-controlling interest were 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, 2016, the changes in unrealized gains or losses associated with derivative contracts were net gains of $37.4 million and $30.2 million compared to net gains of $3.8 million and $5.5 million for the three and six month periods ended June 30, 2015. The gains in the current periods were primarily the result of increases in forward electricity and natural gas prices relative to our forward hedge positions.

Change in Fair Value of Derivative Instruments
(in millions)

	Three months ended June 30, 2016	Three months ended June 30, 2015	Six months ended June 30, 2016	Six months ended June 30, 2015
Forward electricity positions	$34.0	$1.5	$24.8	$1.7
Forward natural gas positions	3.6	2.2	5.5	4.3
Weather derivative positions	(0.1)	—	(0.5)	(0.3)
Forward currency positions	(0.1)	0.1	0.4	(0.2)
Change in fair value of derivative instruments	**$37.4**	**$3.8**	**$30.2**	**$5.5**

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

Change in Fair Value of Warrants

The change in fair value of warrants for the three and six month periods ended June 30, 2016 were gains of $- and $0.1 million, respectively compared to losses of $0.2 million and $0.8 million, respectively, for the three and six month periods ended June 30, 2015. These gains and losses represent 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 gains and losses are the result of changes in the Unit price, volatility, yield, time to maturity and risk-free rate over the period.

Change in Fair Value of Non-Controlling Interest

The change in fair value of non-controlling interest for the three and six month periods ended June 30, 2016 were gains of $7.7 million and $6.7 million, respectively, compared to losses of $25.3 million and $55.1 million, respectively for the three and six month periods ended June 30, 2015. These gains and losses represent the mark-to-market valuation of the non-controlling interest liability included on the Trust's statement of financial position. The mark-to-market valuation gains and losses in the three and six month periods ended June 30, 2016 and 2015 were primarily the result of increases and decreases in the trading price of Units, during the respective reporting periods.

Due to certain provisions relating to redemption rights for the non-controlling interest in change of control circumstances that existed in the Trust's governance documents prior to the completion of the Remaining LLC Acquisition in June 2016, the non-controlling interest was classified as a long-term liability on the statement of financial position. Accordingly, this non-controlling interest is measured at fair value at the end of each period with the gain or loss being recorded in the profit and loss. The fair value of the non-controlling interest is measured principally based on the trading price of Units on the TSX, with an adjustment for certain profit interest units of the Company that is calculated using an option pricing model.

Provision for Income Taxes

For the three and six month periods ended June 30, 2016, the Trust recorded a provision for income taxes of $2.4 million and $1.1 million, respectively, and for the three and six month periods ended June 30, 2015, the Trust recorded a provision for income taxes of $0.5 million and $1.4 million, respectively. The provision for income taxes is based on Management's estimate of the average annual effective income tax rate expected for the full financial year. The provision for income taxes attributable to the Trust's continuing operations differs from the amount derived by applying the U.S. statutory federal rate of 34% to the pretax loss principally due to the effect of state taxes, judgments related to the ability to realize deferred taxes and permanent items, such as distributions to non-controlling interest holders. Under United States partnership taxation rules, Crius Energy is not a taxable entity and its taxable income flows through to its partners who are then taxed on their allocable share of the partnership income.

Net Income (Loss) and Total Comprehensive Income (Loss)

For the three and six month periods ended June 30, 2016, net income and total comprehensive income was $40.3 million and $29.2 million, respectively compared to net loss and total comprehensive loss of $30.7 million and $62.5 million, respectively, for the three and six month periods ended June 30, 2015, with the changes primarily being attributable to the factors noted above. Net income (loss) and comprehensive income (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 income (loss) and comprehensive income (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 as finance costs in the profit and loss. Effective February 1, 2016, the Company entered into an amended Supplier Agreement with Macquarie Energy, whereby the volumetric fees are temporarily reduced until the Company reaches an agreed upon savings. Upon reaching the targeted savings, the volumetric fees will revert to their previous rate.

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

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

As at June 30, 2016, the Trust has no long-term debt and $17.0 million outstanding under its credit facility, compared to no long-term debt and $4.0 million outstanding under its credit facility as at December 31, 2015. As at June 30, 2016, the Company was in compliance with all covenants under the Supplier Agreement.

Cash and Availability

As at June 30, 2016, the Trust had total cash and availability of $41.7 million, consisting of cash and cash equivalents of $9.2 million and $32.5 million of availability under the credit facility. This compares to the total cash and availability as at December 31, 2015 of $42.9 million, consisting of cash and cash equivalents of $11.2 million and $31.7 million of availability under the credit facility. Total cash and availability in the second quarter benefited from the $5.6 million in funds retained for general corporate purposes from the equity offering in June 2016.

Cash Flow from Operations

Cash flow from operations for the three month period ended June 30, 2016 amounted to $7.1 million and included net outflows of $6.8 million for changes in operating assets and liabilities, which compared to cash flow used in operations for the three month period ended June 30, 2015 of $0.5 million and included net outflows of $14.6 million for changes in operating assets and liabilities. Excluding these changes in operating assets and liabilities, cash flow from operations was $13.9 million for the three month period ended June 30, 2016, compared to $14.1 million for the three month period ended June 30, 2015.

Cash flow from operations for the six month period ended June 30, 2016 amounted to $6.6 million and included net outflows of $21.7 million for changes in operating assets and liabilities, which compared to cash flow from operations for the six month period ended June 30, 2015 of $6.7 million and included net inflows of $19.7 million for changes in operating assets and liabilities. Excluding these changes in operating assets and liabilities, cash flow from operations was $28.3 million for the six month period ended June 30, 2016, compared to $26.4 million for the six month period ended June 30, 2015.

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

Working Capital

As at June 30, 2016, the Trust had an Adjusted Working Capital balance, defined as current assets less current liabilities, excluding unrealized gains and losses on derivatives, of negative $18.8 million compared to Adjusted Working Capital of negative $9.1 million as at December 31, 2015. The decrease of $9.7 million was impacted by the $7.9 million purchase prices for the acquisitions that closed in the first quarter of 2016, primarily Kona Energy, as well as the recognition of an assumed liability of $1.5 million for the estimated residual-based broker commissions owed for customers acquired as part of the acquisition of Kona Energy. As at June 30, 2016, the current portion of the assumed liabilities totaled $6.6 million for estimated residual-based broker commissions for both the acquisitions of Kona Energy and TriEagle Energy, and therefore contributed to the negative adjusted working capital as at June 30, 2016. The table below shows a reconciliation of adjusted working capital to the Trust's consolidated balance sheet as prepared under IFRS:

Adjusted Working Capital
(in millions)

	As at June 30, 2016 (unaudited)	As at December 31, 2015
Current assets	115.9	125.7
Current liabilities	159.7	176.0
Working capital	**$(43.8)**	**$(50.3)**
Adjusted for the impact of:		
Other current financial assets	2.4	1.9
Other current financial liabilities	27.4	43.1
Adjusted working capital	**$(18.8)**	**$(9.1)**

Distributable Cash and Distributions

Distributable Cash for the three month period ended June 30, 2016 was $9.4 million and total distributions paid for the quarter were $5.6 million, which represented a payout ratio of 59.6% of Distributable Cash. This compares to Distributable Cash of $10.0 million, total distributions of $4.5 million and a payout ratio of 45.0% for the quarter ending June 30, 2015.

