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News Release

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CRESTSTREET POWER & INCOME FUND LP ANNOUNCES Q3 2005 FINANCIAL RESULTS

Toronto, Ontario – Creststreet Power & Income Fund LP (the “Partnership”) (CRS.UN: TSX) announced today its financial results for the period ended September 30, 2005.

Message to Unitholders

The Partnership took significant steps in the third quarter of 2005 on both the Quebec and Nova Scotia Projects and in our financing plans.

On August 3, 2005, the Partnership closed a treasury offering of units raising gross proceeds of \$57.4 million at \$8.75 per unit and listed its units for trading on the TSX under the symbol “CRS.UN”. The net proceeds of the offering were used to repay construction bank debt and for general corporate purposes. Our first monthly distribution was made to Unitholders as of record date August 31, 2005 and was paid on September 15. The Partnership has now completed all of its financing activities for the two wind projects in Quebec and Nova Scotia.

The Quebec Project, on June 19, 2005, reached substantial completion of all turbines in the Infill Phase along with the 5 CRCE Phase turbines for a total of 30 operating turbines and is now at full production. The Nova Scotia Project completed Phase II (“Infill Phase”) erection of 15 wind turbines and achieved Substantial Completion on February 25, 2005. In April 2005, the replacement of a turbine blade damaged during installation in Phase I was completed whereupon the Nova Scotia Project was at full production.

Total revenue of \$3.4 million was earned during the third quarter. Capital spending for the Projects during the quarter for Infill Phase construction totaled \$2.6 million.

The Quebec Project - Mount Copper Wind Power Energy Inc.

In the third quarter of 2005, production from Mount Copper was approximately 9% below the independent engineer’s long term projection for that period. The month of June 2004, was the first month of full operation at the site. During the first four full months of operation at the site the production was approximately 6% below the independent engineer’s long term projection for that period. Availability of the turbines during this quarter continued to average greater than 95%. These results fall within expectations considering the inherent variability of wind speeds.

The Nova Scotia Project - Pubnico Point Wind Farm Inc.

In the third quarter of 2005, production from Pubnico Point was approximately 19% below the independent engineer’s long-term projection for that period. During the first seven full months of operation at the site the production was approximately 13% below the independent engineer’s long term projection for that period. Availability of the turbines during this quarter continued to average greater than 95%. These results fall within expectations considering the inherent variability of wind speeds.

After the settlement of all remaining scheduled payments on completion of construction of the two projects, the Partnership targeted average surplus cash balances of approximately \$3.0 million. As of September 30, 2005 and after deducting amounts held for payment of scheduled capital costs, the Partnership held a surplus cash balance of \$3.4 million, or 39% of annual projected distributions given the current monthly distribution amount.

The Manager continues to monitor the production, operations and performance of both windpower projects closely. The wind resource can vary significantly from month to month and although production in the third quarter was below long-term expectations, the shortfall was within expected variances. The cash surplus was targeted to ensure the Partnership can meet distribution expectations and it remains above our targeted average balance even though we are at the end of the low season of production at both wind projects.

Financing

On August 3, 2005, the Partnership closed a public offering of \$57.4 million units at an issue price per unit of \$8.75. The net proceeds of the offering were invested in Senior and Subordinated Promissory Notes of both Wind Energy Companies to repay construction debt and for general corporate purposes. The Units are currently listed on the TSX trading under the ticker symbol CRS.UN and the Partnership commenced monthly distributions to Unitholders of record at the end of each month with the first distribution occurring on September 15, 2005 to Unitholders of record August 31, 2005.

As a result of the unit offering, the conversion price of the Partnership's 7% Convertible Debentures maturing September 15, 2010 convertible into limited partnership units of the Partnership was set at \$9.625 per unit or 110% of the offer price on the public offering of units described above.

Given the refinancing requirements of the Construction Loan Facility, the Partnership sought to reduce its exposure to movements in interest rates and their potential effect on its ability to raise sufficient funds to repay the Construction Debt. Upon closing of each projects' debt facility in the summer of 2004, Bond Forward Purchase Agreements were entered into for an aggregate principal amount of \$65 million which provided protection to the Partnership's investments should interest rates increase materially. These were closed out upon the refinancing of the construction debt in August of 2005.

