STATEMENT OF NET ASSETS

As at	June 30, 2009	December 31, 2008
Assets		
Investments, at market	**$ 20,707,534**	$ 17,953,496
Cash and term deposits	**1,572,337**	3,649,684
Revenue receivable	**123,805**	250,572
Receivable for investments sold	**–**	114,960
Accounts receivable	**–**	8,622
Prepaid expenses	**3,802**	37,823
	22,407,478	22,015,157
Liabilities		
Accounts payable and accrued liabilities	**33,325**	21,286
Payable for investments purchased	**466,819**	2,202
Distributions payable	**138,743**	399,138
	638,887	422,626
Net Assets representing Unitholders' Equity	**$ 21,768,591**	$ 21,592,531
Units outstanding (note 3)	**4,624,766**	5,321,841
Net Assets per unit	**$ 4.71**	$ 4.06

see accompanying notes

Signed on behalf of the Board,

Wayne L. Pushka
Director & President

Bruce K. Atchison
Chief Financial Officer

STATEMENT OF OPERATIONS & COMPREHENSIVE INCOME

For the six months ended June 30	2009	2008
Revenue		
Distribution income	**$ 824,615**	$ 1,658,250
Interest income	**78,839**	31,994
	903,454	1,690,244
Expenses		
Administrative and investment manager fees (note 4)	**113,416**	193,535
Severance and other costs (note 4)	**53,396**	–
Trailer fee (note 5)	**41,484**	70,586
Portfolio transaction costs (note 9)	**67,432**	63,142
Loan interest (note 8)	**1,089**	41,267
Directors' fees	**39,220**	35,582
General and administration costs	**35,641**	34,571
Reporting costs	**7,572**	9,379
Audit fees	**6,978**	8,168
Custodial fees	**4,003**	4,207
Independent Review Committee	**335**	–
Trustee fees	**2,260**	2,943
Legal fees	**11,753**	236
	384,571	463,616
Net investment income	**518,883**	1,226,628
Net realized gain (loss) on sale of investments (note 6)	**(3,250,533)**	(2,071,917)
Net change in unrealized gain (loss) on investments	**6,906,765**	16,366,268
Total results of operations and comprehensive income	**$ 4,175,115**	$ 15,520,979
Results of operations per unit [1]		
Net investment income	**$ 0.11**	$ 0.23
Net realized gain (loss) on sale of investments	**(0.69)**	(0.38)
Net change in unrealized gain (loss) on investments	**1.47**	2.99
	$ 0.89	$ 2.84

[1] Based on the weighted average number of units outstanding.

see accompanying notes

STATEMENT OF CHANGES IN NET ASSETS

For the six months ended June 30	**2009**	2008
Net Assets – beginning of period	**$21,592,531**	$ 37,117,118
Operations:		
Net investment income	**518,883**	1,226,628
Net realized gain (loss) on sale of investments	**(3,250,533)**	(2,071,917)
Net change in unrealized gain (loss) on investments	**6,906,765**	16,366,268
	4,175,115	15,520,979
Unitholder Transactions: (note 3)		
Issuance of trust units, net	**-**	184,319
Proceeds from distribution reinvestment plan	**17,420**	22,324
Repurchase of trust units	**(480,376)**	(533,474)
Redemption of trust units	**(2,270,151)**	(8,900,348)
	(2,733,107)	(9,227,179)
Distributions to Unitholders: (note 7)		
From net investment income	**(518,883)**	(1,410,947)
Return of capital	**(747,065)**	(1,041,173)
	(1,265,948)	(2,452,120)
Net Assets – end of period	**$ 21,768,591**	$ 40,958,798
Distributions per unit	**$ 0.27**	$ 0.45

see accompanying notes

STATEMENT OF CASH FLOWS

For the six months ended June 30	**2009**	2008
Cash flows from operating activities:		
Net investment income	**$ 518,883**	$ 1,226,628
Fees paid in trust units	**-**	184,319
Net change in non-cash working capital	**761,026**	439,380
Purchase of investments	**(15,032,882)**	(9,245,963)
Proceeds from sale of investments	**15,935,076**	11,937,909
	2,182,103	4,542,273
Cash flows from financing activities:		
Proceeds from distribution reinvestment plan	**17,420**	22,324
Increase (decrease) in loan payable	**-**	2,000,000
Cash distributions to unitholders	**(1,526,343)**	(2,588,860)
Repurchase of trust units	**(480,376)**	(533,475)
Redemption of trust units	**(2,270,151)**	(8,900,347)
	(4,259,450)	(10,000,358)
Net increase (decrease) in cash and term deposits	**(2,077,347)**	(5,458,085)
Cash and term deposits, beginning of period	**3,649,684**	6,825,850
Cash and term deposits, end of period	**$ 1,572,337**	$ 1,367,765
Supplementary Information		
Interest paid	**$ 1,089**	$ 41,267

