

ENERFLEX

For immediate release

Enerflex Reports Record 2008 Year End Financial Results and Announces First Quarter 2009 Distributions

CALGARY, ALBERTA - (February 19, 2009) - Enerflex Systems Income Fund (TSX:EFX.UN) today reported record financial results for the twelve months ended December 31, 2008. Revenues increased by 26% to \$1,046.7 million as compared to \$828.2 million in 2007. Net income of \$65.2 million or \$1.40 per unit represented a 15% increase over 2007.

In the fourth quarter, revenues increased by 27% to a quarterly record of \$297.5 million while gross margin increased by 53% to \$72.1 million, also a record. Operating margin increased by 15%.

Full year and fourth quarter earnings were impacted by the weakening Canadian dollar and the absence of one-time tax recoveries experienced in 2007. After adjusting for these items in both years, earnings were \$72.6 million or \$1.55 per unit, 44% higher than \$50.5 million or \$1.08 per unit in 2007. On this basis, net earnings for the fourth quarter were \$19.1 million or \$0.41 per unit, 4% lower than the \$19.8 million or \$0.42 per unit in 2007.

Enerflex generated record EBITDA¹ (Earnings before Interest, Taxes, Depreciation and Amortization) of \$101.6 million in 2008, an increase of 33% as compared to \$76.3 million in the prior year. EBITDA for the three months ended December 31, 2008 increased by 13% to \$24.6 million compared to \$21.7 million last year. After adjusting for foreign exchange in both years, EBITDA for 2008 would be \$112.1 million versus \$75.4 million in 2007, a 49% increase.

Financial Highlights

<i>\$ millions, except per unit amounts and percentages (Unaudited)</i>	Twelve Months Ended December 31		
	2008	2007	% change
Revenue	\$ 1,046.7	\$ 828.2	26%
Gross margin	\$ 230.6	\$ 173.8	33%
Gross margin percent	22.0	21.0	
Operating margin ¹	\$ 73.5	\$ 51.4	43%
Operating margin percent ¹	7.0	6.2	
Net income	\$ 65.2	\$ 56.8	15%
Earnings per unit (basic)	\$ 1.40	\$ 1.22	15%
Distribution per unit	\$ 1.10	\$ 1.00	10%

<i>\$ millions, except per unit amounts and percentages (Unaudited)</i>	Three Months Ended December 31		
	2008	2007	% change
Revenue	\$ 297.5	\$ 235.1	27%
Gross margin	\$ 72.1	\$ 47.0	53%
Gross margin percent	24.2	20.0	
Operating margin ¹	\$ 17.8	\$ 15.5	15%
Operating margin percent ¹	6.0	6.6	
Net income	\$ 16.2	\$ 18.7	(13)%
Earnings per unit (basic)	\$ 0.35	\$ 0.40	(13)%
Distribution per unit	\$ 0.30	\$ 0.25	20%

1 Operating margin provides the net margin contributions made from the Fund's core businesses after considering all SG&A expenses and the impact of the Fund's foreign exchange hedging strategy. Operating margin and EBITDA are non-GAAP measures that do not have a standardized meaning prescribed by GAAP and therefore are unlikely to be comparable to similar measures presented by other issuers.

Achievement Highlights

- Revenue increased by 26% in 2008 as compared to 2007, surpassing \$1 billion in annual revenue for the first time in the Fund's history.
- International revenue increased by 48% over 2007 to \$598.2 million, representing 57% of total revenue.
- Operating margin increased by 43% in 2008 over the prior year and by 15% in the fourth quarter.
- Gross margin in 2008 grew to a record \$230.6 million, a 33% increase over the prior year.
- Gross margin in the fourth quarter represented a 53% increase from the prior year period increasing from \$47.0 to \$72.1 million.
- Enerflex achieved record EBITDA of \$101.6 million, a 33% increase over the previous year.
- Total bookings increased by 17% to \$681.7 million compared to \$583.8 million in 2007.
- Exited the year with a backlog of \$308.8 million, a 6% increase from the prior year with an international weighting of 76% versus 68% in 2007.
- Total debt, net of cash declined by 30% to \$65.3 million at the end of 2008 as compared to \$93.5 million at the end of 2007.
- Net debt to equity ratio and net debt to 2008 twelve month EBITDA were 0.16 to 1 and 0.64 to 1 respectively as of December 31st, 2008.
- During 2008, the Fund increased its quarterly distribution by 20% to \$0.30 per unit.

"Enerflex performed very well in 2008 achieving record financial results in terms of revenue, EBITDA, net income and year-end backlog" commented Blair Goertzen, President and Chief Executive Officer of Enerflex. "Throughout the year we continued to expand our global presence through the export of world class products and expertise supported by our strong regional construction and service capabilities."

"Our strategy to diversify internationally has delivered excellent results and will continue to strengthen our organization well into the future. Over the past few years, our approach has been to position ourselves in key regions around the world. This has resulted in a balanced mix of geographical and service line diversification that has provided the organization with overall stability in its activities, backlog and revenue stream" stated Goertzen.

"While 2009 will be a challenging year for our industry, Enerflex has the advantage of a strong balance sheet, a solid backlog and robust bookings for the first two months of 2009, all of which put us in a strong position" concluded Blair Goertzen.

The Board of Directors of the Fund approved a 2009 first quarter cash distribution of \$0.30 per unit during the Fund's regularly scheduled Board meeting held on February 19th, 2009 which will be paid on April 15, 2009 to unitholders of record on March 31, 2009.

Conference Call and Webcast Details

Enerflex will host a conference call for analysts and investors on Friday, February 20, 2009 at 9:00 a.m. MST (11:00 a.m. EST) to discuss the Fund's 2008 year end results which will be released on Thursday, February 19, 2009 after market close. The call will be hosted by Blair Goertzen, President and Chief Executive Officer.

If you wish to participate in this conference call, please call, 1.866.225.9256 or 1.416.641.6117. Please call at least ten minutes ahead of time.

Participants who wish to listen to a recording of the conference at a later time may do so by calling 1.800.408.3053 or 1.416.695.5800 (pass code: 3280714#) approximately one hour after the completion of the call. The recording will be available until the end of day February 27, 2009.

A live audio webcast of the conference call will be available on our website at www.enerflex.com under the Investor Relations section on February 20, 2009 at 9:00 a.m. MST (11:00 a.m. EST). Approximately one hour after the call, a recording of the event will be available on our website.