Creststreet continues to be excited about the growth of windpower in Canada. On July 11, 2005, Creststreet successfully completed a \$40 million initial public offering of Creststreet Kettles Hill Windpower LP to fund a portion of the construction costs of a 63 MW windpower project in southern Alberta. The Partnership provided non-binding expressions of interest to invest in the project in 2006 and potentially to acquire ownership of the project upon completion which is expected in the summer of 2006.

Windpower government initiatives are under way in several provinces as both the public and industry expand their recognition of the environmental benefits, growing productivity and cost effectiveness of wind power. Creststreet's windpower financing structure remains the premier financing vehicle for new windpower projects and the Partnership is committed to capitalizing on the growth opportunities available in Canada.

On behalf of Creststreet Power & Income Fund LP by its General Partner

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

November 4, 2005

MANAGEMENT'S DISCUSSION AND ANALYSIS

Three and nine months ended September 30, 2005 and 2004

(unaudited, all dollar amounts stated in thousands of dollars except where otherwise stated)

Overview

In December 2003, Creststreet Power & Income Fund LP (the "Partnership") completed its initial public offering of limited partnership units, raising gross proceeds of \$42,500. The Partnership invested in flow-through shares of two Canadian companies, which operate wind energy projects to generate electricity for sale to provincial electricity utilities pursuant to long-term power purchase agreements. For the first time in the third quarter, 2005 all the turbines of the wind energy companies operated commercially for the entire period, and the Partnership commenced monthly distributions to Unitholders.

The Quebec Project 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 Quebec Project erected 5 test wind turbines early in 2004 ("CRCE Turbine Phase") which entered into commercial operations in May 2004. During the third quarter of 2004, the Quebec Project completed a 120-day test period of the initial 5 wind turbines, and began to erect a further 25 wind turbines ("Infill Construction Phase"). Completion and commissioning of the Infill Construction Phase occurred in June 2005.

The Nova Scotia Project is situated on the southern portion of Pubnico Point in southwest Nova Scotia, approximately 36 kilometres southeast of Yarmouth, Nova Scotia. The site of the Nova Scotia Project facility lies south of the village of West Pubnico, Nova Scotia. The Nova Scotia Project erected 2 CRCE Turbine Phase turbines early in 2004 which entered into commercial operations in May 2004. During the third quarter of 2004, the Nova Scotia Project completed a 120-day test period of the initial 2 wind turbines, and began to erect a further 15 Infill Construction Phase turbines. Completion and commissioning of the Infill Construction Phase occurred in February 2005.

The Infill Construction Phases for the Quebec Project and the Nova Scotia Project were funded by a construction debt facility totaling \$107,295 which closed in the third quarter of 2004. On January 20, 2005, the Partnership completed an offering of \$27 million of convertible debentures. Net proceeds from the convertible debentures were used to make further investments in the Quebec Project and the Nova Scotia Project by way of subordinated notes to fund capital expenditures, to permit refinancing of a portion of their construction debt facilities and for general business purposes. In January 2005 the construction debt facilities were amended and reduced to \$85,000 as a result of receiving the proceeds from the issue of convertible debentures.

On August 3, 2005, the Limited Partnership issued 7,251 Limited Partnership Units by public offering at \$8.75 per unit raising gross proceeds of \$57,431 and listed the units on the TSX. Net proceeds of the offering were approximately \$53,131 of which \$51,655 was used to further invest in Quebec project and Nova Scotia project by way of subordinated notes and senior notes.

In addition, on August 3, 2005 the Partnership acquired the remaining 13.07% and 22.2% interests of the class A shares of Mount Copper and Pubnico Point from Creststreet Mutual Funds Limited and Creststreet Power Holdings Limited for consideration of \$1,000 and 687 Limited Partnership Units with an ascribed value of \$6,013. The General Partner believes the carrying value of the assets acquired approximates fair value. While the General Partner has not yet finalized the purchase price allocation the excess of the purchase price has been allocated to goodwill, based on the General Partners initial valuation assessment.

The Partnership commenced monthly cash distributions on September 15, declaring its first distribution of \$0.0627 per Limited Partnership Unit for the month ending August 31, 2005.

The following discussion and analysis may contain forward-looking statements regarding the Partnership's future performance based on assumptions the Manager of the Partnership considered reasonable at the time it was prepared on November 4, 2005. All forward-looking information is inherently uncertain and actual results may differ materially from the assumptions, estimates or expectations reflected or contained in the forward-looking statements.

