

ENERFLEX

For immediate release

Enerflex Reports Strong First Quarter 2009 Financial Results and Announces Second Quarter 2009 Distributions

CALGARY, ALBERTA – (May 14, 2009) – Enerflex Systems Income Fund (TSX:EFX.UN) is pleased to announce its financial and operating results for the three months ended March 31, 2009.

Financial Highlights

<i>\$ millions, except per unit amounts and percentages (unaudited)</i>	Three Months Ended March 31		
	2009	2008	% change
Revenue	\$ 253.0	\$ 232.6	9%
Gross margin	\$ 53.1	\$ 46.7	14%
Gross margin percent	21.0	20.1	
Operating margin ⁽¹⁾	\$ 18.1	\$ 13.9	30%
Operating margin percent ⁽¹⁾	7.1	6.0	
Net income	\$ 16.2	\$ 13.5	20%
Earnings per unit (basic)	\$ 0.35	\$ 0.29	21%
Distributable cash flow per unit ⁽²⁾⁽³⁾	\$ 0.19	\$ 0.06	217%
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, the impact of the Fund's foreign exchange hedging strategy and excluding re-organization costs. Operating margin is a non-GAAP measure that does not have a standardized meaning prescribed by GAAP and therefore is unlikely to be comparable to similar measures presented by other issuers.

(2) 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. Distributable cash flow is a non-GAAP measure that does not have a standardized meaning prescribed by GAAP and therefore is unlikely to be comparable to similar measures presented by other issuers.

(3) In 2007 the Fund adopted The Canadian Securities Administrator's (CSA) guidance on calculating distributable cash flow. This method requires distributable cash flow to be calculated by including changes to non-cash working capital in the computation.

Achievement Highlights

- Delivered strong first quarter earnings per unit of \$0.35 representing a 21% increase over the \$0.29 achieved in the prior year period.
- Increased first quarter revenue by 9% to \$253.0 million comprising of \$145.0 million of international revenues and \$108.0 million from the Canadian market, representing a 57/43% split.
- Achieved gross margin of \$53.1 million or 21.0% as compared to \$46.7 million or 20.1% during the same period last year.
- EBITDA increased to \$24.5 million representing a 17% increase from \$21.0 million in the prior year period.
- Backlog increased from year-end 2008 by 3% or \$8.5 million to \$317.2 million.
- Secured Enerflex's first build, own, operate and maintain contract in the Middle East and North Africa (MENA) region.

First quarter revenues of \$253.0 million represent a 9% increase from the comparable quarter of the prior year. Growth in international revenues continued with a 32% increase over the same period last year.

Earnings per unit increased to \$0.35, 21% higher than the \$0.29 achieved in the prior year period.

Enerflex generated \$24.5 million of EBITDA (Earnings before Interest, Taxes, Depreciation and Amortization) in the first quarter of 2009, an increase of 17% compared to \$21.0 million in the prior year period.

Gross margin increased to \$53.1 million or 21.0% of revenue as compared to \$46.7 million or 20.1% of revenue during the first quarter of last year. The 14% increase in gross margin was a result of the positive impacts of a weakening Canadian dollar in addition to disciplined project execution within the Engineered Systems segment. In the Service segment, improved parts volumes and labour utilization contributed to the gross margin increase.

Current backlog continues to provide good visibility for the remainder of the year and represents a 3% or \$8.5 million increase from year-end 2008 backlog of \$308.8 million. Although backlog increased when compared to year-end it has decreased by 23% from the \$413.6 million achieved in the first quarter of 2008 reflecting the decreased activity resulting from the current downturn. Notable additions to the backlog during the first quarter included a contract for the provision, operation and maintenance of an onshore natural gas compression facility and associated services provided for BP in the Sultanate of Oman and a compression order relating to Coal Bed Methane (CBM) for the Powder River Basin in the United States.