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, 2016	Three months ended June 30, 2015	Six months ended June 30, 2016	Six months ended June 30, 2015
Cash flows from (used in) operating activities	$7.1	$(0.5)	$6.6	$6.7
Changes in operating assets and liabilities	(6.8)	(14.6)	(21.7)	(19.7)
Cash flows from operating activities excluding changes in operating assets and liabilities	**13.9**	**14.1**	**28.3**	**26.4**
Finance costs - included in financing activities	(2.5)	(2.1)	(5.1)	(3.8)
Maintenance Capital Expenditures[1]	(2.0)	(2.0)	(3.4)	(3.8)
Unit-based compensation payments	—	—	(0.6)	
Distributable Cash	**$9.4**	**$10.0**	**$19.2**	**$18.8**
Distributions to non-controlling interest	3.4	3.1	6.9	6.5
Distributions to Unitholders	2.2	1.4	4.4	2.7
Total distributions	**$5.6**	**$4.5**	**$11.3**	**$9.2**
Payout Ratio	**59.6%**	**45.0%**	**58.9%**	**48.9%**

[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, 2016, the payments due by period are set out in the following table:

Contractual Obligations (in millions)	**Carrying amount**	**Contractual cash flow**	**Less than 1 year**	**1 to 5 years**	**More than 5 years**
Trade and other payables	$109.3	$169.4	$121.7	$47.7	$—
Operating leases	—	12.8	0.5	5.1	7.2
Financing leases	0.5	0.5	0.3	0.2	—
Credit facility	17.0	17.0	17.0	—	—
Distribution payable	1.8	1.8	1.8	—	—
Other non-current liabilities	2.6	2.5	—	2.5	—
	$131.2	**$204.0**	**$141.3**	**$55.5**	**$7.2**

In April 2016, the Company entered into an agreement to relocate its global headquarters to Norwalk, CT. The Company will consolidate its two Connecticut offices to one office in Norwalk, CT. The relocation is expected to be substantially completed by the end of 2016. The lease term is 10 years and the total amount of lease payments to be paid over that term is approximately $12.7 million.

Outstanding Unit Data

At the date of this MD&A, the Trust had (i) 40,086,451 Units outstanding and (ii) 750,000 Warrants outstanding, which were issued to Macquarie Energy in February 2014. Of the 750,000 Warrants outstanding, 625,000 Warrants are vested, with another 62,500 Warrants due to vest on February 7, 2017 and the remaining 62,500 Warrants due to vest on February 7, 2018. The Warrants have a strike price of C$6.23 per Unit over a five-year term ending on February 6, 2019.

Financial Instruments and Risk Management

Overview

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

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

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

Market Risk

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

Commodity risk

The Company has entered into contracts with customers to provide electricity or natural gas at variable or fixed prices. Fixed-price contracts expose the Company to changes in market prices of electricity and natural gas, as the Company is obligated to purchase electricity and natural gas at floating wholesale market prices for delivery to its customers. The Trust is, therefore, exposed to market risks associated with commodity prices and market volatility where estimated customer requirements do not match actual customer requirements. Management actively monitors these positions on a daily basis in accordance with the Company's risk management policy (the "**Risk Management Policy**"). The Risk Management Policy prohibits speculative positions and sets out a variety of hedging limits, most importantly a target of maintaining a 100% hedged position, within certain tolerance bands, at all times for fixed-price contracts exposure in our electricity and natural gas portfolios. The Trust's exposure to market risk is affected by a number of factors, including the accuracy of estimation of customer commodity requirements, commodity prices, and market volatility and liquidity.

Electricity and natural gas derivatives

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

Realized swap settlements under derivative instruments are included in cost of sales in the Trust's interim condensed consolidated statements of comprehensive income (loss). Unrealized gains or losses resulting from changes in the fair value of the derivative instruments, generally referred to as mark-to-market gains or losses, have been recognized as the change in fair value on derivative instruments in the interim condensed consolidated statements of comprehensive income (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, 2016, the Company had electricity and natural gas derivative instruments outstanding with the following terms:

	Notional Volume	Total Remaining Volume	Maturity Date (months)	Fixed Price ($)	Fair Value ($ millions)	Notional Value ($ millions)
Fixed-for-floating electricity swaps	1 – 50 MW	4,543,878 MWh	1 – 54	$18.90 to $79.50	$(17.2)	$178.9
Fixed-for-floating natural gas swaps	(2,000) – 3,333 MMBtu	2,829,700 MMBtu	1 – 24	$2.15 to $4.24	$(1.9)	$14.6
Physical electric forward contracts	0 – 40 MW	2,808,728 MWh	1 – 56	$17.00 to $76.80	$(9.0)	$103.9
Physical natural gas forward contracts	2 – 761 MMBtu	212,350 MMBtu	1	$1.95 to $3.14	$0.0	$0.5
Fixed-for-floating electricity basis swaps.	(25) – 25 MW	– MWh	1 – 18	($6.20) to $36.55	$0.8	$19.0
Fixed-for-floating natural gas basis swaps	(2,500) – 2,500 MMBtu	(10,000) MMBtu	1 – 12	($0.87) to $0.25	$0.2	$0.2
Heat rate forward contracts	1 – 20 MW	165,077 MWh	1 – 21	$27.75 to $55.28	$(0.1)	$5.4
Electricity capacity contracts	600 – 25,000 KWM	145,100 KWM	1 – 6	$3.10 to $12.97	$(0.1)	$1.7
Financial transmission rights	0.4 – 24.8 MW	951,612 MWh	1 – 23	($6.99) to $10.50	$0.8	$1.9

The fair value of electricity and natural gas financial instruments is significantly influenced by the variability of forward commodity prices. Periodic changes in forward prices could cause significant changes in the mark-to-market valuation of these financial instruments. For example, assuming that all other variables remain constant, a market move of +/-10% would result in an increase / (decrease) in net loss and total comprehensive loss of $24.6 million in the interim condensed consolidated statements of comprehensive income (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, 2016, the Trust has cash advances and letters of credit outstanding of $17.0 million and $10.5 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, 2016 the impact of a 1.0% increase (decrease) in the interest rate on these balances would not have had a material impact on finance costs in the profit and loss.

Foreign currency risk

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

Currency derivatives

The Trust's policy is to mitigate its exposure to currency rate movements using 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, 2016, the Trust was hedged for this currency exposure for 18 months to December 31, 2017 with a weighted average floor exchange rate of C$1.32 per US$1.00, based on approximately the current level of future distributions.

As at June 30, 2016, the Company had foreign currency derivatives outstanding with the following terms:

	Notional Value	Maturity Date	Fixed Price	Fair Value
Foreign currency options	US$33.5 C$43.8	1-18 months	C$1.32 per US $1.00	US$1.5

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

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

Period to period changes in forward currency prices could cause significant changes in the mark-to-market valuation of these hedge contracts. For example, assuming that all other variables remain constant, a market move in C$ to US$ of +/-10% would result in increase (decrease) in net income and total comprehensive income of $2.6 million and $(1.2) million, respectively, in the profit and loss, but would not impact Adjusted EBITDA.

Credit risk

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

Customer credit risk

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

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

As at June 30, 2016, the customer credit risk exposure was in the amount of $10.3 million, compared to $5.9 million for the year ended December 31, 2015 and the accounts receivable aging for these markets are as follows:

	Total	Current	30-59 days	Over 60 days
Accounts receivable	$10.3	$9.2	$0.3	$0.8

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 $2.4 million as at June 30, 2016 compared to $1.9 million for the year ended December 31, 2015, representing the risk relating to the Company's derivative financial assets.

Liquidity risk

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

The table in the section entitled *"Contractual Obligations"* of this MD&A outlines the contractual maturities of the Trust's financial liabilities as at June 30, 2016.

Supplier risk

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

Off-Balance Sheet Arrangements

Pursuant to the Supplier Agreement, the Company has issued letters of credit as at June 30, 2016 totaling $10.5 million (December 31, 2015 – $10.4 million) to various counterparties, principally LDCs.

Pursuant to separate arrangements with various insurance companies, the Company has issued surety bonds to various counterparties, including U.S. states, regulatory bodies and LDCs in return for a fee and/or meeting certain collateral posting requirements. Such surety bond postings are required in order to operate in certain U.S. states or markets. Surety bonds issued as at June 30, 2016 totaled $22.6 million (December 31, 2015 – $20.4 million).