Results of Operations

Revenues

For the three months ended September 30, 2005, the Partnership generated revenue of \$3,366 compared to \$527 for the same period of 2004. This increase of \$2,839 is largely due to completion and commissioning of 40 Infill Construction Phase turbines for the Quebec and the Nova Scotia Projects. The Infill Construction Phase commercial operations commenced in the first quarter of 2005 for the Nova Scotia Project and in the second quarter of 2005 for the Quebec Project. There are 47 turbines in operation in total which delivered 52.3 gigawatt hours ("GWh") of electricity for the three months ended September 30, 2005. In 2004, seven CRCE Turbines were erected and commissioned in May and delivered 10 GWh of electricity for the three months ended September 30, 2004. For the three months ended September 30, 2005 revenue was 95% of internally budgeted amounts. The results fall within expectations considering the inherent variability of wind speeds, and the fact that the project has recently completed construction.

For the nine months ended September 30, 2005, the Partnership earned \$8,537 in revenue from the delivery of a total of 136.1 GWh of electricity. The increase of \$7,771 over 2004 is largely due to completion and commissioning of 40 Infill Construction Phase turbines for the Quebec and the Nova Scotia Projects. The expected annual production for the Quebec Project is 185.9 GWh and 100.8 GWh for the Nova Scotia Project. Both Mount Copper and Pubnico Point have long-term power purchase agreements with their respective provincial utilities at set fixed prices per kilowatt hour, however, the amount of revenue earned is dependent on the amount of wind resource. The wind resource is seasonal with higher volumes in the winter and lower volumes in the summer.

Operating Costs

For the three months ended September 30, 2005, operating costs incurred were \$739 (\$245 in 2004) resulting in an operating margin of 78% of revenues. The expenses related to the operation of the projects are primarily fixed costs. Other operating costs for the third quarter of 2005 include management fees of \$334 (\$181 in 2004). The increase is due to a one-time fee earned at the completion of treasury offering. The increased administrative costs of \$291 (\$71 in 2004) relate to the longer time period over which costs were expensed versus capitalized to plant and equipment in 2005 compared to 2004.

For the nine months ended September 30, 2005, operating costs incurred were \$1,385 (\$349 in 2004) resulting in an operating margin of 84% of revenues. Other operating costs for the nine months ended September 30, 2005 include management fees of \$1,003 (\$455 in 2004). The increase is due to one-time fees earned \$100 at completion of the treasury offering and \$200 upon completion of construction. The increased administrative costs of \$766 (\$451 in 2004) relate to the longer time period over which costs were expensed versus capitalized to plant and equipment in 2005 compared to 2004.

Amortization

During the second quarter of 2005 the Quebec Project commenced commercial operations of the Infill Construction Phase turbines at which time the costs of construction in process were reclassified to plant and equipment and depreciation commenced. The plant and equipment for the both Projects have been amortized for the entire quarter. Therefore, the depreciation on the property and equipment increased to \$1,701 (\$500 in 2004) and \$3,442 (\$702 in 2004) for the three months and the nine months ended September 30, 2005 respectively.

Derivative Loss

On August 19, 2004 and September 16, 2004, respectively, the Quebec Project and the Nova Scotia Project, pursuant to the construction debt facilities, entered into bond forward purchase agreements in the aggregate notional 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, each of which had a maturity of two years post completion of the Infill Construction Phase. The agreements were based on the 5%, June 1, 2014 Government of Canada Bond and were settled on the repayment of the term debt facilities on August 3, 2005 with payments of \$3,280 by Mount Copper and \$1,787 by Pubnico Point resulting in a cumulative realized loss of \$5,067 since entering the contracts.

Quarterly Financial Information

In \$millions except per unit amounts:

	1 st Qtr 2004	2 nd Qtr 2004	3 rd Qtr 2004	4 th Qtr 2004	Total
Revenues	-	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)

	1 st Qtr 2005	2 nd Qtr 2005	3 rd Qtr 2005	Total
Revenues	2.00	3.17	3.37	8.54
Net loss	(0.73)	(1.82)	(2.09)	(4.64)
Net loss per unit	(0.17)	(0.43)	(0.22)	(0.78)

Commercial production of the Quebec Project and the Nova Scotia Project CRCE Phase turbines commenced in the middle of the second quarter of 2004 resulting in the generation of revenue and operating expenses. The third quarter of 2004 reflected a full quarter of revenue and operating expenses from the initial 7 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 6 week shut down at the Nova Scotia Project to install the permanent transformer as well as availability issues at the Quebec 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 includes 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 Quebec project. The expenses in the second quarter of 2005 include a loss on derivative instruments of \$2.96 million. The third quarter of 2005 includes revenue from the CRCE Phase turbines and the entire Infill Construction Phase turbines at the Quebec 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 \$2.44 million.

