Gibson Energy Inc.

Condensed Consolidated Financial Statements
March 31, 2013 and 2012
(Unaudited)
(in thousands of Canadian dollars)

Gibson Energy Inc.

Condensed Consolidated Balance Sheet

(Unaudited)

(tabular amounts in thousands of Canadian dollars)

	March 31, 2013	December 31, 2012
Assets		
Current assets		
Cash and cash equivalents	$ 45,186	$ 61,026
Trade and other receivables (note 4)	515,717	484,843
Inventories (note 5)	142,939	151,458
Income taxes receivable	5,308	5,401
Prepaid expenses and other assets	14,206	17,584
Net investment in finance leases (note 7)	575	549
Total current assets	723,931	720,861
Non-current assets		
Property, plant and equipment (note 6)	1,053,928	1,038,784
Long-term prepaid expenses and other assets	13,613	5,894
Net investment in finance leases(note 7)	77,972	78,130
Deferred income tax assets	9,136	9,060
Intangible assets (note 8)	227,197	234,438
Goodwill (note 9)	714,417	709,358
Total non-current assets	2,096,263	2,075,664
Total assets	$ 2,820,194	$ 2,796,525
Liabilities		
Current liabilities		
Credit facilities (note 11)	$ -	$ 31,837
Trade payables and accrued charges (note 10)	471,745	467,224
Dividends payable	33,251	31,232
Deferred revenue	5,208	1,499
Income taxes payable	973	3,410
Current portion of long-term debt (note 11)	6,601	6,467
Total current liabilities	517,778	541,669
Non-current liabilities		
Long-term debt (note 11)	612,691	599,677
Provisions (note 12)	107,708	111,197
Other long-term liabilities (note 13)	27,481	30,384
Deferred income tax liabilities	210,709	206,116
Total non-current liabilities	958,589	947,374
Total liabilities	1,476,367	1,489,043
Equity		
Share capital (note 14)	1,555,663	1,543,149
Contributed surplus	9,922	11,297
Accumulated other comprehensive income (loss)	3,563	(9,166)
Deficit	(225,321)	(237,798)
Total equity	1,343,827	1,307,482
Total liabilities and equity	$ 2,820,194	$ 2,796,525

See accompanying notes

Gibson Energy Inc.

Condensed Consolidated Statement of Operations

(Unaudited)

(tabular amounts in thousands of Canadian dollars, except per share amounts)

	Three months ended March 31, 2013	Three months ended March 31, 2012
Revenue (note 16)	$ 1,563,011	$ 1,294,928
Cost of sales (note 17, 18 and 22)	1,478,275	1,243,402
Gross profit	84,736	51,526
General and administrative expenses (note 17 and 18)	10,615	8,656
Other operating expenses (income) (note 19)	(1,891)	937
Income from operating activities	76,012	41,933
Interest expense	11,650	11,236
Gain on financial instruments relating to interest expense (note 22)	(808)	(4,023)
Interest income	(98)	(98)
Foreign exchange loss (gain) on long-term debt (note 11)	4,030	(16,379)
Loss from investment in associates	-	12
Loss from sale of investment in associates	-	34
Income before income taxes	61,238	51,151
Income tax provision (note 20)	15,510	11,114
Net income	$ 45,728	$ 40,037
Earnings per share (note 14)		
Basic	$ 0.38	$ 0.41
Diluted	$ 0.37	$ 0.40

See accompanying notes

Gibson Energy Inc.

Condensed Consolidated Statement of Comprehensive Income

(Unaudited)

(tabular amounts in thousands of Canadian dollars)

	Three months ended March 31,	
	2013	**2012**
Net income	$ 45,728	$ 40,037
Other comprehensive income (loss)		
Items that may be reclassified subsequently to consolidated statement of operations		
Exchange differences of translating foreign operations	12,729	(2,943)
Other comprehensive income (loss), net of tax	12,729	(2,943)
Comprehensive income	$ 58,457	$ 37,094

See accompanying notes

Gibson Energy Inc.

Condensed Consolidated Statement of Changes in Equity

(Unaudited)

(tabular amounts in thousands of Canadian dollars)

	Share capital	Contributed surplus	Accumulated other comprehensive loss	Deficit	Total equity
Balance – January 1, 2012	$ 1,082,990	$ 21,240	$ (3,504)	$ (246,857)	$ 853,869
Net income	-	-	-	40,037	40,037
Other comprehensive loss, net of tax	-	-	(2,943)	-	(2,943)
Comprehensive income			(2,943)	40,037	37,094
Employee share options:					
Value of services recognized	-	852	-	-	852
Proceeds from exercise of stock options	4,901	-	-	-	4,901
Reclassification of contributed surplus on exercise of stock option and other stock awards	6,712	(6,712)	-	-	-
Issuance of common shares in connection with the Dividend Reinvestment Program	11,614	-	-	-	11,614
Dividends on common shares	-	-	-	(24,733)	(24,733)
Balance – March 31, 2012	$ 1,106,217	$ 15,380	$ (6,447)	$ (231,553)	$ 883,597
Balance – January 1, 2013	$ 1,543,149	$ 11,297	$ (9,166)	$ (237,798)	$1,307,482
Net income	-	-	-	45,728	45,728
Other comprehensive income, net of tax	-	-	12,729	-	12,729
Comprehensive income			12,729	45,728	58,457
Employee share options:					
Value of services recognized	-	1,625	-	-	1,625
Proceeds from exercise of stock options	632	-	-	-	632
Reclassification of contributed surplus on exercise of stock option and other stock awards	3,000	(3,000)	-	-	-
Issuance of common shares in connection with the Dividend Reinvestment Program	8,882	-	-	-	8,882
Dividends on common shares	-	-	-	(33,251)	(33,251)
Balance – March 31, 2013	$ 1,555,663	$ 9,922	$ 3,563	$ (225,321)	$1,343,827

See accompanying notes

Gibson Energy Inc.

