



Creststreet

Excellence in Flow-through Investing

Annual Report 2001

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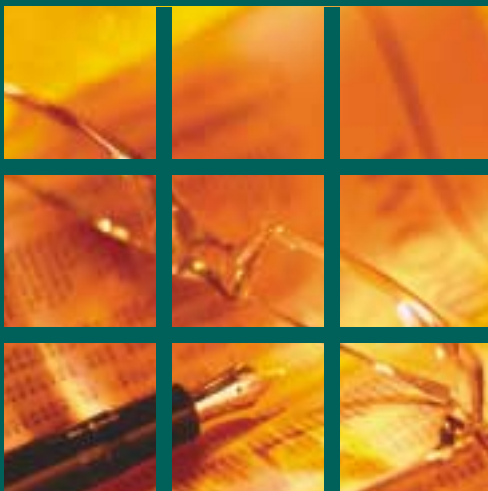
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Excellence in Flow-through Investing

Creststreet Profile

Creststreet provides specialized asset management and advisory services to investors and companies in the natural resource and alternative energy sectors.

It is Creststreet's primary goal to be recognized for its excellence as a manager of flow-through share funds. Creststreet seeks to achieve this goal by constantly striving to deliver the most innovative and well managed flow-through investment products to Canadian investors.

The principal investment strategist of Creststreet is Robert J. Toole, who has more than a decade of experience in structuring and managing flow-through investments on behalf of high net worth investors, resource companies and institutions. In his career, Mr. Toole has been involved in structuring, marketing and managing more than \$225 million in flow-through investment vehicles.

Creststreet utilizes its extensive contacts in the Canadian resource sectors as well as contacts in the investment dealer and investment management communities to identify investment opportunities consistent with Creststreet's investment objectives and strategies.

For further information on Creststreet, please contact:

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E-mail: info@creststreet.com

www.creststreet.com

We expect this improved economic growth will lead to increased demand for oil & gas and to stronger prices for these commodities over the next several years

Overview

Creststreet focuses its investing activities primarily in the Canadian energy sector. 2001 was a challenging year for most companies in the energy sector as both oil and gas prices softened in the face of an unexpectedly dramatic slowdown in economic growth in North America and the world economy following the September 11, 2001 terrorist attacks in the United States. We believe we are now seeing the early signs of economic recovery in North America. We expect improved economic growth will lead to increased demand for oil & gas and to stronger prices for these commodities over the next several years. Historically, this is the best time of the commodity price cycle to invest in the energy sector; when downside risk is limited and the opportunity exists for significant upside appreciation.

Commodity Price Outlook

Creststreet's outlook for natural gas remains optimistic over the next several years. The longer term trend of increasingly tight natural gas supply in North America, which led to record high natural gas prices in late 2000 and early 2001, has been offset in the short term by soft economic growth and one of the warmest winters on record. While the presently high level of natural gas in storage will likely keep prices moderate well through the summer of 2002, we expect the longer term trend of tightening natural gas supplies will reassert itself in late 2002 and into 2003 as economic growth in North America resumes and natural gas supply growth deteriorates due to the presently low levels of natural gas drilling. We are anticipating significantly higher natural gas prices in 2003 making 2002 an opportune time to be increasing exposure to natural gas producers.

Creststreet's outlook for crude oil prices is also quite optimistic. OPEC has demonstrated an improved discipline managing oil production to maintain oil price stability. This discipline, when combined with increasingly clear indications of a recovery in the North American economy and its implications for the larger world economy, in our view, provide a significant opportunity for higher crude oil prices over the next several years.

Investment Outlook

The soft commodity prices experienced in the second half of 2001 presented a challenging environment for junior oil & gas companies. Most companies experienced significantly reduced earnings and cash flow leading to lower share prices and market valuations for oil & gas equities.

The challenging environment for the oil & gas sector in 2001 resulted in a very attractive market for sourcing good quality flow-through investment opportunities for Creststreet Partnerships, particularly in the second half of 2001. Falling cash

flows improved tax pools for most energy companies. In addition, new equity capital and incremental bank debt was very scarce in the sector. Consequently, Creststreet was successful in structuring very attractive flow-through investment portfolios for its 2001 Partnerships, taking advantage of the low market valuations for oil & gas equities.

Creststreet maintained its focus on natural gas weighted companies in 2001. In addition, to provide good stability and liquidity, Creststreet maintained an average market capitalization of in excess of \$140 million in its investment portfolios. The Creststreet Partnerships are exceptionally well positioned, given their exposure to undervalued oil & gas equities, and their strong weighting in natural gas companies in particular, for strong performance going forward as the recovery in the North American and world economies lead to improved commodity prices and energy sector equity valuations.

We would like to thank all Unitholders for investing with Creststreet. It is our goal to be recognized for our excellence in flow-through investing. With the strong positioning of our Partnerships to date we believe we are well on our way to achieving this goal.