Financial Condition

Liquidity

Cash and cash equivalents and cash held in escrow increased in total by \$6,270 from \$4,911 on December 31, 2004 to \$11,181 at September 30, 2005 primarily due to net proceeds from the treasury offering and convertible debenture offering offset by costs of construction, repayment of term debts and settlement of derivative instruments. All Cash held in escrow was released on October 20, 2005. Total cash distributions declared were \$1,442 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.

Assets and Liabilities

At September 30, 2005, the Partnership had total assets of \$152,663 compared to \$111,915 at December 31, 2004. The increase was primarily due to the construction of the Infill Turbine Phase. Net plant and equipment related to the Quebec Project and the Nova Scotia Project facilities is \$132,888. The Nova Scotia Project completed construction in February 2005 and commenced depreciation of plant and equipment. The Quebec Project completed construction in June 2005 and commenced depreciation of plant and equipment.

The Quebec Project and the Nova Scotia Project 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 entered into \$27,000 subordinated convertible debentures, due March 15, 2010. Net proceeds raised of \$24,906 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 September 30, 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, \$2,440 of these costs were written off in connection with the cancellation of the term debt facilities. At September 30, 2005 \$2,634 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	8.9	0.4	3.0	2.9	2.6
Total obligations	65.9	0.4	3.0	29.9	32.6

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 twelve months in accordance with the percentage increases in the Canadian Consumers Price Index (the “CPI”). In addition, the Manager has been 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.

The Quebec Project has 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 percent of the Mount Copper Facility Engineering Procurement and Construction Management Services Agreement (“EPC Agreement) 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. 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.

The Nova Scotia Project has entered into a Construction Services Agreement (CSA”) and a Management Services Agreement (“MSA”) with a shareholder, Atlantic Wind Power Corporation (“AWPC”). 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, AWPC has been paid total fees of \$370. The MSA provides that AWPC 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 AWPC 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.

The Quebec Project and the Nova Scotia Project 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 Quebec Project and \$1.5 for the Nova Scotia Project.

3Ci Inc. and Creststreet Power Holdings Limited (“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 percent of the annual operating cash flow above the Mount Copper Hurdle Cash Flow. For the three months and nine months ended September 30, 2005 no dividends were paid.

AWPC 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 percent of the annual operating cash flow above the Pubnico Point Hurdle Cash Flow. For the three months and nine months ended September 30, 2005 \$272 was paid to the Class B shareholders.

In addition, on August 3, 2005 the Partnership acquired the remaining 13.07% and 22.2% interests of the class A shares of Mount Copper and Pubnico Point from Creststreet Mutual Funds Limited and Creststreet Power Holdings for consideration of \$1,000 and 687 Limited Partnership Units with an ascribed value of \$6,013. The General Partner believes the carrying value of the assets acquired approximates fair value. While the General Partner has not yet finalized the purchase price allocation the excess of the purchase price has been allocated to goodwill, based on the General Partners initial valuation assessment.

The amounts paid to related parties are as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2005	2004	2005	2004
3Ci	\$1,433	294	\$1,741	\$1,005
AWPC	274	30	356	116
CCC	39	-	39	-
General Partner	74	35	144	74
Manager	207	100	620	517
	<u>\$2,027</u>	<u>\$459</u>	<u>\$2,900</u>	<u>\$1,712</u>

Change in Partners’ Equity

For the nine months ended September 30, 2005, partners’ equity increased by \$53,631 from \$22,482 at December 31, 2004 to \$76,113 at September 30, 2005. The increase was due to the issuance of Limited Partnership Units of \$63,444 and the \$530 related to the value of the conversion option of the unsecured convertible debentures, this was partially offset by the cost of issuing the units of \$4,264, the net loss from operations of \$4,637, as well as the distributions declared of \$1,442.

On August 3, 2005, the Partnership completed its second public offering of Limited Partnership Units raising gross proceeds of \$57,431. The Partnership paid Agent’s fees of \$3,446 being 6% of the gross proceeds raised and incurred \$818 in issue costs to complete the offering.

