CRESTSTREET

Wind Energy

2006 CORPORATE PROFILE

OIL > GAS > WIND

Excellence

in energy investing

CORPORATE PROFILE

CRESTSTREET SPECIALIZES IN STRUCTURING AND MANAGING HIGH-QUALITY ENERGY INVESTMENT PRODUCTS FOR CANADIAN AND INTERNATIONAL INSTITUTIONAL AND HIGH NET WORTH INVESTORS. CRESTSTREET HAS TWO PRINCIPAL BUSINESS UNITS: ENERGY INVESTMENT MANAGEMENT AND WINDPOWER PROJECT FINANCING, CONSTRUCTION AND OPERATIONS. SINCE ITS INCEPTION IN 2000, CRESTSTREET HAS RAISED OVER $640 MILLION FOR INVESTMENT IN RESOURCE AND RENEWABLE ENERGY COMPANIES.

CRESTSTREET

Wind

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> Energy is becoming an increasingly important part of our everyday lives.

Tightening energy supply fundamentals coupled with steady growth in global demand will lead to substantial growth in companies involved in all facets of the energy sector in the years ahead. As a leading energy investment management firm in Canada, Creststreet is uniquely positioned to capitalize on this opportunity by leveraging our extensive knowledge of the natural gas, oil and renewable energy sectors to create long-term value for our investors.

Energy

the wind energy project life cycle

> Creststreet has been a pioneer in Canadian windpower investing since it began acquiring flow-through shares of wind energy projects in 2003. We take a three-step approach to financing wind energy projects, providing investors with a wide range of risk and return opportunities.

stage **1**

> **development**

seed LP

Creststreet Windpower Development LP

- 1 to 3 years of development activities

stage **2**

> **construction**

construction LP

Creststreet Kettles Hill Windpower LP

- 12 to 24 months of construction activities

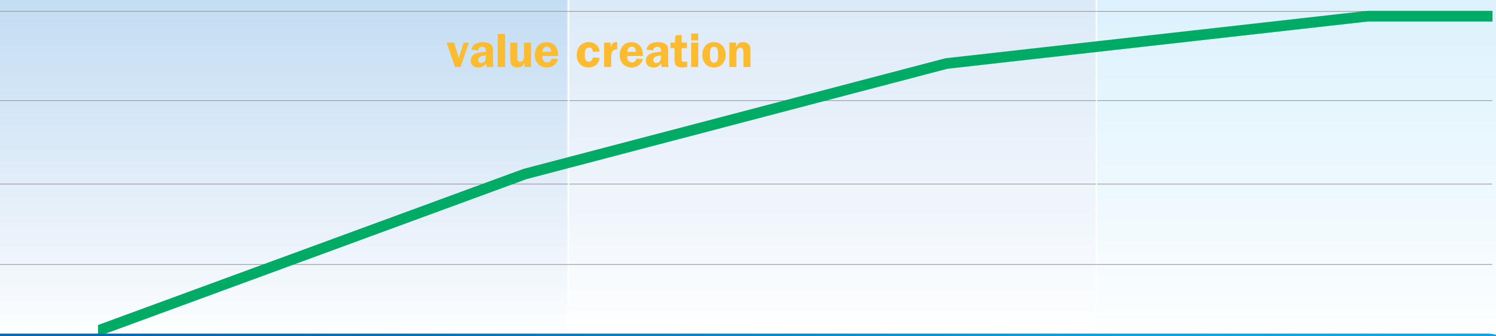
stage **3**

> **operations**

publicly listed LP

Creststreet Power & Income Fund LP

- ownership and operation of completed windpower projects



highest risk

- highest targeted after-tax returns

medium risk

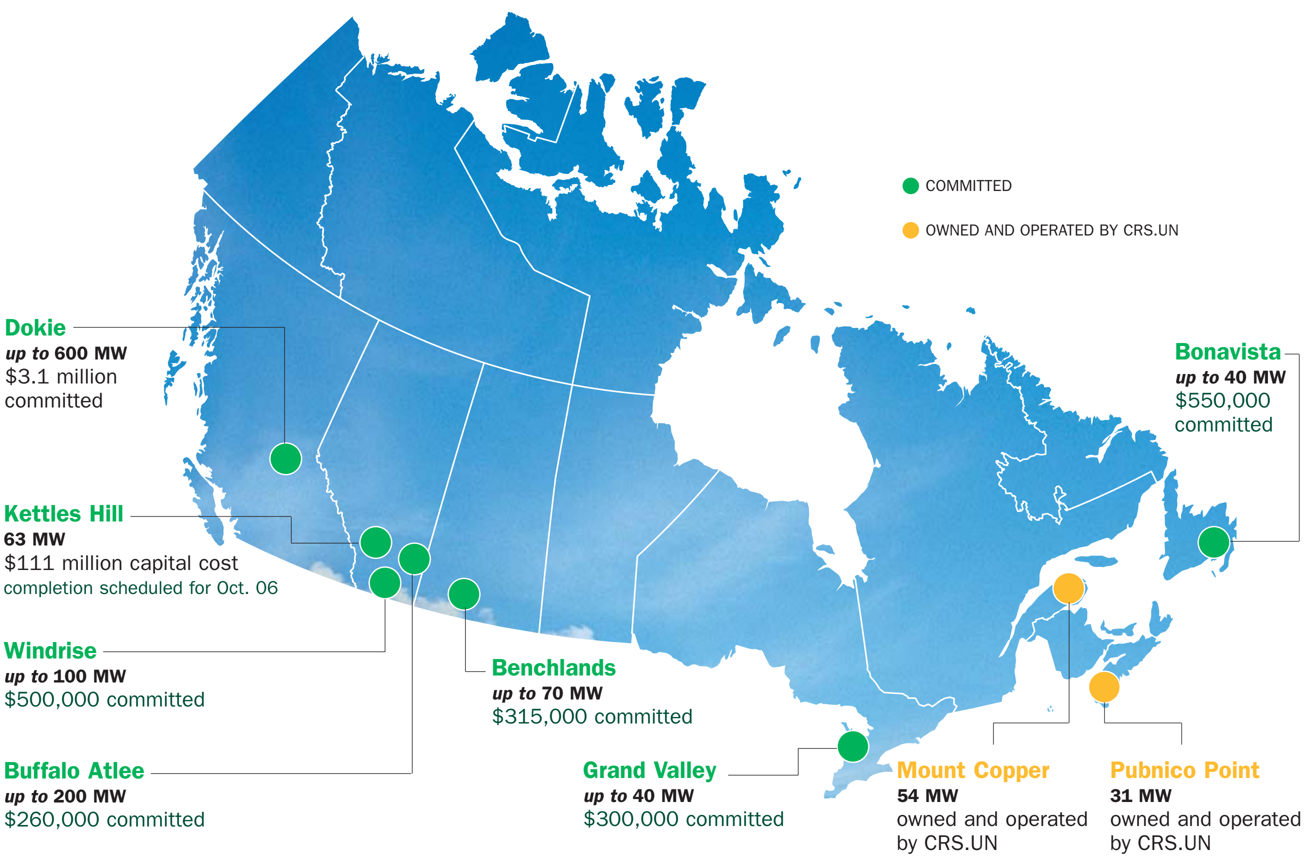
- attractive after-tax returns

lowest risk

- attractive returns with stable distributions

organic growth pipeline from a portfolio of premium windpower development projects

> The Creststreet Power & Income Fund LP has two operating wind energy projects in Quebec and Nova Scotia. Creststreet also has a pipeline of more than 1,000 megawatts under development or construction. In aggregate, these joint ventures have the potential to provide more than 10 times our existing operating wind energy capacity.



Creststreet has consistently delivered strong performance across all its windpower investment products by continuing to follow a conservative, disciplined, long-term value approach to investing.

CRESTSTREET

Excellence in windpower

> Creststreet has proven its ability to combine the financial and operational expertise required to see wind energy projects through from development to construction to operation. Our strategy is to finance the development and construction of wind energy projects independently, isolating the respective risks associated with each stage of a project. Creststreet's end goal is to fuel the growth of our publicly traded income fund, the Creststreet Power & Income Fund LP, principally through accretive acquisitions of operational wind farms whose development and construction phases were financed by Creststreet investors.

To date, the Creststreet Power & Income Fund LP has two operating wind energy projects in Quebec and Nova Scotia. Creststreet also has a pipeline of more than 1,000 megawatts in development or construction, including the Kettles Hill wind energy project which is set to complete its construction phase in the fall of 2006.

We have industry-leading expertise in the science of wind measurement as well as the ability to assess the quality and economic viability of potential windpower development sites, evaluate the suitability and efficiency of various wind turbine technologies, and develop highly innovative project financing strategies.

Creststreet
Power & Income Fund LP

> In 2005, the Creststreet Power & Income Fund LP (CPIF) continued to strengthen its position in the windpower industry by passing a number of important milestones. We completed our Nova Scotia wind farm, Pubnico Point, in February, and commenced full operations and production of wind energy for sale to Nova Scotia Power Inc. Mount Copper, our Quebec wind farm, was completed in June and commenced full operations and production of wind energy for sale to Hydro-Québec.

From a financing perspective, CPIF completed a $27 million convertible debenture financing in January 2005. It also closed a treasury offering of units in August 2005, raising gross proceeds of $57.4 million at an issue price of $8.75 per unit, principally to refinance its construction bank debt. Concurrent with this financing, CPIF listed its units on the Toronto Stock Exchange under the symbol "CRS.UN," completing all the necessary financing activities for its two wind energy projects in Quebec and Nova Scotia. CPIF unitholders[1] who purchased their units in the Fund's initial public offering (IPO) in December 2003 would have realized an after-tax return of 18% had they sold their units at the time of the treasury issue – in line with management's key objective of providing solid returns for unitholders. CPIF initiated monthly cash distributions of $0.0627 per unit in September 2005 to unitholders of record at August 31, 2005.

The Creststreet Power & Income Fund LP is well positioned to become a leading supplier of renewable energy in Canada.

1 This example represents an Ontario investor who is taxed at the highest personal marginal tax rate.

operations

stage 3

CPIF is committed to growing its portfolio of wind farms through accretive acquisitions, leveraging our strong pipeline of projects while isolating it from the development and construction risks associated with new projects such as cost overruns and delays. We will also review additional investment opportunities in other power projects that can provide stable distributions and further diversification.

We remain focused on optimizing the operations at each of our windpower projects to ensure current distribution levels are met, working closely with the manufacturer to meet and exceed warranty levels in the turbines' performance.

> Canada's windpower industry at a glance

Windpower government initiatives are under way in several provinces as both the public and private sectors expand their recognition of the environmental benefits, growing productivity and cost effectiveness of windpower.

- Canada's installed windpower capacity represents less than 2% of its potential wind energy capacity.
- Windpower is now competitive with full-cycle, natural gas-fired power generation.
- Canadian provinces are creating policies to promote renewable energy development.
- Only advanced projects with strong wind resources, proximity to grid infrastructure and local community support are likely to succeed.
- Excellent opportunity to provide advanced Canadian windpower projects with tax-advantaged pre-construction financing.

Creststreet
Kettles Hill Windpower LP

> In July 2005, Creststreet completed a $40 million IPO of the Creststreet Kettles Hill Windpower LP to fund the equity required to construct the Kettles Hill windpower project near Pincher Creek, Alberta. The net proceeds of the offering are being used to finance the Canadian Renewable and Conservation Expense (CRCE) Phase of construction, which includes the purchase and installation of five test wind turbines with the related infrastructure including roads, buildings and interconnection transmission facilities with the Alberta electricity transmission grid.

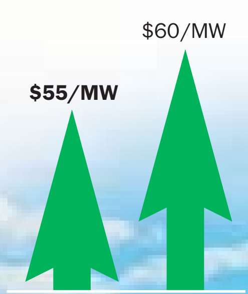
In March 2006, the project entered a 120-day test period required to qualify the expenses for CRCE tax treatment. Upon satisfactory completion of the test period, we will begin construction of the Infill Phase to install and commission Kettles Hill's remaining 30 wind turbines. The remainder of the proceeds of the initial public offering have been earmarked to partially finance this phase of the project. We anticipate that most of the costs incurred during the CRCE Phase will qualify as Canadian Renewable and Conservation Expenses (CRCE), which are 100% tax deductible by Creststreet Kettles Hill Windpower LP unitholders.

In December 2005, Kettles Hill announced a $31.0 million commitment from Creststreet Power & Income Fund LP to purchase subordinated notes from Kettles Hill. At the same time, Kettles Hill closed a $42.5 million senior secured debt financing with a major Canadian financial institution, securing all of the necessary funding commitments required to complete construction of the project.

> After completion, we intend to enter into a sale process to provide liquidity for Kettles Hill Windpower LP unitholders. Creststreet Power & Income Fund LP has made a non-binding expression of interest to acquire Kettles Hill upon the project's completion.

The Alberta power market

The Alberta power market strengthened in the second half of 2005 with power prices averaging $91.71 per megawatt hour. The outlook for electricity prices remains solid into 2006, averaging $63.56 per megawatt hour in January and February.



> Leading independent research firm Chase Energy Canada Limited forecasts energy prices of $55 per megawatt hour in 2006, rising to the $60+ per megawatt hour range by 2020. Our outlook for long-term pricing has not changed materially since the IPO, and we believe that Chase's estimates remain reasonable, even though power prices may prove to be stronger in 2006 and 2007.