About Enerflex

Enerflex Systems Income Fund is a leading supplier of products and services to the global oil and gas production industry. Our core expertise is the supply of products and services between the wellhead and the pipeline. Enerflex provides natural gas compression and process equipment for sale or lease, hydrocarbon production and processing facilities, electrical, instrumentation and controls services and a comprehensive package of field maintenance and contracting capabilities. Through our ability to provide these products and services in an integrated manner, or as standalone offerings, Enerflex offers its customers a unique value proposition.

Headquartered in Calgary, Canada, Enerflex has approximately 2,985 employees. Enerflex, its subsidiaries, interests in affiliates and joint-ventures operate in Canada, Australia, the Netherlands, the United States, Germany, Pakistan, the United Arab Emirates, Egypt, Indonesia and Malaysia. Enerflex's trust units trade on the Toronto Stock Exchange under the symbol "EFX.UN".

Forward-Looking Statements

Certain information contained herein constitutes forward-looking information under applicable securities laws. All statements, other than statements of historical fact, which address activities, events or developments that we expect or anticipate may or will occur in the future, are forward-looking information. Forward-looking information typically contains statements with words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "potential", "targeting", "intend", "could", "might", "should", "believe" or similar words suggesting future outcomes or outlook. The following discussion is intended to identify certain factors, although not necessarily all factors, which could cause future outcomes to differ materially from those set forth in the forward-looking information. The risks and uncertainties that may affect the operations, performance, development and results of Enerflex's businesses include, but are not limited to, the following factors: the impact of general economic conditions; industry conditions, including the adoption of new environmental and other laws and regulations and changes in how they are interpreted and enforced; volatility of oil and gas prices; oil and gas product supply and demand; risks inherent in Enerflex's ability to generate sufficient cash flow from operations to meet its current and future obligations; increased competition; the lack of availability of qualified personnel or management; labour unrest; fluctuations in the foreign exchange or interest rates; stock market volatility; opportunities available to or pursued by Enerflex and other factors, many of which are beyond the control of Enerflex. The reader is cautioned that these factors and risks are difficult to predict and that the assumptions used in the preparation of such information, although considered reasonably accurate by Enerflex at the time of preparation, may prove to be incorrect or may not occur. Accordingly, readers are cautioned that the actual results achieved will vary from the information provided herein and the variations may be material. Readers are also cautioned that the foregoing list of factors and risks is not exhaustive. Additional information on these and other risks, uncertainties and factors that could affect Enerflex's operations or financial results are included in our filings with the securities commissions or similar authorities in each of the provinces of Canada, as may be updated from time to time. There is no representation by Enerflex that actual results achieved will be the same in whole or in part as those set out in the forward-looking information. Furthermore, the forward-looking statements contained herein are made as of the date hereof, and Enerflex does not undertake any obligation to update publicly or to revise any forward-looking information, whether as a result of new information, future events or otherwise, unless required by law. Any forward-looking information contained herein is expressly qualified by this cautionary statement.

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FINANCIAL HIGHLIGHTS

	Years ended December 31,	
	2008	2007
(thousands)		
Revenue		
Canadian	\$ 448,497	\$ 425,112
International	598,182	403,083
Total revenue	1,046,679	828,195
Gross margin	230,569	173,769
Gross margin percent	22.0%	21.0%
Selling, general & administrative expenses	141,118	120,227
Income before interest & taxes	78,295	54,345
Interest expense	5,044	7,582
Income before taxes	73,251	46,763
Income tax expense (recovery)	8,031	(10,032)
Net income	\$ 65,220	\$56,795

NON-GAAP MEASURES

	Years ended December 31,	
	2008	2007
(unaudited)(thousands)		
Operating margin¹		
Gross margin	\$230,569	\$173,769
Selling, general and administrative expenses	141,118	120,227
Foreign currency loss/(gain)	16,322	2,103
Equity earnings	(348)	6
Operating margin	\$73,477	\$ 51,433
Operating margin percent	7.0%	6.2%
EBITDA¹		
Earnings before interest and income taxes	\$78,295	\$ 54,345
Depreciation and amortization	23,315	21,975
EBITDA	\$101,610	\$ 76,320
EBITDA – adjusted ²	\$112,134	\$ 75,432
Distributable cash flow^{1, 3}		
Cash flow from operations before working capital adjustments	\$86,383	\$72,686

¹ Operating margin, operating margin percent, earnings before interest, taxes, depreciation and amortization (“EBITDA”) and distributable cash flow are non-GAAP (“Generally Accepted Accounting Principles”) measures that do not have a standardized meaning prescribed by GAAP and therefore are unlikely to be comparable to similar measures presented by other issuers. Management believes these measures are useful supplemental measures. Operating margin provides the net margin contributions made from the Fund’s core businesses after considering all SG&A expenses, the impact of the Fund’s foreign exchange hedging strategy and excluding re-organization costs. EBITDA provides the results generated by the Fund’s primary business activities prior to consideration of how those activities are financed, assets are amortized or how the results are taxed in various jurisdictions. Distributable cash flow provides the amount of cash available for distribution to unitholders and will fluctuate on a quarterly basis due to seasonal cash flows, maintenance capital expenditures incurred, income taxes paid, and interest costs on outstanding debt and changes to non-cash working capital. Investors should be cautioned that operating margin, operating margin percent, EBITDA, distributable cash flow should not be construed as an alternative to net income and cash flow from operations determined in accordance with GAAP as an indicator of Enerflex’s performance.

² EBITDA is adjusted for the net impacts of foreign currency fluctuations related to the export of goods in currencies other than the Canadian dollar and the instruments used to hedge this foreign currency exposure.

³ The Fund has adopted the Canadian Securities Administrators’ (CSA) recommendations on the calculation of distributable cash. The recommendations of the CSA require that the calculation of distributable cash incorporate changes to non-cash working capital. Comparative figures have been adjusted to conform to the CSA definition.

Adjustments to working capital and other	(18,810)	16,680
Net maintenance capital expenditures	(4,202)	(2,987)
Distributable cash	\$63,371	\$86,379

FOR THE THREE MONTHS ENDED DECEMBER 31, 2008

During the fourth quarter of 2008 the Fund generated \$297.5 million in revenue, as compared to \$235.1 million in the fourth quarter of 2007. The increase of \$62.4 million or 27% was a result of increased revenues in the Engineered Systems and Service segments, partially offset by reductions in Production Services. International revenue increased \$42.6 million from the same period in 2007 and represented 58% of revenue as compared to 55% in 2007. As compared to the three month period ended December 31, 2007:

- Engineered Systems' revenue increased by \$38.2 million due to continued high levels of product export and activity in the Australasia region paired with a weaker Canadian dollar;
- Service's revenue increased by \$25.5 million, a result of a strong demand for products and support in the Mechanical Services division and consistent revenue in the Electrical Instrumentation & Controls (EI&C) division; and
- Production Services' revenue decreased by \$1.3 million as a result of unit buy-outs without corresponding additions to the rental fleet and lower capital utilization.