The Partnership commenced monthly distributions during the third quarter 2005 paying \$721 in September and declaring a further \$721 payable in October. Distributions were declared to be \$0.0627 per Limited Partnership Unit.

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 monitor the production, operations and performance of both windpower projects closely 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 the opportunity to invest in or acquire each project during construction or upon completion.

The first project the Manager acquired subsequent to the Quebec and Nova Scotia Projects was Kettles Hill Wind Energy Inc., a 63 megawatt windpower project in southern Alberta, which commenced construction in July 2005. The Partnership has provided a non-binding expression of interest to invest in the Kettles Hill Wind Energy Inc. and potentially acquire ownership of the project after completion of construction expected in the summer of 2006.

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

Risks and Uncertainties

The force with which the wind will blow at the Quebec 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 Quebec 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 wind power facilities but should they be modified, cash distributions could be adversely affected.

The operations of the Partnership, the Quebec 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, AWPC, 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 Quebec 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 Quebec 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.

Consolidated Balance Sheet

As at September 30, 2005 and December 31, 2004

(In Thousands)

	(Unaudited)	
	September 30, 2005	December 31, 2004
Assets:		
Current Assets		
Cash and cash equivalents	\$ 9,646	\$ 3,914
Cash held in escrow	1,535	997
Accounts receivable	2,197	3,324
Prepaid expense	376	45
	13,754	8,280
Deferred charges	2,634	4,445
Plant and equipment (Note 5)	132,888	99,190
Goodwill (Note 10)	3,387	-
	\$ 152,663	\$ 111,915
Liabilities:		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 8,729	\$ 7,194
Distribution payable (Note 11)	721	-
Derivative instruments (Note 4)	-	2,363
Due to related parties (Note 7)	177	51
	9,627	9,608
Notes payable (Note 8)	30,000	63,700
Unsecured convertible debentures (Note 9)	26,540	-
Asset retirement obligation	229	23
Future income tax liability	10,154	12,156
	76,550	85,487
Minority interest	-	3,946
Partners' equity	76,113	22,482
	\$ 152,663	\$ 111,915

Commitments (Note 6)

See accompanying notes to consolidated financial statements

Consolidated Statements of Operations

(unaudited)

For the three months and nine months ended September 30, 2005 and 2004

(In Thousands)

	Three Months ended		Nine Months ended	
	September 30, 2005	September 30, 2004	September 30, 2005	September 30, 2004
Revenue:				
Electricity sales	\$ 3,366	\$ 527	\$ 8,537	\$ 766
Expenses:				
Operating costs	739	245	1,385	349
Management fees (Note 7)	334	181	1,003	455
Administrative costs (Note 7)	291	71	766	451
	1,364	497	3,154	1,255
Income/(loss) before the undernoted	2,002	30	5,383	(489)
(Gain) Loss on derivative instruments (Note 4)	(602)	673	2,704	673
Amortization of deferred charges	218	-	530	-
Write off of deferred charges	2,440	-	3,297	-
Depreciation	1,701	500	3,442	702
Interest expense, net	1,127	-	2,058	(13)
Loss before the undernoted	(2,882)	(1,143)	(6,648)	(1,851)
Income taxes				
Current tax	19	-	19	-
Future income tax recovery	(1,079)	-	(2,002)	-
	(1,060)	-	(1,983)	-
Minority interest	269	(167)	(28)	(167)
Net loss	(2,091)	(976)	(4,637)	(1,684)
Net loss per unit	\$ (0.22)	\$ (0.23)	\$ (0.78)	\$ (0.40)

Consolidated Statements of Partners' Equity
(unaudited)

For the period from January 1 to September 30, 2005 and 2004

(In Thousands)	Three Months ended		Nine Months ended	
	September 30, 2005	September 30, 2004	September 30, 2005	September 30, 2004
Partners' equity - beginning of period	\$ 20,466	\$ 29,028	\$ 22,482	\$ 36,424
Net loss	(2,091)	(976)	(4,637)	(1,684)
Proceeds form Issue of Units (Note 10)	63,444	-	63,444	-
Payment of Agents' Fees	(3,446)	-	(3,446)	-
Payment of Cost of Issue	(818)	-	(818)	(93)
Distributions declared to the unitholders (Note 11)	(1,442)	-	(1,442)	-
Unsecured convertible debentures option value (Note 9)	-	-	530	-
Future income tax resulting from renunciation	-	(3,925)	-	(10,520)
Partners' equity - end of period	\$ 76,113	\$ 24,127	\$ 76,113	\$ 24,127

