

October 2, 2009

Dear Investor:

Re: Creststreet 2007 Limited Partnership – Investment Update

We are writing to update you on your investment in the Creststreet 2007 Limited Partnership (the “Partnership”).

On May 27th, 2009, the Partnership completed the transfer of approximately 70% of its assets to Creststreet Energy Opportunities Fund (the “Energy Opp Fund”), in exchange for Series 2009 shares of the Energy Opp Fund of equal value. The Partnership continued to hold the remaining 30% of its portfolio, which was comprised of private securities.

Upon the transfer, unitholders received 0.207867 Series 2009 shares of the Energy Opp Fund at a net asset value (“NAV”) of \$9.59 for each Partnership unit held. Unitholders of the Partnership continue to hold their original number of Partnership units which, subsequent to the transfer, had a NAV of approximately \$0.87 per unit.

Since the transfer, the NAV of both the Partnership and the Series 2009 shares of the Energy Opp Fund have benefited significantly from the recovery in energy securities that has occurred since the distressed capital market conditions of late 2008 and early 2009. As at September 30, 2009, the NAV of the Partnership has increased 51% to \$1.31 per unit and the NAV of the Series 2009 shares of the Energy Opp Fund have increased 45% to \$13.86 per share.

Attached, for your information, is the September 2009, Monthly Newsletter for the Creststreet Energy Opportunities Fund.

The private investments retained by the Partnership were principally private Canadian oil sands development companies. The Partnership’s policy regarding the valuation of private investments is to mark-to-market the valuation of private securities based on any identifiable third-party sale transactions that occur. The mark-to-market valuation of these investments was severely impacted by the precipitous fall in crude oil prices and the distressed capital market conditions in late 2008 and early 2009. Crude oil prices have now risen significantly from their lows, capital market conditions are improving and the mark-to-market valuations of these private investments are now recovering.

For instance, the largest private investment of the Partnership, representing 48% of the Partnership’s current net asset value, is Athabasca Oil Sands Corporation (“Athabasca”). In July 2008, Athabasca shares traded hands privately at \$13.50 per share. In December 2008, the shares of Athabasca traded as low as \$2.50 per share. Then on August 31, 2009, Athabasca announced a transaction with PetroChina International Investment Company Limited, whereby PetroChina intends to acquire a 60% interest in Athabasca’s two most advanced oil sands development projects for \$1.9 billion. Subsequent to this announcement shares of Athabasca have recently traded at \$14.25 per share. The Partnership believes there is a good probability that Athabasca will go public after completion of the transaction with PetroChina, which could lead to further upside potential in its Athabasca position. The Partnership would also be in a position to complete the transfer of its remaining assets to the Energy Opp Fund upon the completion of an IPO by Athabasca.

The following analysis summarizes the after-tax value and return per \$10.00 unit of the Partnership as at September 30, 2009:

	After-tax Value per Original \$10.00 Partnership Unit ⁽²⁾
Energy Opp Fund shares received ⁽¹⁾	\$ 2.67
Remaining Partnership unit	1.07
Tax savings ⁽³⁾	<u>4.31</u>
Total after-tax value	<u>8.05</u>
Original investment	\$10.00
After-tax return	-19.5%

See notes on next page.

At Creststreet, we recognize that the past year has been an extraordinarily difficult time for investors and that the 19% loss investors have experienced on their investment in the Partnership will never be a satisfactory result. The Partnership took the extraordinary steps of restructuring its originally contemplated rollover transaction scheduled for January 2009, as we felt strongly that any transfer or liquidation of its private investments at the distressed valuations experienced earlier in 2009 was not in the best interest of its unitholders. It is clear now that those difficult steps were warranted and that unitholders have significantly benefited from these prudent judgments made by the Partnership in the extraordinarily difficult capital market conditions of the past year.

We believe both the Partnership and the Energy Opp Fund are well positioned to continue to benefit from the recovery in the energy sector, not just through their significant investment in Athabasca, but also from the recovery in natural gas prices over the next several years, that we expect will result from the precipitous fall in drilling for natural gas that has occurred across North America over the past year.

The Partnership would like to thank its unitholders for their patience and understanding as we have worked our way through the difficult market conditions of the past year. We believe the worst is now behind us and that our investors will be rewarded for their patience as the energy markets continue to recover over the next several years. We encourage investors to continue to follow the performance of their investment with Creststreet on our website at www.creststreet.com.

Respectfully,
CRESTSTREET 2007 LIMITED PARTNERSHIP
By its General Partner
CRESTSTREET 2007 GENERAL PARTNER LIMITED



Robert J. Toole
President & Chief Executive Officer

Notes:

1) Assumes investment in Creststreet Energy Opportunity Fund is held until September 30, 2009.

2) After-tax Value:

	C2007LP	CEOF per LP unit *	CEOF share
Proceeds on Dissolution/Redemption	\$1.31	\$2.88	\$13.86
ACB**	(0.27)	(1.99)	(9.59)
Capital gain (loss) on disposition	1.03	0.89	4.28
Less: Capital Gains Tax (Recovery)	0.24	0.21	0.99
After-tax Proceeds on Disposition:	\$1.07	\$2.68	\$12.87

* 0.207867 CEOF shares received per LP unit.

** ACB as at January 1, 2009, but includes tax liability of remaining issues costs.

3) Tax Savings on LP unit:

CEE write off	\$9.82
Net business losses	0.21
Remaining issue costs	0.80
Total tax deductions	10.83
Allocated Taxable Capital Gain	(1.55)
Net taxable income	9.28
Assumed investor tax rate	46.41%
Tax savings	\$4.31

This information is intended to provide general tax information only. **All investors should consult their own independent tax advisors.**

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