



## Creststreet 2008 Limited Partnership

### 2009 > Interim Report

#### Management Report of Fund Performance

For the six month period ended June 30, 2009

THIS INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE CONTAINS FINANCIAL HIGHLIGHTS AND IS PART OF THE SEMI-ANNUAL REPORT OF CRESTSTREET 2008 LIMITED PARTNERSHIP (THE "PARTNERSHIP").

UNITHOLDERS MAY OBTAIN A COPY OF THE INTERIM OR ANNUAL FINANCIAL STATEMENTS AT NO COST BY CALLING 1-866-864-6330, BY WRITING TO CRESTSTREET 2008 GENERAL PARTNER LIMITED, 70 UNIVERSITY AVE., SUITE 1450, TORONTO, ON, M5J 2M4, OR BY VISITING OUR WEBSITE AT [WWW.CRESTSTREET.COM](http://WWW.CRESTSTREET.COM). UNITHOLDERS MAY ALSO CONTACT CRESTSTREET USING ONE OF THESE METHODS TO REQUEST A COPY OF THE PARTNERSHIP'S PROXY VOTING POLICIES, PROXY VOTING DISCLOSURE RECORD, OR QUARTERLY PORTFOLIO DISCLOSURE.

#### Results of Operations

##### > Investment Performance

In February 2008, the Creststreet 2008 Limited Partnership completed its public offering of units, raising \$6.2 million for investment in flow-through shares of Canadian energy companies. The proceeds from this offering were invested by December 31, 2008, generating tax deductions applicable to the 2008 taxation year for limited partners. The Creststreet 2008 Limited Partnership was invested with the aim of benefiting from the recovery in valuations that is anticipated in equities of junior oil and natural gas issuers as the market bottoms and fundamentals begin to improve. This Partnership is scheduled to roll into the Creststreet Resource Fund in January 2010. As of June 30, 2009 the Partnership had a net asset value of \$6.8790 per unit.

Volatility in energy commodities continued during the first half of 2009. West Texas Intermediate ("WTI") light sweet crude oil on the New York Mercantile Exchange ("NYMEX") finished up 56.7% during the period, closing at US\$69.89 per barrel after reaching an intraday low of US\$33.20 on January 15, 2009. In comparison, NYMEX natural gas prices declined by 31.8% during the period, closing at US\$3.84 per mmbtu after reaching an intraday low of US\$3.16 on April 27, 2009.

After hitting multi-year lows in the early part of the year, the price of crude oil strengthened significantly in the latter part of the first half as the market began to look past the current supply overhang, in the form of increased OPEC spare capacity and record storage levels, to a period of renewed tightness in supply. The crude complex has also been supported by speculation and funds flows, worries about inflation, and a declining U.S. dollar.

In contrast, the North American natural gas market remains oversupplied and storage levels have recently reached a new five year high. There are two primary reasons for this. Firstly, natural gas production volumes remain robust in spite a rapid collapse in the rig count as new technologies opened up shale gas and other drilling opportunities previously thought to be uneconomic. Second, the global economic downturn has resulted in rapid declines in demand for natural gas in both the power generation and industrial sectors. Storage levels continue to increase relative to historical averages and prices as prices hover near multi-year lows. We expect soft natural gas markets to persist for most of 2009 as the economy remains weak and the market remains out of balance.

In response to rebound in oil prices and in the broader markets, junior oil and gas equity valuations, which were extremely weak earlier in the year, have begun to return to more normal levels in the latter part of the first half of 2009. Creststreet expects that this trend will continue in the second half of the year and we still see a number of opportunities in undervalued companies. Nevertheless, we must remain cautious in the face our bearish outlook on natural gas. In the longer-term, we continue to hold the view that the supply/demand fundamentals of energy commodities have not changed and that the long-term upward trend in commodity prices will continue.