We encourage our investors to visit our website at www.creststreet.com for timely updates on their investment. We will strive to continue to deliver the most innovative and well managed flow-through investment products to the marketplace. We will endeavour to keep Unitholders up to date on their Creststreet investment in the future and hope to earn your continued investment in Creststreet flow-through funds in the coming years.

Respectfully submitted,







Robert J. Toole
Managing Director
March 15, 2002





Creststreet Investment Philosophy

Creststreet is known in the marketplace for its disciplined investment philosophy and stringent investment criteria when evaluating potential flow-through investment opportunities. Creststreet is focused on value investing. Our first consideration is how well a company's share price is supported by the underlying asset value. We then look at the quality and track record of management and the company's ability to grow its asset base both through internally generated full cycle exploration and development and by acquisitions. The following is a brief description of several of the significant investments made by Creststreet Partnerships in the past year and how they fit within Creststreet's investment philosophy:

	Market Capitalization (\$ millions)
 <p>Compton Petroleum Corporation (TSE – CMT)</p> <p>Compton is one of the few quality independent mid-tier producers remaining in the Canadian oil & gas sector. The Company has one of the strongest exploration and development land positions and prospect inventories of its peer group of companies. The Company has also demonstrated a shrewd ability to complete well timed and well priced acquisitions to complement its asset base. Given Compton's significant exposure to natural gas production, Compton also fits well with Creststreet's optimistic view of natural gas prices. Creststreet anticipates that, with Compton's present asset base and management team, Compton shares will significantly outperform the sector over the next several years. Compton is a core position in each Creststreet Partnership.</p>	\$460
 <p>Ketch Energy Ltd. (TSE – KCH)</p> <p>Ketch is another example of an oil & gas producer which represents a combination of undervalued share price relative to asset value and a company well-positioned to execute both well structured acquisitions and full cycle exploration and development. Senior management is well regarded and has developed a solid pipeline of internally generated exploration and development prospects. Management has demonstrated the ability to execute acquisitions, complemented by effective hedging strategies which mitigate adverse commodity price fluctuations. When commodity prices fell subsequent to Ketch's acquisition of Post Energy Corporation in July, 2001, Ketch had in place one of the strongest hedging portfolios of its peer group. Ketch has build a solid platform for growth and we believe will emerge as one of the quality mid-tier growth companies in the Canadian energy sector in the next commodity price cycle.</p>	\$230
 <p>Canadian Hydro Developers, Inc. (TSE – KHD)</p> <p>Canadian Hydro Developers, Inc. is a rapidly growing developer of renewable energy projects. The Company is unique in the Canadian marketplace in that it is one of the few renewable energy development companies that has the ability to issue flow-through shares and also meet Creststreet's stringent investment criteria. The Company is involved in the development of hydro-electric, biomass and windpower projects primarily in Western Canada. The Company generates cash flow from its present 89 Megawatt capacity of power generation and has projects in development which could increase its capacity to over 300 MW by 2006. The Company is conservatively managed with over 84% of its present capacity subject to long term power sales contracts and its share price is fully supported by solid power generation assets. Canadian Hydro represents a solid long term investment for Creststreet's 2001 Partnership.</p>	\$120
 <p>Ashton Mining of Canada Inc. (TSE – ACA)</p> <p>Ashton Mining of Canada Inc. was one of the few mining companies which met Creststreet's investment criteria in 2001. The Company is a subsidiary of Rio Tinto Group, a global mining company. Ashton has been conducting a systematic and well financed approach to diamond exploration in Canada since 1993. Creststreet was attracted to Ashton by the two significant diamond discoveries recently made by the Company. These discoveries have now moved the Company from pure grass roots exploration into the phase of evaluating the economic potential of known diamond discoveries. Ashton is now positioned as the preeminent diamond exploration company in Canada and has been a very successful investment for Creststreet's 2001 Partnerships.</p>	\$108

Creststreet Flow-through Partnerships

To date Creststreet has completed the following three flow-through limited partnership offerings raising a total of \$42,786,500:

Partnership	Funds Raised	Net Asset Value ¹	After-tax Return ²
Creststreet 2001(II) LP	\$15,000,000	\$8.95	28.3%
Creststreet 2001 LP	17,786,500	7.62	9.2%
Creststreet 2000 LP	10,000,000	7.69 ³	13.3%

Notes:

1. Net asset value as at March 15, 2002. Regular net asset value updates can be found on the Creststreet website at www.creststreet.com
2. After-tax return is based on net asset value as of March 15, 2002 for an individual investor in Ontario who is taxable at the highest marginal tax rate.
3. Based on March 15, 2002 net asset value of Creststreet Resource Fund Limited of \$10.55 per share. On January 15, 2002 the assets of Creststreet 2000 Limited Partnership were transferred to Creststreet Resource Fund Limited, an open-ended mutual fund. Limited Partners received 0.728689 shares of the mutual fund for each limited partnership unit held.



