



Creststreet Energy Opportunities Fund

December 2008 Newsletter

Net Asset Value Per Share

December 31, 2008

Series A: \$8.4599

Series F: \$8.4821

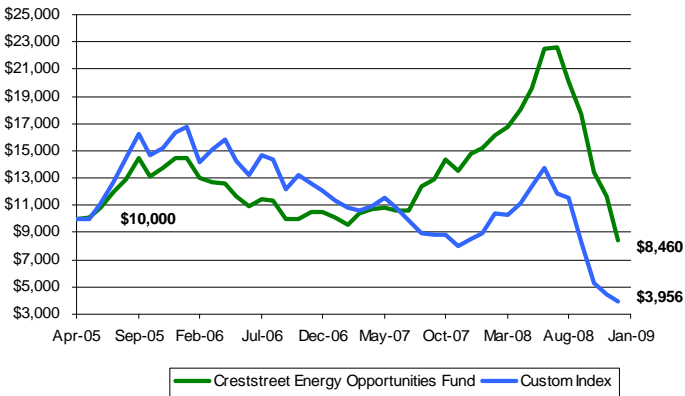
Fund Description

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

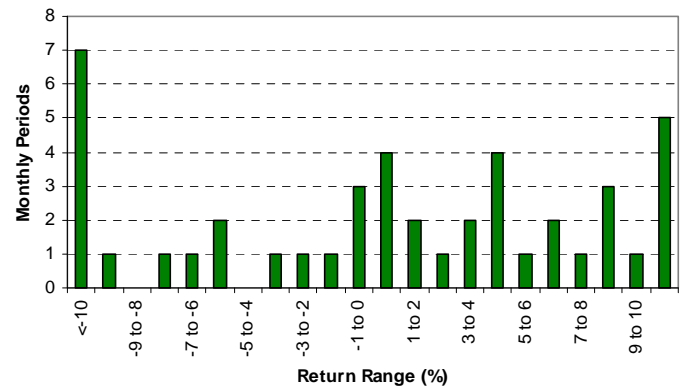
Historical Performance ⁽¹⁾⁽²⁾

2005					1.3%	6.6%	10.3%	8.4%	11.7%	-9.3%	4.8%	5.4%	44.5%
2006	0.4%	-10.5%	-2.5%	-0.6%	-7.2%	-6.9%	5.0%	-0.8%	-11.5%	-0.5%	4.9%	0.2%	-27.5%
2007	-3.4%	-5.1%	8.1%	3.0%	1.0%	-1.9%	0.4%	16.4%	3.9%	11.4%	-6.0%	9.6%	41.2%
2008	2.9%	6.0%	4.2%	7.4%	8.3%	15.3%	0.2%	-11.0%	-12.0%	-24.4%	-12.7%	-27.6%	-42.8%

Performance ⁽¹⁾⁽²⁾



Distribution of Returns ⁽¹⁾



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

Statistics ⁽¹⁾⁽²⁾

	CEO	Creststreet Custom Index	S&P/TSX Capped Energy Index	S&P/TSX Composite Index
Compounded Annual Return (since inception)	-4.5%	-22.3%	-0.8%	-1.1%
1 Year Return	-42.8%	-53.5%	-38.2%	-35.0%
Since Inception (simple return)	-15.4%	-60.4%	-2.9%	-4.1%
Standard Deviation	9.3%	11.2%	8.4%	4.8%
R-Squared		0.53	0.41	0.38
Correlation		0.73	0.64	0.62
Beta		0.61	0.72	1.19
Monthly Alpha		0.9%	-0.1%	0.0%
Largest Month Gain	16.4%	15.6%	13.6%	6.0%
Largest Month Loss	-27.6%	-36.6%	-21.4%	-16.9%