Condensed Consolidated Statement of Cash Flows

(Unaudited)

(tabular amounts in thousands of Canadian dollars)

	Three months ended March 31, 2013	2012
Cash provided by (used in)		
Operating activities		
Income from operating activities	$ 76,012	$ 41,933
Items not affecting cash		
Depreciation of property, plant and equipment (note 17)	30,678	19,969
Amortization of intangible assets (note 17)	11,975	7,918
Share based compensation	1,625	852
Loss (gain) on sale of assets	(128)	140
Other	(1,249)	212
Net loss on fair value movement of financial instruments (note 22)	656	1,065
Changes in items of working capital		
Trade and other receivables	(30,104)	(9,118)
Inventories	8,924	35,882
Other current assets	2,993	1,377
Trade payables and accrued charges	(3,029)	(33,267)
Deferred revenue	3,706	(2,925)
Income taxes	(14,093)	603
Net cash provided by operating activities	87,966	64,641
Investing activities		
Purchase of property, plant and equipment	(38,236)	(35,755)
Purchase of intangible assets	(1,596)	(238)
Proceeds from sale of associate	-	596
Proceeds from sale of assets	612	742
Net cash used in investing activities	(39,220)	(34,655)
Financing activities		
Payment of shareholder dividends	(31,232)	(23,362)
Proceeds from Dividend Reinvestment Program	8,882	11,614
Interest paid	(8,741)	(11,527)
Interest received	95	95
Proceeds from exercise of stock options	632	4,901
Repayment of long-term debt	(1,651)	(1,624)
Payment of transaction costs	-	(300)
Repayment of credit facilities	(56,385)	-
Proceeds from credit facilities	24,000	-
Net cash used in financing activities	(64,400)	(20,203)
Effect of exchange rate changes on cash and cash equivalents	(186)	175
Net increase (decrease) in cash and cash equivalents	(15,840)	9,958
Cash and cash equivalents – beginning of period	61,026	64,810
Cash and cash equivalents – end of period	$ 45,186	$ 74,768

See accompanying notes

(tabular amounts in thousands of Canadian dollars, except where noted)

1 General Information

Gibson Energy Inc. ("Gibson" or the "Company") was incorporated pursuant to the Business Corporations Act (Alberta). The Company's common shares are traded on the Toronto Stock Exchange under the symbol "GEI".

Gibson is engaged in the movement, storage, blending, processing and marketing and distribution of crude oil, condensate, natural gas liquids, water, oilfield waste and refined products. The Company also provides emulsion treating, water disposal, oil field waste management services and propane distribution. The Company is incorporated and domiciled in Canada. The address of the Company's principal place of business is 1700, 440 Second Avenue S.W., Calgary, Alberta, Canada.

2 Basis of preparation

These condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, as set out in IAS 34, "Interim Financial Reporting". The condensed consolidated financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2012, which have been prepared in accordance with IFRS as issued by the IASB. These condensed consolidated financial statements were approved for issuance by the Company's board of directors ("Board") on May 7, 2013.

The Company's consolidated financial statements are presented in Canadian dollars, the Company's functional currency, and all values are rounded to the nearest thousands of dollars, except where indicated otherwise. All references to $ are to Canadian dollars and references to U.S.$ are to United States dollars.

3 Changes in accounting policies and disclosures

The accounting policies followed in preparation of these condensed consolidated financial statements are consistent with those of the previous financial year except as follows and for the impact of new standards described below.

- Income taxes on income in the interim periods are accrued using the income tax rate that would be applicable to the expected total annual profit or loss

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

Further information on the Company's significant accounting policies, future changes in accounting policies and estimates can be found in the notes to the Consolidated Financial Statements for the year ended December 31, 2012.

The Company adopted the following new and revised standards, along with any consequential amendments, effective January 1, 2013. These changes were made in accordance with applicable transitional provisions.

IFRS 7, Financial Instruments: Disclosures ("IFRS 7"), was amended to provide more extensive quantitative disclosures for financial instruments that are offset in the statement of financial position or that are subject to enforceable master netting or similar arrangements. The Company will provide additional disclosures regarding financial assets and liabilities that are offset in its 2013 annual consolidated financial statements.

IFRS 10, Consolidated financial statements (''IFRS 10'') builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The adoption of IFRS 10 did not result in any change in the consolidation status of any of its subsidiaries.

IFRS 11, Joint Arrangements ("IFRS 11") addresses joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form. The standard addresses inconsistencies in the reporting of joint arrangements by requiring a single method to account for interests in jointly controlled entities. The adoption of IFRS 11 did not result in any changes in the accounting for its joint arrangements.

(tabular amounts in thousands of Canadian dollars, except where noted)

IFRS 12, Disclosure of Interests in Other Entities (''IFRS 12'') is a comprehensive standard on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. The adoption of IFRS 12 did not result in additional disclosures.

IFRS 13, Fair Value Measurement ("IFRS 13") provides for a consistent and less complex definition of fair value, established a single source for determining fair value and introduces consistent requirements for disclosures related to fair value measurement. The adoption of IFRS 13 did not require any adjustment to the valuation techniques used by the Company to measure fair value and accordingly, did not result in any measurement adjustment as at January 1, 2013. However, the adoption of IFRS 13 resulted in a few additional disclosures that are presented in note 22.

IAS 1, Presentation of Financial Statements ("IAS 1") was amended and requires companies to group items presented within Other Comprehensive Income based on whether they may be subsequently reclassified to profit or loss. Accordingly, the Company grouped comprehensive income items for the current and comparative period. The adoption of this amendment did not result in any adjustments to other comprehensive income or comprehensive income.

IAS 19, Employee Benefits ("IAS 19") was amended to eliminate the option to defer the recognition of actuarial gains and losses, commonly known as the corridor approach and requires an entity to recognize actuarial gains and losses in Other Comprehensive Income ("OCI") immediately. In addition, the net change in the defined benefit liability or asset must be disaggregated into three components: service cost, net interest and remeasurements. Service cost and net interest will continue to be recognized in net earnings while remeasurements, which include changes in estimates or the valuation of plan assets, will be recognized in OCI. Furthermore, entities will be required to calculate net interest on the net defined benefit liability or asset using the same discount rate used to measure the defined benefit obligation. The amendment also enhances financial statement disclosures. This amended standard is effective for annual periods beginning on or after January 1, 2013, with modified retrospective application. As required, the Company adopted these amendments retrospectively. The Company adjusted its opening equity as at January 1, 2012 to recognize previously unrecognized past service credits and accordingly, on January 1, 2012, December 31, 2012 and March 31, 2013, deficit balance was decreased by approximately $0.6 million and other-long term liabilities were decreased by $0.6 million. The impact on the Company results of operations and earnings per share were not material for the current and comparative interim periods.

The annual improvements process addresses issues in the 2009 - 2011 reporting cycle including changes to IFRS 1, First-time adoption of International Financial Reporting Standards, IAS 1, IAS 16, 'Property plant and equipment', IAS 32, Financial Instruments: Presentation (IAS 32) and IAS 34. The adoption of these amendments did not have any material impact on the Company's condensed consolidated financial statements.