Creststreet
Windpower Development LP

> Creststreet launched its first windpower development limited partnership in 2004. The Creststreet Windpower Development LP raised $12 million for investment in nine wind energy projects across Canada through seven joint ventures. In aggregate, these joint ventures can potentially provide over 1,000 megawatts of windpower capacity – more than 10 times the size of the CPIF's current two windpower projects.

Each of these joint ventures is pursuing development in different provinces throughout Canada, and four will be tendering proposals to provincial power utilities in 2006 for Power Purchase Agreements (PPAs) for windpower projects ranging from 20 to 180 megawatts. As these windpower projects move forward, they will be funded through independent development and construction limited partnership financings like Creststreet Kettles Hill Windpower LP. However, CPIF may consider funding the construction phase of smaller windpower projects representing less than one-third of CPIF's existing assets.

As additional wind energy projects are financed by future Creststreet construction stage limited partnerships, CPIF expects to provide an attractive liquidity option to investors in those projects while increasing distributions and enhancing the diversification of the Creststreet Power & Income Fund LP.

development

stage 1

> We are excited about the future of windpower in Canada, and we believe in the quality of the windpower pipeline that we have targeted for development in the next several years.

The tax benefits of windpower investments

Similar to the oil and gas industry, windpower development companies can issue flow-through shares that entitle holders to benefit from tax-deductible Canadian Renewable and Conservation Expenses (CRCE) incurred by the wind energy companies.

> Limited partners who invest in flow-through shares of these companies can benefit from tax deductions of up to 75%. These tax deductions are only applicable to the development and construction phases of wind energy projects.

Tax deductions

up to 75%

excellence in
energy investment management

> In 2005, Creststreet also continued to deliver strong returns to investors in its other main business unit, energy investment management.

As of January 20, 2006, the Creststreet Resource Fund yielded a one-year return of 34% and a three-year annualized return of 38%. At the time of rollover in January 2006, the net asset value of the Creststreet 2004 Limited Partnership units was $13.26, making it one of the best performing public flow-through funds to date in Canada. At this net asset value, investors earned total after-tax return of 98%[2]. In May 2005, we launched the Creststreet Energy Hedge Fund LP for accredited investors resident in Canada. Through to December 31, 2005, this fund generated a 45% return.

Since Creststreet's inception in 2000, we have maintained a disciplined, long-term focus on the Canadian energy sector. This focus has been based on our view that energy supplies, particularly for North American natural gas, will become increasingly constrained in the years ahead as declining historical, long-life energy supplies are replaced by new, higher-decline, shorter-life, higher-cost production.

outlook

> Creststreet's windpower business is poised to grow again in 2006.

Over the course of the year, we expect to offer investors a second private placement for windpower development as well as a third construction stage windpower flow-through fund.

Creststreet is also well positioned to continue to deliver strong results in our energy investment management business in 2006. This year, we will continue to focus our efforts on growing our energy hedge fund businesses, and we plan to enter the energy income fund management business where we can leverage our proven energy investment expertise to generate superior returns for investors seeking a stable, energy-focused income stream.

Creststreet's consistent, strong investment performance across all our product areas is founded on our conservative, disciplined, value approach to investing. This focus on quality is core to our long-term values and will remain the cornerstone that Creststreet is built upon in the years ahead.

Eric McFadden, MANAGING DIRECTOR
Creststreet Capital Corporation
MARCH 2, 2006

2 This example represents an Ontario investor who is taxed at the highest personal marginal tax rate.

CRESTSTREET

Board of Directors

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Chief Financial Officer
Creststreet Capital Corporation

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and Director
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President and Chief Executive Officer

Robert J. Toole, C.A.[3]
President and Chief Executive Officer

Donna Shea, C.A.[1, 2, 3]
Vice-President, Finance

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Vice-President, Windpower Development

Mark Stewart[1, 2]
Treasurer

Sheryl J. Chiddenton[3]
Secretary and Treasurer

Arlene McLean[1, 2]
Corporate Secretary

1 Creststreet Power & Income Fund LP
General Partner

2 Creststreet Kettles Hills Windpower LP
General Partner

3 Creststreet Windpower Development LP
General Partner

* Audit committee chair

Transfer Agent and Registrar – Creststreet Power & Income Fund LP

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2005 > Annual Report

Management's Discussion and Analysis

For the years ended December 31, 2005 and 2004

(All dollar amounts in thousands of dollars except per unit amounts or where otherwise stated)

The following is a discussion of the consolidated financial condition and results of operation of Creststreet Power & Income Fund LP (the "Partnership"). It should be read in conjunction with the audited consolidated financial statements. Additional information relating to the Partnership can be found in the Annual Information Form, which is filed electronically at www.sedar.com. The Partnership prepares its financial statements in accordance with Canadian generally accepted accounting principles ("GAAP"). All dollar amounts in this management's discussion and analysis ("MD&A") are in Canadian dollars unless otherwise stated. Where we say "we," "us," or the "Partnership," we mean Creststreet Power and Income Fund LP.

Certain statements contained in this management's discussion and analysis and elsewhere in this annual report constitute "forward-looking statements" within the meaning of the Securities Act (Ontario). These forward-looking statements, by their nature, are not guarantees of future performance and involve risks and uncertainties, which could cause actual results to differ materially from those anticipated in these forward-looking statements. We consider the assumptions on which these forward-looking statements are based to be reasonable, but caution the reader that these assumptions regarding future events, many of which are beyond our control, may ultimately prove to be incorrect. Some of these risks and uncertainties as well as additional information are outlined in this management's discussion and analysis.

The Partnership disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required by law. These cautionary statements expressly qualify all forward-looking statements attributable to the Partnership.

Overview

In December 2003, the Partnership completed its initial public offering ("IPO") of limited partnership units, raising gross proceeds of $42,500. The Partnership invested in Class A shares of two Canadian companies, which constructed and now operate two wind energy projects to generate electricity for sale to provincial electricity utilities pursuant to long-term Power Purchase Agreements. The third quarter of 2005 marked the first full period of commercial operation for all the turbines of the wind energy companies. The Partnership also initiated monthly distributions to unitholders during this quarter.

Management's Discussion and Analysis (cont'd)

Our first wind energy project is situated in the Gaspé Peninsula, approximately 100 kilometres west of the town of Gaspé, Québec, and approximately 80 kilometres south of the St. Lawrence River. Its assets are held in Mount Copper Wind Energy Inc. ("Mount Copper"), our joint venture company. Mount Copper erected five test wind turbines in early 2004 ("CRCE Phase") that commenced commercial operations in May 2004. During the third quarter of 2004, Mount Copper completed its 120-day test period of the initial five wind turbines and began to erect the remaining 25 wind turbines ("Infill Phase"). The project was completed and the turbines were fully commissioned in June 2005.

Our second project is situated on the southern portion of Pubnico Point in southwest Nova Scotia, approximately 36 kilometres southeast of Yarmouth, Nova Scotia and immediately south of the village of West Pubnico. Its assets are held in Pubnico Point Wind Farm Inc. ("Pubnico Point"), our joint venture partner. Pubnico Point erected two CRCE Phase turbines in early 2004 that commenced commercial operations in May 2004. During the third quarter of 2004, Pubnico Point completed its 120-day test period of the initial two wind turbines, and began to erect its remaining 15 Infill Phase turbines. The project was completed and the turbines were fully commissioned in February 2005.

The Infill Phases for both projects were funded by a construction debt facility totaling $107,295 which closed in the third quarter of 2004. On January 20, 2005, we completed an offering of $27,000 of unsecured convertible debentures. We used the net proceeds from the convertible debentures to make further investments in the projects by way of subordinated notes to fund capital expenditures, to cancel $22,295 of their construction debt facilities and for general business purposes.

On August 3, 2005, we issued 6,563,526 limited partnership units through a public offering, at $8.75 per unit, raising gross proceeds of $57,431. Concurrent with this offering, we also listed the units on the TSX. Net proceeds of the offering were approximately $53,711, of which $51,655 was used to further invest in both wind energy projects by way of subordinated notes and senior notes.

In addition, on August 3, 2005, the Partnership acquired the remaining 13.1% and 22.2% interests of the Class A shares of Mount Copper and Pubnico Point, respectively, from Creststreet Mutual Funds Limited ("CMFL") and Creststreet Power Holdings Limited ("CPHL") for consideration of $1,000 and 687,211 limited partnership units with an ascribed value of $6,013. The Partnership paid its first monthly cash distributions on September 15, 2005, and we declared monthly distributions of $0.0627 per unit for the periods from August 2005 to December 2005. As of March 3, 2006, the Partnership had 11,500,737 units outstanding.

Selected Annual Information

(In $millions except per unit amounts)	**2005**	2004	2003	2002
Revenue	**$ 13**	$ 1	$ –	$ –
Loss for the year	**4**	3	–	–
Loss per unit	**0.54**	0.65	0.02	–
Total assets	**153**	112	43	–
Long-term liabilities	**69**	76	–	–
Distributions declared per unit	**$ 0.3135**	$ –	$ –	$ –

Results of Operations

> Revenue

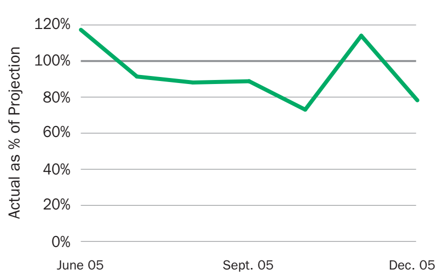
For the year ended December 31, 2005, the Partnership earned $13,444 in revenue from the delivery of a total of 212.7 gigawatt hours ("GWh") of electricity. The increase of $12,324 over 2004 was primarily due to the completion and commissioning of 40 Infill Phase turbines at Mount Copper and Pubnico Point. The Infill Phase turbines began commercial operations in the first quarter of 2005 at Pubnico Point, and in the second quarter of 2005 at Mount Copper. In 2004, we erected and commissioned a total of seven CRCE turbines in May for both projects that delivered 22.6 GWh of electricity in 2004.

> Production at Mount Copper

Mount Copper was in full operation by late June 2005, with a total of 30 interconnected wind turbines with a total nameplate capacity of 54 MW. It began generating electricity for sale to Hydro-Québec pursuant to its power purchase agreement ("PPA"). Mount Copper is expected to have an estimated mean annual average energy production level of 185.9 GWh according to Garrad Hassan, the independent wind consultant.

The following graph illustrates our analysis of the ratio of actual net energy production for the first full seven months of operation of the 30 turbines installed at Mount Copper compared to Garrad Hassan's projected energy production from those turbines during the same period.

> Mount Copper – First Seven Months of Operation



During the first full seven months of operation, production from the Mount Copper was approximately 9% below the independent engineer's long-term projection for that period. This deviation in energy production was the result of wind speeds that were below the projected long-term average for the period, and the typically lower than average turbine availability experienced during the first year of operation of a wind farm. Turbine availability during the period averaged greater than 90%, which is the warranted level of availability for the first year. We expect availability to be lower in the first year of operations and have set aside additional cash reserves to support distributions (see "Liquidity" section). After the first year, we anticipate that availability will rise to match the independent engineer's long-term projection of 97%. The deviation in wind speed from the long-term average falls within expectations considering the inherent variability of the wind resource.

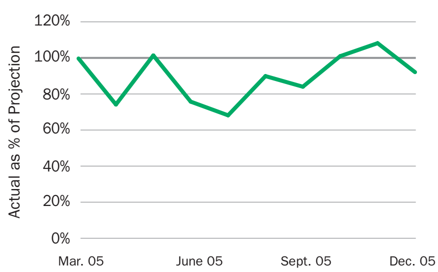
Management's Discussion and Analysis (cont'd)

> Production at Pubnico Point

Pubnico Point was in full operation by late February 2005, with a total of 17 interconnected wind turbines, with a total nameplate capacity of 30.6 MW. It began generating electricity for sale to Nova Scotia Power Inc. pursuant to its PPA. Pubnico Point has an estimated mean annual energy production level of 100.8 GWh according to Garrad Hassan, the independent wind consultant.

The following graph illustrates our analysis of the ratio of actual net energy production for the first 10 full months of operation of the 17 turbines installed at Pubnico Point, compared to Garrad Hassan's projected energy production from these turbines during the same period.

> Pubnico Point – First 10 Months of Operation

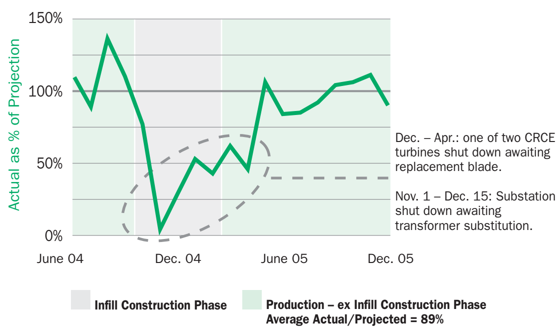


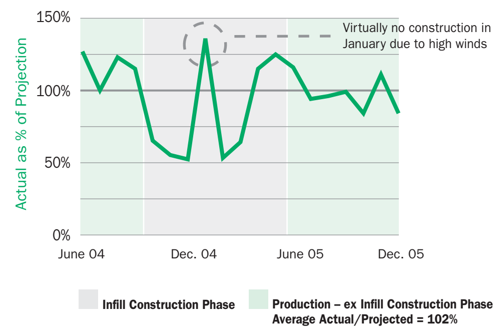
During the first 10 full months of operation, production from Pubnico Point was approximately 9% below the independent engineer's long-term projection for that period. This deviation in energy production was the result of wind speeds that were below the projected long-term average for the period, and the typically lower than average turbine availability experienced during the first year of operation of a wind farm. Turbine availability during the period averaged greater than 90%, which is the warranted level of availability for the first year. We expect availability to be lower in the first year of operations and have set aside additional cash reserves to support distributions (see "Liquidity" section). After the first year, we anticipate that availability will rise to match the independent engineer's long-term projection of 97%. The deviation in wind speed from the long-term average falls within expectations considering the inherent variability of the wind resource.

