



# Creststreet Energy Opportunities Fund

November 2008 Newsletter

## Net Asset Value Per Share

November 30, 2008

Series A: \$11.68

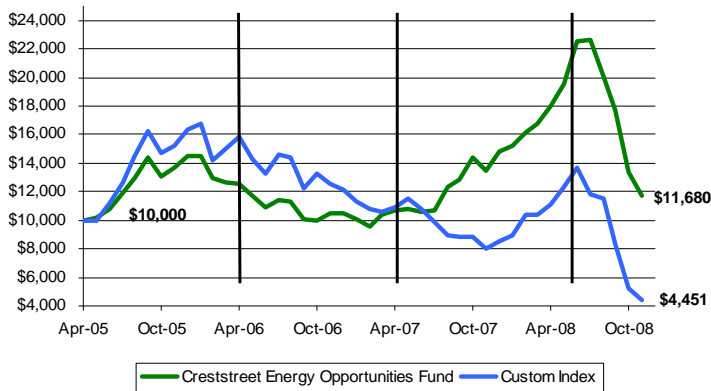
Series F: \$11.70

## Fund Description

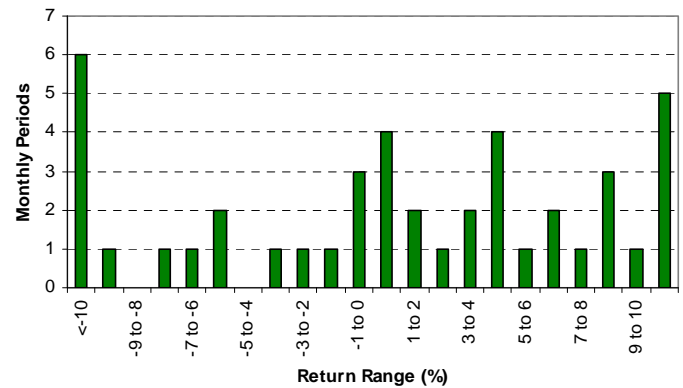
On September 24, 2008, Creststreet Energy Hedge Fund LP ("CEHFLP") was rolled into Creststreet Energy Opportunities Fund (The "Fund" or "CEOF"), which has the identical investment mandate and strategies as CEHFLP. The Fund seeks to provide shareholders with long-term capital growth by employing fundamental securities selection by taking both long and short investment positions in equity, debt and derivative securities and through strategic trading. The Fund's portfolio will consist primarily of securities of issuers engaged in the global, albeit primarily North American, energy sector.

Historical Performance <sup>(1)(2)</sup>													
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2005					1.3%	6.6%	10.3%	8.4%	11.7%	-9.3%	4.8%	5.4%	44.5%
2006	0.4%	-10.5%	-2.5%	-0.6%	-7.2%	-6.9%	5.0%	-0.8%	-11.5%	-0.5%	4.9%	0.2%	-27.5%
2007	-3.4%	-5.1%	8.1%	3.0%	1.0%	-1.9%	0.4%	16.4%	3.9%	11.4%	-6.0%	9.6%	41.2%
2008	2.9%	6.0%	4.2%	7.4%	8.3%	15.3%	0.2%	-11.0%	-12.0%	-24.4%	-12.7%		-21.0%

## Performance <sup>(1)(2)</sup>



## Distribution of Returns <sup>(1)</sup>



<sup>(1)</sup> The indicated historical performance and rate of return of the Creststreet Energy Opportunities Fund (the "Fund"), includes the historical performance of its predecessor fund, the Creststreet Energy Hedge Fund L.P. ("CEHFLP") for the period of May 5, 2005 to Sept. 24, 2008. CEHFLP, which has the identical investment mandate and strategies as the Fund, was rolled into and established the Fund on September 24, 2008. The performance and other statistics presented in this document may not be indicative of the performance or statistics of the specific series of shares held by a particular investor. <sup>(2)</sup> See "Use of Benchmarks" on page 2.