“Enerflex continues to grow and prosper in spite of the challenging environment evidenced by first quarter earnings per unit of \$0.35. We had a record year in 2008 and it was important to get off to a good start in 2009” commented Blair Goertzen, President and CEO of Enerflex. “Low activity levels from producers in Canada will no doubt have a detrimental impact on the industry for the remainder of 2009, however we are seeing some bright spots in regards to capital expenditures in certain unconventional plays and an increased amount of service work for our Mechanical Service division. Internationally, Australasia and MENA continue to show signs of strength and will help balance out the reduced domestic activity. Given our diversified revenue stream both geographically and by product line and our strong financial position, Enerflex is in excellent position to endure this current down cycle” commented Goertzen.

The Fund ended the quarter with \$41.0 million in cash and \$72.9 million in borrowings (net of cash). This results in a conservative net debt to equity ratio of 0.18 to 1 and net debt to EBITDA of 0.74 times. The Fund has access to a committed bank facility totalling \$150 million to finance working capital and project requirements. At the end of the first quarter there were \$13.9 million in cash borrowings against the bank facility. With a large portion of our bank facility available for future borrowings, strong cash flows generated from operations and a conservative debt level, Enerflex is well positioned to pursue strategic growth opportunities.

The Board of Directors of the Fund approved a second quarter cash distribution of \$0.30 per unit which will be paid on July 15, 2009 to unitholders of record on June 30, 2009.

Conference Call and Webcast Details

Enerflex will host a conference call for analysts and investors on Friday, May 15, 2009 at 9:00 a.m. MDT (11:00 a.m. EDT) to discuss the Fund's 2009 first quarter results. The call will be hosted by Blair Goertzen, President and CEO of Enerflex Systems Income Fund.

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 May 22, 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 May 15, 2009 at 9:00 a.m. MDT (11:00 a.m. EDT). 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 2,870 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; labor 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

<i>(unaudited)(thousands)</i> Three months ended March 31,	2009	2008
Revenue		
Canadian	\$107,961	\$122,422
International	145,043	110,199
Total revenue	253,004	232,621
Gross margin	53,115	46,744
Gross margin percent	21.0%	20.1%
Selling, general & administrative expenses	33,901	31,985
Income before interest & taxes	18,869	15,215
Interest expense	1,295	1,528
Income before taxes	17,574	13,687
Income tax expense	1,372	195
Net income	\$16,202	\$13,492

NON-GAAP MEASURES

<i>(unaudited)(thousands)</i> Three months ended March 31,	2009	2008
Operating margin¹		
Gross margin	\$53,115	\$46,744
Selling, general & administrative expenses	33,901	31,985
Foreign currency loss	1,331	988
Equity earnings	(167)	(119)
Operating margin	\$18,050	\$13,890
Operating margin percent	7.1%	6.0%
EBITDA¹		
Income before interest & income taxes	\$18,869	\$15,215
Depreciation and amortization	5,635	5,790
EBITDA	\$24,504	\$21,005
EBITDA – adjusted ²	\$22,844	\$27,156
Distributable cash flow^{1, 3}		
Cash flow from operations before	\$20,741	\$17,403

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.

working capital adjustments		
Adjustments to working capital and other	(10,522)	(13,824)
Net maintenance capital expenditures	(1,227)	(730)
Distributable cash	\$8,992	\$2,849

During the first quarter of 2009, the Fund declared distributions of \$0.30 per unit or \$14.0 million. Under the Canadian Securities Administrators' (CSA) definition of distributable cash flow¹, changes in non-cash working capital are incorporated into the calculation of distributable cash flow¹. This definition negatively impacted distributable cash flow¹ by \$10.5 million in the first quarter of 2009 as compared to a negative impact of \$13.8 million in the same period of 2008.