Management Discussion and Analysis

Financial Condition

As of December 31, 2001 Creststreet 2001 (II) Limited Partnership had total net assets of \$12,562,343 comprised of investments in flow-through shares of resource companies of \$12,454,551 and net working capital of \$107,792. The Partnership's investment portfolio is comprised of a total of 21 resource companies, with a weighted average market capitalization of \$147 million and a weighted average exposure to natural gas production of 57%. As of December 31, 2001 the Net Asset Value of the Partnership was \$8.37 per unit. The Partnership provides regular Net Asset Value updates on the Creststreet website at www.creststreet.com

Change in Net Assets

In December, 2001 the Partnership completed its initial public offering of limited partnership units raising gross proceeds of \$15,000,000. The Partnership paid Agent Fees of \$1,012,500 being 6.75% of the gross proceeds raised and incurred \$339,753 in issue costs to complete the offering. By December 31, 2001 the Partnership completed the investment of available net proceeds in a portfolio of flow-through shares of resource issuers. As at December 31, 2001 net assets of the Partnership had an unrealized depreciation of net assets of \$956,169 primarily related to the acquisition of tax benefits associated with the investment in flow-through shares.

Results From Operations

For the period of September 12, 2001 (inception) to December 31, 2001 the Partnership paid management fees of \$40,938 being 1/12 of 2% of the net assets of the partnership at the end of each month and incurred administrative costs of \$107,596 related to the operation of the Partnership.

No comparison to prior periods has been provided as this is the first full year of operation of the partnership.

Outlook

The Partnership is exceptionally well positioned, given its exposure to undervalued oil & gas equities, and its strong weighting in natural gas companies in particular, for strong performance going forward as the recovery in the North American and world economies lead to improved commodity prices and energy sector equity valuations.

For the period September 12, 2001 (inception) to December 31, 2001

Auditors' Report

To the Partners of Creststreet 2001 (II) Limited Partnership:

We have audited the statement of net assets of CRESTSTREET 2001(II) LIMITED PARTNERSHIP as at December 31, 2001, the statement of investment portfolio as at December 31, 2001 and the statements of operations, retained surplus (deficit), and changes in net assets for the period September 12, 2001 (date of inception) to December 31, 2001. These financial statements are the responsibility of the General Partner. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the net assets of the Limited Partnership as at December 31, 2001, the results of its operations and changes in net assets for the period then ended, and its investment portfolio as at December 31, 2001, in accordance with Canadian generally accepted accounting principles.

KPMG LLP

Chartered Accountants
Toronto, Canada
February 15, 2002

Statement of Net Assets

As at December 31, 2001

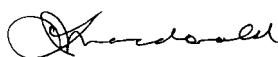
	2001
Assets:	
Investments in Resource Companies	\$ 12,454,551
Cash and Short-Term Investments	422,591
	\$ 12,877,142
Liabilities:	
Accounts Payable and Accrued Liabilities	314,799
Net Assets	\$12,562,343
Represented by:	
Partners' Capital Contributions	15,000,010
Costs of Issue – Agents' Fees	(1,012,500)
– Other	(339,753)
Retained Surplus (Deficit)	(129,245)
Unrealized Depreciation of Investments	(956,169)
Partners' Equity at End of Period	\$12,562,343
Limited Partnership Units Outstanding	1,500,001
Net Asset Value Per Unit	\$ 8.37

See accompanying notes to financial statements

Approved Creststreet 2001 (II) Management Limited as General Partner on behalf of Creststreet 2001(II) Limited Partnership



Director



Director

Statement of Operations

For the period September 12, 2001 (inception) to December 31, 2001

	2001
Revenues:	
Interest Income	\$ 19,289
Expenses:	
Management Fees (Note 3)	40,938
Administrative Costs	107,596
Net Operating Loss Before Change in Unrealized Depreciation of Investments	(129,245)
Change in Unrealized Depreciation of Investments	(956,169)
Net Loss for the Period	\$ (1,085,414)
Net Loss per Unit:	
Before Change in Unrealized Depreciation of Investments	\$ 0.09
Change in Unrealized Depreciation of Investments	0.64
Net Loss per Unit	\$ 0.73

Statement of Retained Surplus (Deficit)

For the period September 12, 2001 (inception) to December 31, 2001

	2001
Deficit Beginning of Period	-
Loss Before Change in Unrealized Depreciation of Investments	\$ (129,245)
Deficit End of Period	\$ (129,245)

Statement of Change in Net Assets

For the period September 12, 2001 (inception) to December 31, 2001

	2001
Operations:	
Net Operating Loss	\$ (129,245)
Net Unrealized Depreciation of Investments since inception	(956,169)
	(1,085,414)
Unitholder Transactions:	
Proceeds from Issue of Units	15,000,010
Payment of Agents' Fees	(1,012,500)
Payment of Costs of Issue	(339,753)
	13,647,757
Net Assets at the End of Period	\$12,562,343

