



Creststreet Energy Opportunities Fund

January 2009 Newsletter

Net Asset Value Per Share

January 31, 2009

Series A: \$8.8541

Series F: \$8.8848

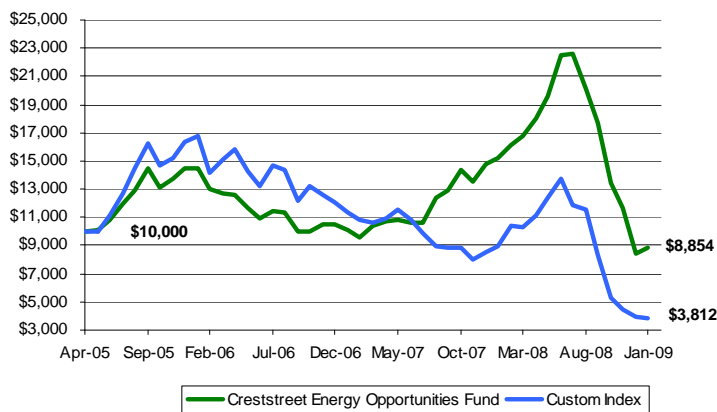
Fund Description

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.

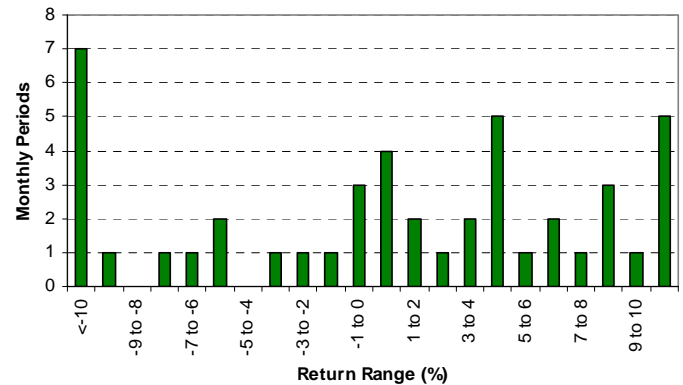
Historical Performance ⁽¹⁾⁽²⁾

| Year | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | YTD |
|------|-------|--------|-------|-------|-------|-------|-------|--------|--------|--------|--------|--------|--------|
| 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% |
| 2009 | 4.7% | | | | | | | | | | | | 4.7% |

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) | -3.2% | -22.6% | -2.2% | -2.0% |
| 1 Year Return | -41.8% | -57.6% | -36.9% | -33.9% |
| Since Inception (simple return) | -11.5% | -61.9% | -7.9% | -7.2% |
| Standard Deviation | 9.3% | 11.1% | 8.3% | 4.8% |
| R-Squared | | 0.53 | 0.39 | 0.36 |
| Correlation | | 0.72 | 0.63 | 0.60 |
| Beta | | 0.61 | 0.70 | 1.16 |
| Monthly Alpha | | 1.1% | 0.1% | 0.2% |
| Largest Month Gain | 16.4% | 15.6% | 13.6% | 6.0% |
| Largest Month Loss | -27.6% | -36.6% | -21.4% | -16.9% |

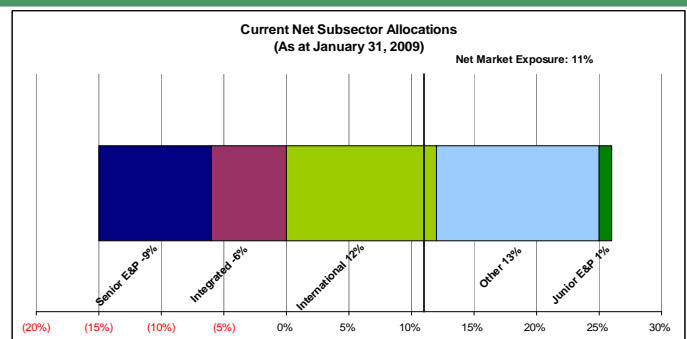
Top Holdings as at January 31, 2009 ^{long positions only}

- Athabasca Oil Sands Corp.
- Verenex Energy Inc.
- Progress Energy Resources Corp.
- Gran Tierra Energy Inc.
- Laricina Energy Ltd.
- Crew Energy Inc.
- Rodinia Oil Corp.