FOR THE THREE MONTHS ENDED MARCH 31, 2009

During the first quarter of 2009, the Fund generated \$253.0 million in revenue, as compared to \$232.6 million in the first quarter of 2008. The increase of \$20.4 million, or 9%, was a result of increased revenues in the Engineered Systems and Service segments, partially offset by reductions in the Production Services segment. International revenue increased \$34.8 million from the same period in 2008 and represented 57% of revenue as compared to 47% in 2008. As compared to the three month period ended March 31, 2008:

- Engineered Systems' revenue increased by \$18.3 million as a result of increased product exports and activity in the Australasia and MENA regions and a weaker Canadian dollar;
- Service's revenue increased by \$2.4 million, a result of strong demand for product and support in the Mechanical Service division in Canada and Australasia that offset declines in Europe; and
- Production Services' revenue decreased by \$0.4 million as a result of consistently low utilization rates, decreased rental rates and rental unit buy-outs.

Gross margin for the three months ended March 31, 2009 was \$53.1 million or 21.0% of revenue as compared to \$46.7 million or 20.1% of revenue for the three months ended March 31, 2008, an increase of \$6.4 million. The Production Services segment had a lower gross margin percentage in the first quarter of 2009 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 17.2% increased from 15.2% as a result of the positive impact of a weakening Canadian dollar partially offset by slightly lower plant utilization rates;
- Service's gross margin percentage of 26.6% increased from 26.0% due to improved parts sales and labour utilization in Canada and Australasia offset by lower margins in Europe; and
- Production Services' gross margin percentage of 44.6% decreased from 55.8% due to a reduction in rental rates and low utilization rates.

Selling, general and administrative (SG&A) expenses were \$33.9 million or 13.4% of revenue during the three months ended March 31, 2009, compared to \$32.0 million or 13.7% of revenue in the same period of 2008. The \$1.9 million increase in SG&A expenses is attributable to the ongoing costs related to increased office and labour costs for the expansion of Enerflex's Australasian and MENA businesses partially offset by reduced travel, consulting and depreciation charges. The Fund has initiated cost reduction efforts in 2009 including staff reductions and the implementation of a salary freeze for all Canadian employees.

Foreign exchange losses totalled \$1.3 million in the first quarter of 2009 as compared to a loss of \$1.0 million in the same period of 2008. The losses were 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 3% against the U.S. dollar in the first quarter of 2009 to 1.2602 versus a depreciation of 4% against the U.S. dollar during the same period of 2008.

At March 31, 2009, the Fund had US\$11.0 million of LIBOR borrowings as compared to US\$33.0 million of LIBOR borrowings at March 31, 2008. At March 31, 2009, the Fund was party to foreign currency contracts with a total net sales value of US\$74.1 million, €7.0 million and AU\$1.4 million as compared to a net sales value of US\$78.3 million, €10.5 million and AU\$12.4 million outstanding at March 31, 2008.

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 2008 of \$1.4 million was adjusted to an accumulated comprehensive loss of \$0.3 million at March 31, 2009. 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 first quarter of 2009, as compared to an 8% appreciation in the same period of 2008. The Euro depreciated by 2% against the Canadian dollar during the first quarter of 2009, as compared to an appreciation of 13% in the same period of 2008.

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 2009, Enerflex produced an operating margin¹ of \$18.1 million or 7.1% of revenue as compared to \$13.9 million or 6.0% of revenue in 2008. The increase in operating margin in 2009 over 2008 was a result of the same factors contributing to the increased gross margin partially offset by the increased foreign exchange losses and increased SG&A expenses.

Interest costs totalled \$1.3 million for the three months ended March 31, 2009, compared with \$1.5 million in the same period of 2008, a decrease of \$0.2 million. Interest costs in 2009 were lower than those in 2008 as a result of lower average borrowings, lower interest rates on the Fund's floating rate debt and increased interest income from investing the Fund's higher cash balances. Enerflex's borrowings on its bank facility averaged US\$12.7 million in the first quarter of 2009 as compared to an average of US\$33.0 million for the three months ended March 31, 2008.

Income tax expense totalled \$1.4 million for the three months ended March 31, 2009 compared with an expense of \$0.2 million in the same period of 2008. The period-over-period increase in

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.*

income taxes in the first quarter of 2009 compared to 2008 was primarily due to an increase in international income before taxes.