In order to provide unitholders with a longer term view of performance of the wind resource at each site, we have provided the following graphs of the performance of the five CRCE turbines at Mount Copper and the two CRCE turbines at Pubnico Point, which have been in operation since May 2004. Excluding the months in which the Infill Phase was under construction, which required frequent shutdowns of the CRCE turbines, the five CRCE turbines at Mount Copper performed at 103% of the independent engineer's projected levels while Pubnico Point achieved 91%.

> CRCE Turbines

Actual as a Percentage of Projected Production – First 19 Months of Operation





Source: Production data taken from a combination of SCADA system and billing data

Note: Production at Pubnico Point taken from SCADA system for pre-infill for post-infill months.

At Pubnico Point, the substation was shut down from November 1 to December 15, 2004 for a planned transformer upgrade. And, from December through April, one of two CRCE turbines was shut down awaiting replacement of a damaged blade. Both events represent typical first-year operational issues related to the recent installation of the wind farm. As demonstrated in the graph above, production was impacted by these operational issues.

Excluding the Infill Phases of October 2004 to June 2005 for Mount Copper and October 2004 to February 2005 for Pubnico Point, when turbines were shut down from time to time, production as a percentage of the independent engineer's estimate averaged 102% at Mount Copper and 89% at Pubnico Point.

We caution that since the projects are in their first year of operations, availability of the turbines is expected to fall below long-term expectations as evidenced by a warranty that provides for 90% availability in the first year of operation and that increases to 95% for years two through five. The Partnership has set aside cash reserves in anticipation of these events. For example, one of the blades of one of the CRCE turbines at Pubnico Point was damaged during construction. As highlighted on the graph, the turbine was shut down in December 2004 and the blade was not replaced until April 2005, soon after full operations commenced. This type of occurrence clearly demonstrates typical first year availability issues.

Both the projects have long-term PPAs with their respective provincial utilities at fixed prices of $0.05684 per kilowatt hour for Mount Copper and $0.06814 per kilowatt hour for Pubnico Point. However, the amount of revenue earned is dependent on the amount of wind resource. The wind resource is seasonal with higher wind speeds in the winter and lower wind speeds in the summer.

> Operating Costs

For the year ended December 31, 2005, we incurred operating costs of $2,024 (2004 – $359) resulting in an operating margin of 84.9% of revenue (2004 – 67.9%). The expenses related to the operation of the projects are primarily fixed costs such as warranty and maintenance, insurance, leases and property taxes. Other operating costs for the year ended December 31, 2005 included management fees of $1,230 (2004 – $828). The increase was primarily due to one-time fees earned of $100 at completion of the treasury offering and $200 upon completion of construction of all the turbines at both projects. The increased administrative costs of $1,579 (2004 – $560) relate to the longer time period over which costs were expensed versus capitalized to plant and equipment in 2005 compared with 2004.

Management's Discussion and Analysis (cont'd)

> Amortization

We reclassified the costs of construction in process to plant and equipment and started depreciation when each project began commercial operation of its Infill Phase, in the first quarter of 2005 for Pubnico Point and the second quarter of 2005 for Mount Copper, respectively. Therefore, the depreciation on the property and equipment increased to $5,244 (2004 – $1,216) for the year ended December 31, 2005.

> Derivative Loss

On August 19, 2004, and September 16, 2004, respectively, as required by the construction debt facilities, Mount Copper and Pubnico Point entered into bond forward purchase agreements in the aggregate amount of $65,000 in order to reduce the interest rate exposure on a substantial portion of the refinancing of an aggregate of $77,295 of the construction debt facilities that each matured two years after the completion of the Infill Phases. The agreements were settled on the repayment of the term debt facilities on August 3, 2005, with payments and a cumulative realized loss totalling $5,067 (2004 – $2,363) since entering the contracts. As of December 31, 2005, the Partnership held no derivative instruments.

> Quarterly Financial Information

The Partnership has restated the results for the three months ended September 30, 2005, to change the method in which deferred financing costs related to the construction loan facility arranged by the Partnership in 2004 are being amortized. This restatement in primarily a result of the Partnership deferring amortization of the deferred financing costs until completion of construction of the projects rather than capitalizing a portion of the deferred financing costs as plant and equipment from the date of completion of the financing until the date of completion of construction. The net result of this restatement is a decrease in the net loss of $0.3 million to a net loss of $1.8 million for the 3 months ended September 30, 2005. This restatement is a change in the accounting treatment of a non-cash item and has no impact on cash flow or cash distributions of the Partnership.

The Partnership revenue and earnings are subject to seasonal fluctuations with the highest level of revenues during the winter months (generally, the first and fourth quarters).

(In $millions except per unit amounts)	Q1	Q2	Q3	Q4	FY 2005
Revenue	$ **2.00**	$ **3.17**	$ **3.37**	$ **4.90**	$ **13.44**
Net (loss) income	**(0.73)**	**(1.82)**	**(1.78)**	**0.40**	**(3.93)**
Net (loss) income per unit	**(0.17)**	**(0.43)**	**(0.19)**	**0.03**	**(0.54)**

(In $millions except per unit amounts)	Q1	Q2	Q3	Q4	FY 2004
Revenue	$ –	$ 0.24	$ 0.53	$ 0.34	$ 1.11
Net loss	(0.21)	(0.50)	(0.97)	(1.08)	(2.76)
Net loss per unit	(0.05)	(0.12)	(0.23)	(0.25)	(0.65)

Commercial production of the CRCE Phase turbines at Mount Copper and Pubnico Point commenced in the middle of the second quarter of 2004, and the facilities began generating revenue and operating expenses. The third quarter of 2004 reflected a full quarter of revenue and operating expenses from the initial seven CRCE turbines. Expenses in the third quarter of 2004 were higher due to losses on derivative instruments of $0.67 million. The fourth quarter of 2004 was impacted by a six-week shutdown at Pubnico Point to install the permanent transformer as well as availability issues at the Québec Project that resulted in lower revenue than the third quarter. There was not a significant impact on operating expenses. Other expenses in the fourth quarter of 2004 were higher than other quarters in 2004 due to losses on derivative instruments of $1.69 million. The first quarter of 2005 reflected revenue from the CRCE Phase turbines and a portion of the Infill Construction Phase turbines. The expenses for the first quarter of 2005 included a write off of deferred charges related to the cancellation of the junior debt facilities of $0.86 million. The second quarter of 2005 included revenue from the CRCE Phase turbines, the Infill Construction Phase turbines at the Nova Scotia project and a portion of the Infill Construction Phase turbines at the Québec Project. The expenses in the second quarter of 2005 included a loss on derivative instruments of $2.96 million. The third quarter of 2005 included revenue from the CRCE Phase turbines and the entire Infill Construction Phase turbines at the Québec and Nova Scotia projects. The expenses for the third quarter of 2005 included a write off of deferred charges related to the cancellation of the term debt facilities of $1.87 million.

> Fourth Quarter

Fourth quarter revenues were $4.9 million compared to $3.37 million in the third quarter and $0.34 million for the fourth quarter of 2004. The primary reason for the increase over the third quarter was increased seasonal production. The primary reason for the increase over the fourth quarter of 2004 was the completion of the Infill Construction Phase for Pubnico Point in March 2005 and Mount Copper in June 2005. The actual fourth quarter revenue for 2005 was less than projected revenue of $5.37 million. This deviation from the projection is a result of wind speeds which were below the long-term projection for the fourth quarter, as well as the expected lower than average availability in the first year of operation of a wind farm. Fourth quarter availability averaged greater than 90% at Mount Copper, and greater than 95% at Pubnico. At Mount Copper, the wind farm production was particularly affected in the fourth quarter by unscheduled repair work conducted by Hydro-Québec on its own transmission facilities. In addition, some of the Mount Copper turbines have exhibited gearbox leaks, which resulted in one turbine being shut down for half of the fourth quarter while Vestas awaited a replacement gearbox. The gearbox in question has since been replaced. The replacement of such components, as well as any potential availability shortfall, are covered under the turbine warranty. The General Partner continues to work with Vestas to ensure an adequate inventory of spare parts availability, in order that components be replaced in a timely manner.

Operating costs for the fourth quarter were $0.5 million compared to $0.8 million in the third quarter and $0.4 million for the fourth quarter of 2004. The primary reason for the decrease over the third quarter was the reclassification of capital tax from operating cost to administration cost. The primary reason for the increase over fourth quarter 2004 was the completion of the Infill Phase.

Fourth quarter interest expense net of investment income was $0.86 million compared to $1.13 million in Q3 and $1 for the fourth quarter of 2004. The primary reason for the decrease over third quarter was the treasury offering on August 3, 2005, which reduced the consolidated debt by $46.85 million. The primary reason for the increase over the fourth quarter of 2004 was interest was still being capitalized to the construction in progress.

Net income was $0.40 million compared to a net loss of $1.78 million in the third quarter and a net loss of $1.08 for the fourth quarter of 2004. The primary reason for the increase over the third quarter was no deferred charges were written off in the fourth quarter whereas $1.91 million were written off in the third quarter. The primary reason for the increase over the fourth quarter of 2004 was the $1.69 million loss on derivative instruments that occured in the fourth quarter of 2004, with no similar loss occuring in the fourth quarter of 2005.

> Comparison of Financial Projection and Forecasts to Actual Results

The financial projection included in the prospectus filed by the Partnership on December 11, 2003 (the "IPO projection"), assumed that Mount Copper and Pubnico Point would complete their respective CRCE Turbine Phases by March 31, 2004, and Infill Construction Phases by October 31, 2004. However, both

Management's Discussion and Analysis (cont'd)

CRCE turbine construction phases were actually completed by May 31, 2004, two months behind our initial schedule estimates due to harsh winter weather conditions which made construction challenging.

The forecast published in the prospectus for the Partnership's offering of convertible debentures (the "Convertible Debenture forecast") on January 13, 2005, was updated to account for this delay. It also assumed further anticipated delays in the Infill Construction Phases of both projects, revising the Infill Phase completion dates to January 31, 2005 for Pubnico Point and April 30, 2005 for Mount Copper. The actual Infill Construction Phase completion dates were February 28, 2005 for Pubnico Point and June 19, 2005 for Mount Copper.

On July 27, 2005, the Partnership filed a prospectus for a treasury offering of units which included a revised forecast (the "Treasury forecast") that reflected the actual completion dates for both the CRCE Turbine Phase and the Infill Construction Phase. However, the Treasury forecast reflected a 12-month period of production from July 1, 2005, to June 30, 2006.

	Actual results year ended December 31, 2005	IPO projection year ended December 31, 2005	Convertible Debenture forecast year ended December 31, 2005	Treasury forecast 12 months ended June 30, 2006
Revenue	**$ 13,444**	$ 17,873	$ 15,253	$ 18,230
Expenses				
Operating costs	**2,024**	2,776	1,978	3,390
Management and administrative costs	**2,809**	1,461	2,362	2,162
Income before undernoted	**8,611**	13,636	10,913	12,678
Loss on derivative instruments	**2,704**	–	–	–
Write off of deferred charges	**2,716**	–	–	2,201
Amortization	**6,076**	6,643	6,233	7,826
Interest expense, (net)	**2,919**	5,631	6,334	3,962
Income (loss) before taxes and non-controlling interest	**(5,804)**	1,362	(1,654)	(1,311)
Income taxes				
Current taxes	**36**	54	83	–
Future income taxes (recovery)	**(2,014)**	634	(65)	(772)
Non-controlling interest	**108**	(1,027)	(363)	(446)
Net loss	**$ (3,934)**	$ (353)	$ (2,035)	$ (985)

i. Revenue

We earned revenue of $13,444 compared to our IPO projection of $17,873 due to delays in the Infill Construction Phases at both sites, which translated into a loss of production of two months at Pubnico Point and five and a half months at Mount Copper.

Actual revenue was lower than the Convertible Debenture forecast because construction at both sites was completed later than anticipated at the time of the offering, causing us to lose a month of production at Pubnico Point and one and half months at Mount Copper.

Finally, the Treasury forecast was based on the 12-month period from July 1, 2005, to June 30, 2006, while our actual results reflect the period from which both sites were fully commissioned and commenced operations. Therefore Pubnico Point had approximately 10 months of revenue and Mount Copper had approximately six months of revenue.

ii. Operating Expenses

In general, the delays in construction resulted in a longer period of time during which certain operating expenses were capitalized.

The Warranty Maintenance and Service Agreements did not begin until the turbines were fully commissioned at each site.

Since Pubnico Point's 15 infill turbines were commissioned two months later than expected and Mount Copper's 25 infill turbines were commissioned five and a half months later than expected, our 2005 operating expenses were lower than the IPO projection. In addition, operating expenses in the IPO projection included management services fees paid to the developer which were reclassified into management and administrative fees in our actual 2005 results.