## > Revenues and Expenses

As the Partnership commenced operations on February 28, 2008, the comparative results of operations are for a period less than six months. Interest income of \$2,086 for 2009 was substantially less than \$59,172 in 2008 from interest earned by funds on deposit while awaiting investment in flow-through securities. The Partnership was fully invested in December 2008 and therefore held lower cash balances in 2009. Dividend income of \$15,146 was earned in 2009 as the Partnership disposed of certain flow-through securities and reinvested the funds in dividend paying securities.

The Partnership incurred expenses totalling \$102,995 in 2009 compared to \$75,986 in 2008. The Partnership's largest single expense item is partnership advisor fees of \$41,520, which are calculated at 2.0 percent per annum of the Partnership's NAV, calculated monthly and paid in arrears. The decrease in partnership advisor fees is directly related to the decrease in the average net asset value of the Partnership. The Partnership negotiated a term loan facility which allows it to borrow an amount to pay agents' fees and other issue costs thereby maximizing its investment in flow-through securities. The initial drawdown of the loan took place on February 28, 2008 for \$389,324. Subsequent drawdowns occurred on March 27, 2008 and November 7, 2008 for \$226,006 and \$298,255 respectively. The balance of the loan was \$913,585 as at December 31, 2008, and represented approximately 23 percent of the Partnership's net assets as at that date. The loan facility matures on the earlier of February 28, 2010 and the dissolution date of the Partnership. The facility is secured by a general security agreement and interest is calculated at the bank's prime rate. The loan is subject to certain financial covenants. The Partnership was not in violation of any covenants at December 31, 2008, nor at any time during the period. The increase in interest expense from \$13,157 in 2008 to \$19,057 in 2009 was due to the loan being larger and outstanding for a longer time and was offset by lower interest rates. The increase in operating expenses from \$2,013 in 2008 to \$16,046 was due to an increase in service provider costs. Other expenses were incurred in the normal operation of the Partnership.

## Financial Highlights

The following tables show selected key financial information about the Partnership and are intended to help you understand the Partnership's financial performance for the six month period ended June 30, 2009 and since its inception on February 28 to December 31, 2008. This information is derived from the Partnership's audited semi-annual financial statements.

### The Partnership's Net Asset Value (NAV) per Unit:

		2009	2008
<b>Net Assets, beginning of period</b>	\$	<b>6.42</b>	\$ <b>10.00</b>
<b>Increase (decrease) from operations:</b>			
Total revenue		0.03	0.22
Total expenses		(0.17)	(0.31)
Realized gains (losses) for the period		(0.96)	0.67
Unrealized gains (losses) for the period		1.54	(2.73)
Transaction costs		(0.02)	-
<b>Total increase (decrease) from operations<sup>(1)</sup></b>	\$	<b>0.42</b>	\$ <b>(2.15)</b>
<b>Net Assets, end of period<sup>(2)</sup></b>	\$	<b>6.84</b>	\$ <b>6.42</b>

(1) Net asset value is based on the actual number of units outstanding at the relevant time. The increase from operations is based on the weighted average number of units outstanding over the financial period.

(2) These calculations are prescribed by securities regulators and are not intended to be a reconciliation between the opening and closing net asset value per unit.

## Ratios and Supplemental Data

	<b>June 30,</b>	<b>Dec 31,</b>
	<b>2009</b>	<b>2008</b>
Total net asset value (\$) (000's) <sup>(1)</sup>	4,270	3,984
Number of units outstanding <sup>(1)</sup>	620,705	620,705
Management expense ratio <sup>(2)</sup>	5.23%	4.22%
Trading expense ratio <sup>(3)</sup>	0.59%	0.00%
Portfolio turnover rate <sup>(4)</sup>	99.00%	81.52%
Net asset value per unit (\$)	6.88	6.48

(1) This information is provided as at June 30, 2009 and December 31, 2008.

(2) The management expense ratio is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets during the period.

(3) The trading expense ratio represents the total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the period.

