

second quarter interim report for the six months ended june 30, 2001

The Trust's strong performance during the second quarter resulted in production increasing 50 percent, cash flow increasing 46 percent and distributions per unit up 47 percent relative to the second quarter of 2000.

(\$CAD thousands, except per unit amounts)	Three Months Ended June 30		
	2001	2000	% change
FINANCIAL			
Revenue before royalties	132,283	78,124	69
Per unit ⁽¹⁾	1.29	1.25	3
Per boe	34.53	30.49	13
Cash flow	67,478	46,164	46
Per unit ⁽¹⁾	0.66	0.74	(11)
Per boe	17.61	18.02	(2)
Net income	40,025	28,947	38
Per unit ⁽¹⁾	0.39	0.46	(15)
Cash distributions	65,938	28,066	135
Per unit	0.66	0.45	47
Working capital	3,617	17,320	(79)
Long-term debt	287,012	189,935	51
Unitholders' equity	796,831	396,574	101
OPERATING			
Production			
Crude oil (bbl/d)	20,202	12,492	62
Natural gas (mmcf/d)	112.82	76.55	47
Natural gas liquids (bbl/d)	3,090	2,903	6
Total (boe/d 6:1)	42,097	28,154	50
Average prices			
Crude oil (\$/bbl)	33.79	37.15	(9)
Natural gas (\$/mcf)	5.86	3.95	48
Natural gas liquids (\$/bbl)	35.95	30.91	16
Oil equivalent (\$/boe 6:1)	34.53	30.49	13
SUPPLEMENTAL			
Trust units outstanding at end of period	100,180	63,684	57
Exchangeable shares outstanding at end of period	2,824	n/a	-
Exchange ratio at end of period	1.08691	n/a	-
Trust units issuable for Exchangeable shares	3,069	n/a	-
Total Trust units & Exchangeable shares at end of period ⁽²⁾	103,249	n/a	-
Weighted average units & Exchangeable shares	102,942	62,303	65

⁽¹⁾ Per unit amounts (with the exception of per unit distributions) are based on the weighted average units and Exchangeable shares.

⁽²⁾ Includes Exchangeable shares converted at the end of period exchange ratio.

Second quarter distributions were a record \$0.66 per unit which included \$0.13 per unit from surpluses accumulated during prior periods. Third quarter distributions have been set at \$0.20 per unit per month which will result in a record level of cash distributions being achieved in 2001.

HIGHLIGHTS

- Strong financial performance continued in the second quarter despite weakening commodity prices late in the quarter.
- Cash flow and earnings for the quarter totaled \$67.5 million and \$40.0 million, up 46 percent and 38 percent respectively over Q2 2000.
- Second quarter activities focused on integrating the newly acquired Startech assets and initiating related capital spending programs.
- July 11, 2001 marked the fifth anniversary of our Initial Public Offering. In assessing our performance over that period, the Trust has clearly delivered superior financial returns on both an absolute and relative basis to the broad oil and gas producing sector as well as the royalty trust sector.
- Lower commodity prices created downward pressure on cash flow which, if sustained, could ultimately lead to reduced distributions. Our conservative distribution policy provides some flexibility to mitigate the impact of lower prices.

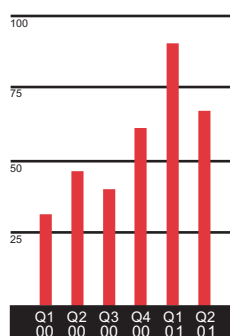
Second quarter operations and financial results continue to be strong due to favorable commodity prices (although gas prices have subsequently declined) and stable production from the Trust's diverse high quality assets. During the first half of 2001, the Trust distributed \$1.26 per unit to unitholders and, in addition, funded \$31.6 million of new capital expenditures and Reclamation Fund contributions out of the 2000 working capital carryover and year to date cash flow in 2001. This represents a first half payout of 77 percent of the cash available for distribution.

FINANCIAL AND OPERATING PERFORMANCE

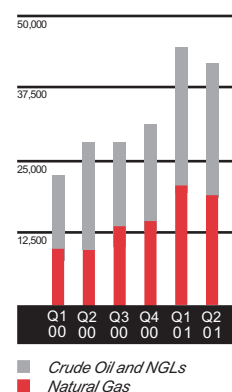
Production: Production during the second quarter was 42,097 barrels of oil equivalent (6:1) per day, up from 28,154 barrels of oil equivalent per day in the same period in 2000. In the first six months of 2001, **oil production increased 93 percent** to 20,407 barrels per day, **natural gas production increased 60 percent** to 117 million cubic feet per day and **natural gas liquids production increased 16 percent** to 3,295 barrels per day. The second quarter production volumes were 5 percent lower than the first quarter as a result of maintenance activities which were undertaken at a number of the Trust's major properties.