4 Trade and other receivables

	March 31, 2013	**December 31, 2012**
Trade receivables	$ 508,968	$ 469,751
Allowance for doubtful accounts	(5,703)	(5,435)
Trade receivables - net	503,265	464,316
Risk management assets (note 22)	2,198	5,520
Deposits held as collateral	1,340	1,337
Broker accounts receivable	3,475	5,371
GST receivable	2,336	3,495
Other	3,103	4,804
	$ 515,717	$ 484,843

(tabular amounts in thousands of Canadian dollars, except where noted)

5 Inventories

	March 31, 2013	December 31, 2012
Crude oil	$ 72,561	$ 79,407
Diluent	5,086	3,656
Asphalt	28,355	23,588
Natural gas liquids	14,385	25,103
Wellsite fluids and distillate	10,448	8,584
Spare parts and other	12,104	11,120
	$ 142,939	$ 151,458

6 Property, plant and equipment

	Land & Buildings	Pipelines	Tanks	Rolling Stock	Plant, Equipment & Disposal wells	Work in Progress	Total
Cost:							
At December 31, 2012	$ 94,698	$ 133,706	$ 266,925	$ 337,260	$ 439,645	$ 36,741	$ 1,308,975
Additions	665	74	1,489	9,053	6,406	27,377	45,064
Disposals	-	-	(119)	(797)	(14)	-	(930)
Reclassifications	-	-	-	343	12,912	(13,255)	-
Change in decommissioning provision (note 12)	-	(1,044)	(1,744)	-	(998)	-	(3,786)
Effect of movements in exchange rates	370	-	216	688	4,364	69	5,707
At March 31, 2013	$ 95,733	$ 132,736	$ 266,767	$ 346,547	$ 462,315	$ 50,932	$ 1,355,032
Accumulated depreciation and impairment:							
At December 31, 2012	$ 15,849	$ 34,477	$ 42,998	$ 88,981	$ 87,886	$ -	$ 270,191
Depreciation	1,187	2,250	3,870	11,172	12,199	-	30,678
Disposals	-	-	(29)	(410)	(7)	-	(446)
Effect of movements in exchange rates	5	-	45	566	65	-	681
At March 31, 2013	$ 17,041	$ 36,727	$ 46,884	$ 100,309	$ 100,143	$ -	$ 301,104
Carrying amounts:							
At December 31, 2012	$ 78,849	$ 99,229	$ 223,927	$ 248,279	$ 351,759	$ 36,741	$ 1,038,784
At March 31, 2013	78,692	96,009	219,883	246,238	362,174	50,932	1,053,928

Additions to property, plant and equipment include capitalization of interest of $0.3 million and $0.4 million for the three months ended March 31, 2013 and 2012, respectively.

At March 31, 2013 and December 31, 2012, the carrying value includes $4.7 million and $4.4 million, respectively, of assets capitalized under finance lease.

(tabular amounts in thousands of Canadian dollars, except where noted)

7 Net investment in finance leases

The following summarizes the Company's net investment in arrangements whereby the Company has entered into fixed term contractual arrangements to allow customers to have dedicated use of certain tanks owned by the Company. These arrangements are accounted for as finance leases:

	March 31, 2013	December 31, 2012
Total minimum lease payments receivable	$ 330,164	$ 335,229
Residual value	29,881	29,881
Unearned income	(281,498)	(286,431)
	78,547	78,679
Less: current portion	575	549
Net investment in finance lease: non-current portion	$ 77,972	$ 78,130

8 Intangible assets

	Brands	Customer relationships	Long-term Contracts	Non-compete agreements	Technology	Software	License and Permits	Total
Cost:								
At December 31, 2012	$ 49,881	$ 226,364	$ 32,712	$ 22,945	$ 2,516	$ 19,470	$ 3,074	$ 356,962
Additions	-	-	-	-	-	1,596	-	1,596
Effect of movements in exchange rates	176	2,631	585	127	19	32	64	3,634
At March 31, 2013	$ 50,057	$ 228,995	$ 33,297	$ 23,072	$ 2,535	$ 21,098	$ 3,138	$ 362,192
Accumulated amortization:								
At December 31, 2012	$ 18,280	$ 70,900	$ 10,515	$ 13,934	$ 1,651	$ 7,073	$ 171	$ 122,524
Amortization	2,086	7,262	910	817	78	561	261	11,975
Effect of movements in exchange rates	16	199	154	118	1	4	4	496
At March 31, 2013	$ 20,382	$ 78,361	$ 11,579	$ 14,869	$ 1,730	$ 7,638	$ 436	$ 134,995
Carrying amounts:								
At December 31, 2012	$ 31,601	$ 155,464	$ 22,197	$ 9,011	$ 865	$ 12,397	$ 2,903	$ 234,438
At March 31, 2013	29,675	150,634	21,718	8,203	805	13,460	2,702	227,197

9 Goodwill

The changes in the carrying amount of goodwill are as follows:

	Three months ended March 31, 2013	Year ended December 31, 2012
Opening balance	$ 709,358	$ 513,747
Additions through business combinations	-	197,731
Effect of movements in exchange rates	5,059	(2,120)
Closing balance	$ 714,417	$ 709,358

(tabular amounts in thousands of Canadian dollars, except where noted)

10 Trade payables and accrued charges

Trade payables and accrued charges include the following items:

	March 31, 2013	December 31, 2012
Trade payables	$ 386,347	$ 356,388
Accrued compensation charges	20,934	30,156
GST payable	1,745	1,843
Risk management liabilities (note 22)	9,252	11,790
Broker accounts payable	3,182	3,118
Pension liabilities	1,121	1,121
Interest payable	496	595
Due to Hunting PLC (note 15)	12,501	26,525
Other	36,167	35,688
	$ 471,745	$ 467,224

11 Loans and borrowings

Credit Facility

As at March 31, 2013 and December 31, 2012, the Company has a revolving credit facility (the “Revolving Credit Facility”) of up to U.S.$375.0 million, the proceeds of which are available to provide financing for working capital and other general corporate purposes. The Revolving Credit Facility expires on June 15, 2016 and borrowings under the Revolving Credit Facility bear interest at a rate equal to, at the Company’s option, LIBOR plus 2.5%; Base Rate plus 1.5%, Bankers Acceptance Rate plus 2.5% or Canadian Prime Rate plus 1.5%, subject to adjustment based on a change in the Company’s corporate credit rating as determined by recognized credit rating agencies. In addition, the Company must pay a commitment fee of 0.5%, subject to adjustment based on a change in the Company’s corporate credit rating, on the unused portion of the Revolving Credit Facility.

The Company had no amounts drawn against the Revolving Credit Facility as at March 31, 2013. The Company had $31.8 million drawn against the Revolving Credit Facility as at December 31, 2012. The Company had issued letters of credit totalling $77.2 million and $90.4 million as at March 31, 2013 and December 31, 2012, respectively.

