Interim report for 3 months ended March 31, 2009

To the Shareowners

AKITA Drilling Ltd.'s net earnings for the three months ended March 31, 2009 were $3,908,000 or $0.21 per share on revenue of $41,696,000. Comparative figures for 2008 were earnings of $7,647,000 or $0.42 per share on revenue of $47,382,000. Funds flow from continuing operations for the period was $12,051,000 compared to $14,274,000 in 2008.

Weak market conditions continued into the first quarter of 2009, resulting in the lowest rig utilization for a first quarter in AKITA's history. Operating statistics for the first three months of 2009 and 2008 are as follows:

		Number of Rigs		Number of Wells Drilled	Operating Days
		Gross	Net		
Canada	**2009**	**38**	**35.725**	**156**	**1,472**
	2008	38	34.575	280	2,001
United States	**2009**	**3**	**1.5**	**4**	**201**
	2008	3	1.5	1	58
Total	**2009**	**41**	**37.225**	**160**	**1,673**
	2008	41	36.075	281	2,059

On April 4, 2009, the Company's management and employees were recognized for their achievement in safety by being awarded a CAODC Safety Leadership Award at the Annual CAODC Safety Banquet. This was the ninth time in the past ten years that AKITA's safety performance has been recognized by the industry.

There are no obvious signs of an imminent improvement in drilling activity for the balance of this year. The Company is well positioned financially and has a broad range of first-class equipment and personnel to meet our customer requirements once drilling conditions improve. Management has placed an emphasis on ensuring its actions remain the most appropriate to maintain the Company's mandate of being the best drilling contractor in the markets that it serves.

On behalf of the Board of Directors,

Linda A. Heathcott
Chairman of the Board

John B. Hlavka
Chief Executive Officer

Management's Discussion & Analysis

Management's discussion and analysis ("MD&A") should be read in conjunction with the unaudited financial statements for the three months ended March 31, 2009 and the audited financial statements and MD&A for the year ended December 31, 2008. References made to 2008 in this MD&A relate to the period from January 1 to March 31 unless otherwise stated. The information in this MD&A was approved by AKITA's Audit Committee on behalf of its Board of Directors on April 28, 2009 and incorporates all relevant considerations to that date.

Management has prepared this MD&A as well as the accompanying interim financial statements and notes to the interim financial statements.

Cyclical and Seasonal Nature of AKITA's Operations

The drilling sector of the oil and gas industry ranks as one of the most competitive areas of business. As a service industry, its activities are directly affected by its customers' exploration and development efforts which, in turn, are dictated by world energy prices and government policies.

Historically, AKITA has typically exceeded industry average rig utilization as a result of customer relations, employee expertise, safety performance, equipment quality and drilling performance. Annual Western Canadian drilling utilization, which in 2008 was close to its 10 year cyclical low, is summarized in the following table:

Utilization expressed in percentages	AKITA	Industry (1)
2008	**42.2**	41.7
2007	**40.9**	37.0
2006	**56.6**	55.1
2005	**59.3**	58.8
2004	**52.2**	52.9
2003	**54.7**	53.1
2002	**46.8**	39.2
2001	**56.9**	53.0
2000	**60.0**	55.2
1999	**49.9**	39.7
10 year annual average	**53.1**	48.6

(1) Source: Canadian Association of Oilwell Drilling Contractors (CAODC)

Once utilization rates recover to average levels, even relatively small increases can have a significant positive financial impact on AKITA's performance.

In addition to considerations regarding the cyclical nature of AKITA's business, readers should be aware that historically, the first quarter of the calendar year is the most active in the drilling industry. Lower activity levels that result from warmer weather which necessitates travel bans on public roads, characterize the second quarter.

The following table summarizes first quarter utilization for AKITA and industry for 2009 and 2008:

Utilization rates expressed in percentages	**AKITA**	Industry [1]
2009 January to March	**45.3**	36.9
2008 January to March	**55.4**	56.2

(1) Source: CAODC

Revenue and Operating & Maintenance Expenses

$Million Three Months Ended March 31	**2009**	2008	Change	% Change
Revenue	**41.7**	47.4	(5.7)	(12%)
Operating & Maintenance Expenses	**25.2**	27.3	(2.1)	(8%)