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

Transactions Between Related Parties

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

The Trust makes certain tax payments on behalf of the non-controlling interest holders, which are treated as advances of future distributions. The balance of such tax advances as at June 30, 2016 was $- (December 31, 2015 — $0.4 million) and were included in Other current assets in the interim condensed consolidated statement of financial position. These amounts have been fully repaid by such non-controlling interest holders using proceeds from the Remaining LLC Acquisition (as defined herein). Due to the short-term nature for the repayment of these advances, no interest was 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

On May 18, 2016, the Trust and Crius Energy Corporation, an indirect wholly-owned subsidiary of the Trust, initiated a tender offer, as amended on June 9, 2016 (the "**Tender Offer**"), to purchase all 19,458,942 LLC Units not already owned, directly or indirectly, by the Trust (the "**Remaining LLC Acquisition**"). All 19,458,942 LLC Units subject to the Tender Offer were validly tendered by the holders thereof (each, a "**Remaining LLC Seller**"), following which, on June 23, 2016, the Trust acquired, directly or indirectly, all such 19,458,942 LLC Units subject to the Tender Offer for aggregate consideration comprised of 14,760,000 Units and approximately $45.3 million in cash.

Each of Michael Fallquist, Roop Bhullar and Cami Boehme was a Remaining LLC Seller under the Tender Offer, and each (i) was an insider of the Trust, and (ii) received, in exchange for their LLC Units, a buy-out payment comprised of Units and cash set forth below.

Name of Insider	Position of Insider	Number of LLC Units Held	Buy-Out Payment
Michael Fallquist	Chief Executive Officer	1,506,538	C$4.5 Million & 1,150,000 Units
Roop Bhullar	Chief Financial Officer	62,221	C$0.2 Million & 40,000 Units
Cami Boehme	Chief Strategy Officer	38,060	C$0.2 Million & 20,000 Units
Total		**1,606,819**	**C$4.9 Million & 1,210,000 Units**

For greater certainty, following the Remaining LLC Acquisition, the Trust holds, directly or indirectly, a 100% interest in the Company, and there are no LLC Units held by Michael Fallquist, Roop Bhullar and Cami Boehme.

Proposed Transactions

In July 2016, the Company and certain of its affiliates entered into an asset purchase agreement with Viridian International, a newly formed, private company headquartered in Dallas, Texas, to transfer certain assets held by Viridian Network, LLC, a wholly-owned subsidiary of the Company responsible for the network marketing sales channel of the Company, to Viridian International. Upon entering into this transaction, the Company received proceeds of $2 million in cash, a $4 million promissory note due to the Company in 12 months and in addition, the transaction provides for certain earn-out payments to the Company totaling $10 million over five years, which may be reduced if specified customer growth targets are achieved. Crius will hold a

10% ownership interest in Viridian International and will hold exclusive rights as the electricity, natural gas and solar energy provider for Viridian International for the next five years. Crius will continue to directly own and service all existing and future electricity and natural gas customer relationships.

In August 2016, the Trust announced the proposed acquisition of certain assets from SunEdison Inc. SUNE.N (OTCMKTS: SUNEQ), a renewable energy company in the United States, including their proprietary residential solar technology platform, customer lead databases, marketing materials and human capital. Once implemented, the acquisition is expected to significantly expand the Company's capabilities in the solar energy segment. The asset purchase agreement-provides for a one-time payment to SunEdison Inc. of $1.5 million and is expected to close in the third quarter of 2016 subject to the satisfaction of certain closing conditions, including the approval of the bankruptcy court.

Critical Accounting Estimates

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

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

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

Revenue recognition

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

Solar revenues were historically recognized net of expected cancellations, which were estimated based on management judgment of historical cancellation rates. Commencing in the fourth quarter of 2015**,** Management concluded that it can no longer reliably estimate expected cancellations and therefore recognizes revenue upon installation of the solar system.

Allowance for doubtful accounts

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

Fair value of financial instruments

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

Impairment of intangible or non-financial assets

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

Deferred taxes

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

Useful life of property and equipment and intangible assets

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

Acquisition accounting

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

Classification of Units as equity

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

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

The Trust has determined that it controls the operating subsidiaries through its indirect wholly owned subsidiary, Crius Energy Corporation, notwithstanding that prior to the second quarter of 2016, its ownership interest was less than 50% of the voting interest. The factors the Trust considered in this determination included the relative size and dispersion of holdings by other shareholders, the Trust's right to a majority of the members of the Board and the sharing of key management positions between the entities.

New Standards and Accounting Policies Adopted

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

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

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

Disclosure Controls and Procedures & Internal Controls over Financial Reporting

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

The Chief Executive Officer and Chief Financial Officer of the Trust are responsible for establishing and maintaining disclosure controls and procedures ("**DC&P**") and internal control over financial reporting ("**ICFR**"), as those terms are defined in National Instrument 52-109 - *Certification of Disclosure in Issuers' Annual and Interim Filings* ("**NI 52-109**"). The Chief Executive Officer and Chief Financial Officer of the Trust have concluded that, as at June 30, 2016, the Trust's DC&P have been designed effectively to provide reasonable assurance that (i) material information relating to the Trust is made known to them by others, particularly during the period in which the annual filings are being prepared; and (ii) information required to be disclosed by the Trust in its annual filings, interim filings or other reports filed or submitted by the Trust under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation. They have also concluded that the Trust's ICFR have been designed effectively to provide reasonable assurance regarding the reliability of the preparation and presentation of the financial statements for external purposes and were effective as at June 30, 2016.

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

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

The Chief Executive Officer and Chief Financial Officer of the Trust use the control framework entitled *Internal Control - Integrated Framework* published in 2013 by The Committee of Sponsoring Organizations of the Treadway Commission to design the Trust's ICFR. There were no changes to the Trust's ICFR that occurred during the period ended June 30, 2016 that materially affected, or are reasonably likely to 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 income (loss) 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 Income (Loss) and Comprehensive Income (Loss) to EBITDA and Adjusted EBITDA"* in this MD&A for a reconciliation of EBITDA and Adjusted EBITDA to net income (loss) and comprehensive income (loss) as calculated under IFRS for the relevant periods, the most directly comparable measure in the Trust's consolidated financial statements. See the section entitled *"Distributable Cash and Payout Ratio"* in this MD&A for a reconciliation of Distributable Cash to cash flows provided by (used in) operating activities as calculated under IFRS, the most directly comparable measure in the Trust's consolidated financial statements. Other financial data has been prepared in accordance with IFRS.

Forward-Looking Statements

This MD&A contains forward-looking statements and forward-looking information (collectively, "**forward-looking statements**") that involve substantial known and unknown risks and uncertainties, most of which are beyond the control of the Trust, including, without limitation, those listed in the section entitled *"Financial Instruments and Risk Management"* in this MD&A and in the sections entitled *"Risk Factors"* and *"Forward-Looking Statements"* in the annual information form of the Trust for the fiscal year ended December 31, 2015, dated March 15, 2016, which is available on SEDAR under the Trust's issuer profile at www.sedar.com and on the Trust's website at www.criusenergytrust.ca. A statement may be considered a forward-looking statement when it uses what the Trust knows or expects today to make a statement about the future. Forward-looking statements may be identified by words such as anticipate, assume, believe, could, expect, goal, guidance, intend, may, objective, outlook, plan, seek, should, strive, target, will or other similar expressions. Statements that are not historical facts may be considered forward-looking statements and may involve estimates, assumptions and uncertainties, which could cause actual results or outcomes to differ materially from those expressed in such forward-looking statements. Forward-looking statements in this MD&A include, without limitation, statements pertaining to EBITDA, Adjusted EBITDA, Distributable Cash, payout ratio, treatment under governmental regulatory regimes (including statements pertaining to the Trust's objectives and status as a mutual fund trust and not a "specified investment flow-through trust", as defined in subsection 122.1(1) of the *Tax Act* (Canada), as amended from time to time, the anticipated benefits of the Remaining LLC Acquisition (market capitalization, simplified structure, increased liquidity), the ability of the Company to evaluate and execute opportunities to enter markets that have recently deregulated or are in the process or deregulating, the growth strategy of the Company through acquisitions, continued growth of the customer portfolio in 2016, the success of the partnership with Viridian International, commercial customers, the ability of the Company to grow the commercial segment in other U.S. deregulated energy markets, 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, 2016