(4) The Partnership's portfolio turnover rate indicates how actively the Partnership's portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100 percent is equivalent to the Partnership buying and selling all of the securities in its portfolio once in the course of a year. The higher a fund's portfolio turnover rate, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

## Summary of Investment Portfolio

As at June 30, 2009

### Sector

Description	% of net assets
Natural gas	61.9%
Oil	35.8%
<b>Total Investments</b>	<b>97.7%</b>
Cash and cash equivalents	25.6%
Other net assets	-23.3%
	<b>100.0%</b>

### Top Positions

Company	% of net assets
TriStar Oil & Gas Ltd.	11.6%
Tourmaline Oil Corp.	11.5%
Huron Energy Corporation	8.9%
Crescent Point Energy Trust	8.1%
Advantage Energy Income Fund	6.9%
Storm Exploration Inc.	6.9%
Progress Energy Resources Corporation	6.5%
Wild River Resources Ltd	6.1%
TransGlobe Energy Corporation	5.4%
Angle Energy Inc.	5.0%
Corridor Resources Inc.	4.7%
Bankers Petroleum Ltd.	4.6%
Exshaw Oil Corp.	3.1%
Twin Butte Energy Ltd.	2.9%
Crocotta Energy Inc.	2.6%
Open Range Energy Corp.	1.6%
Sure Energy Inc.	1.1%
	<b>97.7%</b>
<b>Total Net Asset Value</b>	<b>\$ 4,247,957</b>

The summary of investment portfolio may change due to ongoing portfolio transactions of the Partnership. The most recent annual report, semi-annual report or quarterly portfolio disclosure is available at no cost by calling 1 (866) 864-6330, by writing to us at Creststreet 2008 Limited Partnership, Suite 1450, 70 University Avenue, Toronto ON M5J 2M4 or by visiting our website at [www.creststreet.com](http://www.creststreet.com).

## Past Performance

The Partnership has not presented its historical performance because it commenced operations on February 28, 2008, and has not been in operation for a full financial period.

## Investment Objectives and Strategies

The investment objective of the Partnership is to invest in the flow-through securities of companies engaged in oil and gas, mining, or renewable energy exploration and development in Canada.

The Partnership's portfolio is managed with the aims of preserving the Partnership's capital and capital appreciation on the Partnership's investments. The Partnership looks to invest in flow-through securities that represent good value in relation to their market price and the intrinsic value of the issuer's shares, and in companies that have experienced and proven management teams. Such companies should have a strong exploration program or renewable energy project in place that offer the potential for future growth. The Partnership has the following investment guidelines in place that govern investing activities:

> **Resource Issuers** – The Partnership invests substantially all of its funds in the flow-through securities of companies engaged in oil and gas, mining, or renewable energy exploration and development in Canada. To the extent that the Partnership disposes of these securities (for example, if a take-over bid is made for such securities), the Partnership may reinvest the net proceeds in securities of other resource issuers, including flow-through securities, or to exercise warrants.

> **Exchange Listing** – The Partnership invests a minimum of 80 percent of funds in flow-through securities of resource issuers that are listed on the TSX or on the TSX Venture Exchange.

> **Market Capitalization** – 50 percent of the Partnership's investments must be in flow-through shares in resource issuers whose market capitalization is at least \$50 million at the time of purchase.

> **Private Companies** – The Partnership may invest 20 percent of its funds in resource issuers that are not publicly traded.

> **Diversification** – The Partnership may not purchase securities of any one issuer if that purchase would result in a position that is greater than 10 percent of the Partnership's net asset value at the time of purchase, however, the Partnership may invest up to 20 percent of its net asset value (determined at the time of purchase) in resource issuers with a market capitalization of more than \$50 million per issuer, and may invest up to 30 percent of its net asset value in resource issuers with a market capitalization of more than \$100 million.

> **No Control** – The Partnership may not purchase securities of a reporting issuer for the purposes of exercising control or management of such issuer. The Partnership may not purchase more than 10 percent of the voting securities of any issuer.

