

# BONAVISTA ENERGY TRUST

2009 EDITION  
VIEWPOINT



**Consistency Profitability  
Sustainability**

[www.bonavistaenergy.com](http://www.bonavistaenergy.com)

# PERFORMANCE DELIVERS CONSISTENCY PROFITABILITY AND SUSTAINABILITY

Since our conversion into an energy trust in July 2003, we have delivered 22 successive quarters of profitable growth. The reason, quite simply, is that very little in our proven operating strategy has changed. We continue to apply the same proven principles and execute our strategy with a cost-effective, disciplined approach. Both management and the Board of Directors of Bonavista are committed to maintain a sustainable and profitable organization.

## About This Publication

This is the fifth edition of Viewpoint. This summary report is designed to help our unitholders better understand how all of our activities are aimed at continuing to build a sustainable energy trust. It explains what we do and why we do it.

We also encourage you to delve deeper by reading our complementary publications: our Annual and Quarterly Reports contain Management's Discussion and Analysis and Financial Statements; our Annual Information Form provides comprehensive disclosure on reserves and operations; and our Information Circular outlines our approach to governance and compensation. All of these documents are available on our website at [www.bonavistaenergy.com](http://www.bonavistaenergy.com) or through SEDAR at [www.sedar.com](http://www.sedar.com).



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## Bonavista – Employing a Sustainability Business Model

**B**onavista operates using a sustainable business model. Sustainability means diligently pursuing opportunities to add low cost, long-life reserves while maintaining a low cost structure. This philosophy brings together the right combination of people, assets, and technology to deliver industry-leading results. It demands principled and ethical business decisions and operating practices that protect the interests of our stakeholders for the long-term. To our corporate team, sustainability means more than delivering distributions today; it means planning, working, and delivering results for tomorrow as well.

### Spotlight - Value Creation

With operations geographically concentrated in four core regions, we create unitholder value by actively pursuing low to medium risk drilling opportunities on our extensive undeveloped land base. Bonavista's committed teams are experts who understand our assets, apply our fundamental operating strategy, and exercise the financial discipline and attention to detail that deliver ongoing success. We complement this activity with strategic acquisitions where we can apply our technical expertise to create additional value.

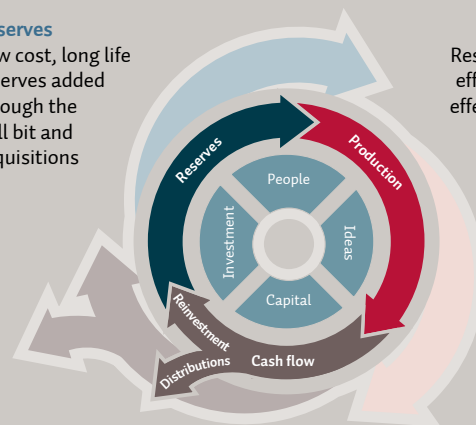
### SUSTAINABILITY MODEL

#### Reserves

Low cost, long life reserves added through the drill bit and acquisitions

#### Production

Reserves converted efficiently and cost effectively to stable production



#### Cash flow

Favourable commodity prices and a low cost structure generate solid cash flow, the basis for distributions and reinvestment



## YOUR TEAM AT WORK

Over the past 11 years, our strong technical teams have amassed an impressive asset base within four core regions of the Western Canada Sedimentary Basin. From understanding how an area has been developed to what the production history has yielded, we have it covered. For as long as Bonavista has been in business, our priority has been to bring together the right combination of technical, operational, and financial talent to deliver sustained value for Bonavista's unitholders. Having played a key role in building the assets into the operations that we manage today, our team knows how to extract the most value from every aspect of our business.

We have built an organization where our people are both owners and partners, creating a strong alignment with the interests of our unitholders. Together, our directors, management, and employees own approximately 19% of Bonavista. Through our unique organizational structure, Bonavista has benefited from the multi-disciplined approach that our team brings to any challenge that we encounter. A complete list of our dedicated employees is on the back cover of this report.

## Preparing for Tax Changes on the Horizon

On October 31, 2006, the federal government announced its plan to tax distributions from certain Canadian, publicly-traded specified investment flow-through (SIFT) entities starting on January 1, 2011. This taxation legislation was enacted in 2007 and many of the rules were clarified in 2008, including those governing the calculation of the provincial component of the tax. In December 2008, draft rules were issued to facilitate the conversion to a public corporation on a tax-free rollover basis and revisions to the 'normal growth' guidelines were proposed, although related income tax regulations still need to be finalized.

The pending taxation changes will encourage energy trusts to return to their operating roots, a strategy from which we never departed. We will continue to monitor the SIFT tax rules as they evolve, and we are assessing the potential implications for our unitholders. However, we are unlikely to change our legal structure before 2011 without a compelling reason to do so: we plan to retain the flow-through advantages of a trust structure while preserving or enhancing our tax pools for future use. Due to the nature of our capital expenditures, we create new tax pools with every dollar invested. These will be used to shelter future taxable income.

Our core philosophy and operating strategies do not rely on the tax efficiency of a flow-through trust model to achieve success. Nevertheless, we believe there is still a strong demand in the market for quality, yield-type equity investments. As well, the income trust model has proven successful in the development of conventional and unconventional oil and natural gas reserves within the mature Western Canada Sedimentary Basin. One of the options we are considering is a transition to a hybrid business model that affords the flexibility to profitably grow our assets while continuing to distribute a portion of our cash flow.

Ultimately, our legal structure may change, but our steadfast commitment to creating unitholder value will not change. We intend to stay true to our strengths. We will continue to pursue a strategy that has proven successful for over a decade and in various business environments.



11 years of solid performance

**S**ince 1997, we have followed a consistent, core operating philosophy. Starting with a high-quality, concentrated asset base, we have applied financial discipline and technical acumen to add low cost reserves and production. This value creation model has consistently generated top quartile performance, allowing Bonavista to enjoy strong profitable growth and, in turn, has significantly rewarded our investors.

Our track record speaks for itself.

# Performance Highlights

(July 2003 to December 2008)

Since conversion to an energy trust in July 2003, Bonavista has continued to build a strong operational foundation, delivering solid results in key performance areas. These factors enhance our ability to generate consistent distributions over the long-term.

- Daily production up 54%
- Reserve life index up 52%
- Average return on unitholders' equity of 27%
- Average operating netback recycle ratio of 2.0:1

**119%**  
Proved plus probable  
reserves increase



## 2008 in review

Our goal for 2008 was to modestly grow reserves and production through internally generated opportunities within our four core regions, while maintaining consistent distributions. Despite the downturn in the global economy and resulting collapse in commodity markets in the last half of the year, we achieved this goal. We increased production by approximately 1.5% and added 10.8 mmboe of proved and probable reserves, after production of 19.5 mmboe. Furthermore, we distributed \$0.30 per unit per month throughout the entire year. Our activities during 2008 delivered solid operating and financial results that, once again, ranked us near the top of our sector.

## Development activities

In 2008, we invested \$482.3 million on exploitation, development, and acquisition activities. This program replaced 155% of our production at a cost of \$15.50 per boe for proved and probable reserve additions (\$19.11 per boe, including changes in future development capital). Within our core regions, we spent \$305.5 million, drilling 200 wells achieving an overall success rate of 95%. We invested \$26 million on undeveloped land during the year, a significantly higher proportion of our exploitation and development budget than in previous years, augmenting our growing prospect inventory. We currently have 1.2 million net acres of undeveloped land on which we have identified approximately 700 drilling locations, representing several years of drilling opportunities. We also continued with our core area acquisition strategy in 2008, completing 20 transactions totalling \$176.8 million. The largest of these transactions was completed early in the year in the Willesden Green area of our South Central Alberta core region. We now have a concentrated land position in this area, where we have recently experienced tremendous success utilizing horizontal drilling and multi-stage fracture stimulation technology.