CRIUS ENERGY TRUST

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2016

INDEX TO FINANCIAL STATEMENTS

CRIUS ENERGY TRUST

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT JUNE 30, 2016 AND DECEMBER 31, 2015
(in thousands of U.S. dollars)

	Notes	As at June 30, 2016 (unaudited)	As at December 31, 2015
ASSETS			
Current			
Cash and cash equivalents		$9,221	$11,245
Collateral deposits		1,306	1,215
Accounts receivable		87,675	80,346
Inventory		9,639	22,471
Income tax receivable		3,393	5,511
Other current financial assets	7	2,369	1,850
Other current assets		2,283	3,059
		115,886	**125,697**
Non-current			
Property and equipment		1,520	1,685
Intangible assets	12	65,734	55,318
Deferred tax assets		—	2,320
Goodwill	6	119,597	117,105
Other non-current assets		857	519
		$303,594	**$302,644**
LIABILITIES AND UNITHOLDERS' EQUITY (DEFICIT)			
Current			
Trade and other payables		$109,520	$125,161
Credit facility		17,000	4,000
Distribution payable		1,838	698
Unit-based compensation		3,993	3,105
Other current financial liabilities	7	27,367	43,069
		159,718	**176,033**
Non-current			
Warrant liability	7	1,434	1,576
Unit-based compensation	14	3,042	6,166
Non-controlling interest	7	—	149,619
Other non-current liabilities	7,17	2,872	5,069
		167,066	**338,463**
Unitholders' Equity (Deficit)			
Trust capital		273,065	124,523
Accumulated deficit		(106,451)	(135,751)
Accumulated distributions		(30,086)	(24,591)
Total Unitholders' equity (deficit)		**136,528**	**(35,819)**
		$303,594	**$302,644**
Commitments and contingencies	17		

See accompanying notes to the interim condensed consolidated financial statements.

CRIUS ENERGY TRUST

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2016 AND 2015

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

	Notes	For the three months ended June 30, 2016	For the three months ended June 30, 2015	For the six months ended June 30, 2016	For the six months ended June 30, 2015
Revenue		$168,996	$166,344	$349,827	$334,654
Cost of sales		135,976	126,412	276,575	254,465
Gross margin		33,020	39,932	73,252	80,189
Expenses					
Selling expenses		6,581	7,546	13,812	17,495
General and administrative expenses		12,886	18,626	32,859	34,488
Unit-based compensation	14	1,143	1,441	2,701	2,198
Depreciation and amortization		10,058	13,985	19,471	24,097
Operating income (loss)		2,352	(1,666)	4,409	1,911
Other income (expenses)					
Finance costs		(2,561)	(2,963)	(5,367)	(4,750)
Distributions to non-controlling interest		(2,189)	(3,919)	(5,658)	(7,826)
Change in fair value of derivative instruments	7	37,357	3,837	30,171	5,484
Change in fair value of warrants	7	21	(215)	142	(750)
Change in fair value of non-controlling interest	7	7,726	(25,297)	6,679	(55,149)
Income (loss) before income taxes		42,706	(30,223)	30,376	(61,080)
Provision for income taxes	8	2,353	545	1,076	1,402
Net income (loss) and total comprehensive income (loss)		**$40,353**	**($30,768)**	**$29,300**	**($62,482)**

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, 2016 AND 2015
(in thousands of U.S. dollars, except Unit amounts)
(Unaudited)

	Notes	Number of Trust Units	Trust Capital	Accumulated Deficit	Accumulated Distributions	Total Unitholders' Deficit
Balance at December 31, 2014		9,940,021	$90,058	($60,840)	($17,487)	$11,731
Distribution to Unitholders	9	—	—	—	(2,713)	(2,713)
Issuance of Trust Units	9	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)**

	Notes	Number of Trust Units	Trust Capital	Accumulated Deficit	Accumulated Distributions	Total Unitholders' Equity
Balance at December 31, 2015		16,745,151	$124,523	($135,751)	($24,591)	($35,819)
Distribution to Unitholders	9	—	—	—	(5,495)	(5,495)
Issuance of Trust Units	9	23,341,300	154,036	—	—	154,036
Trust Units Issuance Cost	9	—	(5,494)	—	—	(5,494)
Net Income and Total Comprehensive Income		—	—	29,300	—	29,300
Balance at June 30, 2016		**40,086,451**	**$273,065**	**($106,451)**	**($30,086)**	**$136,528**

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, 2016 AND 2015
(in thousands of U.S. dollars)
(Unaudited)

	Notes	For the three months ended June 30, 2016	For the three months ended June 30, 2015	For the six months ended June 30, 2016	For the six months ended June 30, 2015
Net (outflow) inflow of cash related to the following activities:					
Operating Activities					
Net income (loss) and total comprehensive income (loss)		$40,353	($30,768)	$29,300	($62,482)
Add net loss items related to financing activities:					
Finance costs		2,561	2,963	5,367	4,750
Distributions to non-controlling interest		2,189	3,919	5,658	7,826
Add (deduct) items not affecting cash					
Depreciation of property and equipment		312	341	622	586
Amortization of intangible assets	12	9,746	13,644	18,849	23,511
Change in fair value of derivative instruments	7	(37,357)	(3,837)	(30,171)	(5,484)
Change in fair value of non-controlling interest	7	(7,726)	25,297	(6,679)	55,149
Change in fair value of warrants	7	(21)	215	(142)	750
Unit-based compensation	14	1,143	1,441	2,701	2,198
Bad debt expense	7	111	987	598	1,300
Non-cash interest		18	(67)	(184)	(136)
Loss on disposal of assets		44	—	44	—
Provision for income taxes	8	2,521	(83)	2,320	(1,541)
		13,894	14,052	28,283	26,427
Net change in operating assets and liabilities	11	(6,746)	(14,586)	(21,689)	(19,686)
		7,148	**(534)**	**6,594**	**6,741**
Investing Activities					
Purchase of intangible assets	12	(19)	(416)	(19)	(1,600)
Acquisitions	4	(1,343)	(11,146)	(7,313)	(11,146)
Software development expenditures	12	(1,790)	(1,155)	(2,950)	(1,551)
Purchase of property and equipment		(196)	(385)	(456)	(686)
		(3,348)	**(13,102)**	**(10,738)**	**(14,983)**
Financing Activities					
Credit facility advances	5	15,500	38,000	42,000	38,000
Credit facility repayments	5	(17,000)	(19,000)	(29,000)	(19,000)
Repayment of finance leases		(76)	(72)	(151)	(143)
Units issued for cash	9	56,390	—	56,390	—
Payment of Unit issuance costs	9	(5,494)	—	(5,494)	—
Acquisition of non-controlling interest		(45,294)	—	(45,294)	—
Finance costs		(2,530)	(2,114)	(5,064)	(3,838)
Distributions to non-controlling interest		(3,350)	(3,107)	(6,912)	(6,510)
Distributions to Unitholders		(2,211)	(1,363)	(4,355)	(2,738)
		(4,065)	**12,344**	**2,120**	**5,771**
Net cash outflow		(265)	(1,292)	(2,024)	(2,471)
Cash and cash equivalents, beginning of period		9,486	13,089	11,245	14,268
Cash and cash equivalents, end of period		**$9,221**	**$11,797**	**$9,221**	**$11,797**

See accompanying notes to the interim condensed consolidated financial statements

1. NATURE AND ORGANIZATION

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

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

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

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

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

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

- Crius Energy, ULC was incorporated under the Business Corporations Act (British Columbia) on May 19, 2016. Crius Energy, ULC was incorporated for the purpose of acquiring the outstanding LLC Units of the Company.