Prices: Second quarter prices for West Texas Intermediate crude oil averaged \$27.84 US per barrel, a slight decrease from the level of \$28.73 US per barrel realized during the first quarter. With an average exchange rate of \$0.649 US per \$CAD, the Edmonton light sweet oil reference price also decreased slightly from \$43.04 to \$42.31 per barrel.

CASH FLOW
(\$CAD millions)



PRODUCTION
(mboe/d 6:1)



While crude oil prices were comparable to first quarter levels, natural gas prices decreased sharply during the second quarter. Second quarter natural gas prices for NYMEX and AECO were \$4.41 US per mmbtu (30 percent lower) and \$7.08 CAD per mcf (35 percent lower), respectively.

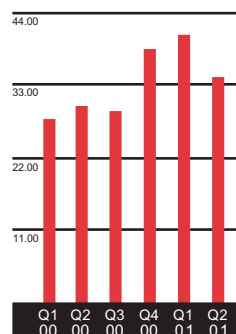
A comparison of first and second quarter 2001 commodity prices versus the comparable periods in 2000 and the current forward strip price for the balance of 2001 is presented below:

	Q1 2000	Q2 2000	Q1 2001	Q2 2001	Remaining 2001⁽¹⁾
W.T.I. (\$US/bbl)	28.72	28.77	28.73	27.84	26.90
Edmonton Light (\$CAD/bbl) ⁽²⁾	41.35	41.60	43.04	42.31	40.45
NYMEX (\$US/mmbtu)	2.60	3.45	6.28	4.40	3.26
AECO (\$CAD/mcf)	3.32	4.26	8.98	7.08	4.19

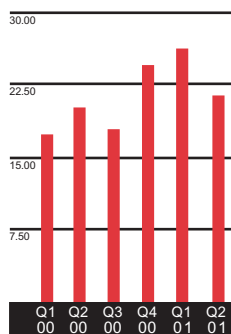
⁽¹⁾ Forward strip for balance of 2001 as of August 13, 2001
⁽²⁾ Assuming a \$1.00 CAD difference in price between WTI and Edmonton

During 2000, a series of short term oil and gas price hedges were implemented by the Manager to protect unitholder distributions from potential price weakness. In addition, the Trust inherited a number of oil and gas price hedges as part of the Startech Energy Inc. acquisition. Approximately 66 percent of the Trust's total second quarter 2001 crude oil and natural gas liquids production was hedged at an average price of \$25.58 US per barrel compared to the average market price of \$27.84 US per barrel. Approximately 35 percent of second quarter 2001 natural gas production was hedged at an average AECO price of \$4.91 per mcf compared to an average market price of \$7.08 per mcf (see also Note 4 to the Financial Statements – Financial Instruments).

**AVERAGE
SELLING PRICE**
(\$CAD/boe)



NETBACK
(\$CAD/boe)



Relative to the first quarter of 2001, the Trust's oil prices increased 4 percent to \$33.79 per barrel and natural gas liquids ("NGL") prices decreased 6 percent to \$35.95 per barrel. The increase in crude oil price is the result of a slightly lower price differential in the second quarter relative to Edmonton light prices. The decrease in the Trust's NGL price is the result of a significant component of ethane in the Trust's NGL mix which is priced relative to the price of natural gas and not crude oil. Natural gas prices decreased sharply to \$5.86 per thousand cubic feet, 31 percent lower than the first quarter 2001.

Revenue and Cash Flow: Revenues for the three months ending June 30, 2001 totaled \$132.3 million for an overall average selling price of \$34.53 per barrel of oil equivalent, a 16 percent decrease from the \$41.26 per barrel received in the previous quarter.

Royalties of \$7.45 and operating costs of \$5.51 per barrel of oil equivalent resulted in an average netback of \$21.57 per barrel of oil equivalent for the second quarter of 2001, compared to a netback of \$26.37 per barrel of oil equivalent in the prior quarter. The increase in operating costs relative to the first quarter was the result of the reduced production volumes and increased costs associated with second quarter maintenance activities. Cash flow and earnings for the quarter totaled \$67.5 million (\$0.66/unit) and \$40.0 million (\$0.39/unit), respectively.