During the first quarter of 2009, Enerflex generated net income of \$16.2 million as compared to \$13.5 million in the same period of 2008. This resulted in earnings per income trust unit of \$0.35 in 2009, as compared to \$0.29 in the first quarter of 2008. Net income was impacted by foreign exchange relating to the Fund's hedging program in the first quarters of 2009 and 2008. After adjusting for these foreign exchange gains and losses, net income was \$0.32 per unit in the first quarter of 2009 as compared with \$0.38 per unit in the same period of 2008.

QUARTERLY SUMMARY

(unaudited)(thousands except per unit amounts)

Quarter ended	Revenue	Net income	Earnings per unit	Earnings per unit - diluted
March 31, 2009	\$253,004	\$16,202	\$0.35	\$0.35
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

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 March 31, 2009, it employed 45% of staff, held 28% of the total assets, generated 32% of the Fund's revenue and produced 19% 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. 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>(unaudited)(thousands) Three months ended March 31,</i>	2009	2008
Segment revenue	\$85,067	\$83,128
Intersegment revenue	(3,012)	(3,467)
Revenue	\$82,055	\$79,661
Revenue – Canadian	\$60,977	\$59,025
Revenue – International	\$21,078	\$20,636
Gross margin	\$21,852	\$20,684

EBITDA ¹	\$ 4,818	\$ 3,919
Income before interest and income taxes	\$ 3,616	\$ 2,145

Service revenue was \$82.1 million in 2009 and comprised 32% of consolidated revenue. This compared to \$79.7 million and 34% of consolidated revenue in 2008. The increase of \$2.4 million was the result of increased Mechanical Service revenues due to strong parts sales and labour utilization in Canada and Australasia partially offset by a reduction in revenues in Europe. International revenues of \$21.1 million in the first quarter of 2009 accounted for 26% of the segment's total revenue, consistent with the same period of 2008.

Gross margin for the segment totalled \$21.9 million, or 26.6% in 2009 as compared to \$20.7 million, or 26.0% in 2008. The increase in gross margin percentage resulted from improved parts sales and labour utilization for the Mechanical Service and EI&C divisions in Canada partially offset by reduced margins in Europe.

Income before interest and income taxes increased by \$1.5 million to \$3.6 million in 2009 from \$2.1 million in 2008. This increase was the result of the increased gross margin percentage and reduced SG&A expenditures in Europe.

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 March 31, 2009, it employed 54% of staff, held 55% of the total assets, generated 65% of the Fund's revenue and produced 65% of Enerflex's income before interest and income taxes. The key performance metrics for this business segment are market share, backlog, plant utilization 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 instead of natural gas infrastructure prior to the commodity price reductions in the fourth quarter of 2008.

<i>(unaudited)(thousands) Three months ended March 31,</i>	2009	2008
Segment revenue	\$169,688	\$147,153
Intersegment revenue	(5,363)	(1,173)
Revenue	\$164,325	\$145,980
Revenue – Canadian	\$ 40,943	\$ 57,027
Revenue – International	\$123,382	\$ 88,953
Gross margin	\$ 28,312	\$ 22,164
EBITDA ¹	\$ 13,977	\$ 10,629
Income before interest and income taxes	\$ 12,278	\$ 9,149
Plant utilization – Compression and Power	59%	64%
Plant utilization – Production and Processing	92%	88%
Plant utilization – Australasia	82%	89%

Engineered Systems' revenue totalled \$164.3 million in 2009 as compared to \$146.0 million in 2008. This increase of \$18.3 million was the result of a 39% increase in international revenues associated with processing equipment partially offset by reduced compression revenue as low activity levels in the small horsepower market persisted and reduced CHP revenue in Europe due

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 is 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.

to the market downturn. International revenue represented 75% of 2009 revenue as compared to 61% in 2008. Increases in exports, 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 \$28.3 million, or 17.2% compared to \$22.2 million, or 15.2% of revenue in 2008. The increase resulted from a weaker Canadian dollar in 2009 compared to 2008 partially offset by slightly lower utilization rates 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, as discussed previously in this report.