As at June 30, 2016, the following are the subsidiaries that the Trust, through its indirect wholly-owned subsidiary Crius Energy Corporation, holds a 100% ownership interest in the Company and its subsidiaries: Cincinnati Bell Energy, LLC; Citra, LLC; Crius Energy Management, LLC; Energy Solutions Group, LLC; Everyday Energy, LLC; Everyday Energy NJ, LLC; FairPoint Energy, LLC; People's Choice Energy, LLC; Public Power Energy, LLC; Public Power, LLC (a Connecticut limited liability company); Public Power, LLC (a Pennsylvania limited liability company, entity number 3911142); Public Power, LLC (a Pennsylvania limited liability company, entity number 3933152); Public Power & Utility of Maryland, LLC, Public Power & Utility of NY, Inc.; Regional Energy Holdings, Inc.; TriEagle 1, LLC; TriEagle 2, LLC; TriEagle Energy LP; Viridian Energy, LLC; Viridian Energy NY, LLC; Viridian Energy PA LLC; and Viridian Network, LLC.

2. OPERATIONS

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

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

3. BASIS OF PRESENTATION

Basis of presentation and interim reporting

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

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

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

Accounting policies and new standards adopted

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

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

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

Inventory

Natural Gas

Natural gas delivered to and held in storage by certain local distribution companies ("**LDCs**") in Illinois, Maryland, New York and Ohio is included in inventory. The balance will fluctuate as natural gas is injected or withdrawn from storage. Natural gas in storage is valued at the lower of cost or net realizable value with cost being determined on a weighted average basis. Net realizable value is the estimated selling price in the ordinary course of business.

Renewable Energy Certificates

Our purchased and unretired, independent system operator ("**ISO**") renewable energy certificates ("**RECs**") are included in inventory and are carried at the lower of cost or net realizable value with cost being determined on a weighted average basis.

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, 2016, June 30, 2015 and December 31, 2015 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.

Adjustments of prior period balances

As at June 30, 2016, the Company recorded its purchased and unretired ISO RECs as inventory in the interim condensed consolidated statements of financial position. At December 31, 2015, the ISO RECs were recorded net in trade and other payables, whereas such amounts should have been recorded as inventory. These purchased and unretired ISO RECs amount to $9,240 and $21,874 as at June 30, 2016 and December 31, 2015, respectively. As such, certain 2015 amounts have been adjusted to properly present their balances. The adjustment has no impact on the interim condensed consolidated statements of comprehensive income (loss), interim condensed consolidated statements of cash flow and income (loss) per unit.

4. ACQUISITIONS

TriEagle Energy, LP

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

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

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

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

The purchase price for the acquisition of $19,304 was settled in cash of $15,869 and by issuing 623,217 Phantom Unit Rights ("**PURs**") in the Company which were to be settled in cash based on the future trading prices of units of the Trust ("**Units**") on the Toronto Stock Exchange ("**TSX**") on the first and second anniversary of the acquisition date with an acquisition date fair value of $3,435. Details on the PURs issued are included in Note 14. The fair value of the PURs was based on the closing price of the Trust units as of the acquisition date. The purchase price was subject to a customary post-closing working capital adjustment for the twenty-four months following the acquisition date.

As at June 30, 2016, the post-closing working capital adjustment was finalized through the execution of a settlement agreement. Pursuant to the settlement agreement, all 623,217 PURs, along with their accrued distributions, were cancelled and the former owners of TEE agreed to a final payout from the Company of $2,571, which includes a contingent liability of $945, to be paid out over a maximum of 24 months. Additionally, as part of the settlement agreement, the non-compete granted with the purchase of TEE was terminated. As a result of the settlement agreement, the Company recorded a reduction in general and administrative expenses of $1,815, which is included in the interim condensed consolidated statements of comprehensive income (loss).

Acquisition-related costs amounting to $90 have been recognized as an expense in the interim condensed consolidated statements of comprehensive income (loss), as part of general and administrative expenses in the six months ended June 30, 2016. Total acquisition-related costs amounting to $421 have been recognized as an expense in the period in which the expense occurred.

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

Had the TEE acquisition occurred on January 1, 2015, the Company's revenue for the six months ended June 30, 2015 would have been $379,600 and the Company's net loss and total comprehensive loss for the six months ended June 30, 2015 would have been ($72,784). These *pro forma* amounts have been determined by applying the Company's accounting policies**.**

Iron Energy, LLC d/b/a Kona Energy

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

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

	As at June 30, 2016
Customer relationships	$25,430
Derivative liability	(14,193)
Broker commission liability	(4,524)
Total purchase price	**$6,713**

Commercial Energy Broker

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

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

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

	As at June 30, 2016
Customer relationships	$910
Goodwill	290
Total purchase price	**$1,200**

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

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

5. FINANCING

Macquarie Energy Supplier Agreement

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

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

The Supplier Agreement includes a working capital facility with a sub-limit of $60,000 under which letters of credit and cash advances can be made based on the calculated credit base. Such letters of credit and cash advances under this line are subject to an annual interest rate of 5.5% plus LIBOR (0.47% and 0.43% as at June 30, 2016 and December 31, 2015, respectively), with an incremental interest rate of 1.25% applied to borrowings above a certain threshold.

Macquarie Energy has extended trade credit to the Company totaling $44,239 and $33,933 under this Supplier Agreement as at June 30, 2016 and December 31, 2015, respectively. There were letters of credit issued totaling $10,470 and $10,446, as well as cash advances of $17,000 and $4,000 drawn under the working capital facility as at June 30, 2016 and December 31, 2015, respectively. During the three and six months ended June 30, 2016, total energy purchases totaled $115,977 and $230,754, respectively and interest expense under the Supplier Agreement totaled $2,888 and $5,533, respectively, whereas 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. The availability under the credit facility was $32,530 and $31,739 as at June 30, 2016 and December 31, 2015, respectively. As at June 30, 2016, the Company was in compliance with all covenants.

In June 2016, the Company entered into a sale and repurchase agreement to sell certain RECs included in inventory for $5,100 and repurchase them between August 2016 and March 2017 for $5,295. These RECs are not derecognised from the interim condensed consolidated statements of financial position, as the Company retains substantially all the risks and rewards of ownership.

6. GOODWILL

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

	As at June 30, 2016	As at December 31, 2015
Goodwill at the beginning of the period	$254,741	$241,381
Goodwill recognized related to acquisition of TEE	2,202	13,360
Goodwill recognized related to acquisition of Broker	290	—
Goodwill at the end of the period	$257,233	$254,741
Less: accumulated impairment	($137,636)	($137,636)
Net book value at the end of the period	**$119,597**	**$117,105**

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

The Trust performed a review of impairment indicators as at June 30, 2016, including a review of the relationship between its market capitalization and its carrying value, among other factors and concluded no impairment indicator was present. The principal sensitivity of the fair value less cost of disposal calculation is the Unit price. Future reductions in the Unit price may result in impairment of goodwill in subsequent reporting periods.

7. FINANCIAL INSTRUMENTS

Fair value

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

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

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

	For the three months ended June 30, 2016	For the three months ended June 30, 2015	For the six months ended June 30, 2016	For the six months ended June 30, 2015
Foreign exchange options	($151)	$72	$410	($197)
Fixed-for-floating electricity swaps	20,038	3,718	7,216	3,768
Fixed-for-floating natural gas swaps	3,300	(4,511)	4,845	(3,562)
Physical electric forward contracts	13,393	(1,383)	16,289	(1,383)
Physical natural gas forward contracts	56	6,694	274	7,421
Physical electric basis forward contracts	—	(7)	(33)	(7)
Fixed-for-floating electricity basis swaps	432	(48)	909	(17)
Fixed-for-floating natural gas basis swaps	192	(11)	352	416
Heat rate forward contracts	(174)	(1,025)	160	(1,025)
Electricity capacity contracts	74	—	(117)	—
Congestion revenue rights	—	40	—	40
Financial transmission rights	253	326	359	326
Weather derivatives	(56)	(28)	(493)	(296)
Change in fair value of derivative instruments	**$37,357**	**$3,837**	**$30,171**	**$5,484**

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, 2016:

	Other current financial assets	Other current financial liabilities
Foreign exchange options	$1,446	$—
Fixed-for-floating electricity swaps	—	17,185
Fixed-for-floating natural gas swaps	—	1,858
Physical electric forward contracts	—	9,046
Physical natural gas forward contracts	—	41
Fixed-for-floating electricity basis swaps	—	(777)
Fixed-for-floating natural gas basis swaps	—	(179)
Heat rate forward contracts	—	76
Electricity capacity contracts	—	117
Financial transmission rights	771	—
Weather derivatives	152	—
	$2,369	**$27,367**