Overall revenue decreased to $41,696,000 during the first quarter of 2009 from $47,382,000 during the first quarter of 2008 as a result of a continuation of an ongoing weakening trend for oilfield drilling, particularly in the shallower segments of the Western Canadian market. The January to March 2009 first quarter results represented the third year of consecutive "year-over-year" first quarter declines in revenue for AKITA, marking the longest period of negative growth in AKITA's 17 year history. Nevertheless, revenue per operating day increased to $24,923 during the first quarter of 2009 from $23,012 per operating day in the first quarter of 2008. This increase was attributable to maintaining a higher percentage of higher margin specialty work even though there was a general market trend towards lower revenue rates for more generic drilling operations. Operating and maintenance costs are also tied to activity levels and amounted to $25,150,000 or $15,033 per operating day during the first quarter of 2009 compared to $27,315,000 or $13,266 per operating day in the same period of the prior year. The specialty work performed generally related to deep drilling or pad drilling and necessitated in using larger crew complements than for shallower or conventional drilling operations.

In 2006, the Company entered into a multi-year daywork contract for the provision of drilling services which includes certain pre-payment requirements. In this regard, the Company has recorded $3,777,000 at March 31, 2009 as deferred revenue in accordance with its revenue recognition policy (March 31, 2008 - $1,741,000).

Depreciation Expense

$Million Three Months Ended March 31	**2009**	2008	Change	% Change
Depreciation Expense	**6.6**	5.5	1.1	20%

The depreciation expense increase to $6,580,000 during the first quarter of 2009 from $5,484,000 in the corresponding period in 2008 was attributable to utilizing a mix of rigs having a higher average cost base, which was partially offset by a decrease in overall rig activity. AKITA's rigs are depreciated on a unit of production basis. Drilling rig depreciation accounted for 83% of total depreciation expense in the first quarter of 2009 (2008 - 78%).

Selling and Administrative Expense

$Million Three Months Ended March 31	2009	2008	Change	% Change
Selling & Administrative Expense	4.4	4.3	0.1	2%

Selling and administrative expenses were 10.5% of total revenue in the first quarter of 2009 compared to 9.0% of total revenue in the first quarter of 2008, largely as a result of decreased revenue in 2009. The single largest component was salaries and benefits, which accounted for 52% of these expenses (56% in 2008).

Other Income

$Million Three Months Ended March 31	2009	2008	Change	% Change
Interest Income	0.2	0.5	(0.3)	(60%)
Gain on Sale of Joint Venture Interests in Rigs and Other Assets	0.0	0.0	0.0	N/A
Gain on foreign currency translation	0.0	0.1	(0.1)	N/A

The Company invests any cash balances in excess of its ongoing operating requirements in bank guaranteed highly liquid investments. Interest income decreased to $215,000 from $477,000 in the corresponding period as a result of a significant reduction in short-term interest rates. The gain on sale of joint venture interests in rigs and other assets totalled $21,000 in 2009 compared to $17,000 in the first quarter of 2008. In the first quarter of 2009, the Company realized a gain from foreign currency translation of $2,000 from its United States operations in its income statement compared to a gain from foreign currency translation of $67,000 in the first quarter of 2008.

Income Tax Expense

$Million Three Months Ended March 31	2009	2008	Change	% Change
Current Tax Expense	0.3	2.2	(1.9)	(86%)
Future Tax Expense	1.6	1.1	0.5	45%

Total income tax expense decreased to $1,900,000 in the first quarter of 2009 from $3,347,000 in the corresponding period in 2008 due to lower pre-tax earnings. Recent capital additions have increased the portion of income taxes that are deferred to future dates.

Net Earnings and Funds Flow

$Million Three Months Ended March 31	2009	2008	Change	% Change
Net Earnings	**3.9**	7.6	(3.7)	(49%)
Funds Flow From Operations	**12.1**	14.5	(2.2)	(15%)

Net earnings decreased to $3,908,000 or $0.21 per Class A Non-Voting and Class B Common Share (basic and diluted) for the first quarter of 2009 from $7,647,000 or $0.42 per share (basic and diluted) in the first quarter of 2008. Funds flow from continuing operations decreased to $12,051,000 in the first quarter of 2009 from $14,274,000 in the corresponding quarter in 2008. Lower earnings and funds flow from operations that occurred in 2009 were directly attributable to lower activity levels versus the first quarter of 2008.