Income before interest and income taxes increased by 34% to \$12.3 million in 2009 from \$9.1 million in 2008. This increase was a result of increased revenue and margins 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>(unaudited)(thousands) Three months ended</i>	2009	2008
<i>March 31,</i>		
Canadian	\$ 16,596	\$ 33,988
International	156,184	235,342
Total bookings	\$172,780	\$269,330

Backlog

<i>(unaudited)(thousands) As at March 31,</i>	2009	2008
Canadian	\$ 49,519	\$ 69,343
International	267,696	344,220
Total backlog	\$317,215	\$413,563

Backlog at March 31, 2009 was \$317.2 million compared to \$413.6 million at March 31, 2008, representing a 23% decrease over the prior year. As compared to December 31, 2008, backlog at March 31, 2009 increased by \$8.5 million or 3%.

International backlog decreased by 22% from March 31, 2008 and represented 84% of the total backlog at March 31, 2009, as compared to 83% at the same date in 2008. 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 March 31, 2009, Enerflex's rental fleet was comprised of approximately 335 compression units representing 105,000 horsepower, and 184 process units. This compares with 335 compression units representing 105,000 horsepower and 200 process units at March 31, 2008. The key performance metrics in this segment are fleet size, utilization rates and rental rates. At March 31, 2009, 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 primarily in western Canada. Expansion in international markets is conducted on a selective basis to minimize the risk from these new markets. As of March 31, 2009, Enerflex's compression rental fleet included 10 units located in the U.S. and 2 units in other international locations.

<i>(unaudited)(thousands) Three months ended March 31,</i>	2009	2008
Segment revenue	\$6,627	\$ 6,982
Intersegment revenue	(3)	(2)
Revenue	\$6,624	\$ 6,980
Revenue – Canadian	\$6,041	\$ 6,370
Revenue – International	\$ 583	\$ 610
Gross margin	\$2,951	\$ 3,896
EBITDA ¹	\$5,709	\$ 6,457
Income before interest and income taxes	\$2,975	\$ 3,921
Capital expenditures, net of proceeds on disposal	\$2,491	\$ (7,570)
Average capital utilization – Compression Equipment	60%	60%
Average capital utilization – Process Equipment	36%	35%

Production Services' revenue for 2009 decreased by \$0.4 million to \$6.6 million from \$7.0 million in 2008. The decrease was the result of reductions in rental revenue due to a decline in rental rates and in the size of the fleet. The reduced fleet size resulted from a high level of rental contract buy-out activity commencing in the fourth quarter of 2007 and little new capital investment by the Fund due to the reduced demand for rental equipment.

Gross margin in 2009 totalled \$3.0 million, or 44.6% of revenue, as compared to \$3.9 million, or 55.8% in 2008. The decrease in gross margin percent was the result of lower rental rates and the allocation of a consistent depreciation charge over a lower revenue base.

Income before interest and income taxes of \$3.0 million in 2009 was \$0.9 million lower than in 2008 as a result of the factors discussed above.

During the first quarter of 2009, Production Services sold 3 compression units and 3 process units from its fleet, for gross proceeds of \$1.7 million and a gain on sale of \$0.9 million. This compares to the sale of 11 compression units and 9 process units, for gross proceeds of \$8.5 million and a gain on sale of \$1.0 million in the same period of 2008. The sale of units generally occurs when customers exercise their contractual option to purchase equipment. Enerflex added 2 compression units and 1 process unit to its fleet during the first quarter of 2009, for an investment of \$3.0 million. During the first quarter of 2008, Enerflex added 1 compression unit and 3 processing units for an investment of \$0.8 million.

FINANCIAL POSITION

The following table outlines significant changes in the Consolidated Balance Sheets as at March 31, 2009 as compared to December 31, 2008:

<i>(\$millions)</i>	Increase / (decrease)	Explanation
Assets:		
Accounts receivable	19.8	Accrued revenue balances in the Engineered Systems segment continued to grow in the first quarter as high activity levels continued and major projects did not reach billing milestones.

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.