see accompanying notes

STATEMENT OF INVESTMENTS

	June 30, 2009			
	Number of Units Held/ Par Value	**Cost**	**Market Value**	**% of Market**
Oil & Gas Royalty Trusts				
ARC Energy Trust	*100,000*	**$ 2,390,999**	**$ 1,771,000**	
Baytex Energy Trust	*110,000*	**2,035,461**	**2,147,200**	
Bonavista Energy Trust	*80,000*	**2,356,880**	**1,438,400**	
Crescent Point Energy Trust	*60,000*	**1,186,422**	**2,056,800**	
Daylight Resources Trust	*130,000*	**1,489,467**	**958,100**	
Freehold Royalty Trust	*150,000*	**2,429,204**	**2,061,000**	
NAL Oil & Gas Trust	*225,000*	**3,504,869**	**2,112,750**	
Vermilion Energy Trust	*35,000*	**1,143,757**	**1,015,700**	
Zargon Energy Trust	*60,000*	**1,758,324**	**948,000**	
		18,295,383	**14,508,950**	**65.1%**
Oil & Gas Corporations				
Bonterra Oil and Gas Ltd.	*5,000*	**110,110**	**109,500**	
Daylight Resources Trust 10% Conv. Deb. due Dec 31, 2013	*$680,000*	**638,350**	**663,884**	
Husky Energy Inc.	*30,000*	**953,053**	**972,000**	
Pacific Rubiales Inc.	*75,000*	**701,688**	**712,500**	
PennWest Energy Trust	*70,000*	**984,408**	**1,035,300**	
Pacific Rubiales Inc. – 8% Conv. Deb. due August 29, 2013	*$1,000,000*	**864,667**	**1,025,700**	
Suncor Energy Inc.	*32,000*	**1,237,301**	**1,131,200**	
TriStar Oil & Gas Ltd.	*50,000*	**545,658**	**548,500**	
		6,035,235	**6,198,584**	**27.8%**
Investments		**24,330,618**	**20,707,534**	**92.9%**
Cash and Term Deposits		**1,572,337**	**1,572,337**	**7.1%**
Total		**$ 25,902,955**	**$ 22,279,871**	**100.0%**

All of the oil & gas royalty trusts are trust units, while all of the oil & gas corporations are common shares unless otherwise noted.

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

1. STRUCTURE OF THE FUND

Sustainable Production Energy Trust (the "Fund" or "Sustainable") is a closed-end investment trust established under the laws of Alberta pursuant to a Declaration of Trust dated as of August 29, 2005. The Fund commenced operations upon completion of its initial public offering on October 17, 2005. The Fund does not have a fixed termination date but may be terminated at any time upon not less than 90 days written notice to the Administrator with the prior approval of the unitholders of the Fund by special resolution passed at a meeting called for such purpose.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements, prepared in accordance with Canadian generally accepted accounting principles, include estimates and assumptions by management that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the period. Actual results may differ from these estimates. The following is a summary of the significant accounting policies.

(a) Cash and term deposits

Cash consists of cash on hand and short term bankers' acceptances with maturities of less than 90 days on acquisition.

(b) Valuation of investments

Investments are valued at fair value. Securities which are actively traded are valued at bid price as published on the recognized stock exchange on which the investment is listed or principally traded. Investments not traded on the valuation date are valued at the average of the closing bid and ask prices. Average cost is used to compute realized and unrealized gains or losses on investments. Investment transactions are recorded on the trade date.

(c) Canadian income taxes

The Fund qualified as a unit trust within the meaning of the Income Tax Act (Canada). Provided the Fund distributes to its unitholders its net income for tax purposes, the Fund will not generally be liable for income tax under Part 1 of the Income Tax Act (Canada). As all taxable income was allocated to unitholders, no provision for income taxes has been made in these financial statements.

(d) Investment income

Dividend income is recorded on the ex-dividend date, interest is recognized as earned and distribution income is recognized on the ex-distribution date. Capital gains and losses are recognized on the trade date.

3. UNITHOLDERS' CONTRIBUTION

Authorized

The authorized capital of the Fund consists of an unlimited number of trust units which are transferable redeemable units of beneficial interest.