Gross margin for the three months ended December 31, 2008 was \$72.1 million or 24.2% of revenue as compared to \$47.0 million or 20.0% of revenue for the three months ended December 31, 2007, an increase of \$25.1 million. The Production Services segment experienced a lower gross margin percentage in the fourth quarter of 2008 but this was offset by increased gross margin percentages in the Engineered Systems and Service segments. Many factors contributed to these movements and are summarized as follows:

- Engineered Systems' gross margin percentage of 24.3% increased from 18.1% as a result of the positive impact of a weakening Canadian dollar, higher plant utilization rates and better project execution;
- Service's gross margin percentage of 22.5% increased from 19.4% due to improved parts volumes and labour utilization in Canada and Europe that more than offset lower margins in Australasia; and
- Production Services' gross margin percentage of 48.4% decreased from 61.4% due to a reduction in utilization rates.

Selling, general and administrative (SG&A) expenses were \$41.3 million or 13.9% of revenue during the three months ended December 31, 2008, compared to \$29.1 million or 12.4% of revenue in the same period of 2007. The \$12.2 million increase in SG&A expenses is attributable to the expansion of Enerflex's global business including increases in compensation and associated occupancy and technical costs.

Foreign exchange losses totalled \$13.1 million in the fourth quarter of 2008 as compared to a loss of \$2.2 million in the same period of 2007. The current period's loss was primarily the result of forward exchange contracts used to hedge foreign currency exposure on Engineered Systems fabrication contracts.

Enerflex mitigates the impact of exchange rate fluctuations by matching expected future U.S. dollar denominated cash inflows with U.S. dollar liabilities, principally foreign exchange contracts, bank debt and accounts payable. In 2007, the Fund adopted foreign exchange forward contracts as its primary mitigation strategy to hedge any net foreign currency exposure. Forward contracts are entered into for the amount of the net foreign dollar exposure for a term matching the expected payment terms outlined in the sales contract. Outstanding forward contracts are marked-to-market at the end of each period with any gain or loss on the forward contract included in income.

The result is that any gain or loss in margins resulting from exchange rate fluctuations is offset by gains or losses in U.S. dollar assets and liabilities. However, the timing of recognition of the offsetting gain or loss in margin can vary from the gain or loss on foreign denominated debt or forward contract due to percentage of completion revenue recognition, as these hedges relate to long-term contracts. The Canadian dollar depreciated by 16% against the US dollar in the fourth quarter of 2008 versus its appreciation of 1% against the U.S. dollar during the same period of 2007.

At December 31, 2008, the Fund had US\$13.0 million of LIBOR borrowings as compared to US\$33.0 million of LIBOR borrowings at December 31, 2007. At December 31, 2008, the Fund was party to foreign currency contracts with a total net sales value of US\$45.0 million, €7.0 million and AU\$3.9 million as compared to a net sales value of US\$86.8 million outstanding at December 31, 2007.

Enerflex does not hedge its exposure to investments in foreign subsidiaries, which are largely self-sustaining. Exchange gains and losses on net investments in foreign subsidiaries are accumulated in unitholders' equity within "Accumulated comprehensive income/loss". The accumulated comprehensive loss at the end of 2007 of \$7.8 million was adjusted to an accumulated comprehensive loss of \$1.4 million at December 31, 2008. This was the result of the changes in the value of the Canadian dollar against the Euro, Australian dollar and U.S. dollar. The Australian dollar appreciated by 2% against the Canadian dollar during the fourth quarter of 2008, as compared to 2% depreciation in the same period of 2007. The Euro appreciated by 14% against the Canadian dollar during the fourth quarter of 2008, as compared to an appreciation of 2% in the same period of 2007.

Interest costs totalled \$1.1 million for the three months ended December 31, 2008, compared with \$1.7 million in the same period of 2007, a decrease of \$0.6 million. Interest costs in 2008 were lower than those in 2007 as a result of lower average borrowings and increased interest income from investing the Fund's higher cash balances. Enerflex's borrowings on its bank facility averaged US\$11.0 million in the fourth quarter of 2008 as compared to an average of US\$33.0 million for the three months ended December 31, 2007.

Income tax expense totalled \$1.0 million for the three months ended December 31, 2008 compared with a recovery of \$3.9 million in the same period of 2007. The period-over-period increase in income taxes in the fourth quarter of 2008 compared to 2007 was primarily due to an increase in international income before taxes as well as domestic earnings in excess of distributions deductible for tax.

During the fourth quarter of 2008, Enerflex generated net income of \$16.2 million as compared to \$18.7 million in the same period of 2007. This resulted in earnings per income trust unit of \$0.35 in 2008, as compared to \$0.40 in the fourth quarter of 2007. Net income was significantly impacted by foreign exchange relating to the Fund's hedging program in the fourth quarters of 2008 and 2007. After adjusting for these foreign exchange losses and a one time tax recovery realized in the fourth quarter of 2007, net income was \$0.41 per unit in 2008 in line with \$0.42 per unit in 2007.

QUARTERLY SUMMARY

(unaudited)(thousands except per unit amounts)

Quarter ended	Revenue	Net income	Earnings per	Earnings per
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			unit	unit - diluted
December 31, 2008	\$297,474	\$16,178	\$0.35	\$0.35
September 30, 2008	257,059	18,086	0.39	0.39
June 30, 2008	259,525	17,464	0.37	0.37
March 31, 2008	232,621	13,492	0.29	0.29
December 31, 2007	235,116	18,702	0.40	0.40
September 30, 2007	195,570	11,528	0.25	0.25
June 30, 2007	197,492	12,870	0.28	0.28
March 31, 2007	200,017	13,695	0.29	0.29

FOR THE YEAR ENDED DECEMBER 31, 2008

Consolidated revenue for the year ended December 31, 2008 totalled \$1,046.7 million as compared to \$828.2 million in 2007. The increase of \$218.5 million or 26% was a result of increased revenues in the Engineered Systems and Service segments partially offset by declining revenue in the Production Services segment. International revenue increased \$195.1 million from 2007 and represented 57% of revenue as compared to 49% in 2007. As compared to the year ended December 31, 2007:

- Engineered Systems' revenue increased by \$198.3 million due to increased export sales from the Fund's Canadian facilities and increased activity in the Australasia and MENA regions;
- Service's revenue increased by \$30.7 million, as Mechanical Service revenues increased in all regions more than offsetting declines in EI&C; and
- Production Services' revenue decreased by \$10.5 million as a result of lower capital utilization across all horsepower categories, increased rental unit buy-outs and the absence of new integrated services project start-up revenue realized in 2007.