## Recent Developments

### > **Changeover to International Financial Reporting Standards (“IFRS”)**

As at June 30, 2009 the Manager has developed a changeover plan to meet the timetable published by the CICA for changeover to IFRS. The key elements of the plan include disclosures of the qualitative impact on the December 31, 2008, 2009 and 2010 financial statements, disclosures of the quantitative impact, if any, in the December 31, 2010 financial statements and the preparation of the December 31, 2011 financial statements in accordance with IFRS.

Based on the Manager's current evaluation of the differences between Canadian GAAP and IFRS, the Manager does not expect that net assets attributable to shareholders or net asset value per share will be impacted by the changeover to IFRS. Currently, the Manager expects that the impact of IFRS on the Partnership's financial statements will result in additional disclosures and potentially different presentation of shareholder interests and certain other items.

## Related Party Transactions

Partnership advisor fees are paid to Creststreet Asset Management Limited (the “Partnership Advisor”) for the management of the Partnership’s day-to-day operations. The advisor fee is 2.0 percent of the Partnership’s NAV calculated and paid monthly in arrears.

## Management Fees

The Partnership Advisor provides investment and administrative services to the Partnership. In consideration for these services, the Partnership pays the Partnership Advisor a partnership advisor fee equal to 2.0 percent per annum of the net asset value of the Partnership, calculated and payable monthly in arrears. Goods and services tax (GST) is paid on all partnership advisor fees. Partnership advisor fees totalled \$41,520 for the six month period ended June 30, 2009 and \$39,729 for the period from February 28 to December 31, 2008.

## Risk

The General Partner believes that energy prices will continue to recover once global economic growth slowly begins to reassert itself. The investment philosophy, style, and method for the Partnership remains unchanged. The Partnership invests primarily in the equity securities of Canadian resource issuers and investors are exposed to the risks and rewards of the Canadian resource sector. The Partnership focuses on small and middle market capitalization companies as these companies have historically generated higher per share returns, however, these companies can be more volatile than some of the larger capitalization oil and gas companies. A more detailed discussion of the Partnership’s risk exposures can be found in the Partnership’s prospectus and in the notes of the 2008 semi-annual financial statements.

## Statement of Net Assets

	As at June 30, 2009 (unaudited)	As at December 31, 2008
<b>Assets</b>		
Investments at market value	\$ 4,150,448	\$ 4,123,293
Cash and cash equivalents	1,088,963	823,603
Due from broker	256,773	-
Dividends receivable	7,550	-
Interest receivable	-	7,971
	<b>5,503,734</b>	<b>4,954,867</b>
<b>Liabilities</b>		
Due to broker	295,985	-
Accounts payable and accrued liabilities	46,207	57,003
Loan payable	913,585	913,585
	<b>1,255,777</b>	<b>970,588</b>
<b>Net assets - GAAP NAV (note 2)</b>	<b>\$ 4,247,957</b>	<b>\$ 3,984,279</b>
Adjustment from bid market prices to last traded market prices	21,851	40,215
<b>Net assets - Pricing NAV (note 2)</b>	<b>\$ 4,269,808</b>	<b>\$ 4,024,494</b>
Units outstanding	620,705	620,705
<b>Net assets per unit - GAAP NAV (note 2)</b>	<b>\$ 6.84</b>	<b>\$ 6.42</b>
Adjustment from bid market prices to last traded market prices	0.04	0.06
<b>Net assets per units - Pricing NAV (note 2)</b>	<b>\$ 6.88</b>	<b>\$ 6.48</b>

See accompanying notes to financial statements

Approved by Creststreet 2008 General Partner Limited on behalf of  
Creststreet 2008 Limited Partnership