Issued and outstanding	**June 30, 2009**		December 31, 2008	
	Number	**Amount**	Number	Amount
Trust units – beginning of period	**5,321,841**	**$ 62,305,057**	7,251,978	$ 72,060,632
Issued for cash:				
Issued for services (note 4)	**-**	**-**	52,432	310,190
Issued under DRIP	**4,745**	**17,420**	10,273	52,731
Repurchases of trust units	**(122,700)**	**(480,376)**	(226,900)	(1,218,149)
Redemptions of trust units	**(579,120)**	**(2,270,151)**	(1,765,942)	(8,900,347)
Trust units – end of period	**4,624,766**	**$ 59,571,950**	5,321,841	$ 62,305,057

The weighted average number of units outstanding for the six months ended June 30, 2009 was 4,690,103 units (six months ended June 30, 2008 – 5,468,158 units)

The Fund has a mandatory repurchase program whereby units offered for sale at a discount to the Fund's net asset value per unit of greater than 5% are repurchased for cancellation, subject to a maximum of 1.25% in each calendar quarter of the total number of units outstanding at the beginning of each such quarter. For the six months ended June 30, 2009, 122,700 trust units were required to be repurchased under this program at an average cost of $3.92 per unit (year ended December 31, 2008 - 226,900 units at an average cost of $5.27 per unit).

Unitholders of Sustainable can acquire additional units by participating in the Distribution Reinvestment Plan ("DRIP"). The DRIP enables unitholders to reinvest their monthly distributions in additional units of the Fund at the 5 day weighted average market price of the Fund's units. For the six months ended June 30, 2009, a total of 4,745 units were issued under the DRIP (year ended December 31, 2008 - 10,273 units).

Unitholders have the right to redeem their units on an annual basis in January of each year, commencing January 2007. The redemption value is net asset value less the costs of and associated with selling sufficient investments to meet the redemption amount. In January 2009, a total of 579,120 trust units were redeemed for a total of $2.3 million or $3.92 per unit (January 2008 - 1,765,492 trust units were redeemed for a total of $8.9 million or $5.04 per unit).

4. ADMINISTRATIVE AND INVESTMENT MANAGER FEES AND OTHER RELATED PARTY EXPENSES

Prior to June 4, 2009, Sustainable PE Management Inc. ("SPEM") was the administrator of the Fund and therefore a related party to the Fund. On June 3, 2009, Citadel Fund Administrator became the administrator of the Citadel Group of Funds and therefore, a related party to the Fund. Galileo Equity Management Inc. is the investment manager of the Fund. Pursuant to the administrative services and investment management agreements, total annual administrative and investment manager fees are based upon 1.1% of the aggregate average weekly net asset value of the Fund, payable in units monthly in arrears based on the average daily closing price.

For the six months ended June 30, 2009, the Fund paid administrative and management fees of $113,416 in cash. In the previous year the fund issued 32,400 trust units and recorded an expense of $193,535 in respect of the administrative and investment management fees earned during the period. The administrative services agreement also provides for the reimbursement of certain expenses incurred by the administrator during the performance of its duties. As at June 30, 2009, included in accounts payable were amounts owed to Citadel Fund Administrator of $33,255 (December 31, 2008 - $8,622 owed from SPEM included in accounts receivable).

Severance and other costs include severance payments of $44,534 made on June 3, 2009 to the departing employees of an affiliate of SPEM, as well as $8,862 to terminate the office lease.

5. TRAILER FEE

Sustainable pays a trailer fee to investment dealers calculated and payable quarterly in arrears at an annual rate of 0.40% of the net asset value of the Fund held by unitholders in accounts with investment dealers. For the six months ended June 30, 2009, the Fund recorded an expense of $41,484 relating to the trailer fee (six months ended June 30, 2008 - $70,586).

6. INVESTMENTS

The net realized gain (loss) on the sale of investments was determined as follows:

For the six months ended June 30	**2009**	2008
Proceeds from the sale of securities	**$ 15,935,076**	$ 11,937,909
Less cost of securities sold:		
Investments at cost – beginning of period	**28,483,345**	45,306,539
Investments purchased during period	**15,032,882**	9,245,963
Investments at cost – end of period	**(24,330,618)**	(40,542,676)
Cost of investments disposed of during period	**19,185,609**	14,009,826
Net realized gain (loss) on sale of investments	**$ (3,250,533)**	$ (2,071,917)

7. CASH DISTRIBUTIONS

The Fund pays out monthly cash distributions based upon cash distributions received by the Fund less estimated expenses. For the six months ended June 30, 2009 and 2008, a portion of the cash distribution was a return of capital.