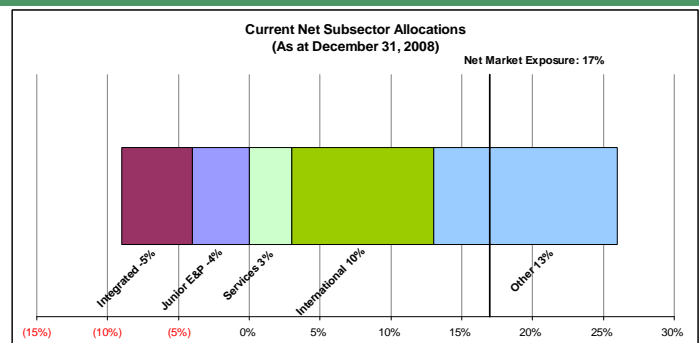
Top Holdings as at December 31, 2008 ^{long positions only}

- Verenex Energy Inc.
- Athabasca Oil Sands Corp.
- Xtreme Coil Drilling Corp.
- Larcina Energy Ltd.
- Rodinia Oil Corp.

Terms

Fund AUM	\$3.8 M	Minimum Initial Subscription	\$ 25,000
Performance Fee	20% of the increase in NAV of the Shares in each month	Year End	December 31
Management Fee	2%	Redemption	Monthly with 15 days notice
Administrator	RBC Dexia Investor Services	Contributions	Monthly
Lock Up	None	Auditors	KPMG LLP
Early Redemption Fees	3% in the first 6 months, and 1.5% in the subsequent 7th through 18th month	Prime Broker	Scotia Capital Inc.

Sub-Sector Allocation as at December 31, 2008



Fund Commentary

Creststreet Energy Opportunities Fund (the "Fund") was down 27.6 percent for the month of December 2008 compared to the Creststreet Custom Index, which was down 11.1 percent for the month.

Market Volatility Falls, but Economic Weakness Remains

Market volatility fell throughout the month as the CBOE Volatility Index declined from 55.28% at the end of November to close December at 40.00%. However, economic data continued to be bearish as we saw the highest monthly loss in US payroll employment since 1974, in addition to continued weakness in retail sales and the housing market. Furthermore, we saw the fourth consecutive month of decline in US CPI, indicating that the economy is in a deflationary environment. As a consequence of continued weakness in the US housing sector, malfunctioning credit markets, and the destruction of private-sector demand for goods and services, prospects for global economic growth are weak for most of 2009. In the face of such economic weakness, governments across the globe will continue their attempts to stimulate their economies through monetary and fiscal policy, but such actions are unlikely to have their desired impact until late 2009 or early 2010.

Weakness in Commodities Continues

During the month, NYMEX crude oil hit a low of US\$35.13 before closing the month at US\$44.60, a decline of 18.1 percent month-over-month. Economic weakness is likely to continue to depress oil prices as the demand destruction that caused the rapid declines in the price of oil in the closing months of 2008 exceeds any supply response resulting from announced OPEC production cuts. Increased geopolitical uncertainty may act to offset some fundamental weakness in the near to medium term. In the longer term, our view on oil remains that we are likely to see an upward trend in price as emerging economies continue to industrialize, leading to increased demand for the commodity. NYMEX natural gas prices declined from US\$6.51 per million British thermal units (mmbtu) to close the month at US\$5.62 per mmbtu. The weakness was largely the result of a sluggish supply response to continued demand weakness despite the fact that North America experienced colder than normal temperatures for most of the month.

Fund Performance and Strategy

During the month we continued to reduce the overall exposure in the Fund while maintaining core positions in those names that we believe are most likely to become takeover targets. We have a number of companies in our coverage universe that trade at less than 60% of net asset value. We believe valuations in select, well-funded names will return to historical norms as investor risk appetite increases. In the meantime, we expect to see increased merger and acquisition activity in the space as well-capitalized companies take advantage of the current distressed environment.

Losses for the month of December can be attributed primarily to the revaluation of private investments held in the Fund. These investments, which are principally oil sands developers, have been highly successful investments for the Fund. However, in accordance with its private investment valuation policy, the Fund has now marked these investments to market based on a number of third party transactions recently made in the present distressed market conditions. We believe that the net realizable value of these investments could be substantially higher as oil prices recover over the next several years and recommend that investors retain their investment in the Fund at these levels.

Outlook

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

Commodity Review

NYMEX crude oil was down 18.1 percent to close the month at US\$44.60 per barrel.

NYMEX natural gas was down 13.6 percent to close the month at US\$5.62 per mmbtu.

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

About Creststreet

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

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Published January 12, 2009

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