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## **News Release**

**CPIF – PR34**

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DISSEMINATION IN THE UNITED STATES.*

### **Creststreet Power & Income Fund LP Files Preliminary Prospectus for Convertible Debenture Offering and Convenes Special Meeting of Limited Partners**

TORONTO (August 2, 2006) – Creststreet Power & Income Fund LP (CRS.UN, CRS.DB) (the “Partnership”) today filed a preliminary prospectus for an offering of convertible unsecured subordinated debentures due September 15, 2011. 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 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.



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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 offering will be made in all provinces of Canada and is expected to close in August 2006, subject to regulatory approvals. The convertible 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.

The offering is being made through a syndicate of investment dealers co-led by 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. A copy of the preliminary prospectus is available from any of these investment dealers.

### **Second Quarter 2006 Performance Update**

Continued strong performance at the Partnership's Pubnico Point facility and increased turbine availability at the Mount Copper facility at the end of the quarter coinciding with the start of its 95% warranty period on June 16, 2006 highlight the second quarter.

The Partnership's two wind energy projects, Mount Copper and Pubnico Point, together generated 57.2 gigawatt hours of electricity in the second quarter of 2006, representing a capacity factor of 31.0% versus the long-term average forecast of 34.5% for the period, in part because of turbine availability issues at Mount Copper.

Turbine availability at the Mount Copper facility was 89% in the second quarter of 2006. In addition, the Mount Copper facility's output was curtailed to 25 MW from 54 MW for approximately one week during the month of June as Hydro-Québec performed maintenance work on its own transmission lines. Mount Copper entered the second year of its turbine warranty on June 15, 2006, whereupon its warranted level of availability increased to 95%. Since the start of the second warranty year at the Mount Copper facility on June 16, 2006, availability of the turbines has been greater than the warranted level of 95%. Management continues to work with turbine manufacturer Vestas to improve the availability of all its turbines.

Turbine availability at the Pubnico Point facility was greater than its warranted level of availability of 95% in the second quarter of 2006. Turbine availability warranties are calculated on an average annualized basis, and therefore availability statistics for shorter periods of time may not be indicative of annual performance.

Given Pubnico Point's continued strong performance and increased turbine availability at Mount Copper, the General Partner is comfortable that the Partnership will continue to meet its current monthly distribution level of \$0.0542 per unit.

Creststreet Power & Income Fund LP is scheduled to release its full second quarter financial results on August 4, 2006.

### **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



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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 2, 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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