Assets held for trading	(1.5)	The Fund had a lower value of foreign exchange contracts outstanding during the first quarter partially offset by the market value of foreign exchange contracts declining due to a weaker Canadian dollar.
Inventory	9.7	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.
Liabilities:		
Accounts payable and accrued liabilities	27.5	High activity levels in the Fund's Engineered Systems and Service segments resulted in an increased need for parts combined with a better matching of payments for materials with the receipt of cash inflows resulting in a higher payables balance.
Liabilities held for trading	(2.3)	The Fund had a lower value of foreign exchange contracts outstanding during the first quarter partially offset by the market value of foreign exchange contracts declining due to a weaker Canadian dollar.
Deferred revenue	(9.1)	Revenue recognized on existing jobs where advanced billings were completed exceeded advanced billings on new contracts awarded to the Fund during the first quarter of 2009.

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>(unaudited)(thousands)</i>	Three months ended March 31,	
	2009	2008
Cash, beginning of period	\$ 50,517	\$ 38,927
Cash provided from (used) in:		
Operating activities	10,219	3,579
Investing activities	(3,870)	9,208
Financing activities	(15,903)	(10,402)
Cash, end of period	\$ 40,963	\$ 41,312

Operating Activities

For the three months ended March 31, 2009, cash generated from operating activities was \$10.2 million, \$6.6 million higher than the same period of 2008. Improved operating results and decreased working capital requirements accounted for the increase in operating cash flows as increased accounts receivable and inventory balances were offset by increased balances in accounts payable.

Investing Activities

The Fund used \$3.9 million of cash from investing activities in the first quarter of 2009 as compared to cash generated of \$9.2 million in the same period of 2008. Expenditures on capital assets in the first quarter of 2009 increased \$4.3 million from the same period of 2008 while proceeds from the disposition of capital assets in 2009 were \$6.8 million lower than 2008.

Financing Activities

Cash used in financing activities for the three months ended March 31, 2009 was \$15.9 million as compared to \$10.4 million in 2008. The change was primarily due to an increase of \$2.3 million in distributions in 2009 and the repayment of an additional \$1.5 million of long-term debt during the first quarter of 2009.

Distributable Cash Flow

Three months ended March 31, (unaudited)(thousands)	2009	2008
Distributable cash flow ¹	\$8,992	\$2,849

Distributable cash flow¹ for 2009 of \$9.0 million increased by \$6.2 million from \$2.8 million for 2008. The increase was due to increased earnings and decreased working capital requirements partially offset by increased maintenance capital expenditures. Distributable cash flow not including the changes in non-cash working capital was \$19.5 million for 2009, \$2.8 million higher than \$16.7 million for 2008.

Distribution Payout Ratio

Three months ended March 31, (unaudited)	2009	2008
Payout ratio ¹	156%	410%

Total distributions declared in 2009 represented 156% of distributable cash flow in comparison to 410% for 2008. The decreased ratio was the result of higher distributable cash flow partially offset by increased distributions. Ignoring the impact of changes in non-cash working capital, the payout ratio for 2009 was 72% as compared to 70% in 2008. For the twelve months ended March 31, 2009, the distribution payout ratio was 77%, 63% removing the impacts of changes in working capital, as compared to 59%, 67% removing the impact of changes in working capital, for the twelve months ended March 31, 2008.

Net Capital Spending

Three months ended March 31, (unaudited)(thousands)	2009	2008
Net capital spending	\$5,222	\$(5,918)

Net capital spending increased by \$11.1 million from proceeds of \$5.9 million in 2008 to \$5.2 million of expenditures in 2009. The change was the result of increased investment in the rental fleet and fixed assets during 2009 and a reduction in proceeds from the sale of rental assets due to reduced capital spending by producers.

CAPITAL RESOURCES

On May 1, 2009, the Fund had 44,192,676 income trust units and 2,666,422 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. 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. The Fund declared a distribution of \$0.30 per unit in the first quarter of 2009.

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.

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 March 31, 2009 and May 1, 2009.