Gross margin for the year ended December 31, 2008 was \$230.6 million or 22.0% of revenue as compared to \$173.8 million or 21.0% of revenue for 2007, an increase of \$56.8 million. Gross margin percentages increased in the Engineered Systems and Service segments more than offsetting declines in the Production Services segment. Many factors contributed to these movements and are summarized as follows:

- Engineered Systems' gross margin percentage increased from 16.0% in 2007 to 19.1% in 2008. Higher plant utilization rates in the Fund's facilities, better project execution and a weakening Canadian dollar contributed to the improved margins;
- Service's gross margin percentage increased to 25.3% from 24.5% in 2007 as a result of improved margin percentages in Canada due to strong parts volumes and improved labour utilization for Mechanical Service, more than offsetting lower margins within the Australasian Mechanical Service business; and
- Production Services' gross margin percentage decreased to 50.2% from 52.0% in 2007 as a result of lower fleet utilization rates only partially offset by lower flow-through revenue associated with new project start-ups in 2007.

Selling, general and administrative expenses were \$141.1 million in 2008 compared to \$120.2 million in 2007. Total SG&A costs increased in 2008 over 2007 as a consequence of the continued

growth of Enerflex, the expanding scope of its operations and higher variable costs. In 2008, SG&A amounted to 13.5% of revenue as compared to 14.5% in 2007.

Foreign exchange losses totalled \$16.3 million in 2008 as compared to a loss of \$2.1 million in 2007. The increased loss was primarily the result of forward exchange contracts related to U.S. dollar denominated sales contracts. The Canadian dollar depreciated by 24% against the U.S. dollar in 2008, largely occurring in the fourth quarter, and appreciated by 15% against the U.S. dollar during 2007.

Operating margin¹ assists the reader in understanding the net margin contributions made from the Fund's core businesses after considering all SG&A expenses and the impact of the foreign exchange hedging strategy discussed above. During 2008, Enerflex produced an operating margin¹ of \$73.5 million or 7.0% of revenue as compared to \$51.4 million or 6.2% of revenue in 2007. The increase in operating margin in 2008 over 2007 was a result of the same factors contributing to the increased gross margin partially offset by the increased foreign exchanges losses and increased SG&A expenses.

Interest costs totalled \$5.0 million in 2008, compared to \$7.6 million in 2007, a decrease of \$2.6 million. Interest costs in 2008 were lower than those in 2007 as a result of lower debt levels held by the Fund throughout 2008, low variable interest rates on the Fund's floating rate debt and interest income from investing the Fund's higher cash balances. Enerflex's borrowings on its bank facility averaged US\$17.7 million in 2008 as compared to US\$33.5 million in 2007.

Income tax expense was \$8.0 million in 2008 compared with a recovery of \$10.0 million in 2007. The increase in income tax expense was primarily a result of improved operating results for the Fund and the absence of a favourable ruling issued by the Canada Revenue Agency in 2007. The effective rate of income tax in 2008 was 11.0%, compared to (21.5)% in 2007.

Net income increased to \$65.2 million for 2008 from \$56.8 million in 2007. This resulted in earnings per unit of \$1.40 in 2008 and \$1.22 in 2007. After adjusting for the impact of the Fund's foreign exchange hedging program, the Fund's net income for 2008 was \$1.55 per unit. This compares with a 2007 net income of \$1.08 per unit after adjustments for the impacts of the Fund's hedging program and one time tax recoveries realized in 2007.

SEGMENTED RESULTS

Enerflex has three business segments: Service, Engineered Systems and Production Services, which operate as follows:

SERVICE

The Service segment provides mechanical and EI&C services to the oil and gas industry through an extensive branch network in Canada, the Netherlands, the United States, Germany, Australia and Indonesia. Service is the Fund's second largest business segment by revenue. At December 31, 2008, it employed 45% of staff, held 31% of the total assets, generated 34% of the Fund's revenue and produced 22% of Enerflex's income before interest and income taxes. Key performance metrics include labour utilization, revenue, gross margin percent and income before interest and income taxes.

Enerflex, through various business units, is an authorized distributor for Waukesha engines and parts in Canada, Alaska, Australia, Indonesia, Papua New Guinea, the Netherlands, Germany and Spain. Enerflex is also an exclusive authorized distributor for Altronic, a leading manufacturer of electric ignition and control systems, in Canada, Australia, Papua New Guinea and New Zealand.

¹ *Operating margin, operating margin percent, distributable cash flow and EBITDA are non-GAAP earnings measures that do not have a standardized meaning prescribed by GAAP and therefore are unlikely to be comparable to similar measures presented by other issuers. Please refer to the complete description of non-GAAP measures after the financial highlights table.*

Mechanical Service revenues tend to be fairly stable as ongoing equipment maintenance is generally required to maintain the customer's natural gas production. EI&C services are provided in Canada where revenues are more cyclical as they are generated from both maintenance spending and from infrastructure investment.

<i>(thousands) Years ended December 31,</i>	2008	2007
Segment revenue	\$367,303	\$ 336,214
Intersegment revenue	(11,658)	(11,235)
Revenue	\$355,645	\$324,979
Revenue – Canadian	\$248,491	\$243,371
Revenue – International	\$107,154	\$ 81,608
Gross margin	\$89,808	\$ 79,529
EBITDA ¹	\$22,292	\$ 18,021
Income before interest and income taxes	\$17,234	\$ 12,820

Service revenue was \$355.6 million in 2008 and comprised 34% of consolidated revenue. This compared to \$325.0 million and 39% of consolidated revenue in 2007. The increase of \$30.6 million was the result of increased Mechanical Service revenues due to strong parts sales in Canada, Europe and Australasia partially offset by a reduction in revenues from the EI&C division in Canada. International revenues of \$107.2 million accounted for 30% of the segment's total revenue as compared to 25% of revenue in 2007.

Gross margin for the segment totalled \$89.8 million, or 25.3% in 2008 as compared to \$79.5 million, or 24.5% in 2007. The increase in gross margin percentage resulted from improved parts volumes and labour utilization for the Mechanical Service division in Canada partially offset by reduced margins in Australasia.