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

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

The following table summarizes the fair value of the financial assets and liabilities classified as held-for-trading and recorded as at June 30, 2016 and December 31, 2015:

	Notional Volume	Total Remaining Volume	Maturity Date (months)	Fixed Price ($)	Fair Value ($)	Notional Value ($)
June 30, 2016						
Fixed-for-floating electricity swaps	1 – 50 MW	4,543,878 MWh	1 – 54	$18.90 to $79.50	($17,185)	$178,946
Fixed-for-floating natural gas swaps	(2,000) – 3,333 MMBtu	2,829,700 MMBtu	1 – 24	$2.15 to $4.24	($1,858)	$14,561
Physical electric forward contracts	0 – 40 MW	2,808,728 MWh	1 – 56	$17.00 to $76.80	($9,046)	$103,877
Physical natural gas forward contracts	2 – 761 MMBtu	212,350 MMBtu	1	$1.95 to $3.14	($41)	$510
Fixed-for-floating electricity basis swaps	(25) – 25 MW	– MWh	1 – 18	($6.20) to $36.55	$777	$19,038
Fixed-for-floating natural gas basis swaps	(2,500) – 2,500 MMBtu	(10,000) MMBtu	1 – 12	($0.87) to $0.25	$179	$242
Heat rate forward contracts	1 – 20 MW	165,077 MWh	1 – 21	$27.75 to $55.28	($76)	$5,360
Electricity capacity contracts	600 – 25,000 KWM	145,100 KWM	1 – 6	$3.10 to $12.97	($117)	$1,674
Financial transmission rights	0.4 – 24.8 MW	951,612 MWh	1 – 23	($6.99) to $10.50	$771	$1,866
December 31, 2015						
Fixed-for-floating electricity swaps	1 - 50 MW	3,730,457 MWh	1 – 36	$20.25 to $79.50	($22,567)	$173,658
Fixed-for-floating natural gas swaps	(2,000) – 2,500 MMBtu	5,772,900 MMBtu	1 – 30	$2.02 to $4.44	($6,702)	$28,089
Physical electric forward contracts	(35) – 20 MW	1,841,907 MWh	1 – 52	$17.75 to $76.80	($12,976)	$70,888
Physical natural gas forward contracts	(270) – 5,566 MMBtu	763,008 MMBtu	1 – 3	$0.30 to $5.67	($315)	$1,984
Physical electric basis forward contracts	(20) – 20 MW	– MWh	2	$23.50 to $24.94	$33	$635
Fixed-for-floating electricity basis swaps	(25) – 25 MW	– MWh	1 – 12	$26.80 to $42.55	($132)	$25,516
Fixed-for-floating natural gas basis swaps	(2,500) – 600 MMBtu	– MMBtu	1 – 15	$(0.93) to $2.75	($173)	$920
Heat rate forward contracts	1 – 20 MW	180,828 MWh	3 – 12	$22.20 to $47.81	($237)	$4,810
Financial transmission rights	0.1 – 31.7 MW	770,865 MWh	1 – 29	$(4.06) to $9.81	$412	$645

The following table summarizes the fair value of the foreign exchange options as at June 30, 2016 and December 31, 2015:

	Notional Value	Total Remaining Volume	Maturity Date (months)	Fixed Price ($)	Fair Value ($)
June 30, 2016					
Foreign exchange options	US$33,459 C$43,774	US$33,459 C$43,774	1 – 18	C$1.32 per US$1	US$1,446
December 31, 2015					
Foreign exchange options	US$17,084 C$23,405	US$17,084 C$23,405	1 – 24	C$1.37 per US$1	US$530

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

	Gross Assets	Gross Liabilities	Offset	Net Amount
June 30, 2016				
Commodity contracts offset to assets	$1,022	($99)	($99)	$923
Commodity contracts offset to liabilities	$35,370	($62,737)	$35,370	($27,367)
December 31, 2015				
Commodity contracts offset to assets	$715	($303)	($303)	$412
Commodity contracts offset to liabilities	$5,561	($48,630)	$5,561	($43,069)

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

Fair value ("FV") hierarchy

Level 1

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

Level 2

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

Level 3

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

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

Assuming that all other variables remain constant, a market move of +/-10% in the unobservable inputs of the weather derivative and financial transmission rights would result in an immaterial increase (decrease) in net income (loss) and total comprehensive income (loss) for the six months ended June 30, 2016.

The following table illustrates the classification of financial assets and liabilities in the FV hierarchy as at June 30, 2016:

Recurring measurements	Level 1	Level 2	Level 3	Total
Financial assets				
Other current financial assets	$—	$1,722	$647	**$2,369**
Financial liabilities				
Other current financial liabilities	$—	($27,367)	$—	**($27,367)**
Warrant liability	—	(1,434)	—	**(1,434)**

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

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

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

Non-controlling interest	As at June 30, 2016	As at December 31, 2015
Liability at the beginning of period	$149,619	$115,570
Acquisition of non-controlling interest	(142,940)	(28,794)
Changes in fair value of non-controlling interest	(6,679)	62,843
Liability at the end of period	**$—**	**$149,619**

Commodity contracts	As at June 30, 2016	As at December 31, 2015
Net balance at the beginning of period	$843	$1,547
Total loss	(2,482)	(4,841)
Purchases	1,162	2,762
Settlements	1,124	1,501
Transfer out of Level 3	—	(126)
Net balance at the end of period	**$647**	**$843**

Classification of financial assets and liabilities

As at June 30, 2016 and December 31, 2015, respectively, the carrying amounts of the financial assets and liabilities, except for derivative assets and liabilities, warrant liability and non-controlling interest, approximated their fair value due to the short-term nature of these items. The derivative assets and liabilities, warrant liability and non-controlling interest are recorded at fair value.

Management of risks arising from financial instruments

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

Market risk

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

Commodity price risk

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

The fair value of electricity and natural gas financial instruments is significantly influenced by the variability of forward commodity prices. Periodic changes in forward prices could cause significant changes in the mark-to-market valuation of these financial instruments. For example, assuming that all other variables remain constant, a market move of +/-10% would result in an increase (decrease) in net income (loss) and total comprehensive income (loss) of $24,571 for the six months ended June 30, 2016.

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, 2016 and December 31, 2015, the Trust has aggregate letters of credit outstanding of $10,470 and $10,446, as well as cash advances of $17,000 and $4,000, respectively, outstanding under this facility, and therefore is exposed to interest rate risk. The Trust's current exposure to interest rate risk does not economically warrant the use of derivative instruments and the Trust does not currently believe that it is exposed to material interest rate risk. For the three months ended June 30, 2016, the impact of a 1% increase (decrease) in the interest rate on these balances would have not had a material impact on finance costs in the interim condensed consolidated statements of comprehensive income (loss).

Foreign currency risk

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

Period to period changes in forward currency prices could cause significant changes in the mark-to-market valuation of these contracts. For example, assuming that all other variables remain constant, a market move in C$ to US$ of +/-10% would result in increase (decrease) in net income (loss) and total comprehensive income (loss) of $2,646 and ($1,185), respectively, for the six months ended June 30, 2016.

Credit risk

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

Customer credit risk

The Trust is exposed to customer credit risk and, therefore, credit review and other processes have been implemented to perform credit evaluations of customers and manage customer default. The Trust has customer credit risk exposure relating to all or certain electricity and natural gas accounts receivable in the states of California, Delaware, District of Columbia, Illinois, Maine, New Hampshire, New Jersey, Ohio, Pennsylvania, Rhode Island, Texas and Virginia ("**Non-POR markets**"). If a significant number of customers in these markets were to default on their payments, it could have a material adverse effect on the operations and cash flows of the Trust. In Texas, certain customers are required to provide a deposit when they open an account with the Company, which can be used in the event of default on a customer account, thereby reducing customer credit risk in this market. As at June 30, 2016 and December 31, 2015, these customer deposits total $845 and $764, respectively, and are included within trade and other payables on the interim condensed consolidated statements of financial position.