## Financial results

As a result of our efficient capital programs, production grew slightly to 53,190 boe per day in 2008, which in turn generated cash flow of \$643.9 million (\$5.64 per unit) and net income of \$438.4 million (\$3.84 per unit). These financial results met our expectations and were achieved even though prices for oil and natural gas deteriorated significantly

in the latter part of the year. We also distributed \$332.5 million (\$3.60 per unit) in 2008, representing 52% of cash flow. Since inception as an energy trust in July 2003 through to March 2009, cumulative distributions have reached \$19.11 per unit, which is well in excess of the \$16.00 per unit, the closing price on our first day of trading as an energy trust.

## Applying a consistent strategy to sustain production

Our operating philosophy is well defined and consistently executed. We believe that controlling the pace of development is essential to maximizing production and minimizing costs. Our strategy is to hold high working interests in our properties, own and control gathering and processing infrastructure, and operate our production. Over the past eleven years, we have built a solid base of land, seismic, and production infrastructure in four core regions in western Canada. We are consistently expanding our footprint in these core regions through Crown land sales, farm-in opportunities and complementary acquisitions. This allows us to add to our drilling inventory while consolidating infrastructure and increasing operating efficiencies. With these activities, and the new ideas generated by our technical teams, our prospect inventory continues to grow in quality and quantity to approximately 700 locations today.

## Using technology to unlock unconventional resource potential

Bonavista's land base includes significant unconventional resource potential, particularly in the Bakken formation in our Southeast Saskatchewan area, the Lower Mannville sands in our Central Alberta core region, and the Triassic and Cretaceous sands in our North East British Columbia core region, where we have experienced excellent success over the past two years.

Many resource plays were not considered economically viable until recently, when producers began to apply a combination of horizontal drilling and multi-stage fracture technology to improve productivity and ultimate recovery. This technique yields maximum exposure to tight reservoirs and allows specific sections of the well bore to be fracture stimulated, thereby enhancing the permeability of the reservoir along the horizontal extent of the wellbore. Once the appropriate technique has been confirmed, a resource play can yield steady long-term growth in reserves and production and is relatively predictable with respect to timing, costs, production rates and reserve additions.

In 2008, we invested \$12.3 million in resource land purchases and the application of new technology towards longer-term resource play development.

## Enabling exceptional people

In addition to high-quality assets and a disciplined operational and financial strategy, our success comes from enabling exceptional people to apply their skills to create value. We are proud that we have a business model that focuses on the long-term and are fortunate to have retained our excellent team over a long period of time. Skill, consistency and innovation have produced a successful track record, and it is those same people who continue to add value to our assets. In 2008, we initiated changes that further solidify our management team and allow for increased visibility of the tremendous bench strength within Bonavista.

Our team has a solid understanding of our assets and are committed to ongoing value creation for our unitholders. In carrying out our business, we uphold high standards of conduct and personal integrity. From sound health, safety and environmental practices to the policies and procedures governing our corporate activities and decisions, we believe managing our business in an ethical manner is mandatory to maintaining the trust of our investors and building on our future success.

## Maintaining financial discipline

Exercising discipline in our financial and capital investment decisions is equally important in strong and weak markets and applicable whether Bonavista is an energy trust or a corporation. Our goal is to achieve a healthy recycle ratio of 2:1 or greater. A key metric of efficiency and sustainability, this 2:1 ratio means that when we invest a dollar in our capital program, we expect to recover two dollars. Our track record in achieving this target is excellent and has translated into strong, profitable results over the past 11 years.

We are committed to maintaining a conservative capital structure with an appropriate balance of debt and equity. In 2008, we strengthened our financial flexibility by issuing \$214 million of equity and extending the term of our \$1.0 billion syndicated bank loan facility to August 10, 2011. Balance sheet strength affords Bonavista a level of protection against rapid changes in commodity prices, or broader market fluctuations, while maintaining financial flexibility to capitalize on new opportunities.

## Six Strategies to Work by:

Over the past 11 years, we have maintained an unwavering commitment to six core business principles.

These principles have stood the test of time and will continue to drive our future success:

- Build and retain talented and knowledgeable teams to apply disciplined technical, operational, and financial expertise
- Create operational strength and dominance in select core regions
- Develop low cost, low-risk economic opportunities with appropriate commodity balance
- Enforce capital efficiency and strict cost controls with attention to detail
- Maintain financial strength and flexibility to take advantage of new opportunities
- Pursue complementary acquisitions to add long reserve life, low-decline assets

### Significant flexibility through market uncertainty

In light of the current global economic uncertainty and weak commodity prices, we will continue with a conservative, flexible approach to our capital spending. For the first half of 2009, we plan to invest up to \$125 million in our exploitation and development program, which can be reallocated or adjusted as conditions and opportunities evolve. The majority of this capital spending will be devoted to our operated properties where we can control the timing of expenditures and maintain maximum flexibility. With balanced production and geographic diversity within our core regions, we have exposure to many different areas and play types. This gives us the flexibility to easily shift capital from one area or commodity to another depending on the relative economics.

We will cautiously move forward with a similar sized budget for the last half of 2009, but will be reviewing this level regularly. A capital budget between \$225 and \$250 million will allow us to drill between 100 and 115 wells, with production levels forecasted to average between 51,500 and 52,500 boe per day, slightly lower than 2008. Our development program includes at least 50 high impact horizontal wells with multi-stage fracs targeting reserves in the Bakken, Glauconite, Viking, and Notikewin formations. This level of capital expenditures will also preserve our financial strength and positions us to take advantage of an improving acquisition market.

### Moving forward

We are very proud of our achievements over the past 11 years and remain excited about the future notwithstanding current global economic conditions and tax changes on the horizon. Although demand for crude oil and natural gas is currently muted, we believe that long-term industry fundamentals remain positive. Throughout the many business cycles and changes in the operating environment, Bonavista has thrived. This economic cycle will be no different. Though our capital program for 2009 will be reduced, our long range value creation process and our operating strategy will not change.

We believe there is a strong demand in the market for quality, yield-type equity investments. For the time being, we plan to retain the flow-through advantages of a trust structure while preserving or enhancing our tax pools for future use. As we look toward 2011, we are considering, among other options, a transition to a hybrid business model that affords the flexibility to profitably grow our assets while continuing to distribute a portion of our cash flow. Ultimately, our legal structure may change, but we will continue to pursue a strategy that has proven successful for over a decade and in various business environments.

Our long-term success lies in our ability to uncover value from our assets within the Western Canada Sedimentary Basin. Our disciplined approach to our capital investment, our operational and technical expertise, and our strong financial flexibility – along with our steadfast commitment to adding unitholder value – will continue to provide a solid foundation for the future regardless of the changing landscape.

Our strategy continues to work exceptionally well because we have the right support – at all levels of the organization – and the continued confidence of our investors. We sincerely thank the entire Bonavista team and the Board of Directors for their exceptional dedication and commitment to Bonavista’s continued success. We have no doubt that our people will continue to convert adversity into opportunity, employing our winning strategy to deliver sustainable long-term value to our unitholders.