General and Administrative and Other Expenses: General and administrative expenses for the quarter were \$0.83 per barrel of oil equivalent while management fees were \$0.62 per barrel of oil equivalent.

Interest expense decreased to \$4.6 million in the second quarter of 2001 over the first quarter. Year to date interest in 2001 is higher than 2000 due to the assumption of debt from the Startech transaction.

Second quarter depletion of \$39.4 million was comparable with first quarter depletion, depreciation and amortization ("DD&A") of \$39.8 million. Depletion expense is higher in 2001 versus 2000 due to the increase in production and asset size of the Trust with the Startech acquisition.

DEVELOPMENT ACTIVITY

With the completion of the Startech acquisition in the first quarter, second quarter activities focused on integrating the new assets, conducting development reviews, commencing optimization activities and initiating capital projects on these new properties.

Newly acquired properties in the Trust's Southeast Alberta core area experienced the most activity in the second quarter, including three successful oil wells drilled at Grassy Lake and one successful gas well at Retlaw. The Brooks area has been targeted for significant development and optimization activities. Facility bottlenecks were eliminated at the Brooks compressor station which increased gas production slightly while reducing horsepower requirements and fuel gas consumption. In addition, numerous well cleanouts were performed to improve individual well performance. Since the acquisition, four wells have been drilled to test deeper horizons, all of which encountered productive gas zones and are currently being tested and tied into the existing gathering system.

Development activities also continued on ARC's existing core area assets. In Southeast Alberta, ARC continued the ongoing drilling program in Jenner, successfully drilling and tying in eight wells during the quarter. A further 36 well drilling program is planned for the Jenner area during the third quarter. In Central Alberta, a successful gas well was drilled and brought on production at 0.5 mmcf/d (net to Trust) in the Hoadley area. In Pembina, the next phase of a multi-well infill drilling program commenced in the Lindale Cardium Unit.

There were high levels of activity at numerous partner-operated properties especially the Midale Unit where a 20 well horizontal drilling program was approved to commence in the third quarter.

CASH DISTRIBUTIONS

Cash distributions during the second quarter increased to a record \$65.9 million (\$0.66 per unit). Distributions for the first half of 2001 were made after the deduction of \$27.5 million (\$0.27 per unit) to partially fund 2001 capital expenditures and \$4.2 million (\$0.04 per unit) to fund the entire 2001 Reclamation Fund contribution. On July 13, 2001, the

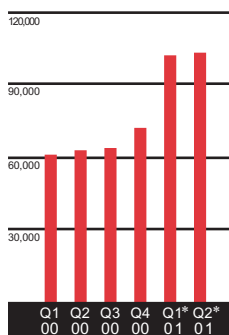
Trust announced third quarter distributions of \$0.20 per unit per month to be paid through the October 15th distribution. With the record level of distributions, the taxable portion of distributions in 2001 is expected to be in the range of 70 to 75 percent.

FIVE YEAR ANNIVERSARY

July 11, 2001 marked the fifth anniversary of the Trust's Initial Public Offering which occurred on July 11, 1996. In looking back at our first five years of operation, we can identify the following accomplishments:

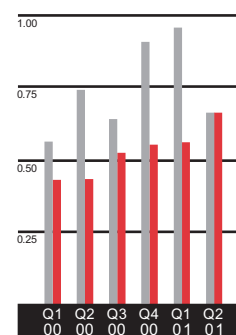
- The Trust's market capitalization has increased from \$180 million to \$1.2 billion;
- Production has increased from 9,566 boe per day in the second half of 1996 to 43,178 boe per day in the first half of 2001, representing a compound annual growth rate of 34 percent per year;
- Reserves have increased from 43.1 million boe at July 11, 1996 to 188.5 million boe after completion of the Startech acquisition, representing a compound annual growth rate of 36 percent per year;
- Reserve and production growth has been achieved while maintaining the reserve life index of the Trust's assets at approximately 12 years;
- The Trust's Established reserves finding and development costs since inception are estimated at \$5.84 per boe, which are first quartile (top 25 percent) for both the trust sector and the entire oil and gas sector;
- To date, the Trust has generated \$941 million in revenue, \$503 million in cash flow, \$396 million in distributions and \$232 million in earnings;

UNITS OUTSTANDING
(millions)



*Includes Exchangeable shares converted at the period end exchange ratio

CASH DISTRIBUTIONS AND CASH FLOW
(\$CAD/unit)