See accompanying notes to consolidated financial statements

Consolidated Statements of Cash Flows
(unaudited)

For the three months and nine months ended September 30, 2005 and 2004

(In Thousands)

	Three Months ended		Nine Months ended	
	September 30, 2005	September 30, 2004	September 30, 2005	September 30, 2004
Cash flow from operating activities:				
Net loss	\$ (2,091)	\$ (976)	\$ (4,637)	\$ (1,684)
Add (deduct) items not affecting cash:				
(Gain) loss on derivative instruments	(602)	673	2,704	673
Amortization of deferred charges	218	-	530	-
Accretion of interest expense (Note 9)	26	-	70	-
Write off of deferred charges	2,440	-	3,297	-
Depreciation	1,701	500	3,442	702
Future income tax recovery	(1,079)	-	(2,002)	-
Minority Interest	(48)	(167)	(345)	(167)
	565	30	3,059	(476)
Non-cash operating working capital:				
Increase in asset retirement obligation	5	-	206	-
Decrease (increase) in accounts receivable	868	899	1,127	(1,740)
Decrease (increase) in prepaid expense	5	(11)	(331)	(31)
Increase (decrease) in accounts payable and accrued liabilities	1,091	72	2,195	(407)
Increase (decrease) in amounts due to related parties	(1,378)	331	126	577
	1,156	1,321	6,382	(2,077)
Cash flows from financing activities:				
Finance issue costs	206	(3,996)	(2,015)	(4,241)
Realized loss on derivative instrument	(5,067)	-	(5,067)	-
Increase (decrease) in notes payable	(46,850)	30,000	(33,700)	30,000
Issue of unsecured convertible debentures	-	-	27,000	-
Issue of share capital by subsidiary to minority interest	-	484	25	2,525
Proceeds from issue of units	57,431	-	57,431	-
Unit Issue Costs	(4,264)	-	(4,264)	(93)
Distributions to unitholders	(721)	-	(721)	-
	\$ 735	\$ 26,488	\$ 38,689	\$ 28,191

Consolidated Statements of Cash Flows (Continued)

(unaudited)

For the three months and nine months ended September 30, 2005 and 2004

(In Thousands)

	Three Months ended		Nine Months ended	
	September 30 2005	September 30, 2004	September 30 2005	September 30, 2004
Cash flows from investing activities:				
Acquisition of minority interest	\$ (1,000)	\$ -	\$ (1,000)	\$ -
Additions to plant and equipment	(2,595)	(21,462)	(37,141)	(49,886)
Decrease in accounts payable for additions to plant and equipment	(2,950)	(12,289)	(660)	2,185
Decrease in accounts receivable for reduction to plant and equipment	4,635	-	-	-
	(1,910)	(33,751)	(38,801)	(47,701)
Net increase (decrease) in cash	(19)	(5,942)	6,270	(21,587)
Cash and cash equivalents, beginning of period	11,200	15,204	4,911	30,849
Cash and cash equivalents, end of period	\$ 11,181	\$ 9,262	\$ 11,181	\$ 9,262
Cash and cash equivalents is comprised of:				
Cash	\$ 9,646	\$ 7,996	\$ 9,646	\$ 7,996
Cash in escrow	1,535	1,266	1,535	1,266
	\$ 11,181	\$ 9,262	\$ 11,181	\$ 9,262
Supplemental cash information:				
Interest paid	\$ 1,692	\$ -	\$ 3,330	\$ -
Large corporate tax paid	\$ 68	\$ -	\$ 68	\$ -
Cash value of Units Issued for acquisition of minority interest	\$ 6,013	\$ -	\$ 6,013	\$ -

See accompanying notes to consolidated financial statements

CRESTSTREET POWER & INCOME FUND LP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Three and nine months ended September 30, 2005 and 2004
(unaudited, all amounts stated in thousands, except per unit information)

1. Creststreet Power & Income Fund LP

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 "Quebec 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.

The General Partner of the Partnership is Creststreet Power & Income General Partner Limited ("General Partner"). The General Partner has a 0.01 percent 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.