Terms

| | | | |
|-----------------------|---|------------------------------|-----------------------------|
| Fund AUM | \$4.0 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 January 31, 2009



Fund Commentary

Creststreet Energy Opportunities Fund (the "Fund") was up 4.7 percent for the month of January 2009 compared to the Creststreet Custom Index, which was down 3.6 percent for the month.

Economic Weakness Remains

The month of January saw continued uncertainty in financial markets as data released reinforced overall global economic weakness. In the United States weak data on employment, the housing market, and consumer confidence demonstrated the depths the recession had reached during Q4 2008. January's employment report revealed that in December the core unemployment rate (U3) rose to 7.2% and the more expanded definition (U6) climbed to 13.5%, indicating that financial market uncertainty had hit the real economy. Continued declines in the US housing market were evidenced by record lows in the volume of new residential sales, housing starts, and housing completions. The fourth quarter GDP report showed that real output in the economy had contracted at an annualized rate of 3.8% in the fourth quarter, its steepest decline since 1981. Nominal GDP, arguably the more important metric for corporate profits declined at an annualized rate of 4.1%, its sharpest contraction since 1951. Signs of this weakness were not confined to the US as China's Gross Domestic Product showed a quarter on quarter contraction in Q4, several European countries reported increased unemployment and lower output, and Japan's Industrial Production and manufacturing sector showed weakness indicative of a potential double digit contraction in Gross Domestic Product.

Weakness in Commodities Continues

During the month, NYMEX crude oil hit a low of US\$33.20 before closing the month at US\$41.68, a decline of 6.5 percent month-over-month. Economic weakness is likely to continue to depress oil prices in the near term as the demand destruction that caused the rapid declines in the price of oil in recent months exceeds any supply response resulting from announced OPEC production cuts. In the longer-term, our view on oil remains that we will see a return to the upward trend in price as global economies begin to stabilize and the industrialization of emerging economies begins to reassert itself, leading to resumption of increasing demand for the commodity. NYMEX natural gas prices declined from US\$5.62 per million British thermal units (mmbtu) to close the month at US\$4.42 per mmbtu, its lowest level in over two years. The weakness was largely the result accelerating demand declines in the industrial and power generation sectors despite the fact that North America experienced colder than normal temperatures for most of the month. We expect soft natural gas prices to persist for most of the next year.

Fund Performance and Strategy

During the month we began to selectively add exposure in well-funded, undervalued names as we believe that valuations will return to historical norms as energy market conditions stabilize. We also expect to see increased merger and acquisition activity in the space as well-capitalized companies take advantage of the current distressed environment and we have, therefore, maintained core positions in certain companies that we believe are most likely to become takeover targets in the near-term. In each case we have hedged our exposure with short positions in those names that we believe are relatively overvalued and will likely have difficulty in the current soft commodity price environment.

We also continue to hold a number of private investments in the Fund. These investments, which are principally oil sands developers, have been highly successful investments for the Fund. In accordance with its private investment valuation policy, the Fund marks these investments to market based on third party transactions. These positions were marked down significantly in December, 2008 based off a number of distressed sales which occurred in that period. We believe that the net realizable value of these investments could be substantially higher as oil prices recover 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, however, as poor global economic conditions drag demand for energy lower, prices will remain soft in the near-term. In this period of soft energy prices we will manage the Fund to preserve capital until evidence of lower volatility is seen and stronger energy fundamentals return to the market.

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.

Creststreet Asset Management Limited

70 University Avenue, Suite 1450
Toronto, Ontario M5J 2M4
Tel: 1 (416) 864-6330
Toll Free: 1 (866) 864-6330
Fax: 1 (416) 862-8950
www.creststreet.com

Investor Inquiries

Sheryl Chiddenton
Manager, Compliance & Investment Services
Tel: 1 416 864-3125
Toll Free: 1 866 864-6330, ext 3125
sheryl@creststreet.com
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