Income before interest and income taxes increased by \$4.4 million to \$17.2 million in 2008 from \$12.8 million in 2007. This increase was the result of the increased gross margin percentage partially offset by increased administrative costs associated with the expansion of the Service segment in Europe and the expansion of the Canadian branch network.

ENGINEERED SYSTEMS

The Engineered Systems segment engineers, fabricates and assembles standard and custom-designed compression packages, production and processing equipment and facilities, CHP systems and power generation systems. Engineered Systems is the Fund's largest business segment by revenue. At December 31, 2008, it employed 54% of staff, held 52% of the total assets, generated 63% of the Fund's revenue and produced 62% of Enerflex's income before interest and income taxes. The key performance metrics for this business segment are market share, backlog, plant utilization, overhead rates and gross margin as a percentage of revenue.

Engineered Systems' business tends to have more volatility in revenue, gross margin and income before interest and income taxes than Enerflex's other business segments. Revenues are derived primarily from the investments made in natural gas infrastructure by producers. Revenues have largely shifted to international sources as Canadian capital spending had been focused on oil sands development prior to the commodity price reductions in the fourth quarter of 2008 and away from natural gas infrastructure.

<i>(thousands) Years ended December 31,</i>	2008	2007
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¹ Earnings before interest, taxes, depreciation and amortization ("EBITDA") is a non-GAAP earnings measures that do not have a standardized meaning prescribed by GAAP and therefore are unlikely to be comparable to similar measures presented by other issuers. Please refer to the complete description of non-GAAP measures after the financial highlights table.

Segment revenue	\$668,216	\$ 484,966
Intersegment revenue	(5,035)	(20,121)
Revenue	\$663,181	\$464,845
Revenue – Canadian	\$174,626	\$146,179
Revenue – International	\$488,555	\$318,666
Gross margin	\$126,785	\$ 74,286
EBITDA ¹	\$ 56,499	\$ 28,721
Income before interest and income taxes	\$ 48,660	\$ 22,498
Plant utilization – Compression and Power	63%	55%
Plant utilization – Production and Processing	93%	84%
Plant utilization – Australasia	85%	81%

Engineered Systems' revenue totalled \$663.2 million in 2008 as compared to \$464.8 million in 2007. This increase of \$198.4 million was largely the result of a 53% increase in international revenues along with increased domestic revenue from all segments with the exception of the domestic small horsepower market which remained consistent with 2007's low activity levels. International revenue represented 74% of 2008 revenue as compared to 69% in 2007. Increases in exports by all divisions, a weakening Canadian dollar and continuing high activity levels in Australasia and MENA accounted for the increases in revenue.

Gross margin for the segment totalled \$126.8 million, or 19.1% compared to \$74.3 million or 16.0% of revenue in 2007. The increase in gross margin percentage resulted from a weakening Canadian dollar in 2008 compared to 2007 and stronger utilization rates and project execution in the Fund's facilities. The Fund utilizes foreign currency forward contracts to mitigate the exposure on international contracts, however a timing difference exists between the foreign exchange gains and losses recorded on the forward contracts and the full gross margin impact related to foreign exchange movements.

Income before interest and income taxes increased by 116% to \$48.7 million in 2008 from \$22.5 million in 2007. This increase was a result of increased revenue and margins and a gain on the sale of a small facility totalling \$1.4 million partially offset by higher general and administrative costs for the continued expansion of operations internationally and losses on foreign exchange contracts used to hedge the Fund's foreign currency exposure.

Bookings and Backlog

The Fund records bookings and backlog when the Fund receives a firm commitment from customers for products and services. Backlog is an indicator of future revenue for the Fund.

Bookings

<i>(thousands) Years ended December 31,</i>	2008	2007
Canadian	\$156,110	\$161,663
International	525,618	422,153
Total bookings	\$681,728	\$583,816

Backlog

<i>(thousands) As at December 31,</i>	2008	2007
Canadian	\$ 73,866	\$ 92,382

¹ Earnings before interest, taxes, depreciation and amortization ("EBITDA") is a non-GAAP earnings measures that do not have a standardized meaning prescribed by GAAP and therefore are unlikely to be comparable to similar measures presented by other issuers. Please refer to the complete description of non-GAAP measures after the financial highlights table.

International	234,894	197,831
Total backlog	\$308,760	\$290,213

Backlog at December 31, 2008 was \$308.8 million compared to \$290.2 million at December 31, 2007, representing a 6% increase over the prior year.

International backlog increased by 19% from December 31, 2007 and represented 76% of the total backlog at December 31, 2008, as compared to 68% at the same date in 2007. The Fund has been impacted by a slow domestic market, primarily in the low horsepower compression market segment, but this downturn has been significantly offset by the Fund's execution of its international strategy and an increasing international presence.

PRODUCTION SERVICES

The Production Services segment provides a variety of rental and leasing alternatives for natural gas compression, power generation and processing equipment. At December 31, 2008, Enerflex's rental fleet was comprised of approximately 336 compression units representing 105,000 horsepower, and 186 process units. This compares with 345 compression units representing 109,000 horsepower and 206 process units at the end of 2007. The key performance metrics in this segment are fleet size, utilization rates and rental rates. At December 31, 2008, the Production Services segment employed 1% of staff, held 17% of the total assets, generated 3% of the Fund's revenue and produced 16% of Enerflex's income before interest and income taxes.

Enerflex's rental fleet is deployed predominantly in western Canada. Expansion in international markets is conducted on a selective basis to minimize the risk from these new markets. As of December 31, 2008, Enerflex's compression rental fleet included 10 units located in the U.S. and 2 units in other international locations.

<i>(thousands) Years ended December 31,</i>	2008	2007
Segment revenue	\$27,855	\$38,379
Intersegment revenue	(2)	(8)
Revenue	\$27,853	\$38,371
Revenue – Canadian	\$25,380	\$35,562
Revenue – International	\$2,473	\$2,809
Gross margin	\$13,976	\$19,954
EBITDA ¹	\$22,819	\$29,578
Income before interest and income taxes	\$12,401	\$19,027
Capital expenditures, net of proceeds on disposal	\$(8,219)	\$6,293
Capital utilization – Compression	60%	69%
Capital utilization - Power and Processing	37%	35%

Production Services' revenue for 2008 decreased by \$10.5 million to \$27.9 million from \$38.4 million in 2007. The decrease was the result of reductions in rental revenue due to a decline in utilization rates and in the size of the fleet and the absence of flow-through revenue for new integrated services project start-ups as compared to 2007. The reduced fleet size resulted from a high level of rental contract buy-out activity in the fourth quarter of 2007 and the first quarter of 2008 and little new capital investment by the Fund due to the reduced demand for rental equipment.