For the remaining markets, the 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, 2016 and December 31, 2015, the customer credit risk exposure from Non-POR markets amounted to $10,297 and $5,947, respectively, and the accounts receivable aging for these markets are as follows:

Accounts Receivable at	Total	Current	30-59 days	Over 60 days
June 30, 2016	$10,297	$9,180	$303	$814
December 31, 2015	$5,947	$5,149	$314	$484

Changes in the allowance for doubtful accounts were as follows:

	As at June 30, 2016	As at December 31, 2015
Balance, beginning of year	$965	$1,519
Bad debt expense	598	1,408
Bad debts written off	(199)	(1,962)
Balance, end of period	**$1,364**	**$965**

Counterparty credit risk

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

The maximum counterparty credit risk exposure amounted to $2,369 and $1,850 as at June 30, 2016 and December 31, 2015, respectively, representing the risk relating to its derivative financial assets.

Liquidity risk

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

The following are the contractual commitments as at June 30, 2016:

	Carrying amount	Contractual cash flow	Less than 1 year	1 to 5 years	More than 5 years
Trade and other payables	$109,260	$169,436	$121,728	$47,708	$—
Operating leases	—	12,774	481	5,134	7,159
Financing leases	461	490	260	230	—
Credit facility	17,000	17,000	17,000	—	—
Distribution payable	1,838	1,838	1,838	—	—
Other non-current liabilities	2,642	2,502	—	2,502	—
	$131,201	**$204,040**	**$141,307**	**$55,574**	**$7,159**

The following are the contractual commitments as at December 31, 2015:

	Carrying amount	Contractual cash flow	Less than 1 year	1 to 5 years	More than 5 years
Trade and other payables	$124,836	$178,673	$142,923	$35,750	$—
Operating leases	—	1,389	824	565	—
Financing leases	613	657	325	332	—
Credit facility	4,000	4,000	4,000	—	—
Distribution payable	698	698	698	—	—
Other non-current liabilities	4,737	4,737	—	4,737	—
	$134,884	**$190,154**	**$148,770**	**$41,384**	**$—**

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 provision for the three and six months ended June 30, 2016 in the amount of $2,353 and $1,076, respectively. For the three and six months ended June 30, 2015 it recorded an income tax provision of $545 and $1,402, respectively. The income tax provision recorded is based on management's estimate of the average annual effective income tax rate expected for the full financial year. The income tax provision attributable to the Trust's operations differs from the amount derived by applying the U.S. statutory federal rate of 34% to pretax loss principally due to the effect of state taxes, judgments related to the ability to realize deferred taxes, and permanent items such as distributions to non-controlling interest holders. Under United States partnership taxation rules, Crius Energy, LLC is not a taxable entity and its taxable income flows through to its partners who are then taxed on their allocable share of the partnership income.

9. TRUST CAPITAL

Issuance of Trust Units

On June 23, 2016, the Trust closed a public equity offering of 8,581,300 subscription receipts at a price of C $8.45 per Unit, which included 1,119,300 subscription receipts issued pursuant to the exercise in full of the over-allotment option by the underwriters, for total gross proceeds of C$72,512 (or US$56,390) (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 combination of capital contributions and a loan to enable Crius Energy Corporation to purchase the remaining 19,458,942 LLC Units of the Company that were not already owned by Crius Energy Corporation from the existing holders of LLC Units, representing an additional 56.9% ownership interest in the Company, such that the Trust holds a 100% ownership interest in the Company immediately following the transaction. Such LLC Units Acquisition was completed pursuant to an offer to purchase from Crius Energy Corporation and Crius Energy Trust dated May 18, 2016 to each registered holder of LLC Units, other than Crius Energy Corporation, whereby Crius Energy Corporation and Crius Energy Trust offered to purchase LLC Units from such registered holders of LLC Units. The buyout payment to each seller of LLC Units was (i) 0.766 Trust Units per LLC Unit and (ii) C$2.93. Upon the terms and subject to the conditions of the Offer, LLC Unit Sellers received an aggregate purchase price of 14,760,000 Trust Units and $45,294. The remaining net proceeds after transaction costs of $5,494 are available for general corporate purposes.

Distributions paid and proposed

For the three and six months ended June 30, 2016, monthly distributions of C$0.0595 per unit were declared by the Trust for January through March 2016 and C$0.0607 per unit were declared for April through June 2016, which together amounted to $3,322 and $5,495, respectively. These distributions were approved throughout the periods by the Board of Directors of the Trust and all amounts were paid by July 15, 2016 to Unitholders of record at the close of business on June 30, 2016. For the three and six months ended June 30, 2015, 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.

Declared dividends subsequent to quarter-end

On July 14, 2016, the Board of Directors of the Trust declared monthly distributions for July through September 2016, in the amount of C$0.0619 per unit per month. The July 2016 distribution will be paid on August 15, 2016, to Unitholders of record at the close of business on July 31, 2016. The August 2016 distribution will be paid on September 15, 2016, to Unitholders of record at the close of business on August 31, 2016. The September 2016 distribution will be paid on October 17, 2016 to Unitholders of record at the close of business on September 30, 2016.

10. INCOME (LOSS) PER UNIT

	For the three months ended June 30, 2016	**For the three months ended June 30, 2015**	**For the six months ended June 30, 2016**	**For the six months ended June 30, 2015**
Net income (loss) and total comprehensive income (loss)	$40,353	($30,768)	$29,300	($62,482)
Weighted average number of Units outstanding	18,797,133	9,960,151	17,771,142	9,960,151
Basic income (loss) per Unit	**$2.15**	**($3.09)**	**$1.65**	**($6.27)**
Net income (loss) and total comprehensive income (loss)	$40,353	($30,768)	$29,300	($62,482)
Weighted average number of Units outstanding	18,797,133	9,960,151	17,771,142	9,960,151
Weighted average number of dilutive warrants outstanding	205,244	—	197,404	—
Diluted weighted average number of total Units outstanding	19,002,377	9,960,151	17,968,546	9,960,151
Diluted income (loss) per Unit	**$2.12**	**($3.09)**	**$1.63**	**($6.27)**

The 750,000 warrants are anti-dilutive to loss per Unit and are therefore excluded from the determination of dilutive per Unit amounts for the three and six months ended June 30, 2015. Phantom Unit Rights are excluded from the determination of dilutive per Unit amounts as they are settled in cash.

11. INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

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

	For the three months ended June 30, 2016	For the three months ended June 30, 2015	For the six months ended June 30, 2016	For the six months ended June 30, 2015
Collateral deposits	($59)	($67)	($91)	($153)
Accounts receivable	(1,518)	13,271	(7,962)	10,537
Inventory	22,472	(4,122)	12,832	(2,099)
Income tax receivable	(819)	(2,015)	2,118	294
Other current financial assets	(713)	(408)	(243)	755
Other current assets	3,665	(2,680)	(365)	(2,790)
Other non-current assets	(224)	—	(338)	5
Trade and other payables	(28,853)	(17,659)	(23,717)	(24,679)
Distributions payable	1,111	—	1,140	(35)
Other current liabilities	—	(5,154)	—	(5,544)
Other non-current liabilities	(1,808)	4,248	(5,063)	4,023
	($6,746)	**($14,586)**	**($21,689)**	**($19,686)**

12. INTANGIBLE ASSETS

	Computer Software	Customer Relationships	Non-Compete Agreements	Sales Network	Other Intangibles	Total
Cost						
Balance as at December 31, 2015	$15,588	$121,326	$1,637	$20,152	$675	$159,378
Additions	19	25,430	—	—	—	25,449
Additions from business combinations	—	910	—	—	—	910
Internally developed software	2,950	—	—	—	—	2,950
Reclassifications	—	(35)	35	—	—	—
Disposals	—	—	(114)	—	—	(114)
Balance as at June 30, 2016	**$18,557**	**$147,631**	**$1,558**	**$20,152**	**$675**	**$188,573**
Accumulated amortization						
Balance as at December 31, 2015	($3,811)	($89,615)	($1,574)	($8,854)	($206)	($104,060)
Amortization	(2,393)	(14,760)	(39)	(1,520)	(137)	(18,849)
Amortization Reclassifications	—	15	(15)	—	—	—
Disposals	—	—	70	—	—	70
Balance as at June 30, 2016	(6,204)	(104,360)	(1,558)	(10,374)	(343)	(122,839)
Net book value at June 30, 2016	**$12,353**	**$43,271**	**$—**	**$9,778**	**$332**	**$65,734**