On behalf of the Board of Directors,



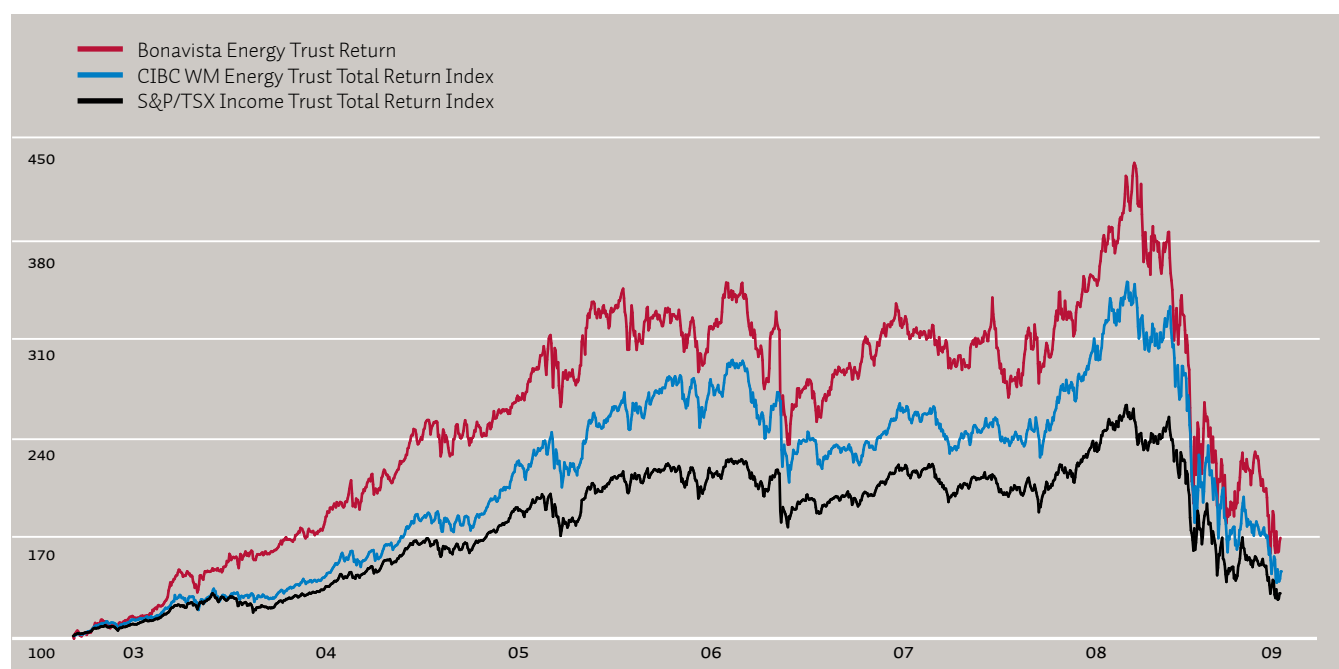
Keith A. MacPhail  
Chairman and Chief Executive Officer

March 2, 2009



Jason E. Skehar  
President and Chief Operating Officer

## DELIVERING VALUE TO UNITHOLDERS



From inception as an energy trust on July 2, 2003 to March 2, 2009, Bonavista has delivered cumulative distributions of \$1.5 billion or \$19.11 per trust unit. These cumulative distributions are in excess of our closing price of \$16.00 per trust unit on the first trading day after we became an energy trust.

During this period, Bonavista has outperformed both the CIBC WM Energy Trust Sector Index and the S&P/TSX Income Trust Total Return Index.

# Overview

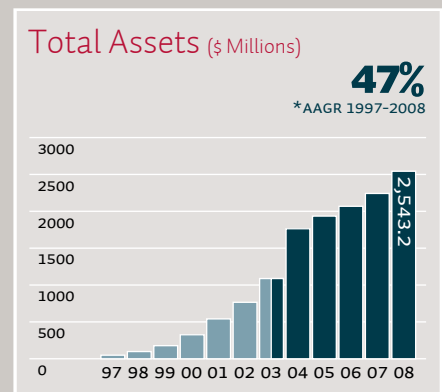
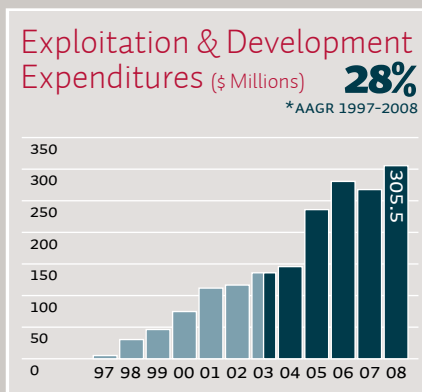
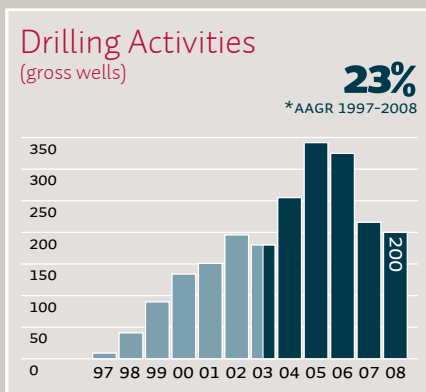
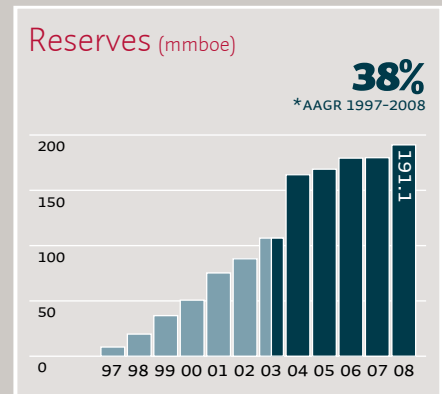
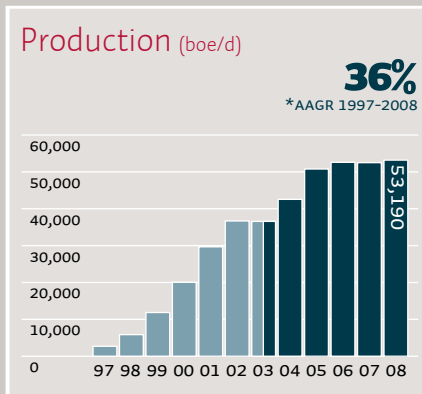
**B**onavista sets annual targets for performance, a process that keeps us accountable and allows us to focus on the task at hand: creating value.

With 2008 operating costs of \$9.45 per boe and general and administrative expenses of \$0.74 per boe, Bonavista is one of the lowest-cost producers in our sector. Bonavista's strict operational and financial discipline resulted in finding, development and acquisition costs in 2008 of \$19.11 per boe (including changes in future development expenditures).

Our ratio of debt to trailing cash flow in 2008 was approximately 1.1:1, which compares very favourably with an average ratio of 1.5:1 for our energy trust sector peer group.

## BONAVISTA'S 11-YEAR TRACK RECORD OF GROWTH

■ Bonavista Petroleum Ltd.  
■ Bonavista Energy Trust  
 \*Average Annual Growth Rate