¹ Earnings before interest, taxes, depreciation and amortization ("EBITDA") is a non-GAAP earnings measure that does not have a standardized meaning prescribed by GAAP and therefore are unlikely to be comparable to similar measures presented by other issuers. Please refer to the complete description of non-GAAP measures after the financial highlights table.

Gross margin in 2008 totalled \$14.0 million, or 50.2% of revenue, as compared to \$20.0 million or 52.0% in 2007. The decrease in gross margin percent was the result of lower overhaul provisions and the absence of flow-through revenue at no margin in 2007 being more than offset by lower fleet utilization, resulting in the allocation of depreciation over a lower revenue base.

Income before interest and income taxes of \$12.4 million in 2008 was \$6.6 million lower than in 2007 as a result of the factors discussed above.

During 2008, Production Services sold 23 compression units and 23 process units from its fleet, for gross proceeds of \$15.0 million and a gain on sale of \$2.9 million. This compares to the sale of 54 compression units and 9 process units, for gross proceeds of \$15.7 million and a gain on sale of \$2.8 million in 2007. The sale of units generally occurs when customers exercise their contractual option to purchase equipment. Enerflex added 15 compression units and 7 process units to its fleet during 2008, for an investment of \$6.3 million.

FINANCIAL POSITION

The following table outlines significant changes in the Consolidated Balance Sheets as at December 31, 2008 as compared to December 31, 2007:

<i>(\$millions)</i>	Increase / (decrease)	Explanation
Assets:		
Accounts receivable	68.6	Increased fourth quarter revenues from the Engineered Systems segment resulted in increased revenue accrual balances.
Inventory	10.9	Long lead times and high demand for Original Equipment Manufacturer (OEM) parts due to the high activity levels in the Engineered Systems segment required advance orders of parts in order for the Fund to execute on its existing and future backlog.
Income taxes receivable	(7.7)	Refunds received from prior period tax filings during 2008 and improved operating results for the Fund's operations have reduced the taxes receivable position for the Fund and its subsidiaries.
Rental equipment	(11.7)	The decline is due to continuing depreciation of existing assets and buy-outs of rental units during 2008 exceeding new capital additions.
Liabilities:		
Accounts payable and accrued liabilities	13.0	Increased activity levels in the Fund's Engineered Systems and Service segments resulted in an increased need for parts resulting in a higher payables balance.
Liabilities held for trading	6.3	The market value of foreign exchange contracts used by the Fund declined due to a weaker Canadian dollar.
Accrued distributions	2.4	The Fund increased its declared distribution in the third quarter of 2008 to \$0.30/unit from \$0.25/unit in the fourth quarter of 2007.
Deferred revenue	41.8	High activity levels in the Engineered Systems segment led to increased progress billings used by the Fund to maintain a positive cash position and mitigate collection risk during the manufacturing process.

Long term debt	(16.6)	The Fund's increasing cash position due to progress payments and continued high activity levels resulted in its ability to repay borrowings on its bank facility.
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LIQUIDITY

The Fund's primary sources of liquidity and capital resources are:

- Cash generated from continuing operations;
- Bank financing and operating lines of credit; and
- The issuance and sale of debt and equity instruments.

Statement of Cash Flows:

<i>(thousands)</i>	Years ended December 31,	
	2008	2007
Cash, beginning of period	\$38,927	\$ 22,344
Cash provided from (used) in:		
Operating activities	67,573	89,366
Investing activities	6,938	(25,458)
Financing activities	(62,921)	(47,325)
Cash, end of period	\$50,517	\$ 38,927

Operating Activities

For the year ended December 31, 2008, cash generated from operating activities was \$67.6 million, \$21.8 million lower than 2007. Improved operating results were more than offset by increased working capital requirements due to increases in accounts receivable and inventory.

Investing Activities

The Fund generated \$6.9 million of cash from investing activities in 2008 as compared to cash used of \$25.5 million in 2007. Proceeds from the disposition of rental equipment and fixed assets exceeded expenditures in 2008 by \$3.5 million as compared to net expenditures of \$13.0 million in 2007. Acquisition expenditures in 2008 decreased by \$10.2 million from 2007.

Financing Activities

Cash used in financing activities for the year ended December 31, 2008 was \$62.9 million as compared to \$47.3 million in 2007. The change was due an increase of \$2.3 million in distributions in 2008 and the repayment of an additional \$10.7 million of long-term debt during the year.

Distributable Cash Flow

Years ended December 31, <i>(thousands)</i>	2008	2007
Distributable cash flow ¹	\$63,371	\$86,379

Distributable cash flow¹ for 2008 of \$63.4 million decreased by \$23.0 million from \$86.4 million for 2007. The decrease was due to increased earnings being more than offset by increased working capital requirements and increased maintenance capital expenditures. Distributable cash flow not

¹ Operating margin, operating margin percent, distributable cash flow, distribution payout ratio and EBITDA are non-GAAP earnings measures that do not have a standardized meaning prescribed by GAAP and therefore are unlikely to be comparable to similar measures presented by other issuers. Please refer to the complete description of non-GAAP measures after the financial highlights table.

including the changes in non-cash working capital was \$82.2 million for 2008, \$12.5 million higher than \$69.7 million for 2007.

Distribution Payout Ratio

Years ended December 31,	2008	2007
Payout ratio ¹	81%	54%

Total distributions declared in 2008 represented 81% of distributable cash flow in comparison to 54% for 2007. The increased ratio was the result of lower distributable cash flow and increased distributions in 2008. Ignoring the impact of changes in non-cash working capital, the payout ratio for 2008 was 63% as compared to 67% in 2007.

Net Capital Spending

Years ended December 31, (thousands)	2008	2007
Net capital spending	\$(3,471)	\$12,951

Net capital spending was reduced by \$16.5 million from \$13.0 million in 2007 to \$3.5 million of proceeds in 2008. The change was the result of minimal capital investment in the rental fleet during 2008 as a result of reduced customer demand and the proceeds from the sale of one of the Fund's small domestic facilities in the third quarter of 2008.