For the six months ended June 30	**2009**	2008
Net investment income for the period	**$ 518,883**	$ 1,226,628
Add fees paid by issuance of units	**-**	184,319
Capital distributed	**747,065**	1,041,173
Cash distributions	**$ 1,265,948**	$ 2,452,120
Cash distributions per unit	**$ 0.27**	$ 0.45

8. LOAN FACILITY

The Fund had a revolving credit facility with a Canadian chartered bank to a maximum of $20 million or 25% of the total assets of the Fund. At June 30, 2009 a total of nil was drawn on the facility (December 31, 2008 - nil). The maximum and minimum borrowings in the first half of 2009 was $1.3 million and nil respectively. In July 2009 the Loan Facility was cancelled.

9. PORTFOLIO TRANSACTION COSTS

For the six months ended June 30, 2009, the Fund incurred portfolio transaction costs of $67,432 (six months ended June 30, 2007 – $63,142) and they are recorded separately in the Statement of Operations as an expense for the period.

10. RISK MANAGEMENT

The Fund aims to provide unitholders with monthly distributions primarily through investments in oil & gas royalty trusts and corporations. As a result, the Fund is exposed to the risk of being invested, on a concentrated basis, in these asset classes. The Fund's investment manager uses a disciplined, fundamental approach in its investment selection and portfolio management which consists of an intensive and ongoing research process of investment opportunities. The investment manager purchases and holds securities for the Fund for the short to medium term and also determines the timing of when to rotate the Fund's portfolio in order to enhance the Fund's portfolio performance and/or limit risk.

Market Risk

Market risk represents the potential loss that can be caused by a change in the fair value of the financial instrument. The investments of the Fund are subject to normal market fluctuations and the risks inherent in investment in the trust market. The Fund will continue to invest taking a long-term perspective while focusing on quality businesses that consistently deliver strong returns for unitholders. The best estimate of the effect on net assets due to a reasonably possible change in the S&P/TSX Capped Energy Trust index ("Energy index"), with other variables held constant, is as follows. If income trust prices on the Energy index had increased or decreased by 10.00%, all other variables held constant, the net assets of the Fund would increase or decrease by 9.5%, respectively. In practice the actual results may differ from the above sensitivity analysis and the difference could be material.

Interest Rate Risk

The majority of the Fund's assets are non-interest bearing, however the Fund holds two convertible debentures maturing in 2013, which represent 7.8% of the net assets of the Fund. The Fund is also exposed to risks associated with the effect of fluctuations in the prevailing levels of market interest rates on its investments. Excess cash and cash equivalents are invested in overnight deposits and bankers acceptances.

Credit Risk

Credit risk represents the potential loss that the Fund would incur if the counterparties failed to perform to the terms of their obligations to the Fund. The Fund maintains all of its cash and cash equivalents at its custodian. All transactions in listed securities are settled / paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

Currency Risk

The assets and liabilities of the Fund are predominately held in the functional currency of the Fund which is the Canadian dollar, thus the Fund is not exposed to significant foreign currency risk.

Liquidity Risk

The Fund invests the majority of its assets in investments that are traded in an active market and can be readily disposed of. There can be no assurance that an active trading market for the investments will exist at all times or that the prices at which the securities trade accurately reflect their fair values. Thin trading in a security could make it difficult to liquidate holdings in a short period of time. The Fund generally maintains sufficient cash balance to meet its daily operating expenses.

11. CAPITAL MANAGEMENT

Sustainable's capital structure consists of its unitholders' equity. The Fund's administrator manages the Fund's capital in accordance with its investment objectives, strategies and restrictions as detailed in its Declaration of Trust. Unitholders' equity consists of issued units, undistributed net investment income, if any, undistributed realized gains (losses) on sale of investments, if any, and unrealized gains (losses) in value of investments. Pursuant to its Declaration of Trust, the Fund is required to distribute all of its net income and net realized capital gains (as calculated for tax purposes), therefore unitholders' equity mainly represents issued units and unrealized gains or losses in value of investments.

12. SUBSEQUENT EVENT

On August 27, 2009 Citadel Fund Administrator announced that Valiant Trust Company, a wholly-owned subsidiary of Canadian Western Bank, replaced Computershare Trust Company of Canada as trustee for the Fund, effective immediately.