**Robert J. Toole**  
Director



**Stuart P. Hensman**  
Director

## Statement of Operations

	For the six months ended June 30, 2009 (unaudited)	For the period from February 28 to June 30, 2008 (unaudited)
<b>Investment Income</b>		
Dividend revenue	\$ 15,146	\$ -
Interest revenue	2,086	59,172
	<b>\$ 17,232</b>	<b>\$ 59,172</b>
<b>Expenses</b>		
Partnership advisor fees (note 4)	41,520	39,729
Interest expense	19,057	13,157
Operating expenses	11,651	2,013
Audit fees	8,857	6,000
Director's fees	4,265	2,431
Securityholder reporting costs	4,643	12,516
Legal and filing fees	12,872	140
	<b>\$ 102,865</b>	<b>\$ 75,986</b>
<b>Loss from investment operations</b>	<b>(85,633)</b>	<b>(16,814)</b>
Net realized loss on sale of investments	(595,404)	-
Change in unrealized appreciation of investments	956,255	348,000
Transaction costs (note 2)	(11,540)	(20)
<b>Net realized and unrealized gain on investments</b>	<b>349,311</b>	<b>347,980</b>
<b>Increase in net assets from operations</b>	<b>\$ 263,678</b>	<b>\$ 331,166</b>
<b>Per unit</b>		
(based on average number of units outstanding)		
<b>Increase in net assets from operations per unit</b>	<b>\$ 0.42</b>	<b>\$ 0.53</b>

See accompanying notes to financial statements

## Statement of Changes in Net Assets

	For the six months ended June 30, 2009 (unaudited)	For the period from February 28 to June 30, 2008 (unaudited)
<b>Net assets at the beginning of period</b>	\$ 3,984,279	\$ -
<b>Operations</b>		
Increase in net assets from operations	263,678	331,166
<b>Capital transactions</b>		
Proceeds from the issue of units	-	6,207,050
Agents' fee and issue costs	-	(842,230)
<b>Net assets at the end of period - GAAP NAV (note 2)</b>	\$ 4,247,957	\$ 5,695,986
Adjustment from bid market prices to last traded market prices	21,851	2,000
<b>Net asset value per share - Pricing NAV (note 2)</b>	4,269,808	5,697,986

See accompanying notes to financial statements

## Statement of Cash Flows

	For the six months ended June 30, 2009 (unaudited)	For the period from February 28 to June 30, 2008 (unaudited)
<b>Cash flows from (used in) operating activities</b>		
Loss from investment operations	(85,633)	(16,814)
Investments purchased	(3,822,472)	(672,520)
Proceeds on dispositions of investments	4,144,628	-
Net change in non-cash working capital	28,837	44,107
Cash flows used in operating activities	265,360	(645,227)
<b>Cash flows from (used in) financing activities</b>		
Proceeds from issue of units	-	6,207,050
Proceeds from loan	-	615,330
Payment of agents' fee and issue costs	-	(842,230)
Cash flows from financing activities	-	5,980,150
Net increase in cash and cash equivalents	265,360	5,334,923
Cash and cash equivalents, beginning of period	823,603	-
<b>Cash and cash equivalents, end of period</b>	<b>1,088,963</b>	<b>5,334,923</b>

See accompanying notes to financial statements

## Statement of Investment Portfolio

As at June 30, 2009

Issuer	Number of Securities	Type of Security	Cost	Fair Value
TriStar Oil & Gas Ltd.	45,000	Common shares	\$ 661,500	\$ 493,650
Tourmaline Oil Corp.	49,000	Common shares	490,000	490,000
Huron Energy Corporation	95,000	Common shares	380,000	380,000
Crescent Point Energy Trust	10,000	Common shares	288,700	342,800
Advantage Energy Income Fund	60,000	Common shares	199,515	294,000
Storm Exploration Inc.	25,000	Common shares	295,985	292,500
Progress Energy Resources Corporation	27,500	Common shares	446,875	277,475
Wild River Resources Ltd.	50,000	Common shares	242,500	259,157
Transglobe Energy Corp.	75,000	Common shares	216,750	231,000
Angle Energy Inc.	50,000	Common shares	265,000	213,000
Corridor Resources Inc.	75,000	Common shares	163,380	198,750
Bankers Petroleum Ltd.	100,000	Common shares	214,000	196,000
Exshaw Oil Corp.	40,000	Common shares	132,000	132,000
Twin Butte Energy Ltd.	140,800	Common shares	190,080	123,904
Crocotta Energy Inc.	100,000	Common shares	225,000	110,000
Open Range Energy Corp.	50,000	Common shares	250,010	70,000
Sure Energy Inc.	151,515	Common shares	200,010	46,212
Transaction costs			(6,700)	
<b>Total investments</b>			<b>\$ 4,854,605</b>	<b>\$ 4,150,448</b>