2. Basis of presentation

The interim period consolidated financial statements have been prepared by the Partnership in accordance with Canadian generally accepted accounting principles. The preparation of the financial data is based on accounting policies and practices consistent with those used in the preparation of the audited annual consolidated statements. The accompanying unaudited consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles for interim financial statements and, accordingly, certain information and footnote disclosure normally included in financial statements prepared in accordance with Canadian generally accepted accounting principles have been condensed or omitted. These financial statements have been prepared using the same accounting principles as used in the annual audited consolidated financial statements and should be read in conjunction with the audited consolidated financial statements of the Partnership for the year ended December 31, 2004. The results of operations of any interim period are not necessarily indicative of the results of operations for any other interim period or for a full fiscal year. Certain amounts have been reclassified on the comparative statements of operations and cash flow to conform with the current period's presentation.

3. Cash held in Escrow

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 offering to be held in escrow. All Cash held in escrow was released on October 20, 2005.

4. Derivative Instruments

Bond forward purchase agreements were used to reduce interest rate exposure on the refinancing of the 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 order to reduce, to the extent possible, the interest rate exposure on the refinancing of its indebtedness. The agreements were based on the 5%, June 1, 2014 Government of Canada Bond and were settled on August 3rd, 2005 for the total amount of \$5,067.

5. Plant and Equipment

	<u>September 30, 2005</u>	<u>December 31, 2004</u>
Quebec Project	\$89,061	\$30,586
Nova Scotia Project	<u>48,486</u>	<u>11,592</u>
	137,547	42,178
Less: accumulated depreciation	<u>4,659</u>	<u>1,216</u>
	<u>\$132,888</u>	<u>\$40,962</u>
Quebec Project construction in progress	\$ -	\$29,642
Nova Scotia Project construction in progress	<u>-</u>	<u>28,586</u>
	<u>-</u>	<u>58,228</u>
Total	<u>\$132,888</u>	<u>\$99,190</u>

During the second quarter of 2004 the Quebec 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 Quebec Project. At the time of commercial operation, construction in progress is reclassified to plant and equipment and depreciation commences.

The Quebec Project and the Nova Scotia Project have recorded asset retirement obligations primarily associated with certain closure and restoration costs for their wind energy turbines of \$139 and \$90 respectively for the nine months ended September 30, 2005. For the three months and nine months ended September 30, 2005, interest expense capitalized was Nil and \$1,360, respectively (2004- \$132 and \$177 of interest income).

6. Commitments

The Quebec Project's remaining commitment under the Warranty Maintenance Agreements ("WMS Agreement") with Vestas-Canadian Wind Technology at September 30, 2005 is \$4,060.

The Nova Scotia Project's remaining commitment under the Warranty, Maintenance and Service Agreement ("WMS Agreement") with Vestas-Canadian Wind Technology at September 30, 2005, is \$1,811.

7. Related Party Transactions

The amounts due to related parties as at September 30, 2005 are as follows:

	<u>September 30, 2005</u>	<u>December 31, 2004</u>
Due to the Manager	\$ 126	\$ 44
Due to 3Ci Inc.	<u>51</u>	<u>7</u>
	<u>\$177</u>	<u>\$51</u>

For the three months and nine months ended September 30, 2005, fees charged by the Manager and General Partner to the Partnership in accordance with the Management Agreement and Financial Service Agreement amounted to \$281 and \$764 (2004 - \$135 and \$591).

For the three months and nine months ended September 30, 2005, fees charged by 3Ci Inc. (a shareholder of the Quebec Project) to the Quebec Project under the Construction Services Agreement and Management Services Agreement amounted to \$1,433 and \$1,741 (2004-\$294 and \$1,005).

3Ci Inc. and Creststreet Power Holdings Limited 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 percent of the annual operating cash flow above the Mount Copper Hurdle Cash Flow. For the three months and nine months ended September 30, 2005 no dividends were paid.

For the three months and nine months ended September 30, 2005, fees charged by Atlantic Wind Power Corporation ("AWPC") (a shareholder of the Nova Scotia Project) and an affiliate of AWPC to the Nova Scotia Project under the lease agreement, Construction Management Agreement and Management Services Agreement amounted to \$41 and \$123 (2004-\$30 and \$116).

AWPC and Creststreet Capital Corporation 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 percent of the annual operating cash flow above the Pubnico Point Hurdle Cash Flow. For the three months and nine months ended September 30, 2005 \$272 was paid to the Class B shareholders.