Similarly, the actual operating expenses we incurred for the Warranty and Maintenance Service Agreements in 2005 were lower that those in the Convertible Debenture forecast at both sites because of a one-month delay for the 15 infill turbines at Pubnico Point and a 1.5 month delay at Mount Copper for the 25 infill turbines. These decreases were partially offset by increases in other operating costs.

Our actual operating expenses also varied from the Treasury forecast as we did not incur expenses related to the Warranty and Maintenance Service Agreements until the infill turbines were fully commissioned at both sites. The Treasury forecast assumed operating expenses for a 12-month period while our actual results included operating expenses for approximately 10 months for Pubnico Point and approximately 6 months for Mount Copper.

iii. Management and Administrative Fees

In general, the delays in construction resulted in a longer period of time during which management and administrative expenses were capitalized.

The Management and Administrative fees incurred in 2005 were higher than the IPO projection and the Convertible Debenture forecast as a result of one-time fees paid to the Manager in 2005 for reaching substantial completion of the Infill Construction Phase at both Mount Copper and Pubnico Point, as well as fees incurred to list the Partnership units on the TSX. These listing fees were booked as an expense in 2004 under the IPO projection and the Convertible Debenture forecast. We also incurred increased salaries and overhead charges relative to the IPO projection and Convertible Debenture forecast for additional required resources. In addition, we reclassified management services fees paid to the developer into management fees which had been included in operating expenses in the IPO projection and Convertible Debenture forecast.

Management and administrative fees incurred in 2005 were higher than the Treasury forecast because of one-time fees paid to the Manager in 2005 for reaching substantial completion of the Infill Construction Phase at both Mount Copper and Pubnico Point that were expected to be incurred in 2004. These fees were incurred prior to the beginning of the Treasury forecast period (July 1, 2005 to June 30, 2006).

iv. Loss on Derivative Instruments

In 2005, we recorded a loss on derivative instruments of $2,704, based on the 5% Government of Canada Bond maturing June 1, 2014. No loss on derivative instruments was included in the IPO projection, or the Convertible Debenture forecast and Treasury forecasts.

Management's Discussion and Analysis (cont'd)

v. Write Off of Deferred Charges

The write off of deferred charges relates to the cancellation of the junior debt facilities in January 2005 and the repayment and cancellation of the term debt facilities in August 2005. The cancellation of these facilities was not contemplated in the IPO projection, and the Convertible Debenture forecast only contemplated the cancellation of the junior debt.

We recorded a write off of deferred charges of $2,716 compared with the Treasury forecast amount of $2,201 since the junior debt was cancelled in January 2005 and the associated write off was recorded prior to the beginning of the Treasury forecast period (July 1, 2005). The Treasury forecast only included the write off of deferred charges for the cancellation of the term debt facility in August 2005.

vi. Amortization

We recorded amortization of $6,076 in 2005 compared with the IPO projection and Convertible Debenture forecast amounts of $6,643 and $6,233, respectively. The increase in 2005 capital costs over what was included in these projections was more than offset by the shorter period during which amortization of the Infill Phase was expensed in 2005.

Actual 2005 amortization was less than the Treasury forecast since the amortization of the Infill Phases began on February 28, 2005 for Pubnico Point and June 19, 2005 for Mount Copper. The 12-month Treasury forecast period started July 1, 2005, and included a full year of amortization for both Mount Copper and Pubnico Point.

vii. Interest

The IPO projection interest expense was higher than the actual interest expense we incurred in 2005 since it assumed a consolidated debt level of $93,542 with an interest rate of 6.02%. Actual debt levels ranged from $103,850 in the second quarter of 2005 to the current debt level of $57,000 with interest rates ranging from 6.04% to 7.00%. The Convertible Debenture forecast interest expense was also higher than the interest expense we incurred in 2005 since it assumed a consolidated debt level of $110,643 with interest rates ranging from 4.15% to 7.00%. Our 2005 interest expense was also higher than anticipated than in both the IPO projection and Convertible Debenture forecast since interest was capitalized for a longer period than expected at the time the projection and forecast were published due to the delay in the completion of the Infill Phases of Pubnico Point and Mount Copper.

Conversely, the interest expense incurred in 2005 was lower than the Treasury forecast since the forecast represented the 12-month period beginning July 1, 2005 and the actual interest was capitalized up to the completion of the Infill Phases and expensed for approximately 10 months for Pubnico Point and approximately 6 months for Mount Copper.

viii. Non-controlling Interest

The IPO projection and Convertible Debenture forecast assumed minority interest of both dividends on Class B shares of Mount Copper and Pubnico Point and the percentage of Class A shares of Mount Copper and Pubnico Point owned by Creststreet Mutual Funds Limited and Creststreet Power Holdings Limited. However, in August 2005, Creststreet Mutual Funds Limited and Creststreet Power Holdings Limited exercised their rights to exchange shares of the Wind Energy Companies for cash and units of the Partnership, which reduced the minority interest to include only dividends on Class B shares of Mount Copper and Pubnico Point

The Treasury forecast accurately assumed that Creststreet Mutual Funds Limited and Creststreet Power Holdings Limited would exercise their rights to exchange shares of the Wind Energy Companies for cash and units of the Partnership, which reduced the minority interest to include only dividends on Class B shares of Mount Copper and Pubnico Point. However, since this did not take place until August 2005, the difference in the balance relates to timing. Up to August 2005, the minority interest included both dividends on Class B shares of Mount Copper and Pubnico Point and the percentage of Class A shares of Mount Copper and Pubnico Point owned by the Creststreet Resource Fund. After this period, the minority interest represented only the dividends on Class B shares of Mount Copper and Pubnico Point.

ix. Future Income Taxes

Income for Mount Copper and Pubnico Point was lower than the IPO projection and Convertible Debenture and Treasury forecasts primarily because both facilities did not have a full year of infill operations. Along with the loss on derivatives and write off of deferred charges, these factors required less capital cost allowance to be claimed for tax purposes, which increased the future income tax recovery.

> **Pending Transactions**

On December 19, 2005, the Partnership announced a commitment to purchase up to $31 million of subordinated notes of Kettles Hill Wind Energy Inc. (“Kettles Hill”) which is constructing a 63 MW wind energy project in southern Alberta near Pincher Creek. As of year-end, no funds had been advanced to Kettles Hill. The Partnership has arranged a $7 million line of credit at a variable interest rate with a major Canadian financial institution to finance a portion of the commitment and anticipates financing a substantial portion of the commitment in the public markets, which is expected to occur in late spring. The project is expected to be completed in October 2006.

Subsequent to year-end, the Partnership borrowed $7,000 on its line of credit and advanced $5,000 to Kettles Hill.

Financial Condition

Liquidity

Cash, cash held in escrow and restricted cash increased in total by $5,352 from $4,911 on December 31, 2004 to $10,263 at December 31, 2005 primarily due to net proceeds from the treasury offering and convertible debenture offering offset by costs of construction, repayment of term debt facilities and the settlement of derivative instruments. Total cash distributions declared were $3,605 with a monthly distribution of $0.0627 per Partnership unit and, subject to the achievement of long-term performance expectations, it is the intention of the Partnership to maintain this monthly distribution.

After setting aside amounts held for remaining capital expenditures, the Partnership holds $3,000 in cash reserves to support and maintain its cash distribution policy against short-term variations in wind volumes and first-year performance issues at both wind projects. Such cash reserves, by themselves, are sufficient to fund over four months of distributions at the current level of distributions per unit.

Management's Discussion and Analysis (cont'd)

Assets and Liabilities

At December 31, 2005, the Partnership had total assets of $152,977 compared to $111,915 at December 31, 2004. The increase was primarily due to the completion of construction of the Infill Turbine Phase. Net plant and equipment related to the Québec Project and the Nova Scotia Project facilities is $131,621. The Nova Scotia Project completed construction in February 2005 and commenced depreciation of plant and equipment. The Québec Project completed construction in June 2005 and commenced depreciation of plant and equipment.

Mount Copper and Pubnico Point entered into separate financing agreements in 2004 to finance the construction of the Infill Construction Phase. The total of the two credit facilities was $107,295 and consisted of note facilities aggregating $30,000, term debt facilities aggregating $55,000 and junior subordinated debt facilities aggregating $22,295.

The Partnership issued $27,000 subordinated convertible debentures, due March 15, 2010. Net proceeds raised of $24,959 were used to finance the remaining obligations relating to the Infill Construction Phase. Subsequent to this financing, the junior term debt facilities were cancelled.

On August 3, 2005, the outstanding term facility of $27,200 was repaid and cancelled by Mount Copper. The remaining term facility of $7,547 was cancelled on September 12, 2005.

On April 29, 2005, $550 of the term facility was repaid by Pubnico Point, and on August 3, 2005 the total outstanding term facility of $19,650 was fully repaid and cancelled.

The total remaining notes payable at December 31, 2005 is $30,000. On September 12, 2005, the fixed interest rate on the note facility decreased permanently from 6.55% to 6.10% per annum for Mount Copper and on August 3, 2005 the fixed interest rate on the note facility decreased permanently from 6.491% to 6.041% per annum for Pubnico Point. Both of the decreases were in connection with the repayment of the term debt facilities.

Financing costs incurred related to the credit facilities for the Infill Construction Phase and the convertible debentures are recorded as deferred charges and are being amortized over the term of the debt. During the first quarter of 2005, $856 of these costs were written off in connection with the cancellation of the junior debt facilities. During the third quarter of 2005, $1,860 of these costs were written off in connection with the cancellation of the term debt facilities. At December 31, 2005 $2,602 of deferred financing costs remain unamortized.

Contractual Obligations

Information concerning contractual obligations is shown below:

(In $millions)	Total	Due less than 1 year	Due 2 to 3 years	Due 4 to 5 years	Due after 5 years
Long-term debt obligations	$ 57.0	$ –	$ –	$ 27.0	$ 30.0
Other obligations	8.3	1.5	3.0	1.9	1.9
Total obligations	$ 65.3	$ 1.5	$ 3.0	$ 28.9	$ 31.9

The long-term debt obligations include the notes payable for Mount Copper and Pubnico Point as well as the convertible debentures issued by the Partnership. Other obligations include payments in connection with the Warranty, Maintenance and Service Agreements and land leases for both Mount Copper and Pubnico point.

Mount Copper entered into a Warranty, Maintenance and Service (“WMS”) Agreement dated November 11, 2003 with Vestas-Canadian Wind Technology Inc. (“Vestas”) which provides for certain warranties in connection with the wind turbines installed at the wind energy project, and which also provides for ongoing service and maintenance obligations in connection with the wind turbines. The WMS Agreement includes a facility-wide warranty, which commences only on substantial completion of the 30 wind turbines, related to power curve performance and availability of the facility. In the event that the facility fails to perform as warranted, the WMS Agreement provides that Mount Copper will be entitled to liquidated damages to offset any lost revenue. The contract is for a 5-year period commencing at the date that the turbines come into service.

Mount Copper’s remaining commitment under the WMS Agreement with Vestas at December 31, 2005 was $3,834.

Mount Copper has also entered into 31 lease agreements dated December 15, 2002 and July 28, 2004 with the Government of Québec with respect to the site for the wind energy project. The term of each lease agreement is 25 years, renewable for up to 15 years. The annual rent payable under each lease agreement is $2,000, subject to annual adjustment every four years in accordance with the Canadian Consumer Price Index (“CPI”).

Mount Copper has a lease obligation for its transmission lines expiring March 14, 2006. Future minimum annual lease payments required under this lease are $110.

Pubnico Point has entered into a Warranty, Maintenance and Service Agreement (“WMS” Agreement) with Vestas dated December 10, 2003 which provides for certain warranties in connection with the wind turbines installed at the wind energy project, and which also provides for ongoing service and maintenance obligations in connection with the wind turbines. The WMS Agreement includes a facility-wide warranty, which commences only on substantial completion of the wind turbines, related to power curve performance and availability of the facility. In the event that the facility fails to perform as warranted, the WMS Agreement provides that the Company will be entitled to liquidated damages to offset any lost revenue. The contract is for a 5-year period commencing at the date that the turbines come into service.

Pubnico Point’s remaining commitment under the WMS Agreement with Vestas-Canadian Wind Technology Inc. at December 31, 2005, was $1,705.

Pubnico Point has entered into a lease agreement dated November 10, 2003 with a corporate affiliate of the shareholder, PPWF Management Limited (“PML”) (formerly Atlantic Wind Power Corporation) with respect to the site for the wind energy project. The term of the lease is 15 years commencing on November 10, 2003. The lease agreement may be renewed for two additional 5-year periods (for a total of 25 years) and may be renewed for a further 20 years if Pubnico Point grants to the landlord, effective on the date of such renewal, a 10% carried interest in the net cash flow of the facility such that the aggregate of the initial term and all renewals thereafter is 45 years. The annual rent payable under the lease agreement for the 12-month period ending October 31, 2004 is $100. The annual rent is adjusted annually in accordance with the Canadian Consumer Price Index (the “CPI”), effective November 1, 2004 and each anniversary thereafter. One-twelfth of the annual rent is payable at the beginning of each month.

Management's Discussion and Analysis (cont'd)

Related Party Transactions

Creststreet Power & Income Management Limited (the "Manager") is entitled to a base fee equal to $300 per annum, payable in equal monthly installments in arrears, and increased every 12 months in accordance with the percentage increases in the Canadian Consumers Price Index (the "CPI"). In addition, the Manager was paid a one-time fee of $200 at the completion of the construction of the CRCE Turbine Phase, a one-time fee of $200 at the completion of the construction of all the turbines at both facilities and a one-time fee of $100 upon the listing of the units on the TSX. The Manager is also entitled to reimbursement of its operating expenses incurred in providing the services under the Management Agreement.

