

2011



**WEYBURN INLAND
TERMINAL LTD.**

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**THIRD QUARTER REPORT
Ending September 30, 2011**

PRESIDENT'S REPORT

Nine month, after-tax earnings for your Company were \$468,000 (\$0.09 per common share), compared to \$4,165,000 (\$0.78 per common share) in Fiscal 2010. Major flooding during the normal seeding period reduced seeded acres significantly which impacted the crop inputs business, and subsequent flooding and hail further reduced harvestable acres and therefore grain to be delivered into the elevator.

The 25% reduction in seeded acres in 2010 due to minor flooding has impacted volumes of grain available to ship to date in 2011. The more serious flooding in 2011 resulted in a 75% to 80% reduction in normal harvestable area this fall. The Company has aggressively pursued opportunities to maintain grain handling opportunities; however volumes shipped are down 29%. Our focus on marketing and movement of flax and canola contributed significantly to handlings in the first three quarters of 2011. The reduction in seeded acres and the flooded out areas following the rains this year will impact earnings in the first three quarters of 2012, however with an expected return to more normal growing conditions and volumes of crop produced in the 2012 season, it is expected that the impact on Fiscal 2012 will be reduced in the second half of the year. After two years of reduced seeded acres, farmers are expected to maximize production opportunities in 2012, so the Companies' investment in people and services in the crop production services business will be beneficial.

A total of 54,333 WIT shares traded in a range from \$13.25 to \$13.45 from January to the end of September 2011. The \$0.05 per common share dividend declared for payment in August 2011, combined with the \$0.20 per common share paid in April, will result in total dividends paid in 2011 of \$1,353,000 and represents an annualized yield of 1.86% based on the September 30 share price of \$13.45. This compares to dividends of \$1,609,000 and a share trading range of \$11.50 to \$12.75 in the same time period last year. WIT has also paid out a total of \$705,000 in Freight and Dockage premiums to date this fiscal year. As changes continue in both the grain and crop input businesses, WIT continues to provide farmers with an opportunity for ownership in their industry, and a real voice through the election of directors on an annual basis.

The announcement of the move to marketing choice with the elimination of the CWB monopoly on wheat, durum, and barley on August 1, 2012 will fundamentally shift the marketing environment for WIT and many of our customers. At this time, the specifics of the new environment are still being developed, and WIT is actively involved in developing very positive alternatives for the Company and our customers. WIT has maintained our focus on providing consistent, low-cost services to all our farmer customers. Our ability to provide blending benefits to our customers while we maintain consistently low net handling charges is a key contributor to our success and the value we add to our customers' operations. WIT's objective is to maintain our position overall as the lowest cost service provider, while using our efficiency, service, and blending capabilities to continue to compete for our customers' grain.



Your Board of Directors continues to evaluate business opportunities which will allow the Company to diversify our revenue streams, while maintaining focus on the needs of our customers and shareholders. The Company's 2007 investment in Alliance Grain Terminal in Vancouver has been successful, and is especially important as the CWB monopoly is eliminated. It is believed that the investment in NorAmera BioEnergy will provide long-term benefits to our shareholders. WIT's investment in Alliance Seed Corporation allows us to access new seed technology, such as Verona durum, for our customers going forward. We are partners in the GROW Community of Independents, a group of crop input suppliers dedicated to helping customers dramatically improve productivity from their existing land base. We continue to be actively involved in shaping the future of western Canadian agriculture through consultations with the federal government regarding proposed changes to the CWB, CGC and working with other industry participants on improving the level of rail service for western farmers.

Your Board of Directors has worked diligently to address issues of concern to both shareholders and customers, and continues to take steps necessary to maintain the future strength and profitability of WIT as an independent, producer driven company. The Customer Share Purchase Plan allows customers to have the Terminal take a deduction from their cash ticket and purchase shares on their behalf without any commission charges. This program allows farmers to benefit not only from the services that WIT offers their farm business, but also from the success that their support brings to the Company, in the form of semi-annual dividends.

WIT will continue working with our customers to improve their per acre profitability and on growing the Company for the benefit of customers, shareholders, and the communities we serve. The Company continues to support these communities, through 4-H sales, High School scholarships, and support of other community events. Sincere appreciation is extended to all, especially our loyal customers, for their dedication and continued support.