The Revolving Credit Facility is secured by substantially all of the Company’s property and equipment, intangibles and current assets, including inventory and trade receivables and is guaranteed by substantially all of the Company’s existing wholly owned subsidiaries.

Long-term debt

	March 31, 2013	December 31, 2012
Tranche B Term Loan	$ 653,539	$ 641,835
Unamortized debt issue costs	(23,750)	(24,755)
Unamortized financial instrument liability discount	(10,497)	(10,936)
	619,292	606,144
Less: current portion	6,601	6,467
Long-term debt: non-current portion	$ 612,691	$ 599,677

The Tranche B Term Loan is a secured first lien term loan facility with principal amount of U.S.$650.0 million and expires on June 15, 2018. The Tranche B Term Loan is repayable in equal quarterly installments at the end of each quarter, totalling 1% per annum of the original principal with the remaining balance to be paid at the end of the term. In addition, certain events may trigger incremental repayments of principal including a percentage of quarterly net excess cash flow as defined under the credit agreement, and proceeds from asset dispositions, where such proceeds are not reinvested as capital expenditures within specified time periods. To date no incremental repayments of principal have been made. The Tranche B Term Loan accrues interest at the option of the Company at a rate equal to LIBOR plus 3.75%, subject to a minimum

(tabular amounts in thousands of Canadian dollars, except where noted)

Adjusted LIBOR interest rate floor of 1.0% or base rate plus 2.75%, subject to a minimum base rate interest rate floor of 2.0%.

With respect to interest rate floor, it is considered an embedded derivative as the floor rate exceeded the market rate of interest at the time of its origination and subsequent modification. As a result, the interest rate floor derivative was required to be separated from the carrying value of long-term debt and accounted for as a separate financial liability initially measured at fair value and remeasured at each reporting date.

The Tranche B Term Loan is secured by substantially all of the Company's property and equipment, intangibles and current assets, including inventory and trade receivables and is guaranteed by substantially all of the Company's existing wholly owned subsidiaries

As a result of the movement in exchange rates, the Company recorded foreign exchange gains and losses on long-term debt as follows:

	Three months ended March 31, 2013	Three months ended March 31, 2012
Foreign exchange loss (gain) on movement in exchange rates on U.S. dollar long-term debt	$ 13,354	$ (11,577)
Gain on change in fair value of U.S. dollar forward contract relating to long-term debt (note 22)	(9,324)	(4,802)
	$ 4,030	$ (16,379)

12 Provisions

The aggregate carrying amounts of the obligation associated with decommissioning and site restoration on the retirement of assets and environmental costs are as follows:

	Three months ended March 31, 2013	Year ended December 31, 2012
Opening balance	$ 111,197	$ 66,471
Payments	(621)	(1,197)
Assumed in a business combination	-	9,930
Additions	-	4,773
Change in estimated future cash flows	-	19,782
Effect of changes in foreign exchange rates	221	(61)
Change in discount rate	(3,786)	9,608
Unwinding of discount	697	1,891
Closing balance	$ 107,708	$ 111,197

The Company currently estimates the total undiscounted future value amount, including an inflation factor of 2%, of estimated cash flows to settle the future liability for asset retirement and remediation obligations to be approximately $235.8 million and $235.8 million at March 31, 2013 and December 31, 2012, respectively. In order to determine the current provision related to these future values, the estimated future values were discounted using an average risk-free rate of 2.5% and 2.4% at March 31, 2013 and December 31, 2012, respectively. The provision is expected to be settled up to 40 years into the future.

(tabular amounts in thousands of Canadian dollars, except where noted)

13 Other long-term liabilities

	March 31, 2013	December 31, 2012
Pension liabilities	$ 7,592	$ 7,591
Derivative financial instruments (note 22)	15,130	17,409
Finance lease liabilities	1,026	1,262
Other	3,733	4,122
	$ 27,481	$ 30,384

14 Share capital

	Number of shares	Share Capital
At January 1, 2013	120,123,530	$ 1,543,149
Exercise of stock options	73,185	632
Exercise of other stock awards	326,723	-
Reclassification of contributed surplus on exercise of stock options and other stock awards	-	3,000
Issuance of common shares in connection with the Dividend Reinvestment Program	387,683	8,882
At March 31, 2013	120,911,121	$ 1,555,663

Share based payments

A summary of activity under the 2011 Equity Incentive Plan is as follows:

	Stock Options		Restricted Share Units	Performance Share Units	Deferred Share Units
	Number of shares	Weighted average exercise price (in dollars)	Number of Shares		
Balance at January 1, 2013	1,294,142	$ 9.60	870,038	76,276	44,956
Granted	763,270	25.94	217,502	141,239	38,887
Exercised	(73,185)	8.64	(326,723)	-	-
Forfeited	-	-	(1,346)	-	-
Balance at March 31, 2013	1,984,227	$ 15.92	759,471	217,515	83,843
Vested	1,129,170	$ 9.16	138,441	-	20,229

At March 31, 2013, awards available to grant under the 2011 Equity Incentive Plan were 1,303,092.

Per share amounts

	Three months ended March 31, 2013	Three months ended March 31, 2012
Weighted average common shares outstanding	120,558,673	98,319,965
Dilutive effect of:		
Stock options and other awards	1,660,902	2,802,932
	122,219,575	101,122,897

(tabular amounts in thousands of Canadian dollars, except where noted)

15 Contingent liabilities

The Company is currently undergoing income tax related and excise tax audits. While the final outcome of such audits cannot be predicted with certainty, it is the opinion of management that the resolution of these audits will not have a material impact on the Company's consolidated financial position or results of operations.

As a part of the acquisition of the Company by the wholly-owned subsidiary of R/C Guitar Cooperatief U.A. ("Co-op"), a Dutch Co-op owned by investment funds affiliated with Riverstone Holdings LLC ("Riverstone"), from Hunting PLC ("Hunting") on December 12, 2008, Hunting has indemnified the Company for the pre-closing period impact of these audits. Included in income tax receivable and trade payables and accrued charges as at March 31, 2013 and December 31, 2012 is $12.5 million and $26.5 million, respectively, whereby Hunting paid the Company and the Company paid the tax assessments relative to certain of these audits. In the three months ended March 31, 2013, the Company received a refund of income tax totalling $14.0 million that was ultimately refunded to Hunting. The Company has assumed that the remaining assessment amounts paid in connection with these audits will be refunded to the Company and although the timing is uncertain, will be settled within a year.

The Company is subject to various regulatory and statutory requirements relating to the protection of the environment. These requirements, in addition to the contractual agreements and management decisions, result in the recognition of estimated decommissioning provisions. Estimates of decommissioning costs can change significantly based on such factors as operating experience and changes in legislation and regulations.