Creststreet Power & Income General Partner Limited (the "General Partner") is reimbursed for reasonable costs incurred by it in acting as registrar and transfer agent and in attending to the administration of the Partnership. In 2005, the General Partner was reimbursed $196 (2004 – $109).

Mount Copper entered into a Construction Services Agreement ("CSA") and a Management Services Agreement ("MSA") with a shareholder, 3Ci Inc. ("3Ci"). The services to be provided under the CSA relate to assisting with the supervision of the construction of the facility. As consideration for its services, the payments were equal to 2.5% of the Mount Copper Facility Engineering Procurement and Construction Agreement ("EPC") with $188 paid at the time Phase II notice to proceed was delivered to Vestas and an additional $1,291 was paid at the completion of Phase II. The MSA provides that 3Ci will provide certain management services to the wind energy project for a monthly fee of $39 plus reimbursement of certain expenses for providing services, provided such expenses have been incurred in compliance with a project budget agreed to by Mount Copper. Prior to the CSA and MSA agreements, 3Ci was paid a monthly fee of $15 plus reimbursement of certain out-of-pocket expenses for management services.

Pubnico Point entered into a CSA and a MSA with a shareholder, PPWF Management Limited ("PML") (formerly, Atlantic Wind Power Corporation). The services to be provided under the CSA relate to assisting with the supervision of the construction of the facility. As consideration for its services, PML was paid total fees of $370. The MSA provides that PML will provide certain management services to the wind energy project for a monthly fee of $10 plus reimbursement of expenses. Pubnico Point has also entered into a lease agreement with a corporate affiliate of PML with respect to the site for the wind energy project. The annual rent payable under the lease agreement is $100 and is adjusted annually in accordance with the Canadian Consumer Price Index.

Mount Copper and Pubnico Point have both entered into a Financial Services Agreement with the Manager, which provides that the Manager will maintain the books and records and provide other cash management services for a fee of $5 per month for the Québec Project and $1.5 for the Nova Scotia Project.

3Ci Inc. and CPHL own Class B shares of Mount Copper. Holders of the Class B shares will be entitled to cumulative dividends based on the annual level of operating cash flow achieved by Mount Copper. If the operating cash flow is below $9,000 per year (the "Mount Copper Hurdle Cash Flow"), the dividends on the Class B shares will be nil. Commencing the month during which the Mount Copper Facility is commissioned, the Class B shares will be entitled to dividends equal to 50% of the annual operating cash flow above the Mount Copper Hurdle Cash Flow. No dividends had been paid as at December 31, 2005.

PML and Creststreet Capital Corporation ("CCC") own Class B shares of Pubnico Point. Holders of the Class B shares will be entitled to cumulative dividends based on the annual level of operating cash flow achieved by Pubnico Point. If the operating cash flow is below $4,750 per year (the "Pubnico Point Hurdle Cash Flow"), the dividends on the Class B shares will be nil. Commencing the month during which the Pubnico

Point Facility is commissioned, the Class B shares will be entitled to dividends equal to 70% of the annual operating cash flow above the Pubnico Point Hurdle Cash Flow. For the year ended December 31, 2005, $408 was paid to the Class B shareholders.

In addition, on August 3, 2005 the Partnership acquired the remaining 13.1% and 22.2% interests of the Class A shares of Mount Copper and Pubnico Point, respectively, from CMFL and CPHL for consideration of $1,000 and 687,211 limited partnership units with an ascribed value of $6,013. The General Partner believes the carrying value of the assets acquired approximates fair value. This transaction resulted in intangible assets associated with the PPA's.

The Partnership reimbursed Creststreet Holdings Ltd. ("CHL") for costs paid on behalf of the Partnership.

The amounts paid to related parties are as follows:

		2005		2004
3Ci	**$**	**1,881**	$	1,165
PML		**705**		359
CHL		**106**		–
CCC		**58**		–
General Partner		**196**		109
Manager		**873**		581
	$	**3,819**	$	2,214

Transactions with related parties have been measured at their exchange rate.

Change in Partners' Capital and Deficit

For the year ended December 31, 2005, partners' capital and deficit increased by $52,718 from $22,482 at December 31, 2004 to $75,197 at December 31, 2005. The increase was due to the issuance of limited partnership units of $63,444 and $530 related to the value of the conversion option of the unsecured convertible debentures, and was partially offset by the cost of issuing the units of $3,720, the net loss from operations of $3,934, as well as distributions declared of $3,605.

On August 3, 2005, the Partnership completed its second public offering of limited partnership units raising gross proceeds of $57,431. The Partnership paid agents' fees of $2,932, being 6% of the gross proceeds raised, and incurred $788 in issue costs to complete the offering.

The Partnership commenced monthly distributions during the third quarter 2005 paying $2,884 for the periods from September to December and declaring a further $721 payable in January 2006. Monthly distributions were declared to be $0.0627 per limited partnership unit.

Tax Treatment of Distributions

Distributions to unitholders in 2005 were approximately 86% tax-deferred. The tax deferral arises primarily from the write-off for tax purposes of issue costs from the initial public offering and the treasury offering. In addition, the Partnership incurred some one time fees paid to the Manager related to the completion of Phase II and the listing of the Partnership units on the TSX. The tax-deferred portion of the distributions represents a return of capital for Canadian income tax purposes and reduces the adjusted cost base of the Partnership units.

Management's Discussion and Analysis (cont'd)

Critical Accounting Estimates

Depreciation of plant and equipment is based on a useful life of 20 years which is in accordance with the estimates from the turbine manufacturer.

Outlook

The Manager continues to closely monitor the production, operations and performance of both windpower projects given their recent completion dates and intends to maintain prudent liquidity and cash balances given the Canadian market's relative unfamiliarity with windpower assets.

The Manager continues to identify, acquire and develop early-stage windpower projects with the objective to develop them to the stage where construction can be undertaken culminating in the completion and full operation of each windpower project. The Manager intends to provide the Partnership with the opportunity to invest in or acquire each project during construction or upon completion.

The first project the Manager is developing subsequent to the Québec and Nova Scotia Projects is Kettles Hill, a 63 MW windpower project in southern Alberta, which commenced construction in July 2005. The Partnership has provided a commitment to purchase up to $31 million of subordinated notes in Kettles Hill Wind Energy Inc. to fund the construction of the Infill Phase of the project and has provided a non-binding expression of interest to potentially acquire ownership of the project after completion of construction expected in the fall of 2006. Subsequent to year-end, the Partnership has advanced $5 million to Kettles Hill.

In addition, the General Partner will seek investments that provide long-term income, enhance the diversification of the Partnership's cash flow and are accretive to per unit cash flow.

Disclosure Controls and Procedures and Internal Controls over Financial Reporting

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the CEO and CFO, on a timely basis so that appropriate decisions can be made regarding public disclosure.

An evaluation of the effectiveness of the design and operation of our disclosure controls and procedures was conducted as of December 31, 2005, by and under the supervision of the Manager, including the CEO and CFO. Based on this evaluation, the CEO and CFO have concluded that our disclosure controls and procedures, as defined in Multilateral Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings are effective to ensure that information required to be disclosed in reports that we file or submit under Canadian securities legislation is recorded, processed, summarized and reported within the time periods specified in those rules and forms.

Internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of our financial reporting and compliance with Canadian generally accepted accounting principles in our financial statements.

The Manager has evaluated whether there were changes in our internal controls over financial reporting during the year ended December 31, 2005 that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting. No such changes were identified through management's evaluation or any other means.

Risks and Uncertainties

The force with which the wind will blow at the Québec Project and the Nova Scotia Project sites will vary, weather patterns could change or the historical data could prove not to accurately reflect the strength and consistency of the wind in the future and have an adverse impact on cash distributions.

The profitability of the Québec Project and the Nova Scotia Project will be in part dependent upon the continuation of a favourable regulatory climate with respect to the continuing operations and the future growth and development of the independent power industry. Government regulations and incentives currently have a favourable impact on the building of windpower facilities, but should they be modified, cash distributions could be adversely affected.

The operations of the Partnership, the Québec Project and the Nova Scotia Project are highly dependent upon parties to certain agreements fulfilling their contractual obligations, especially the turbine supplier (Vestas), NSPI, Hydro-Québec, PML, and 3Ci. An inability or failure by any such party to meet its contractual commitments may adversely affect cash distributions.

The occurrence of a significant event which disrupts the ability of the Québec Project or the Nova Scotia Project to produce or sell power for an extended period, including events which preclude existing customers from purchasing power, could have a material adverse effect on the Partnership and cash distributions.

While the General Partner believes that the insurance coverages for the facilities will address material insurable risks; provide coverage that is similar to what would be maintained by a prudent owner/operator of similar facilities; and be subject to deductibles, limits, and exclusions which are customary or reasonable, given the cost of procuring insurance, current operating conditions and insurance market conditions, no such insurance will be purchased until construction commences and there can be no assurance that insurance coverages for the Québec Project and the Nova Scotia Project will be sufficient, will address all material insurable risks and will continue to be offered on an economically feasible basis.

There can be no assurance that the income tax laws in the various jurisdictions of Canada, or the interpretation thereof, will not be changed in a manner which will fundamentally alter the tax consequences to Limited Partners of holding or disposing of units.

In any fiscal year of the Partnership, the possibility exists that Limited Partners will receive allocations of income and capital gains without receiving cash distributions from the Partnership in such year sufficient to satisfy their tax liability with respect to such allocations.

Limited Partners remain liable to return to the Partnership such part of any amount distributed to them as may be necessary to restore the capital of the Partnership to the amount existing before such distribution if, as a result of any such distribution, the capital of the Partnership is reduced and the Partnership is unable to pay its debts as they become due.

Management's Responsibility for Financial Reporting

These consolidated financial statements form the basis for all of the financial information that appears in this annual report. The financial statements and all of the information in this annual report are the responsibility of the management of Creststreet Power & Income Fund LP and have been reviewed and approved by its board of directors. The board of directors is responsible for ensuring that management fulfills its financial reporting responsibilities.

Management has prepared the financial statements according to Canadian generally accepted accounting principles ("GAAP"). Under these principles, management has made certain estimates and assumptions that are reflected in the financial statements and notes. Management believes that these financial statements fairly present the entity's financial position and results of operations. Management has a system of internal controls designed to provide reasonable assurance that the financial statements are accurate and complete in all material respects. Management believes that the internal controls provide reasonable assurance that our financial records are reliable and form a proper basis for preparing the financial statements, and that our assets are properly accounted for and safeguarded.

Ernst & Young LLP, the unitholders' external auditors, have audited the consolidated financial statements in accordance with Canadian GAAP and their report is included below. Ernst & Young LLP has free and full access to the board's audit committee.

Eric McFadden
President
Chief Executive Officer
Creststreet Power & Income General Partner Limited

Donna Shea
Vice-President, Finance
Chief Financial Officer
Creststreet Power & Income General Partner Limited

March 2, 2006

CRESTSTREET

Auditors' Report to the Partners of Creststreet Power & Income Fund LP

We have audited the consolidated balance sheet of Creststreet Power & Income Fund LP (the "Partnership") as at December 31, 2005, and the consolidated statements of operations, of Partners' Capital and cash flows for the year then ended. These financial statements are the responsibility of the Partnership's management. 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 consolidated financial statements present fairly, in all material respects, the financial position of the Partnership as at December 31, 2005, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The consolidated financial statements as at December 31, 2004 were audited by other auditors who expressed an opinion without reservation on those statements in their report dated March 2, 2005.