See accompanying notes to financial statements

Statement of Investment Portfolio

As at December 31, 2001

Description	Number of Shares	Market Value
Ashton Mining of Canada Inc.	272,727	\$ 1,033,635
Ashton Mining of Canada Inc. – Warrants	136,364	325,909
Atlas Energy Ltd.	456,098	884,830
Canadian 88 Energy Ltd.	697,675	1,255,815
Canadian Superior Energy Inc.	352,941	554,117
Cavell Energy Corporation	842,100	698,943
Cougar Hydrocarbons Inc.	400,000	500,000
Compton Petroleum Corp.	454,546	1,909,094
Devlan Exploration Inc.	181,818	416,363
Equatorial Energy Inc.	100,000	190,000
Gentry Resources Ltd.	325,000	448,500
High Point Energy Corp.	392,250	149,055
Kensington Energy Ltd.	444,444	191,111
Lexxor Energy Inc.	222,500	369,350
Meota Resources Corp.	100,000	328,000
Purcell Energy Ltd.	185,000	610,500
Real Resources Inc.	125,000	400,000
Saddle Resources Inc.	400,000	160,000
Tempest Energy Corp.	146,667	425,334
True Energy Inc.	263,684	171,395
Ventus Energy Ltd.	349,200	1,047,600
Zapata Energy Corporation	110,000	385,000
Total Investment Portfolio		\$ 12,454,551

Notes to Financial Statements

For the period September 12, 2001 (inception) to December 31, 2001

1. Creststreet 2001 (II) Limited Partnership

CRESTSTREET 2001 (II) LIMITED PARTNERSHIP (the “Partnership”) was formed as a limited partnership under the laws of the Province of Ontario on September 12, 2001. The principal purpose of the Partnership is to invest in flow-through shares of resource companies involved in oil and gas exploration in Canada. Pursuant to a prospectus dated October 31, 2001, Limited Partners subscribed for 1,500,000 units of limited partnership interest. The General Partner of the Partnership is CRESTSTREET 2001 (II) MANAGEMENT LIMITED (the “General Partner”).

2. Summary of Significant Accounting Policies

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles, and the following is a summary of significant accounting policies followed by the Partnership.

a. Short term Investments

Short term investments are comprised of highly liquid investments having original terms to maturity of 90 days or less when acquired. Short term investments are valued at cost plus accrued interest which approximates market value.

b. Valuation of Investments in Resource Companies

Securities listed on a recognized public securities exchange are valued at year-end quoted market prices. Securities not traded on that date are valued at the average of the closing bid and ask prices or the latest available sale price. The investment in a private company is valued at estimated fair value. The difference between the current market value or estimated fair value and the original cost is treated as an unrealized gain or loss and is included in Partners’ Equity. Since these securities benefited from exemption from prospectus requirements, they were subject to resale restrictions. The change from year to year is reflected in operations as change in unrealized appreciation/depreciation of investments.

c. Investment Transactions and Income Recognition

Investment transactions are accounted for as of the trade date and any related gains or losses from such transactions are calculated on an average cost basis. Dividend income is recognized on the ex-dividend date.

d. Allocation of Partnership Income and Loss

The net income of the Partnership for each fiscal period is allocated 0.01% to the General Partner and the balance, along with 100% of the net loss of the Partnership, among the Limited Partners in proportion to the number of units held by each of them at the end of each period. The Partnership is not itself a taxable entity. Accordingly, no provision for income taxes is required.

e. Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

Notes to Financial Statements (continued)

3. Related Party Transactions

The General Partner is entitled to receive a fee equal to 2.0% per annum of the net value of the Partnership, calculated and payable monthly in arrears. In 2001, the management fee amounted to \$40,938. The General Partner also has a 0.01% beneficial interest in the Partnership.

4. Liquidity of Partnership Units and Termination of the Partnership

On or about January 15, 2003, the Partnership is currently expected to transfer all of its assets to Creststreet Resource Fund (III) Limited, an open end mutual fund (the "Mutual Fund") in exchange for shares of the Mutual Fund. Upon this transfer the Partnership will be dissolved at which time the net assets will be allocated 99.99% to the Limited Partners and 0.01% to the General Partner. Upon dissolution, the Limited Partners will receive their pro rata share of the shares of the Mutual Fund.

5. Tax Shelter Identification Number – TS 066951

The identification number issued for this tax shelter Partnership shall be included in any income tax return filed by the Limited Partners. Issuance of the identification number is for administration purposes only and does not in any way confirm the entitlement of an investor to claim any tax benefits associated with the tax shelter.