Comprehensive Income

$Million Three Months Ended March 31	2009	2008	Change	% Change
Net Earnings	**3.9**	7.6	(3.7)	(49%)
Foreign Currency Translation Adjustment	**0.1**	0.0	0.1	N/A
Comprehensive Income	**4.0**	7.6	(3.6)	(47%)

Assets and liabilities of self-sustaining foreign operations are translated into Canadian dollars at the rate of exchange in effect at the balance sheet date and revenues and expenses are translated at the average monthly rates of exchange during the year. Gains or losses on translation of self-sustaining foreign operations are included in accumulated other comprehensive income in shareholders' equity.

The increased exposure to US dollar denominated contracts for certain joint venture operations located in the US resulted in reclassifying those joint ventures from integrated to self-sustaining foreign operations. The change in classification is accounted for prospectively.

The Company recorded an unrealized gain on foreign currency translation in its consolidated statement of comprehensive income totalling $132,000 (2008 - $Nil).

Fleet and Rig Utilization

AKITA had 41 drilling rigs, including nine that operated under joint ventures, (37.225 net to AKITA) at the end of the first quarter of 2009 compared to 41 rigs (36.075 net) in the corresponding period of 2008. In the first quarter of 2009, AKITA achieved 1,673 operating days, representing a utilization rate of 45.3%. During the comparative quarter in 2008, the Company achieved 2,101 operating days, representing 55.4% utilization.

Liquidity and Capital Resources

Capital expenditures totalled $7,358,000 in the first quarter of 2009 and included a major retrofit to an existing triple sized rig that will enable it to efficiently drill pad locations. This rig commenced operations on a multi-year contract at the completion of its upgrade. Capital expenditures for the corresponding period in 2008 were $554,000.

At March 31, 2009, AKITA's balance sheet included working capital (current assets minus current liabilities) of $66,702,000 compared to working capital of $61,772,000 at March 31, 2008 and working capital of $63,089,000 at December 31, 2008. The seasonal nature of AKITA's business typically results in higher non-cash working capital balances at the end of the first quarter than at year-end due to the high seasonal activity levels encountered in the first quarter.

During 2007, the Company guaranteed bank loans made to joint venture partners totalling $4,500,000 for a period of four years. The Company has provided an assignment of monies on deposit totalling $5,000,000 with respect to these loans, which have been classified as "restricted cash" on the balance sheet. The Company's security from its partners for these guarantees includes interests in specific rig assets.

The Company did not purchase any shares pursuant to its Normal Course Issuer Bid during the first quarter of either 2009 or 2008. During the first quarter of 2009, the Company received $15,000 as proceeds on the exercise of 4,000 stock options (2008 - $Nil).

The Company typically maintains a conservative balance sheet due to the cyclical nature of the industry. Accordingly, the balance sheet generally includes significant cash balances to provide a potential safeguard in the event of a downturn. These cash balances also enhance the Company's ability to finance strategic growth opportunities, as they become available.

From time to time, the Company may finance certain activities with the use of long-term debt. During the past 10 year period the Company borrowed $40,000,000 of long-term debt to help finance the construction of certain drilling rigs. The Company did not have any long-term debt during 2009 or 2008.

The Company's objectives when managing capital are:

- to sustain the Company's ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders, and
- to provide resources in order to enable growth.

The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, repurchase or issue new shares, sell assets or take on long-term debt. Since 1999, dividend rates have increased six times with no decreases.

As well, during the 10 year period since 1999, AKITA repurchased 1,873,125 Class A Non-Voting shares through Normal Course Issuer bids, issued 434,000 Class A Non-Voting shares upon exercise of stock options and issued 666,700 Class A Non-Voting shares upon conversion of preferred shares.

Contractual obligations are substantially the same as described in AKITA's MD&A for the year ended December 31, 2008.

Summary of Quarterly Results

The following table shows key selected quarterly financial information for the Company:

$Thousands, except per share Three Months Ended	**Mar. 31**	June 30	Sept. 30	Dec. 31
2009				
Revenue	**41,696**			
Net earnings	**3,908**			
Basic earnings per share ($)	**0.21**			
Diluted earnings per share ($)	**0.21**			
Cash flow from (used in) operations	**11,258**			
2008				
Revenue	47,382	20,278	33,747	35,095
Net earnings	7,647	1,498	3,681	2,021
Basic earnings per share ($)	0.42	0.08	0.20	0.11
Diluted earnings per share ($)	0.42	0.08	0.20	0.11
Cash flow from (used in) operations	(1,325)	19,815	(6,342)	22,001
2007				
Revenue	52,170	27,315	29,804	32,673
Net earnings	9,087	3,091	2,196	6,378
Basic earnings per share ($)	0.50	0.17	0.12	0.35
Diluted earnings per share ($)	0.50	0.16	0.12	0.35
Cash flow from (used in) operations	(11,120)	26,074	6,647	17,275