Ernst & Young LLP

Chartered Accountants

Toronto, Canada
February 24, 2006

Consolidated Balance Sheets

As at December 31 (All balances in thousands)		**2005**		2004
Assets				
Current assets				
Cash and cash equivalents	**$**	**3,895**	$	3,914
Restricted cash (Note 3)		**6,368**		997
Accounts receivable		**2,998**		3,324
Prepaid expense		**503**		45
		13,764		8,280
Deferred charges (Note 6)		**2,602**		4,445
Plant and equipment and pre-operating costs (Note 5)		**131,621**		99,190
Intangible assets (Note 8)		**4,990**		–
	$	**152,977**	$	111,915
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities	**$**	**8,281**	$	7,194
Distribution payable (Note 14)		**721**		–
Derivative instruments (Note 4)		**–**		2,363
Due to related parties (Note 10)		**112**		51
		9,114		9,608
Notes payable (Note 11)		**30,000**		63,700
Unsecured convertible debentures (Note 12)		**26,566**		–
Asset retirement obligation (Note 16)		**234**		23
Future income tax liability (Note 17)		**11,866**		12,156
Non-controlling interest		**–**		3,946
		77,780		89,433
Partners' capital		**81,980**		25,331
Deficit		**(6,783)**		(2,849)
	$	**152,977**	$	111,915

Commitments (Note 9)

See accompanying notes to consolidated financial statements

Approved by Creststreet Power & Income General Partner Limited as General Partner on behalf of Creststreet Power & Income Fund LP

Eric McFadden
Director

Robert S. McLeese
Director

Consolidated Statements of Operations

For the years ended December 31 (All balances in thousands, except per unit data)		2005		2004
Revenue				
Electricity sales	**$**	**13,022**	$	1,120
Wind power production incentive		**422**		–
Total revenue		**13,444**		1,120
Expenses				
Operating costs		**2,024**		359
Management fees (Note 10)		**1,230**		828
Administrative costs (Note 10)		**1,579**		560
		4,833		1,747
Income/(loss) before the undernoted		**8,611**		(627)
Loss on derivative instruments (Note 4)		**2,704**		2,363
Write off of deferred charges (Note 6)		**2,716**		–
Amortization of deferred charges (Note 6)		**711**		–
Amortization of intangible assets		**121**		–
Amortization of plant and equipment and pre-operating costs		**5,244**		1,216
Interest expense, net		**2,919**		(14)
Loss before taxes and non-controlling interest		**(5,804)**		(4,192)
Income taxes (Note 17)				
Current tax		**36**		–
Future income tax recovery		**(2,014)**		(1,083)
		(1,978)		(1,083)
Non-controlling interest		**108**		(345)
Net loss		**(3,934)**		(2,764)
Deficit, beginning of year		**(2,849)**		(85)
Deficit, end of year	**$**	**(6,783)**	$	(2,849)
Net loss per unit – basic and fully diluted	**$**	**(0.54)**	$	(0.65)
Weighted average number of units		**7,230**		4,250

See accompanying notes to consolidated financial statements

Consolidated Statements of Partners' Capital

As at December 31 (In thousands)		**2005**		2004
Partners' capital – beginning of period	**$**	**25,331**	$	36,509
Proceeds from Issue of Units (Note 13)		**63,444**		–
Payment of Agents' Fees		**(2,932)**		–
Payment of Cost of Issue		**(788)**		(93)
Distributions declared to the unitholders (Note 14)		**(3,605)**		–
Unsecured convertible debentures option value (Note 12)		**530**		–
Future income tax resulting from renunciation		**–**		(11,085)
Partners' capital – end of period	**$**	**81,980**	$	25,331

See accompanying notes to consolidated financial statements

Consolidated Statements of Cash Flows

For the years ended December 31 (In thousands)		**2005**		2004
Cash flows from operating activities				
Net loss	**$**	**(3,934)**	$	(2,764)
Add (deduct) items not affecting cash				
Loss on derivative instruments		**2,704**		2,363
Write off of deferred charges		**2,716**		–
Amortization of deferred charges		**711**		–
Amortization of intangible assets		**121**		–
Amortization of plant and equipment and pre-operating costs		**5,244**		1,216
Accretion of interest expense (Note 12)		**97**		–
Future income tax recovery		**(2,014)**		(1,083)
Non-controlling interest		**108**		(345)
		5,753		(613)
Non-cash operating working capital				
Decrease (increase) in accounts receivable		**326**		(2,033)
Increase in prepaid expense		**(458)**		(45)
Increase (decrease) in accounts payable and accrued liabilities		**1,579**		(440)
Increase (decrease) in amounts due to related parties		**16**		(22)
		7,216		(3,153)
Cash flows from financing activities				
Finance issue costs (Note 6)		**(2,145)**		(4,445)
(Decrease) increase in notes payable		**(33,700)**		63,700
Issue of unsecured convertible debentures (Note 12)		**27,000**		–
Issue of share capital by subsidiary to non-controlling interest		**25**		2,597
Proceeds from issue of units (Note 13)		**57,431**		–
Unit issue costs (Note 13)		**(3,720)**		(93)
Dividend paid to non-controlling interest		**(408)**		–
Distributions to unitholders		**(2,884)**		–
		41,599		61,759
Cash flows from investing activities				
Increase in restricted cash		**(5,371)**		(997)
Realized loss on derivative instrument		**(5,067)**		–
Acquistion of non-controlling interest		**(1,000)**		–
Additions to plant and equipment		**(37,396)**		(84,544)
		(48,834)		(85,541)
Net decrease in cash		**(19)**		(26,935)
Cash and cash equivalents, beginning of period		**3,914**		30,849
Cash and cash equivalents, end of period	**$**	**3,895**	$	3,914
Supplemental cash information				
Interest paid	**$**	**3,879**	$	–
Large corporation tax paid	**$**	**102**	$	–

Non-cash transaction (note 7)

See accompanying notes to consolidated financial statements

Notes to Consolidated Financial Statements

For the years ended December 31, 2005 and 2004

(All dollar amounts stated in thousands, except per unit information)

1. Business and Structure of the Partnership

Creststreet Power & Income Fund LP (the "Partnership") invested in flow-through shares of two Canadian companies, Mount Copper Wind Power Energy Inc. ("Mount Copper" or the "Québec Project") and Pubnico Point Wind Farm Inc. ("Pubnico Point" or the "Nova Scotia Project") that are operating wind energy projects to generate electricity for sale to provincial electricity utilities pursuant to long-term power purchase agreements ("PPA's").

Mount Copper

Mount Copper is situated in the Gaspé peninsula and located approximately 100 kilometres west of the town of Gaspé, Québec and approximately 80 kilometres south of the St. Lawrence River. The Company erected 5 test wind turbines early in 2004 ("Phase I"), followed by 25 wind turbines after successful completion of the 120-day test period ("Phase II").

All electricity produced by the wind energy project is sold to Hydro-Québec pursuant to a standard form PPA. The Company is not required to sell or deliver a minimum amount of electricity to Hydro-Québec. The Mount Copper PPA has a term ending 21 years after June 3, 2004, the date of commencement of commercial service of the turbines installed during the CRCE Turbine Phase of the Mount Copper Facility (the "Mount Copper PPA Effective Date").

The Mount Copper PPA provides that Hydro-Québec will pay Mount Copper $0.056 per kilowatt hour for all electricity delivered from the Mount Copper Facility during the first year of the Mount Copper PPA. During the term of the Mount Copper PPA, such price will be escalated annually for each subsequent one-year period at a rate of 1.5%.

Wind Power Production Incentive ("WPPI") is a program of the Canadian federal government that provides incentive payments to producers of wind energy. As per the determination of Natural Resources Canada, Mount Copper receives an incentive payment of $0.01 per kWh of eligible production for the first 10 years of operation, of which $0.005 per kWh is reimbursable to Hydro-Québec per the PPA.

Pubnico Point

Pubnico Point Wind Farm Inc. is located approximately 36 kilometres southeast of Yarmouth, on the southern portion of Pubnico Point in southwest Nova Scotia. The Company erected 2 test wind turbines early in 2004 ("Phase I"), followed by 15 wind turbines after successful completion of the 120-day test period ("Phase II").

All electricity produced by the wind energy project is sold to Nova Scotia Power Inc. ("NSPI") pursuant to a standard form PPA. The Company is not required to sell or deliver a minimum amount of electricity to NSPI.

Commencing in May 2004, the month the Pubnico Point Facility was first capable of delivering electricity to NSPI, and ending on the first day of January 2005, the month following the date on which wind turbines totalling at least 28 MW of nameplate capacity were brought into service at the Pubnico Point Facility (the "Pubnico PPA Effective Date"), NSPI paid $0.05 per kWh for the first five GWh of electricity generated by the Pubnico Point Facility and thereafter NSPI paid $0.06814 per kWh for such energy. The Pubnico Point PPA is expected to terminate between 15 and 18 years from the Pubnico Point PPA Effective Date, depending on the energy output of the Pubnico Point Facility.

The General Partner of the Partnership is Creststreet Power & Income General Partner Limited ("General Partner"). The General Partner has a 0.01% beneficial interest in the Partnership. The Partnership has entered into an agreement dated December 11, 2003 with Creststreet Power & Income Management Limited ("the Manager") pursuant to which the Manager will perform certain management, administration and other services for the Partnership.

The General Partner and the Manager are wholly owned subsidiaries of Creststreet Asset Management Limited.

These financial statements present the financial position and results of operations of the Partnership and accordingly, do not and are not intended to include the assets, liabilities, revenues and expenses of the partners. No provision has been made for income taxes as the partners are taxable individually on their share of the Partnership's loss.

2. Significant Accounting Policies

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

a. Basis of Consolidation

As at December 31, 2005, the Partnership has 50% of the voting shares of both Mount Copper and Pubnico Point. Each of Mount Copper and Pubnico Point are variable interest entities as a result of the terms of their shares, and the Partnership has a variable interest in each of Mount Copper and Pubnico Point and will receive the majority of Mount Copper and Pubnico Point's expected residual returns and will absorb the majority of the expected losses. As a result of applying the provisions of AcG-15 Variable Interest Entities, the Partnership is the primary beneficiary and has consolidated the results of Mount Copper and Pubnico Point in its financial statements.

b. Cash and Cash Equivalents

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

c. Limited Partnership Unit Issue Costs

Costs incurred in connection with the issuance of units are deducted from the proceeds of the offering of units included in Partners' Capital.

d. Plant and Equipment and Pre-operating Costs

Capital assets are initially recorded at cost. Cost includes pre-operating costs and the cost of acquiring and constructing support facilities and wind turbines. Interest on debt incurred to construct plant and equipment is capitalized during the construction period. The plant and equipment are amortized on a straight-line basis over 20 years once the assets have been put into commercial operation.

The plant and equipment were constructed on leased land. The Mount Copper Facility land leases have terms of 25 years and are renewable for a further period of 15 years and the Pubnico Point Facility land lease has a 15-year term and is renewable for a total of 45 years.

Notes to Consolidated Financial Statements (cont'd)

Expenditures that relate directly to placing a new business into service but do not qualify as plant and equipment occurring during the pre-operating period have been capitalized to pre-operating assets included in Plant and Equipment. These are being amortized over a five-year period. The pre-operating period began with the development of the site and ended when commercial operations began in May 2004 for both Mount Copper and Pubnico Point.

e. Intangible Assets

Intangible assets acquired when Creststreet Mutual Funds Limited ("CMFL") and Creststreet Power Holdings Limited ("CPHL") exercised their right to exchange shares of Mount Copper and Pubnico Point were recorded at their fair value and are amortized on a straight-line basis over the minimum remaining life of the PPA as follows:

Mount Copper	20 years
Pubnico Point	15 years

f. Impairment of Long-lived Assets

The Partnership prospectively adopted the recommendations of Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3063, "Impairment of Long-Lived Assets," as of January 1, 2004. These recommendations require that an impairment loss on long-lived assets to be held and used be recognized when their carrying value exceeds the total undiscounted cash flows expected from their use and eventual disposition. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its fair value. The adoption of these recommendations had no impact on the results of operation for the year ended December 31, 2005.

The Partnership reviews its long-lived assets whenever events or changes in circumstance indicate that the carrying amount may not be recoverable. Whenever indicators of impairment of the carrying value of the long-lived assets exist, and the carrying amount is greater than the net recoverable value, an impairment loss is recognized to the extent that the fair value is below the carrying value.

g. Revenue Recognition

Revenue from electricity sales is recorded at the time electrical energy is delivered at the rates set out in the relevant PPA. Interest and investment income is recognized as earned. Wind Power Production Incentive ("WPPI") is a program of the Canadian federal government that provides incentive payments to producers of wind energy. As per the determination of Natural Resources Canada, Mount Copper receives an incentive payment of $0.01 per kWh of eligible production for the first 10 years of operation, of which $0.005 per kWh is reimbursable to Hydro-Québec per the PPA. Pubnico Point receives an incentive payment of $0.01 per kWh of eligible production for the first 10 years of operations, of which the entire amount is reimbursable to Nova Scotia Power Inc. Revenue from WPPI is shown net of reimbursments to Hydro-Québec and Nova Scotia Power.

h. Derivative Instruments

Bond forward purchase agreements were used to reduce interest rate exposure on the refinancing of indebtedness. Mount Copper and Pubnico Point do not enter into bond forward purchase agreements, interest rate contracts or swap agreements for trading or speculative purposes. However, the bond forward purchase agreements entered into by Mount Copper and Pubnico Point do not qualify for hedge accounting and, as such, are recorded at their fair value as either an asset or liability, with changes in fair value recognized in income in the period they occur.

i. Deferred Charges

Deferred charges consist of financing costs related to the establishment of the Partnership's debt facilities. The costs are being amortized over the expected life of the related debt facility. Upon early termination of the debt facility, the unamortized balance of the financing costs is written off. During the period between signing the financing agreement and Phase II being substantially complete the amortization was capitalized to capital assets.

j. Income Taxes

The Partnership is not a taxable entity. Income taxes on its income are the responsibility of the individual partners and have accordingly not been recorded in these consolidated financial statements.

Mount Copper and Pubnico Point are taxable Canadian corporations, subject to federal and provincial income taxes and capital taxes. These corporations account for income taxes under the asset and liability method. Under this method, future tax assets and liabilities are recognized for future tax consequences attributable to differences between the financial statement carrying value and the tax basis of assets and liabilities. Future tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected, recovered or settled. A valuation allowance is provided to record the future tax asset at the amount that is more likely than not to be recovered.

k. Asset Retirement Obligation

Effective January 1, 2004, Mount Copper and Pubnico Point prospectively adopted new accounting requirements of the CICA issued in Section 3110, "Accounting for Asset Retirement Obligations," which required the Companies to record an asset and related liability for the costs associated with the retirement of long-lived tangible assets when a legal liability to retire such assets exists. The provisions of Section 3110 require the asset retirement obligations to be recorded at fair value at the time the liability is incurred. Accretion expense is recognized as an operating expense using the credit-adjusted risk-free interest rate in effect when the liability was recognized. The associated asset retirement obligations are capitalized as part of the carrying amount of the long-lived asset and depreciated over the estimated useful life of the asset. Mount Copper and Pubnico Point have recorded asset retirement obligations primarily associated with certain closure, reclamation and restoration costs for their wind energy turbines of $143 (2004 – $16) and $91 (2004 – $7), respectively, as at December 31, 2005.