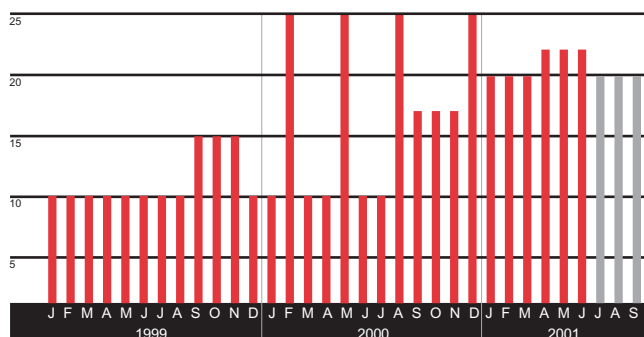
■ Cash flow
■ Distributions

- Cumulative distributions paid to unitholders to date total \$8.03 per unit representing 80 percent of an initial IPO investment of \$10.00 per unit, while the Trust's unit price was \$11.65 per unit on July 11, 2001;
- Total returns since inception have averaged a base level of 14.5 percent per year and 20.7 percent per year including distribution re-investment;
- The Trust's total return performance including distribution re-investment has exceeded both the TSE Oil and Gas Producers Index and the TSE 300 Index by a compound annual rate of 13 percent per year;
- The Trust's total returns have outperformed the Royalty Trust Index by a compound annual rate of 4.8 percent per year;
- The Trust has outperformed the Royalty Trust Index each quarter since inception through all of the different market cycles experienced by our industry;
- In the National Post's survey of Canada's 500 largest public corporations in 2000, the Trust ranked 470th in revenue, 347th in total assets, 117th in profits and 30th in profit margin.

At inception of the Trust, we stated our commitment was to generate superior returns through any cycle of the market. In reviewing our performance during our first five years, we believe we have done exactly that. It is important to note that this has been achieved with one of the most conservative distribution policies in the energy trust sector which is designed to ensure long term stability in reserves, production and distributions to unitholders.

MONTHLY CASH DISTRIBUTIONS

(CAD cents / trust unit)



Includes third quarter distributions previously announced.

OUTLOOK

The outlook for the oil and gas industry remains positive; however, at the time of writing this report, commodity prices have weakened from those experienced in the first half of the year primarily as a result of a slowing of economic activity in the US. As of August 13, 2001, the forward market price for West Texas Intermediate crude oil for the balance of the year was \$26.90 US per barrel (\$41.45 CAD per barrel) while the AECO forward market price for the balance of the year was \$4.19 CAD per thousand cubic feet. Gas prices at this level are below the values required to maintain our base distribution of \$0.20 per unit per month for the balance of the year. However, based upon our view of the fundamentals for the industry, we believe that actual prices realized during the balance of the year will exceed those available in the forward market on August 13th. In addition, our existing hedges will support higher prices. It is for these reasons that we announced third quarter distributions of \$0.20 per unit per month. Should current price levels prevail, fourth quarter distributions may be lower. The Trust's conservative distribution policy withholds up to 20 percent of cash available for distribution to fund a portion of our capital program which provides the flexibility to mitigate any potential short term weakness in commodity prices.

With completion of the Startech transaction, the Manager embarked on an asset rationalization program which included the disposition of minor non-core assets. As part of this program, approximately 270 boe per day of production has been divested (net of minor acquisitions) through early August for net proceeds of \$6 million; further dispositions are expected to occur prior to year-end. The Trust's production level for the balance of the year will be impacted by this disposition program; however, our projected full year production level of 42,000 boe per day fully reflects the impact of these property dispositions.

Respectfully submitted on behalf of the Board of Directors.

Mac H. Van Wielingen
Director and Vice-Chairman

John P. Dielwart
Director, President
and Chief Executive Officer

CONSOLIDATED BALANCE SHEET

(\$CAD thousands) (unaudited)	As at June 30, 2001	As at December 31, 2000
ASSETS		
Current assets		
Cash	\$ -	\$ 3,331
Accounts receivable	62,611	48,813
	62,611	52,144
Reclamation Fund	13,753	9,897
Property, plant and equipment	1,308,936	600,813
Total assets	\$ 1,385,300	\$ 662,854
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 36,272	\$ 26,951
Cash distributions payable	22,040	18,131
Payable to the Manager	682	723
	58,994	45,805
Long-term debt	287,012	115,068
Deferred foreign exchange gain	427	-
Site reclamation and abandonment	27,590	18,620
Deferred hedging losses (Note 4)	21,024	1,106
Future income taxes (Note 2)	193,422	-
Total liabilities	588,469	180,599
UNITHOLDERS' EQUITY		
Unitholders' capital (Note 5)	922,078	610,645
Exchangeable shares (Note 5)	32,076	-
Accumulated earnings	238,657	142,887
Accumulated cash distributions	(395,980)	(271,277)
Total unitholders' equity	796,831	482,255
Total liabilities and unitholders' equity	\$ 1,385,300	\$ 662,854