Management Discussion and Analysis

Financial Condition

As of December 31, 2001 Creststreet 2001 Limited Partnership had total net assets of \$12,627,899 comprised of investments in flow-through shares of resource companies of \$12,610,118 and net working capital of \$17,781. The Partnership's investment portfolio is comprised of a total of 20 resource companies, with a weighted average market capitalization of \$176 million and a weighted average exposure to natural gas production of 54%. As of December 31, 2001 the Net Asset Value of the Partnership was \$7.10 per unit. The Partnership provides regular Net Asset Value updates on the Creststreet website at www.creststreet.com

Change in Net Assets

In June, 2001 the Partnership completed its initial public offering of limited partnership units raising gross proceeds of \$17,786,500. The Partnership paid Agent Fees of \$1,200,589 being 6.75% of the gross proceeds raised and incurred \$416,197 in issue costs to complete the offering. By December 31, 2001 the Partnership had invested its available net proceeds in flow-through shares of resource companies. As at December 31, 2001 net assets of the Partnership had unrealized depreciation of net assets of \$3,403,758 related to the acquisition of tax benefits associated with the investment in flow-through shares and the adverse equity market conditions for oil & natural gas producers which were further weakened following the September 11, 2001 terrorist attacks in the United States.

Results From Operations

For the period of April 4, 2001 (inception) to December 31, 2001 the Partnership paid management fees of \$165,030 being 1/12 of 2% of the net assets of the partnership at the end of each month and incurred administrative costs of \$148,932 related to the operation of the Partnership.

No comparison to prior periods has been provided as this is the first full year of operation of the partnership.

Outlook

The Partnership is exceptionally well positioned, given its exposure to undervalued oil & gas equities, and its strong weighting in natural gas companies in particular, for strong performance going forward as the recovery in the North American and world economies lead to improved commodity prices and energy sector equity valuations.

For the period April 4, 2001 (inception) to December 31, 2001

Auditors' Report

To the Partners of Creststreet 2001 Limited Partnership:

We have audited the statement of net assets of CRESTSTREET 2001 LIMITED PARTNERSHIP as at December 31, 2001, the statement of investment portfolio as at December 31, 2001 and the statements of operations, retained surplus (deficit), and changes in net assets for the period April 4, 2001 (date of inception) to December 31, 2001. These financial statements are the responsibility of the General Partner. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the net assets of the Limited Partnership as at December 31, 2001, the results of its operations and changes in net assets for the period then ended, and its investment portfolio as at December 31, 2001, in accordance with Canadian generally accepted accounting principles.

KPMG LLP

Chartered Accountants
Toronto, Canada
February 15, 2002

Statement of Net Assets

As at December 31, 2001

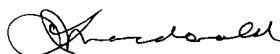
	2001
Assets:	
Investments in Resource Companies	\$ 12,610,118
Cash and Short-Term Investments	145,504
	\$ 12,755,622
Liabilities:	
Accounts Payable and Accrued Liabilities	127,723
Net Assets	\$12,627,899
Represented by:	
Partners' Capital Contributions	\$ 17,786,510
Costs of Issue – Agents' Fees	(1,200,589)
– Other	(416,197)
Retained Surplus (Deficit)	(138,067)
Unrealized Depreciation of Investments	(3,403,758)
Partners' Equity at End of Period	\$12,627,899
Limited Partnership Units Outstanding	1,778,651
Net Asset Value Per Unit	\$ 7.10

See accompanying notes to financial statements

Approved Creststreet 2001 Management Limited as General Partner on behalf of Creststreet 2001 Limited Partnership



Director



Director

Statement of Operations

For the period April 4, 2001 (inception) to December 31, 2001

	2001
Revenues:	
Interest Income	\$ 175,895
Expenses:	
Management Fees (Note 3)	165,030
Administrative Costs	148,932
Net Operating Loss Before Change in Unrealized Depreciation of Investments	(138,067)
Change in Unrealized Depreciation of Investments	(3,403,758)
Net Loss for the Period	\$ (3,541,825)
Net Loss per Unit:	
Before Change in Unrealized Depreciation of Investments	\$ (0.08)
Change in Unrealized Depreciation of Investments	(1.91)
Net Loss per Unit	\$ (1.99)

Statement of Retained Surplus (Deficit)

For the period April 4, 2001 (inception) to December 31, 2001

	2001
Deficit Beginning of Period	\$ –
Loss Before Change in Unrealized Depreciation of Investments	(138,067)
Deficit End of Period	\$ (138,067)

Statement of Change in Net Assets

For the period April 4, 2001 (inception) to December 31, 2001

	2001
Operations:	
Net Operating Loss	\$ (138,067)
Net Unrealized Depreciation of Investments since inception	(3,403,758)
	(3,541,825)
Unitholder Transactions:	
Proceeds from Issue of Units	17,786,510
Payment of Agents' Fees	(1,200,589)
Payment of Costs of Issue	(416,197)
	16,169,724
Net Assets at the End of Period	\$12,627,899