As required under the standard, Mount Copper and Pubnico Point will make periodic assessments as to the reasonableness of the asset retirement obligation estimates and revise those estimates accordingly.

l. Use of Estimates

The preparation of consolidated financial statements in accordance with Canadian GAAP 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 consolidated financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates. By their nature, these estimates are subject to measurement uncertainty and the effect on the consolidated financial statements of changes in such estimates on future periods could be significant.

Notes to Consolidated Financial Statements (cont'd)

m. Loss per Unit

Net loss per unit is calculated by dividing net loss by the weighted average number of units outstanding during the period. For the purposes of the weighted average number of units outstanding, units are determined to be outstanding from the date they are issued.

n. Prior Year Balances

Certain prior year balances have been reclassified to conform to the presentation adopted in the current year.

3. Restricted Cash

The Partnership entered into an escrow agreement dated January 18, 2005 in connection with the Partnership's offering of convertible debentures that required a defined portion of the proceeds of the offering to be held in escrow. All cash held in escrow was released on October 20, 2005.

Restricted cash includes amounts funded to Mount Copper and Pubnico Point through their credit facilities. These funds may only be accessed for construction related expenses upon the acceptance by the lenders. Mount Copper and Pubnico Point released a total of $3,140 in January 2006 and anticipate releasing a further $2,078 before the end of the first quarter of 2006.

4. Derivative Instruments

Bond forward purchase agreements were used to reduce interest rate exposure on the refinancing of indebtedness. Mount Copper and Pubnico Point do not enter into bond forward purchase agreements, interest rate contracts or swap agreements for trading or speculative purposes. However, the bond forward purchase agreements entered into by Mount Copper and Pubnico Point did not qualify for hedge accounting and, as such, were recorded at their fair value as either an asset or liability, with changes in fair value recognized in income in the period they occur.

On August 19, 2004 and September 16, 2004, Mount Copper and Pubnico Point entered into bond forward purchase agreements in the notional amount of $65,000 in aggregate, in order to reduce, to the extent possible, the interest rate exposure on the refinancing of their indebtedness. The agreements were based on the 5%, June 1, 2014 Government of Canada Bond and were settled on August 3, 2005 with total payments of $5,067.

5. Plant and Equipment and Pre-operating Costs

December 31		**2005**		2004
Québec Project	**$**	**89,790**	$	30,586
Nova Scotia Project		**48,291**		11,592
		138,081		42,178
Less: accumulated amortization		**6,460**		1,216
	$	**131,621**	$	40,962
Québec Project construction in progress	**$**	**–**	$	29,642
Nova Scotia Project construction in progress		**–**		28,586
		–		58,228
Total	**$**	**131,621**	$	99,190

During the second quarter of 2004 the Québec Project and the Nova Scotia Project commenced commercial operations of Phase I of the wind energy projects. Phase II commercial operations commenced in the first quarter of 2005 for the Nova Scotia Project and in the second quarter of 2005 for the Québec Project. At the time of commercial operation, construction in progress is reclassified to plant and equipment and amortization commences. For the year ended December 31, 2005, interest expense capitalized was $1,361 (2004 – $564).

6. Deferred Charges

Creststreet Power & Income Fund LP

On January 20, 2005, the Partnership issued 27,000 unsecured convertible debentures. The cost incurred for this issuance was $2,041 and will be amortized over the term of the debentures. For the year ended December 31, 2005 amortization of deferred charges totalled $398 (2004 – nil).

Mount Copper

Substantial completion of the Phase II wind turbines was achieved during the second quarter of 2005 at which time amortization of deferred charges began. For the year ended December 31, 2005 amortization of deferred charges totalled $118 (2004 – nil). Prior to completion of Phase II, $305 was capitalized to plant and equipment (2004 – nil).

During the first quarter of 2005, Mount Copper cancelled the junior facility of $13,570 and, as a result, wrote off $434 of deferred charges.

During the third quarter of 2005, Mount Copper cancelled the term facility of $34,747 and, as a result, wrote off $1,177 of deferred charges.

Pubnico Point

Substantial completion of the Phase II wind turbines was achieved during the first quarter of 2005 at which time amortization of deferred charges began. For the year ended December 31, 2005 amortization of deferred charges totalled $195 (2004 – nil). Prior to completion of Phase II, $88 was capitalized to plant and equipment (2004 – nil).

During the first quarter of 2005, Pubnico Point cancelled the junior facility of $8,725 and, as a result, wrote off $389 of deferred charges.

During the third quarter of 2005, Pubnico Point cancelled the term facility of $19,703 and, as a result, wrote off $716 of deferred charges.

7. Business Combination

On August 3, 2005, the Partnership acquired 2,470,000 Class A shares of Mount Copper and 10,000 Class A shares of Pubnico Point from CMFL and CPHL for $1,000 in cash and 687,211 units of the Partnership, with a market value of $6,013.

The acquisition has been recorded at the exchange amount and has been accounted for using the purchase method and accordingly the results of the interests acquired have been included in the consolidated financial statements since the acquisition date.

Notes to Consolidated Financial Statements (cont'd)

During the fourth quarter of 2005, the Partnership completed the allocation of the purchase price for the acquisition. The final allocation of the purchase price, based on management's estimates, is as follows:

December 31		2005
Assets acquired		
Net assets – Mount Copper	**$**	**2,396**
Net assets – Pubnico Point		**1,230**
Future tax liability		**(1,724)**
Intangible assets		**5,111**
Total consideration	**$**	**7,013**
Consideration comprises		
Cash	**$**	**1,000**
CPIF units		**6,013**
Total consideration	**$**	**7,013**

8. Intangible Assets

December 31		2005		2004
Cost	**$**	**5,111**	$	–
Less: accumulated amortization		**121**		–
Total	**$**	**4,990**	$	–

On August 3, 2005 CMFL and CPHL exercised their right to exchange shares of Mount Copper and Pubnico Point for units of CPIF. This transaction resulted in intangible assets associated with the PPA's.

Amortization of the intangible assets for the year ended December 31, 2005 amounted to $121 (2004 – nil).

9. Commitments

The Company has committed to certain payments as follows:

	2006	2007	2008	2009	2010	Thereafter	Total
Québec Project							
WMS Agreement	$ 903	$ 903	$ 903	$ 902	$ 223	$ –	$ 3,834
Land Lease	62	62	62	62	62	1,146	1,456
Nova Scotia Project							
WMS Agreement	426	426	426	427	–	–	1,705
Land Lease	100	100	100	100	100	800	1,300
Total	$ 1,491	$ 1,491	$ 1,491	$ 1,491	$ 385	$ 1,946	$ 8,295

Mount Copper entered into a Warranty, Maintenance and Service ("WMS") Agreement dated November 11, 2003 with Vestas-Canadian Wind Technology Inc. ("Vestas") which provides for certain warranties in connection with the wind turbines installed at the wind energy project, and which also provides for ongoing service and maintenance obligations in connection with the wind turbines. The WMS Agreement includes a facility-wide warranty, which commences only on substantial completion of the 30 wind turbines, related to power curve performance and availability of the facility. In the event that the facility fails to perform as warranted, the WMS Agreement provides that Mount Copper will be entitled to liquidated damages to offset any lost revenue. The contract is for a 5-year period commencing at the date that the turbines come into service.

Mount Copper's remaining commitment under the WMS Agreement with Vestas at December 31, 2005 was $3,834.

Mount Copper has also entered into 31 lease agreements dated December 15, 2002 and July 28, 2004 with the Government of Québec with respect to the site for the wind energy project. The term of each lease agreement is 25 years, renewable for up to 15 years. The annual rent payable under each lease agreement is $2,000, subject to annual adjustment every four years in accordance with the Canadian Consumer Price Index ("CPI").

Mount Copper has a lease obligation for its transmission lines expiring March 14, 2006. Future minimum annual lease payments required under this lease are $110.

Pubnico Point has entered into a Warranty, Maintenance and Service Agreement ("WMS" Agreement) with Vestas dated December 10, 2003 which provides for certain warranties in connection with the wind turbines installed at the wind energy project, and which also provides for ongoing service and maintenance obligations in connection with the wind turbines. The WMS Agreement includes a facility-wide warranty, which commences only on substantial completion of the wind turbines, related to power curve performance and availability of the facility. In the event that the facility fails to perform as warranted, the WMS Agreement provides that the Company will be entitled to liquidated damages to offset any lost revenue. The contract is for a 5-year period commencing at the date that the turbines come into service.

Pubnico Point's remaining commitment under the WMS Agreement with Vestas-Canadian Wind Technology Inc. at December 31, 2005, was $1,705.

Pubnico Point has entered into a lease agreement dated November 10, 2003 with a corporate affiliate of the shareholder, PPWF Management Limited ("PML") (formerly Atlantic Wind Power Corporation) with respect to the site for the wind energy project. The term of the lease is 15 years commencing on November 10, 2003. The lease agreement may be renewed for two additional 5-year periods (for a total of 25 years) and may be renewed for a further 20 years if Pubnico Point grants to the landlord, effective on the date of such renewal, a 10% carried interest in the net cash flow of the facility such that the aggregate of the initial term and all renewals thereafter is 45 years. The annual rent payable under the lease agreement for the 12-month period ending October 31, 2004 is $100. The annual rent is adjusted annually in accordance with the Canadian Consumer Price Index (the "CPI"), effective November 1, 2004 and each anniversary thereafter. One-twelfth of the annual rent is payable at the beginning of each month.

10. Related Party Transactions

The amounts due to related parties as at December 31 are as follows:

December 31		**2005**		2004
Due to the Manager	**$**	**58**	$	44
Due to CCC		**6**		–
Due to PML		**44**		–
Due to 3Ci		**4**		7
	$	**112**	$	51

Payments to the General Partner

The General Partner is reimbursed for reasonable costs incurred by it in acting as registrar and transfer agent and in attending to the administration of the Partnership.

In 2005, the General Partner was reimbursed $196 (2004 – $109).

Notes to Consolidated Financial Statements (cont'd)

Payments to the Manager

The Manager is entitled to a base fee equal to $300 per annum, payable in equal monthly instalments in arrears, and increased every 12 months in accordance with the percentage increases in the Canadian CPI. To the extent that the Manager is able, as a result of acquisitions of additional facilities by the Partnership, to increase distributable cash of the Partnership in any fiscal year to more than $25 million, the base fee will thereafter be increased to $500, payable on the same basis and subject to increase based on increases in the CPI. In addition, as an incentive for the Manager to enhance the profitability of the Partnership and the cash distributions paid to partners, the Manager will be entitled to earn an incentive fee per unit outstanding as at December 31 of each year, payable annually commencing with the 2005 fiscal year equal to 25% of the amount by which distributable cash in respect of the applicable year, calculated on a per unit basis, exceeds the Base Amount. The "Base Amount" as set out in the prospectus dated July 27, 2005 will be equal to the amount of distributable cash on a per Unit basis in excess of $0.75 per 12-month period.

In addition, the Manager was paid a one-time fee of $200 at the completion of Phase I, an additional $200 at the completion of the construction of all the turbines at both facilities and $100 at the listing of the units on a Canadian stock exchange.

The Manager is also entitled to reimbursement of its operating expenses incurred in providing the services under the Management Agreement.

In 2005, the Manager earned $795 (2004 – $535) under these agreements, including reimbursement of $153 (2004 – nil) for out-of-pocket expenses.

For the year ended December 31, 2005, Creststreet Holdings Ltd. ("CHL") was paid $106 to reimburse costs paid on behalf of the Partnership.

Mount Copper

Mount Copper entered into a Construction Services Agreement ("CSA") dated November 10, 2003 with a shareholder, 3Ci Inc. ("3Ci"), under which the services to be provided by 3Ci include, among other things, assisting with the supervision of the construction of the facility, assisting with the administration of the EPC Agreement and assisting Mount Copper in making applications for and obtaining all necessary licences and permits from appropriate governmental authorities that are not currently in place. As consideration for its services, the payments for Phase I were equal to 2.5% of the Mount Copper Facility EPC Agreement price, not including taxes, which were paid 50% at the time of payment of the invoice by Mount Copper to Vestas and 50% upon completion of Phase I the facility. The payments for Phase II are also 2.5% of the Mount Copper Facility EPC Agreement price, not including taxes, of which $188 was paid at the time the Phase II Notice to Proceed was delivered to Vestas and $1,291 was paid at completion of Phase II construction and the cancellation of the junior loan. 3Ci are also reimbursed for certain out-of-pocket expenses incurred in providing services.

Mount Copper entered into a Management Services Agreement dated November 10, 2003 with 3Ci to provide certain management services to the wind energy project. The MSA has an initial term of five years and will be automatically renewed for four additional periods of five years unless 3Ci provides one year's written notice of its intention not to renew the agreement. Mount Copper is entitled to terminate the agreement in the event that 3Ci does not perform its responsibilities under the contract. 3Ci will be paid a monthly fee of $39 for services provided under the MSA and will be reimbursed for certain out-of-pocket expenses incurred in providing services, provided such expenses have been incurred in compliance with a project budget agreed to by Mount Copper.

