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News Release

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Creststreet Power & Income Fund LP Reports Second Quarter 2006 Financial Results

TORONTO (August 4, 2006) – Creststreet Power & Income Fund LP (the “Partnership”) (CRS.UN, CRS.DB) today reported revenue of \$3.7 million for the second quarter of 2006, up from \$3.2 million in 2005, as both wind energy projects were fully operation during the quarter. Pubnico Point and Mount Copper delivered an aggregate 57.2 gigawatt hours (GWh) of electricity during the second quarter of 2006 to Hydro-Québec and Nova Scotia Power pursuant to their long-term power purchase agreements, up from 52.5 GWh in 2005.

“Pubnico Point continues to perform well,” said Eric McFadden, Chief Executive Officer of the Creststreet Power & Income Fund LP. “As reported earlier, turbine availability issues at Mount Copper continued throughout the second quarter but improved significantly in mid-June, concurrent with the increase in its availability warrantee to 95%.”

The increase in second quarter revenue from 2005 was principally the result of an additional two months of production at Mount Copper, which began full operations in June 2005. The increase in production and the strong performance of Pubnico Point was partially offset by reduced availability and lower wind speeds at Mount Copper, which reduced the Partnership’s total capacity factor to 31.0% relative to the long-term forecast of 34.5% for the period. Mount Copper’s production was also curtailed to 25 megawatts (MW) (from 54 MW) for approximately one week during the quarter as Hydro-Québec performed maintenance work on its own transmission lines.

Revenue for the six-month period ended June 30, 2006, increased to \$7.7 million from \$5.2 million in 2005, as both wind energy projects were in full operations for the period in 2006. Together, Pubnico Point and Mount Copper delivered 120.6 GWh of electricity in the first half of 2006, up from 83.8 GWh in 2005. Lower turbine availability at Mount Copper and maintenance work by Hydro-Québec were also offsetting factors in the Partnership’s performance in the first half of 2006.

During the second quarter of 2006, turbine availability was approximately 89% at Mount Copper while availability at Pubnico Point met its 95% warranty level. Mount Copper entered the second year of its warranty on June 15, 2006, increasing its warranted level of availability to 95% from 90% in the first year. Turbine availability at Mount Copper exceeded its first year warrantee level of 90% despite the facility’s disappointing first quarter performance. Turbine availability warranties are calculated on an average annual basis; therefore, availability statistics for shorter periods of time may not be indicative of annual performance.



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The Partnership generated cash flow from operations of \$1.9 million in the second quarter of 2006 compared with \$3.0 million in 2005, principally as a result of changes in non-cash working capital items for related parties. We declared total cash distributions of \$2.1 million in the second quarter and paid monthly cash distributions of \$0.0627 per unit in April and May, and \$0.0542 in June as a result of the previously announced change to the Partnership's distribution policy.

For the six-month period ended June 30, 2006, the Partnership generated cash flow from operations of \$3.8 million compared with \$5.2 million in 2005, principally as a result of changes in non-cash working capital items. We declared total cash distributions of \$4.2 million in the first half of 2006, exceeding cash flow from operations including non-cash working capital by \$0.4 million. The Partnership expects Mount Copper to benefit from improved turbine availability in line with the increase in its warranted level to 95%, which should in turn enhance cash flow generation going forward. At June 30, 2006, the Partnership had cash and cash equivalents of \$3.4 million.

The Partnership's revenue, earnings and cash flow are subject to seasonal fluctuations with the highest level of revenue is expected in the winter months (generally the first and fourth quarters).

Distributions

The Board of Directors of the Partnership has authorized monthly cash distributions of \$0.0542 per unit to be paid according to the following schedule:

Distribution Period	Record Date	Payment Date	\$ per Unit
September 2006	September 29, 2006	October 13, 2006	\$0.0542
October 2006	October 31, 2006	November 15, 2006	\$0.0542
November 2006	November 30, 2006	December 15, 2006	\$0.0542

At June 30, 2006, the Partnership had 11.5 million units issued and outstanding.