Changeover Plan for IFRS

A detailed changeover plan related to the implementation of International Financial Reporting Standards (IFRS) in 2011 as a replacement for the existing Canadian Generally Accepted Accounting Principles (Canadian GAAP) was presented in the Company's 2008 annual report. Timetables laid out in the annual report are still effective and no deviation from that plan exists at this time.

Future Outlook

Fundamentals, including world crude oil and North American natural gas prices, that are closely related to near-term performance for AKITA remain generally negative. Consequently, the Company is responding by undertaking cost saving techniques that will reduce or defer certain costs that are not required to maintain its ongoing "quality focus" strategy.

Longer term, the Company remains very well positioned to capitalize on any improvements in the market, having a significant range of quality equipment that includes shallow, medium, deep and pad rigs that are strategically located in diverse North American markets. Further, the Company is taking steps to ensure that it maintains the strength that it has developed in its employee base.

Forward-Looking Statements

From time to time AKITA makes forward-looking statements. These statements include but are not limited to comments with respect to AKITA's objectives and strategies, financial condition, results of operations, the outlook for the industry and risk management.

By their nature, these forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, and the risk that the predictions and other forward-looking statements will not be realized. Readers of this MD&A are cautioned not to place undue reliance on these statements as a number of important factors could cause actual future results to differ materially from the plans, objectives, estimates and intentions expressed in such forward-looking statements.

Forward-looking statements may be influenced by factors such as the level of exploration and development activity carried on by AKITA's customers; world crude oil prices and North American natural gas prices; weather; access to capital markets and government policies. We caution that the foregoing list of factors is not exhaustive and that investors and others should carefully consider the foregoing factors as well as other uncertainties and events prior to making a decision to invest in AKITA.

Non-GAAP Measure

Funds flow from operations is not a recognized measure under generally accepted accounting principles (GAAP). AKITA's method of determining funds flow from operations may differ from methods used by other companies and involves including operating cash flow before discontinued operations and working capital changes. Management and certain investors may find funds flow from operations to be a useful measurement to evaluate the Company's operating results at year-end and within each year since the seasonal nature of the business affects the comparability of non-cash working capital changes both between and within periods. The following table reconciles funds flow and cash flow from operations:

$Thousands Three Months Ended March 31	**2009**	2008
Funds flow from continuing operations	**12,051**	14,274
Cash provided by discontinued operations	**—**	184
Change in non-cash working capital	**(793)**	(15,783)
Cash flow from operations	**11,258**	(1,325)

Management's Responsibility for Financial Information

AKITA's CEO and CFO have signed certifications relating to the appropriateness of the financial disclosures in the interim MD&A and the interim consolidated financial statements for the period ended March 31, 2009 and relating to the design of the Company's disclosure controls and procedures and internal control over financial reporting.

AKITA's internal control over financial reporting includes policies and procedures that pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of AKITA, provide reasonable assurance that transactions are recorded as necessary to permit preparation of the consolidated financial statements in accordance with Canadian generally accepted accounting principles, and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of AKITA's assets that could have a material effect on the consolidated financial statements.

Because of its inherent limitations, internal control over financial reporting can provide only reasonable assurance and may not prevent or detect misstatements. Further, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

During the first quarter of 2009, the Company implemented a new financial accounting system. There were no other changes in internal control over financial reporting during the quarter ended March 31, 2009 that materially affected, or are reasonably likely to materially affect the Company's internal control over financial reporting.

As in prior quarters, AKITA's audit committee reviewed this document, including the attached unaudited consolidated financial statements.

