



CRESTSTREET



Q3
2002

2001 (II)
CRESTSTREET 2001 (II)
LIMITED PARTNERSHIP

Dear Unitholder:

We are pleased to present the September 30, 2002 interim report for the Creststreet 2001 (II) Limited Partnership.

The Partnership's investment portfolio is strongly weighted to Canadian natural gas producers, and the fund intends to continue this investment strategy to capitalize on the anticipated tightening of natural gas supplies in North America over the next 3 to 5 years. Natural gas prices, although being volatile, have risen substantially throughout 2002 from US \$3.05 per million cubic feet in January to current market levels of US \$4.25. This has resulted in strong performance of the fund relative to the general equity markets over this period. As of November 21, 2002 the net asset value of the fund was \$8.67 per unit. This net asset value represents an attractive 24.2% after-tax total return since inception for an Ontario investor at the highest marginal tax rate relative to a loss of 7.9% for the TSX 300 for the same period.

Natural gas prices have generally remained strong despite weak economic growth in North America due to increasing concern over long-term natural gas supplies. Natural gas production is presently declining in the United States at a rate of approximately 4% per annum and is expected to remain flat in Western Canada this year. We expect natural gas prices to continue to perform strongly into 2003 as strengthening economic production leads to increased natural gas demand while supply remains constrained. With its solid portfolio of high quality natural gas producers, the fund is well positioned to take advantage of this continuing improvement in natural gas prices.

At the Special Meeting held on November 14, 2002, Limited Partners approved the rollover of the Partnership's investment portfolio into the Creststreet Resource Fund. Accordingly, Limited Partners will receive shares of Creststreet Resource Fund on a tax-deferred basis on or about January 15, 2003.

We encourage investors to visit our website at www.creststreet.com for timely updates on their investments.

Respectfully submitted,



Robert J. Toole
Managing Director
November 21, 2002

Management Discussion and Analysis

No comparison to prior periods has been provided, as the Partnership was not in operation during the third quarter of 2001.

Financial Condition – As of September 30, 2002 the Partnership had a net working capital of \$1,118,927 and had investments of flow-through shares of resource companies of \$11,020,929. The Partnership may adjust its investment portfolio prior to year-end, in efforts to maximize unitholder after-tax returns.

Results From Operations – For the period of January 1, 2002 to September 30, 2002, the Partnership paid management fees of \$201,065, being 1/12 of 2% of the net assets of the Partnership at the end of each month.

Change in Net Assets – The Partnership's net assets decreased by \$422,487 during the period primarily relating to the depreciation of the Partnership's investment portfolio due to soft equity markets experienced in the third quarter of 2002.

Outlook – The Partnership has a solid portfolio of high quality resource companies and, in particular, natural gas producers. The Partnership is well positioned to take advantage of continued improvement in natural gas prices expected over the next several years.

Statement of Net Assets*As at September 30, 2002 and December 31, 2001*

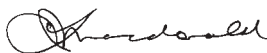
	Unaudited September 30 2002	December 31 2001
Assets:		
Investments in Resource Companies	\$11,020,929	\$12,454,551
Cash and Short-Term Investments	1,147,473	422,591
	12,168,402	12,877,142
Liabilities:		
Accounts Payable and Accrued Liabilities	28,546	314,799
Net Assets	\$12,139,856	\$12,562,343
Represented by:		
Partners' Capital Contributions	\$15,000,010	\$15,000,010
Costs of Issue – Agents' Fees	(1,012,500)	(1,012,500)
– Other	(364,124)	(339,753)
Retained Earnings	(33,240)	(129,245)
Unrealized Appreciation (Depreciation) of Investments	(1,450,290)	(956,169)
Partners' Equity at End of Period	\$12,139,856	\$12,562,343

See accompanying notes to financial statements

Approved Creststreet 2001 (II) Management Limited as General
Partner on behalf of Creststreet 2001 (II) Limited Partnership



Director



Director

Statement of Operations

For the Period Ended September 30, 2002

	Unaudited Quarter Ended September 30 2002	Unaudited Nine mo. Ended September 30 2002
Revenues:		
Gain on Sale of Investments	\$ 243,380	\$ 316,225
Interest Income	2,350	3,661
	245,730	319,886
Expenses:		
Management Fees (Note 3)	64,098	201,065
Administrative Costs	27,200	22,901
Operating Gain (Loss) Before Change in Unrealized (Appreciation) Depreciation of Investments	154,432	96,005
Change in Unrealized Appreciation (Depreciation) of Investments	(1,072,748)	(494,121)
Net Gain (Loss) for the Period	\$ (918,317)	\$ (398,116)

See accompanying notes to financial statements

Statement of Retained Surplus (Deficit)

For the Period Ended September 30, 2002

	Unaudited Quarter Ended September 30 2002	Unaudited Nine mo. Ended September 30 2002
Surplus (Deficit) Beginning of Period	\$ (187,672)	\$ (129,245)
Gain (Loss) Before Change in Unrealized Appreciation (Depreciation) of Investments	154,432	96,005
Deficit End of Period	\$ (33,240)	\$ (33,240)