## Statistics <sup>(1)(2)</sup>

	Creststreet Custom Index	S&P/TSX Capped Energy Index	S&P/TSX Composite Index
Compounded Annual Return (since inception)	4.4%	-20.2%	2.5%
1 Year Return	-13.5%	-44.5%	-25.6%
Since Inception (simple return)	16.8%	-55.5%	9.2%
Standard Deviation	8.4%	11.2%	8.3%
R-Squared		0.57	0.39
Correlation		0.76	0.63
Beta		0.57	0.64
Monthly Alpha		1.4%	0.4%
Largest Month Gain	16.4%	15.6%	13.6%
Largest Month Loss	-24.4%	-36.7%	-21.4%

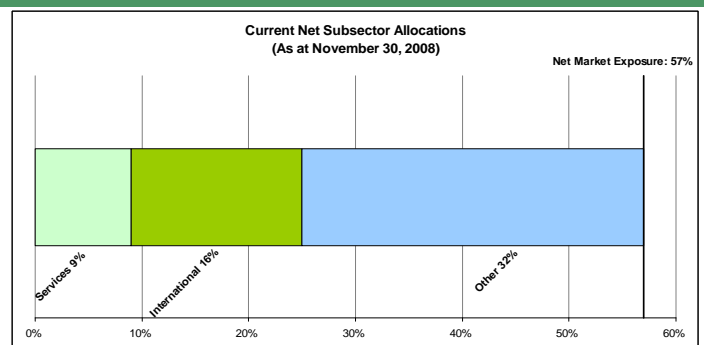
## Top Holdings as at November 30, 2008 <sup>(long positions only)</sup>

- Athabasca Oil Sands Corp.
- Cirrus Energy Corp.
- Laricina Energy Ltd.
- Rodinia Oil Corp.
- Stoneham Drilling Corp.
- Verenex Energy Corp.
- Xtreme Coil Drilling Corp.

## Terms

Fund AUM	\$5.3 M	Minimum Initial Subscription	\$ 25,000
Performance Fee	20% of the increase in NAV of the Shares in each month	Year End	December 31
Management Fee	2%	Redemption	Monthly with 15 days notice
Administrator	RBC Dexia Investor Services	Contributions	Monthly
Lock Up	None	Auditors	KPMG LLP
Early Redemption Fees	3% in the first 6 months, and 1.5% in the subsequent 7th through 18th month	Prime Broker	Scotia Capital Inc.

## Sub-Sector Allocation as at November 30, 2008



## Fund Commentary

Creststreet Energy Opportunities Fund (the "Fund") was down 12.7 percent for the month of November 2008. The Creststreet Custom Index was down 15.32 percent for the month.

### Markets Slow Their Fall Towards End of Volatile Month

Although intense volatility persisted, equity markets slowed their fall towards the end of the month. During the month, broader market indices broke through their previous lows of October 10th, spurring a new round of panic selling. The Dow Jones Industrial Average (DJIA) marked a new low of 7449 points, down 20.11 percent, before a strong rally in the final days of trading to close the month down 5.32 percent at 8829 points. The TSX Composite Index experienced a similar inter-month drop, down 21.59 percent at its low of 7654 points, but recovering some losses to close the month down 5.04 percent. Economic data continued to be bearish and based on one-year data in the U.S. an official recession was declared.

### Weakness in Commodities Continues

During the month, NYMEX crude oil hit a low of US\$48.42, before closing the month at US\$54.43 per barrel, a drop of 19.73 percent. Much of the late month rebound was attributed to anticipated further cuts at an emergency OPEC meeting. At that meeting the group did not decide on any further cuts and actually reported only 66 percent compliance to their previously announced 1.5 million barrels cut, sending crude lower to start December.

NYMEX natural gas prices dropped from US\$6.78 per million British thermal units (mmbtu) to US\$6.51 mmbtu, a decline of 4.02 percent to close the month. Natural gas was quite resilient during the month as colder weather moved in and speculation towards a winter rally held prices flat.

### Fund Performance and Strategy

During the month, we continued to aggressively reduce exposure in the Fund. We continue to expect challenging economic news for the medium term as the credit issues globally continue to spread. Equity prices and their daily movements have decoupled from fundamentals making it very challenging to gauge market direction. We have a number of companies in our coverage universe that trade at less than 60% of net asset value and in some cases less than cash value, however their stocks continue to be sold. In addition to pure valuation discrepancies any perception of weakness due to lending facility constraints or operational issues is sold aggressively and competitor companies are taken down in sympathy. We believe that rational investors (most likely other corporations) will take advantage of these situations and thus we want to be aligned with names that are on the radar list of well funded majors.