Conference call

The General Partner of Creststreet Power & Income Fund LP will hold a conference call to discuss its results today at 10 a.m. eastern time. To join the call, please dial toll-free 1 866 249-5221. The call will also be webcast live at www.creststreet.com and at <http://www.newswire.ca/en/webcast/viewEvent.cgi?eventID=1541320>

About Creststreet Power & Income Fund LP

Creststreet Power & Income Fund LP (the "Partnership") owns and operates two wind energy projects in Quebec and Nova Scotia with a total of 47 wind turbines and power generating capacity of 84.6 megawatts. All electricity generated by these wind energy projects is being sold pursuant to long-term power purchase agreements with provincial electricity utilities.

CERTAIN STATEMENTS INCLUDED IN THIS NEWS RELEASE CONSTITUTE "FORWARD-LOOKING STATEMENTS" WITHIN THE MEANING OF THE SECURITIES ACT (ONTARIO). SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE THE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS OF THE PARTNERSHIP TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS.

THE FORWARD-LOOKING INFORMATION CONTAINED IN THIS NEWS RELEASE REPRESENTS THE EXPECTATIONS OF CRESTSTREET POWER & INCOME FUND LP AS AT AUGUST 4, 2006 AND, ACCORDINGLY, IS SUBJECT TO CHANGE AFTER SUCH DATE. HOWEVER, CRESTSTREET POWER & INCOME FUND LP EXPRESSLY DISCLAIMS ANY INTENTION OR OBLIGATION TO UPDATE OR REVISE ANY FORWARD-LOOKING



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INFORMATION, WHETHER AS A RESULT OF NEW INFORMATION, FUTURE EVENTS OR OTHERWISE, EXCEPT AS REQUIRED BY APPLICABLE LAW.

THE PARTNERSHIP IS ORGANIZED IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF A LIMITED PARTNERSHIP AGREEMENT WHICH PROVIDES THAT NO UNITS MAY BE OWNED BY, AMONG OTHER THINGS, A PERSON WHO IS A "NON-RESIDENT" OF CANADA FOR PURPOSES OF THE INCOME TAX ACT (CANADA) OR A PARTNERSHIP.

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CRESTSTREET POWER & INCOME FUND LP
Consolidated Balance Sheets

As at June 30, 2006 and December 31, 2005
(Unaudited, in thousands)

	June 30, 2006	December 31, 2005
Assets:		
Current Assets		
Cash and cash equivalents	\$ 3,437	\$ 3,895
Restricted cash	2,796	6,368
Accounts receivable	1,399	2,998
Due from related parties	73	-
Prepaid expense	810	503
	<u>8,515</u>	<u>13,764</u>
Loan receivable	6,500	-
Deferred charges	2,407	2,602
Plant and equipment	127,912	131,341
Pre-operating costs	239	280
Intangible asset	4,844	4,990
	<u>\$ 150,417</u>	<u>\$ 152,977</u>
Liabilities:		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 4,230	\$ 8,281
Distribution payable	623	721
Due to related parties	-	112
	<u>4,853</u>	<u>9,114</u>
Notes payable	37,000	30,000
Unsecured convertible debentures	26,619	26,566
Asset retirement obligation	250	234
Future income tax liability	10,843	11,866
	<u>79,565</u>	<u>77,780</u>
Partners' capital	77,751	81,980
Deficit	-6,899	-6,783
	<u>\$ 150,417</u>	<u>\$ 152,977</u>



CRESTSTREET POWER & INCOME FUND LP
Consolidated Statements of Operations

For the three month and six-month periods ended June 30, 2006 and 2005
(Unaudited, in thousands, except per unit data)