During the quarter the Partnership acquired the remaining minority interest of Mount Copper and Pubnico Point from related parties, refer to note 10 for details.

8. Notes Payable

Quebec Project

On August 19, 2004, the Quebec Project entered into a financing agreement with a syndicate of lenders establishing a credit facility totalling \$67,270. On January 20, 2005 the agreement was amended and the junior facility of \$13,570 was cancelled and the related deferred financing costs of \$498 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 \$1,572 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.

Nova Scotia Project

On September 16, 2004, the Nova Scotia Project entered into a financing agreement with a syndicate of lenders establishing a credit facility totalling \$40,025. On February 2, 2005, the agreement was amended and the junior facility of \$8,725 was cancelled and the related deferred financing costs of \$358 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 \$868 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.

9. Unsecured Convertible Debentures

On January 20, 2005, the Partnership issued 270 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' equity. The liability portion of the Unsecured Convertible Debentures is being accreted such that the liability of maturity will equal the gross proceeds less conversions. For the period ended September, 2005, \$70 of accretion expense has been included in the statement of operation.

The net proceeds of approximately \$24,906 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 the Quebec Project and the Nova Scotia Project to fund capital expenditures, to permit the refinancing of a portion of their construction debt facilities and for general business purposes.

10. Limited Partnership Units and Acquisition

On August 3, 2005, the Limited Partnership issued 7,251 Limited Partnership Units by public offering at \$8.75 per unit raising gross proceeds of \$57,431. Net proceeds of the offering were approximately \$53,131 of which \$51,655 was used to further invest in the Quebec project and the Nova Scotia project by way of subordinated and senior notes.

In addition, on August 3, 2005 the Partnership acquired the remaining 13.07% and 22.2% interests of the class A shares of Mount Copper and Pubnico Point from Creststreet Mutual Funds Limited and Creststreet Power Holdings for consideration of \$1,000 and 687 Limited Partnership Units with an ascribed value of \$6,013. The General Partner believes the carrying value of the assets acquired approximates fair value. While the General Partner has not yet finalized the purchase price allocation the excess of the purchase price has been allocated to goodwill, based on the General Partners initial valuation assessment. Goodwill is not amortized and is tested for impairment annually, more frequently, if events or changes in circumstances indicate the asset might be impaired.

11. Distributions

The first monthly distribution was made on September 15, 2005, to Unitholders of record on August 31, 2005, in respect of the period from August 1, 2005 to August 31, 2005, and was \$0.0627 per unit.

The second monthly distribution was made on October 14, 2005, to Unitholders of record on September 30, 2005, in respect of the period from September 1, 2005 to September 30, 2005, and was \$0.0627 per Unit.

About Creststreet Power & Income Fund LP

The Creststreet Power & Income Fund LP focuses on operating renewable energy projects in Canada. The Partnership currently owns and operates two wind energy projects with, in total, 84.6 Megawatts (MW) of power generating capacity. Mount Copper Wind Power Energy Inc. ("Mount Copper") operates a wind energy facility located near Murdochville, Québec with a nameplate capacity of 54.0 megawatts, and Pubnico Point Wind Farm Inc. ("Pubnico Point") operates a wind energy facility at Pubnico Point, Nova Scotia, with a nameplate capacity of 30.6 megawatts. All electricity generated by Mount Copper is being sold pursuant to a 21-year power purchase agreement with Hydro Quebec and all electricity generated by Pubnico Point is being sold pursuant to a 15-year power purchase agreement with Nova Scotia Power Inc.

As additional wind power projects are financed by future flow-through offerings structured by Creststreet Capital Corporation ("Creststreet"), the Partnership expects that it can provide an attractive liquidity option to those projects while increasing distributions and improving the diversification of the Partnership. The Partnership will also review additional investments in other power projects that can provide stable distributions and further diversification.

Forward-Looking Information - Certain information set forth in this document, including management's assessment of the Partnership's future plans and operations, contains forward-looking statements. By their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond the Partnership's control. This may include the impact of general economic conditions, industry conditions, volatility of commodity prices, currency fluctuations, environmental risks, competition from other industry participants, the lack of availability of qualified personnel or management, stock market volatility and ability to access sufficient capital from internal and external sources. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. The Partnership's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do, what benefits the Partnership will derive from them. 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.

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