Consolidated Balance Sheets

Unaudited		March 31		December 31
($000's)		**2009**	2008	2008
ASSETS				
Current assets				
Cash and cash equivalents		**$ 46,347**	$ 39,841	$ 42,168
Accounts receivable		**45,608**	40,450	41,534
Income taxes recoverable		**29**	—	—
Other		**1,842**	1,550	1,123
		93,826	81,841	84,825
Restricted cash		**5,000**	5,000	5,000
Capital assets		**153,794**	147,575	153,044
		$ 252,620	$ 234,416	$ 242,869
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities		**$ 22,071**	$ 15,902	$ 20,061
Deferred revenue		**3,777**	1,741	—
Dividends payable		**1,276**	1,279	1,276
Income taxes payable		**—**	1,147	399
		27,124	20,069	21,736
Future income taxes		**20,384**	16,200	18,818
Pension liability		**3,872**	3,674	3,854
CLASS A AND CLASS B SHAREHOLDERS' EQUITY				
Class A and Class B shares	Note 2	**23,327**	23,369	23,312
Contributed surplus		**2,271**	1,177	2,271
Accumulated other comprehensive income	Note 6	**132**	—	—
Retained earnings		**175,510**	169,927	172,878
		201,240	194,473	198,461
		$ 252,620	$ 234,416	$ 242,869

Consolidated Statements of Earnings and Retained Earnings

Unaudited ($000's except per share amounts)		Three Months Ended March 31 2009	2008
REVENUE		**$ 41,696**	$ 47,382
COSTS AND EXPENSES			
Operating and maintenance		**25,150**	27,315
Depreciation		**6,580**	5,484
Selling and administrative		**4,396**	4,267
Revenue less costs and expenses		**5,570**	10,316
OTHER INCOME			
Interest income		**215**	477
Gain on sale of joint venture interests in rigs and other assets		**21**	17
Gain on foreign currency translation		**2**	67
		238	561
EARNINGS BEFORE INCOME TAXES		**5,808**	10,877
INCOME TAXES			
Current		**334**	2.202
Future		**1,566**	1,145
		1,900	3,347
EARNINGS FROM CONTINUING OPERATIONS		**3,908**	7,530
Discontinued operations, net of tax		**—**	117
NET EARNINGS		**3,908**	7,647
Retained earnings, beginning of period		**172,878**	163,559
Dividends declared		**(1,276)**	(1,279)
RETAINED EARNINGS, END OF PERIOD		**$ 175,510**	$ 169,927
EARNINGS PER CLASS A AND CLASS B SHARE	Note 3		
Basic		**$ 0.21**	$ 0.42
Diluted		**$ 0.21**	$ 0.42

Consolidated Statements of Cash Flow

Unaudited ($000's)	Three Months Ended March 31	
	2009	2008
OPERATING ACTIVITIES		
Earnings from continuing operations	**$ 3,908**	$ 7,530
Non-cash items included in earnings		
Depreciation	**6,580**	5,484
Future income taxes	**1,566**	1,145
Expense for defined benefit pension plan	**18**	65
Stock options charged to expense	**—**	67
Gain on sale of joint venture interests in rigs and other assets	**(21)**	(17)
Funds flow from continuing operations	**12,051**	14,274
Cash provided from discontinued operations	**—**	184
Change in non-cash working capital	**(793)**	(15,783)
	11,258	(1,325)
INVESTING ACTIVITIES		
Capital expenditures	**(7,358)**	(554)
Proceeds on sale of joint venture interests in rigs and other assets	**49**	24
Change in non-cash working capital	**1,359**	(191)
	(5,950)	(721)
FINANCING ACTIVITIES		
Dividends paid	**(1,276)**	(1,279)
Proceeds received on exercise of stock options	**15**	—
	(1,261)	(1,279)
FOREIGN CURRENCY TRANSLATION	**132**	—
INCREASE (DECREASE) IN CASH	**4,179**	(3,325)
Cash position, beginning of period	**42,168**	43,166
CASH POSITION, END OF PERIOD	**$ 46,347**	$ 39,841
Interest paid during the period	**$ 7**	$ 8
Income taxes paid during the period	**$ 761**	$ 1,985

Consolidated Statements of Comprehensive Income

Unaudited ($000's)	Three Months Ended March 31 2009	2008
NET EARNINGS	**$ 3,908**	$ 7,647
OTHER COMPREHENSIVE INCOME		
Foreign currency translation adjustment	**132**	—
COMPREHENSIVE INCOME	**$ 4,040**	$ 7,647

Notes to Consolidated Financial Statements

Periods ended March 31, 2009 and March 31, 2008
(Unaudited)

1. Statement Presentation

The unaudited interim consolidated financial statements were prepared by the Company in accordance with Canadian generally accepted accounting principles and include the accounts of AKITA Drilling Ltd., its subsidiaries and a proportionate share of its joint ventures (consisting of drilling and well servicing rigs). The accounting policies and procedures used in assembling these interim statements are the same as those used in preparing the audited consolidated financial statements for the year ended December 31, 2008 except as described in Note 5 below. The unaudited interim consolidated financial statements should be read along with the audited annual financial statements and notes to the statements in the Company's 2008 Annual Report. Due to the seasonality of the industry, the operating and financial results for the interim period covered do not necessarily reflect overall results which may be achieved in the fiscal year.