Claude Carles
President and Chairman of the Board
November 18, 2011

Weyburn Inland Terminal Ltd.
**Condensed Consolidated Statements
of Financial Position**
(in thousands) - (Unaudited)

	Sep. 30, 2011	Dec. 31, 2010	Jan. 1, 2010
	\$	\$	\$
Assets			
Current Assets			
Cash and cash equivalents	7,673	4,174	9,638
Trust fund (CWB)	5,164	2,496	6,645
Short-term investments	3,629	5,200	9,610
Trade and other receivables	16,189	30,833	27,954
Income taxes receivable	490	0	142
Inventories	16,839	23,183	13,319
Assets held for sale	499	0	0
Prepaid expenses and deposits	886	585	426
Current portion of long-term notes receivable	21	21	19
	51,390	66,492	67,753
Non-Current Assets			
Long-term notes receivable	12	29	50
Long-term investments	287	287	287
Property, plant and equipment	47,931	44,713	40,308
Other assets	15	16	16
	48,245	45,045	40,661
Total Assets	99,635	111,537	108,414
Liabilities			
Current Liabilities			
Trade and accrued payables	36,873	46,869	40,971
Income taxes payable	0	573	0
Demand debenture	0	0	5,440
Other loans	16,665	16,479	17,609
	53,538	63,921	64,020
Non-Current Liabilities			
Future income taxes	3,754	3,686	3,580
Long-term debt	9,288	8,960	8,576
	13,042	12,646	12,156
Shareholders' Equity			
Share capital	8,280	7,811	7,406
Contributed surplus	126	127	127
Non-controlling interest	(5,420)	(3,922)	(2,928)
Retained earnings	30,069	30,954	27,633
	33,055	34,970	32,238
Total Liabilities and Shareholders' Equity	99,635	111,537	108,414

Consolidated Statements of Cash Flows

For the nine months ended September 30 (in thousands) – (Unaudited)

	Third Quarter		Nine Months	
	2011	2010	2011	2010
	\$	\$	\$	\$
Cash Flows From Operating Activities				
Net (loss) earnings for the period	(436)	599	468	4,165
Adjustments for:				
Depreciation	1,012	974	2,662	2,657
Loss on disposal of property, plant and equipment	46	33	48	31
Provision for future income taxes	31	131	68	206
Interest on long-term debentures	111	101	328	305
Non-controlling interest	(700)	(318)	(1,498)	(544)
	64	1,520	2,076	6,820
Changes in non-cash working capital:				
Decrease (Increase) in trade and other receivables	9,034	(5,382)	14,644	(6,495)
(Increase) Decrease in income taxes receivable	(12)	(108)	(490)	7
Decrease (Increase) in inventories	7,707	(370)	6,344	(3,304)
(Increase) in prepaid expenses and deposits	(32)	(69)	(301)	(386)
(Decrease) Increase in accounts payable and accruals	(9,615)	2,622	(9,996)	(3,173)
Decrease (Increase) in income taxes payable	0	(84)	(573)	685
Net cash provided by (used by) operating activities	7,146	(1,871)	11,704	(5,846)
Cash Flows From Investing Activities				
Acquisition of property, plant and equipment	(3,943)	(1,984)	(6,454)	(7,627)
Proceeds on disposal of property, plant and equipment	0	96	29	109
(Decrease) in other assets	0	(6)	(1)	(6)
Decrease in notes receivable	10	9	17	16
Net cash (used by) investing activities	(3,933)	(1,885)	(6,409)	(7,508)
Cash Flows From Financing Activities				
Repayment of other loans	(4,470)	(2,269)	(7,936)	(6,771)
Proceeds from other loans	3,686	1,665	8,122	6,340
Dividends	(271)	(1,073)	(1,353)	(1,609)
Repayments of demand debenture - current	0	(141)	0	(431)
Shares issued net	0	0	468	0
Net cash (used by) financing activities	(1,055)	(1,818)	(699)	(2,471)
Increase (Decrease) in cash and cash equivalents	2,158	(5,574)	4,596	(15,825)
Cash and cash equivalents – beginning of period	14,308	15,642	11,870	25,893
Cash and cash equivalents – end of period *	16,466	10,068	16,466	10,068
Other Supplemental Disclosure				
Interest paid	91	167	382	638
Income taxes paid	302	360	2,261	1,062

* Cash and cash equivalents includes bank deposits, short-term maturity margin accounts, cash held in trust, and short-term investments less bank indebtedness.