CAPITAL RESOURCES

On February 19, 2009, the Fund had 44,142,920 income trust units and 2,667,072 Exchangeable LP units outstanding. Enerflex has not established a formal distribution policy and the Board of Directors of the General Partner anticipates setting the quarterly distributions based on the availability of distributable cash flow and anticipated market conditions, taking into consideration business opportunities and the need for growth capital. Throughout 2007, Enerflex declared quarterly distributions equal to \$0.25 per unit for a total of \$1.00 per unit. In 2008, the Fund declared a distribution of \$0.25 per unit in each of the first and second quarters and of \$0.30 per unit in each of the third and fourth quarters.

During 2006, the Fund completed the restructuring of its debt with the closing of a private placement for \$100.6 million in Senior Secured Notes ("Notes") and the amendment of its bank credit facility ("Bank Facility") for \$150.0 million. The Notes mature as follows: \$21.0 million maturing on December 20, 2013 and \$79.6 million maturing on December 20, 2016. The Bank Facility matures on June 30, 2010 and is extendable at the banks' option in June of each year.

The Notes and Bank Facility share security on a pari passu basis with collateral consisting of a fixed and floating charge on the Fund's Canadian assets and guarantees from various subsidiary companies. These credit facilities require the Fund to meet certain covenants, including a limitation on the debt-to-EBITDA¹ ratio and a limitation on distributions to unit holders in certain circumstances. Enerflex was in full compliance with these covenants at December 31, 2008 and February 19, 2009. On December 31, 2008, \$100.6 million in Notes were outstanding and approximately \$40.6 million of the \$150 million Bank Facility was drawn, comprised of \$15.9 million in cash borrowings and \$24.7 million of letters of credit or guarantees, leaving approximately \$109.4 million available for future drawings. These credit facilities provide the financing required to support the Fund's operating requirements, as well as the flexibility to pursue growth opportunities.

Consolidated Balance Sheets*Unaudited* (Thousands)**December 31,**
2008December 31,
2007**ASSETS**

Current assets

Cash and cash equivalents	\$	50,517	\$	38,927
Assets held for trading		1,671		2,330
Accounts receivable		241,085		172,507
Inventory		135,685		124,736
Income taxes receivable		4,435		12,174
Future income taxes		8,238		5,249

Total current assets		441,631		355,923
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Rental equipment		88,641		100,354
Property, plant and equipment		70,130		70,216
Investment in affiliates		2,939		2,858
Future income taxes		3,771		2,802
Deferred charges		89		261
Intangible assets		7,812		9,262
Goodwill		126,146		125,241

	\$	741,159	\$	666,917
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LIABILITIES AND UNITHOLDERS' EQUITY

Current liabilities

Accounts payable and accrued liabilities	\$	109,248	\$	96,243
Liabilities held for trading		8,123		1,786
Accrued distributions payable		14,028		11,673
Deferred revenue		78,766		36,925
Income taxes payable		4,628		1,117
Future income taxes		77		144

Total current liabilities		214,870		147,888
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Long-term debt		115,847		132,450
Other long-term liabilities		2,830		1,592
Future income taxes		9,879		7,492

		343,426		289,422
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Unitholders' equity

Unitholders' capital		206,322		205,588
Accumulated other comprehensive loss		(1,363)		(7,822)
Contributed surplus		541		235
Retained earnings		192,233		179,494

		397,733		377,495
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	\$	741,159	\$	666,917
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Consolidated Statements of Income <i>(Unaudited) (Thousands, except unit amounts)</i>	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2008	2007	2008	2007
Revenue	\$ 297,474	\$ 235,116	\$ 1,046,679	\$ 828,195
Cost of goods sold	225,396	188,075	816,110	654,426
Gross margin	72,078	47,041	230,569	173,769
Selling, general and administrative expenses	41,283	29,081	141,118	120,227
Foreign currency losses	13,088	2,238	16,322	2,103
Gain on sale of assets	(396)	(1,061)	(4,818)	(2,912)
Equity earnings from affiliates	(114)	272	(348)	6
Income before interest and income taxes	18,217	16,511	78,295	54,345
Interest	1,083	1,668	5,044	7,582
Income before income taxes	17,134	14,843	73,251	46,763
Income taxes	956	(3,859)	8,031	(10,032)
Net income	\$ 16,178	\$ 18,702	\$ 65,220	\$ 56,795
Net income per unit - basic	\$ 0.35	\$ 0.40	\$ 1.40	\$ 1.22
- diluted	\$ 0.35	\$ 0.40	\$ 1.39	\$ 1.22
Weighted average number of units	46,752,915	46,689,453	46,713,366	46,683,091

Consolidated Statements of Retained Earnings <i>(Unaudited) (Thousands)</i>	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2008	2007	2008	2007
Retained earnings, beginning of period	\$ 190,084	\$ 172,465	\$ 179,494	\$ 169,383
Adjustment to retained earnings, opening	-	-	(1,091)	-
Net income	16,178	18,702	65,220	56,795
Distributions	(14,029)	(11,673)	(51,390)	(46,684)
Retained earnings, end of period	\$ 192,233	\$ 179,494	\$ 192,233	\$ 179,494

Consolidated Statements of Comprehensive Income <i>(Unaudited) (Thousands)</i>	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2008	2007	2008	2007
Net Income	\$ 16,178	\$ 18,702	\$ 65,220	\$ 56,795
Other comprehensive income, net of tax				
Foreign currency translation of self-sustaining operations	7,017	(1,424)	6,459	(5,905)
Comprehensive Income	\$ 23,195	\$ 17,278	\$ 71,679	\$ 50,890

Consolidated Statements of Cash Flows
(Unaudited) (Thousands)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2008	2007	2008	2007
Operating Activities				
Net income	\$ 16,178	\$ 18,702	\$ 65,220	\$ 56,795
Depreciation and amortization	6,384	5,174	23,315	21,975
Future income taxes	1,833	(1,242)	2,708	(3,342)
Gain on sale of assets	(396)	(1,061)	(4,818)	(2,912)
Equity earnings from affiliates	(114)	272	(348)	6
Unit option expense	139	47	306	164
	24,024	21,892	86,383	72,686
Changes in non-cash working capital and other	(45,384)	11,966	(18,810)	16,680
Cash flow (used) produced in operations	(21,360)	33,858	67,573	89,366
Investing Activities				
Acquisitions	-	-	238	(9,983)
Purchase of:				
Rental equipment	-	(1,156)	(6,320)	(21,517)
Property, plant and equipment	(2,091)	(742)	(6,573)	(7,551)
Assets under construction	(501)	(22)	(1,631)	(1,085)
Proceeds on disposal of:				
Rental equipment	1,806	3,075	15,006	15,698
Property, plant and equipment	371	50	2,989	1,504
	(415)	1,205	3,709	(22,934)
Changes in non-cash working capital and other	4,424	(3,225)	3,229	(2,524)
Cash flow produced (used) in investing	4,009	(2,020)	6,938	(25,458)
Financing Activities				
Advance (repayment) of long-term debt	16,084	(541)	(17,783)	(7,091)
Distribution reinvestment plan	441	47	734	134
Distributions paid	(14,014)	(11,671)	(49,034)	(46,680)
	2,511	(12,165)	(66,083)	(53,637)
Changes in non-cash working capital and other	(191)	148	3,162	6,312
Cash flow produced (used) in financing	2,320	(12,017)	(62,921)	(47,325)
(Decrease) increase in cash and cash equivalents	(15,031)	19,821	11,590	16,583
Cash and cash equivalents, beginning of period	65,548	19,106	38,927	22,344
Cash and cash equivalents, end of period	\$ 50,517	\$ 38,927	\$ 50,517	\$ 38,927
Cash flows include the following elements:				
Interest paid	\$ 2,226	\$ 3,039	\$ 5,972	\$ 7,570
Income taxes (received)/paid	\$ (651)	\$ 4,121	\$ (2,912)	\$ 5,900