See accompanying notes to financial statements

## Notes to Financial Statements

For the six month period ended June 30, 2009 and for the period from February 28 (date of inception) to June 30, 2008.

### 1. Establishment of the Partnership

Creststreet 2008 Limited Partnership (the "Partnership") was formed as a limited partnership under the laws of the Province of Ontario on December 19, 2007 and commenced operations on February 28, 2008. The principal purpose of the Partnership is to invest in flow-through shares of resource companies involved in oil and gas, mining or renewable energy exploration and development in Canada. Pursuant to a prospectus dated February 15, 2008, limited partners subscribed for 620,705 units of limited partnership interest. The general partner of the Partnership is Creststreet 2008 General Partner Limited (the "General Partner").

### 2. Summary of significant accounting policies

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") and the following is a summary of significant account policies followed by the Partnership:

#### Adoption of New accounting standards

On January 1, 2008, the Partnership adopted CICA Handbook Section 3862, "Financial Instruments – Disclosures" and Section 3863, "Financial Instruments – Presentation." The new standards replaced CICA Handbook Section 3861, "Financial Instruments – Disclosures and Presentation." These new sections require enhanced disclosure and presentation of the nature and the extent of the risks arising from financial instruments. These standards impacted the Partnership's disclosures provided but do not affect the Partnership's net assets. Refer to Note 6 for the disclosure relating to this requirement.

Effective January 1, 2009, the Partnership adopted CICA issued Emerging Issues Committee Abstract 173 "Credit Risk and the Fair Value of the Financial Assets and Financial Liabilities" ("EIC-173"). EIC-173 provides guidance on the determination of the fair value of financial assets and liabilities under Section 3855, "Financial Instruments – Recognition and Measurement". It states that the entity's own credit risk and the credit risk of the counterparty should be considered in determining the value of financial instruments. The Partnership adopted EIC-173 retrospectively without restatement of prior periods to all financial assets and liabilities. The adoption of the EIC-173 did not have an impact on the financial statements.

#### a. Cash and cash equivalents, and Other Monetary Balances

Cash and cash equivalents, interest receivable, dividend receivable, due from broker, due to broker, accounts payable and accrued liabilities, and loan payable approximate their fair value due to the relatively short periods to maturity of the instruments.

#### b. Valuation of investments in resource companies

Securities held by the Partnership that are listed on a recognized public securities exchange are valued at their closing bid price or the closing ask price for securities sold short. Securities that are not listed or traded on a public securities exchange or actively traded on an over-the-counter market will be valued by the Manager at the fair value thereof determined in such manner as the Manager may from time to time determine and pursuant to the Manager's established pricing policies. Acquisition cost may be used as a fair value proxy, particularly if the acquisition date of the investment was within the current fiscal year. However, the Manager's policy is to, where possible, use evidence of arm's length third party transactions in determining fair value of unlisted securities. Any change in value is recorded in "Net change in unrealized appreciation/depreciation of investments" on the statements of operations.

Canadian GAAP requires that securities traded on a public exchange be valued at their last bid price for securities held long and the last ask price for securities sold short for calculating the net asset value ("NAV") for financial reporting purposes ("GAAP NAV"). The NAV calculated for pricing purposes for purchases and redemptions continues to use last traded market prices ("Pricing NAV"). This will generally result in a difference between Pricing NAV and GAAP NAV which is presented on the Statement of Net Assets.