See accompanying notes to financial statements

Statement of Investment Portfolio

As at December 31, 2001

Description	Number of Shares	Market Value
Ashton Mining of Canada Inc.	272,728	\$ 1,033,640
Ashton Mining of Canada Inc. – Warrants	136,364	325,910
Atlas Energy Ltd.	243,902	473,170
Bow Valley Energy Ltd.	362,000	503,180
Canadian Hydro Developers Inc.	394,500	808,725
Canadian Superior Energy Inc.	588,236	923,531
Case Resources Inc.	334,000	133,600
Compton Petroleum Corporation	830,000	3,486,000
Cougar Hydrocarbons Inc.	400,000	500,000
Del Roca Energy Ltd.	285,714	157,143
Devlan Exploration Inc.	181,818	416,363
Diaz Resources Ltd.	1,000,000	360,000
Energy North Inc.	1,111,111	444,444
Hope Bay Gold Corp.	1,250,000	225,000
Ketch Energy Ltd.	200,000	800,000
Keywest Energy Corporation	200,000	352,000
Miramar Mining Corp.	384,615	292,307
Tempest Energy Corp.	120,000	348,000
Temple Exploration Inc.	250,000	300,000
True Energy Inc.	526,316	342,105
Zapata Energy Corporation	110,000	385,000
Total Investment Portfolio		\$ 12,610,118

Notes to Financial Statements

For the period April 4, 2001 (inception) to December 31, 2001

1. Creststreet 2001 Limited Partnership

CRESTSTREET 2001 LIMITED PARTNERSHIP (the “Partnership”) was formed as a limited partnership under the laws of the Province of Ontario on April 4, 2001. The principal purpose of the Partnership is to invest in flow-through shares of resource companies involved in oil and gas exploration in Canada. Pursuant to a prospectus dated May 17, 2001, Limited Partners subscribed for 1,778,650 units of limited partnership interest. The General Partner of the Partnership is CRESTSTREET 2001 MANAGEMENT LIMITED (the “General Partner”).

2. Summary of Significant Accounting Policies

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles, and the following is a summary of significant accounting policies followed by the Partnership.

a. Short term Investments

Short term investments are comprised of highly liquid investments having original terms to maturity of 90 days or less when acquired. Short term investments are valued at cost plus accrued interest which approximates market value.

b. Valuation of Investments in Resource Companies

Securities listed on a recognized public securities exchange are valued at year-end quoted market prices. Securities not traded on that date are valued at the average of the closing bid and ask prices or the latest available sale price. Investments in private companies are valued at estimated fair value. The difference between the current market value or estimated fair value and the original cost is treated as an unrealized gain or loss and is included in Partners’ Equity. Since these securities benefited from exemption from prospectus requirements, they were subject to resale restrictions. The change from year to year is reflected in operations as change in unrealized appreciation/depreciation of investments.

c. Investment Transactions and Income Recognition

Investment transactions are accounted for as of the trade date and any related gains or losses from such transactions are calculated on an average cost basis. Dividend income is recognized on the ex-dividend date.

d. Allocation of Partnership Income and Loss

The net income of the Partnership for each fiscal period is allocated 0.01% to the General Partner and the balance, along with 100% of the net loss of the Partnership, among the Limited Partners in proportion to the number of units held by each of them at the end of each period. The Partnership is not itself a taxable entity. Accordingly, no provision for income taxes is required.

e. Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

Notes to Financial Statements (continued)

3. Related Party Transactions

The General Partner is entitled to receive a fee equal to 2.0% per annum of the net value of the Partnership, calculated and payable monthly in arrears. In 2001, the management fee amounted to \$165,030. The General Partner also has a 0.01% beneficial interest in the Partnership.

4. Liquidity of Partnership Units and Termination of the Partnership

On or about January 15, 2003, the Partnership is currently expected to transfer all of its assets to Creststreet Resource Fund (II) Limited, an open end mutual fund (the "Mutual Fund") in exchange for shares of the Mutual Fund. Upon this transfer the Partnership will be dissolved at which time the net assets will be allocated 99.99% to the Limited Partners and 0.01% to the General Partner. Upon dissolution, the Limited Partners will receive their pro rata share of the shares of the Mutual Fund.

5. Tax Shelter Identification Number – TS 066415

The identification number issued for this tax shelter Partnership shall be included in any income tax return filed by the Limited Partners. Issuance of the identification number is for administration purposes only and does not in any way confirm the entitlement of an investor to claim any tax benefits associated with the tax shelter.

Management Discussion and Analysis

Financial Condition

As of December 31, 2001 Creststreet 2000 Limited Partnership had total net assets of \$7,596,187 comprised of investments in flow-through shares of resource companies of \$7,247,855 and net working capital of \$348,332. The Partnership's investment portfolio is comprised of a total of 12 resource companies, with a weighted average market capitalization of \$170 million and a weighted average exposure to natural gas production of 70%. As of December 31, 2001 the Net Asset Value of the Partnership was \$7.60 per unit. The Partnership provides regular Net Asset Value updates on the Creststreet website at www.creststreet.com

Change in Net Assets

During the year ended December 31, 2001 the Partnership had appreciation of net assets of \$24,951 compared to an unrealized depreciation of net assets in the period ended December 31, 2000 of \$940,457 which was related primarily to the acquisition in 2000 of tax benefits associated with the investment in flow-through shares.