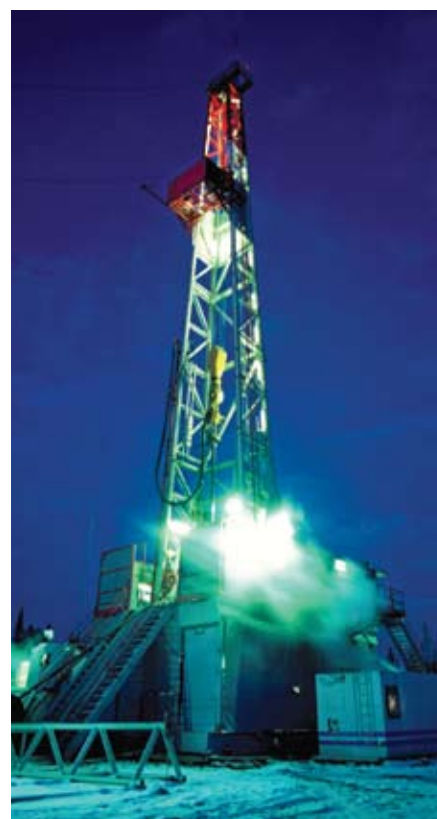
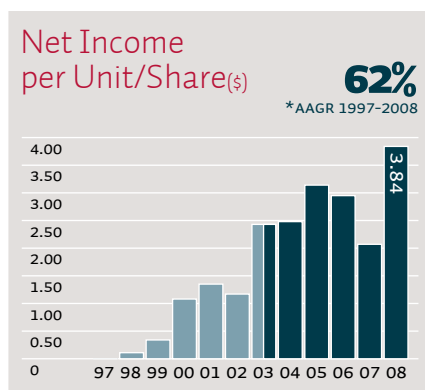
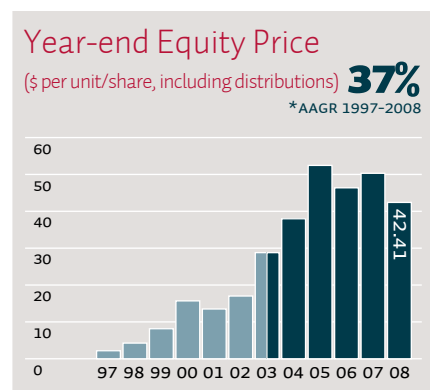
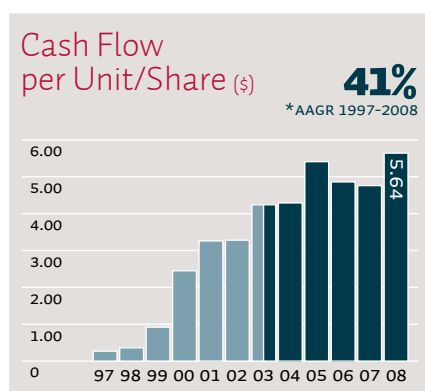
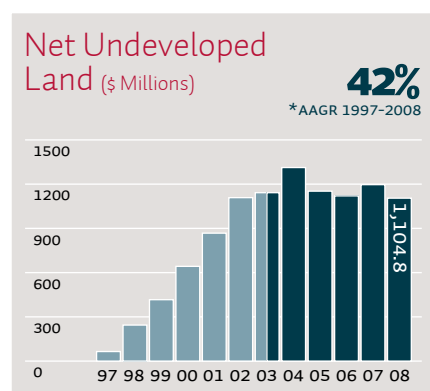
## How does Bonavista create value for investors?

Bonavista adds value for its unitholders in two ways: first, we reinvest approximately 50% of our cash flow to develop new reserves on our extensive undeveloped land base and convert these new reserves into production and cash flow as efficiently as possible. By investing approximately 50% of our cash flow we can, at a minimum, replace our natural production decline resulting in a stable to modestly growing cash flow base. Second, we distribute the balance of our cash flow to our unitholders. This long-established operating strategy has resulted in a strong average recycle ratio of 2.1:1. This ratio is a key measure of Bonavista's efficiency in replacing the oil and natural gas we produce. Simply put, over time we are generating at least two dollars of operating income for every dollar we invest today in developing reserves.

## What is Bonavista's cash distribution policy?

Our objective is to set a distribution policy at prudent levels while withholding sufficient funds to finance capital expenditures required to maintain or modestly grow our current production base. This in turn, should provide a stronger base of cash flow leading to consistent and sustainable distributions into the future. Bonavista is focused on a balanced commodity approach and is committed to maintaining its emphasis on operating high quality oil and natural gas properties resulting in predictable and sustainable distributions to its unitholders. Variations in commodity prices and, to a lesser degree, operating results, can directly impact cash flow and can result in changes to the distribution rate from time to time. At this point in time, our target is to distribute approximately 50% of cash flow.

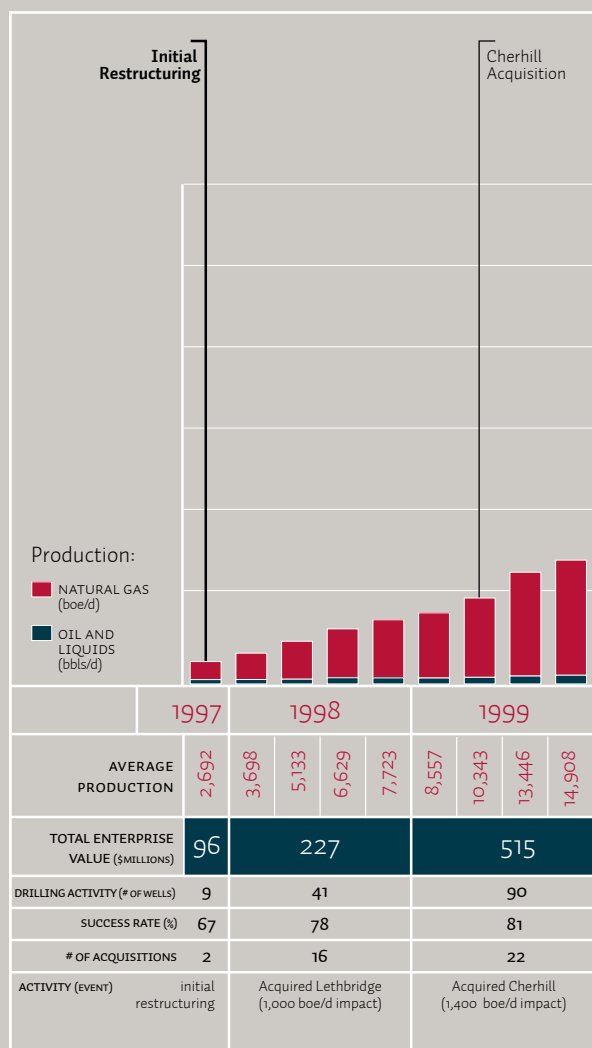
For 39 months (from November 2005 until January 2009) Bonavista delivered consistent monthly distributions of \$0.30 per unit or greater. However, in view of current economic conditions and our desire to maintain financial flexibility, we lowered our distribution rate to \$0.20 per unit, for January 2009 production, for the February 16th payment and for March 2009 production we lowered our distribution rate to \$0.16 per unit, payable on April 15, 2009. Our distribution policy, reviewed monthly, considers current and future commodity prices, foreign exchange rates, our commodity hedging program, our current operations and available investment opportunities.



# Life Cycle of Bonavista

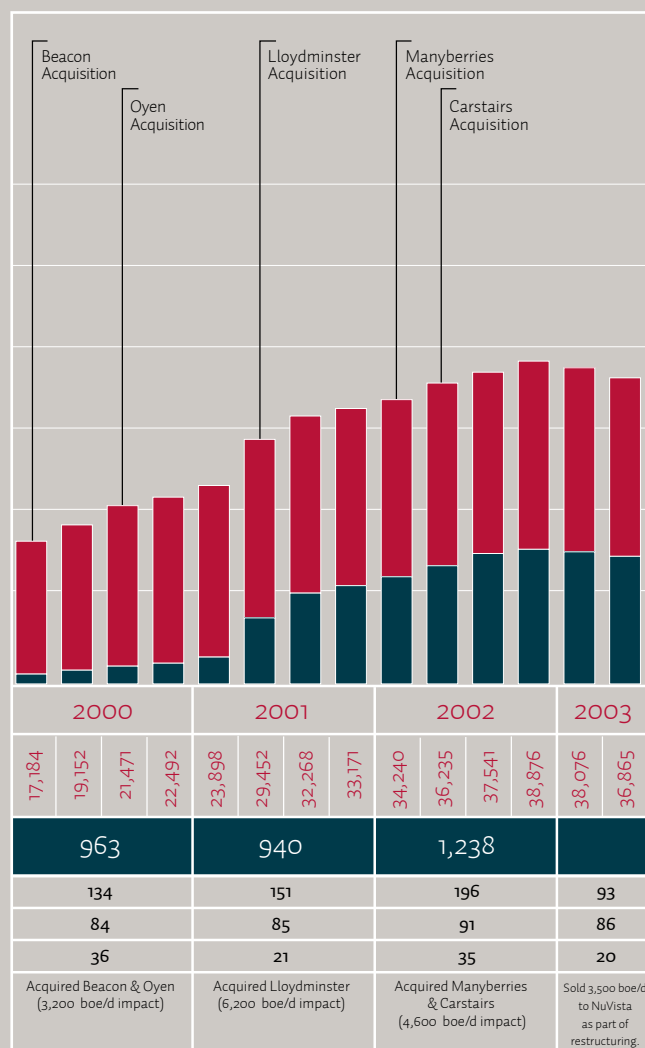
## The Junior Phase

Bonavista began as a junior oil and natural gas company in 1997 but progressed through this stage in only two and a half years, becoming a solid intermediate player by 2000. Most analysts define the junior stage as the period between start up and 15,000 boe per day. At this stage, annual production growth of 40% to 80% is achievable. As a junior, Bonavista doubled production each year, growing from 2,700 boe per day in 1997 to an exit rate of 15,000 boe per day in 1999; our investors enjoyed an increase in their investment from \$0.75 per share to \$8.15 per share.