	Three Months ended		Six Months ended	
	June 30, 2006	June 30, 2005	June 30, 2006	June 30, 2005
Revenue:				
Electricity sales	\$ 3,531	\$ 3,169	\$ 7,407	\$ 5,170
Wind power production incentive	141	-	284	-
Total revenue	3,672	3,169	7,691	5,170
Expenses:				
Operating costs	772	392	1,634	646
Management fees	230	441	472	669
Administrative costs	520	207	1,030	474
	1,522	1,040	3,136	1,789
Income before the undermoted	2,150	2,129	4,555	3,381
Loss on derivative instruments	-	2,961	-	3,306
Write off of deferred charges	-	-	-	856
Amortization of deferred charges	155	201	299	310
Amortization of intangible assets	73	-	146	-
Amortization of plant and equipment	1,720	1,046	3,442	1,701
Amortization of pre-operating costs	21	21	41	41
Interest expense, net	855	721	1,720	930
Loss before taxes and non-controlling interest	(674)	(2,821)	(1,093)	(3,763)
Income taxes				
Current tax	-17	-	-	-
Future income tax recovery	-649	(750)	-1,022	-923
	-666	(750)	-1,022	-923
Non-controlling interest	-	(252)	45	(296)
Net loss	(8)	(1,819)	(116)	(2,544)
Deficit, beginning of period	(6,891)	(4,744)	(6,783)	(4,019)
Deficit, end of period	\$ (6,899)	\$ (6,563)	\$ (6,899)	\$ (6,563)
Net loss per unit - basic and diluted	\$ (0.00)	\$ (0.43)	\$ (0.01)	\$ (0.60)
Weighted average number of units	11,501	4,250	11,501	4,250

CRESTSTREET POWER & INCOME FUND LP
Consolidated Statements of Partners' Capital

For the three month and six-month periods ended June 30, 2006 and 2005
(Unaudited, in thousands)

	Three Months ended		Six Months ended	
	June 30, 2006	June 30, 2005	June 30, 2006	June 30, 2005
Partners' capital - beginning of period	\$ 79,817	\$ 25,861	\$ 81,980	\$ 25,331
Distributions declared to the unitholders	(2,066)	-	(4,229)	-
Unsecured convertible debentures option value	-	-	-	530
Partners' capital - end of period	77,751	25,861	77,751	25,861



CRESTSTREET POWER & INCOME FUND LP
Consolidated Statements of Cash Flows

For the three month and six-month periods ended June 30, 2006 and 2005
(Unaudited, in thousands)

	Three Months ended		Six Months ended	
	June 30, 2006	June 30, 2005	June 30, 2006	June 30, 2005
Cash flow from operating activities:				
Net loss	\$ (8)	\$ (1,819)	\$ (116)	\$ (2,544)
Add (deduct) items not affecting cash:				
Loss on derivative instruments	-	2,961	-	3,306
Write off of deferred charges	-	-	-	856
Amortization of deferred charges	155	201	299	310
Amortization of intangible assets	73	-	146	-
Amortization of plant and equipment	1,720	1,046	3,442	1,701
Amortization of pre-operating costs	21	21	41	41
Accretion of interest expense	33	26	66	45
Future income tax recovery	(649)	-750	(1,022)	(923)
Non-controlling interest	-	-252	-	(296)
	1,345	1,434	2,856	2,496
Non -cash operating working capital:				
Increase in asset retirement obligations	-	90	-	201
Decrease (increase) in accounts receivable	358	(213)	1,599	259
Increase in prepaid expense	(67)	(98)	(307)	(336)
Increase (decrease) in accounts payable and accrued liabilities	410	313	(184)	1,104
(Decrease) Increase in amounts due to related parties	(181)	1,511	(185)	1,504
	1,865	3,037	3,779	5,228
Cash flows from financing activities:				
Finance issue costs	-104	(126)	(104)	(2,220)
Increase in notes payable	-	13,150	7,000	13,150
Issue of unsecured convertible debentures	-	-	-	27,000
Issue of share capital by subsidiary to minority interest	-	25	-	25
Distributions to unitholders	-2,164	-	-4,327	-
	-2,268	13,049	2,569	37,955
Cash flows from investing activities:				
Decrease (increase) in restricted cash	-	(534)	3,572	(533)
Increase in loan receivable	(1,500)	-	(6,500)	-
Reduction (additions) to plant and equipment	6	(30,489)	(3,878)	(36,891)
	(1,494)	(31,023)	(6,806)	(37,424)
Net (decrease) increase in cash	(1,897)	(14,937)	(458)	5,759
Cash and cash equivalents, beginning of period	5,334	24,610	3,895	3,914
Cash and cash equivalents, end of period	3,437	9,673 \$	3,437 \$	9,673
Supplemental cash information:				
Interest paid	\$ 558	\$ 755	\$ 2,002	\$ 1,638
Large corporate tax paid	\$ 17	\$ -	\$ 34	\$ -