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

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

13. LOAN RECEIVABLE

In October 2015, the Company entered into a loan agreement with Big Sky Gas Holdings, LLC ("**Big Sky Gas**"), whereby the Company has made available a credit facility of $800. Upon closing, the Company issued a 36 month convertible term loan in the amount of $500, with an annual interest rate of LIBOR + 10%. Interest will be paid on the convertible loan maturity date, and as such, accrues interest monthly and increases the balance of the loan. During 2016, Big Sky Gas borrowed an additional $300 under the revolving portion of the credit facility, with an annual interest rate of LIBOR + 15%. As at June 30, 2016 and December 31, 2015, the loan receivable balances of $848 and $509, respectively, are included on the interim condensed consolidated statements of financial position.

14. UNIT-BASED COMPENSATION

Phantom Unit Rights Plan

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

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

The following schedule provides the continuity of the PURs:

	Number of Units
As at December 31, 2015	2,206,090
PURs issued	443,889
PURs accrued distributions	91,294
PURs settled	(91,802)
Forfeitures	(712,261)
As at June 30, 2016	**1,937,210**

In conjunction with the acquisition of TEE, the Company issued PURs of 623,217 and accrued PUR distributions of 54,932, which were subsequently cancelled in conjunction with a final settlement in June 2016. These amounts are included in the table above. During the six months ended June 30, 2016, 91,802 PURs settled. Except for the PURs that were settled, there are no vested PURs as at June 30, 2016. For the three months ended June 30, 2016 and 2015, unit-based compensation was $1,143 and $1,441, respectively. For the six months ended June 30, 2016 and 2015, unit-based compensation was $2,701 and $2,198, respectively. These amounts are included in the interim condensed consolidated statements of comprehensive income (loss).

Deferred Trust Unit Plan

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

A Deferred Trust Unit ("**DTU**") is a security, equivalent in value to a trust Unit, credited by means of a bookkeeping entry in our books, to an account in the name of the Administrator Director. Under the DTUP, non-executive Administrator Directors may receive a percentage of their annual fee in the form of DTUs. The number of DTUs to be credited to an Administrator Director's account in each year is calculated by dividing (a) the amount of the annual fee that the Administrator Director will receive in the form of DTUs, by (b) the market value of a Unit using the five-day trailing volume-weighted average price prior to the grant date. As at June 30, 2016, there were no DTUs issued. On August 10, 2016, the Board approved the issuance of 33,390 DTUs (excluding accrued distributions).

Restricted Trust Unit Plan

The Trust adopted the Restricted Trust Unit Plan ("**RTUP**") on November 2, 2012, prior to the IPO of the Trust that closed on November 13, 2012, for directors, officers, employees and direct or indirect service providers of any member of the Crius Group. The Administrator has reviewed the RTUP and, based on this review and its consideration of the remuneration paid to directors, officers, employees and consultants of other publicly traded entities, has determined that the RTUP is no longer the most appropriate long-term incentive plan for the Trust. As such, the RTUP expired on November 2, 2015. During the six months ended June 30, 2015, 20,130 RTUs were granted under the RTUP. As at June 30, 2016, no RTUs were outstanding.

15. RELATED PARTY TRANSACTIONS

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

Subsidiaries

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

Other related party transactions

During the six months ended June 30, 2016 and the year ended December 31, 2015, the Trust made certain tax payments on behalf of the non-controlling interest holders, which are treated as advances. These advances as at June 30, 2016 and December 31, 2015, were approximately $0 and $448, respectively, and are included in other current assets in the interim condensed consolidated statements of financial position. These amounts are being repaid through future distribution disbursements and are expected to be fully recovered within one year of the advance. Due to the short-term nature for the repayment of these advances, there is no interest charged.

16. BUSINESS SEGMENTS

Operating segments

For the three and six months ended June 30, 2016 and 2015, the Trust operated in a single operating segment and evaluates the performance of the business as a single segment.

Products

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

	For the three months ended June 30, 2016	For the three months ended June 30, 2015	For the six months ended June 30, 2016	For the six months ended June 30, 2015
Electricity	$161,642	$156,714	$325,906	$297,734
Natural gas	4,112	6,028	17,315	30,182
Fee revenue	2,420	1,854	4,842	2,709
Solar	822	1,748	1,764	4,029
Total revenue	**$168,996**	**$166,344**	**$349,827**	**$334,654**

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, 2016, the Trust operated in six states which comprise 79.5% and 80.5% of revenue, respectively. For the three and six months ended June 30, 2015, the Trust operated in three states which comprise 49.6% and 51.4% of revenue, respectively.

17. COMMITMENTS AND CONTINGENCIES

Surety bonds

As at June 30, 2016 and December 31, 2015, the Trust had surety bonds outstanding of $22,644 and $20,357, respectively, to the various state regulatory commissions and LDCs.

Operating leases

The Trust has entered in to non-cancelable lease contracts for its office facilities. These leases have a leasing period of between four months to ten years. If applicable, the Trust takes into account escalation clauses when determining the amount of future minimum lease payments. 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, 2016, the Trust incurred rent expense under its operating leases of $392 and $643, respectively. For the three and six months ended June 30, 2015, rent expense under its operating leases of $222 and $370, respectively, was incurred. These amounts were included in the interim condensed consolidated statements of comprehensive income (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, 2016 and 2015, depreciation expense under its financing leases of $74 and $147, respectively, was incurred by the Trust. These amounts were included in the interim condensed consolidated statements of comprehensive income (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.

Renewable Energy Credits

The Company must obtain a certain percentage or amount of its power supply from renewable energy sources in order to meet the requirements of renewable portfolio standards in the states in which it operates. This requirement may be met by obtaining RECs that provide evidence that electricity has been generated by a qualifying renewable facility or resource. As at June 30, 2016, the Company had commitments to purchase RECs of $60,196.

Regulatory proceedings

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

Litigation and other claims

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

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

18. APPROVAL OF THE FINANCIAL STATEMENTS

These interim condensed financial statements were authorized for issue on August 10, 2016 by the Board of Directors of the Administrator.

19. SUBSEQUENT EVENTS

In July 2016, the Company entered into an asset purchase agreement with Viridian International Management LLC, ("**Viridian International**"), a newly formed, private company headquartered in Dallas, Texas, to transfer certain assets held by Viridian Network, LLC, a wholly-owned subsidiary of the Company that to date has managed the network marketing sales channel of the Company, to Viridian International (the "**Transaction**"). Upon entering into the Transaction, the Company received proceeds of $2,000 in cash and a $4,000 promissory note due to the Company in twelve months. In addition, the Transaction provides for certain earn-out payments to the Company totaling $10,000 over five years, which may be reduced if specified sales targets are achieved. Crius will hold a 10% ownership interest in Viridian International and will hold exclusive rights as the electricity, natural gas and solar energy provider for Viridian International for the next five years. Crius will continue to directly own and service all existing and future electricity and natural gas customer relationships. An estimate of the financial effect of this transaction has not been determined.

In August 2016, the Trust announced the proposed acquisition of certain assets from SunEdison Inc., a renewable energy company in the United States, including their proprietary residential solar technology platform, customer lead databases, marketing materials and human capital. Once implemented, the acquisition is expected to significantly expand the Company’s capabilities in the solar energy segment. The asset purchase agreement provides for a one-time payment to SunEdison Inc. of $1,500 and is expected to close in the third quarter of 2016, subject to the satisfaction of certain closing conditions, including the approval of the bankruptcy court. An estimate of the financial effect of this transaction has not been determined.