Condensed Consolidated Statements of Comprehensive Income

For the nine months ended September 30 (in thousands, except for *) – (Unaudited)

	Third Quarter		Nine Months	
	2011	2010	2011	2010
	\$	\$	\$	\$
REVENUE				
Sales	20,915	29,477	87,372	85,251
Other operating revenue	1,805	3,243	6,112	10,780
Interest and investment income	932	524	1,474	937
	23,652	33,244	94,958	96,968
Cost of sales	20,639	28,633	83,563	79,859
	3,013	4,611	11,395	17,109
EXPENSES				
Salaries and employee benefits	1,184	1,210	3,811	3,693
Depreciation	1,012	974	2,662	2,657
Other interest	222	266	723	751
Freight and Dockage Premiums	250	437	705	1,025
Other operating and administrative	1,294	1,035	3,582	3,411
	3,962	3,922	11,483	11,537
(LOSS) EARNINGS BEFORE PROVISION FOR INCOME TAXES	(949)	689	(88)	5,572
(RECOVERY OF) PROVISION FOR INCOME TAXES				
Current	156	276	875	1,746
Future	31	132	67	205
	187	408	942	1,951
NON-CONTROLLING INTEREST	700	318	1,498	544
NET (LOSS) EARNINGS FOR THE PERIOD	(436)	599	468	4,165
RETAINED EARNINGS – BEGINNING OF PERIOD	30,776	30,663	30,954	27,633
Dividends paid	(271)	(1,073)	(1,353)	(1,609)
RETAINED EARNINGS – END OF PERIOD	30,069	30,189	30,069	30,189
Basic and diluted (loss) earnings per share*	(0.08)	0.11	0.09	0.78

Condensed Consolidated Statements of Changes in Equity

As at September 30 (in thousands) - (Unaudited)

	Share Capital	Non- Controlling Interest	Contributed Surplus	Retained Earnings	Total Equity
	\$	\$	\$	\$	\$
As at January 1, 2010	7,406	(2,928)	127	27,633	32,238
Total comprehensive income for the period		(515)		4,165	3,650
Dividends - Common shares				(1,608)	(1,608)
Dividends - Preferred shares				(1)	(1)
Share issue costs			(1)		(1)
Refundable dividend tax					0
As at September 30, 2010	7,406	(3,443)	126	30,189	34,278
As at December 31, 2010	7,811	(3,922)	126	30,954	34,969
Total comprehensive income for the period		(1,498)		468	(1,030)
Dividends - Common shares				(1,352)	(1,352)
Dividends - Preferred shares				(1)	(1)
Share issue cost	469				469
Refundable dividend tax					0
As at September 30, 2011	8,280	(5,420)	126	30,069	33,055

Condensed Notes to the Consolidated Financial Statements

For the nine months ended September 30 – (Unaudited)

1. **Basis of Preparation**

These interim unaudited consolidated financial statements for the period ended September 30, 2011 have been prepared under International Financial Reporting Standards (“IFRS”), including IAS 34, Interim Financial Reporting, as issued by the International Accounting Standards Board (“IASB”).

The Company adopted IFRS in accordance with IFRS 1 First-time Adoption of International Financial Reporting Standards (“IFRS 1”) with a transition date to IFRS of January 1, 2010. Consequently the comparative figures for 2010 and the Company’s consolidated statement of financial position as at January 1, 2010 have been restated from accounting principles generally accepted in Canada (“GAAP”) to comply with IFRS.

These interim consolidated financial statements are stated in Canadian dollars and were prepared on a going concern basis, under the historical convention except for available-for-sale financial assets which are measured at fair value. Certain use of judgments, estimates and assumptions were made by management in conformity with IFRS but actual results may differ from those estimates. The key sources of estimation uncertainty include useful lives of property, plant and equipment, fair value of financial instruments, provisions for taxes and impairment of non-financial assets.

2. **Accounting Policies**

Basis of Consolidation

The financial results of subsidiaries are included in the consolidated statement of comprehensive income from the effective date of acquisition. Intercompany balances and transactions, and any unrealized gains and losses or income and expenses arising from intercompany transactions are eliminated in preparing the interim consolidated financial statements. Subsidiary losses are attributed to the non-controlling interest even if that results in a deficit balance.

Accounts Receivable

Accounts receivable include advances to producers arising from the purchase of grain for the account of the Canadian Wheat Board (“CWB”) in accordance with the terms of a handling agreement between the parties, which are valued on the basis of CWB initial prices less handling and cleaning tariffs.

Inventories

Company-owned grain inventories include both hedged and non-hedged commodities. Grain inventories are valued on the basis of closing market quotations less freight and handling costs and also reflect gains and losses on open grain purchase and sale contracts. Crop input products, screenings and other inventories which consist of raw materials, product inventory, and finished goods are valued at the lower of cost or net realizable value. Costs consist of laid-down material costs, direct labour and appropriate overhead allocations as applicable.