Results From Operations

During the year ended December 31, 2001 the Partnership paid management fees of \$196,183 being 1/12 of 2% of the net assets of the partnership at the end of each month and incurred administrative costs of \$218,551 related to the operation of the Partnership. This compares to management fees of \$59,387 and administrative costs of \$7,121 in 2000. 2000 amounts were lower as the Partnership was not in operation for the entire year.

Outlook

On January 15, 2002 the Partnership transferred all its assets to Creststreet Resource Fund Limited, an open-end mutual fund in exchange for 728,689 shares of the mutual fund. Upon this transfer the Partnership was dissolved and Limited Partners received 0.728689 shares of the mutual fund for each unit of the Partnership they held. The mutual fund continues to be exceptionally well positioned, given its exposure to undervalued oil & gas equities, and its strong weighting in natural gas companies in particular, for strong performance going forward as the recovery in the North American and world economies lead to improved commodity prices and energy sector equity valuations.

For the years ended December 31, 2001 and December 31, 2000

Auditors' Report

To the Partners of Creststreet 2000 Limited Partnership:

We have audited the statement of net assets of CRESTSTREET 2000 LIMITED PARTNERSHIP as at December 31, 2001 and December 31, 2000, the statement of investment portfolio as at December 31, 2001 and December 31, 2000, and the statements of operations, retained surplus (deficit), and changes in net assets for the years ended December 31, 2001 and December 31, 2000. These financial statements are the responsibility of the General Partner. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the net assets of the Limited Partnership as at December 31, 2001 and December 31, 2000, the results of its operations and changes in net assets for the years then ended, and its investment portfolio as at December 31, 2001 and December 31, 2000, in accordance with Canadian generally accepted accounting principles.

The image shows a handwritten signature in black ink that reads "KPMG LLP". The letters are bold and slightly slanted, with a casual, professional appearance.

Chartered Accountants
Toronto, Canada
February 15, 2002

Statement of Net Assets

As at December 31, 2001 and December 31, 2000

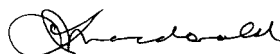
	2001	2000
Assets:		
Investments in Public Resource Companies	\$ 7,247,855	\$ 7,828,594
Cash and Short-Term Investments	457,153	258,535
	\$ 7,705,008	\$ 8,087,129
Liabilities:		
Accounts Payable and Accrued Liabilities	108,821	89,949
Net Assets	\$ 7,596,187	\$ 7,997,180
Represented by:		
Partners' Capital Contributions	\$ 10,000,010	\$ 10,000,010
Costs of Issue – Agents' Fees	(675,000)	(675,000)
– Other	(450,000)	(450,000)
Retained Surplus (Deficit)	(363,317)	62,627
Unrealized Depreciation of Investments	(915,506)	(940,457)
Partners' Equity at End of Period	\$ 7,596,187	\$ 7,997,180
Limited Partnership Units Outstanding	1,000,001	1,000,001
Net Asset Value Per Unit	\$ 7.60	\$ 8.00

See accompanying notes to financial statements

Approved Creststreet 2000 Management Limited as General Partner on behalf of Creststreet 2000 Limited Partnership



Director



Director

Statement of Operations

For the years ended December 31, 2001 and December 31, 2000

	2001	2000
Revenues:		
Dividend Income	\$ 6,366	\$ –
Interest Income	31,771	129,135
Loss on Sale of Investments	(49,347)	–
	(11,210)	129,135
Expenses:		
Management Fees (Note 3)	196,183	59,387
Administrative Costs	218,551	7,121
Net Operating Income (Loss) Before Change in Unrealized Depreciation of Investments	(425,944)	62,627
Change in Unrealized Depreciation of Investments	24,951	(940,457)
Net Loss for the Period	\$ (400,993)	\$ (877,830)
Net Income (Loss) per Unit:		
Before Change in Unrealized Depreciation of Investments	\$ (0.42)	\$ 0.06
Change in Unrealized Depreciation of Investments	0.02	(0.94)
Net Loss per Unit	\$ (0.40)	\$ (0.88)

Statement of Retained Surplus (Deficit)

For the years ended December 31, 2001 and December 31, 2000

	2001	2000
Retained Surplus Beginning of Period	\$ 62,627	\$ –
Loss Before Change in Unrealized Depreciation of Investments	(425,944)	62,627
Deficit End of Period	\$ (363,317)	\$ 62,627

Statement of Change in Net Assets

For the years ended December 31, 2001 and December 31, 2000

	2001	2000
Operations:		
Net Operating Income (Loss)	\$ (425,944)	\$ 62,627
Change in Net Unrealized Depreciation of Investments	24,951	(940,457)
	(400,993)	(877,830)
Unitholder Transactions:		
Proceeds from Issue of Units	–	10,000,010
Payment of Agents' Fees	–	(675,000)
Payment of Costs of Issue	–	(450,000)
Net Increase (Decrease) in Net Assets	(400,993)	7,997,180
Net Assets at the Beginning of Period	7,997,180	–
Net Assets at the End of Period	\$ 7,596,187	\$ 7,997,180