Prior to the CSA and MSA, 3Ci was paid a monthly fee of $15 plus certain out-of-pocket expenses for management services.

Mount Copper entered into a Financial Services Agreement dated November 10, 2003 with the Manager which provides that the Manager will maintain the books and records of the Company and provide it with other cash management services for a fee of $5 per month.

3Ci Inc. and CPHL own Class B shares of Mount Copper. Holders of the Class B shares will be entitled to cumulative dividends based on the annual level of operating cash flow achieved by Mount Copper. If the operating cash flow is below $9,000 per year (the “Mount Copper Hurdle Cash Flow”), the dividends on the Class B shares will be nil. Commencing the month during which the Mount Copper Facility is commissioned, the Class B shares will be entitled to dividends equal to 50% of the annual operating cash flow above the Mount Copper Hurdle Cash Flow. For the year ended December 31, 2005, no dividends were paid.

Mount Copper incurred $1,941 (2004 – $1,200) under these various contractual agreements.

Pubnico Point

Pubnico Point entered into an MSA with PML, dated November 10, 2003, under which PML will, among other things, assist with the supervision of the construction of the facility and assist with the administration of the EPC Agreement. As consideration for its services, PML was paid total fees of $370 plus the incentive if the facility was completed for a specified amount below the budgeted cost.

Pubnico Point entered into a MSA with PML dated November 10, 2003 to provide certain management services to the wind energy project. The Management Services Agreement has an initial term of five years and will be automatically renewed for four additional periods of five years unless PML provides one year’s written notice of its intention not to renew the agreement. Pubnico Point is entitled to terminate the agreement in the event that PML does not perform its responsibilities under the contracts. PML will be paid a monthly fee of $10 for services provided under the MSA and will be reimbursed for certain out-of-pocket expenses incurred in providing services, provided such expenses have been incurred in compliance with a project budget agreed to by the Company.

Pubnico Point entered into a lease agreement dated November 10, 2003 with a corporate affiliate of the shareholder, PPWF Management Limited (“PML”) (formerly Atlantic Wind Power Corporation) with respect to the site for the wind energy project. See Note 9 for details.

Pubnico Point entered into a Financial Administration Agreement dated November 10, 2003 with the Manager, which provides that the Manager will maintain the books and records of the Company and provide it with other cash management services for a fee of $1.5 per month.

Notes to Consolidated Financial Statements (cont'd)

PML and Creststreet Capital Corporation ("CCC") own Class B shares of Pubnico Point. Holders of the Class B shares will be entitled to cumulative dividends based on the annual level of operating cash flow achieved by Pubnico Point. If the operating cash flow is below $4,750 per year (the "Pubnico Point Hurdle Cash Flow"), the dividends on the Class B shares will be nil. Commencing the month during which the Pubnico Point Facility is commissioned, the Class B shares will be entitled to dividends equal to 70% of the annual operating cash flow above the Pubnico Point Hurdle Cash Flow. For the year ended December 31, 2005 $408 was paid to the Class B shareholders.

Pubnico Point incurred $373 (2004 – $369) under these various contractual agreements, including $46 (2004 – $17) of out-of-pocket expenses.

During the year, the Partnership acquired the remaining non-controlling interest of Mount Copper and Pubnico Point from related parties. Refer to note 7 for details.

11. Notes Payable

Mount Copper

On August 19, 2004 Mount Copper entered into a financing agreement with a syndicate of lenders establishing a credit facility totalling $67,270. This amount was available in three facilities; a $18,953 note facility bearing interest at 6.55%, maturing March 31, 2011; $34,747 term debt, with a floating interest rate of either bankers' acceptances rate plus 1.5% or prime rate plus 0.5%, maturing May 15, 2007; and a $13,570 junior loan facility bearing interest at 12%, maturing on May 15, 2007. The note and the term debt were collateralized by the plant and equipment located at Mount Copper.

On January 20, 2005, the agreement was amended and the junior facility of $13,570 was cancelled and the related deferred financing costs of $434 were expensed.

On August 3, 2005, the outstanding term facility of $27,200 was fully repaid and cancelled. The remaining term facility of $7,547 was cancelled on September 12, 2005. The related deferred financing costs of $1,177 were expensed.

The note facility of $18,953 remains outstanding and is due March 31, 2011. On September 12, 2005, the fixed interest rate on the note facility decreased from 6.55% to 6.10% per annum.

Pubnico Point

On September 16, 2004, Pubnico Point entered into a financing agreement with a syndicate of lenders establishing a credit facility totalling $40,025. This amount was available in three facilities; a $11,047 note facility bearing interest at 6.491%, maturing March 31, 2011; $20,253 term debt, with a floating interest rate of either bankers' acceptances rate plus 1.5% or prime rate plus 0.5%, maturing May 15, 2007; and a $8,725 junior loan facility bearing interest at 12%, maturing on May 15, 2007. The note and the term debt were collateralized by the plant and equipment located at Pubnico Point.

On February 2, 2005, the agreement was amended and the junior facility of $8,725 was cancelled and the related deferred financing costs of $389 were expensed. On April 29, 2005, $550 of the term facility was repaid, thus reducing the overall available credit to $19,703.

On August 3, 2005, the outstanding term facility of $19,650 was fully repaid and cancelled. The related deferred financing costs of $716 were expensed.

The note facility of $11,047 remains outstanding and is due March 31, 2011. On August 3, 2005, the fixed interest rate on the note facility decreased from 6.491% to 6.041% per annum.

These financing agreements contain customary representations, warranties and covenants (including financial covenants and restrictions on incurring additional indebtedness). Collateral for the facilities is provided by a first priority security interest in the assets of Mount Copper and Pubnico Point and various security interests granted by some of Mount Copper's and Pubnico Point's shareholders.

On December 19, 2005, the Partnership announced a commitment to purchase up to $31 million of subordinated notes of Kettles Hill Wind Energy Inc. ("Kettles Hill") which is constructing a 63 MW wind energy project in southern Alberta near Pincher Creek. As of year-end, nothing had been advanced to Kettles Hill. The Partnership has arranged a line of credit with a major Canadian financial institution to finance a portion of the commitment and anticipates financing a substantial portion of the commitment in the public markets expected to occur in late spring. The project is expected to be completed in October 2006.

Subsequent to year-end, the Partnership borrowed $7,000 on its line of credit and advanced $5,000 to Kettles Hill.

12. Unsecured Convertible Debentures

On January 20, 2005, the Partnership issued 27,000 unsecured convertible debentures for total proceeds of $27,000. The debentures have a coupon rate of 7% and mature March 15, 2010. Each debenture is convertible into units at the option of the holder at any time at a conversion price of $9.625 per unit. The conversion option was valued at $530 and included in the statement of partners' capital. The liability portion of the unsecured convertible debentures is being accreted such that the liability on maturity will equal the gross proceeds less conversions. For the year ended December 31, 2005, $97 of accretion expense was included in the statement of operations.

The net proceeds of approximately $24,959 after underwriter fees and other expenses were used to fund further investment by the Partnership in the Wind Energy Companies by way of subordinated notes issued by Mount Copper and Pubnico Point to fund capital expenditures, to permit the refinancing of a portion of their construction debt facilities and for general business purposes.

13. Limited Partnership Units and Acquisition

On August 3, 2005, the Partnership issued 7,250,737 limited partnership units by public offering at $8.75 per unit raising gross proceeds of $57,431. Net proceeds of the offering were approximately $53,711, of which $51,655 was used to further invest in Mount Copper and Pubnico Point by way of subordinated and senior notes.

In addition, on August 3, 2005 the Partnership acquired the remaining 13.1% and 22.2% interests of the Class A shares of Mount Copper and Pubnico Point, respectively, from CMFL and CPHL for consideration of $1,000 and 687,211 limited partnership units with an ascribed value of $6,013. The Partnership has used the purchase method of accounting and, accordingly, has consolidated the results of operations of the interests acquired effective as at that date. As at December 31, 2005, the Partnership has 11,500,737 units outstanding.

Notes to Consolidated Financial Statements (cont'd)

14. Distributions to Unitholders

Distributions to unitholders are paid on or about the 15th of each month, in arrears. The following distributions have been declared to unitholders for the year ended December 31, 2005.

Period of distribution	Date of payment	Amount declared	Amount declared per unit
August 1 – August 31, 2005	September 15, 2005	$ 721	$ 0.0627
September 1 – September 30, 2005	October 17, 2005	721	0.0627
October 1 – October 31, 2005	November 15, 2005	721	0.0627
November 1 – November 30, 2005	December 15, 2005	721	0.0627
December 1 – December 31, 2005	January 16, 2006	721	0.0627
Year ended December 31, 2005		$ 3,605	$ 0.3135

15. Indemnification

Generally, it is not the Partnership's policy to issue guarantees to non-controlled affiliates or third parties, with limited exceptions.

Many of the Partnerhip's agreements, specifically those related to financing, include indemnification provisions where the Partnership may be required to make payments for breach of fundamental representation and warranty terms in the agreements with respect to matters such as corporate status, title of assets, environmental issues, consents to transfer, employment matters, litigation, taxes payable and other potential material liabilities. The maximum potential amount of future payments that the Partnership could be required to make under these indemnification provisions is not reasonably quantifiable as certain indemnifications are not subject to a monetary limitation. At December 31, 2005, management does not believe that these indemnification provisions would require any material cash payment by the Partnership.

16. Asset Retirement Obligation

The following table presents the reconciliation of the beginning and ending aggregate carrying amounts of the obligation associated with the retirement of wind farm properties.

December 31		2005		2004
Mount Copper				
Asset retirement obligation, beginning of year	**$**	**16**	$	–
Liabilities incurred		**120**		16
Accretion expense		**7**		–
Asset retirement obligation, end of year		**143**		16
Pubnico Point				
Asset retirement obligation, beginning of year		**7**		–
Liabilities incurred		**78**		7
Accretion expense		**6**		–
Asset retirement obligation, end of year		**91**		7
Total	**$**	**234**	$	23

The total undiscounted amount of estimated cash flows required to settle the obligation is $221 (2004 – $23), which has been discounted using a credit-adjusted risk-free rate of 11% (2004 – 10%). Most of these obligations are not expected to be paid for 20 years and will be funded from general company resources at that time.

17. Income Taxes

a. Income tax recovery has been determined as follows:

December 31		2005		2004
CPIF				
Current	**$**	**–**	$	–
Future		**37**		–
	$	**37**	$	–
Mount Copper				
Current – large corporation tax	**$**	**(36)**	$	–
Future		**1,098**		681
	$	**1,062**	$	681
Pubnico Point				
Current	**$**	**–**	$	–
Future		**879**		402
		879		402
Total	**$**	**1,978**	$	1,083

Notes to Consolidated Financial Statements (cont'd)

b. Effective tax rates related to losses before income taxes are:

December 31		**2005**		2004
CPIF				
Loss before income tax	**$**	**121**	$	–
Canadian statutory tax rate		**30.6%**		–
Income taxes recovery based on statutory income tax rates		**37**		–
Mount Copper				
Loss before income tax	**$**	**3,540**	$	2,196
Canadian statutory tax rate		**31.02%**		31.02%
Income taxes recovery based on statutory income tax rates		**1,098**		681
Pubnico Point				
Loss before income tax	**$**	**2,305**	$	1,055
Canadian statutory tax rate		**38.12%**		38.12%
Income taxes recovery based on statutory income tax rates		**879**		402
Total	**$**	**2,014**	$	1,083

c. The tax effects of temporary differences that give rise to significant portions of the future tax assets and future tax liabilities at December 31, 2005 are presented below:

December 31		**2005**		2004
CPIF				
Future tax liabilities				
Intangible asset acquired in business combination – differences in net book value and tax value (Note 7)	**$**	**(1,687)**	$	–
Net future tax liability	**$**	**(1,687)**	$	–
Mount Copper				
Future tax assets				
Unused tax losses	**$**	**514**	$	406
Future tax liabilities				
Property, plant and equipment – differences in net book value and undepreciated capital cost		**(7,984)**		(8,974)
Net future tax liability		**(7,470)**		(8,568)
Pubnico Point				
Future tax assets				
Unused tax losses		**330**		277
Future tax liabilities				
Property, plant and equipment – differences in net book value and undepreciated capital cost		**(3,039)**		(3,865)
Net future tax liability		**(2,709)**		(3,588)
Total	**$**	**(11,866)**	$	(12,156)

18. Economic Dependence

In 2005, the Partnership was dependent on Hydro-Québec, the Canadian Federal Government and Nova Scotia Power Inc. for 55% (2004 – 80%), 3% (2004 – nil) and 42% (2004 – 20%), respectively, of consolidated revenue.

19. Fair Value of Instruments

At December 31, 2005, the carrying amount of cash, restricted cash, accounts receivable, accounts payable and due to related parties approximates fair value due to their short-term nature.

At December 31, 2005, the carrying amount of notes payable approximates fair value due to the short period of the time that has elapsed between finalizing the terms of the agreements and the period end date.

As at December 31, 2005 the fair value of the unsecured convertible debenture was $ 27,810.

Creststreet Power & Income General Partner Limited

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Corporate Director

Eric McFadden
Managing Director
Creststreet Capital Corporation

Robert S. McLeese*
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Access Capital Corp.

Robert J. Toole, C.A.*
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and Director
Creststreet Asset Management
Limited

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President and Chief Executive Officer

Donna Shea, C.A.
Vice-President, Finance

Mark Stewart, C.A.
Treasurer

Arlene McLean
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