2. Class A Non-Voting and Class B Common Shares

Class A Non-Voting and Class B Common shares issued and outstanding are as follows:

(Number of shares)	**March 31, 2009**	March 31, 2008	December 31, 2008
Class A Non-Voting	**16,572,333**	16,612,958	16,568,333
Class B Common	**1,654,284**	1,654,284	1,654,284
	18,226,617	18,267,242	18,222,617

As at March 31, 2009, a cumulative total of 178,000 stock options had been granted to directors and officers of the Company at exercise prices varying from $4.295 to $13.490, with expiry dates up to 2013. Of these stock options, 167,000 are exercisable for an average exercise price of $8.34.

3. Earnings per Share

	Three Months Ended March 31	
	2009	2008
Net earnings (Dollars in thousands)	**$3,908**	$7,647
Weighted average outstanding shares - basic	**18,225,684**	18,267,242
Incremental shares for diluted earnings per share calculation	**8,884**	48,627
Basic earnings per share ($)	**$0.21**	$0.42
Diluted earnings per share ($)	**$0.21**	$0.42

4. Capital Disclosures

The Company has determined capital to include long-term debt ($Nil at December 31, 2008 and March 31, 2009) and share capital. The Company's objectives when managing capital are:

- to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- to augment existing resources in order to meet growth requirements.

The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, repurchase or issue new shares or sell assets.

5. Foreign Currency Translation

Monetary assets and liabilities of integrated foreign entities denominated in foreign currencies are translated at exchange rates prevailing at the balance sheet date and non-monetary assets and liabilities are translated at historical exchange rates. Foreign currency income and expenses of integrated foreign entities are translated at average exchange rates prevailing throughout the year. Unrealized translation gains and losses and all realized gains and losses of integrated foreign entities are included in Other Income.

Assets and liabilities of self-sustaining foreign operations are translated into Canadian dollars at the rate of exchange in effect at the balance sheet date and revenues and expenses are translated at the average monthly rates of exchange during the year. Gains or losses on translation of self-sustaining foreign operations are included in accumulated other comprehensive income in shareholders' equity.

The increased exposure to US dollar denominated contracts for certain joint venture operations located in the US resulted in reclassifying those joint ventures from integrated to self-sustaining foreign operations. The change in classification has been accounted for prospectively.

6. Other Comprehensive Income

Other comprehensive income of the Company is comprised of the foreign currency translation adjustment relating to self-sustaining foreign operations. Changes in accumulated other comprehensive income are summarized below:

	2009	2008
Accumulated comprehensive income, beginning of period	**$ —**	$ —
Other comprehensive income for the period	**132**	—
Accumulated comprehensive income, end of period	**$ 132**	$ —

7. Financial Instruments

The Company's financial assets and liabilities include cash and cash equivalents, restricted cash, accounts receivable and accounts payable. During the period, the Company did not hold or issue any derivative financial instruments. Fair values approximate carrying values unless otherwise stated. The Company has adopted the following classification for financial assets and liabilities:

- Cash equivalents and restricted cash are classified as "Held to Maturity"
- Accounts receivable are classified as "Loans and Receivables"
- Accounts payable and accrued liabilities are classified as "Other Financial Liabilities".

Financial Instrument Risk Exposure and Management

The Company is exposed to various risks associated with its financial instruments. These risks are categorized as credit risk, foreign currency risk and potentially liquidity risk. In addition, the Company is indirectly exposed to interest rate risk since the Company is typically non-borrowing and is generally directly exposed to fluctuations in interest rates through its investment in bank guaranteed highly liquid investments. The Company is also indirectly exposed to commodity risk relating to commodity prices due to the industry in which it works.

Credit Risk

The credit risk associated with accounts receivable is generally considered to be low since substantially all counterparties are well established and financed oil and gas companies. Provisions have been estimated by management and included in the accounts to recognize potential bad debts.

