

October 21, 2008

Dear Limited Partner:

Re: Amended T5013 for 2003 for Limited Partners of Creststreet 2002 Limited Partnership

Further to our letter on August 8, 2008 which explained the income tax reassessment to Limited Partners (the “Limited Partners”) of the Creststreet 2002 Limited Partnership (the “Partnership”) related to the investment made by the Partnership in Gauntlet Energy Corporation (“Gauntlet”), we are enclosing an amended T5013 tax slip for the 2003 taxation year, in order to allow Limited Partners to claim their Canadian Development Expenses (“CDE”) deductions. The *only* change to the original T5013 is the addition of CDE in Box 40. All other amounts have not changed from the original T5013 issued for 2003, and *should not* be re-claimed.

Under a certain provision of the Income Tax Act, Canada Revenue Agency (“CRA”) reassessed Gauntlet and denied a portion of their 2002 claim for Canadian Exploration Expenses (“CEE”) but instead allowed the expenditures as CDE in 2003. Essentially, to a Limited Partner this means that instead of the CEE portion of your investment being 100% deductible in 2002, it should have been CDE and only deductible on a 30% declining balance basis beginning in 2003. Due to the time elapsed since the original tax filings, the taxation years of 2003 and 2004 are now statute barred under the Income Tax Act and the first year that you may begin to claim the CDE deduction is 2005. You **MUST** file a separate T1 Adjustment form for *each* prior tax year that you wish to claim the CDE deductions (see attached filing instructions), but you may decide to delay taking the CDE deduction until a future tax year, if this is appropriate for your tax situation.

Since our previous letter, we have also learned from CRA that you cannot claim the CDE deductions until you have received your Notice of Reassessment for 2002 from CRA. CRA has informed us that, to date, they have processed approximately 75% of all the reassessments related to the CEE reassessment of Gauntlet.

We are including a copy of the T1 Adjustment Form, as previously sent to you, to be submitted to CRA with your amended T5013 as well as a T1229 and T5004, which are also attached for your reference. *Please note that the maximum CDE deduction in any taxation year is equal to 30% of the undeducted balance. There is no ability to accumulate prior year deductions so that more than 30% of the undeducted balance is deducted in any one taxation year.* **Please retain a copy of your T5013 and T1229, as you will need them for reference in future taxation years.**

If you have any questions please contact Sheryl Chiddenton at (416) 864-3125.

Yours very truly,

**CRESTSTREET 2002 LIMITED PARTNERSHIP
BY ITS GENERAL PARTNER CRESTSTREET LP GENERAL PARTNER LIMITED**



Robert J. Toole
President

Creststreet 2002 Limited Partnership – Filing Instructions

**Forms to file if you choose to adjust your tax returns for prior eligible tax years
(being 2005, 2006, 2007):**

T1 Adjustment
T5013
T1229
T5004

Forms to file in future tax years (2008 and beyond):

T5013
T1229
T5004

How to complete your Forms:

T1229:

1. In the first year you are claiming CDE enter the amount from Box 40 of Form T5013 onto Form T1229, Area I - Canadian Development Expense (CDE) Renunciation, next to the asterisk. Carry this amount through Area II and Area III of Form T1229, as indicated.
2. In subsequent tax years where you are carrying forward any undeducted CDE enter the amount in Area II -Box (1) -Balance at beginning of the year next to the asterisk, and then carry this amount through Area II and Area III of Form T1229, as indicated.
3. Enter the amount of CDE to be claimed from your completed T1229 as either: i) the Amount of change on the T1 Adjustment Form or ii) on Line 224 of any future Income Tax Return.

T1 Adjustment Request Form:

1. Complete section A.
2. Complete section B, if applicable.
3. Section C:
 - o Previous amount – record the amount from line 224 as filed on the tax return from the applicable year
 - o Amount of change – amount from Area III of T1229
 - o Revised amount – add previous amount to amount of change
4. Sign and date section D.

T5004:

1. Complete the identification section of the Form T5004 by filling in your Name, Address and Social Insurance Number.
2. Enter the date of purchase in 2002 of your limited partnership investment under the third column of Form T5004.
3. Under the fourth column of Form T5004 enter the amount of CDE calculated on your completed T1229 and to be claimed in the current tax year in Line 1 under the heading “Loss or deduction claimed”.