The Company is involved in various legal actions, which have occurred in the ordinary course of business. Management is of the opinion that losses, if any, arising from such legal actions would not have a material impact on the Company's consolidated financial position or results of operations.

16 Revenue

	Three months ended March 31, 2013	Three months ended March 31, 2012
Products	$ 1,334,020	$ 1,124,854
Services	228,991	170,074
	$ 1,563,011	$ 1,294,928

17 Depreciation and amortization

	Three months ended March 31, 2013	Three months ended March 31, 2012
Depreciation of property, plant and equipment	$ 30,678	$ 19,969
Amortization of intangible assets	11,975	7,918
	$ 42,653	$ 27,887

Depreciation of property, plant and equipment and amortization of intangible assets have been expensed as follows:

	Three months ended March 31, 2013	Three months ended March 31, 2012
Cost of sales	$ 41,674	$ 26,900
General and administrative	979	987
	$ 42,653	$ 27,887

(tabular amounts in thousands of Canadian dollars, except where noted)

18 Employee salaries and benefits

	Three months ended March 31,	
	2013	2012
Employee salaries and benefits	$ 47,415	$ 34,950

Employee salaries and benefits have been expensed as follows:

	Three months ended March 31,	
	2013	2012
Cost of sales	$ 40,765	$ 30,036
General and administrative	6,650	4,914
	$ 47,415	$ 34,950

Included in employee benefits is share based compensation of $1.6 million and $0.9 million for the three months ended March 31, 2013 and 2012, respectively. The share based compensation expense is included in general and administrative expenses.

19 Other operating expenses (income)

	Three months ended March 31,	
	2013	2012
Loss (gain) on sale of property, plant and equipment	$ (128)	$ 140
Foreign exchange loss (gain)	(1,763)	797
	$ (1,891)	$ 937

20 Income tax provision

The income tax provision included in the condensed consolidated statement of operations is classified as follows:

	Three months ended March 31,	
	2013	2012
Current	$ 12,132	$ 4,675
Deferred	3,378	6,439
Income tax provision	$ 15,510	$ 11,114
Effective income tax rate	25.3%	21.7%

21 Related party transactions

On August 11, 2011, the Company formed a partnership (the “Partnership”) to jointly construct and own a pipeline and emulsion treating, water disposal and oilfield waste management facilities in the Plato area of Saskatchewan. The Partnership commenced operations in 2012. The Company’s interest in the partnership is 50%. A member of the Company’s Board is also a director of the other party with the 50% interest in the Partnership. At March 31, 2013 and December 31, 2012, the Company’s proportionate share of property, plant and equipment was $10.6 million and $9.8 million, respectively. The impact of the Company’s share of the other financial position and results of the Partnership is not material to the Company’s consolidated financial statements.

(tabular amounts in thousands of Canadian dollars, except where noted)

22 Financial instruments

Non-Derivative financial instruments

Non-derivative financial instruments comprise cash and cash equivalents, trade and other receivables, trade payables and accrued charges, amount borrowed under the credit facilities, dividends payable, long-term debt and finance lease liabilities.

Cash and cash equivalents, trade and other receivables, trade payables and accrued charges, dividends payable and amount borrowed under the credit facilities are recorded at amortized cost which approximates fair value due to the short term nature of these instruments.

Long-term debt is recorded at amortized cost using the effective interest method of amortization. As at March 31, 2013, the carrying amount and fair value of long-term debt based on period end trading prices on the secondary market (Level 2) was $619.3 million and $664.2 million, respectively. As at December 31, 2012, the carrying amount and fair value of long-term debt based on period end trading prices on the secondary market (Level 2) was $606.1 million and $651.9 million, respectively.

Derivative financial instruments (recurring fair value measurements)

The following is a summary of the Company's risk management contracts outstanding:

	March 31, 2013		December 31, 2012	
	Assets	**Liabilities**	**Assets**	**Liabilities**
Commodity futures	$ 642	$ 581	$ 434	$ 2,013
Commodity swaps	842	2,954	5,086	3,887
Commodity options	23	41	-	18
Foreign currency forward contracts	10,786	-	2,476	316
Foreign currency options, including deferred premium	-	1,249	-	2,954
Interest rate swap	-	2,872	-	2,884
Interest rate floor	-	16,685	-	17,127
Total	$ 12,293	$ 24,382	$ 7,996	$ 29,199
Less non-current portion:				
Foreign currency forward contracts	10,095	-	2,476	-
Foreign currency options	-	1,249	-	2,954
Interest rate swap	-	1,643	-	1,746
Interest rate floor	-	12,238	-	12,709
	10,095	15,130	2,476	17,409
Current portion	$ 2,198	$ 9,252	$ 5,520	$ 11,790

The fair value of financial instruments is classified as a non-current asset (long-term prepaid expense and other assets) or liability (other long-term liabilities) if the remaining maturity is more than 12 months and, as a current asset or liability, if the maturity is less than 12 months.

(i) Commodity financial instruments

WTI Futures, options and swaps

The Company has entered into crude oil futures, options and swap contracts to manage the price risk associated with sales, purchases and inventories of crude oil and petroleum products.

Natural Gas Liquids ("NGL")

The Company has entered into NGL swap contracts to manage the risk associated with sales, purchases and inventories of NGLs.

(tabular amounts in thousands of Canadian dollars, except where noted)

(ii) Currency financial instruments

U.S. Dollar Forwards

The Company has entered into forward contracts to sell U.S. dollars in exchange for Canadian dollars to fix the exchange rate on its estimated future net cash inflows denominated in U.S. dollars.

The Company also entered into U.S. dollar forward contracts that mature on September 15, 2015 on U.S.$498.0 million of the principal of the Company's long-term debt to help mitigate the currency risk associated with its U.S. dollar denominated long-term debt.

U.S. Dollar Options

In connection with the forward contracts on the principal of the Company's long-term debt and to mitigate the credit cost, the Company sold U.S. dollar call options, expiring September 15, 2015, with a strike price of $1.32 to U.S.$1.00 for which the Company received a cash premium of $4.8 million. At the end of each period, the Company determines the fair value of the call option and recognizes a gain or loss in the period by comparing the fair value of the option with the value of the cash premium received. As a result of the movement in the fair value of the options, the Company recognized a gain of $1.7 million and $0.6 million during the three months ended March 31, 2013 and 2012, respectively.

Interest Rate Swap

In the year ended December 31, 2011, the Company entered into a U.S. dollar interest rate swap to hedge a portion of the Company's U.S. dollar floating interest rate exposure on the Company's long-term debt. The swap effectively fixes the interest rate on U.S.$175.0 million of the principal at 5.5% for a three year period beginning in September 2012.