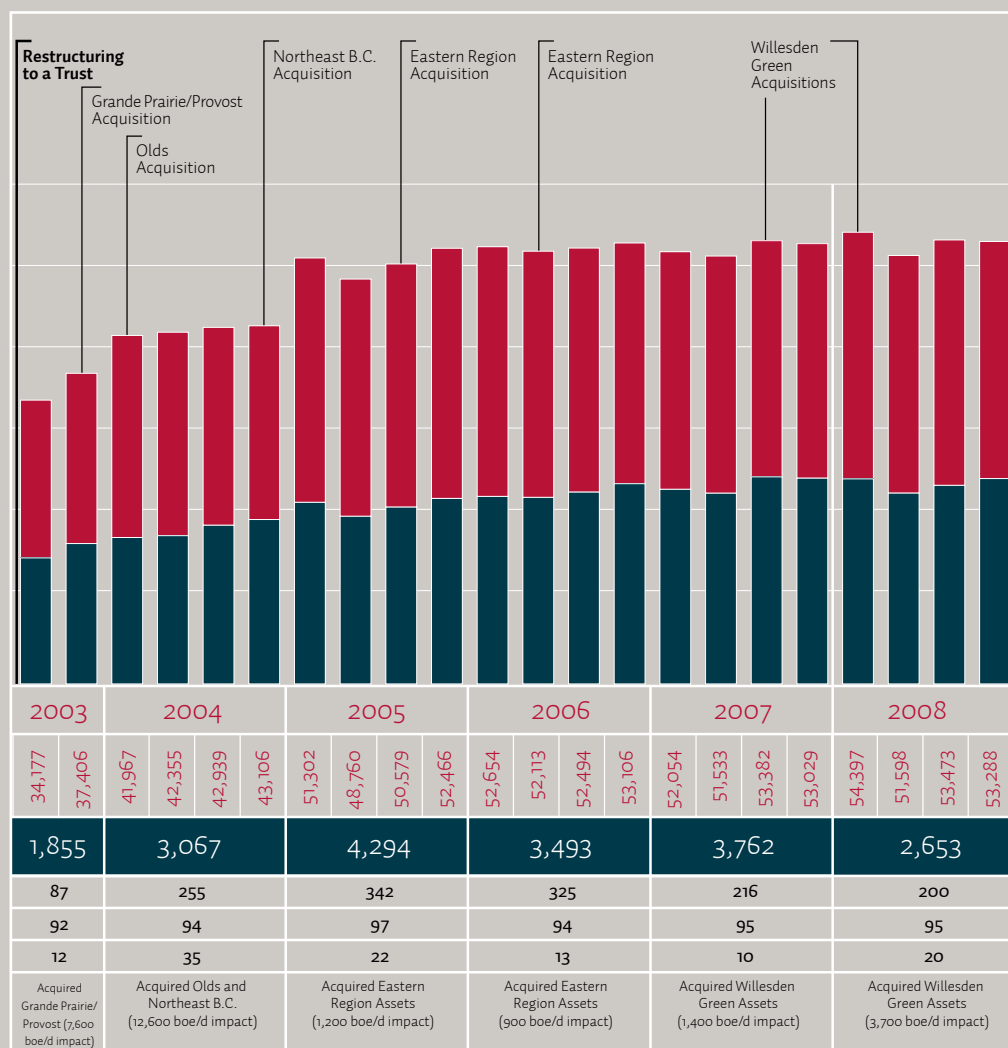
## The Intermediate Phase

From 2000 to July 2003, Bonavista continued to grow production at a slower, but still a substantial rate of 20% to 40% annually. The size of our asset base and efficiency of our overall operations boosted earnings significantly, resulting in a return on equity of over 35%. Because of our strong profitability, Bonavista was approaching a taxable position and, along with the cost-of-capital advantages, conversion to an energy trust became a more attractive option. It became clear that there would be increased value to our investors by converting to a trust, particularly in light of the more tax-efficient distribution model a trust would offer.



## The Trust Phase

In July 2003, Bonavista converted into an energy trust, maintaining consistent philosophy and operating strategies. Bonavista's operating model continues to emphasize profitability and modest production growth to generate sustainable distributions. This stands in marked contrast to the drive for growth evident in other business models. We believe size is not the critical factor in attaining maximum efficiency. Rather, remaining focused on cost effective reserve and production additions is first and foremost in our minds. This model enables us to extract maximum value from our high quality asset base and, in turn, generate sustainable distributions.



## From Junior to Intermediate to Trust

For more than 11 years, Bonavista has followed a core operational philosophy. As Bonavista has grown over the years, we have adapted our structure to reflect changes in the business environment, but our commitment to our core philosophy has never wavered.



## Features of our Core Regions:

Bonavista operates in four core areas of the Western Canada Sedimentary Basin, in the provinces of Alberta, British Columbia, and Saskatchewan. All of Bonavista's core regions share common features that result in:

- **Balanced production base that is 55% natural gas, 34% light and medium oil and 11% heavy oil, geographically and geologically focused in multi-zone areas.**
- **Abundant, low-risk drilling opportunities with approximately 700 prospects in inventory.**
- **Control of operations with a large, contiguous land base (average working interest 70%) and over 82% of production operated by Bonavista.**
- **Low cost structure with operating and general and administrative expenses of \$9.45 per boe and \$0.74 per boe, respectively in 2008.**
- **Low base decline rate of 20% and a long reserve life index of 9.4 years.**

**B**onavista's major properties are concentrated within four core regions in western Canada. Each core region has a well-balanced portfolio of operated oil and natural gas properties with considerable opportunities to replace or grow production through low risk exploitation, development, and acquisition potential.

Our production base is 55% natural gas and is geographically and geologically focused within select, multi-zone regions of Alberta, British Columbia, and Saskatchewan. In addition, mostly year-round access allows for consistent and predictable production patterns. Our average working interest is approximately 70%. Maintaining a high working interest and operating our production is a key component of our business plan, enabling us to control the pace of Bonavista's future reserve and production additions.