CONSOLIDATED STATEMENT OF CASH FLOWS

(\$CAD thousands) (unaudited)	Three Months Ended June 30		Six Months Ended June 30	
	2001	2000	2001	2000
Cash flow from operating activities				
Net income	\$ 40,025	28,947	\$ 95,769	\$ 46,418
Add items not involving cash:				
Future income tax recovery	(6,870)	-	(7,680)	-
Depletion, depreciation and amortization	39,379	17,217	79,218	31,232
Amortization of deferred hedging losses	(5,046)	-	(10,560)	-
Amortization of deferred foreign exchange loss	(10)	-	12	-
	67,478	46,164	156,759	77,650
Increase in non-cash working capital accounts	601	(11,709)	2,499	(10,715)
	68,079	34,455	159,258	66,935
Cash flow from financing activities				
Repayments of long-term debt, net	12,177	94,935	12,150	48,935
Issue of Trust units and warrants	2,759	23,288	2,786	82,155
Trust unit issue costs	(8)	(117)	(108)	(3,013)
Cash distributions	(63,793)	(27,746)	(120,794)	(51,988)
	(48,865)	90,360	(105,966)	76,089
Cash from investing activities				
Acquisition of Startech, net of cash received (Note 2)	-	-	(7,707)	-
Acquisition of properties	(1,962)	(124,116)	(5,858)	(139,379)
Proceeds on disposition of properties	308	5,287	7,029	8,071
Purchase of capital assets	(21,069)	(8,696)	(45,945)	(17,036)
Reclamation fund contributions and actual costs incurred	(325)	(971)	(4,142)	(2,656)
	(23,048)	(128,496)	(56,623)	(151,000)
Increase (decrease) in cash	(3,834)	(3,681)	(3,331)	(7,976)
Cash, beginning of period	3,834	4,945	3,331	9,240
Cash, end of period	\$ -	\$ 1,264	\$ -	\$ 1,264
Cash flow from operations per unit (Note 6)				
Basic	\$ 0.66	\$ 0.74	\$ 1.60	\$ 1.31
Diluted	0.65	0.73	1.59	1.30

CONSOLIDATED STATEMENT OF INCOME AND ACCUMULATED EARNINGS

(\$CAD thousands) (unaudited)	Three Months Ended June 30		Six Months Ended June 30	
	2001	2000	2001	2000
Revenue				
Oil, natural gas, natural gas liquids and sulphur sales	\$ 132,283	\$ 78,124	\$ 296,659	\$ 132,570
Royalties	(28,544)	(14,162)	(67,569)	(23,838)
	103,739	63,962	229,090	108,732
Expenses				
Operating	21,102	11,485	41,390	20,742
General and administrative	3,163	1,592	5,870	2,837
Management fee	2,381	1,599	4,993	2,688
Interest on long-term debt	4,346	3,056	9,107	4,656
Depletion, depreciation and amortization	39,379	17,217	79,218	31,232
Capital taxes	213	66	423	159
	70,584	35,015	141,001	62,314
Income before provision for income taxes	33,155	28,947	88,089	46,418
Future income tax recovery	6,870	-	7,680	-
Net income	40,025	28,947	95,769	46,418
Accumulated earnings, beginning of period	198,632	49,486	142,888	32,015
Accumulated earnings, end of period	\$ 238,657	\$ 78,433	\$ 238,657	\$ 78,433
Net income per unit (Note 6)				
Basic	\$ 0.39	\$ 0.46	\$ 0.98	\$ 0.78
Diluted	0.39	0.46	0.97	0.78