Interest Rate Floor

The Tranche B Term Loan carries an interest rate of Adjusted LIBOR plus 3.75%, subject to a minimum Adjusted LIBOR floor of 1.0%. This interest rate floor is considered an embedded derivative as the floor rate exceeded the market rate of interest at the time that the debt was incurred and modified. As a result, the interest rate floor derivative is separated from the carrying value of long-term debt and accounted for as a separate financial liability measured at fair value.

The value of the Company's derivative finance instruments is determined using inputs that are either readily available in public markets or are quoted by counterparties to these contracts. In situations where the Company obtains inputs via quotes from its counterparties, these quotes are verified for reasonableness via similar quotes from another source for each date for which financial statements are presented. The Company has consistently applied these valuation techniques in all periods presented and the Company believes it has obtained the most accurate information available for the types of financial instrument contracts held. The Company has categorized the inputs for these contracts as Level 1, defined as observable inputs such as quoted prices in active markets; Level 2 defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; or Level 3 defined as unobservable inputs in which little or no market data exists therefore requiring an entity to develop its own assumptions.

The Company used the following techniques to value financial instruments categorized in Level 2:

- The fair value of commodity options and swaps is calculated as the present value of the estimated future cash flows based on the difference between contract price and commodity price forecast.
- The fair value of foreign currency options and forward contracts is determined using the forward exchange rates at the measurement date, with the resulting value discounted back to present values.
- The fair value of interest rate swaps and floor is calculated as the present value of the estimated future cash flows based on observable yield curves.

(tabular amounts in thousands of Canadian dollars, except where noted)

The fair value of derivative financial instrument contracts by fair value hierarchy at March 31, 2013 was:

	Total	Level 1	Level 2	Level 3
Assets from financial instrument contracts				
Commodity swaps	$ 842	$ -	$ 842	$ -
Commodity futures	642	642	-	-
Commodity options	23		23	
Foreign currency forward contracts	10,786	-	10,786	-
Total assets	$ 12,293	$ 642	$ 11,651	$ -
Liabilities from financial instrument contracts				
Commodity swaps	$ 2,954	$ -	$ 2,954	$ -
Commodity futures	581	581	-	-
Commodity options	41	-	41	-
Interest rate swap	2,872	-	2,872	-
Foreign currency options, including deferred premium	1,249	-	1,249	-
Foreign currency forward contracts	-	-	-	-
Interest rate floor	16,685	-	16,685	-
Total liabilities	$ 24,382	$ 581	$ 23,801	$ -

The fair value of derivative financial instrument contracts at December 31, 2012 was:

	Total	Level 1	Level 2	Level 3
Assets from financial instrument contracts				
Commodity swaps	$ 5,086	$ -	$ 5,086	$ -
Commodity futures	434	434	-	-
Foreign currency forward contracts	2,476	-	2,476	-
Total assets	$ 7,996	$ 434	$ 7,562	$ -
Liabilities from financial instrument contracts				
Commodity swaps	$ 3,887	$ -	$ 3,887	$ -
Commodity futures	2,013	2,013	-	-
Commodity options	18	-	18	-
Interest rate swap	2,884	-	2,884	-
Foreign currency options, including deferred premium	2,954	-	2,954	-
Foreign currency forward contracts	316	-	316	-
Interest rate floor	17,127	-	17,127	-
Total liabilities	$ 29,199	$ 2,013	$ 27,186	$ -

The impact of the movement in the fair value of derivative financial instruments has been expensed in the consolidated statement of operations as follows:

	Three months ended March 31, 2013	Three months ended March 31, 2012
Cost of sales	$ 656	$ 1,065
Foreign exchange gain on long-term debt (note 11)	(9,324)	(4,802)
Gain on financial instrument relating to interest expense	(808)	(4,023)
	$ (9,476)	$ (7,760)

Financial Risk Management

The Company's activities expose it to certain financial risks, including foreign exchange risk, interest rate risk, commodity price risk, credit risk and liquidity risk. The Company's risk management strategy seeks to reduce potential adverse effects on

(tabular amounts in thousands of Canadian dollars, except where noted)

its financial performance. As a part of its strategy, both primary and derivative financial instruments are used to hedge its risk exposures.

There are clearly defined objectives and principles for managing financial risk, with policies, parameters and procedures covering the specific areas of funding, banking relationships, interest rate exposures and cash management. The Company's treasury function is responsible for implementing the policies and providing a centralised service to the Company for identifying, evaluating and monitoring financial risks.

a) Foreign Exchange Risk

Foreign exchange risks arise from future transactions and cash flows and from recognized monetary assets and liabilities that are not denominated in the functional currency of the Company's operations.

The exposure to exchange rate movements in significant future transactions and cash flows is managed by using foreign currency forward contracts, options and swaps. These financial instruments have not been designated in a hedge relationship. No speculative positions are entered into by the Company.

Foreign currency exchange rate sensitivity

If the Canadian dollar strengthened or weakened by 5% relative to the U.S. dollar and all other variables, in particular interest rates remain constant, the impact on net income and equity would be as follows:

	March 31,	
	2013	2012
U.S. Dollar Forwards		
Favorable 5% change	$ 2,794	$ 2,629
Unfavorable 5% change	(2,794)	(2,629)
U.S. Dollar long-term debt Forwards and the related Options		
Favorable 5% change	$ 6,182	$ 5,789
Unfavorable 5% change	(6,182)	(5,789)

The movement is a result of a change in the fair value of U.S. dollar forward contracts. The sensitivity relating to the Company's long-term debt includes the change in the carrying value of the Company's U.S. dollar denominated long-term debt, the U.S. dollar forward contracts on the principal and the related U.S. dollar call options.

The impact of translating the net assets of the Company's U.S operations into Canadian dollars is excluded from this sensitivity analysis.

b) Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument will be affected by changes in market interest rates. The following table summarizes the impact to net income and equity to a change in fair value of the Company's risk management position to changes in interest rates leaving all other variables constant as at March 31, 2013 and 2012.

	March 31,	
	2013	2012
Interest Rate Swap		
Favorable 1% change	$ 1,524	$ 2,610
Unfavorable 1% change	(199)	(1,063)
Interest Rate Floor		
Favorable 1% change	$ 6,536	$ 7,244
Unfavorable 1% change	(16,331)	(15,496)

The Company's interest rate risk exposure does not exist within any of the operating segments, but exists at the corporate level where the debt obligations are issued.