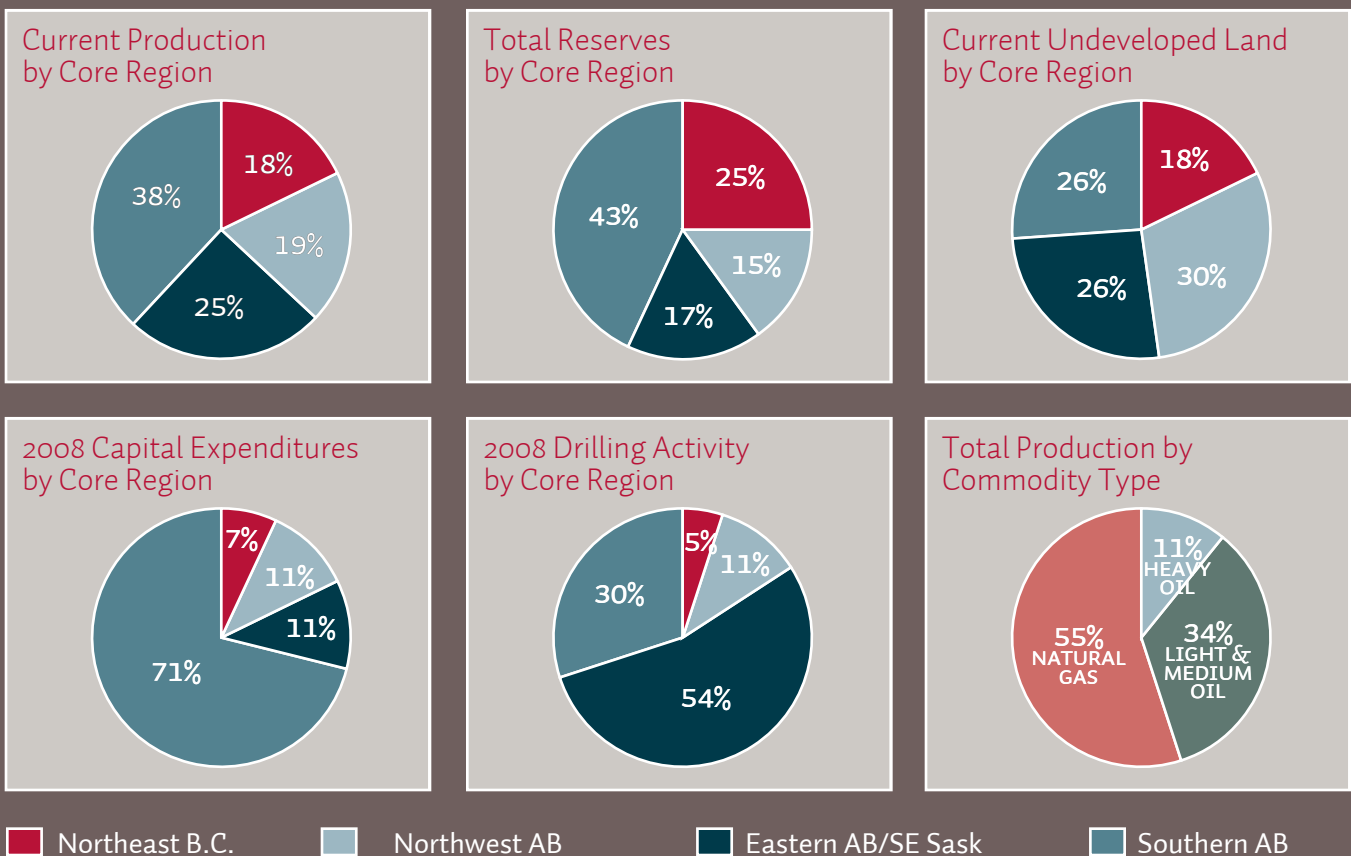
In 2008, we invested \$305.5 million in our exploration and development program that included drilling 200 wells with an overall success rate of 95%. We also completed 20 complementary net acquisitions in our core regions, spending \$176.8 million to consolidate and expand our asset base.

For 2009, given the current instability of commodity prices, our conservative approach to spending and distributions will preserve

our financial strength and serve us well in this uncertain period. Our capital budget will be between \$225 and \$250 million, to be invested in our exploitation, development, and acquisition programs. With this level of spending, we will drill between 100 and 115 wells, and production levels will average between 51,500 and 52,500 boe per day, slightly lower than 2008.

The recent announcement by the Alberta government to reduce the royalties paid on new wells drilled and brought on production between April 1, 2009 and March 31, 2010 will positively affect our 2009 cash flow by as much as \$10 million.

We believe that new drilling and completion technologies will have a significant positive impact on the future development of our vast land holdings. Our 2009 capital program includes at least 50 high-impact horizontal wells with multi-stage fracs targeting reserves in the Bakken, Glauconite, Viking, and Notikewin formations.



## Operational Advantage:

### Core Regions

Our core regions provide multi-zone potential and mostly year-round access. Operating areas are organized to use our teams' technical knowledge to maximize our advantage.

### Undeveloped Land

We have identified approximately 700 high-quality drilling prospects on 1.2 million net acres of undeveloped land. Additional locations are generated weekly by our technical teams, such that our inventory continues to build despite our active drilling program.

### Production

Low cost production and well-paced development are the result of holding a high working interest of 70% on average and operating 82% of our production.

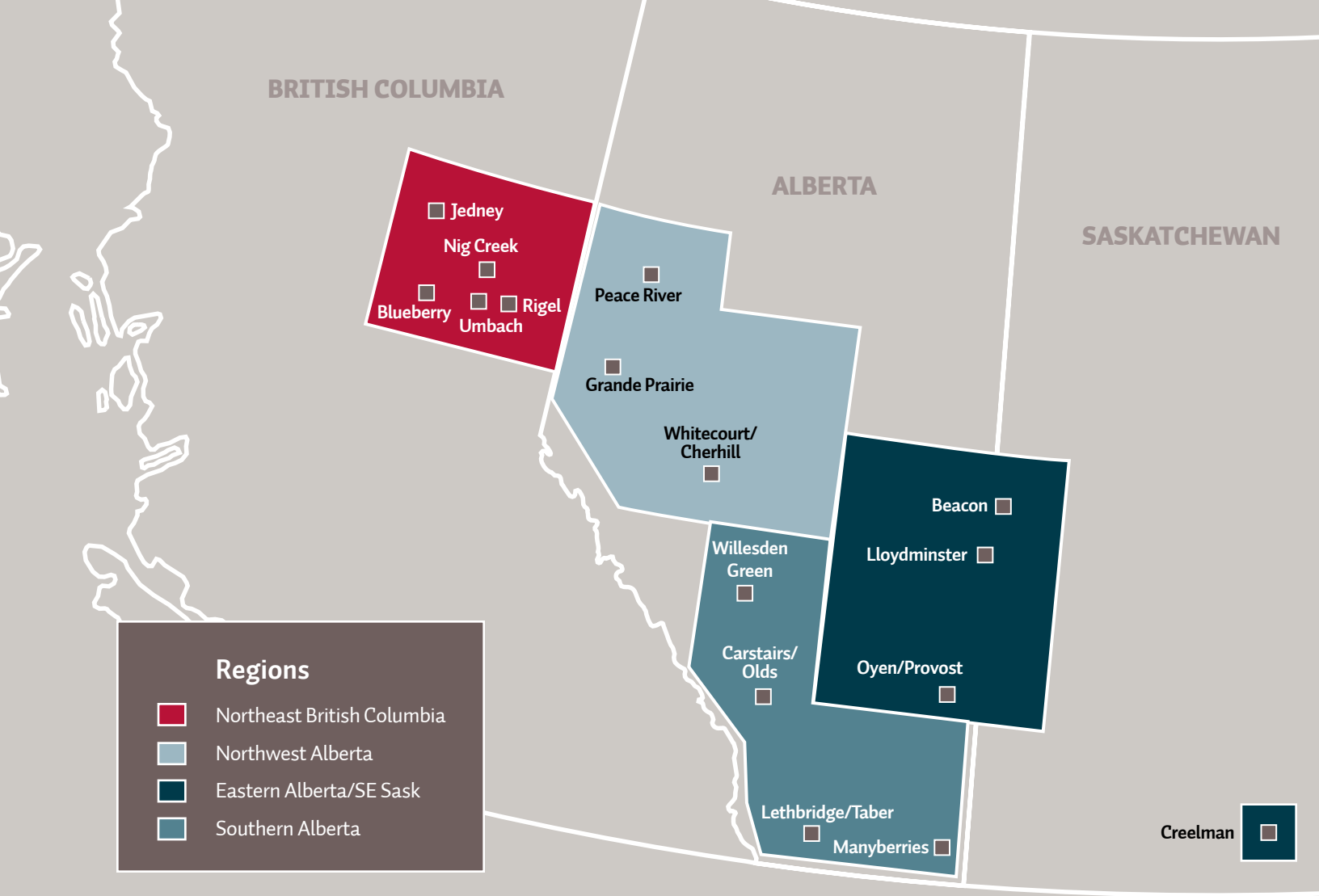
### Bonavista's Properties

2008 AVERAGE PRODUCTION

- 175 mmcf/d of natural gas
- 24,079 bbls/d of crude oil and liquids
- 53,190 boe/d total