CONSOLIDATED STATEMENT OF CASH DISTRIBUTIONS AND ACCUMULATED CASH DISTRIBUTIONS

(\$CAD thousands) (unaudited)	Three Months Ended June 30		Six Months Ended June 30	
	2001	2000	2001	2000
Net Income	\$ 40,025	\$ 28,947	\$ 95,769	\$ 46,418
Future income tax recovery	(6,870)	-	(7,680)	-
Depletion, depreciation and amortization	39,379	17,217	79,218	31,232
Amortization of deferred hedging losses	(5,046)	-	(10,560)	-
Amortization of deferred foreign exchange gain	(10)	-	12	-
Cash from operations	67,478	46,164	156,759	77,650
Cash from operations (99 percent)	66,803	45,702	155,191	76,874
Add (deduct):				
General and administrative reimbursement (residual one percent)	675	462	1,568	776
Capital expenditures	(10,852)	(4,519)	(27,471)	(7,499)
Proceeds from disposition of royalty interests	307	5,287	7,029	8,071
Discretionary debt repayment	(307)	(6,188)	(7,029)	(11,855)
Reclamation fund contributions and actual reclamation costs incurred	(325)	(969)	(4,142)	(2,656)
Current period accruals	9,637	(11,709)	(443)	(10,715)
Cash distributions	65,938	28,066	124,703	52,996
Accumulated cash distributions, beginning of period	330,042	167,249	271,277	142,319
Accumulated cash distributions, end of period	395,980	195,315	395,980	195,315
Cash distributions per unit	\$ 0.66	\$ 0.45	\$ 1.26	\$ 0.90

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2001

(all tabular amounts in thousands, except per unit amounts)

(unaudited)

1 ACCOUNTING POLICIES

These financial statements follow the same accounting policies as the most recent annual financial statements and should be read in conjunction with such statements.

2 ACQUISITION OF STARTECH ENERGY INC.

Effective January 31, 2001, the Trust acquired all of the issued and outstanding shares of Startech Energy Inc. ("Startech"). The transaction has been accounted for using the purchase method of accounting with the allocation of the purchase price and consideration paid as follows:

Net assets acquired:

Cash	12,319
Working capital	9,705
Property, plant and equipment	741,212
Site reclamation liability	(5,130)
Deferred hedging losses	(33,149)
Future income taxes	(201,383)
Total net assets acquired	523,574

Financed by:

Cash	20,026
Trust units issued	256,051
Exchangeable shares issued	84,497
Debt assumed	163,000
Total purchase price	523,574

An acquisition fee of \$7.3 million was paid to the Manager upon closing of this transaction and has been charged to property, plant and equipment. The acquisition fee was based on the total consideration paid to Startech shareholders of \$482 million, consisting of \$341 million of new equity, the assumption of \$163 million of debt and working capital of \$22 million.

3 LONG-TERM DEBT

On January 31, 2001, a new revolving credit facility was put in place in addition to the existing facilities. The revolving period was extended for an additional 364 days to April 30, 2002. In the event that the revolving period is not extended in the future, the loan balance becomes repayable over the two year term period in seven equal quarterly repayments of 5 percent of the loan balance and a lump sum repayment of 65 percent of the loan balance at the end of the term period. The total borrowing base for all credit facilities increased to \$400 million from \$275 million.

4 FINANCIAL INSTRUMENTS

The following contracts were outstanding as at June 30, 2001. These contracts, which have no book value, would have required a net settlement payment by the Trust of \$2.4 million as at June 30, 2001.

	Daily Quantity	Average Contract Prices (CAD\$) ⁽¹⁾	Price Index	Term
Crude oil fixed price contracts	3,844 bbls	36.20	WTI	July 2001 - September 2001
	2,844 bbls	37.58	WTI	October 2001 - December 2001
Crude oil collared contracts	3,500 bbls	37.02 - 48.02	WTI	July 2001 - December 2001
Crude oil put options	756 bbls	40.89	WTI	July 2001 - December 2001
Crude oil fixed price contracts (embedded put option) ⁽²⁾	2,000 bbls	42.91 (36.63)	WTI	January 2002 - March 2002
	1,000 bbls	42.12 (35.80)	WTI	April 2002 - December 2002
Crude oil fixed price contracts (embedded "cancel level") ⁽³⁾	2,000 bbls	44.19 (33.32)	WTI	July 2001 - December 2001
Natural gas fixed differential contracts	3,000 GJ	AECO - \$0.82	AECO	July 2001 - October 2001
Natural gas collared contracts	5,000 GJ	4.40 - 7.81	AECO	July 2001 - October 2001

The Trust entered into a contract to fix the price of electricity on 5 megawatts per hour ("MW/h") for the period April 17, 2001 through December 31, 2010 at a price of \$63.00/MWh.