(tabular amounts in thousands of Canadian dollars, except where noted)

c) Commodity price risk

The Company is exposed to changes in the price of crude oil, NGL's, oil related products and electricity commodities, which are monitored regularly. Crude oil and NGL priced futures, options and swaps are used to manage the exposure to these commodities' price movements. These financial instruments are not designated as hedges. An electricity price swap has been used to manage the exposure to electricity prices in Canada and if used, would be marked to market each period. Based on the Company's risk management policies, all of the financial instruments are employed in connection with an underlying asset/liability and/or forecasted transaction and are not entered into with the objective of speculating on commodity prices.

The following table summarizes the impact to net income and equity due to a change in fair value of the Company's risk management positions because of fluctuations in commodity prices leaving all other variables constant, in particular foreign currency rates, as at March 31, 2013 and 2012. The Company believes that a 15% volatility in crude oil and NGL related prices and a 10% volatility in electricity prices are reasonable possible changes in assumptions.

	March 31,	
	2013	2012
Crude oil and NGL related prices		
Favorable 15% change	$ 2,144	$ 2,396
Unfavorable 15% change	(2,076)	(2,396)
Electricity prices		
Favorable 10% change	$ -	$ 103
Unfavorable 10% change	-	(103)

d) Credit risk

The Company's credit risk arises from its outstanding trade receivables, including receivables from customers who have entered into fixed term contractual arrangements to have dedicated use of certain of the Company's tanks. A significant portion of the Company's trade receivables are due from entities in the oil and gas industry. Concentration of credit risk is mitigated by having a broad customer base and by dealing with credit-worthy counterparties in accordance with established credit approval practices. The Company actively monitors the financial strength of its customers and in select cases has tightened credit terms to minimize the risk of default on trade receivables.

As at March 31, 2013 and December 31, 2012, approximately 5%, of net trade receivables are past due but not considered to be impaired. The Company considers trade receivables as past due when it is 30 days past the due date. The maximum exposure to credit risk related to trade receivables is their carrying value as disclosed in these financial statements.

The Company establishes guidelines for customer credit limits and terms. The Company review includes financial statements and external ratings when available. The Company does not usually require collateral in respect of trade and other receivables. The Company provides adequate provisions for expected losses from the credit risks associated with trade receivables. The provision is based on an individual account-by-account analysis and prior credit history.

The Company is exposed to credit risk associated with possible non-performance by financial instrument counterparties. The Company does not generally require collateral from its counterparties but believes the risk of non-performance is low. The counterparties are major financial institutions or commodity brokers with investment grade credit ratings as determined by recognized credit rating agencies.

The Company's cash equivalents are placed in high-quality commercial paper money market funds and time deposits with major international banks and financial institutions.

e) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. This risk relates to the Company's ability to generate or obtain sufficient cash or cash equivalents to satisfy these financial obligations as they become due. The Company's process for managing liquidity risk includes preparing and monitoring capital and operating budgets, coordinating and authorizing project expenditures and authorization of contractual agreements. The Company may seek additional financing based on the results of these processes. The budgets are updated with forecasts when required and as conditions change. Sufficient funds and the Revolving Credit Facility are available to satisfy the Company's requirements

(tabular amounts in thousands of Canadian dollars, except where noted)

over the next 12 months, and are expected to be available to satisfy the Company's long term requirements. The Company has a Revolving Credit Facility of up to U.S.$375.0 million and at March 31, 2013, no amount was drawn against the facility.

The terms of the Tranche B Term Loan and Revolving Credit Facility require the Company to comply with financial covenants, including maintaining a senior secured leverage ratio and an interest coverage ratio. If the Company fails to comply with these covenants the lenders may declare an event of default. At March 31, 2013 and December 31, 2012, the Company was in compliance with these covenants.

Set out below is maturity analyses of certain of the Company's financial contractual obligations as at March 31, 2013. The maturity dates are the contractual maturities of the obligations and the amounts are the contractual undiscounted cash flows.

	On demand or within one year	Between one and five years	After five years	Total
Trade payables and accrued charges, excluding derivative financial instruments	$ 462,493	$ -	$ -	$ 462,493
Dividend payable	33,251	-	-	33,251
Long-term debt	6,601	26,406	620,532	653,539
Interest payment on long-term debt	32,203	122,483	6,141	160,827
Commodity futures	581	-	-	581
Commodity swaps	2,954	-	-	2,954
Commodity options	41	-	-	41
Foreign currency forwards and options	-	1,249	-	1,249
Interest rate swap	1,229	1,643	-	2,872
Interest rate floor	4,447	11,880	358	16,685
	$ 543,800	$ 163,661	$ 627,031	$ 1,334,492

Capital management

The Company's objectives when managing its capital structure are to maintain financial flexibility so as to preserve the Company's ability to meet its financial obligations and to finance internally generated growth as well as potential acquisitions.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. The Company considers its capital structure to include shareholders' equity, long-term debt, the Revolving Credit Facility and working capital. To maintain or adjust the capital structure, the Company may raise debt and/or adjust its capital spending to manage its current and projected debt levels.

Financing decisions are made by management and the Board based on forecasts of the expected timing and level of capital and operating expenditure required to meet the Company's commitments and development plans. Factors considered when determining whether to issue new debt or to seek equity financing include the amount of financing required, the availability of financial resources, the terms on which financing is available and consideration of the balance between shareholder value creation and prudent financial risk management.

Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated balance sheet), less cash and cash equivalents. Total capital is calculated as net debt plus share capital as shown in the consolidated balance sheet.

	March 31, 2013	December 31, 2012
Total financial liability borrowings	$ 619,292	$ 637,981
Less: cash and cash equivalents	(45,186)	(61,026)
Net debt	574,106	576,955
Total share capital	1,555,663	1,543,149
Total capital	$ 2,129,769	$ 2,120,104

(tabular amounts in thousands of Canadian dollars, except where noted)

If the Company is in a net debt position, the Company will assess whether the projected cash flow and availability under the Revolving Credit Facility is sufficient to service this debt and support ongoing operations.

23 Segmental information

In the first quarter of 2013, the Company combined its Canadian and United States Environmental Services business and as a result realigned its Canadian custom treating and terminal facilities business from the Terminals and Pipelines segment to the Environmental Services segment. Accordingly, results of operations for the current and comparative periods have been reclassified to reflect the realignment.

The Company has defined its operations into the following operating segments: (i) Terminals and Pipelines, (ii) Truck Transportation, (iii) Environmental Services, (iv) Propane and NGL Marketing and Distribution, (v) Processing and Wellsite Fluids and (vi) Marketing.

Terminals and Pipelines includes fee-based storage and terminalling services and tariff-based pipeline services for crude oil, condensate and refined product. The Company owns and operates major storage terminals located at Edmonton and Hardisty, which are the principal hubs for aggregating and exporting oil and refined products out of the Western Canadian Sedimentary Basin; pipelines, which are strategically located throughout Alberta and Saskatchewan; and injection stations, which are located in the United States.