See accompanying notes to financial statements

Statement of Investment Portfolio

As at December 31, 2001

Description	Number of Shares	Market Value
BelAir Energy Corporation	78,000	\$ 145,080
Canadian Superior Energy Inc.	800,000	1,256,000
Compton Petroleum Corporation	618,000	2,595,600
Devlan Exploration Ltd.	427,369	978,675
Elk Point Resources Inc.	260,000	785,200
Geomaque Explorations Ltd.	892,857	62,500
Geomaque – Warrants	446,429	–
Ketch Energy Ltd.	50,000	200,000
Liberty Oil & Gas Ltd.	250,000	147,500
Promax Energy Inc.	695,652	417,391
Richland Petroleum Corporation	100,000	339,000
Seventh Energy Limited	545,455	190,909
True Energy Inc.	200,000	130,000
Total Investment Portfolio		\$ 7,247,855

Notes to Financial Statements

For the years ended December 31, 2001 and December 31, 2000

1. Creststreet 2000 Limited Partnership

CRESTSTREET 2000 LIMITED PARTNERSHIP (the “Partnership”) was formed as a limited partnership under the laws of the Province of Ontario on May 17, 2000. The principal purpose of the Partnership is to invest in flow-through shares of resource companies involved in oil and gas exploration in Canada. Pursuant to a prospectus dated July 19, 2000, Limited Partners subscribed for 1,000,000 units of limited partnership interest. The General Partner of the Partnership is CRESTSTREET 2000 MANAGEMENT LIMITED (the “General Partner”).

2. Summary of Significant Accounting Policies

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles, and the following is a summary of significant accounting policies followed by the Partnership.

a. Short term Investments

Short term investments are comprised of highly liquid investments having original terms to maturity of 90 days or less when acquired. Short term investments are valued at cost plus accrued interest which approximates market value.

*Notes to Financial Statements (continued)***b. Valuation of Investments in Public Resource Companies**

Securities listed on a recognized public securities exchange are valued at year-end quoted market prices. Securities not traded on that date are valued at the average of the closing bid and ask prices or the latest available sale price. The difference between the current market value and the original cost is treated as an unrealized gain or loss and is included in Partners' Equity. Since these securities benefited from exemption from prospectus requirements, they were subject to resale restrictions. The change from year to year is reflected in operations as change in unrealized appreciation (depreciation) of investments.

c. Investment Transactions and Income Recognition

Investment transactions are accounted for as of the trade date and any related gains or losses from such transactions are calculated on an average cost basis. Dividend income is recognized on the ex-dividend date.

d. Allocation of Partnership Income and Loss

The net income of the Partnership for each fiscal period is allocated 0.01% to the General Partner and the balance, along with 100% of the net loss of the Partnership, among the Limited Partners in proportion to the number of units held by each of them at the end of each period. The Partnership is not itself a taxable entity. Accordingly, no provision for income taxes is required.

e. Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

3. Related Party Transactions

The General Partner is entitled to receive a fee equal to 2.0% per annum of the net value of the Partnership, calculated and payable monthly in arrears. In 2001, the management fee amounted to \$196,183 (\$59,387 in 2000). The General Partner also has a 0.01% beneficial interest in the Partnership.

4. Tax Shelter Identification – TS 063438

The identification number issued for this tax shelter Partnership shall be included in any income tax return filed by the Limited Partners. Issuance of the identification number is for administration purposes only and does not in any way confirm the entitlement of an investor to claim any tax benefits associated with the tax shelter.

5. Subsequent Event

On January 15, 2002, the Partnership transferred all of its assets to Creststreet Resource Fund Limited, an open end mutual fund (the "Mutual Fund") in exchange for 728,689 shares of the Mutual Fund. Upon this transfer the Partnership was dissolved at which time the net assets were allocated 99.99% to the Limited Partners and 0.01% to the General Partner. Upon dissolution, the Limited Partners received 0.728689 shares of the Mutual Fund for each unit of the Partnership they held.

Corporate Information

Directors of the General Partner

Gordon J. Bogden
Managing Director
Beacon Group Advisors Inc.

John P. A. Budreski
Managing Director
Scotia Capital Inc.

Larry J. Macdonald
Chairman
Pointwest Energy Inc.

Robert J. Toole
Managing Director
Creststreet Asset Management Limited

Officers of the General Partner

Robert J. Toole
President

Sheryl Chiddenton
Secretary Treasurer

Lead Agent

Scotia Capital Inc.
Toronto, Ontario

Legal Counsel

Fasken Martineau DuMoulin LLP
Toronto, Ontario

Auditors

KPMG LLP
Toronto, Ontario

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Creststreet