The following contracts, with a liability book value of \$21.0 million, were outstanding as at June 30, 2001. These contracts were acquired in conjunction with the Startech acquisition effective January 31, 2001 at which time the market value of the contracts was a liability of \$33.1 million. Settlement of these contracts would have required a net payment by the Trust of \$3.8 million as at June 30, 2001.

Commodity contracts	Daily Quantity	Average Contract Prices (CAD\$) ⁽¹⁾	Price Index	Term
Crude oil fixed price contracts	5,200 bbls	38.58	WTI	July 2001 - December 2001
	5,000 bbls	37.53	WTI	January 2002 - December 2002
Crude oil put options	2,000 bbls	31.55	WTI	July 2001 - December 2001
Natural gas fixed price contracts	17,750 GJ	5.27	AECO	July 2001 - October 2001
	20,750 GJ	4.99	AECO	November 2001 - October 2002
	4,000 GJ	2.71	AECO	November 2002 - October 2004
	750 GJ	3.32	San Juan	July 2001 - October 2002
	1,500 GJ	3.60	Ventura	July 2001 - October 2002
Natural gas collared contracts	2,000 GJ	2.30 - 3.10	AECO	July 2001 - October 2002
Natural gas put options	5,000 GJ	3.05	AECO	July 2001 - October 2002

Foreign currency contracts	Monthly contract amount (USD \$000)	Average Contract Rate	Term
Fixed rate foreign exchange	2,550	1.4444	July 2001 - December 2001
	2,000	1.4335	January 2002 - December 2002
	1,500	1.4106	January 2003 - December 2003

⁽¹⁾ Commodity contracts denominated in US\$ have been converted to CAD\$ at the period end exchange rate.

⁽²⁾ Counter-party may exercise a put option if index falls below the specified price on a monthly settlement basis.

⁽³⁾ Contract is neutral if index falls below the "cancel level" price on a monthly settlement basis.

5 UNITHOLDERS' CAPITAL AND EXCHANGEABLE SHARES

On January 31, 2001, the Trust issued 22.5 million trust units and 7.4 million Exchangeable shares at \$11.36 per unit for a total of \$340.5 million as consideration for the Startech acquisition.

The Exchangeable shares may be converted (at the option of the holder) into trust units at any time on or after January 31, 2001. The number of Trust units issuable upon conversion is based upon the exchange ratio in effect at the conversion date. The exchange ratio is calculated monthly based on the trust unit distribution divided by the 10 day weighted average unit price preceding the record date. The Exchangeable shares are not eligible for distributions and, in the event that they are not converted, any outstanding shares are redeemable by the Trust on or after February 1, 2004 until February 1, 2010.

During the quarter, 287,048 Exchangeable shares were converted to trust units at an average exchange ratio of 1.05923 trust units for each exchangeable share. At June 30, 2001, the exchange ratio was 1.08691 to 1.

TRUST UNITS	Number of units	\$
Balance, beginning of period	72,524	610,645
Issued on acquisition of Startech	22,540	256,051
Issued on exercise of employee rights	407	3,069
Issued on conversion of exchangeable shares	4,709	52,420
Trust unit issue costs	-	(107)
Balance, end of period	100,180	922,078

EXCHANGEABLE SHARES	Number of shares	\$
Balance, beginning of period	-	-
Issued on acquisition of Startech	7,438	84,497
Exchanged for Trust units	(4,614)	(52,420)
Balance, end of period	2,824	32,077
Exchange ratio, end of period	1.08691	-
Trust units issuable upon conversion	3,069	32,077
Trust unitholders' capital as at June 30, 2001	103,249	954,155

During the quarter, the Trust granted rights to employees and long-term consultants to purchase trust units at exercise prices ranging from \$12.47 to \$12.70 per Trust unit. At June 30, 2001, there were 2,594,690 rights outstanding, of which 373,141 were exercisable.

RIGHTS	Number of rights	\$
Balance, beginning of period	1,722	7.48
Granted	1,328	11.78
Exercised	(407)	7.55
Cancelled	(48)	11.17
Balance before reduction of exercise price	2,595	9.60
Reduction of exercise price	-	(0.44)
Balance, end of period	2,595	9.16

6 NET INCOME AND CASH FLOW FROM OPERATIONS PER TRUST UNIT

Basic per unit amounts have been computed on the basis that the outstanding exchangeable shares have been converted at the average exchange ratio during the period.