Truck Transportation includes provision of hauling services for crude oil, condensate, propane, butane, asphalt, methanol, sulfur, petroleum coke, gypsum, emulsion, waste water and drilling fluids for customers in Western Canada and the United States.

Environmental Services includes the provision of environmental and production services such as emulsion treating, water disposal services and oilfield waste management, exploration support services and accommodation facilities to the oil and gas industry.

Propane and NGL Marketing and Distribution includes a retail propane distribution operation and a wholesale business that includes a wholesale propane distribution and an NGL marketing business. The retail operation sells propane to oil and gas, industrial and residential customers, while the wholesale operations sell to larger customers who are not usually end users of the product.

Processing and Wellsite Fluids includes the refining and marketing of a variety of products, including several grades of road asphalt, roofing flux, wellsite fluids and tops.

Marketing includes purchasing, selling, storing and blending of crude oil and condensate and taking advantage of specific location, quality, or time-based arbitrage opportunities.

These operating segments of the Company have been derived because they are the segments (a) that engage in business activities from which revenues are earned and expenses are incurred; (b) whose operating results are regularly reviewed by the Company's chief operating decision maker to make decisions about resources to be allocated to each segment and assess its performance; and (c) for which discrete financial information is available. No operating segments were aggregated to arrive at the reportable segments.

Inter-segmental transactions are eliminated upon consolidation. No margins are recognized on inter-segmental transactions.

Accounting policies used for segment reporting are consistent with the accounting policies used for the preparation of the Company's consolidated financial statements.

(tabular amounts in thousands of Canadian dollars, except where noted)

Three months ended March 31, 2013	**Terminals & Pipelines**	**Truck Transportation**	**Environmental Services**	**Propane & NGL Marketing & Distribution**	**Processing & Wellsite Fluids**	**Marketing**	**Corporate & other reconciling balances**	**Total**
Statement of operations								
Revenue - external and inter-segmental.........	$ 30,635	$ 132,552	$ 74,145	$ 282,992	$ 144,423	$ 1,208,039	$ -	$ 1,872,786
Revenue - inter-segmental	(9,874)	(14,304)	(5,738)	(41,593)	(42,635)	(195,631)	-	(309,775)
Revenue - external.........	20,761	118,248	68,407	241,399	101,788	1,012,408	-	1,563,011
Segment profit..............	22,742	20,679	16,935	19,465	17,658	29,489	-	126,968
Depreciation of property, plant and equipment.	6,650	8,509	9,565	2,542	2,902	65	445	30,678
Amortization of intangible assets.......	518	3,049	5,546	1,590	568	170	534	11,975
General and administrative	-	-	-	-	-	-	8,011	8,011
Stock based compensation...........	-	-	-	-	-	-	1,625	1,625
Corporate foreign exchange gain	-	-	-	-	-	-	(1,333)	(1,333)
Interest expense.............	-	-	-	-	-	-	11,650	11,650
Gain on financial instruments relating to interest expense........	-	-	-	-	-	-	(808)	(808)
Interest income	-	-	-	-	-	-	(98)	(98)
Foreign exchange gain on long-term debt..........	-	-	-	-	-	-	4,030	4,030
Income tax provision.....	-	-	-	-	-	-	15,510	15,510
Net income	$ 15,574	$ 9,121	$ 1,824	$ 15,333	$ 14,188	$ 29,254	$ (39,566)	$ 45,728

(tabular amounts in thousands of Canadian dollars, except where noted)

Three months ended March 31, 2012	**Terminals & Pipelines**	**Truck Transportation**	**Environmental Services**	**Propane & NGL Marketing & Distribution**	**Processing & Wellsite Fluids**	**Marketing**	**Corporate & other reconciling balances**	**Total**
Statement of operations								
Revenue - external and inter-segmental	$ 26,900	$ 128,709	$ 11,428	$ 286,204	$ 143,556	$ 917,227	$ -	$ 1,514,024
Revenue - inter-segmental	(8,428)	(13,620)	(6,065)	(28,376)	(34,773)	(127,834)	-	(219,096)
Revenue - external	18,472	115,089	5,363	257,828	108,783	789,393	-	1,294,928
Segment profit	19,389	19,362	3,664	15,334	10,729	9,956	-	78,434
Depreciation of property, plant and equipment	6,257	7,018	2,034	2,147	1,993	64	456	19,969
Amortization of intangible assets	518	2,747	834	1,407	1,711	170	531	7,918
General and administrative	-	-	-	-	-	-	6,817	6,817
Stock based compensation	-	-	-	-	-	-	852	852
Corporate foreign exchange loss	-	-	-	-	-	-	991	991
Interest expense	-	-	-	-	-	-	11,236	11,236
Gain on financial instruments relating to interest expense	-	-	-	-	-	-	(4,023)	(4,023)
Interest income	-	-	-	-	-	-	(98)	(98)
Foreign exchange gain on long-term debt	-	-	-	-	-	-	(16,379)	(16,379)
Income tax provision	-	-	-	-	-	-	11,114	11,114
Net income	$ 12,614	$ 9,597	$ 796	$ 11,780	$ 7,025	$ 9,722	$ (11,497)	$ 40,037

The breakdown of total assets and liabilities by segment is as follows:

	March 31, 2013		**December 31, 2012**	
	Total Assets	**Total Liabilities**	**Total Assets**	**Total Liabilities**
Terminals and Pipelines	$ 606,794	$ 33,668	$ 609,845	$ 34,534
Truck Transportation	398,873	50,585	393,297	49,685
Environmental Services	668,705	46,417	652,651	44,382
Propane & NGL Marketing & Distribution	348,833	87,067	353,663	85,271
Processing & Wellsite Fluids	394,281	64,380	391,733	70,051
Marketing	295,302	236,551	278,604	212,983
Corporate & other reconciling balances	107,406	957,699	116,732	992,137
Total	$ 2,820,194	$ 1,476,367	$ 2,796,525	$ 1,489,043

(tabular amounts in thousands of Canadian dollars, except where noted)

Geographic Data

Based on the location of the end user, approximately 23% and 25% of revenue was to customers in the United States for the three months ended March 31, 2013 and 2012, respectively.

The Company's non-current assets, excluding investment in finance leases and deferred tax assets, are primarily concentrated in Canada with 32% in the United States at both March 31, 2013 and December 31, 2012.

24 Subsequent Event

On May 7, 2013, the Board declared a quarterly dividend of $0.275 cents per common share for the three months ended June 30, 2013 on its outstanding common shares. The dividend is payable on July 17, 2013 to shareholders of record at the close of business on June 28, 2013.