### **c. Broker Commissions**

Brokers' commissions and other transaction costs are expensed in the period incurred and are disclosed on the statement of operations.

### **d. 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 record date and interest income is accrued as earned.

### **e. Allocation of partnership income or loss**

The net income of the Partnership is allocated 0.01 percent to the General Partner and the balance, along with the 100 percent 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, and therefore no provision for income tax is required.

### **f. Use of estimates**

The preparation of the financial statements in accordance with GAAP requires management to make certain 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 loss for the reporting period. Actual results could differ from those estimates.

## **3. Loan payable**

A term facility in the amount of \$913,585 matures on the earlier of February 28, 2010 or the dissolution date of the Partnership. The facility is secured by a general security agreement and interest is calculated at the bank's prime rate. The loan is subject to certain financial covenants. The Partnership was not in violation of any covenants at June 30, 2009, nor at any time during the period.

## **4. Partnership advisor fees**

The Partnership Advisor is entitled to receive a partnership advisor fee equal to 2.0 percent per annum of the net asset value of the Partnership, calculated and payable monthly in arrears as consideration for providing investment, management, and other services to the Partnership. The partnership advisor fee amounted to \$xxx for the six month period ended June 30, 2009. The General Partner has a 0.01 percent beneficial interest in the Partnership.

## **5. Liquidity of Partnership units and termination of Partnership**

On or about January 22, 2010, the Partnership is scheduled to transfer all of its assets to Creststreet Resource Fund, a class of shares of Creststreet Mutual Funds Limited, an open-ended 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 percent to the limited partners and 0.01 percent to the General Partner. Upon dissolution, the limited partners will receive their pro-rata share of the shares of the Mutual Fund.

## **6. Financial instrument risk**

The Partnership's objective is to invest in the flow-through securities of resource issuers engaged in oil and gas, mining, or renewable energy exploration in Canada. Accordingly, the Partnership is exposed to all of the risks associated with investments in such securities. The Partnership's use of financial instruments gives rise to a number of risk factors.

### **Market Risk**

Market risk is simply the risk that the fair value of a financial instrument will fluctuate because of volatility of market prices. Market risk is comprised of three types of risk: *currency risk*, *interest rate risk*, and *other price risk*.

### Currency Risk

Currency risk is the risk that the fair value of a financial instrument could fluctuate due to changes in foreign currency exchange rates. The Partnership's functional currency is Canadian dollars, and the Partnership is exposed to foreign currency risk when it invests in securities denominated in another currency since the fair value of those securities is determined by converting the price of the security into Canadian dollars. As at June 30, 2009, the Partnership did not hold any securities denominated in foreign currency so there was no currency risk exposure to the Partnership.

### Interest Rate Risk

Interest rate risk is the risk that the fair value of a financial instrument could fluctuate due to changes in market interest rates. The immediate impact of interest rate risk is greatest on debt and fixed income securities that have a relatively long duration (generally one year or more to maturity). The Partnership did not hold any such securities as at June 30, 2009, or at any time during the period. The Partnership holds its cash balances in a high-interest bank account and changes in interest rates would only increase or decrease future interest income and would have little, if any, impact on the Partnership's NAV at June 30, 2009.

### Other Price Risk

Other price risk is the risk that the fair value of a financial instrument could fluctuate due to changes in market conditions other than currency or interest rate risk. These changes could be due to a number of factors including, but not limited to; changes in relation to a specific security or the issuer of a security, changes in the prices of a market sector's underlying commodity, or changes due to shifts in overall market sentiment. The General Partner mitigates other price risk by managing and allocating the investment portfolio within the parameters of the Partnership's investment objectives. As at June 30, 2009 and December 31, 2008 and assuming all other variables were held constant, had the general price level of the equities markets been 5 percent higher or lower, the NAV of the Partnership may have been \$187,783 (December 31, 2008: \$217,594) higher or lower (\$0.30 per unit or 4.42 percent, December 31, 2008: \$0.35 per unit or 5.5 percent), respectively. This estimation is based on statistical tools that measure the relationships between each security in the Partnership's portfolio and how their returns relate to the return of the overall equities markets. In reality, results could differ from this estimate and the difference could be material.

### Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge its obligations or commitments that it has entered into with the Partnership. The Partnership does not typically invest in debt securities, thereby minimizing the Partnership's exposure to credit risk. The Partnership is exposed to credit risk to the extent that the Partnership's custodian may not be able to settle trades for cash. Canadian securities regulations require that the Partnership employs a custodian that meets certain capital requirements. These regulations state that, among other things, a fund's custodian be either a bank listed in Schedule I, II, or III of the *Bank Act (Canada)*, or a company incorporated in Canada affiliated with a bank with shareholders' equity of not less than \$10,000,000. The Partnership's custodian, Scotia Capital Inc., meets all Canadian Securities Administrators' requirements to act as custodian.

## 7. Valuation of Private Investments

The following table details the Partnership's changes in the valuations of securities not traded on a public exchange during the period from February 28, 2008 (date of inception) to June 30, 2009:

	Prior fair value	New fair value	Valuation basis
<b>Wild River Resources Ltd.</b>			
May 2009	\$ 242,500	\$ 259,157	Valued based on the pending arrangement agreement between Wild River Resources Ltd and Crescent Point Energy Trust. Fair Value calculated as Closing Price of Crescent Point Energy Trust x 0.1512.

## **8. Tax shelter identification number**

The identification number issued for the Partnership should be included on any income tax return filed by a Limited Partner. 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. The Partnership's federal and Quebec provincial tax shelter identification numbers are TS 074112 and QAF-08-01256, respectively.

## **9. Changeover to International Financial Reporting Standards ("IFRS")**

As at June 30, 2009 the Manager has developed a changeover plan to meet the timetable published by the CICA for changeover to IFRS. The key elements of the plan include disclosures of the qualitative impact on the 2008, 2009 and 2010 financial statements, disclosures of the quantitative impact, if any, in the 2010 financial statements and the preparation of the 2011 financial statements in accordance with IFRS.

Based on the Manager's current evaluation of the differences between Canadian GAAP and IFRS, the Manager does not expect that net assets attributable to shareholders or net asset value per share will be impacted by the changeover to IFRS. Currently, the Manager expects that the impact of IFRS on the Partnership's financial statements will result in additional disclosures and potentially different presentation of shareholder interests and certain other items.

THIS PAGE INTENTIONALLY LEFT BLANK

## Creststreet 2008 General Partner Limited

### Board of Directors

**Jeffrey S. Boyce\***

President and Chief Executive Officer  
SURE Energy Inc.

**Stuart P. Hensman\*\***

Corporate Director

**John Thompson\***

President and Chief Executive Officer  
Sirius Energy Inc.

**Robert J. Toole, C.A.**

Managing Director  
Creststreet Capital Corporation

### Officers

**Robert J. Toole, C.A.**

President and Chief Executive Officer

**Donna Shea, C.A.**

Vice-President, Finance and  
Chief Financial Officer

**Stephen R. Martin, C.F.A.**

Vice-President

**Sheryl Chiddenton**

Secretary and Treasurer

### Legal

McCarthy Tétrault LLP  
Toronto, Ontario

### Auditors

KPMG LLP  
Toronto, Ontario

### Registered Office

Creststreet 2008 General Partner Limited  
70 University Avenue, Suite 1450  
Toronto, Ontario  
M5J 2M4

Tel: (416) 864-6330

Toll-free: 1 (866) 864-6330

Fax: (416) 862-8950

E-mail: [info@creststreet.com](mailto:info@creststreet.com)

[www.creststreet.com](http://www.creststreet.com)

\* Member of the audit committee

\*\* Chair of the audit committee