Basic per unit calculations for the six month period ended June 30, 2001 were based on weighted average trust units outstanding of 97,941,675 (59,205,254 in 2000). Diluted per unit calculations for the six month period ended June 30, 2001 include 686,502 additional trust units for the dilutive impact of employee rights (680,550 in 2000 for the dilutive impact of employee rights and warrants).

DIRECTORS

Walter DeBonj ⁽¹⁾⁽²⁾⁽³⁾
 Chairman

John M. Beddome ⁽¹⁾⁽²⁾⁽³⁾

John P. Dielwart
 President and Chief Executive Officer

Frederic C. Coles ⁽¹⁾⁽²⁾⁽³⁾

Michael M. Kanovsky ⁽¹⁾⁽²⁾

John M. Stewart

Mac H. Van Wielingen
 Vice-Chairman

OFFICERS

John P. Dielwart
 President and Chief Executive Officer

Walter DeBonj ⁽¹⁾⁽²⁾⁽³⁾
 Chairman

Mac H. Van Wielingen
 Vice-Chairman

Doug J. Bonner
 Vice-President, Engineering

Susan D. Healy
 Vice-President, Land

Nancy V. Lever
 Vice-President, Planning

Steven W. Sinclair
 Vice-President, Finance and
 Chief Financial Officer

Myron M. Stadnyk
 Vice-President, Operations

Allan R. Twa
 Secretary

(1) Member of Audit Committee
 (2) Member of Reserve Audit Committee
 (3) Member of Compensation Committee

TRUSTEE AND TRANSFER AGENT

Computershare Trust Company of
 Canada and Computershare Investor
 Services of Canada
 Corporate Trust Department
 600, 530 - 8th Avenue S.W.
 Calgary, Alberta T2P 3S8

AUDITORS

Arthur Andersen LLP

ENGINEERING CONSULTANTS

Gilbert Laustsen Jung Associates Ltd.

LEGAL COUNSEL

Burnet, Duckworth & Palmer LLP

STOCK EXCHANGE LISTING

The Toronto Stock Exchange
 Trading Symbols: AET.UN
 ARX

EXECUTIVE OFFICE

ARC Energy Trust
 c/o ARC Resources Ltd.
 2100, 440 - 2nd Avenue S.W.
 Calgary, Alberta
 T2P 5E9
 Telephone: (403) 503-8600
 Toll Free in Canada:
 1-888-272-4900
 Facsimile: (403) 503-8609
 Website: www.arcresources.com

E-MAIL ADDRESS

arc_energy_trust@arcresources.com

INVESTOR INFORMATION

Visit our website or contact:
 Jan Young
 Manager, Investor Relations
 (403) 509-6418 or
 1-888-272-4900
 email: jyoung@arcresources.com

DISTRIBUTION REINVESTMENT AND OPTIONAL CASH PAYMENT PROGRAM

ARC Energy Trust offers unitholders a Distribution Reinvestment Program (DRIP) under which a unitholder can elect to reinvest cash distributions into additional ARC Energy Trust units. Under the DRIP plan as distributions are reinvested, a unitholder may elect to make optional cash payments to acquire up to \$3,000 of additional trust units per distribution date. All units purchased under the DRIP program are made at prevailing market prices without any additional fees or commissions. For further details on the DRIP program contact Computershare Trust Company.

KEY DATES

October 12, 2001	Announcement of 2001 Q4 Monthly Distributions
November 8, 2001	Release 2001 Q3 Results
January 11, 2002	Announcement of 2002 Q1 Monthly Distributions
February 14, 2002	Release 2001 Financial Results

KEY TERMS

boe:	barrels of oil equivalent
bbbl:	barrel
mcf:	thousand cubic feet

Ex-Distribution Date	Record Date	Distribution Payment Date	Total Distribution
December 27, 2000	December 31, 2000	January 15, 2001	\$0.25
January 29, 2001	January 31, 2001	February 15, 2001	\$0.20
February 26, 2001	February 28, 2001	March 15, 2001	\$0.20
March 28, 2001	March 31, 2001	April 16, 2001	\$0.20
April 26, 2001	April 30, 2001	May 15, 2001	\$0.22
May 29, 2001	May 31, 2001	June 15, 2001	\$0.22
June 27, 2001	June 30, 2001	July 16, 2001	\$0.22
July 27, 2001	July 31, 2001	August 15, 2001	\$0.20
August 29, 2001	August 31, 2001	September 17, 2001	
September 26, 2001	September 30, 2001	October 15, 2001	
October 29, 2001	October 31, 2001	November 15, 2001	
November 28, 2001	November 30, 2001	December 17, 2001	