Segmented Information

The Fund has three reportable segments: Service, Engineered Systems and Production Services. The Service reportable segment is the aggregation of the Mechanical Service and Electrical, Instrumentation & Controls divisions. The Engineered Systems reportable segment is the aggregation of the Production and Processing and Compression and Power divisions.

Three Months Ended December 31,	Service		Engineered Systems		Production Services		Consolidated	
	2008	2007	2008	2007	2008	2007	2008	2007
Segment revenue	\$ 106,027	\$ 81,335	\$ 189,376	\$ 151,356	\$ 6,538	\$ 7,884	\$ 301,941	\$ 240,575
Intersegment revenue	(2,550)	(3,320)	(1,917)	(2,138)	-	(1)	(4,467)	(5,459)
External revenue	\$ 103,477	\$ 78,015	\$ 187,459	\$ 149,218	\$ 6,538	\$ 7,883	\$ 297,474	\$ 235,116
Gross Margin	\$ 23,297	\$ 15,154	\$ 45,618	\$ 27,047	\$ 3,163	\$ 4,840	\$ 72,078	\$ 47,041
Depreciation and amortization	\$ 1,350	\$ 1,750	\$ 2,361	\$ 1,030	\$ 2,673	\$ 2,394	\$ 6,384	\$ 5,174
Income before interest and income taxes	\$ 5,555	\$ 1,647	\$ 10,643	\$ 9,221	\$ 2,019	\$ 5,643	\$ 18,217	\$ 16,511
Capital expenditures Corporate	\$ 643	\$ 352	\$ 964	\$ 886	\$ 199	\$ 592	\$ 1,806	\$ 1,830
							786	90
							\$ 2,592	\$ 1,920
Proceeds on disposal of assets	\$ -	\$ 6	\$ 370	\$ 44	\$ 1,807	\$ 3,075	\$ 2,177	\$ 3,125
Twelve Months Ended December 31,	Service		Engineered Systems		Production Services		Consolidated	
	2008	2007	2008	2007	2008	2007	2008	2007
Segment revenue	\$ 367,303	\$ 336,214	\$ 668,216	\$ 484,966	\$ 27,855	\$ 38,379	\$ 1,063,374	\$ 859,559
Intersegment revenue	(11,658)	(11,235)	(5,035)	(20,121)	(2)	(8)	(16,695)	(31,364)
External revenue	\$ 355,645	\$ 324,979	\$ 663,181	\$ 464,845	\$ 27,853	\$ 38,371	\$ 1,046,679	\$ 828,195
Gross Margin	\$ 89,808	\$ 79,529	\$ 126,785	\$ 74,286	\$ 13,976	\$ 19,954	\$ 230,569	\$ 173,769
Depreciation and amortization	\$ 5,058	\$ 5,201	\$ 7,839	\$ 6,223	\$ 10,418	\$ 10,551	\$ 23,315	\$ 21,975
Income before interest and income taxes	\$ 17,234	\$ 12,820	\$ 48,660	\$ 22,498	\$ 12,401	\$ 19,027	\$ 78,295	\$ 54,345
Segment assets Corporate	\$ 175,696	\$ 154,344	\$ 322,767	\$ 233,644	\$ 115,920	\$ 103,510	\$ 614,383	\$ 491,498
Goodwill	51,938	51,230	66,852	66,655	7,356	7,356	126,146	125,241
Total assets	\$ 227,634	\$ 205,574	\$ 389,619	\$ 300,299	\$ 123,276	\$ 110,866	\$ 741,159	\$ 666,917
Capital expenditures Corporate	\$ 1,623	\$ 1,689	\$ 3,844	\$ 5,603	\$ 6,787	\$ 22,007	\$ 12,254	\$ 29,299
							2,270	854
							\$ 14,524	\$ 30,153
Proceeds on disposal of assets	\$ 72	\$ 93	\$ 2,917	\$ 1,395	\$ 15,006	\$ 15,714	\$ 17,995	\$ 17,202

Revenue from foreign countries was:

	Three Months Ended December 31,		Twelve Months Ended December 31	
	2008	2007	2008	2007
Australia	\$ 66,678	\$ 50,389	\$ 283,617	\$ 155,102
China	3,017	5,651	15,583	8,929
Germany	2,549	1,085	5,120	6,643
Indonesia	4,676	3,499	24,776	11,462
Netherlands	31,150	28,645	82,674	88,417
Pakistan	23,461	3,673	55,693	8,636
United States	11,925	2,487	66,138	56,627
Other	28,511	33,901	64,581	67,267
	\$ 171,967	\$ 129,330	\$598,182	\$ 403,083

Included in these amounts are gross exports from domestic operations of:

	\$ 64,779	\$ 60,763	\$ 272,854	\$ 166,169
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Revenue is attributed to countries by the destination of the sale.

Total assets in foreign countries were as follows:

	December 31, 2008			December 31, 2007		
	Capital Assets & Goodwill	Other Assets	Total Assets	Capital Assets & Goodwill	Other Assets	Total Assets
Australia	\$ 23,157	\$ 62,491	\$ 85,648	\$ 21,371	\$ 43,107	\$ 64,478
Netherlands	7,664	45,641	53,305	6,657	36,214	42,871
United States	6,884	6,252	13,136	7,048	2,095	9,143
Other			35,187			8,433
Total assets			\$ 187,276			\$ 124,925

Total assets are attributed to countries by the location of the business.