Revenue Recognition

Revenues from grain handling are recognized upon shipment to the customer. Transactions in which the Company acts as agent for the CWB which includes tariff based revenue are recognized upon shipment. Revenue from the sale of crop input products, feed, screenings, ethanol and other inventories are recognized upon shipment to the customer or upon pickup by the customer. Ecoenergy rebate revenue is recognized as the ethanol is shipped and is recorded in other operating revenue. Other

service revenues are recognized when the services are performed. Claims for assistance under various government grant programs are recorded as a reduction of the cost of the related assets in the period in which eligible expenditures are incurred.

Property, Plant and Equipment

Property, plant and equipment are initially recorded at cost less accumulated depreciation and/or accumulated impairment losses if any. Such cost includes the cost of replacing part of the plant and equipment. When significant parts of property and equipment are required to be replaced in intervals, the Company recognizes such parts as individual assets with specific useful lives and depreciation, respectively. All other repair and maintenance costs are recognized in the statement of comprehensive income as incurred. Depreciation is calculated on a straight-line basis to recognize the cost less estimated residual value over the estimated useful life of the assets.

Due to the seasonal nature of the Company's business, the results of operations for any interim period are not necessarily indicative of the results to be expected for other interim periods or the full year. Grain volumes, quality and the level and mix of crop input products are all dependent on weather conditions throughout the crop production cycle.

3. Earnings Per Share ("EPS")

Basic EPS is calculated by dividing profit or loss (the numerator) by the weighted average number of common shares outstanding (the denominator) during the period. The denominator is calculated by adjusting the shares in issue at the beginning of the period by the number of shares bought back or issued during the period, multiplied by a time-weighting factor.

Diluted EPS is calculated by adjusting the earnings and number of shares for the effects of dilutive options and other dilutive potential units. The effects of anti-dilutive potential units are ignored in calculating diluted EPS. All options are considered anti-dilutive when the Company is in a loss position.

4. Segment Information (in thousands)

	Third Quarter		Nine Months	
	2011	2010	2011	2010
	\$	\$	\$	\$
Sales				
Grain Handling and Marketing	17,010	24,080	65,896	64,134
NorAmerna BioEnergy Corp.	4,024	3,829	13,264	12,583
Crop Production Services	2,616	5,340	15,793	20,249
Other	2	(5)	5	2
	23,652	33,244	94,958	96,968
(Loss) Earnings Before Income Taxes				
Grain Handling and Marketing	23	1,097	436	4,553
NorAmerna BioEnergy Corp.	(921)	(446)	(1,598)	(363)
Crop Production Services	59	45	1,373	1,587
Other	(110)	(7)	(299)	(205)
	(949)	689	(88)	5,572

5. Capital Stock

Issued and fully paid as at September 30, 2011: 5,428,629 Common shares
265 Class A preferred shares

6. Transition to IFRS

The consolidated financial statements for the period ended September 30, 2011 are the Company's third interim consolidated financial statements prepared under IFRS. For all accounting periods prior to this, with the exception of Q1 and Q2 2011, the Company prepared its consolidated financial statements under Canadian GAAP. In accordance with IFRS 1, certain disclosures relating to the transition to IFRS are given in this note. These disclosures are prepared under IFRS as set out in the basis of preparation in note 1.

IFRS 1 allows first time adopters to IFRS to take advantage of a number of voluntary exemptions from the general principal of retrospective restatement. The Company has taken the following exemptions:

IFRS 3

This standard has not been applied retrospectively to business combinations that took place before the transition date.

IFRIC 4

This IFRIC has not been applied retrospectively. The Company made an assessment as to whether an arrangement, existing at the transition date, contains a lease on the basis of the facts and circumstances existing at that date. The assessment was made in accordance with the requirements of IFRIC 4. The Company did not identify any arrangements containing a lease on the transition date.

IAS 23

This standard has not been applied retrospectively. As at the transition date, the Company did not have any qualifying assets.

In preparing the Consolidated Financial Statements, the Company has determined that the only adjustment necessary to amounts reported in financial statements prepared under Canadian GAAP is the reclassification of non-controlling interests from an asset classification to an equity classification. Accordingly non-controlling interest of \$2,928, \$3,443 and \$3,922 (in thousands) were reclassified to equity as at January 1, 2010, September 30, 2010 and December 31, 2010 respectively.