The table of accounts receivable below shows no significant credit risk exposure in the balances outstanding at:

(Dollars in thousands)	**March 31, 2009**	March 31, 2008	December 31, 2008
Within 30 days	**$ 38,422**	$ 30,135	$ 31,700
31 to 60 days	**4,336**	8,118	5,316
61 to 90 days	**950**	1,023	3,241
Over 90 days	**1,974**	1,236	1,348
Allowance for doubtful accounts	**(74)**	(62)	(71)
Accounts receivable	**$ 45,608**	$ 40,450	$ 41,534

Foreign Currency Risk

The Company is exposed to changes in foreign exchange rates as revenues, capital expenditures or financial instruments may fluctuate due to changing rates. AKITA's exposure was limited substantially to its operations in Alaska and Colorado, which constituted 13% of its business at March 31, 2009 (December 31, 2008 – 8%).

Liquidity Risk

The Company is exposed to liquidity risk through its working capital balance. At March 31, 2009 and December 31, 2008, exposure was limited due to having cash balances significantly in excess of total current liabilities.

8. Segmented Information

The Company operates in one business segment that includes providing oil and gas well drilling for its customers. Results for the past two years, as stated in Canadian dollars, are as follows:

($ thousands) Three Months Ended March 31	Canada		United States		Consolidated	
	2009	2008	**2009**	2008	**2009**	2008
Revenue	**$ 36,203**	$ 43,419	**$ 5,493**	$ 3,963	**$ 41,696**	$ 47,382
Net earnings	**$ 2,608**	$ 6,415	**$ 1,300**	$ 1,232	**$ 3,908**	$ 7,647

9. Goodwill and Intangible Assets

On January 1, 2009, the Company adopted the Canadian Institute of Chartered Accountants' Handbook Section 3064 "Goodwill and Intangible Assets". The new standard replaces the previous goodwill and intangible asset standard and revises the requirement for recognition, measurement, presentation and disclosure of intangible assets. The adoption of this standard has had no material impact on the Company's consolidated financial statements.

Corporate Information

Directors

William L. Britton, Q.C.
Corporate Director
Calgary, Alberta

Loraine M. Charlton
Corporate Director
Calgary, Alberta

Arthur C. Eastly
Corporate Director
Calgary, Alberta

Linda A. Heathcott
President, Spruce Meadows,
President, Team Spruce Meadows Inc.
Chairman of the Board
of the Company
Calgary, Alberta

John B. Hlavka
Chief Executive Officer
of the Company
Calgary, Alberta

Dale R. Richardson
Vice President,
Sentgraf Enterprises Ltd.
Calgary, Alberta

Nancy C. Southern
Deputy Chair, President and
Chief Executive Officer, ATCO Ltd. and
Canadian Utilities Limited
Calgary, Alberta

Ronald D. Southern,
C.C., C.B.E., B.SC., LL.D.
Chairman, ATCO Ltd. and
Canadian Utilities Limited,
Deputy Chairman of the
Board of the Company
Calgary, Alberta

C. Perry Spitznagel
Vice Chairman and Managing Partner
(Calgary), Bennett Jones LLP
Calgary, Alberta

Charles W. Wilson
Corporate Director
Evergreen, Colorado

Officers

John B. Hlavka
Chief Executive Officer

Fred O. Hensel
Vice President,
Marketing for the South

Lou C. Klaver, P.Eng.
Vice President, Engineering

Craig W. Kushner
Corporate Secretary and
Human Resources Administrator

John M. Pahl
Vice President,
Marketing for the North

Murray J. Roth
Vice President, Finance and
Chief Financial Officer

Karl A. Ruud
President and Chief Operating Officer

Head Office

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900, 311 – 6th Avenue S.W.,
Calgary, Alberta T2P 3H2
(403) 292-7979

Banker

Alberta Treasury Branches
Calgary, Alberta

Counsel

Bennett Jones LLP
Calgary, Alberta

Auditors

PricewaterhouseCoopers LLP
Calgary, Alberta

Registrar and Transfer Agent

CIBC Mellon Trust Company
Calgary, Alberta and Toronto, Ontario
1-800-387-0825

Share Symbol / TSX

Class A Non-Voting (AKT.A)
Class B Common (AKT.B)

Website

www.akita-drilling.com