### Drilling Activity

- 2007 = 216 wells
- 2008 = 200 wells
- 2009e = 100 - 115 wells



## Profile: Core Regions

Region	Current Production (boe/d)	Reserves (mmboe)	Reserve Life Index (years)	Current Undeveloped Land (net acres)	2008 Drilling Activity (wells)	2009 Drilling Plans (est. wells)
Northeast B.C.	9,700	46.9	13.2	218,000	10	10
Northwest AB	10,300	28.0	7.3	363,000	21	8
Eastern AB/SE Sask	13,000	33.8	7.3	316,200	108	45
Southern AB	20,000	81.5	11.2	307,500	61	43
<b>TOTAL</b>	<b>53,000</b>	<b>190.2</b>	<b>9.9</b>	<b>1,204,700</b>	<b>200</b>	<b>106</b>

	BONAVISTA ENERGY TRUST							
	2008	2007	2006	2005	2004	2003	2002	2001
<b>OPERATIONAL</b>								
Production:								
Natural gas (mmcf/d)	175	171	177	176	144	124	132	127
Oil and liquids (bbls/d)	24,079	24,034	23,068	21,421	18,607	15,841	14,776	8,519
Total oil equivalent (boe/d)	53,190	52,505	52,593	50,779	42,551	36,573	36,693	29,676
Reserves (mboe)	191,095	179,454	174,091	169,071	164,130	106,816	88,111	75,311
Reserve life index (years)	9.4	9.2	8.9	8.8	8.6	7.3	6.2	6.1
Undeveloped land (net acres)	1,104,755	1,196,500	1,120,336	1,152,266	1,312,504	1,141,990	1,108,414	867,526
Drilling activity (gross wells)	200	216	325	342	255	180	196	151
Average success rate (%)	95%	95%	94%	97%	94%	89%	91%	85%
Number of acquisitions	20	10	13	22	35	32	35	21
<b>FINANCIAL</b>								
Revenue (\$ millions)	1,234.4	910.7	910.1	912.4	599.4	483.7	340.2	307.9
Cash flow (\$ millions)	643.9	502.8	496.4	522.7	344.2	285.1	205.4	188.0
Per unit / share <sup>(1)(2)</sup>	5.64	4.76	4.86	5.41	4.29	4.24	3.28	3.26
Distributions declared								
(\$ millions – effective July 2, 2003)	332.5	307.4	324.0	270.8	194.9	80.8	n/a	n/a
Per unit	3.60	3.60	3.87	3.47	3.08	1.50	n/a	n/a
Percentage of cash flow distributed	52%	61%	65%	52%	57%	63%	n/a	n/a
Net income (\$ millions) <sup>(2)</sup>	438.4	218.2	301.3	302.9	199.0	163.2	73.4	77.9
Per unit / share <sup>(1)(2)</sup>	3.84	2.07	2.95	3.14	2.48	2.43	1.17	1.35
Capital expenditures (\$ millions):								
Exploitation and development	305.5	267.7	280.6	236.0	145.8	136.0	116.6	111.8
Net acquisitions	176.8	98.7	35.8	59.1	605.6	247.4	151.4	155.7
Total assets (\$ millions) <sup>(2)</sup>	2,543.2	2,242.1	2,067.9	1,934.9	1,763.5	1,088.0	765.9	540.6
Unit/Shareholders' equity (\$ millions) <sup>(2)</sup>	1,412.0	1,061.0	1,130.3	1,103.5	871.7	589.8	409.0	247.9
<b>PERFORMANCE/EFFICIENCY</b>								
Cash flow netback (\$/boe) <sup>(2)</sup>	33.07	26.24	25.86	28.20	22.10	21.35	15.33	17.36
Controllable cash costs (\$/boe) <sup>(2)</sup>	11.87	11.01	9.92	8.73	7.23	6.69	5.13	4.19
Finding and development costs (\$/boe)	19.11	15.91	15.29	13.13	10.88	11.94	9.33	7.53
Recycle ratio <sup>(3)</sup>	1.9	1.8	1.8	2.3	2.2	1.8	1.7	2.4
Return on equity <sup>(3)</sup>	23%	20%	27%	30%	29%	31%	25%	45%
Year-end unit/share price <sup>(1)(3)(4)</sup>	42.41 <sup>(4)</sup>	50.31 <sup>(4)</sup>	46.37 <sup>(4)</sup>	52.45 <sup>(4)</sup>	37.98 <sup>(4)</sup>	28.79 <sup>(4)</sup>	17.02	13.50
Total enterprise value (\$ millions)	2,653.1	3,762.3	3,493.3	4,294.1	3,067.2	1,855.0	1,237.8	939.6

## NOTES

- <sup>(1)</sup> For periods prior to July 2, 2003 amounts are adjusted for a 2 to 1 stock split.
- <sup>(2)</sup> Adjusted for retroactively adopted new accounting policies as fully outlined in 2005 annual report.
- <sup>(3)</sup> Key eleven year compound annual averages include:
- Recycle ratio = 2.0:1 on \$3.5 billion of capital invested
  - ROE = 29%, ROCE = 19%
  - Investor average annual ROI = 37%
- <sup>(4)</sup> Includes cumulative cash distributions and value of NuVista distributed to shareholders on July 2, 2003.

## ANNUAL MEETING

The Annual Meeting of the unitholders of Bonavista Energy Trust will be held at 3:00 pm on Thursday, May 7, 2009 in the McMurray Room at the Calgary Petroleum Club, 319 – 5 Avenue SW, Calgary, Alberta. Unitholders who are unable to attend this meeting are requested to complete and return their proxies to Valiant Trust Company at least 24 hours before the meeting.

## BONAVISTA PETROLEUM LTD.

2000	1999	1998	1997
109	66	31	13
1,869	873	642	547
20,047	11,856	5,808	2,692
50,651	36,729	19,997	8,330
6.2	7.1	7.4	7.6
642,507	416,396	244,258	64,820
134	90	41	9
84%	81%	78%	67%
36	22	16	2
214.2	72.1	26.9	13.3
139.1	46.1	15.4	5.7
2.45	0.92	0.36	0.27
n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a
61.4	17.1	4.6	(0.2)
1.08	0.34	0.11	(0.01)
75.7	46.3	30.4	5.1
78.9	55.1	25.6	28.1
325.8	177.5	97.7	48.4
170.6	107.9	53.3	39.9
19.00	10.65	7.28	5.82
3.05	3.03	3.65	6.03
7.27	4.82	4.06	4.04
2.7	2.4	2.1	2.6
57%	24%	11%	n/a
15.70	8.15	4.25	2.18
962.5	514.6	226.9	96.2

## FORWARD-LOOKING INFORMATION

The information provided throughout this document contains forward-looking statements. The reader is cautioned that assumptions used in the preparation of such information, although considered reasonable by the Trust at the time of preparation, may prove to be incorrect. The actual results achieved may vary from the information provided herein and the variations may be material. Consequently, there is no representation by Bonavista that actual results achieved during the forecast period will be the same in whole or in part as those forecast.