Statement of Changes in Net Assets

For the Period Ended September 30, 2002

	Unaudited Quarter Ended September 30 2002	Unaudited Nine mo. Ended September 30 2002
Operations:		
Net Operating Income (Loss)	\$ 154,432	\$ 96,005
Change in Net Unrealized Appreciation (Depreciation) of Investments	(1,072,748)	(494,121)
	(918,316)	(398,116)
Unitholder Transactions:		
Proceeds from Issue of Units	—	—
Payment of Agents' Fees	—	—
Payment of Costs of Issue	(2,208)	(24,371)
	(2,208)	(24,371)
Net Increase (Decrease) in Net Assets	(920,524)	(422,487)
Net Assets at the Start of Period	13,060,381	12,562,343
Net Assets at the End of Period	\$12,139,856	\$12,139,856

See accompanying notes to financial statements

Statement of Investment Portfolio

As at September 30, 2002

Unaudited

Description	Number of Shares	Market Value
Ashton Mining of Canada Inc.	349,090	\$ 338,617
Atlas Energy Ltd.	300,000	705,000
Canadian 88 Energy Ltd.	697,675	1,709,304
Canadian Superior Energy Inc.	195,000	265,200
Cavell Energy Corporation	842,100	884,205
Compton Petroleum Corp.	454,546	1,831,820
Cougar Hydrocarbons Inc.	400,000	500,000
Devlan Exploration Inc.	181,818	290,909
Equatorial Energy Inc.	100,000	220,000
Gentry Resources Ltd.	325,000	432,250
High Point Resources Inc.	130,750	124,213
Kensington Energy Ltd.	444,444	133,333
Lexxor Energy Inc.	222,500	500,625
Meota Resources Corp.	100,000	447,000
Navigo Energy Inc.	349,200	873,000
Purcell Energy Ltd.	115,000	253,000
Real Resources Inc.	125,000	473,750
Tempest Energy Corp.	146,667	601,335
True Energy Inc.	263,684	176,668
Zapata Energy Corporation	110,000	260,700
Total Investment Portfolio		\$11,020,929

Notes to Financial Statements

For the period ended September 30, 2002 – Unaudited

1. Creststreet 2001 (II) Limited Partnership

CRESTSTREET 2001 (II) LIMITED PARTNERSHIP (the “Partnership”) was formed as a limited partnership under the laws of the Province of Ontario on September 12, 2001. The principal purpose of the Partnership is to invest in flow-through shares of resource companies involved in oil and gas exploration in Canada. Pursuant to a prospectus dated October 31, 2001, Limited Partners subscribed for 1,500,000 units of limited partnership interest. The General Partner of the Partnership is CRESTSTREET 2001 (II) MANAGEMENT LIMITED (the “General Partner”).

2. Summary of Significant Accounting Policies

These financial statements should be read in conjunction with the Partnership’s financial statements for the year ended December 31, 2001. The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and follow the same accounting policies and methods of application as the Partnership’s financial statements for the year ended December 31, 2001.

3. Related Party Transactions

The General Partner is entitled to receive a fee equal to 2.0% per annum of the net value of the Partnership, calculated and payable monthly in arrears. In the third quarter 2002, the management fee amount was \$64,098. The General Partner also has a 0.01% beneficial interest in the Partnership. The General Partner is reimbursed for reasonable costs related to maintaining the register of the Partnership and preparation and distribution of financial statements and other documents sent to the Limited Partners which costs amounted to \$nil.

4. Liquidity of Partnership Units and Termination of the Partnership

On or about January 15, 2003, the Partnership is scheduled to transfer all of its assets to Creststreet Resource Fund Limited, an open end mutual fund (the “Mutual Fund”) in exchange for shares of the Mutual Fund. Upon this transfer the Partnership will be dissolved at which time the net assets will be allocated 99.99% to the Limited Partners and 0.01% to the General Partner. Upon dissolution, the Limited Partners will receive their pro rata share of the shares of the Mutual Fund.

5. Tax Shelter Identification Number – TS 066951

The identification number issued for this tax shelter Partnership shall be included in any income tax return filed by the Limited Partners. Issuance of the identification number is for administration purposes only and does not in any way confirm the entitlement of an investor to claim any tax benefits associated with the tax shelter.

Directors of the General Partner

Gordon J. Bogden
Managing Director
Beacon Group Advisors Inc.

John P. A. Budreski
Managing Director
Scotia Capital Inc.

Larry J. Macdonald
Chairman
Pointwest Energy Inc.

Robert J. Toole
Managing Director
Creststreet Asset Management Limited

Officers of the General Partner

Robert J. Toole, President
Sheryl Chiddenton, Secretary Treasurer

Lead Agent

Scotia Capital Inc.
Toronto, Ontario

Legal Counsel

Fasken Martineau DuMoulin LLP
Toronto, Ontario

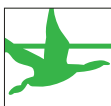
Auditors

KPMG LLP
Toronto, Ontario

Registered Address

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