On March 31, 2009, \$100.6 million in Notes were outstanding and approximately \$32.0 million of the \$150 million Bank Facility was drawn, comprised of \$13.9 million in cash borrowings and \$18.1 million of letters of credit or guarantees, leaving approximately \$118.0 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)***March 31,
2009**December 31,
2008**ASSETS**

Current assets

Cash and cash equivalents	\$	40,963	\$	50,517
Assets held for trading		141		1,671
Accounts receivable		260,851		241,085
Inventory		145,368		135,685
Income taxes receivable		4,259		4,435
Future income taxes		7,355		8,238
Total current assets		458,937		441,631

Rental equipment		87,675		88,641
Property, plant and equipment		70,636		70,130
Investment in affiliates		3,112		2,939
Future income taxes		3,715		3,771
Deferred charges		43		89
Intangible assets		7,271		7,812
Goodwill		126,349		126,146
	\$	757,738	\$	741,159

LIABILITIES AND UNITHOLDERS' EQUITY

Current liabilities

Accounts payable and accrued liabilities	\$	136,775	\$	109,248
Liabilities held for trading		5,832		8,123
Accrued distributions payable		14,043		14,028
Deferred revenue		69,679		78,766
Income taxes payable		3,060		4,628
Future income taxes		60		77
Total current liabilities		229,449		214,870

Long-term debt		113,818		115,847
Other long-term liabilities		3,640		2,830
Future income taxes		9,363		9,879
		356,270		343,426

Guarantees, Commitments and Contingencies

Unitholders' equity

Unitholders' capital		206,747		206,322
Accumulated other comprehensive loss		(313)		(1,363)
Contributed surplus		642		541
Retained earnings		194,392		192,233
		401,468		397,733
	\$	757,738	\$	741,159

Consolidated Statements of Income	Three Months Ended March 31,	
	2009	2008
<i>(Unaudited) (Thousands, except unit amounts)</i>		
Revenue	\$ 253,004	\$ 232,621
Cost of goods sold	199,889	185,877
Gross margin	53,115	46,744
Selling, general and administrative expenses	33,901	31,985
Foreign currency losses	1,331	988
Gain on sale of assets	(819)	(1,325)
Equity earnings from affiliates	(167)	(119)
Income before interest and income taxes	18,869	15,215
Interest	1,295	1,528
Income before income taxes	17,574	13,687
Income tax expense	1,372	195
Net income	\$ 16,202	\$ 13,492
Net income per unit - basic	\$ 0.35	\$ 0.29
- diluted	\$ 0.35	\$ 0.29
Weighted average number of units	46,801,726	46,693,033

Consolidated Statements of Retained Earnings	Three Months Ended March 31,	
	2009	2008
<i>(Unaudited) (Thousands)</i>		
Retained earnings, beginning of period	\$ 192,233	\$ 179,494
Adjustment to retained earnings, opening	-	(1,091)
Net income	16,202	13,492
Distributions	(14,043)	(11,673)
Retained earnings, end of period	\$ 194,392	\$ 180,222

Consolidated Statements of Comprehensive Income	Three Months Ended March 31,	
	2009	2008
<i>(Unaudited) (Thousands)</i>		
Net Income	\$ 16,202	\$ 13,492
Other comprehensive income, net of tax		
Foreign currency translation of self-sustaining operations	1,050	7,235
Comprehensive Income	\$ 17,252	\$ 20,727

Consolidated Statements of Cash Flows**Three Months Ended
March 31,***(Unaudited) (Thousands)***2009** **2008****Operating Activities**

Net income	\$	16,202	\$	13,492
Depreciation and amortization		5,635		5,790
Future income taxes		(211)		(505)
Gain on sale of assets		(819)		(1,325)
Equity earnings from affiliates		(167)		(119)
Unit option expense		101		70
		20,741		17,403
Changes in non-cash working capital and other		(10,522)		(13,824)
Cash flow produced in operations		10,219		3,579

Investing Activities

Purchase of:

Rental equipment		(3,330)		(770)
Property, plant and equipment		(1,517)		(1,383)
Assets under construction		(2,049)		(438)
Proceeds on disposal of:				
Rental equipment		1,655		8,486
Property, plant and equipment		19		23
		(5,222)		5,918
Changes in non-cash working capital and other		1,352		3,290
Cash flow (used) produced in investing		(3,870)		9,208

Financing Activities

Repayment of long-term debt		(1,471)		-
Distribution reinvestment plan		424		29
Distributions paid		(14,028)		(11,673)
		(15,075)		(11,644)
Changes in non-cash working capital and other		(828)		1,242
Cash flow used in financing		(15,903)		(10,402)
(Decrease) increase in cash and cash equivalents		(9,554)		2,385
Cash and cash equivalents, beginning of period		50,517		38,927
Cash and cash equivalents, end of period	\$	40,963	\$	41,312

Cash flows include the following elements:

Interest paid	\$	106	\$	155
Income taxes received	\$	(3,114)	\$	(85)

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 March 31,	Service		Engineered Systems		Production Services		Consolidated	
	2009	2008	2009	2008	2009	2008	2009	2008
Segment revenue	\$ 85,067	\$ 83,128	\$ 169,688	\$ 147,153	\$ 6,627	\$ 6,982	\$ 261,382	\$ 237,263
Intersegment revenue	(3,012)	(3,467)	(5,363)	(1,173)	(3)	(2)	(8,378)	(4,642)
External revenue	\$ 82,055	\$ 79,661	\$ 164,325	\$ 145,980	\$ 6,624	\$ 6,980	\$ 253,004	\$ 232,621
Gross Margin	\$ 21,852	\$ 20,684	\$ 28,312	\$ 22,164	\$ 2,951	\$ 3,896	\$ 53,115	\$ 46,744
Depreciation and amortization	\$ 1,202	\$ 1,774	\$ 1,699	\$ 1,480	\$ 2,734	\$ 2,536	\$ 5,635	\$ 5,790
Income before interest and income taxes	\$ 3,616	\$ 2,145	\$ 12,278	\$ 9,149	\$ 2,975	\$ 3,921	\$ 18,869	\$ 15,215
Segment assets	\$ 166,545	\$ 167,602	\$ 360,674	\$ 250,434	\$ 121,972	\$ 107,350	\$ 649,191	\$ 525,386
Corporate							(17,802)	35,415
Goodwill	51,847	51,721	67,146	68,077	7,356	7,356	126,349	127,154
Total Segment assets	\$ 218,392	\$ 219,323	\$ 427,820	\$ 318,511	\$ 129,328	\$ 114,706	\$ 757,738	\$ 687,955
Capital expenditures	\$ 182	\$ 412	\$ 1,278	\$ 1,013	\$ 4,146	\$ 916	\$ 5,606	\$ 2,341
Corporate							1,290	250
							\$ 6,896	\$ 2,591
Proceeds on disposal of assets	\$ -	\$ 7	\$ 19	\$ 16	\$ 1,655	\$ 8,486	\$ 1,674	\$ 8,509

Revenue from foreign countries was:

	Three months ended March 31,	
	2009	2008
Australia	\$ 52,623	\$ 56,064
China	186	4,689
Germany	1,793	888
Indonesia	7,174	8,138
Netherlands	11,919	13,833
Pakistan	11,441	5,224
Russia	26,524	57
United States	10,583	14,598
Other	22,800	6,708
	\$145,043	\$ 110,199

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

\$ 69,008 \$ 50,681

Revenue is attributed to countries by the destination of the sale.

Total assets in foreign countries were as follows:

	March 31, 2009			December 31, 2008		
	Capital Assets & Goodwill	Other Assets	Total Assets	Capital Assets & Goodwill	Other Assets	Total Assets
Australia	\$ 25,117	\$ 58,001	\$ 83,118	\$ 23,157	\$ 62,491	\$ 85,648
Netherlands	7,341	39,977	47,318	7,664	45,641	53,305
United States	6,917	6,767	13,684	6,884	6,252	13,136
Other			21,766			35,187
Total assets			\$ 165,886			\$ 187,276

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