## Directors

**Keith A. MacPhail**  
Bonavista Energy Trust

**Ian S. Brown**  
Independent Businessman

**Michael M. Kanovsky**  
Sky Energy Corporation

**Harry L. Knutson**  
Nova Bancorp Inc.

**Margaret A. McKenzie**  
Range Royalty Management Ltd.

**Ronald J. Poelzer**  
Bonavista Energy Trust

**Christopher P. Slubicki**  
Independent Businessman

**Walter C. Yeates**  
Independent Businessman

## Officers

**Keith A. MacPhail**  
Chairman and CEO

**Jason E. Skehar**  
President and COO

**Ronald J. Poelzer**  
Executive Vice President  
and Vice Chairman

**Glenn A. Hamilton**  
Senior Vice President and CFO

**Tom J. Mullane**  
Senior Vice President, Engineering

**Johannes H. Thiessen**  
Senior Vice President, Exploration

**Orest G. Humeniuk**  
Vice President, Land

**Dean M. Kobelka**  
Vice President, Finance

**Lynda J. Robinson**  
Vice President, Human Resources  
and Administration

**Hank R. Spence**  
Vice President, Operations

**Grant A. Zawalsky**  
Corporate Secretary

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Facsimile: (403) 262-5184  
Email: inv\_rel@bonavistaenergy.com  
Website: www.bonavistaenergy.com

## Auditors

KPMG LLP, Chartered Accountants  
Calgary, Alberta

## Bankers

Canadian Imperial Bank of Commerce  
Bank of Montreal  
Royal Bank of Canada  
The Bank of Nova Scotia  
The Toronto-Dominion Bank  
Alberta Treasury Branches  
National Bank of Canada  
Union Bank of California, N.A.  
(Canada Branch)  
Fortis Capital (Canada)  
HSBC Bank Canada  
Société Générale (Canada Branch)  
Sumitomo Mitsui Banking Corporation  
of Canada  
Calgary, Alberta

## Engineering Consultants

GLJ Petroleum Consultants Ltd.  
Ryder Scott Company Canada  
Calgary, Alberta

## Legal Counsel

Burnet, Duckworth & Palmer LLP  
Calgary, Alberta

## Registrar and Transfer Agent

Valiant Trust Company  
Calgary, Alberta

## Stock Exchange Listing

Toronto Stock Exchange  
Trading Symbols “BNP.UN”,  
“BNP.DB.A” and “BNP.DB”

## Abbreviations

<b>bbl</b>	barrel
<b>bbls/d</b>	barrels per day
<b>boe</b>	barrel(s) of oil equivalent
<b>boe/d</b>	barrel(s) of oil equivalent per day
<b>mbbl</b>	thousands of barrels
<b>mboe</b>	thousand barrels of oil equivalent
<b>mmboe</b>	million barrels of oil equivalent
<b>mmcf</b>	million cubic feet
<b>mmcf/d</b>	million cubic feet per day
<b>WTI</b>	West Texas Intermediate

Units of natural gas are converted into barrels of oil equivalent at a ratio of six thousand cubic feet of natural gas to one barrel of oil.

**We have been incredibly fortunate to have retained a strong technical and professional team over the years, employees who continue to bring their concentrated effort, conscientious attention to detail and strong work ethic to us everyday. Our dedicated and determined team is unique in its commitment and extraordinary ability to consistently undertake a project and see it through to a successful end. We acknowledge and appreciate the contributions of each member of our team who, together, have assisted Bonavista in realizing significant achievements.**

Brian Abt · Mona Ahmed · Kurt Albiez · Chris Alston · Larry Anderson · Gloria Ang · Kelly Ashdown · Owen Bailey · Cheryl Barclay  
Donna Bauman · Kent Beakley · Bernie Beebe · Alex Beier · Aaron Bell · Chris Birt · Connie Black · Pam Bochulak · Ernie Bradley  
Michael Breen · Ken Brogan · Gillian Brown · Ian Brown · Peggy Brown · Ryan Brown · Connie Browning · Fiona Buchholz · Joanne Bunz  
Terry Burge · Wendy Burlock · Shad Busche · Lisa Cambridge · Scott Cameron · Brian Campbell · Tod Cavalier · Jenny Chan  
Stacey Chene · Dave Christensen · Michelle Coish · Sandi Cole · Lindy Couillard · Marilyn Crawford · Georgina Crump · Bob Dallyn  
Clark Damer · Bill Deagle · Stacey DeIure · Karen Demers · Caitlyn Depper · Suhani Deshpande · Lyle Dietrich · Tyra Dolemo · Bruce Donald  
Shawna Donaldson · Melanie Duan · Daniel Duriez · Shannon Eastcott · Bernadette Enos · Breanne Erickson · Rochelle Estep · Nicole Evans  
Vanda Favaro · Adam Fellows · John Fernandes · Marc Fonteyne · Barbara Foran · Tara Foster · Darren Foster · Allen Fothergill · Brenda Gabel  
Linda Gallot · Jay Garcia · Robert Garnier · Liana Geddert · Scott Gerber · Derek Gilliatt · Harold Gold · Rocky Good · Sharmila Goswami  
Nelson Gramlich · David Gray · Ann Green · Amy Griffin · Brent Griffin · Myrna Griffin · Amanda Haggart · Samantha Halbauer · Bryce Hames  
Glenn Hamilton · Scott Hanson · Melissa Hartwell · Colin Hennel · Kari Herman · Shilo Hernandez · Nathan Hiebert · Cory Hipkiss · Bruce Hoff  
Scott Hogg · Debra Hooykaas · Kevin Howes · Sherry Huang · Colleen Hughes · Marty Hughes · Stephen Hughes · Orest Humeniuk · Andrea Jensen  
Bruce Jensen · Maria Joaquin · Gayle Johnson · Terry Jones · Ryan Karr · Sara Kast · Ed Katrusik · Ross Keilly · Pam Kelly · Kevin Kelts · Pam Knoll  
Dean Kobelka · Jason Kube · Diane Kyle · Don Lambert · Darren Larsen · Chris Lee · Brandon Leitch · Wade Leonard · Wade Lillico · Don Lind  
Carrie Loewen · Barb Logan · Rob Logan · Paige Luong · Angie MacLean · Keith MacPhail · Faye Mak · Kenneth Maloney · Ryan Mason · Diane Mazur  
Mark McAuley · Angus McCallum · David McDonald · Stephen McKenzie · Shannon McLean · Mike McLeod · Rob McNicol · June Melsted  
Wayne Merkel · Ellen Metzinger · Stephen Michalsky · Naava Migneault · Robert Moncrieff · Tony Monteith · Greg Moody · Michelle Moore Salisbury  
Krista Morton · Jerri Mowbray · Tom Mullane · Kevin Mullie · Travis Munday · Evelyn Nahnybida · Martin Naundorf · Debbie Needham  
Fikerte Neguisse · John Nelson · Barbara Niddrie · Craig Norton · Riley O'Hare · Donna Orbeck · Rodney Owens · Sean Padley · Andy Pausch  
Glen Perry · Ross Pickett · Cheryl Piper · Ted Plunkett · Ronald Poelzer · Chantel Pottruff · Janelle Price · Cecilia Price-Jones · Sebastian Quek  
Colin Ranger · William Rasmussen · Darren Reid · Lynda Robinson · Daryl Robinson · Donald Rodger · Ashley Roy · Erin Schira · Don Schoen  
Dennis Schubert · Donna Schuler · Joey Schwartz · Bernie Schwindt · Jack Scown · Sarah Sellmann · Kelly Sheppard · Jason Sherriffs  
Angela Shewchuk · Scott Shimek · Amro Shmouy · Louise Sidorenko · Trevor Sieben · Jason Skehar · Steven Smith · Tony Smith  
Hank Spence · Ken Staniforth · Gabriela Stevenson · Carter Stickel · Renee Stokes · Wade Striemer · Shane Sypher · Arnold Tacey  
Johannes Thiessen · Carol Thompson · Lisa Thompson · Tony Thompson · Tara Timmer · Murray Tluchak · Heather Toft · Cindy Travis  
Maggie Trinh · Chris Turpin · Kiley Turpin · Travis Tweet · Catherine Underhill · Eleanor Vokes · Dennis Wagstaff · Safia Wainse · John Webb  
Arlene Wickham · Rodney Wold · Jason Wong · Brent Woods · Jan Yang · Jayn Yee · Katie Yeung · Byron Yip · Susan Yuen



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