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News Release

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Creststreet Power & Income Fund LP Enters Into an Agreement to Issue Convertible Subordinated Debentures

TORONTO (August 4, 2006) – Creststreet Power & Income Fund LP (CRS.UN, CRS.DB) (the “Partnership”) is pleased to announce that it has entered into an agreement with a group of underwriters co-led by CIBC World Markets Inc. and BMO Capital Markets to issue \$30 million of 8.0% convertible unsecured subordinated debentures (the “Debentures”) pursuant to its preliminary prospectus filed on August 2, 2006.

The Debentures will have a maturity date of September 15, 2011, and will be convertible, at the option of the holder, into fully paid trust units of the Partnership at a conversion price of \$6.65 per trust unit, being a rate of 150.376 limited partnership units per \$1,000 principal amount of Debentures. The offering will be made in all provinces of Canada and is expected to close on or about August 18, 2006, and is subject to obtaining required regulatory approvals and the satisfaction of various conditions. The offering is being made through a syndicate of investment dealers consisting of CIBC World Markets Inc. and BMO Capital Markets, and that includes Scotia Capital Inc., RBC Capital Markets, National Bank Financial Inc., TD Securities Inc., Acumen Capital Finance Partners Limited, Canaccord Adams and HSBC Securities (Canada) Inc.

The Partnership will use the net proceeds from the offering to fund a portion of its previously announced commitment to Kettles Hill Wind Energy Inc. (“Kettles Hill”), to repay debt incurred to finance the Partnership’s existing investment in Kettles Hill and for general business purposes. The Partnership has also convened a special meeting of limited partners to approve a further investment in Kettles Hill.

The Kettles Hill facility is a 63 megawatt wind energy project currently under construction near Pincher Creek, Alberta. The Partnership’s investment in Kettles Hill will fund a portion of the capital expenditures required to complete the wind energy project’s infill construction phase. The Partnership currently owns \$13.0 million of subordinated notes in Kettles Hill and intends to purchase additional notes to bring its total investment to \$20.9 million using a portion of the net proceeds of this subordinated debenture offering. On September 6, 2006, the Partnership will hold a special meeting of limited partners to approve a further investment of \$10.1 million of the offering proceeds in Kettles Hill subordinated notes, bringing its total investment in Kettles Hill to \$31.0 million, as previously announced. If the Limited Partners do not approve the further investment in Kettles Hill subordinated notes at the special meeting, \$10.1 million of the net proceeds of the offering will be used to repay debt that was incurred to make the Partnership’s



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existing investment in Kettles Hill and for general business purposes, rather than to acquire of the additional subordinated notes of Kettles Hill.

The special meeting of limited partners for the purpose of approving a further investment in Kettles Hill will be held on Wednesday, September 6, 2006, at 1 p.m. Mountain time (3 p.m. ET) in the Royal meeting room at the Metropolitan Centre in Calgary, Alberta (333 Fourth Avenue, S.W.). A management information circular and proxy voting cards will be filed with Canadian securities commissions and mailed to the Limited Partners no later than August 16, 2006.

The Partnership has applied for a listing of the Debentures under the symbol CRS.DB.A with the Toronto Stock Exchange. This news release shall not constitute an offer to sell or the solicitation of any offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. The Debentures have not been and will not be registered under the United States Securities Act of 1933 and may not be offered or sold in the United States.

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 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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