Losses for the month of November can be attributed to further volatility in the public companies as well as the revaluation of private securities.

We will continue to monitor individual companies as we look to take strategic positions that are exposed to M&A activity or operational catalysts, both of which we view as significant value propositions for unitholders.

### Outlook

We continue to hold the view that the long-term supply/demand fundamentals of energy commodities have not changed. As poor global economic conditions drag conventional energy prices lower, demand will fall in the near-term, and we will manage the Fund accordingly to preserve capital until evidence of lower volatility is seen and fundamentals return to the market.

### Commodity Review

NYMEX crude oil was down 19.73 percent to close the month at US\$54.43 per barrel.

NYMEX natural gas was down 4.02 percent to close the month at US\$6.51/mmbtu.

**Use of Benchmarks** The Creststreet Custom Index is comprised of 50 widely-followed conventional North American listed energy exploration and development companies. The Creststreet Custom Index is used to provide investors with a relevant benchmark to the Fund. The Index is reset to an equal-value weight on a monthly basis. The S&P/TSX Capped Energy Index is comprised of shares of Canadian companies involved in exploration and/or production of energy resources and is designed to track the performance of the entire energy sector and is used as a benchmark to show how the Fund is performing in relation to the Canadian conventional energy resource sector on a relative basis. The S&P/TSX Composite Index covers approximately 95% of the Canadian-based Toronto Stock Exchange-listed companies and is designed to track the performance of the Canadian equities market as a whole and is used as a benchmark to show how the Fund is performing in relation to the broader Canadian equity market on a relative basis.

### About Creststreet

Creststreet is a performance-driven investment management firm focused exclusively on the energy sector. Founded in 2000, Our mission is to achieve **excellence in energy investing** through strong and consistent investment performance across all of our energy investment products for our Canadian and international institutional and high net worth investors.

#### Creststreet Asset Management Limited

70 University Avenue, Suite 1450  
Toronto, Ontario M5J 2M4  
Tel: 1 (416) 864-6330  
Toll Free: 1 (866) 864-6330  
Fax: 1 (416) 862-8950  
www.creststreet.com

#### Investor Inquiries

Sheryl Chiddenton  
Manager, Compliance & Investment Services  
Tel: 1 416 864-3125  
Toll Free: 1 866 864-6330, ext 3125  
sheryl@creststreet.com

Published December 11, 2008

*This newsletter is for information purposes only and does not constitute an offer to sell or a solicitation to buy the securities referred to herein. The opinions contained in this report are solely those of CAML and are subject to change without notice. CAML makes every effort to ensure that the information has been derived from sources believed to be reliable and accurate. However, CAML assumes no responsibility for any losses or damages, whether direct or indirect which arise from the use of this information. CAML is under no obligation to update the information contained herein. The information should not be regarded as a substitute for the exercise of your own judgment.*

*Please read the offering memorandum before investing. Commissions, trailing commissions, management fees and expenses all may be associated with this investment product. The indicated rates of return are the historical annual compound total returns and does not take into account sales, redemption, distribution or operational charges or income taxes payable by any security holder that would have reduced returns. Performance is calculated net of fees. The indicated historical performance and rate of return of the Creststreet Energy Opportunities Fund (the "Fund"), includes the historical performance of its predecessor fund, the Creststreet Energy Hedge Fund L.P. ("CEHFLP") for the period of May 5, 2005 to September 24, 2008. CEHFLP, which has the identical investment mandate and strategies as the Fund, was rolled into and established the Fund on September 24, 2008. The performance and other statistics presented in this document may not be indicative of the performance or statistics of the specific series of shares held by a particular investor. Investment funds are not guaranteed, their values change frequently and past performance may not be repeated.*

*Creststreet Energy Opportunities Fund is managed by Creststreet Asset Management Ltd., a wholly owned subsidiary of Creststreet Capital Corporation. \*Creststreet® and Creststreet logo are registered trademarks of Creststreet Capital Corporation.*